

Methodical Approaches to the Formation of Accounting and Analytical Providing of Economic Safety of Business Entities

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Abstract:

Lately there are more and more investigations dedicated to economic safety of business entities, though methodical approaches connected with its accounting and analytical providing are not attended enough. Therefore, the goal was set – to deepen the knowledge about methodical approaches to the forming of accounting and analytical providing of economic security of business entities. To reach this goal the authors clarified the term “accounting and analytical providing of economic security of business entities”, revealed the basic elements, comprising it, functions and methodology of accounting and analytical providing the economic safety of business entities, and developed the conceptual model, where considered the purpose, object, subject and methodology of managing the economic safety of business entity, and also the influence of the surrounding area, different threats of financial, staff, resource and production, informational and other components of economic safety (of outer and inner nature). The term given by the authors and the conceptual model of accounting and analytical providing of economic safety of business entities developed by them, do not pretend on absolute fullness of characteristics of all the aspects and connection between the components of accounting and analytical providing of economic safety of business entities. However, they give the input in further development of theoretical ideas about the essence of the given category and the connection between its components.

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I. INTRODUCTION

The relevance of the topic is confirmed by the fact that without the appropriate accounting and analytical providing the economic safety of business entities is not possible at all. It depends on volume and quality of accounting and analytical providing, managing of financial, staff, resource and production, informational and other components of economic safety of business entities. Without the keeping records it is impossible to make the

accounting of the business entities, which in its turn, is one of the main information sources about the condition of security of business entities, in particular, figures of its financial safety and others. Despite the priority importance of accounting and analytical providing of economic security of business entities, the coverage of the issue in scientific literature of all the methodical approaches to its forming is not enough, which predetermines the aim of the given investigation.

The purpose of the study is to deepen the knowledge about the methodical approaches to the forming of accounting and analytical providing of economic security of business entities. To reach this purpose the authors used the following methods as data collection, systematization, comparison and others.

II. LITERATURE REVIEW

Currently there are hundreds of works, dedicated to disclosure of essence of the term “economic security” of business entities, so we won’t consider this category in detail. We just note, that more often under the term economic security of business entities is considered the condition of its security from different outer and inner threats, though there are other approaches to this term development. Less common in scientific literature the term “accounting and analytical providing of economic security of business entities”. But despite this the accounting and analytical information is in the center of information flows of the organization subjects, because it gives the opportunity to form the information about its real economic security (Rakhmatullin, 2015: 34).

From the point of view of I.S. Zubrikina and V.L. Rykunova (2016), accounting and analytical providing of economic security of business entity – it’s a complex of accounting and analytical data about the economic object and the processes in it, about the condition and shifting of its property and sources of its forming, financial and business activity of economic object and its final results (Zubrykina, Rykunova, 2016: 314).

According to X.O. Shakhbanova (2017), the accounting and analytical information while providing the economic security of business entities is characterized by the factors shown on figure 1.

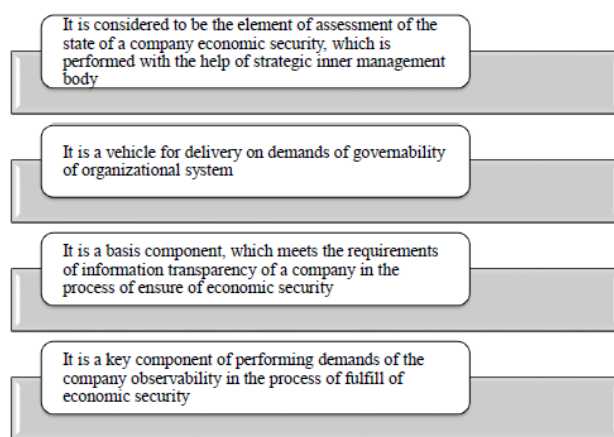


Figure 1: Terms, Characterizing Analytical Information while Performing Economic Security of Business Entities
Source: Shakhbanova, Prodanova, 2017: 393-394

Main components of the system of accounting and analytical providing of economic security of business entities, according to I.V. Kulikova (2016), include the following (figure 2).

