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PRINCIPLES AND METHODS OF ORGANIZATION OF THE INTERNAL TAX CONTROL SYSTEM IN JOINT STOCK COMPANY

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ANNOTATION

The article is devoted to the basic principles and methods of internal tax control. Having studied the mechanism of building internal tax control at the enterprise, the author comes to the conclusion that the internal tax control of the enterprise is the most important mechanism of the company's activity, aimed at effective activity, and is also relevant for all participants in tax legal relations. The author's interpretation of the concept of "internal tax control" is given. A comparative analysis of the methods of organizing such control has been carried out, as a result of which an organization mechanism has been developed that will allow the management of economic entities to avoid errors in calculating taxes and paying penalties to tax authorities. An algorithm for the creation and implementation of an internal tax control service with a description of the structure of subordination and distribution of powers is presented. Revealed topical problems of the organization of internal tax control. The main stages of tax planning at the stage of functioning of an economic entity have been determined. The author's interpretation of tax optimization is given as a tool for managing the amount of tax liabilities within the framework of ensuring tax security in order to minimize the tax burden and avoid penalties. The emphasis is made on the main ways to eliminate tax risks. The stage of registration and presentation of the results of the internal tax control is characterized.

KEY WORDS: ***internal tax control, accounting, reporting, management, enterprise, control, tax planning, tax optimization, tax risks.***

INTRODUCTION

Control is one of the management functions. Tax control is traditionally viewed as a state function. At the same time, as tax administration improves, a system of internal tax control of business entities is being formed and developed. It is a set of procedures aimed at identifying, correcting, preventing errors in tax calculations, assessing the tax consequences of the company's business operations and minimizing tax risks [1].

Internal tax control is control over management processes and financial and economic activities of an enterprise.

Internal tax control at the enterprise is carried out by:

- Administration of the enterprise;
- Accounting;
- Specially created internal audit services (control and audit department);
- or other units.

That is, internal control is a process aimed at achieving the goals of the company. Internal control is the result of the actions of the management in the organization, planning, monitoring of the activities of the organization and its structural divisions.

Internal control is organized by the management of the enterprise and determines the legality of business transactions, their economic feasibility. This is the first and main difference between internal control and other types of control [2].

Internal tax control is aimed at identifying, assessing and minimizing the risks of an enterprise. It is associated with the detection of deviations from the adopted standards and violations of the principles of legality, efficiency and economy in the use of material resources at the earliest stage, which makes it possible to take corrective measures, bring the perpetrators to justice, receive compensation for the damage caused, and take measures aimed at preventing such violations in the future.

MAIN PART

The system of internal tax control is built on the relationship between the structural divisions of the enterprise (departments, services, production workshops, sections, teams).

The constituent elements of the formation of an internal tax control system are:

Goals and objectives of internal tax control;

Principles of functioning of the internal tax control system;

Requirements for the internal control system;

Methods and assessment of the internal tax control system.

The main goal of the internal tax control system is to establish control actions performed by persons responsible for internal tax control, in terms of checking the correctness, completeness and timeliness of calculating tax amounts, that is, minimizing tax risks.

The tasks of internal tax control are:

- Identification and documentation of risks and their control over the tax function;

- Conducting a regular and systematic analysis of the impact of changes in the external and internal environment;

- Continuous updating, testing and certification of control procedures;

- Regular monitoring of comments and the status of measures to eliminate them [3].

The subject of tax control, as a rule, is currency and cash transactions, estimates of enterprises, tax returns, the use of tax incentives, as well as accounting documentation. Control over the documentation allows you to exclude mistakes in the future and avoid fines and penalties [3].

The stages of the organization's activities are: supply, production, sale, they are also objects of internal control. The most important function of internal tax control is the performance by employees of the enterprise of their official duties [4].

In the implementation of internal control, various methods are used, they include such elements as:

1) Accounting financial accounting (inventory and documentation, accounts and double entry);

2) Management accounting (distribution of responsibilities, cost rationing);

3) Audit, control, revision (verification of documents, verification of the accuracy of arithmetic calculations, verification of compliance with the rules for accounting for individual business transactions, inventory, oral questioning of personnel, confirmation and tracking);

4) control theory [2].

There are differentiated approaches of representatives of various branches of knowledge to the analysis of the essence of internal and tax control.

Unfortunately, the concept of "internal tax control" has not been fully investigated in the scientific literature.

The concept of internal tax control O.A. Nogina, D.G. Chernik and A.N. Poponov is considered in two aspects:

1) Internal tax control as a set of techniques and methods;

2) Internal tax control as an activity of tax authorities.

According to O.A. Nogina, internal tax control is understood as an integral part of the organizational and legal management mechanism, which is a special type of activity of specially authorized state bodies, as a result of which the fulfillment of the duties of persons in the field of taxation established by the norms of tax law is ensured.

Researcher D.G. Chernik identifies internal tax control with a special kind of audit or a set of measures.

Scientist A.N. Poponova considers the concept of "internal tax control" from two positions:

- covers all areas of activity of authorized bodies (state registration of taxpayers, tax accounting, tax audits, as well as areas of activity of controlled entities related to the payment of taxes);

- conducting actual tax audits by authorized bodies.

