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ВПЛИВ ВНУТРІШНЬОГО КОНТРОЛЮ НА ЯКІСТЬ ОБЛІКОВОЇ ІНФОРМАЦІЇ. IMPACT OF INTERNAL CONTROL ON THE QUALITY OF ACCOUNTING INFORMATION.

Анотація. *Усі організації потребують інформації як основи для прийняття рішень. Інформація стала основним ресурсом для більшості організацій, як комерційних, так і некомерційних. В останні роки інформаційні системи бухгалтерського обліку стали системою, яка є дуже важливою в організації, оскільки вона генерує важливу для організації інформацію. Щоб запобігти та мінімізувати помилки та шахрайство при застосуванні інформаційної системи бухгалтерського обліку з метою створення інформації, внутрішній контроль необхідно застосовувати всередині системи. Метою цього дослідження є отримання доказів впливу внутрішнього контролю на якість облікової інформації.*

Було досліджено фактори, які впливають на успішність інформаційної системи бухгалтерського обліку та якість облікової інформації. Виявлено проблеми у внутрішньому контролі, що можуть виникати через погане регулювання та явище спотворення бухгалтерського обліку що призводить до низької якості облікової інформації та завдає серйозної шкоди зовнішнім користувачам.

У результаті дослідження встановлено, що цілі внутрішнього контролю вимагають ефективності та результативності господарської діяльності. Ефективна система внутрішнього контролю – це повний комплекс контролю за всіма сторонами бізнесу та всіма особами, які здійснюють діяльність з управління підприємством. Розумна та здійсненна система внутрішнього контролю може забезпечити ефективну роботу підприємства та може розумно контролювати, координувати та оцінювати функції різних функціональних відділів та персоналу підприємства, щоб заохотити різні відділи та персонал підприємства виконувати свої обов'язки. Наявність чітких цілей, впорядковане та ефективне забезпечення виробничо-господарської діяльності підприємства, дозволить підвищити цілісність та прозорість облікової інформації, що надається компаніями.

Abstract. *All organizations need information as a basis for decision making. Information has become a major resource for most organizations, both for profit and nonprofit organization. In recent years, Accounting Information Systems (AIS) has become a system that is very important in an organization because it generates*

important information for the organization. To prevent and minimize errors and frauds in applying accounting information system in order to generate the information an internal control needs to be applied inside the system. The aim of this investigation is to get the evidence the influence of internal control on the quality of accounting information. The purpose of this study is to investigate factors that affect accounting information system success and accounting information quality.

Key words: *internal control, accounting, accounting information system, quality of accounting information*

Ключові слова: *внутрішній контроль, облік, облікова інформаційна система, якість облікової інформації*

Statement of the problem. A goal of accounting, as a source of information, is to fulfill many tasks in the business management system.

It has a crucial role in the operative and permanent collection and processing of information on industrial, commercial, financial, investment and other activities. Moreover, it provides users with useful information on the financial status and results of a specific company.

The accounting information system quality should take into account the basic nature of the information that is appropriate for a particular organization. The transmission methods used are: data and information, culture and shared values that exist within a specific organization. All methods, organizational policies and procedures that ensure security of corporate assets, accuracy and reliability of management data and other operational standards of management are called the internal control. The accounting information should reflect specifically the underlying connotation of financial information. In addition, the accounting information should be as reliable as possible to provide the needed quality of the accounting information.

Analysis of recent researches and publications. Numerous studies confirm that a number of classification features are presented in the scientific literature. Scientists express their own views on the classification and requirements of the accounting information. Azmi Fitriati emphasizes that the quality of the accounting information can be measured by using the qualitative features of accounting – they are: relevance, reliability, completeness, timeliness, understandability and verifiability [1].

Mengmeng Luo, in his article, highlights that the most fundamental feature of the accounting information is its decision-making usefulness. Additionally, the authentic and reliable accounting information is basic and necessary condition for the users of the accounting information to make the right management decisions. By using the effective internal control, companies develop and become more successful [2].