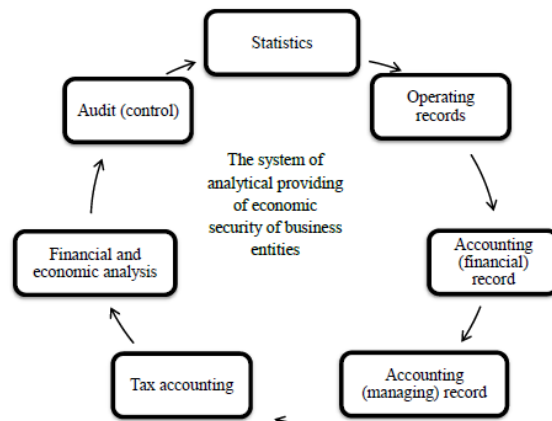


Figure 2: The Components of System of Analytical Providing of Economic Security of Business Entities
Source: Kulikova, 2016: 100

III. RESEARCH RESULTS AND THEIR DISCUSSION

For effective management of economic security the business entities need wide information base. Precisely the access to their liable information gives to the management the opportunity to make decisions, which minimize the threats of economic safety of business entities. Accounting and analytical providing of economic security of business entities is an information system and the way of getting valuable empirical information from the total data of accounting, analytical and other data by the

management entities. This is a combination of outer and inner information flows, accumulated in accounting, finance, managing and statistics reports, accounting system, analysis and audit.

However from the point of view of the author, the primary role in accounting and analytical providing of economic security plays the system of accounting (finance, managing).

This is due to that every fact of financially economic life of entities is reflected in accounting. Every business entity, conducting activity, gets the source documents from suppliers and contractors, and also forms outgoing source documents, which are the basis for compiling the accounting notes. Applying the system of active, passive, active-passive accounts and method of double entry the business entity reflects gradually all its operations in accounting registers, e.g. in account analysis, turnover balance sheet of account, cards of account, Ledger and others. On practice, the majority of business entities form the accounting register in "1C accounting" (in corresponding to view and other conditions of activity of configuration business entity).

Financial statements – is the very important source of information, formed on the basis of general rules of accounting. Its compilation is preceded by the number of concrete preparation procedures, such as inventory of asset and obligations, closing accounts 90 "Sales", 91 "Other revenues and spends", debit of loss (profit) at the end of the year on account 84 «Undistributed profits (uncovered losses)» and many others. A special meaning in the system of accounting and analytical providing of economic security of business entities, from the point of view of the author, for the purposes of accounting and taxation the accounting policy plays. After all the total assets and obligations, reflected in the balance sheet, depend on used by the business entity ways of accounting. For example, the residual volume of the fixed assets of the business entity, reflected inline 1150 of the "balance sheet" will depend on used by the business entity depreciation method and so on.

Of all the above we can make a conclusion, that accounting and analytical providing of economic security of business entities – is a multi dimensional category, reflecting: 1) a complex of accounting and analytical information and data about the current and perspective economic security (threats, risks, factors and soon), coming into a business entity (formed by the business entity) with the help of the system of economic accounting (statistical, operative, accounting financial, accounting managing, tax accounting), financial economic analysis and audit (control); 2) information system, uniting information from all types of accounting, analysis, audit (control), information carriers, channels of connection, accounting methods, which can create the background for taking measures against different types of threats in time by the economic security service of the business entity.

Functions of accounting and analytical providing of economic security of business entities are represented on figure 3.