We believe that it would be wrong to consider internal tax control only from the point of view of the activities of tax authorities, i.e. at the macro level.

So, E.S. Tsepilova notes that internal tax control can help a business entity to combine compliance with the legislation on taxes and fees with the task of optimizing taxation [5].

Researcher E.V. Vasilchuk defines internal tax control as part of on-farm tax control that performs all the functions of internal control in terms of tax relations, the main goal of which is to optimize current payments to the budget and reduce the tax burden, as well as tax risks for the enterprise [6].

Scientist A.A. Trubnikov understands by internal tax control a set of tasks, principles of functioning, organizational measures, methods and procedures used as means for orderly and effective control over the correctness of calculated amounts of taxes, correcting and preventing errors and distortions of information in tax registers and tax reporting forms, and also timely preparation of reliable tax reporting [7].

Researcher N.N. Titova examines the internal tax control of an economic entity from the perspective of the following control procedures:

- Checking taxation schemes;

- Elimination of system errors in tax accounting;

- Development of a new model for paying taxes [8].

Researcher O.V. Krasikova interprets internal tax control as a system of intracorporate control measures to comply with tax legislation, carried out within a single economic entity by observing, comparing, checking and analyzing the existing controlled object [9].

Scientist G.Ya. Chukhnina studies internal tax control from the standpoint of the main areas of

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interaction between tax, customs authorities and the police, such as the exchange of information for control purposes, the development of control measures to identify, prevent and suppress violations in the tax sphere, the formulation of directions for improving the mechanism for implementing the provisions governing relations in tax area [10].

According to K.A. Nesterenko and L.A. Nikolaeva, internal tax control is a tool for verifying the correctness of accounting for taxable bases and the accuracy of calculating tax amounts to be paid, the correctness of the preparation and timeliness of filing tax returns [11].

In our opinion, internal tax control is not only the activity of tax authorities to control the timeliness, correctness and completeness of the calculation and payment of tax payments to the budget, but also the organization of a special service within an economic entity as a tool to prevent, identify and eliminate tax risks.

We believe that this work should be carried out at every large enterprise in order to create an internal tax control service.

So, K.A. Nesterenko and L.A. Nikolaeva, in her work, consider the scheme in terms of tax control from two positions:

- where tax accounting and control are separated into a separate separate subdivision, whose employees are exclusively engaged in tax accounting issues;

- where the functions of controlling taxation are assigned to the employees of the reporting department [12].

We have developed an algorithm for the creation and implementation of an internal tax control service at the level of any business entity, shown in Fig. 1.

