

ROLE OF ACCOUNTING PROFESSION IN BUSINESS DEVELOPMENT

Sytnik O. E.

Federal State Budgetary Educational Institution of Higher Education
«Stavropol State Agrarian University»
Stavropol, Russian Federation

With the economic, environmental, technological, geopolitical and social changes taking place today, the accounting profession is gaining new flexibility and innovation. Today, information can increasingly be seen as the «new currency» and accountants have a role to play in how to protect, trust, manage, and use this «currency» to make better management decisions.

The ongoing transformational changes in the economy require large-scale participation of private business, which needs a favorable investment climate, including partnership. Comfortable partnerships are formed due to the possession of the necessary information, in this case, formed in the accounting system. Partners find the necessary information in the financial statements of economic entities or in integrated reporting, as more complex. Thus, accountants form the «infrastructure» for providing services in the field of decision analysis, due diligence, business consulting, anti-corruption, money laundering, justification and support of investments, including in research and development, as well as identifying and managing business risks and opportunities. The nature of the accounting profession allows us to say that accounting is a fairly powerful tool in the implementation of relevant programs of sustainable development goals, their support, analysis of results and the formation of reporting information. Forward-looking information must be reliable, based on educated assumptions and appropriately explained in financial and non-financial statements.

According to [3] «If the world wants growth, it needs accounting and accountants». The author also states: «The reality is that most governments are stuck in the Middle Ages when it comes to accounting. They have for too long been influenced by economists whose perspective on the management of public finances is limited to simple measures of cash flows and debt. This is like trying to manage a modern corporation using only the information available from the cash transactions recorded in the bank statements. Company accounting requires more complex information than this».

The evolution of business models is affecting how the growing volumes of data in the accounting industry are collected, tested and used. With a unique combination of accounting and ethical principles, business acumen, and digital skills, accounting professionals make the right use of data to solve a business problem, analyze it, and then effectively communicate conclusions about it. The specific professional skills and knowledge of accountants, including in the areas of management, risk analysis, and support and improvement of the decision-making process, which include measuring, reporting and ensuring the reliability of financial and non-financial accounting and reporting data, are increasingly in demand. Based on the Code of Ethics and professional competence, accounting employees maintain the necessary level of honesty and transparency in the formation of information.

Accounting allows you to «see» the facts of economic life, the consequences of changes in the composition of assets, capital, liabilities, income and expenses as a result of their commission, to assess and predict such consequences, and thereby, to provide accessible and reliable information to various groups of stakeholders for the adoption of the best from possible management decisions. The contribution of the accounting profession to improving the welfare and living standards of the population is also important. Due to the fact that reliable and high-quality information is generated in accounting, all objects of accounting are subject to assessment and reflected in the statements, users of this information have the opportunity to make decisions related to improving the standard of living and health, welfare of employees of economic entities and their families. In addition, the provision of high-quality financial and non-financial information, the exercise of the control function helps owners and management to create and maintain strong and trustworthy economic agents, which ultimately also form the basis for improving the well-being of people.

Thus, accountants must encourage flexibility and innovation in the generation of accounting information. The accounting profession must also respond quickly and innovatively to changes in the business environment, ensuring its relevance and responsiveness, as well as protecting the interests of both business owners and users of accounting information.

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FORMATION OF A CONTROL SYSTEM FOR ACCOUNTING MATERIAL RESERVES OF A BUDGETARY INSTITUTION

Tunin S. A.

FSBEI HE «Stavropol State Agrarian University»
Stavropol, Russian Federation

As you know, the financial and economic activity of a budgetary institution is a system of interconnection of constantly changing economic processes, each of which can be easily decomposed into components of the facts of the economic life of individual assets. Each fact of economic life in the accounting system is certainly associated with the risk of material distortion of the financial statements of the institution, the minimization of which is possible through the implementation of a certain kind of control procedures. The implementation of the institution's control actions aimed at managing the risks of material misstatement of the financial statements only emphasizes the control-oriented accounting system.

In the system formed in this way, accounting is closely related to control, with which they are in constant interaction, which acts in the continuous adaptation of the accounting system to internal control. The essence of control procedures should be that when selectively checking the facts of economic life, one could be convinced of the effectiveness of each fact of economic life.

The purpose of the formation of the control system can be reduced to the requirement of the current regulations, to improve the safety of material assets and to increase the level of efficiency of the institution as a whole, based on the observance of the following fundamental principles.

The principle of managing the risk of material misstatement of reporting assumes that every committed fact of economic life in an institution is initially associated with the presence of certain risks.

Integration principle – represents the relationship between the accounting system and internal control.

The principle of visibility – is that the control procedures should be streamlined and aimed at minimizing the risks of distortion of financial statements.