

SECTION 9 ACCOUNTING, ANALYSIS AND AUDIT

Yu. Bondar
*Postgraduate Student,
Kyiv National University of Trade and Economics*

AUDIT OF TAX EXPENDITURES

Errors occur due to the complexity of tax legislation and weaknesses in the tax system. Thus, there are tax expenditures. An audit is a financial instrument that confirms honesty of financial statements. Financial audit of tax expenditures is an independent audit of the financial and tax accounting, which aims to determine the correctness of calculation of costs, and reflects these costs in regulated reporting.

Financial audit of tax expenditures is used:

- to verify the tax and cost accounting in the enterprise;
- when the chief accountant, chief financial officer or director is changed;
- before audits by tax authorities;
- to check tax reporting;
- for other purposes.

The article presents a technique and organization of audit of tax expenditures. The author found ways to improve audit of tax expenditures.

Classification of financial audit of tax expenditures:

1. Financial audit of costs to determine the tax liabilities;
2. Financial audit of costs for tax administration;
3. Financial audit of service costs for tax liabilities.

The author has developed a form of "Income Tax Calculation" using the program to work with spreadsheets of Microsoft Excel.

Application of this calculation in the cost audit will reduce the risk of non-detection of the amounts of income tax by tax audit.

Submitted spreadsheet consists of two main parts:

1. Data obtained by accounting.
2. Data obtained by calculation for the purpose of verification.

This article reveals the specific features of the audit of tax expenditures. The author defined organizational aspects of the object of research. The results of the study allowed developing ways of improving methods of conducting tax expenditures audit, which would improve its quality.