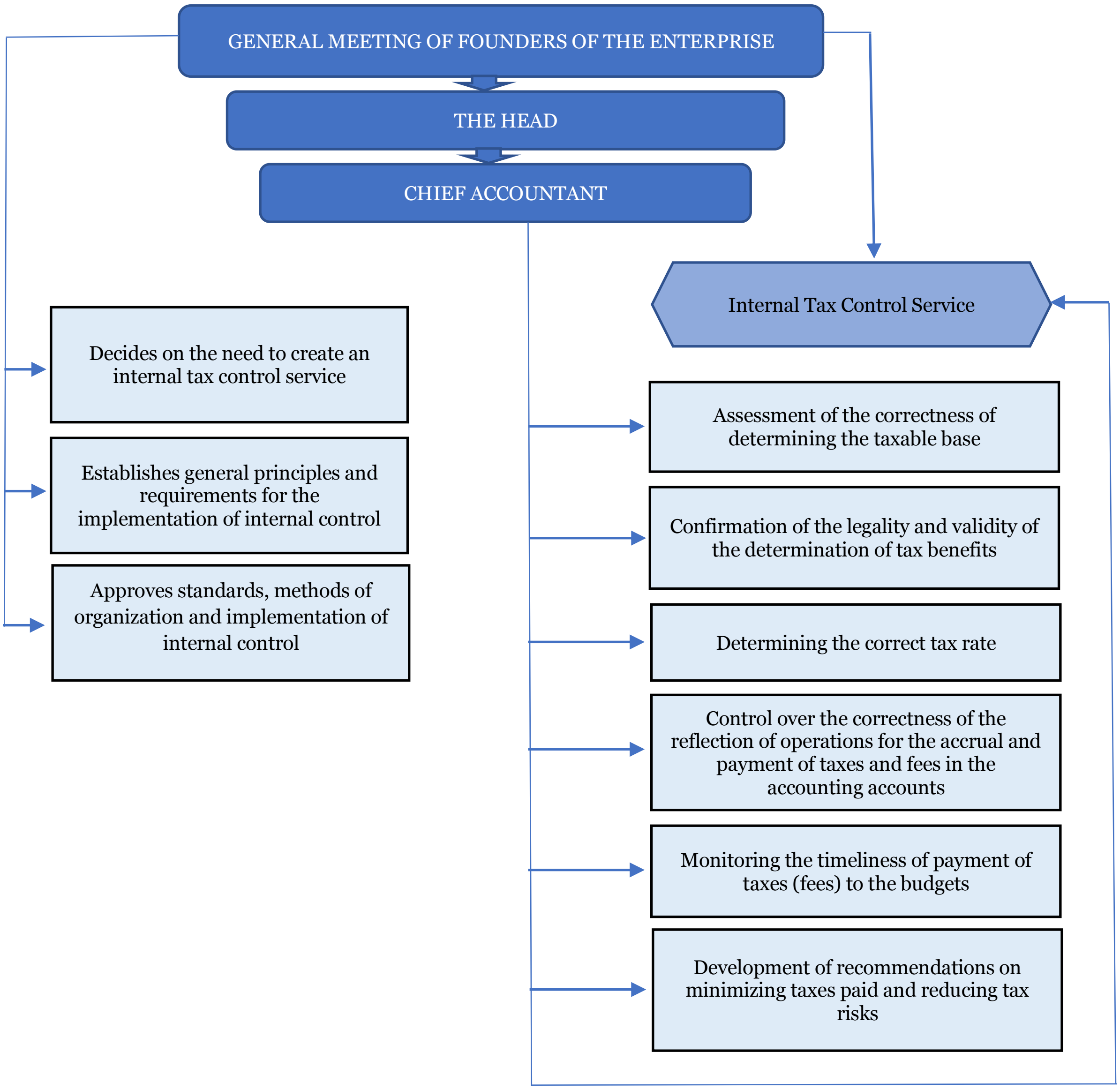

Figure 1. Algorithm for the creation and implementation of an internal tax control service at the level of an economic entity

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The decision to create an internal tax control service is made by the supreme body of an economic entity by drawing up an appropriate order. Control over the execution of this order is entrusted to the head of the enterprise. Further, the integration of the internal tax control service with the accounting department is carried out. The chief accountant develops and carries out measures to assess the degree of completeness and correctness of the calculation, reflection and transfer of tax payments by an economic entity to the budget and off-budget funds, as well as the legality of the application of tax benefits, taking into account the tax regime established at the enterprise.

The creation of an internal tax control service will answer many of the organizational questions presented in Fig. 2.

Questions
What are the goals and objectives of the ITCS?
What methods and techniques will ensure the achievement of the set goals?
How will the rights, duties and responsibilities of employees of the control service be distributed?
How will the integration of accounting in the ITCS take place? How to develop a Regulation on the organization of internal tax control?
What in-house standards are required when creating an ITCS?

Figure 2. List of organizational issues arising from the creation of an internal tax control service

Having studied the legislative and regulatory framework for the implementation of internal tax control, we formulated the main problems of its organization:

- The presence of gaps (ambiguities and contradictions) in tax legislation;
- Unclearness of the process of development and functioning of the internal tax control service (hereinafter referred to as ITCS);
- Lack of guidelines (materials and manuals).

In connection with the change in the scale of economic entities, the internal control system is developing and improving, the requirements for it are increasing.

In small firms, the director often sets the tone, and all processes are not formalized. At such enterprises, there is little management and control, an informal system of communication between departments and employees is developed, manual management and control prevail.

In our opinion, internal tax control should be aimed at checking the compliance of business entities with tax legislation and tracking violations (wrong choice of tax regime, unlawful use of benefits), which, as a result, will minimize tax risks.

Some authors in their works provide a methodology for organizing internal tax control. So, S.A. Khmelev argues that the process of organizing internal tax control should reflect the interests of the economic security of enterprises. His technique is shown in Fig. 3.

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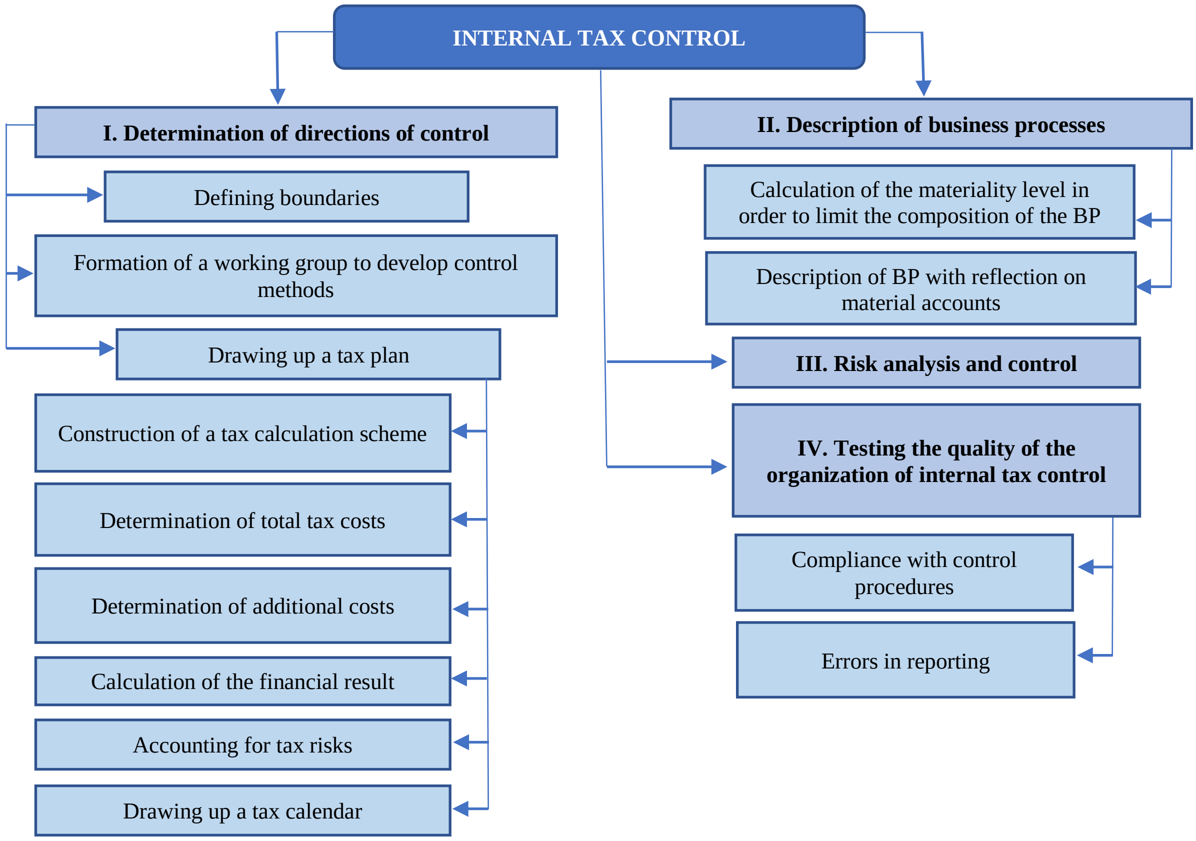

