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Audit of the System of Payments to Employees of Agricultural Enterprises: Theoretical and Methodological Aspects

Abstract. Introduction. *In the conditions of growing competition and requirements for the efficiency of business processes, the provision of fair and motivating payment systems becomes a key condition for the success of agricultural enterprises. Currently, many agricultural enterprises face the problem of lack of adequate tools for objective assessment and audit of payment systems. This leads to conflicts, a decrease in staff motivation and, as a result, a drop in labor productivity.*

Purpose. *The purpose of the scientific research is to study the methods and tools of the audit of payments to employees of agricultural enterprises in order to improve the efficiency of personnel management and ensure the stable financial condition of the enterprise.*

Results. *At the initial stages of Ukraine's independence, attention to the audit of payments was not as pronounced as in the later period. The initial legislation focused mainly on general principles of auditing and accounting, but over time the need for more detailed regulation grew. The introduction of international standards in the 2000s contributed to increasing the transparency and efficiency of payment systems, which required the improvement of audit mechanisms. The regulatory and legal framework of Ukraine in this area is developing, taking into account both internal experience and international standards, ensuring effective personnel management and protection of employees' rights.*

Adapting the audit methodology to agricultural enterprises requires a deep understanding of their specifics, in particular, the seasonality of production and the influence of natural conditions on activity. Key aspects include the assessment of risks associated with climatic conditions and economic factors. A review of payment audit tools shows a variety of methods, such as questionnaires, analytical procedures, and document review.

The audit of payments in agricultural enterprises faces challenges related to seasonality of work and variability of payments. It is important to ensure the competitiveness and fairness of payments, especially in the conditions of competition for qualified personnel. Accurate accounting and effective communication are key to avoiding errors and increasing employee motivation.

A successful audit of payments at agricultural enterprises is based on a comprehensive approach that takes into account the compliance of payments with market standards, the transparency of the system, the flexibility of taking into account seasonality and the adequacy of payments to the achieved results. This contributes to increasing the efficiency of the enterprise and employee satisfaction.

Conclusions. *In order to successfully integrate new methods into the payment management system, it is necessary to conduct an audit of the existing system, identify potential weaknesses and prepare a detailed implementation plan, including training for employees. Integrating payment audits with existing information systems requires the development of specialized software or the adaptation of already used systems to ensure data integrity and audit effectiveness in the long term.*

Keywords: *agricultural enterprise, payments to employees, verification method, audit procedures.*

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Аудит системи виплат працівникам аграрних підприємств: теоретичні та методичні аспекти

У статті розглянуто теоретичні, законодавчо-нормативні та методичні аспекти аудиту системи виплат працівникам аграрних підприємств. Встановлено, що в останні роки дослідження аудиту виплат працівникам здійснювалися українськими та науковцями в переважній більшості без врахування галузевих особливостей аграрних підприємств. Визначено, що організація аудиту системи виплат працівникам аграрних підприємств містить низьку особливостей. Наведено специфіку роботи аграрних підприємств, зокрема, сезонність робіт, особливості трудового внеску працівників, та потребу в забезпеченні справедливості та прозорості в розподілі виплат. Вивчені методики спрямовані на підвищення ефективності аудиту, забезпечення об'єктивності в оцінці виплат, та вдосконалення процесів прийняття управлінських рішень на сільськогосподарських підприємствах.

Ключові слова: аграрне підприємство, виплати працівникам, методика перевірки, процедури аудиту.

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Formulation of the problem. In the face of increasing competition and demands for efficiency, ensuring fair and motivating payment systems becomes a key condition for the success of agricultural enterprises. Currently, many agricultural enterprises are facing the problem of lacking adequate tools for an objective assessment and audit of payment systems. This leads to conflicts, reduced staff motivation, and consequently, a decline in labor productivity.

Analysis of recent research and publications. The problems of developing the theory and methodology of auditing employee payments in recent years have been highlighted in the works of domestic scholars: Dugar T., Zhogova O., Maistrenko O., Morozova Ye., Ohiychuk M., Tsimbalyuk S., and others. However, concerning the current conditions of agricultural enterprises' activities and, accordingly, their internal and external environment, the issues of organizing and methodizing the audit of employee payments have been insufficiently researched so far.

