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INTERNAL CONTROL OF PROVISION AS INSTRUMENT OF RISK ORIENTED MANAGEMENT

Summary

The article discusses issues related to risk management in the system of internal control of the company, gives different interpretations of the concept of «risk» and the main stages of risk management framework in internal control system on the basis of accounting and analytical information, functions of the internal control over the provision, organizes the organizational components of the control process of provision as an element of risk management of the enterprise, substantiates the importance of using accounting tools as a mechanism for preventing business risks, developed a methodological model and specified the composition of the provisions future costs of objects and information sources of internal control. Internal control, as defined in accounting and auditing, is a process for assuring of an organization's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations and policies. The improvement of the organizational and methodological model of internal control over the provision as an instrument of risk management of the enterprise is urgent, as economic activity in the conditions of market relations, the rigidity of competition, political and economic instability predetermine the problems of identification, assessment and management of business risks. Detected objects and systematized information sources internal control. The action of any risk can lead to negative consequences, so each company should develop a system of measures aimed at the maximum possible reduction of undesirable effects. Internal control is important, since it allows you to increase the company's management and compliance with its goals and objectives. An important role in managing the company's business in a risk-taking environment is played by accounting for the provision as part of a risk management policy and a tools for minimizing their effects.

Keywords: provision, control, internal control, methodological model, objects, sources, risk management, management.

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