Figure 3. The process of organizing internal tax control

Scientist I.I. Rakhmanova in her work describes the method of applying analytical procedures in organizing internal tax control, which consists of three stages (shown in detail in Fig. 4):

- Control planning;
- Carrying out analytical procedures;
- Completion of control.

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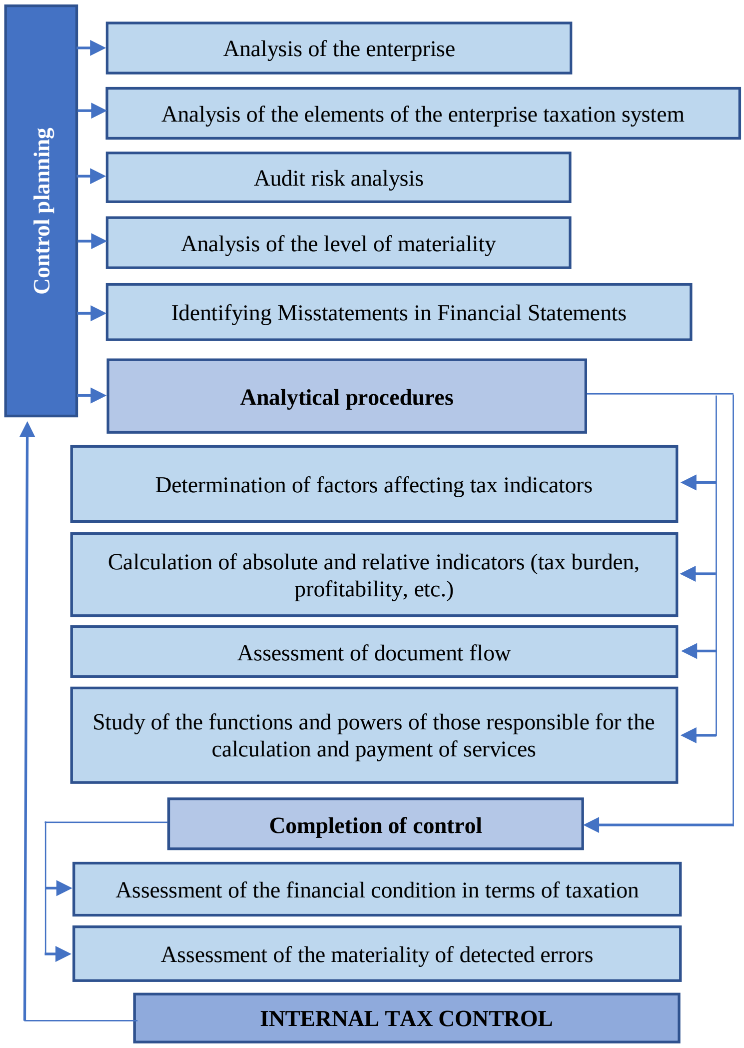

Figure 4. Methodology for applying analytical procedures in organizing internal tax control

The technique of I.A. Chusova includes the following activities:

1) Tax planning;

2) Detection of errors in the application of tax legislation;

3) Development of methods to eliminate distortions in the future;

4) Implementation of the developed methods;

5) Presentation of the result of the internal tax control to the management of the economic entity in the form of a report of the internal controller (shown in detail in Fig. 5).

