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**ADDITIONAL INCOME OF COMMERCIAL ORGANIZATIONS
AS AN OBJECT OF CONTROL****VOLHA SUSHKO, INA SAPEHA
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In this article the essence of notions "financial independence" and "additional income" is dealt with. Different sources of additional income are considered and the classification model of additional income of commercial organizations for its financial independence has been developed. The blocks "analytic procedures" and "auditing procedures" have been developed. Also the method of auditing of additional income for financial independence is considered. When developing the method of analysis, the complex system of indicators for informational support of financial independence of commercial independence is offered.

A significant number of organizations incur serious losses, which subsequently leads to bankruptcy in modern conditions of economic instability. The main task for any organization is the possibility of the subsequent existence and development. Additional income provision for the purpose of financial independence is one of the ways to stabilize financial condition. The Decree of the Ministry of Finance of the Republic of Belarus №102 dated 30.09.2011 set The Instruction on accounting of income and expenses. According to this instruction income and expenses depending on their nature, conditions and directions of organization activities are divided into:

- income and expenses from operating activity – are reflected in account 90 "Incomes and Expenses from operating activity";
- income and losses from investment activity – are reflected in account 91 "Other Incomes and Expenses";
- income and losses from financial activity – are reflected in account 91 "Other Incomes and Expenses".

However, it should be noted that an organization can generate additional income in order to strengthen its financial independence which is understood as the ability of an organization in a risky environment to develop a plan package, which guarantees constant solvency, opportunity to cover any expenses of commercial organization in accounting period, which in its turn determines stability of commercial organization and the degree of protection of creditors' interest [1, p. 288]. The interest represents the formation of additional income in order to strengthen the financial independence. Additional income is an income of commercial organizations, gained from additional investments in long-term values, cash equivalents, venture capital funds and others with a view to the financial independence of commercial organizations [2]. As tough standards and regulations for the development of sources of additional income do not exist, each organization is free to choose the sources of additional income. Therefore, taking into account national features, economic opportunities of an organization and using the principle of diversification we can offer the following classification of additional income for financial independence for accounting purposes by the following features, which are represented as a classification model in figure 1.

In the current economic conditions there is a need to efficiently control the ongoing economic processes, to efficiently manage assets and liabilities, to prevent negative phenomena and to increase revenues. One of the types of control, namely audit, is used to get this information, as well as confirmation of the reliability of financial statements, control of accounting objectivity and financial discipline.

According to the National rules of auditor activity the audit objective is to increase confidence of the intended users in the accounting (financial) statements, which is achieved by: obtaining by an audit organization reasonable assurance that accounting (financial) statements as a whole are free of material misstatement resulting from error, and (or) fraud, that provides an audit organization with the grounds for the opinion of whether accounting (financial) statements are in all respects corresponds to the basis for the preparation and submission of accounting (financial) reporting; the auditor's report on accounting (financial) statements in accordance with the requirements of the national rules of audit activities [3].

Audit procedures of additional income will vary depending on audit objectives. In the benefit of this study two directions of procedures, performed by an auditor during audit of additional income, were developed. These two blocks are presented in figure 2.