Formulation of research goals. The aim of the scientific research is to study methods and tools for auditing payments to employees of agricultural enterprises in order to improve personnel management efficiency and ensure the stable financial condition of the enterprise.

Outline of the main research material. At the initial stages of Ukraine's independence, attention to payment auditing was not as pronounced as in later periods. The initial legislation focused more on general principles of auditing and accounting. However, over time, as the economy developed and Ukraine integrated into the global economic space, there arose a need for more detailed and specialized regulation of payment auditing [3].

The impact of international standards became particularly noticeable in the 2000s, when Ukraine began more actively implementing international accounting standards and corporate governance norms. This contributed to increased demands for transparency and efficiency in payment systems at enterprises, which in turn necessitated improvements in the auditing mechanisms of these systems.

Significant influence on the development of payment auditing in Ukraine also came from recommendations of international financial organizations, which contributed to the adoption of best practices in this field. Ukrainian legislation increasingly began to incorporate provisions aimed at ensuring fairness, competitiveness, and alignment of payments with employees' performance [7].

Today, Ukraine's regulatory framework in the field of audit payments is represented by a whole range of legislative and regulatory acts that take into account both internal experience and international standards. This not only enhances personnel management efficiency in enterprises but also provides additional guarantees for protecting employees' rights. The development of the regulatory framework in this area continues to be an important aspect of ensuring sustainable development in the Ukrainian economy.

In Ukraine, there are several legislative and regulatory acts that define the legal framework for audit payments. The main laws of Ukraine related to audit payments include the Law of Ukraine «On audit of financial statements and audit activity», which defines the basic principles of auditing in the country, including audit payments.

The Law of Ukraine «On Accounting and Financial Reporting in Ukraine» is also important, establishing general principles for accounting and financial reporting, including reporting on payments.

Subordinate regulatory acts, instructions, and methodological recommendations governing payment audits include normative documents issued by the Ministry of Finance of Ukraine, as well as other regulatory bodies. They encompass instructions, methodological recommendations that detail the audit process, including the specifics of payment audits [4,6,9].

Professional standards developed by professional audit organizations play an important role as well, setting requirements for the quality of audits, ethical norms, methodological approaches specific to payment audits.

In Ukraine, oversight and control in the field of payment audits are carried out by several bodies, with key ones being the Ministry of Finance of Ukraine and the Public Oversight Authority for Audit Activities. These bodies play a crucial role in shaping and implementing

state policy in the audit field, ensuring compliance with relevant standards and norms.

In Ukraine, oversight and control in the field of audit of payments are carried out at several levels, which ensures a comprehensive approach to regulating this important activity and contributes to increasing its effectiveness and transparency.

Audit of payments is an important process that allows agricultural enterprises to assess and optimize the structure of their payments. It involves a detailed analysis of the payment system to identify opportunities for increasing the efficiency and fairness of employee compensation. The essence of the audit lies in ensuring transparency and adequacy of the payment system, as well as in identifying and eliminating any imbalances or injustices [8].

The goals of audits in terms of payouts are quite diverse. Firstly, it aims to ensure compliance with market conditions in payments so that an organization can be competitive in attracting and retaining talented employees. Secondly, audits help ensure compliance with legislative norms in payouts, avoiding legal risks. Thirdly, it identifies opportunities to optimize personnel costs, allowing the enterprise to more efficiently allocate its resources [10].

Methodological approaches to audits are a fundamental basis for conducting audit checks,

determining both the audit process itself and its effectiveness. Auditing requires a systematic approach to analyzing the activities of the enterprise to identify potential risks and improvement opportunities. Audit methodology encompasses various aspects from planning to execution and documenting the audit results [8].

Audit methods are divided into methods of conducting checks and methods of organizing them (see Figure 1).

Adapting the general audit methodology to the specifics of agricultural enterprises requires a deep understanding of the unique aspects of their activities. Agricultural enterprises are characterized by the seasonality of production, significant influence of climatic conditions, dependence on biological cycles, and the need to use large volumes of land resources. The peculiarities of these factors necessitate an individual approach to conducting audits.

