

UDC 657.3

DOI <https://doi.org/10.26661/2414-0287-2022-3-55-09>**ORGANIZATIONAL AND METHODOLOGICAL PRINCIPLES OF ACCOUNTING
AND ANALYSIS OF PRODUCTION COSTS OF “BAKAI-AGRO” LLC****Romanova A.S., Kostyak A.L., Gryn V.P.***Zaporizhzhia National University**Ukraine, 69600, Zaporizhzhia, 66 Zhukovsky St.*

romanova.anastasiia03@gmail.com,

nastia.kostiak27@gmail.com, viktoriya_grin@ukr.net

ORCID: 0000-0002-6758-7374

Key words:

internal control, production, crop production, material costs, mechanism, agricultural enterprises, organizational model of control

The article examines the basic principles of the organization and methods of internal control of material costs, an organizational model of control of material costs of an agricultural enterprise is formed, which reveals the main aspects: objects of control, information sources, methodological techniques, methods of summarizing results. The study of the economic essence of the costs of the production of crop production allowed the article to clarify the definition of the concept of the economic category “costs”, which should be considered as the cost of the used live and embodied labor and the forces of nature to achieve a certain goal, and to generalize the classification of the grouping of costs by stages of the product’s life cycle, which takes into account the industry the specifics of the production of crop production and is the most appropriate for the construction of accounting of production costs and the formation of the cost price of crop production. A list of expenses was formed and their influence on the process of forming the cost of crop production was considered, which will allow to strengthen the control over the use of stocks in accordance with its intended purpose and channels of receipt of the enterprise, to separate different types of work and services for their rational accounting. It is proposed to carry out an inventory of the actual availability and costs of growing biological assets before harvesting and to control the correctness of the display of the actual receipt of crop production and costs of harvesting.

**ОРГАНІЗАЦІЙНО-МЕТОДИЧНІ ЗАСАДИ ОБЛІКУ ТА АНАЛІЗУ
ВИРОБНИЧИХ ВИТРАТ НА ТОВ «БАКАЙ-АГРО»****Романова А.С., Костяк А.Л., Гринь В.П.***Запорізький національний університет**Україна, 69600, м. Запоріжжя, вул. Жуковського, 66***Ключові слова:**

внутрішній контроль, виробництво, продукція рослинництва, матеріальні витрати, механізм, сільськогосподарські підприємства, організаційна модель контролю

У статті розглянуто основні засади організації та методики внутрішнього контролю матеріальних витрат, сформовано організаційну модель контролю матеріальних витрат сільськогосподарського підприємства, яка розкриває основні аспекти: об’єкти контролю, інформаційні джерела, методичні прийоми, методи узагальнення результатів. Дослідження економічної сутності витрат виробництва продукції рослинництва дозволило у статті уточнити визначення поняття економічної категорії «витрати», які слід розглядати як вартість використаної живої та уречевленої праці і сил природи для досягнення певної мети та узагальнити класифікацію групування витрат за стадіями життєвого циклу виробу, яка враховує галузеву специфіку виробництва продукції рослинництва і є найбільш доцільною для побудови бухгалтерського обліку витрат виробництва та формування собівартості продукції рослинництва. Сформовано перелік витрат та розглянуто їх вплив на процес формування собівартості продукції рослинництва, яка дозволить посилити контроль за використанням запасів у відповідності з його цільовим призначенням та каналами надходження на підприємство, відокремити різні види робіт і послуг для раціонального їх обліку. Запропоновано здійснювати інвентаризацію фактичної наявності та витрат на вирощування біологічних активів перед збиранням урожаю та контролювати правильність відображення фактичного надходження продукції рослинництва та витрат на збирання урожаю.

