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MOVEMENT OF DOCUMENTATION AS A PART OF THE AUDIT REPORTING OF TOP AGRICULTURAL COMPANY MANAGEMENT

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Summary: The movement of documentation as part of an implemented audit in the operations and management of an agricultural enterprise can contribute to improving the operation and management of an agricultural enterprise. This generally reduces the risk to the business of the agricultural enterprise. The movement of documentation within the company is done constantly. In this movement it is possible to make mistakes and omissions that will lead to worse business results of the company, which are essentially a consequence of poor internal factors of organization of work and business of top management. Therefore, the authors draw attention to the importance of establishing audit mechanisms that will contribute to improving the overall management of the agricultural enterprise, through better organization of the flow of documentation in the agricultural enterprise. The authors point out that their contribution in this paper is primarily focused on highlighting the importance of the movement of documentation within the company, which is the basis of audit monitoring and giving recommendations to the top management, who will then have the opportunity to make valid business decisions.

Key words: *Documentation, audit, process management, agriculture*

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INTRODUCTION

The management of an agricultural company should make valid business decisions based on the received valid information based on valid documentation of information within the enterprise [1], [2], which generally ensures the creation of numerous benefits [3] in the regular business of agricultural enterprises.

Agricultural businesses should have in their regular operations a documented circulation system [4], which will enable real business operations [5], [6], [7], that is, businesses that will succeed in the market.

The audit of an agricultural enterprise is based on documents describing individual events in the enterprise [8], [9], that is, the documentation monitors the functioning of the agricultural enterprise, and without its real appreciation the performance of the enterprise cannot be improved [10], [11], [12], and audit reporting is neither valid nor timely.

Substantial audit processes should be based on timely documentation that will respect the standardization of top management reporting [13], which in a way is a socio-economic phenomenon and socio-economic behavior in the economy as a whole [14].

On this basis, it can be observed that the audit work is being carried out with continuous monitoring of the documentation of the agricultural company for a long period [16], [17], [18].

MATERIAL AND METHODS

In designing this study, the authors used generally accepted management models in an agricultural enterprise based on the use of top management reporting and the use of document tracking that is constantly circulating in the enterprise and represents the basic flow of information within the enterprise.

Accordingly, the documentation is the basis for the audit, and it is also the basis that helps the top management in the work or in making valid business decisions in the work of agricultural enterprises.

Documentation used in the work of top management, as well as in the work of auditors is of great importance for continuous and successful management of the company.

In relation to the above, the authors presented a possible model of decision making based on the consideration of documentation as part of making valid business decisions, which is illustrated in Figure 1 of this study, which emphasizes the importance of documentation in making audit reports.

Contemporary business requires management that incorporates innovative approaches from top management through the use of new approaches, which cannot be accomplished without the proper information provided by the business records, on the one hand, and on the other hand provides the implementation of audit recommendations addressed to top management.

In this paper, the authors emphasize the importance of conducting audit reporting that is based on valid documentation.

RESULTS AND DISCUSSION

The authors emphasize that the audit must be based on the use of documentation as a basis for passing the audit certificates and recommendations that they submit to top management after the work has been done.

At the same time, an appreciation of what is being said can contribute to improving the performance of an agricultural enterprise, thus raising the importance of respecting the audit profession in the continued operation of the agricultural enterprise itself.

The authors gave the general model of appreciation and / or appreciation of the movement of documentation in the company in Figure 1.

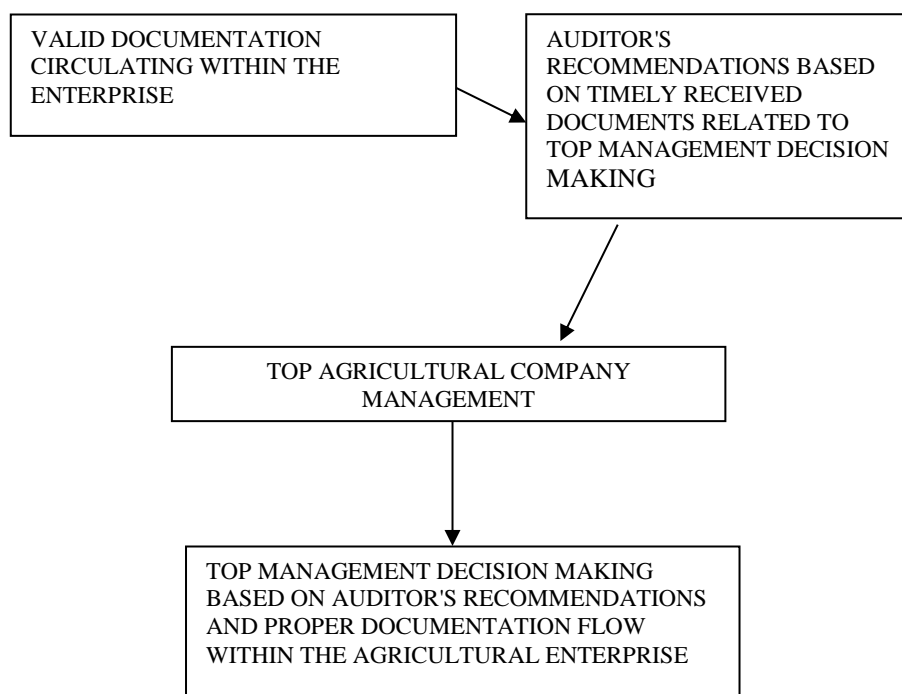


Fig. 1 Model of a well-established audit model in an agricultural enterprise based on management decision-making in accordance with the recommendations of the audit profession based on the appreciation of documentation that is constantly circulating in the enterprise