The quality of the accounting information can be influenced by such the factors as: manager competence and internal control effectiveness [3].

According to Yershov N.Yu., the quality of the accounting information is a pack of essential features of the accounting information that characterize its compliance with the goal and requirements, as well as the ability to fulfill the needs and requirements of users [4].

Omecinska I. stated that the quality of the accounting information is affected by many factors, which are not limited to the quality of accounting. The author also believes that the quality of the accounting information depends considerably on the organization of accounting, the knowledge level of accounting staff, an efficient system of the internal control and the quality of legal acts that regulate accounting. An important niche in ensuring the quality of the accounting information is also occupied by the company management's awareness of the purpose of accounting, corporate culture, and workplace organization [5].

Unfortunately, it is difficult to achieve the high standards of the accounting information. And this situation is not accidental. It is caused by the both objective and subjective reasons. First, the limitation of accounting technology itself is an objective factor that causes the accounting information is insufficient and does not properly reflect the condition of a company. Laws and regulations have been formulated in the political and economic environment in a certain period of time. Moreover, some of these laws and regulations are unclear and they do not allow for the appropriate implementation details which can lead to unpractical work. Second, the use of computers in accounting can also lead to some problem. In spite of the fact that introduction of computers into accounting is an improvement, some accounting staff, though very proficient in accounting itself, do not always have the sufficient computer literacy. Thus, it is easy to cause gaps in accounting information processing.

Setting a task. The aim of this investigation is to get the eviden the influence of internal control on the quality of accounting information. The results show that internal control has effect on the quality of accounting information system.

Presentation of the main research material. The use of computers has many drawbacks – one of them is that some defects of the used financial software.

Another one is the process can lack conformity and standards. Some accountants, on purpose, can also use the false accounting information. It affects the authenticity and importance of the accounting information, and the problem due to their "invisibility" may be greater.

Finally, the social audit can also become ineffective, which worsens the accounting information quality.

Additionally, the knowledge level of the certified public accountants is uneven. Some of them also lack professional ethics and do not have the proper managing skills. Due to these, many people cannot really play their important role they should to.

From the perspective of an information provider, the information provider, for various reasons has a motive to provide false accounting information. The first is that, by providing false accounting data, the management of a company can deceive the trust of investors, creditors and competent state authorities and thus obtain economic benefits such as investment, credit or reduction of tax costs. The directors can rely on the right to influence or compel their accountants to gain the trust of investors with the false accounting information and thereby gain interests in positions, salaries, stock appreciation, etc.

Accountants, as direct authors of accounting information, also play an important role in the quality of the accounting information. Some accountants do not meet the professional ethics standards, fail to adhere to the principle of proper

performance of their duties, forget their rights and responsibilities. In this way the authenticity of the accounting information is lost.

Therefore, in order to satisfy the needs of business management, managers also require the production of real accounting information. This is enough to show why some companies set up two sets of true and false accounts to meet the different needs of business interests. That is, only through perfect internal control and strict external supervision with the aim of better ensuring quality of the accounting information. The performance of company management is based on some profit index as the main basis, and there is a lack of comprehensive control of other related indicators. This mechanism has created a profit-oriented culture. In addition, the imperfect mechanism of rewards and punishments has a serious negative impact on governing bodies. The authorities pursue profit excessively, ignoring the improvement of the company's internal processes, the optimization of management and the long-term development of the company. The goals of the internal control require efficiency and effectiveness of business processes.

An effective internal control system represents a full range of controls over all aspects of a company and all individuals involved in business management actions. An adequate and feasible internal control system can ensure the efficient operation of a company and can reasonably control, coordinate and evaluate functions of various functional departments and employees in an enterprise so as to make the various departments and employees of the enterprise fulfill their responsibilities. clear goals and ensure the production and business activities of the company in an orderly and efficient manner. In this way, it increases the integrity and transparency of the accounting information provided by the company. The goal of the internal control requires the reliability of economic information and financial reporting. The effective internal control mechanisms can ensure that the confirmation, measurement, recording and reporting of the accounting information precisely reflect the actual production and business activities, and detect and correct all kinds of errors in a timely manner so as to ensure the authenticity and correctness of the accounting information. They are also believed to enable the accounting information provided by companies, to quickly and precisely reflect the financial situation of companies, their operating results and cash flow.