Introduction

Today, agriculture is the basic sector of Ukraine's economy, the level of development and efficiency of which determine the strategic priorities of Ukraine's foreign trade, ensuring the nation's food security. The agricultural sector in the economy of Ukraine becomes the basis of economic development, forms strategic prerequisites for attracting investments, strengthening the level of competitiveness of the national economy and improving the level of well-being of the country's population and the overall survival of national agriculture. Solving these tasks is impossible without ensuring the effective development of agribusiness, solving the problems of improving the quality of life of the rural population and providing food for current and future generations, in particular, in the context of active integration into a single socio-economic space of the system of European development priorities, changes in the system of national paradigms, values and aspirations that form an idea of the criteria and indicators of the efficiency of agricultural production. The exhaustion of production resources used in agriculture and the constant need to meet the ever-growing needs of the population in modern conditions objectively require a rational increase in the efficiency of agricultural production. Achieving high performance indicators, improving the efficiency of the use of material resources, preserving and increasing the company's property is achieved thanks to the proper organization of the management mechanism, an integral component of which is the control system. So, we understand that the main direction of constant improvement of the economic efficiency of agricultural enterprises is its consistent intensification, because, as a rule, the increase in yield and productivity is associated with the growth of variable costs per 1 ha of sowing, and with the complex use of resources, the output of products increases to a greater extent and its cost is reduced. Therefore, all existing intensification factors are aimed at increasing production efficiency. To date, the issue of the organization of internal control at the enterprise has not been regulated by the state, and therefore this issue belongs to the sphere of activity of the enterprise owner and management. Control over material costs is the most important condition for preserving the ownership of the enterprise. The accounting data of the enterprise must contain information for finding reserves for reducing the cost of production, for the rational use of materials, reducing consumption rates, ensuring proper storage of materials, and their preservation.

Establishing the financial result is based on the preliminary determination of the income and expenses of the enterprise's operational activities and comparing their values with each other. By studying costs, we can evaluate the efficiency of the enterprise. If this is not done, irreparable errors occur when choosing the economic policy of the enterprise, making important management decisions, choosing directions for the development of entrepreneurial activity, determining the optimal volumes and structure of output (works, services), as well as prices. The efficiency of the enterprise is based, first of all, on the correct determination of costs and their close connection with income. Therefore, the issues of accounting for

the costs of operational activity and control over their formation and reflection in the accounting and reporting of enterprises are quite relevant and are being studied by both scientists and practitioners.

Analysis of recent research and publications

Taking into account the exceptional importance and priority of agriculture for the national economy, the question of increasing the effectiveness of the development of the agricultural sector of the economy of Ukraine has always occupied a central place in the scientific works of outstanding domestic agrarian scientists. The scientists researched directions and mechanisms for ensuring the efficiency of agricultural production and the development of rural areas, determined strategic models and principles for increasing the level of its competitiveness and improving the quality of life of the rural population, worked out the mechanisms of state support for the industry and analyzed the results of agrarian reforms. All this ensured the appearance of a significant number of scientific and applied developments, which are extremely useful for the theory and practice of improving the effectiveness of the development of the agricultural sector. Among domestic agrarian scientists who made a powerful contribution to the development of the scientific, methodical and practical plane of increasing the efficiency of agricultural development, the following should be noted: Ambrosova V. Ya., Andriyчук V. G., Gadzalo Y. M., Gudzo O. E., Danko Y. I., Zhuk V. M., Zubets M. V., Krasnorutskyi O. O., Lopatynskyi Y. M., Lupenko Y. O., Malik M. Y., Marmul L. O., Mesel-Veselyak V. Ya., Pinchuk A. O., Pugachev M. I., Rossokha V. V., Sabluk P. T., Fedorov M. M., Khodakivska O. V., Shpykulyak O. G., Shpychak O. M. etc. Theoretical and methodological issues of crop production accounting and the organization of internal control of production costs at the enterprise are constantly in the field of view not only of scientists, but also practicing accountants. The following researchers dedicated their works to them: N. M. Bondarenko, S. I. Holovatska, V. A. Derii, V. V. Iwata, M. V. Kravchenko, I. I. Fisherman and many others. At the same time, the dynamism of the factors of the business environment, the emergence of radically new principles and priorities of agar production in the world, which are becoming extremely relevant for Ukraine today, actualizes this issue and refers it to the composition of the most important tasks of the national economy and society, which are characterized by signs of constant modernity.

