

ABSTRACTS

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IDENTIFICATION OF MANAGEMENT CONTROL RISKS AND INTERNAL AUDIT RISKS

Identification of management control risks is the important part of forming quality management system of the company. This should take into account the interaction and relationship between management control and internal control in companies. The management control risk is the risk that the management system will be ineffective.

To determine the nature, timing and extent of control and audit procedures it is necessary to distinguish between management control risks and internal audit risks by the selection of individual components.

The business risk assessment should include risk of accounting information distortion, assuming lack of appropriate internal controls for its movement. The control risk assessment should include evaluation of accounting system efficiency, internal control system efficiency and management system efficiency.

The level of detection risk is in direct proportion to the control procedures applicable to the tasks assigned to management control and internal audit. The goal of these tasks is to achieve a certain software management level of quality accounting information for decision making.

Functioning of mechanism of management control risks identification and internal audit risks identification should be directed at achieving the risks planning and ensure the development and implementation of oriented risks tools. Components of management control risks and internal audit risks observations allows to control the quality of accounting information and recommendations provided by the management. This will reduce to the acceptable risks level.