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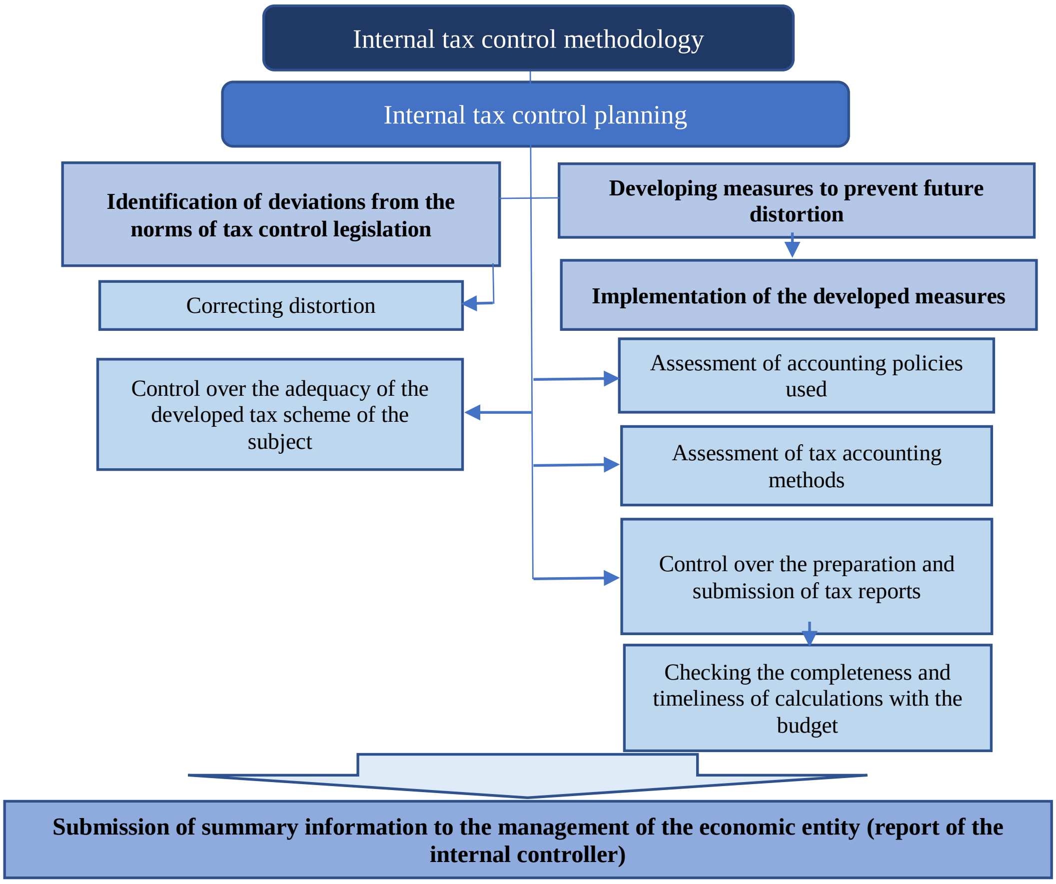

Figure 5. Methods of internal tax control

The considered methods of organizing internal tax control are not complete.

The systematic sequence of measures associated with the implementation of tax planning in an economic entity is shown in Fig. 6.

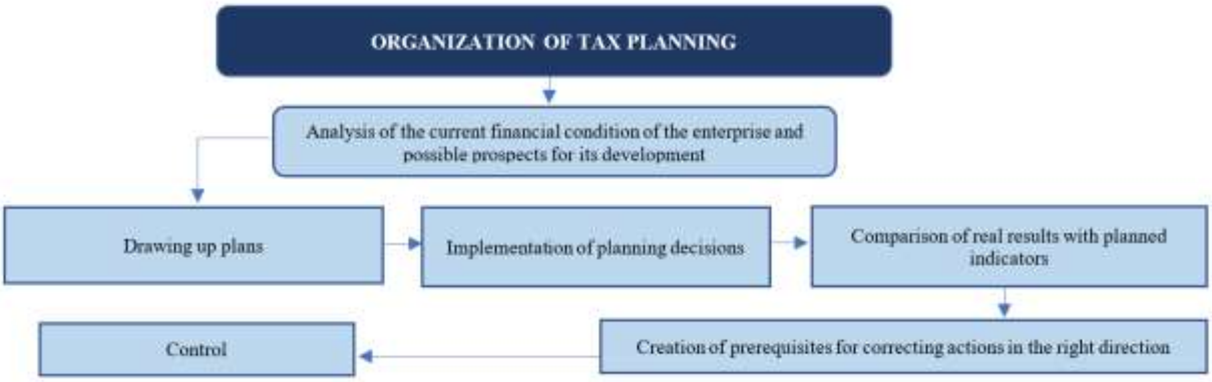

Figure 6. The sequence of the system of measures for tax planning

Control in this system is the final block, namely: it contributes to the correct assessment of the effectiveness of the planning process in the organization, including tax planning.

Based on the systematization of tax planning measures, the organization of planned work, motivation of the personnel involved in their implementation, monitoring of the results and their assessment from the point of view of planned indicators are carried out.

Scientist V.Yu. Khalezin examines the main stages of internal tax planning.

Stage 1.

The choice of the tax regime based on the goals and objectives of the enterprise, as well as the characteristics of its production.

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Stage 2.

