

JEL Classification: M15, M41**H.M. Koptieva**

Candidate of Economic Sciences, Associate professor,
Associate Professor of the Department of Management and Taxation
National Technical University "Kharkiv Polytechnic Institute"

**THEORETICAL BASES OF ACCOUNTING AND ANALYTICAL SUPPORT
OF ECONOMIC SECURITY OF BUSINESS PROCESSES OF A TRADE
ENTERPRISE**

Received 22 January 2020; accepted 25 January 2020; published 28 January 2020

Abstract. *The article systematizes scientific views on the essence of the concept "accounting and analytical support of economic security of business processes of a trade enterprise" and on this basis summarizes various approaches to this definition. The author's proposed updated definition of the term "accounting and analytical support of economic security of business processes of a trade enterprise". On the basis of the systematization of research and experience in the context of the structural approach to understanding the functional areas of accounting and analytical support economic security of business processes of trade enterprises are defined subsystems: accounting, analysis and control, as well as problems which they have.*

Keyword: *accounting and analytical support of economic security of business processes of a trade enterprise, accounting subsystem, analysis subsystem, control subsystem*

Reference to this paper should be made as follows: Koptieva, H. M. (2020). Theoretical bases of accounting and analytical support of economic security of business processes of a trade enterprise. Economics and Finance, Issue 1, 73-79.

Introduction. Intensification of integration processes in our country, increased competitiveness of business entities of various forms of ownership contribute to formation of a new management concept, and creation of methods to ensure the economic security of enterprises. Dealing with the problem of conformity of accounting and analytical support to the needs of business management implies fundamental improvement of the theoretical and organizational principles of economic security. Therefore, amid the formation of information infrastructure that would meet the needs for useful business information of users who have different interests, timely provision of objective, reliable, unbiased information to stakeholders, strengthening control functions of accounting, improving analytic property, operational responsiveness of accounting information, as well as applying information flows to make informed management decisions to ensure the economic security of business processes, reduce costs and increase profitability of business entities, ensure preservation of their property and interests, increase in cash flow, strengthen financial stability, solvency, and improve business activity, and increase in competitiveness become more relevant.

Literature Review

The theoretical insights into issues related to accounting and analytical support of managing the activities of enterprises were made by T.M. Bezrodna (2008), H.L. Hnylytska (2011), S.F. Holov (2003), A.H. Zahorodnii (2007), A.O. Kasych, R.M.

Tsyhan (2017), I.N. Kyrylov (2014), T.Yu. Melnyk (2016), A.A. Pylypenko (2007), N.A. Tychynina (2009), A.M. Shtangret, L.P. Stetsiv (2017), P.V. Altukhov, N.V. Predeus, J.W. Predeus (2019), and other scholars.

Acknowledging the scientific and practical value of the works of these scholars, it should be noted that national and foreign literature still lacks an adequate representation of some important aspects of economic security, namely when forming accounting and analytical support of economic security of business processes of a trade enterprise.

The aim of research is to substantiate the essence of accounting and analytical support of economic security of business processes of a trade enterprise from the perspective of system, process and structural approaches, and development of theoretical bases for the organization of its formation.

Methods

Analysis of academic publications on the essence and main characteristics of accounting and analytical support shows that this concept is widely used in relation to various objects of management and areas of activity of the enterprise. For example, the definitions suggested in works [Bezrodna (2008); Kasykh, Tsyhan (2017); Pylypenko (2007)] correspond to the process approach, and in the works (Hnylytska (2011); Holov (2003); Zahorodnii (2007); Kyrylov (2014); Tychynina (2009)) to the system approach, according to which accounting and analytical support is treated as a unity of accounting, analysis, and audit systems, combined by information flows to manage economic processes, or as a data collection system that provides grouping of accounting information in the appropriate context for management needs, and preparation of financial statements.

Researchers provide definition for the concept of “accounting and analytical support” from the perspective of process and system approaches, which make it possible to consider it as a complex process that requires a clear organization, and in the general system of management decisions based on accounting and analytical and control information. In our opinion these approaches do not contradict, but complement each other. It is the combination of process and system approaches that provide an understanding of support as a set of interconnected elements, which is the result of consistent actions aimed to create the conditions for the implementation of targets by type of business processes and functional areas of activity.

Results

The study of foreign and national experience of the use of accounting and analytical information for management decisions in modern conditions shows that their effectiveness is contingent upon a set of specific manifestations of support (personnel, financial, informational, regulatory, technical support and other types of support).