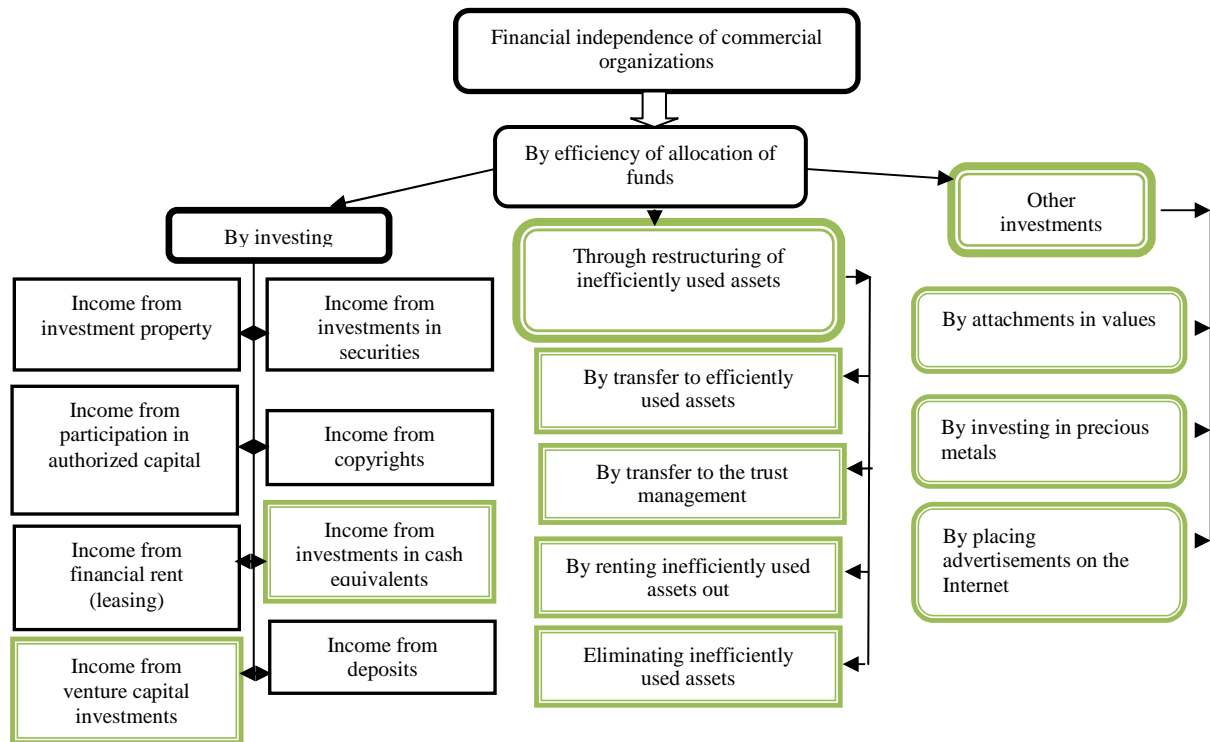


Fig. 1. The proposed classification of additional income of commercial organizations with a view to their financial independence

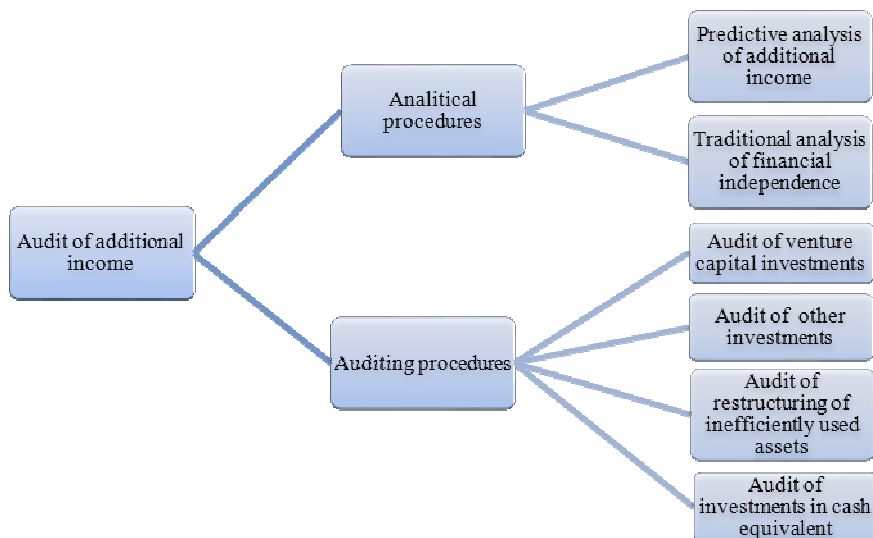


Fig. 2. The blocks of procedures during the audit of additional income of commercial organizations with a view to their financial independence

Let us briefly consider each block separately. Thus, two directions represent the unit «analytical procedures»: predictive analysis of additional income and traditional analysis of financial independence. If an auditor is involved not only in verifying the authenticity of financial statements, but also as an expert, a predictive analysis of additional income seems to be appropriate.

The elements of predictive analysis are showed below:

- the evaluation of risks;
- the evaluation of attractiveness of an investment project;
- the evaluation of payback period;
- the evaluation of additional income;
- the evaluation of estimated profitability of investments [4, p.292].

This predictive analysis lets us evaluate risks, the level of possible future cash flow.

Among the elements of traditional analysis of financial independence of commercial organization, there are the following:

- the evaluation of provision of financial and material resources;
- the evaluation of solvency in relation to counterparties;
- the evaluation of dynamics of financial results from investment and financial activity;
- calculation of the main indicators of profitability of a commercial organization;
- the evaluation of financial independence of a commercial organization.

The proposed methodology of traditional analysis can serve as a source of information for management decisions. This analysis will not only evaluate the provision of financial and material resources, the level of solvency in relation to counterparties, calculate the indicators of profitability, but also assess financial independence in general.