Formulation of the task

The purpose of writing the article is to analyze and evaluate the organizational and methodological aspects of accounting and auditing costs for the production of plant products at the agrarian enterprise "Bakai-Agro" LLC and to develop a system of measures aimed at their reduction and optimization.

Presentation of the main research material

In the conditions of market competition, the main goal of the activity of any business structure is to obtain the

greatest profit, which directly depends on the amount of income and expenses. Incomes and expenses of enterprises, regardless of the field of activity, form of ownership and other factors, acquire a particularly important, key importance. Cost accounting appeared in ancient times. In Babylon in the 3rd millennium BC, the development of the computational basis of accounting, the standardization of costs, and the desire for end-to-end reflection in the accounting of operations and conditions of economic activity takes place. In Rome, there is even a special system of books that existed in the state economy of the Romans. One of its parts was *Sodex Asserti et Expressi* – a book of expenses, where transactions were systematized. In modern economic literature, there are different interpretations of the concept of “expenditure”. Disagreements arise in connection with different approaches to this category. In some literary sources, “costs” are considered from their economic content, in others – from a calculation point of view. P(S)BO 16 “Expenses” defines the category “expenses” as follows: “Expenses are a decrease in economic benefits in the form of the disposal of assets or an increase in liabilities, which leads to a decrease in the company’s equity capital (with the exception of a decrease in capital due to its withdrawal or distribution between owners). This interpretation meets the requirements of international accounting standards [41]. In accordance with the tax legislation, expenses are understood as the amount of any expenses of the taxpayer in monetary, tangible or intangible forms, carried out as compensation for the cost of goods (works, services) that are purchased (produced) by such a taxpayer for their further use in their own economic activity. Thus, costs can be considered from two positions. On the one hand, costs are the amount spent on something, on the other hand, they are a cost estimate of 8 materials, fuel, energy, fixed assets, labor resources, and other costs used in production processes. Attempts to classify costs have been going on for a long time. Even in the treatise “About accounts and records” by Luka Pacioli, this issue is highlighted, when the author classified all costs into: – goods (which are related to the implementation of trading activities); – domestic (for housekeeping); – direct (which can be directly attributed to the cost price of a certain type of product); – indirect (entered into the account of trade expenses); – extraordinary (related to expenses that do not arise in the course of ordinary activities). In modern conditions, the importance of classification is indicated by V. V. Sopko, noting that the classification of costs is necessary to determine the cost of products, and the grouping of costs in a certain direction does not always meet the needs of management [1, p. 25].

In management accounting, the purpose of any classification of costs is to assist the manager in making correct, well-founded decisions, since the manager, when making decisions, must know what costs and benefits they will lead to. Therefore, the essence of the cost classification process is to identify that part of costs that can be influenced by the head of the enterprise. In today’s complex conditions, the volume of production and sale of finished products significantly affects the profitability of a manufacturing enterprise. The validity and reliability

of not only the indicators of the financial results of agro-industrial enterprises, but also the final market value of such products depends on the correctness of accounting for the production of crop production. A global trend in the modern world is a permanent shortage of food products and an increase in the volume of agricultural production. However, next to this, such an aspect as product quality, including its safety and environmental friendliness, does not lose its importance. Accounting is the information system that should timely detect, reliably measure, consistently register, systematize, accumulate, reliably store and transmit data about all processes related to the production of products in crop production and its output, that is, about the actually used resources, not only monetary, but and in natural meters. Thus, only the accounting system is the most informative for management and control.

It is known that each branch has certain features that have an impact on the organization of accounting. It is necessary to take into account the peculiarities not only when reflecting in the accounting of certain economic operations and processes, but also during the analysis and control of economic activity in general.

In the field of crop production, production costs occupy an important place among the accounting objects. It should be noted that accounting for production costs is one of the most complex and time-consuming areas of work for accounting services.