Therefore, we suggest treating the accounting and analytical support of economic security of business processes of the enterprise as a set of interrelated procedures for accounting, analysis and control of economic security of business processes, which reflect all aspects of operation and development of the enterprise. Streamlined and well-integrated system of accounting and analytical support, and,

therefore, proper information support, ensure informed management decisions regarding the security of the trade enterprise.

The competitive advantages resulting from the use of high-quality accounting and analytical information are undeniable: it contributes to the most effective management decisions, which, in turn, leads to increased profitability of enterprises and, hence, significant economic benefits for external and internal users of reporting. Thus, the development of a system of accounting and analytical support of business processes with some automation adapted to the specifics of the operation of a particular enterprise ensures meeting the information needs of the objects of security, i.e. forming an information base for making relevant management decisions.

Based on the organization of the process of accounting and analytical support of economic security, suggested by the author (Melnyk (2016), p.8), it is proposed to consider this process in three stages (accounting, analytical and control) in terms of economic security of business processes as a continuous, sustainable process of information flows, which contains a set of stages and corresponding phases for the collection, transformation, distribution, access, storage and transmission of information (Fig. 1).

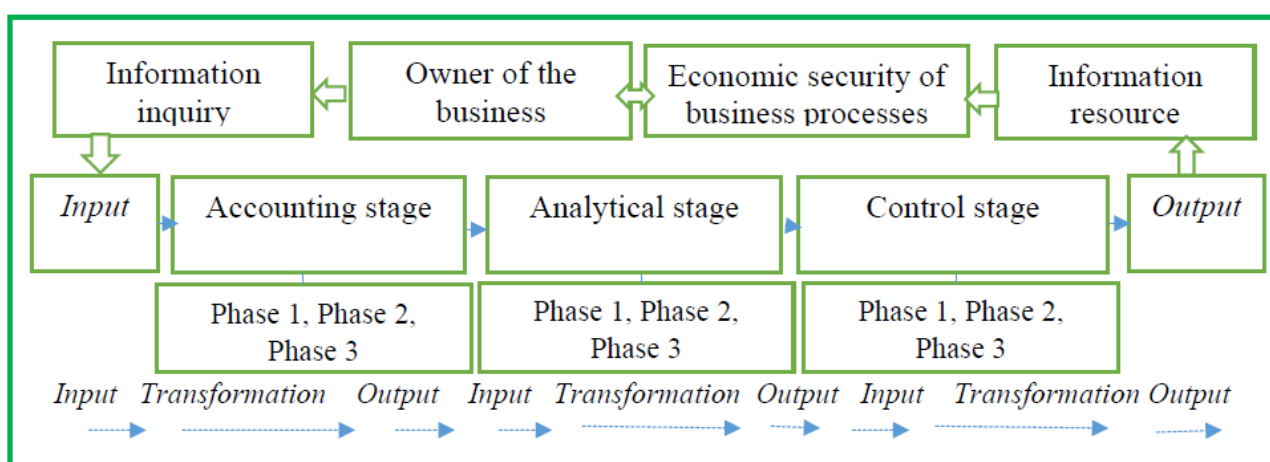


Figure 1. Organization of the process of accounting and analytical support of economic security of business processes of the enterprise

Source: completed by the author using (Melnyk (2016))

Information on the formation of information flows to ensure the economic security of the enterprise, moving from source to users, passes accounting, analytical and control stages, which provide a description of the objects of control (business processes) and meet the information needs of the subjects of control (owners and consumers of business processes).

Based on the research of some authors (Zahorodnii (2007); Kasych, Tsyhan (2017); Shtangret, Stetsiv (2017)) and own developments in the context of a structural approach to understanding the functional area of accounting and analytical support of economic security of business processes of trade enterprises three main subsystems may be defined: accounting, analysis and control and tasks solved within them:

1) the accounting subsystem must be focused on the organization of accounting procedures to ensure the economic security of business processes of the trade enterprise. It includes:

- data collection of various types of accounting (management, financial, accounting for tax purposes, strategic, and others) in terms of business processes conducted at the enterprise;
- development of accounting documentation (primary, current, final) by its types;
- ensuring all types of accounting, and integration of the same;
- formation of a system of qualitative and quantitative (financial and non-financial) indicators in the reporting of the enterprise;
- distribution of information between owners of business processes in the enterprise.

