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# PECULIARITIES OF INTERNAL AUDITING OF PAYMENTS TO EMPLOYEES

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## ОСОБЛИВОСТІ ПРОВЕДЕННЯ ВНУТРІШНЬОГО АУДИТУ РОЗРАХУНКІВ ЗА ВИПЛАТАМИ ПРАЦІВНИКАМ

***The article proves that internal auditing of payments to employees is an important tool for ensuring financial discipline and effective management of an enterprise. It helps to identify errors in payroll, prevent violations of labor and tax laws, and ensure transparency of accounting processes.***

***It is determined that the issues of improving the methodological foundations of the internal auditing of payments to employees are relevant, since a well-organized audit is a key tool for ensuring the financial stability of an enterprise.***

***It is established that improving the methodological foundations of internal auditing will contribute to more effective detection of violations and risks, increase compliance with regulatory requirements and ensure control over the use of funds allocated for labor remuneration. It also allows optimizing accounting processes, forming reasonable conclusions for making management decisions, and creating employee trust in the payment system.***

***It is stated that a well-organized internal auditing allows optimizing the settlement system, minimizing the risks of financial losses and improving the interaction between employees and employers. In addition, the audit of employee benefit payments contributes to the timely adjustment of remuneration policies in accordance with changes in economic conditions and regulations.***

***It is determined that the internal auditing of payments to employees is an integral element of the internal control system, which ensures stability, transparency and efficiency of financial management at the enterprise.***

***The author confirms that a well-organized internal auditing allows optimizing the settlement system, minimizing the risks of financial losses and improving the interaction between employees and employers. In addition, the audit of employee benefit settlements facilitates timely adjustment of remuneration policies in accordance with changes in economic conditions and regulations.***

***It is established that the proposed methodology of internal auditing of employee benefits is aimed at improving the efficiency and transparency of the processes of accrual and payment of wages. The implementation of this methodology allows not only to ensure the accuracy of accounting, but also to reduce the risks of errors and fraud, improve financial discipline at the enterprise, and ensure compliance with legal requirements. This system will help strengthen employee confidence in the organization and contribute to its sustainable development.***

***У статті доведено, що внутрішній аудит розрахунків за виплатами працівникам є важливим інструментом забезпечення фінансової дисципліни та ефективного управління підприємством. Він сприяє виявленню помилок у нарахуванні заробітної плати, запобіганню порушенням трудового і податкового законодавства, а також забезпеченню прозорості облікових процесів.***

***Визначено, що актуальність питань удосконалення методологічних засад внутрішнього аудиту розрахунків за виплатами працівникам, оскільки якісно організований аудит є ключовим інструментом для забезпечення фінансової стабільності підприємства.***

***Встановлено, що удосконалення методологічних засад внутрішнього аудиту сприятиме більш ефективному виявленню порушень і ризиків, підвищенню відповідності нормативним вимогам та забезпеченню контролю за використанням коштів, виділених на оплату праці. Це також дозволяє оптимізувати процеси обліку, формувати обгрунтовані висновки для прийняття управлінських рішень та створювати довіру працівників до системи виплат.***

***Констатовано, що якісно організований внутрішній аудит дозволяє оптимізувати систему розрахунків, мінімізувати ризики фінансових втрат і покращити взаємодію між працівниками та роботодавцем. Крім того, аудит розрахунків за виплатами працівникам сприяє своєчасному коригуванню політик оплати праці відповідно до змін економічних умов і нормативних актів.***

***Визначено, що внутрішній аудит розрахунків за виплатами працівникам є невід'ємним елементом системи внутрішнього контролю, який забезпечує стабільність, прозорість і ефективність фінансового управління на підприємстві.***

***Підтверджено, що якісно організований внутрішній аудит дозволяє оптимізувати систему розрахунків, мінімізувати ризики фінансових втрат і покращити взаємодію між працівниками та роботодавцем. Крім того, аудит розрахунків за виплатами працівникам сприяє своєчасному коригуванню політик оплати праці відповідно до змін економічних умов і нормативних актів.***

***Встановлено, що запропонована методика внутрішнього аудиту за виплатами працівникам націлена на підвищення ефективності та прозорості процесів нарахування і виплати заробітної плати. Впровадження цієї методики дозволяє не тільки забезпечити точність обліку, але й знизити ризики помилок і зловживань, покращити фінансову дисципліну на підприємстві, а також забезпечити виконання вимог законодавства. Ця система допоможе зміцнити довіру працівників до організації і сприятиме її стабільному розвитку.***

*Key words: employee benefits, internal auditing, payroll, control, settlement system.*

*Ключові слова: виплати працівникам, внутрішній аудит, заробітна плата, контроль, система розрахунків.*

## FORMULATION OF THE QUESTION

Employee benefit settlements are one of the most important aspects of accounting and auditing, as they directly affect the financial stability of the company, its reputation and employee motivation. In today's environment, when the economy is globalizing, business activities are becoming increasingly complex, and competition in all sectors is growing, the relevance of improving approaches to internal audit of these settlements is increasing significantly.