Ongoing tax optimization, consisting of the following elements:

- Application of tax benefits and exemptions provided for in tax legislation;
- Optimization of contractual relations when planning transactions with counterparties;
- Preparation of accounting policies for tax accounting purposes.

Stage 3.

Rationalization in the field of correct investment of assets, additional profit and further investment of funds [12].

We believe that the organization of tax planning is one of the tools of tax optimization, which, using optimal legal tax methods, implements directions in the field of choosing a tax regime, reducing the tax burden, timely and complete calculation and payment of tax liabilities to budgets of various levels, and reducing the risk of possible fines. sanctions in perspective.

The mechanism for implementing tax planning at the stage of functioning of an economic entity, in our opinion, is carried out at the stages shown in Fig. 7.

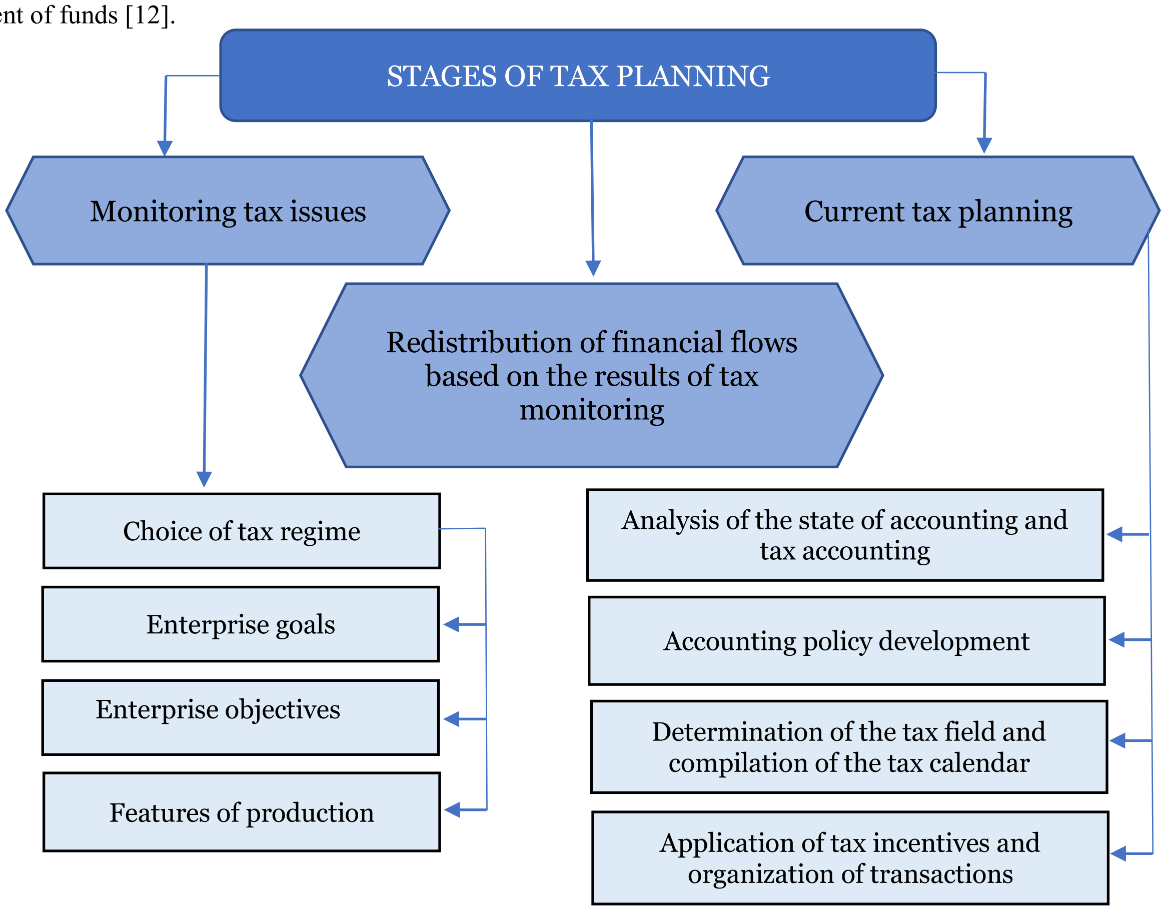

Figure 7. The mechanism for the implementation of tax planning at the stage of functioning of an economic entity

The main goal of any business entity is to increase profits and minimize risks. To do this, it is necessary to assess and analyze the actual state of tax liabilities, which will be the main stage of the internal tax control methodology. In this regard, we propose to implement in practice a number of the following actions:

- Determination of the property status of the enterprise;
- Assessment of the financial condition of the enterprise;
- Analysis of the dynamics of accrued and paid taxes with the allocation of the share of each tax in the total set of tax deductions;
- Calculation of the tax burden of the enterprise;
- Control of prevention of greater dynamics of growth of tax payments in comparison with the dynamics of growth of the company's proceeds.

In our opinion, such measures as tax planning, detection of errors in the application of tax legislation, development of methods to eliminate distortions in the future, implementation of the developed methods, presentation of the internal controller's report as a result of internal tax control, designated by I.A. Chusov can be called tax risk management.

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Tax risk is understood as the opportunity for a taxpayer to incur financial or other losses associated with the process of paying and optimizing taxes, expressed in monetary terms [13].