The main tasks of controlling production costs are:

- 1) establishing the legality of transactions with stocks;
- 2) checking the organization of warehouse management, the state of preservation of stocks;
- 3) verification of the correctness and efficiency of the use of material resources;
- 4) verification of compliance with the rules for releasing stocks;
- 5) assessment of the system of internal control over the use of stocks in production;
- 6) assessment of the completeness and correctness of the display of economic transactions with the MPZ in accounting and reporting [9].

One of the tasks of cost management accounting is their control. According to S. F. The head of cost management is a system that makes it possible to clearly monitor, analyze and control costs [2, p. 30]. The word “control” in English means both control and management. K. Drury notes that if control is measurement and information, and management is, first of all, action, then “the purpose of control is to identify what is happening, and the purpose of management is to ensure that the work performed corresponds to the priority plans” [3, p.433]. Based on this, it can be concluded that control is a prerequisite for management. The objects of control of material costs are the expediency of their implementation, documentation and accounting display. Subjects of control include management personnel (manager, chief accountant, analyst) or persons authorized to carry out control procedures.

Control exists at any enterprise, but it is organized differently in terms of structure and methods. The organization of internal economic control is entrusted to

the head of the enterprise “Bakai-Agro” LLC. On the basis of the approved plan, employees engaged in management carry out current control over the activities of the units. Based on the results of control checks, the company’s management makes a decision to eliminate the causes that negatively affect the company’s activities.

The economy of modern manufacturing enterprises in the Ukrainian market is constantly affected by their own costs. This applies primarily to the amount of production costs. The need for constant control over them requires continuous information acquisition. Dutchak R. R. notes the existence of a direct relationship between the information needs of cost management and the information provision of cost management accounting, where information needs are the cause, and information provision is the consequence [4, p. 175]. These provisions provide a set of rational actions regarding costs at the management level. According to the research of Kolibaba O. A. the informational aspect involves the coordination of the principles of management accounting with the principles of cost management, therefore the systematicity of accounting depends on the cost management system [5, p. 236].

In the process of carrying out production and economic activity, a comprehensive approach to the organization and internal control of costs is formed at each enterprise. According to the stages of control procedures, previous, current and subsequent control can be distinguished. The implementation of preliminary control precedes the economic operation, which makes it possible to substantiate the economic expediency of incurring material costs for the production of products, to prevent inappropriate costs, mismanagement and wastage [2, p. 15].

The functions of preliminary control should include: drawing up estimates of the company’s overhead costs; fixing those responsible for their compliance; development of progressive norms of material costs; determination of the optimal amount of production costs. In the current economic conditions, preliminary control plays an

important role in making management decisions, when it is necessary to pre-assess economic operations for their legality, expediency and economy. Current control is designed to promptly identify and eliminate identified violations during the performance of economic operations and production tasks. The next control is characterized by a more complete and in-depth approach to the study of financial and economic activity, that is, it is the identification of documents of poor quality according to the criteria of legality and expediency, as well as the determination of the degree of their impact on the reliability of the information summarized in the reporting.

Stages of internal control of material costs:

Stage 1 – setting tasks and goals; development of a control program.

Stage 2 – justification of the existence of cost standards in accordance with the financial and production capabilities of the enterprise and verification of their compliance.

Stage 3 – verification of the availability and correctness of primary documents, accounting registers, the General Ledger and reporting on production operations and the correctness of the display of operations on accounting accounts.

Stage 4 – establishment of accounting procedures for cost accounting; determination of material costs; substantiation of inventory write-off methods; opening of analytical accounts of the third and fourth orders; development of management reporting forms.

Stage 5 – summarization of control results, formation of conclusions; making proposals regarding the process of accounting for material costs at enterprises.