Effective internal audit helps to ensure accurate and transparent accounting of employee benefits, which, in turn, plays an important role in planning and analyzing labor productivity. This allows not only to identify reserves for increasing labor efficiency, but also to improve the overall management of labor resources. High-quality internal audit ensures that calculations comply with regulatory and legal requirements, reduces the risk of financial errors and helps prevent potential violations.

Thus, improving the methodology of internal audit of employee benefit payments is not only an important condition for maintaining financial discipline, but also a significant factor in improving the efficiency of the enterprise in the current economic dynamics.

## ANALYSIS OF RECENT RESEARCH AND PUBLICATIONS

The analysis of research on labor remuneration shows that many scholars are engaged in this topic. Many

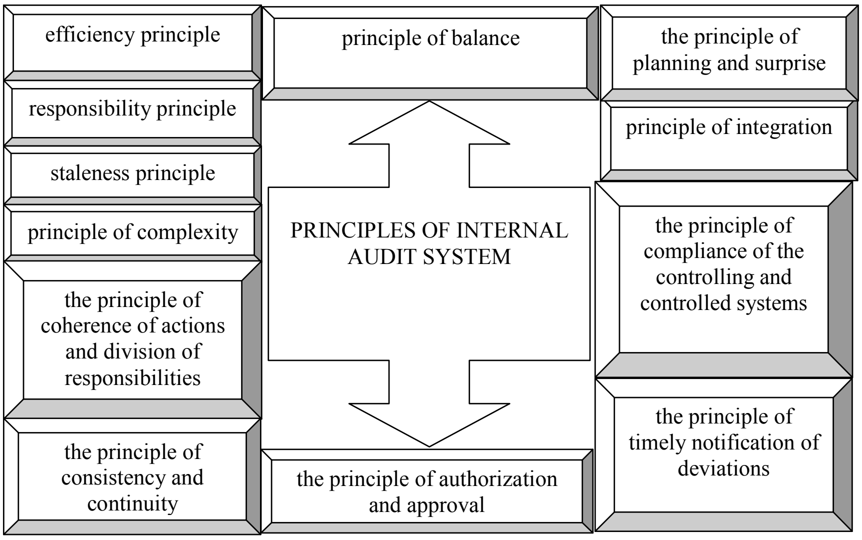


**Fig. 1. System of internal audit principles**

domestic scholars have paid attention to theoretical and practical issues of internal control over payroll settlements: L.V. Hutsalenko, G.V. Arapa, S.M. Petrenko, R.E. Ostroverkhoi, K. Kryshchenko, I.V. Sauha and others. Recognizing the significant scientific contribution to the study of internal audit, it should be emphasized that in the context of the constant evolution of forms and methods of control, the growing importance and need to take into account the unique characteristics of issues related to improving the methodology and organization of internal audit of employee benefits remain relevant and require further study.

## THE PURPOSE OF THE ARTICLE

The purpose of the article is to define the theoretical and methodological foundations and develop practical recommendations for improving the methodology of internal audit of employee benefit payments aimed at improving the level and content of the audits conducted.

## PRESENTATION OF THE MAIN MATERIAL

Labor costs are one of the most significant cost items of any economic entity. However, despite the established foundation of the modern domestic accounting system, many issues of accounting and auditing of employee benefits are still controversial, which necessitates their study. The regulation of these issues is not regulated by uniform legal requirements, but depends entirely on the specifics of the calculation of cost items of each enterprise.

In this regard, the internal audit of payments to employees is defined as a control system organized in the interests of the owners and regulated by the internal documents of the organization to ensure the reliability of financial statements, which helps to prevent the loss of financial resources.

Internal audit of employee benefit payments is an important part of any organization's financial management. This process should ensure the accuracy and timeliness of payments, as well as minimize the potential risks of fraud or errors. In today's business environment, where effective management of financial resources plays a key role in competitiveness, improving the system of control over payroll becomes a necessity to ensure the stability and transparency of the company's operations.

The components of internal audit are the identification and management of risks to the organization's economic activities. Information on risks is necessary for a complete presentation of data on the company's financial position, economic results of its activities and changes in its financial position.

