

## CLASSIFICATION TECHNIQUES OF AUDITING

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Methods and techniques of audit activity that are used nowadays by audit organizations, individual auditors, and auditors that render audit services are studied in this article.

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Audit uses the totality of effective methods and techniques that characterize the methodology of audit implementation. The methods of audit are referred to the process of collecting and saving audit evidence, analysis and estimation of information, obtained in the process of auditing. The variety of applied methods defines different approaches to their classification. In our opinion two most significant approaches to the classification of audit methods can be outlined: their division into general scientific methods and special methods. The group of general scientific includes the methods of: analysis, synthesis, induction, deduction, modeling, analogy, concretization, experiment, system and functional analysis. The second group includes special methodological methods of the inspection: documental and actual control.

Documental control includes the following techniques:

- The inspection of one single document – normative, logical, arithmetic etc.;
- The inspection of several documents of the same type or linked in their utility operations – opposite inspection, mutual verification;
- The inspection of system accountant records – control collation, recount of quantitative-sum data, chronological inspection, verification, tracing, preparing of alternative balance etc.

Methodological techniques of actual control include:

- Stock-checking;
- Inspection;
- Writing and oral questioning and explanation of the transactions conditions etc.

For example, methods that are used by an auditor in order to verify the results of stock-checking imply the implementation of the following actions:

Analysis of documents, that formalize the process of stock-checking according to formal indicators and on the merits;

Control of the actual remains of checked materials and accounting remains according to the

register of the corresponding accounts of the book-keeping accounting;

Arithmetic check of the calculations and results;

Analysis of the decisions according to the results of the stock-checking;

Checking of the correction and timeliness of the stock-checking results reflection in the stocktaking by testing the record of accounts 94, 73, 91;

Examination of the completeness and timeliness of the paying of deficit, losses and reception of the surplus that have been found out in the process of stock-checking;

Analysis of the results of the verification of the accounts of mutual financial liabilities and the process of the difficulties settlement, if such occur in a transaction;

Auditor request to various contractors in order to verify the amount of financial liabilities;

Auditor participation in control inspections.

We should outline, that while estimating stock materials auditor must consider the specifics of economic activity of the inspected person, that implies either widening or narrowing the range of audit procedures according to professional judgement of the auditor.

Methods of the audit activity can be divided into three groups depending on their usage in the process of audit services.

The method of conclusive base formation;

The method of audit valuation;

Methods that are used while rendering services that accompany audit.

The foundation of the first group includes the techniques of estimation of risks of significant artifact of the account report, significance, implementation of selective inquiries, actual testing. These methods are borrowed from statistics, they are well studied and explained. However their practical implementation in audit must base on the fundamental principles of audit and the regulations of audit standards. The second group includes methods of factor analysis, financial computation, prognosis, expert valuation etc. the third group includes special methods, that differentiate depending on the type of accompanied services (method of observation inspection, methods of procedure confirmation, method of financial information compilation).

Methods of audit are implemented to the audit objects. The most attention in the audit meth-

odology is paid to methods, that form the conclusive base of audit.

The selection of method for formation of conclusive base is defined by the peculiarities of specific customer and possible auditor's confidence about the quality of the inspection. While choosing the method of inspection the following techniques are considered: control methods; analytic methods; detail study of the operation.

Control methods include: the quality of the control from the customer's leaders; presence of computer control systems; means and procedures of the control.

Analytic methods include: distribution of letters among customers in order to verify the sum of an agreement or remains of accounts debts; study of increase or decrease in income dynamics, for example for the current or previous year.

Control and analytic methods are quick and less laborious. However they give less audit confidence.

The detail operations examination includes: the inspection of accountant document; actual operations inspection; inspection of entity accounting; comparison of the records and documents (as well as account records, documents and actual data of mutual operations), definition of the records identity.

The legality and correctness of the accounting operations are verified in the process of the accounting documents inspection as well as an authenticity of documents, correctness of the accounts, validity of accountant records. How-

ever a complete inspection of the documents is not excluded for the most difficult and responsible operations, that may have significant artifacts such as dishonest activities. Selective documents inspection method is reasonable in all other cases. While using it one can avoid the increase in risk if the right document selection is being carried out. Logical analysis, the examination aimed for the exposure of inner antagonisms in documents, character of accounts based on actual company resources are used for the documents inspection. For this, in particular, the following methods are used: interconnected documents method, opposite inspection. Detail examination of the operations is the most laborious, but it provides the biggest audit confidence.

Auditors, employees of self-regulative audit organizations, staff of scientific organization and methodological centres develop and improve methods, principles and techniques that are used in audit practice. Fundamental theoretic and practical developments are very important for the development of the audit activity as well as the researches of Russian and foreign scientists in the field of audit. Progressive ideas of audit activity are being advocated in candidate and doctor dissertations nowadays.

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