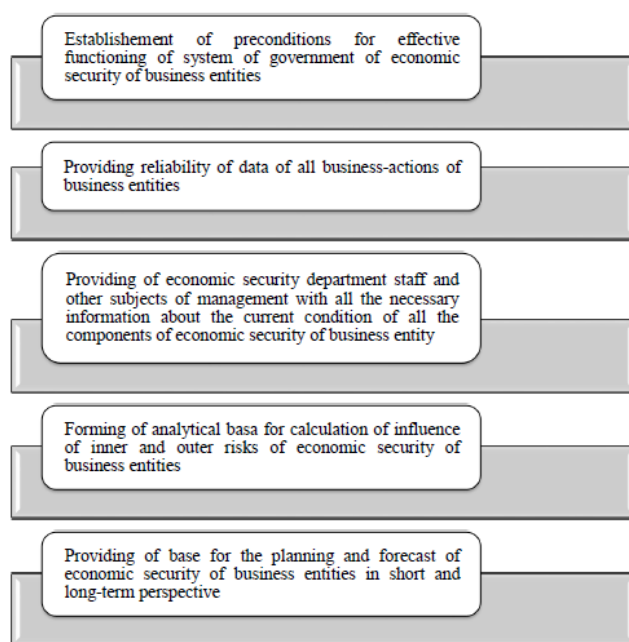


Figure 3: Functions of Analytical Providing of Economic Security of Business Entities

High quality level of the system of accounting and analytical providing makes it easier to make decisions in protection of economic security regardless economic conditions, where the business

entity functions. Methodology of accounting and analytical providing of economic security of business entities is a complex of different methods of economic (and first of all accounting), financial economic analysis and audit, based on forming of balanced system the indicators of economic security of business entities. These indicators are revealed in accounting (finance) and other reporting, which in combination with embedded by the business entity procedures lets identify shortcomings, exercise control over potential risks and threats of economic security and make tactic and strategic economic decisions concerning the management of finance, staff, resource and production and other components of economic security of business entities. The authors view of methodology of accounting and analytical providing of economic security of business entities is represented on figure 4.

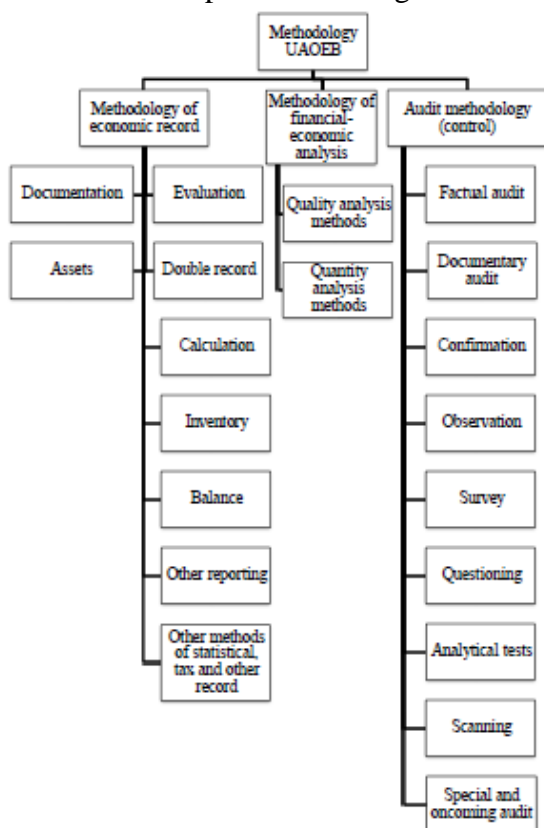


Figure 4: Methodology of Analytical Providing of Economic Security (UAOEB) of Business Entities

It's necessary that all methods of accounting and analytical providing contributed to getting information about risks and threats of economic security of

business entities, about achievement of target values, characterizing the main aim of business entity – fortification of its economic security (Chushinskaya, O.S., Vaganova, O.E. (2018: 271).

Where it should be particularly noted, that every interested user of the information about the activity of the business entity should have specific recognizing skills of availability (absence) of specific type of risk (threat of economic security of business entity). That's why it's very important to know the indicators, which reflect the threats of economic security of business entity.