When adapting the methodology, it is necessary to take into account fluctuations in enterprise income caused by cyclical changes in the agricultural sector. Auditors need to carefully assess the risks associated with natural conditions and external economic factors that may affect financial results. For example, inventory evaluation should consider the possibility of losses due to weather conditions or pests.

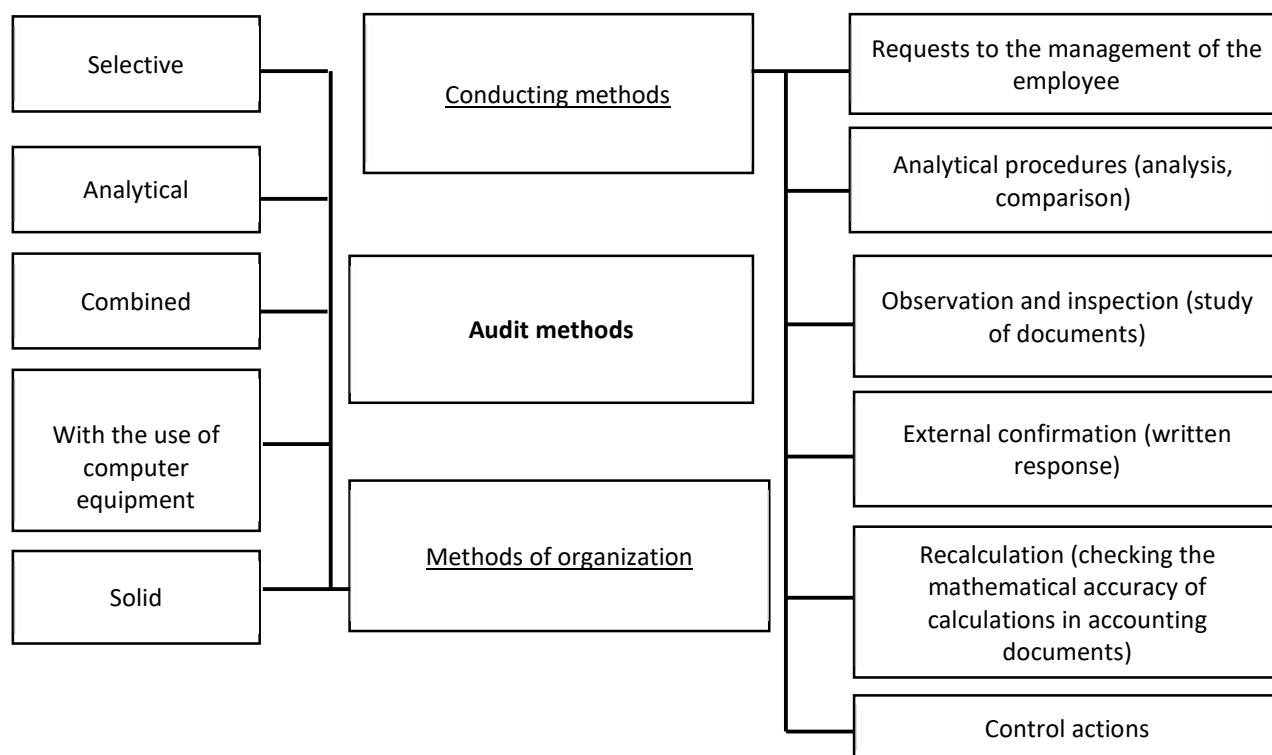


Fig. 1 - Classification of audit methods

Source: compiled by the authors based on [3, 8]

The review of existing payment audit tools reveals a wide range of methods that can be classified according to

their purpose and methodology of application. Key payment audit tools include surveys and interviews,

analytical procedures, documentation review, work with databases and information systems, case studies, and benchmarking.

Surveys and interviews are fundamental tools that allow gathering primary information about the accrual and payment processes directly from the participants involved in these processes. These methods ensure the collection of both quantitative and qualitative data that can be used to assess the adequacy and effectiveness of the payment system. Surveys and interviews can reveal discrepancies, misunderstandings, and other payment-related issues [11].