The internal control of companies has a great influence on improving the quality of the accounting data. The high-level internal control is responsible for ensuring the reliability and relevance of the accounting information. Companies should improve the optimization of the system of independent directors, help in strengthening the supervisory management of the board of directors and major shareholders, keep necessary discipline in a company's structure, and gradually improve the quality of the accounting information system.

Companies should also change the traditional organizational structure and establish the business process as a central, customer-oriented, flat and organic organizational structure. The advantages of the organizational structure mentioned above are: supporting the growth of basic managers, improving the democratization of decision making, saving management costs, easy understanding of the situation at the basic level, speeding up the transmission of information and limiting information distortion.

People have recognized the value of corporate culture - it is the core of a company. There are many well-known, large companies that follow the concept of "culture is the soul of business development". They form a culture with its own characteristics, and withstand fierce competition. Companies should fully consider their own situation to accelerate the pace of creating their corporate culture. On the one hand, the company management should improve the education and the spirit of corporate employees, including the way of thinking, ideals and beliefs, professional ethics, values and so on. An enterprise should also respect people, understand and care for them cultivating reasonable employment, improving the overall quality of employees as the main content of building the corporate culture, and form a cultural atmosphere that is good for talents to stand out and use creative talents. The more a company's systems are in harmony with human nature, the more they can stimulate work enthusiasm of employees, the more they can support the formation and spread of the corporate culture. Additionally, if employees are immersed in the atmosphere of the corporate culture, full of cohesion and centripetal force, their objectives and beliefs will converge more closely and the implementation of the internal control will be more effective. Consequently, the quality of the accounting information will naturally be guaranteed.

The internal audit can not only help companies to improve their operational efficiency and manage the internal control system, but also help enterprises in reducing the distortion of the accounting information and in improving its quality [6]. On the one hand, companies should strengthen the independence of the internal audit. Internal auditors should be able to independently perform audit accounting actions, control economic activity and evaluate internal control systems and report the results directly to the board of directors or to an audit committee.

On the other hand, companies should also identify and adjust the position of the internal audit procedure. Companies should conduct audit trainings for the management staff and inform them of the importance of the internal audit to the business. Additionally, companies should thoroughly select, hire and train internal audit officers and provide internal audit institutions with adequate assets so that the audit process was properly carried out.

The external control departments should actively coordinate and rationalize the division of work, mutually clarifying the scope of functions and strengthening information exchange, so that the decentralized control could turn into the joint supervision and create an effective supervisory force to carry out comprehensive monitoring of the internal control of companies.

Conclusions. With the development of economic globalization and increasingly fierce market competition, accelerating the development of companies is a long and demanding task. True and reliable accounting information are very important to meet the needs of the development of a human-oriented market economy. High-quality accounting information is crucial in a company's internal management structure. It enables the board of directors to assess their company's operating performance properly. The complete accounting information reduce a level of information asymmetry, increases the liquidity of the capital market. In this way, it reduces the company's cost of equity capital and contributing to the improvement of the company's performance. The accounting information, which meet the high-quality standards, directly determines the efficiency of the capital market and the

effectiveness of the allocation of the social resources. Currently, the misrepresentation of the accounting information is still quite serious for many reasons. However, the main reasons are imperfect internal control and poor implementation of the internal control. The internal control is the control of source accounting information. The effective internal control can eliminate incentives to misrepresent the accounting information. It is a fundamental guarantee of the quality of the accounting information. Consequently, companies must start from the internal control to search for the best possible solution. Due to the continuous improvement of the internal control system, companies ensure that accounting information is true and reliable.

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