It could be high concentration of illiquid assets, sharp decline of cash balance, multiple prevalence of accounts payable over receivables, slowdown of asset turnover, unprofitability of activity, low level of equity and many others.

But, it is a mistake to navigate any one indicator. It's better to rely on their complex. So, high receivables from one side, could testify the risk of loss of absolute liquidity, about other financial risks, threatening the economic security of business entity. From the other side the high receivables could be a factor of sales growth. And, if it turns around rapidly, leads to revenue growth and (in the release process) enlarges cash on the account, then it can testify the fortification of economic security of business entity.

Monitoring of the process of forming of accounting and analytical system of providing the economic security of business entities, according to S.O. Cherkasova (2014), includes:

- assessment of the first level of economic security of business entities;
- definition of aims and tasks of the strategy of providing of economic security of business entities;
- revealing of types of management activities, included in providing of economic security of business entities;
- designing the system of accounting and analytical providing of economic security of business entities;

– realization of mechanism of the process management of accounting and analytical providing of economic security of business entities (Cherkasova, 2014: 78).

Herewith, as A.F. Khanafiev (2014) points out, the realization of the strategy of economic security of business entities is directly connected with the raise of accounting and analytical providing (Khanafiev, 2014: 7).

The balance sheet takes one of the central places in the system of methodology of accounting and analytical providing of economic security of business entities, which from the point of view of the authors L.A. Iliina and L.D. Orlova (2015), is explained by the following reasons (figure 5). We have to agree with this point of view, because balance sheet is really the main source of information for the analysis of economic security of business entities.

Without the balance sheet it's impossible to group the assets of a business entity due to liquidity ratio, and liabilities – due to the level of payment urgency, determine the payment deficiency (surplus), calculate absolute and relevant indicators of finance stability, solvency, business activity and other indicators of finance part of economic security of business entity.

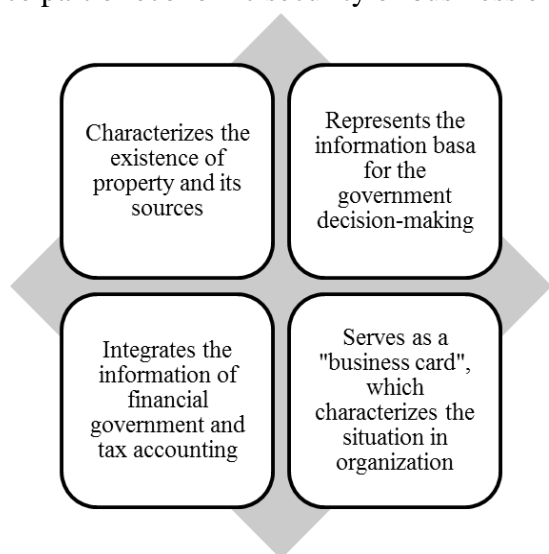


Figure 5: Role and Place of the Balance Sheet in the System of Analytical Providing of Economic Security of Business Entities

Source: Iliina, Orlova, 2015: 51-52

Not less important component of methodology of system of accounting and analytical providing of economic security of business entities,

from the point of view of U.S. Zinovieva and M.S. Murugova (2016), are other reporting forms, including – financial results report, which allows to evaluate the dynamics of all the types of profit of the business entities and calculate the profitability indicators. These authors emphasize the huge «role of reporting data as a source of reliable and objective information about the financially economic state of organization for outer users while determining its economic reliability, competitiveness credit worthiness and so on» (Zinovieva, Murugova, 2016: 15).

Using of accounting and analytical information on the process of management of economic security of business entity lets clarify declines of the fact result of its functioning from desired (Endovitskiy, Korobeinikova, 2018: 35). For example, the economic security department can plan the certain level of economic safety of organization, externally expressed in following the norms of indicators of finance, technological, staff, resource-production, informational, investment and other components of economic

security. Thanks to accounting and analytical providing of economic security the head and other employees of economic security department have an opportunity not only to evaluate the dynamics of all indicators, compare the actual meanings with the planned ones, but also to identify the reasons of deviations, threatening the economic safety of a business entity. This allows to realize the complex of measures for neutralization of detected threats, the effectiveness of which will depend on quality of accounting and analytical providing of economic security of business entities and competence of managing personnel (especially economic service department) (figure 6).