Analytical procedures allow auditors to compare payments with market data, identify trends, and anomalies in payments that may indicate errors or abuse. Auditors employ various statistical and mathematical models to assess the consistency and accuracy of calculations.

During our research, we studied the experience of conducting payment audits in several agricultural enterprises in the Mykolaiv and Dnipropetrovsk regions, which illustrates the effective application of payment audit tools through real-life examples. Let's start with internal auditing, where surveys and interviews with employees were used to gather feedback on the payment system. These methods helped identify communication flaws and misunderstandings regarding the enterprises' policies on bonuses and other forms of payments. With the information obtained, the management of agricultural enterprises was able to make corrections that not only improved employees' understanding of the payment system but also their motivation and job satisfaction.

The researched enterprises represent the agricultural sector, which has its own specifics determined by the industry's characteristics. The agricultural sector is marked by seasonal employment of workers, which affects the payment system and requires adaptation of standard audit approaches to the cyclical nature of agriculture. Payments at enterprises may vary depending on yields and market prices, so auditors need to consider these factors when verifying compliance with accruals.

In agricultural enterprises, payment audits include analyzing compliance with minimum wage guarantees in agriculture, checking additional incentives for employees such as bonuses for quality of harvested crops or rewards for efficient resource utilization.

In agricultural enterprises, payroll auditing faces challenges due to the seasonal nature of agricultural production, which complicates payment planning and analysis. Ensuring competitiveness and fairness in payments is a significant issue, especially amidst high competition for skilled personnel in the agricultural sector. Today, agricultural enterprises are grappling with a shortage of qualified tractor operators, combine harvester operators, and drivers. The outflow of such specialists to the Armed Forces of Ukraine has compelled management to urgently train young people and inexperienced women in these professions.

The accuracy of payment documentation and accounting, along with effective internal communication, are crucial to avoiding errors in payments and increasing employee motivation. Resolving these issues is critical for the effectiveness of payroll auditing and the overall success of the enterprise.

At one of the researched enterprises, LLC «Golden Ear» in Mykolaiv, a comprehensive approach to auditing payments was implemented, based on clearly defined evaluation criteria. These criteria allow for assessing the effectiveness and fairness of the payment system at the enterprise, as well as identifying potential areas for improvement.

The first criterion is compliance of payments with market standards. By analyzing market trends and comparing payments at the enterprise with similar positions in other industry enterprises, LLC «Golden Ear» was able to adapt its payment system to attract and retain qualified specialists.

The second criterion is the transparency of the payment system. By implementing clear and understandable rules for calculating payments, the enterprise was able to increase employee satisfaction and reduce the number of conflicts and misunderstandings related to payments.

The third criterion is the flexibility of the payment system, taking into account the seasonality of work in agriculture. LLC «Golden Ear» has implemented a differentiated payment system that considers peak and off-peak periods of work, thereby ensuring fairness and motivation for employees throughout the year.

The fourth criterion is the adequacy of payments to achieved results. The assessment included an analysis of the relationship between employees' contribution to the overall achievements of the enterprise and their payments. This helped ensure that the most productive employees receive appropriate payment for their contributions.

The implementation of these criteria had a positive impact on the payment audit process at LLC «Golden Ear». Using these criteria, key problematic areas were identified, and measures were taken to address them, which in turn contributed to increased efficiency, employee satisfaction, and improvement of corporate culture within the company.

Conclusions. To successfully integrate new payment management methodologies into the system, both organizational and technical aspects need to be considered.

The first step is to conduct an audit of the existing payment system to identify potential weaknesses and areas for improvement. Based on this analysis, it can be determined which tools need to be adapted or developed from scratch to suit the specific needs of the agricultural enterprise.

The next stage involves developing a detailed plan that includes an implementation schedule, defining responsible individuals, resources needed for

implementation, and mechanisms for monitoring and evaluating the effectiveness of the payment audit. It is also important to provide training and informational support for employees to ensure proper adaptation to the innovations.

Special attention should be given to integrating the payment audit with existing information systems in the

enterprise. This may require the development of specialized software or adaptation of already-used systems. Ensuring a high level of integration is crucial for maintaining data integrity and the effectiveness of payment audits in the long term.

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