According to I.A. Lisovskaya, the reason for the emergence of tax risks is not only damage, but also decisions in the field of finance, taken at various levels of management, both at the macro level and at the micro level [14].

The most important role in the control of tax risks is assigned directly to the economic entity. We came to the conclusion that professional development of specialists who conduct tax accounting at an enterprise, tracking changes in the field of tax and accounting legislation, organizing procedures for monitoring the state of tax accounting are priority areas for reducing tax risks.

Now with the help of fig. 8 let us consider what tax risks may arise for business entities as participants in tax relations.

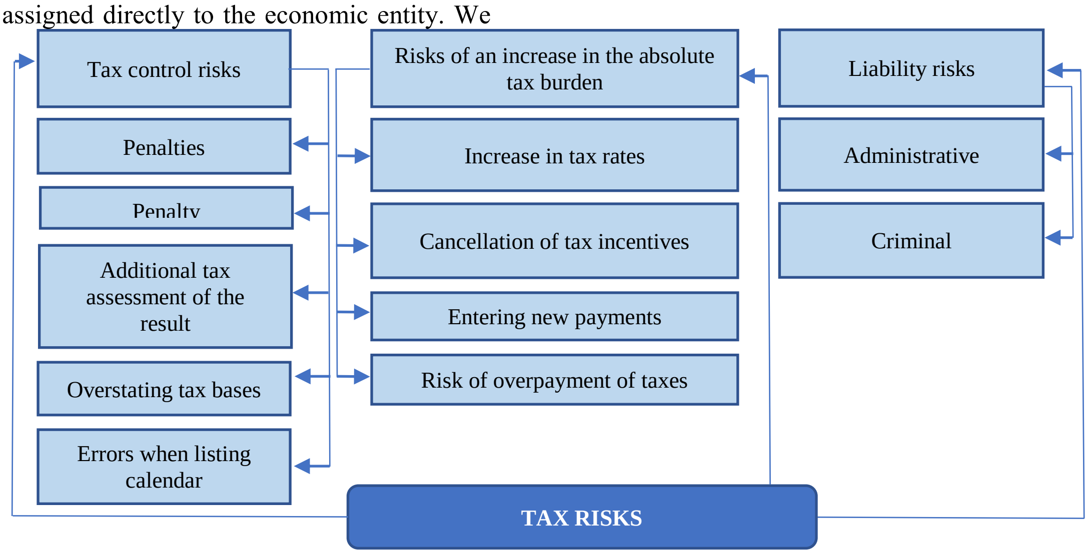

Figure 8. Types of tax risks

After identifying tax risks, it is necessary to develop measures to prevent their occurrence in the future and put them into practice.

We believe that the development and implementation of measures to prevent distortions should include ways to eliminate tax risks.

Let's represent in fig. 9 procedure for detecting tax risks.

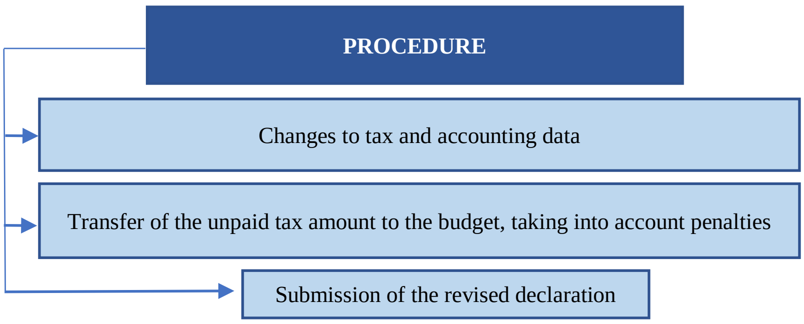

Figure 9. Ways to eliminate tax risks

Tax risk management contributes to the achievement of tax optimization. The latter must be interpreted as a tool for managing the amount of tax liabilities within the framework of ensuring tax security through targeted legitimate actions of an economic entity, including the use of appropriate benefits, exemptions and other legal techniques and methods, including ways to minimize the tax burden and avoid penalties.

We believe that tax optimization requires not only an audit of the tax reporting submitted by an economic entity, an analysis of the legality of the application of tax benefits and diagnostics of accounting and tax accounting for the audited period, including the analysis of primary documents to obtain information on indicators and justify the use of methods in tax calculations, but also correcting the identified deviations together with the employees of

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the enterprise, consulting on the optimization of taxes for individual business transactions, consulting on the procedure for calculating and paying taxes.

The end of the internal tax control is accompanied by the registration and presentation of the results of its implementation.

At this stage:

- The results of the conducted internal tax control are formulated;
- A tax consultant's report is drawn up on the results of the implementation of measures to conduct a tax audit;
- recommendations are given regarding the legality of the application by economic entities of tax exemptions and benefits, the timeliness and completeness of the transfer of tax payments and fees to the budget and extra-budgetary funds.

The preparation of an opinion on the results of a tax audit can be reflected in the aggregate of the main points:

- A review of audit evidence;
- Formation and evaluation of final data;
- summarizing the results of the audit and drawing up an opinion on the results of tax control.