The authors of Tab white 1 show a model of possible provision of conditions for safe movement of documentation during the functioning of top management and audit as part of making valid business decisions based on the real functioning of agricultural enterprises and interview conducted in 14 companies in the period from 01.01.2019 to 30.09.2019., in the Republic of Serbia.

The authors gave an example of the presentation method in Table 1.

Table 1: Provide conditions for safe movement of documentation during the functioning of top management and audit as part of making valid business decisions

Serial num.	Provide conditions for safe movement of documentation	Exists		Note
		Yes	No	
1.	Review the existence of an obligation to keep a control book of the Managing Director.		X	There is no obligation to keep a control book of the managing body or the director of the company.
2.	Review to confirm that the responsible person of the sector makes the order to initiate the procedure.	X		
3.	Review the existence of a document to initiate the defined name procurement process.		X	The name of the order indicating the predominant procurement object at the time of initiation of the procedure has not been defined.
4.	Review to confirm the existence in the title of the document for initiating the procurement process of the printed procurement number in the current year.		X	The number of orders to initiate proceedings has not been defined, nor in which business years has been initiated.
5.	Review to confirm that the procurement initiation order has been signed by the Assistant Director.	X		
6.	Review to confirm that the order initiating the procurement process was first signed by the Assistant Director of the Procurement Sector, then by the Assistant Director for Economic and Financial Affairs and then by the Director of the company.	X		
7.	Review to confirm that the order for initiating the procurement procedure was first signed by the Assistant Director of the Sector who initiated the procedure, then by the Assistant Director for Economic and Financial Affairs, and then by the Director of the company and then recorded at the company office		No	The order to initiate the procedure was first filed at the office of the company and then signed by the assistant director of the sector who initiated the procedure, then by the assistant director for economic and financial affairs, and finally by the director of the company whose signature was stamped with the company seal.
8.	Inspect to confirm that the employees in the procurement department performed the tasks of analyzing the procurement orders received.	X		
9.	Review to confirm that the decision to initiate the procedure was made in writing with the prescribed parts.	X		
10.	Review to confirm that the decision to initiate the procedure is numbered by the procurement number in the current year.	X		

CONCLUSIONS

In this paper, the authors emphasized the importance of respecting the movement of documentation within an agricultural enterprise in two respects.

The first aspect of observation involves the immediate appreciation of the documentation flow by top management as it is important to make valid current business decisions.

The second aspect of observation is relevant from the point of view of making the recommendations of the auditor, which is intended for top management. Audit certificates are obtained here on the basis of realistic indicators that are visible in the documentation of the agricultural enterprise.

The overall objective of both activities is to prepare an audit report in the ordinary course of business of an agricultural enterprise, which should apply top management of the enterprise in order to achieve better business results.

The contribution of the author is reflected in highlighting a possible model of behavior of top management and auditors in the business decision-making process of an agricultural company, which is managed with respect for the auditing profession, but also with respect for realistic documentation.

In addition, the authors highlighted the basis for possible proper reporting to the top management of an agricultural enterprise, which essentially accepts the real movement of documentation, followed by the recommendations of the auditor, and then the decision-making of the top management of the agricultural enterprise.

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KRETANJE DOKUMENTACIJE U SKLOPU REVIZIJSKOG IZVEŠTAVANJA TOP MENADŽMENTA POLJOPRIVREDNOG PREDUZEĆA

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Sažetak: Kretanje dokumentacije u sklopu implementirane revizije u poslovanju i upravljanju poljoprivrednog preduzeća može da doprinese poboljšanju rada i upravljanja poljoprivrednog preduzeća. Time se generalno smanjuje rizik po poslovanje poljoprivrednog preduzeća. Kretanje dokumentacije unutar preduzeća se obavlja konstantno.

U tom kretanju moguće su greške i propusti koji će dovesti do lošijih poslovnih rezultata preduzeća, koji su suštinski posledica loših internih faktora organizacije rada i poslovanja top menadžmenta.

Zato, autori rada skreću pažnju na značaj uspostavljanja revizijskih mehanizmama koji će doprineti poboljšanju ukupnog upravljanja poljoprivrednog preduzeća, putem bolje organizacije toka kretanja dokumentacije u poljoprivrednom preduzeću.

Autori ističu da je njihov doprinos u ovom radu pre svega usmeren na isticanju značaja kretanja dokumentacije unutar preduzeća, koje se nalazi u osnovi revizijskog praćenja i davanja preporuka revizora top menadžmentu, koji će nakon toga imati priliku da donese validne poslovne odluke.

Ključne reči: dokumentacije, revizija, upravljanje procesima, poljoprivreda

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