2) the analysis subsystem must ensure the formation of complete information to ensure the economic security of business processes of the enterprise. It includes:

1. processing of accounting and reporting data using modern methods and models of analysis, aimed to ensure the safe operation of the enterprise;
2. selection of methodological approaches and criteria, indicators, indicators for assessing the level of economic security of business processes of the trade enterprise;
3. selection of methods of information processing to determine the level of economic security of business processes of the enterprise;
4. formation of analysis results in order to protect commercial secrets;
5. use of analytical tools in the activities of the business entity;
6. monitoring the current level of economic security of the enterprise as a whole, in terms of business processes and the main functional components;
7. meeting the information needs of the objects of security (internal and external).

3) the control subsystem must provide constant control over the key parameters for assessing the economic security of the enterprise, and monitoring of the same. It includes:

- control of initial goals and strategies of business processes;
- selection of procedures and means of control for the purpose of timely adjustment;
- development of a set of indicators that ensure an unbiased estimate of the quality and maturity of business processes of the enterprise;
- allocation of powers between existing structures to ensure the economic security of business processes, as well as periodic reallocation of responsibilities between them in order to avoid abuse and increase efficiency;
- risk identification, development of preventive safety measures, etc.;
- technology of inspections and procedure for documenting the identified discrepancies, detecting the causes and conditions of these deviations;
- use of tools to detect and correct errors (distortions) of information;

- providing information support in making management decisions aimed at the secure operation of the enterprise;
- development of management decisions to ensure economic security at the enterprise.

The proposed structure of the system of accounting and analytical support of economic security of business processes of the trade enterprise is shown in Fig.2.

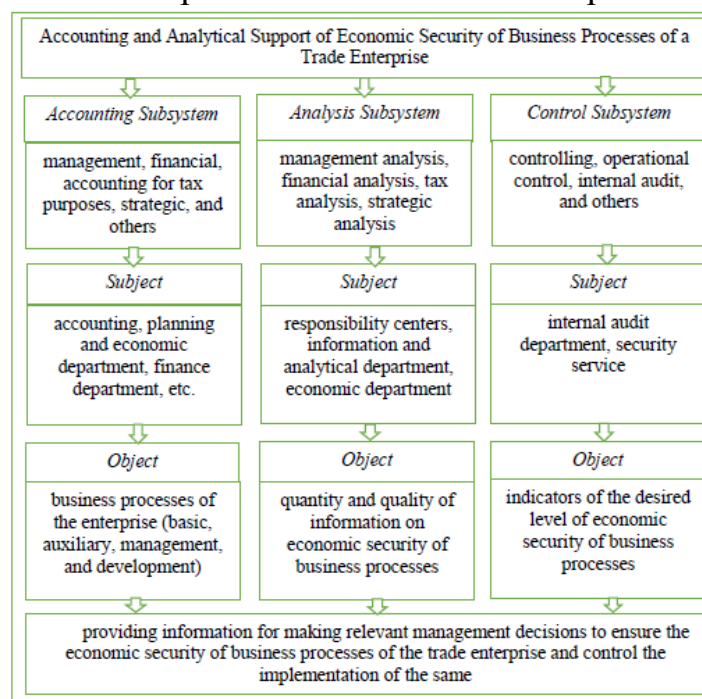


Figure 2. The structure of the system of accounting and analytical support of economic security of business processes of the trade enterprise

Source: authoring

Therefore, the level of consistency of accounting, analytical and control processes is essential for economic security of business processes of the trade enterprise, and hence, it is expedient to consider them cross-functionally, which is an important factor in improving the economic viability of business and its efficiency. Engaging personnel designated for business processes economic security (accountants, analysts and employees of the enterprise security service) implemented at the enterprise in the accounting and analytical support should help improve the economic security system and ensure a more flexible and adequate response to changes in the business environment, forming a safe basis of operation and development of the business entity. Moreover, to ensure efficient and safe organization of its activities, the company faces the challenge of adequate selection of information technology, hardware and software products for automation of the accounting and analytical process, which will satisfy its requirements to the greatest possible extent and take into account the peculiarities of modern business environment.