Control activities for the costs of production of products (works, services) in agricultural enterprises should be primarily aimed at the use of such control methods that would ensure reliable prevention and timely detection of economic violations related to the use (spoilage) of mineral fertilizers; payment for services and works performed by third-party organizations; oil products; seeds and planting

Table 1 – Organizational and methodological model of internal control of material costs

№	Element models	General characteristics
1	Object of control	<ol style="list-style-type: none"> 1. Compliance with current economic legislation when spending. 2. The correctness of the documentation of the formation of enterprise expenses. 3. Adherence to norms, standards and budget indicators when spending the company’s expenses. 4. The rationality of choosing a method of cost accounting and calculating the cost of production. 5. Correctness of the method of displaying enterprise costs in the accounting system. 6. The reliability of the display of costs in internal, financial, statistical and tax reporting.
2	Information sources	<ol style="list-style-type: none"> 1. Normative and legal acts regulating the organization and methodology of accounting of the enterprise’s expenses. 2. Accounting policy of the enterprise. 3. Primary documents of cost formation in accordance with the industry focus of the enterprise. 4. Accounting registers according to the selected form of accounting. 5. Budgets, estimates, reports on their implementation and internal reporting of the enterprise. 6. Financial, statistical and tax reporting of the enterprise. 7. Documents summarizing the results of the previous internal control.
3	Methodical techniques	Normative-legal, formal, arithmetic, mutual, expert, counter, logical check.
4	Methods of summarizing results	<ol style="list-style-type: none"> 1. Cumulative information and tables of detected deficiencies and violations and other working documents of internal control. 2. Acts, certificates and other generalizing documents of internal control. 3. Proposals and recommendations for eliminating identified deficiencies and violations.

material; electricity; spare parts, repair and construction materials [3, p. 86].

Based on the results of the research, an organizational-methodical model of the internal control of material costs of “Bakai-Agro” LLC was formed, which includes four blocks: objects of control, information sources, methodological techniques, methods of summarizing results (Table 1).

Conclusions

To guarantee the food security of the country, it is important to constantly increase the volume of production of agricultural products. At the same time, a motivating condition for agricultural commodity producers is their economic interest, which directly

depends on the profitability of economic activity in the field of crop production. And the main factor in the growth of profitability is the minimization of costs, in particular the cost of production. In cost management, the reliability and completeness of information, which is ensured by the effective organization of the accounting system at the enterprise, has an important place.

Comprehensive consideration of industry specifics in the process of organizing accounting in crop production will allow timely provision of users with prompt, reliable and complete information about the amount of grown products, their value, material, labor and other production costs of structural divisions and the enterprise as a whole for the needs of current, operational and strategic management.

References

1. Bondarenko, N. M., Korennova, V. V. Organization of internal control of production costs at the enterprise. Bulletin of ONU named after I. I. Mechnikova. 2013. T. 18. Issue 4/1. P. 45–48.
2. Holovatska, S. I., Sashko, O. P. Internal control of enterprise costs: organizational and methodical aspects. A young scientist. 2016. No. 5 (32). P. 36–40.
3. Deriy, V. A. Methods of intra-farm control over production costs in agricultural enterprises. Sustainable economic development. 2013. No. 1 (18). P. 254–258.
4. Law of Ukraine “On Accounting and Financial Reporting in Ukraine” No. 996-VR dated July 16, 1999 (with amendments and additions). URL: <https://zakon.rada.gov.ua/laws/show/996-14>
5. Kravchenko, M. V., Klimova, Yu. V. Methodical aspects of accounting and control of costs and production output. Pryazovsky Economic Bulletin. 2017. Issue 2 (02). P. 151–154.
6. Methodological recommendations for planning, accounting and calculating the cost of production (works, services) of agricultural enterprises: Order of the Ministry of Agrarian Policy of Ukraine dated May 18, 2001 No. 132. URL: <https://zakon.rada.gov.ua/rada/show/v0132555-01>
7. Provisions (standard) of accounting 16 “Expenses” Order of the Ministry of Finance of Ukraine No. 790 of 11/18/2005 (with changes and additions). URL: <https://zakon.rada.gov.ua/laws/show/z0027-00>
8. On the approval of Methodological recommendations regarding the use of specialized forms of primary documents for accounting for production stocks in agricultural enterprises : Order of the Ministry of Agrarian Policy of Ukraine dated 12.21.2007 No. 929. URL: <https://zakon.rada.gov.ua/rada/show/v0929555-07>
9. Rybak, I. I., Iwata, V. V. The role of internal control over the use of production stocks. Global and national economic problems. 2017. Issue 16. P. 914–917.