The article highlights the following principles as the main proposed principles of the system of internal audit of payments to employees (Fig. 1).

An equally important aspect is the implementation of risk management systems. This allows the company to assess potential threats in advance and minimize their impact. Employee benefit payments occupy a special place in risk management systems, as they directly affect the financial stability of the organization. The development and implementation of an early risk detection system allows for a prompt response to changes and prevention of possible financial losses.

The proposed system of internal audit of payments to employees should consist of the following components (Fig. 2).

In general, improving the internal audit system of employee benefits requires a comprehensive approach. This includes process automation, staff development, implementation of internal and external audits, transparency of procedures, risk management, and cooperation with external experts. This approach will help not only improve the efficiency of financial accounting, but also build trust between management and employees, which is key to the successful operation of any organization.

At the final stage of the audit, a final document summarizing the results of the audit should be prepared. Such a document may be drawn up on the basis of the general results of the audit or for individual objects of control. We propose a sample form of the final document based on the results of the audit (Table 1).

Internal audit system for employee benefit settlements

- audit of the correctness of accruals and payments to employees in accordance with legal requirements
- verification of compliance with the law on payroll deductions and the correct application of tax deductions
- assessment of the organization of analytical and synthetic accounting of payroll settlements
- verification of the correct execution of documents and their reflection in the accounting records for settlements with employees
- audit of the company's expenses for social insurance and social security
- analysis of the efficiency of the payroll fund, including the assessment of labor costs

**Figure 2. Internal audit system for employee benefit payments**

The proposed sample form of the final document based on the results of the audit contains all the necessary elements to ensure a clear and precise reflection of the results of the audit of accounting transactions and their compliance with the established requirements. Such a document is used to record the findings of the audit and provides recommendations for improving processes or correcting identified errors.

The proposed methodology for internal audit of employee benefits is an important component of the effective operation of any organization. Proper internal control over the process of accrual and payment of salaries ensures transparency, correctness of calculations and

**Table 1. Form for summarizing the results of the audit of employee benefit accounting**

<table>
<tr><td colspan="2">Number of control procedures</td><td colspan="2">Number of working documents</td><td rowspan="2">Number of violations detected</td></tr>
<tr><td>Planned</td><td>Implemented</td><td>Planned</td><td>Executed</td></tr>
<tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr>
<tr><td>….</td><td>….</td><td>…</td><td>….</td><td>…..</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="5">Analysis of identified violations</td></tr>
<tr><td rowspan="3">Nature of violations</td><td rowspan="3">Working paper</td><td rowspan="3">Number of violations detected</td><td colspan="2">Consistency of identified violations by the client's management</td></tr>
<tr><td colspan="2">Number of violations</td></tr>
<tr><td>Consent received on the existence of a violation</td><td>Corrected during the inspection</td></tr>
<tr><td>Requirements of the current legislation</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Requirements of internal administrative documents</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Methodological principles of accounting in accordance with</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Arithmetic errors</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Reflection in synthetic accounting</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Reflection in analytical accounting</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Reflection in financial statements</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Other:</td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="5">Uncorrected, uncoordinated violations</td></tr>
<tr><td colspan="2">List of violations</td><td colspan="2">The error was not corrected during the audit</td><td>Disagreement of management personnel</td></tr>
<tr><td colspan="2">………</td><td colspan="2">…………….</td><td>…………</td></tr>
</table>

timeliness of payments, which helps to maintain employee trust and improves the financial stability of the enterprise. The proposed methodology for internal control over employee benefits provides a system of measures to ensure accuracy, efficiency and compliance with the law in the process of managing human resources.

The proposed methodology for internal audit of employee benefits is aimed at improving the efficiency and transparency of payroll processes. Implementation of this methodology allows not only to ensure the accuracy of accounting, but also to reduce the risks of errors and fraud, improve financial discipline at the enterprise, and ensure compliance with legal requirements. This system will help strengthen employee confidence in the organization and contribute to its sustainable development.

## CONCLUSION

To summarize, the internal audit of payroll should be organized in such a way as to contribute to the efficiency of financial resources management, ensure timely and accurate payments, and strengthen employees' trust in the payroll system.

A properly organized internal audit helps to identify deficiencies in accounting processes, prevent financial irregularities and minimize the risks of payroll errors. It also helps to ensure compliance with applicable laws, optimize payment processes and increase the transparency of financial transactions.

An effective internal audit of payroll is a key tool for building financial stability, improving labor relations, and stimulating productivity. It not only provides control, but also serves as a platform for continuous improvement of the payroll system.

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