Conclusion

Formation of accounting and analytical support of economic security of business processes of the trade enterprise constitutes the ground for development, implementation and control over the implementation of relevant management decisions, which ensure the efficiency and stability of the enterprise, creating conditions for further development by means of timely detection and prevention of external and internal threats and dangers. The system of accounting and analytical support of economic security of business processes of trade enterprise must combine through the information flows the accounting, analysis and control subsystems to provide the most comprehensive representation of the actual level of economic security, determine the causes of change and potential negative consequences. Based on the systematization of academic understanding of the essence of the concept of “accounting and analytical support of economic security of business processes of the enterprise”, we find it necessary to provide a redefined definition: a set of interrelated procedures for accounting, analysis and control of economic security of business processes representing all aspects of operation and development of the enterprise. Based on the authors’ researches arrangement and own developments in terms of a structural approach to understanding the functional area of accounting and analytical support of economic security of business processes of trade enterprises, the following main subsystems have been identified: accounting, analysis and control, as well as tasks solved within them.

References

- Bezrodna T.M. (2008). *Oblikovo-analitychne zabezpechennya upravlinnya pidpryyemstvom: vyznachennya sutnosti ponyattya*. Accounting and analytical support for enterprise management: the definition of the essence of the concept. Visnyk Skhidnoukrayinskoho nats. un-tu im. V. Dalya. Bulletin of the East Ukrainian National University. V. Dahl, Vol. 2, #10(128), pp.35-38.
- Gnilitskaya L.V. (2011) *Oblikovo-analitychne zabezpechennia funktsionuvannia systemy ekonomichnoi bezpeky subiektiv hospodariuvannia yak ob'ekt naukovykh doslidzhen*. Accounting and analytical support of the business entity’s economic safety system functioning as object of scientific research. Available at: <http://www.pmdp.org.ua/images/Journal/37/11glvond.pdf>
- Holov S. F. (2003). *Upravlinskyi oblik*. Management Accounting. Kyiv: Libra. [in Ukrainian].
- Zahorodnii A.H. (2007) *Systema oblikovo-analitychnoho zabezpechennia menedzhmentu pidpryyemstva*. System of accounting and analytical support for enterprise management. Lviv Polytechnic National University Institutional Repository. pp. 94-102. Available at: <http://ena.lp.edu.ua>
- Kasykh A.O., Tsygan R.M. (2017) *Kontseptsii oblikovo-analitychnoho zabezpechennia upravlinnia hroshovymy potokamy*. Concept of Accounting and Analytical Provision of Cash Flow Management. Oblik i finansy. Accounting and Finance. no.3 (77). pp.28-37.
- Kyrylov I.N. (2014). *Teoreticheskie aspekty razvitiya systemy uchetno-analytycheskoho obespecheniya upravlencheskikh resheniy na predpryyatii*. Theoretical aspects of development of the system of accounting and analytical support of management decisions in the enterprise. Vestnik Adyheiskoho hosudarstvennoho unyversyteta. Bulletin of the Adygeya state University, #2, pp.124-135.

Melnik T.Y. (2016). *Oblikovo-analitychne zabezpechennia finansovykh rezultativ pidpryemstv*. Accounting-analytical providing of the enterprises' financial results control process: (PhD Thesis). Zhytomyr.

Pylypenko A. A. (2007). *Orhanizatsiya oblikovoanalychnoho zabezpechennya stratehichnoho rozvytku pidpryemstva*. Organization of accounting and analytical support for the strategic development of the enterprise. Kharkiv: Vyd. KhNEU.

Tychynina N.A. (2009). *Teoreticheskoe obosnovanie sodержaniya uchetno-analiticheskoho obespecheniya ustoychivoho razvitiya predpriyatiya*. Theoretical justification of the content of accounting and analytical support of sustainable development of the enterprise. *Vestnik Orenburskogo gosudarstvennogo universiteta*. Bulletin of Orenburg state University, #2, pp.103-107.

Shtangret A.M., Stetsiv L.P. (2017) *Oblikovo-analitychne zabezpechennia upravlinnia ekonomichnoiu bezpekoiu pidpryemstva: metodychni zasady*. Accounting and analytical support of management of economic security of the enterprise: methodical basis. *Ekonomika i suspilstvo* [Economy and society] Vol. 9. pp. 722-726.

Altukhov P.V., Predeus N.V., Predeus J.V. (2019) *Development of the Elements of the Mechanism Accounting and Analytical Support of Economic Security of Construction Enterprises*. International science and technology conference. Series: Earth and Environmental Science. Available at: <https://iopscience.iop.org/article/10.1088/1755-1315/272/3/032205/pdf>.