AUDIT OF CONSTRUCTION WORKS IN CONSTRUCTION ORGANIZATIONS

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Abstract
Currently, the legal regulation of contractual relations between construction participants and, as a consequence, the features of accounting and tax accounting have acquired particular importance for business entities. The above problems, as well as the need to confirm the reliability of the performance indicators of an economic entity, which are an indicator of the effectiveness of the organization's activities, and on the basis of which management decisions are made by users, are confirmed by auditors, which, in turn, determines the relevance of the topic. The purpose of the article is a study of issues related to accounting and auditing of operations in construction organizations, as well as the development of practical recommendations for improving accounting and auditing.

Keywords: costs, contractors, installation, correctness, attribution, formation regulatory documents, accounting, technical means, control.

Introduction

Construction as a branch of material production includes organizations carrying out construction, installation, drilling, repair, design and survey work. It has a decisive influence on the development of a huge number of related industries of material production. Construction as a branch of the economy involves both the construction of new facilities and the restoration of existing ones through their current and major repairs, as well as reconstruction work.

Construction products are new and reconstructed industrial enterprises and workshops, residential buildings, public buildings and other facilities that are completed and prepared for commissioning [1].

Construction organizations as economic entities are characterized by a number of industry-specific features in production technology, organizational and legal framework of activity, accounting and taxation systems.

Thus, construction differs from other industries in that its final product is always stationary relative to the ground, individual (even if the objects are built according to the same project), and designed for long-term operation.

Features of the organization and economics of construction production, determined by the nature of construction products, have a significant impact on the procedure for maintaining accounting records in construction. The most significant of them include the territorial isolation of construction projects, the largely individual, even in serial construction, the nature of construction production, the duration of design and construction of an object, the variety of types of construction and installation work during the construction of each object, the dependence of the timing and quality of construction on the location of the object , natural conditions and even the time of year. The listed and many other features determine the procedure for pricing in construction and accounting for the cost of construction work, as well as a rather complex, usually multi-stage, settlement system between participants in the process of constructing a real estate property [2].

The effective organization of a cost accounting system is currently becoming a pressing problem for many construction organizations, requiring a prompt solution. The need for planning, clear accounting and control of capital construction costs, along with the understanding that the activities of construction organizations must be transparent, increases the requirements for a system that allows obtaining prompt and reliable information for making appropriate decisions. The need for such information is especially acute for investment entities financing capital construction, i.e. investors [3].

Construction activity can be defined as the activity of creating new buildings, structures, and other construction projects, as well as the expansion and reconstruction of existing enterprises, buildings and structures.

In construction activities in a broad sense, not only the builders themselves, but also customers, designers, and investors participate in the construction process.

Construction activity in the narrow sense is the activity of construction organizations only in the construction of various objects and various types of construction work associated with this.

The purpose of auditing the costs of contractors for construction and installation work is to establish the correctness of the attribution of costs and the formation of the cost of construction products in accordance with regulatory documents on accounting.

The tasks of a construction audit are a set of financial and technical means that provide independent control of key aspects of an investment construction project. These include:

- targeted spending of investment funds for the construction of real estate;
- achievement during construction of the qualitative and volumetric characteristics of the object approved in the design and estimate documentation;
- compliance with project deadlines.

Depending on the focus of the audit, the auditor in his activities deals with objects that are quite different in their composition, target orientation and other characteristics. The objects of the audit are the ongoing economic processes, which together constitute the economic activities of the audited entity.

The auditor needs to check [4]:

- license to carry out construction work, construction contracts;
- design and estimate documentation;
- correct determination of the technological structure of capital investments in the construction of facilities (capital investments consist of all types of construction work, installation work, the cost of equipment, tools and inventory, other work and costs).

The object of audit in construction organizations is the building under construction.

During the field survey, a general description of the object and its premises is compiled. Also defined:

- space-planning and design characteristics of the object;
- nomenclature of used building materials, products and structures;
- characteristics of engineering communications;
- installed detachable equipment;
- technical condition of the facility and utilities.

A feature of the audit of construction organizations is to check the correctness of determining the cost of construction work, as well as the products produced and services provided by other types of activities of construction organizations. The cost of construction work depends on the structure of the organization and the terms of the construction contract.

The auditor also needs to check the correctness of attribution of production costs, costs of materials, costs of paying workers, costs of maintaining and operating construction machinery.

In accordance with current legislation, the auditor must determine [5]:

- what applies to construction work, to equipment installation work (which is not included in the scope of equipment installation work);
- what is included in the costs of equipment, tools, inventory;
- what equipment is included and not included in the construction estimates (which does not apply to equipment not included in the construction estimates);
- what is included in other capital works and costs (what is not included in capital investments);
- what should not be included in the cost of construction work, as well as products and services;
- what relates to construction work in progress;
- checking the correctness of tax calculations and payments to the budget. It is advisable to begin an audit of production costs by becoming familiar with the structure of the organization being audited. The production units of a construction and installation organization are construction work sites or individual construction projects. The number of plots depends on the number of objects under construction at the same time and their territorial location.

There is a question that still has no answer. Is it necessary for a participant conducting common business to submit a report on joint activities to the tax office along with a report on the main activity? On the one hand, the current legislation does not provide for such a requirement.

But if we take into account that many participants make payments for joint activities through their current account and pay various taxes on joint activities, then presenting a separate balance sheet along with the main report seems appropriate.

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