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## CHALLENGES AND PROSPECTIVES OF AUDIT DEVELOPMENT IN UKRAINE

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*Summary. In the following article a research upon the essence of independent audit and fields of its use in terms of International standards on auditing. This research is very important for adaptation of Ukraine's legislation to legislation of the European Union, and further development of independent audit in Ukraine. As a result of analysis and comparison a number of*

*contradictions between International demands and several normative-legal acts of Ukraine which regulate conducting of audit were found. In order to improve audit in Ukraine introduction of National audit practice as a system of recommendations by regulatory organ on a national level was offered.*

**Key words:** *essence of audit, independent audit, International standards on auditing, objects of audit, fields of audit use, audit procedures, types of audit services, ethical principles of audit.*

Despite certain achievements in the field of financial control, audit in Ukraine is still in its infancy. Development of audit in terms of application does not correspond to theoretical generalizations about the subject and purpose of audit. A number of unsolved problems slows down the development of national audit towards meeting the international standards.

The aim of this article is to determine the essence of independent audit and fields of its application with regards to International quality control, auditing, review, other assurance, and related services pronouncements by International Federation of Accountants (IFAC).

Ukrainian scientists as well as Audit Chamber of Ukraine associate audit only with a field of financial control, the object of which is a financial statement. At the same time one can see terms such as "tax audit", "environmental audit", "technical audit", "quality assurance audit", "energy audit", "land audit" etc. It is worth mentioning that legal regulations, which define audit in various economic spheres, don't have a

comprehensive statement neither about the essence of audit nor about the requirements for subjects that can fulfill audit.

The conclusions of the study.

1) According to International Standards on Auditing, independent audit is a research process, which is comprised of five mandatory elements: a) trilateral relations; b) object; c) criteria; d) proof; e) written conclusion.

2) International Standards on Auditing do not have limitations on objects of audit and fields of its application.

3) Audit, which is carried out according to legal and regulatory acts of Ukraine in fields other than financial control is not considered to be independent according to requirements of International Standards on Auditing.

4) In order to be internationally recognized, Ukrainian practice of independent audit in any field of economic activity should not contradict or should be based upon International Standards on Auditing.

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