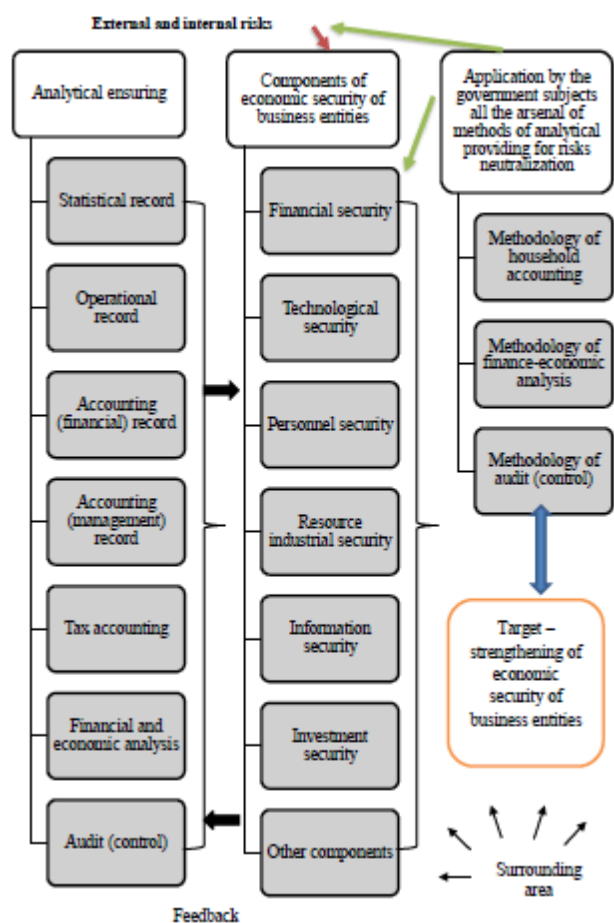


Figure 6: Conceptual Model of Analytical Providing of Economic Security of Business Entities

The conceptual model of accounting and analytical providing of economic security shown in figure 6 is characterized by direct and return connection between accounting and analytical providing and the components of economic safety of the business entities. In this model the aim, object, subject and methodology of managing of economic security of business entity are taken into account, also the influence of the surrounding area, different threats of financial, staff, resource and production, informational and other components of economic security (of outer and inner character).

IV. CONCLUSION

In this article: 1) the term “accounting and analytical providing of economic security of business entities” is specified; 2) the author’s vision of functions and methodology of accounting and analytical providing of economic security of business entities is shown in diagram form;

3) the conceptual model of accounting and analytical providing of economic security of business entities is built; 4) the conclusions about the need of further science investigations in the field of reveal of methodical approaches to the forming of accounting and analytical providing of economic security of business entities were drawn. From the point of view of the author the accounting and analytical providing of economic security of business entities is a multidimensional category reflecting: 1) complex of accounting and analytical information and data about the current and perspective economic security (threats, risks, factors etc.), coming into a business entity (formed by the business entity) with the help of the system of economic accounting (statistical, operative, accounting, accounting financial, accounting managing, tax accounting), finance and economic analysis and audit (control); 2) information system, uniting the information from all the types of the accounting, analysis, audit (control), the information carriers, connection channels, methods of accounting, which is able to establish the background for taking measures against different types of threats of economic security by department of economic security. Certainly, the definition given by the authors and the conceptual model of accounting and analytical providing of economic security of business entities do not pretend on absolute fullness of characteristics of all the aspects and connection between the components of accounting and analytical providing of economic security of business entities. But they make a contribution to a further development of theoretical ideas about the nature of the given category and connection between its components.

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