Offering the block «Audit procedures», we can single out the following procedures: audit of venture capital investments, audit of investments in cash equivalents, audit of restructuring of ineffectively used assets, audit of other investments. The role of an information support plays the documents and records of quantitative and accrual accounting registers. The sources of information for monitoring transactions under the account of additional income for the purpose of financial independence are presented below (Table 1):

Table 1 – Information support of auditing additional income for the purpose of financial independence

Groups of informational sources					
1. Statements of commercial organizations			2. Discount register	3. Accounting records	4. Accounting policies
Accounting statement	Statistic statement	Tax statement			
Form 1 "Balance sheet", Form 2 "Profit and Loss", Form 3 "Statement of changes in equity sources", Form 4 "Statement of Cash Flows", Form 6 "Statement on the use of targeted funding";	Form 12-F (profit) "Report on financial results", Form 12-F (calculations) "Report on the status of settlements", Form 4-F (invest) "Report on investments in the Republic of Belarus from abroad and investments of the Republic of Belarus abroad", Form 1-F (RPP) "Report on the individual financial performance", Form 1-F (leasing) "Report on leasing" Form 1-UN (advertising), "Report on the organization of promotional activities";	Declaration on the calculation of value added tax and income tax;	Main book; ledgers № 10, 13 and 10/1 and analytical accounting statements, operational records, automated account data sheets (account card, account analysis, turnover balance sheets, statements of current accounts 01, 02, 06, 08, 58, 83, 84, 86, 91, 99	Administrative, executive, of accounting processing, combined, reference;	Regulation on the accounting policy; Working chart of accounts; Forms of primary documents for fixed assets accounting; Schedule for document flow;

Proposed audit algorithm is shown in Figure 3 [5].

Further, during the audit, an auditor develops an audit strategy, conducts significant estimates of the plan and documents the plan of the auditor's expected work for each algorithm of the proposed audit procedures.

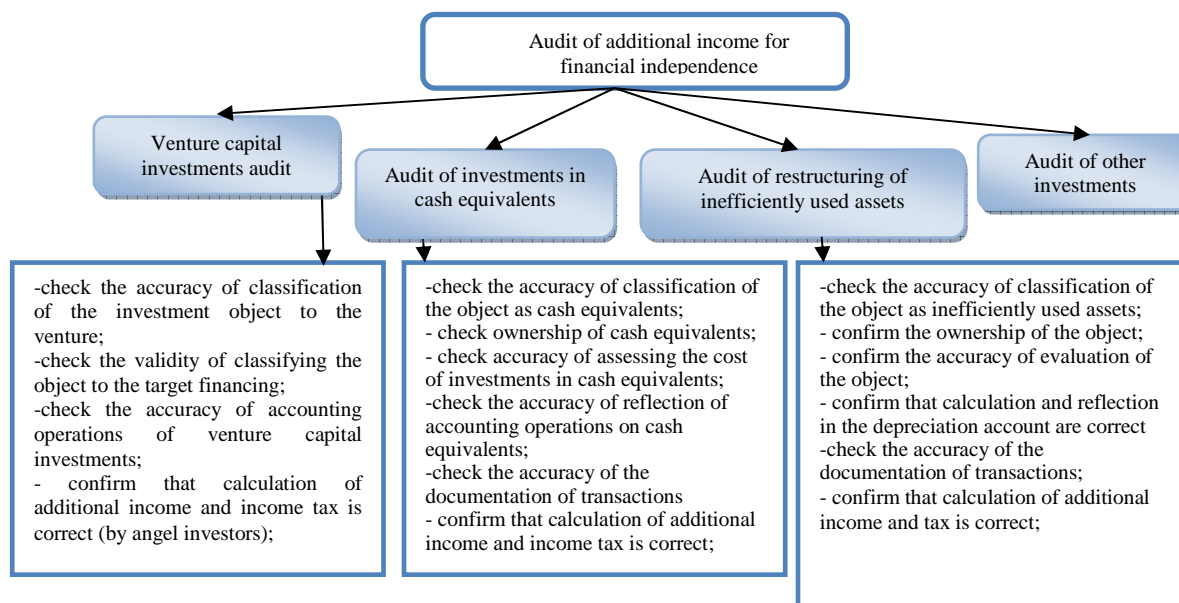


Fig. 3. Algorithm of audit procedures of additional income accounting

Thus, the study of financial independence, in accordance with the proposed algorithm has allowed:

- to justify the usefulness of the use of concepts "financial independence" and "additional income" in science;
- to develop a classification model of the additional income, including items such as income from venture capital investments, income from investments in securities, income from investments in cash equivalents, other investments;
- to develop a method of prediction analyses of additional income of commercial organizations and of traditional analysis of financial independence for carrying out an auditor's expert evaluation;
- to develop analytical and audit procedures for the purposes of the audit of additional income.

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