Thus, in Fig. 10 shows the concept of the organization of internal tax control developed by us.

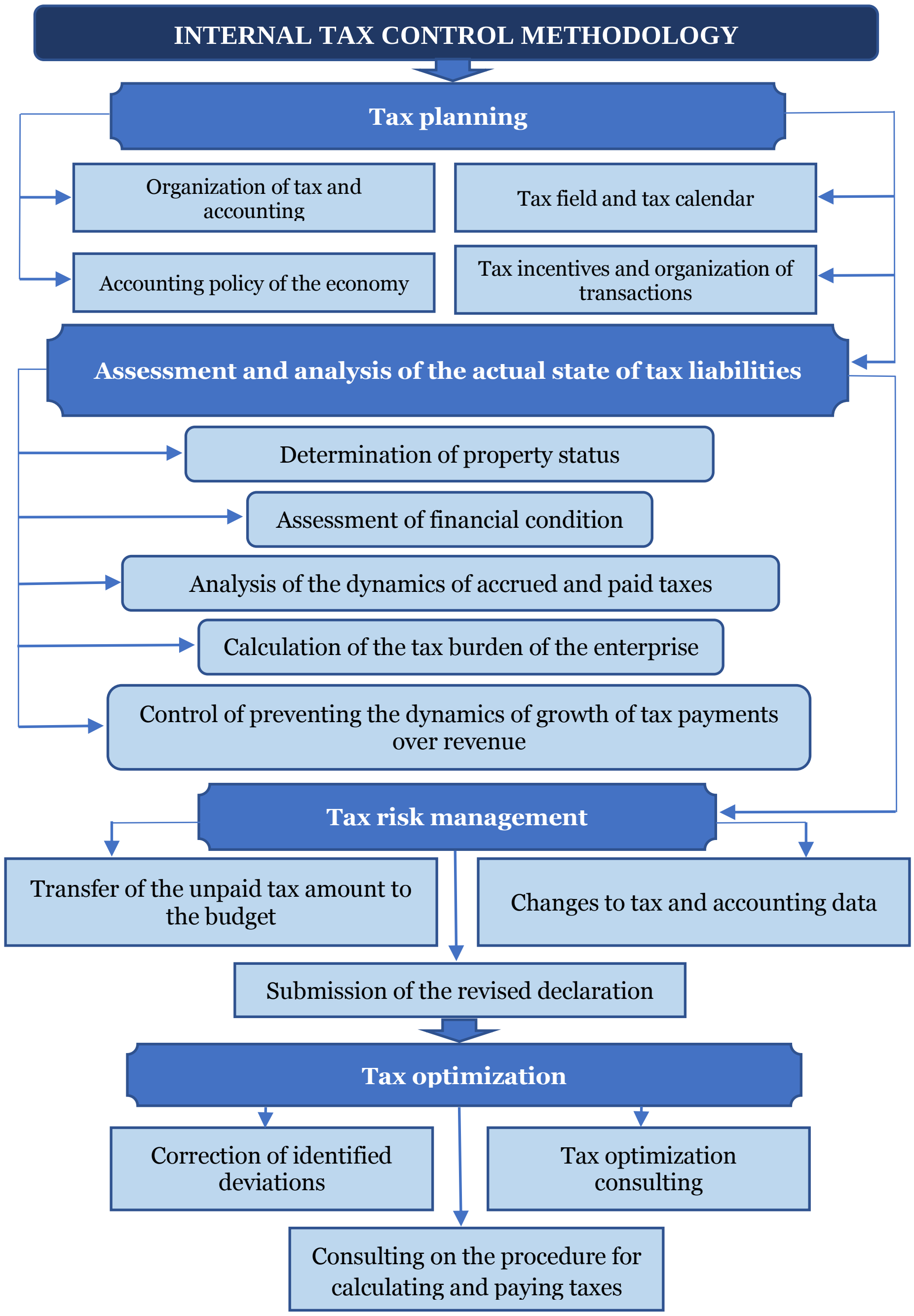

Figure 10. Organization of the internal tax control system

So, a reliable system of its organization will minimize the likelihood of errors in the calculation of mandatory tax payments to the budget and off-budget funds. The result of the implementation of the functions of internal tax control will be control of:

- For the formation of the taxable base when calculating tax liabilities;
- For the timeliness and completeness of the fulfillment of tax obligations;
- For the timeliness and completeness of the use of tax benefits;
- With the exception of taxable income not subject to taxation;
- For the emergence and timely implementation of tax requirements;
- For the formation of prices and conditions in contracts concluded by an economic entity, including for the inclusion in the contract price of all taxes and fees and the exclusion of tax clauses.

CONCLUSION

Thus, the use of the system of internal tax control in organizations will contribute to the identification, optimization and minimization of tax risks. Therefore, internal tax control is an integral part of large enterprises aimed at effective activities, and is also relevant for all participants in tax legal relations.

Based on the above, we can conclude that internal tax control is the most important business function along with production management and financial management.

When using the mechanism for building a system of internal tax control, business entities will be able to optimize current payments to the budget and reduce the tax burden, in addition, its application will help to identify, correctly assess and minimize tax risks.

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