



UDK: 657.3

*Originalni naučni rad
Original scientific paper*

AUDIT AS FACTOR OF IMPROVEMENT OF MANAGEMENT IN AGRICULTURAL COMPANY

**Slobodan Popović^{1*}, Dragan Đuranović², Jelica Eremić-Đodić³,
Slobodanka Jovin⁴, Vera Popović⁵, Vladimir Filipović⁶**

¹ JKP "Gradsko Zelenilo", Sutjeska 3, 21000 Novi Sad, Serbia

² University of Novi Sad, Subotica, Serbia

³ Eps Distribution Belgrade, Belgrade, Serbia

⁴ High Business School of Novi Sad, Novi Sad, Serbia,

⁵ Institute of field and vegetable crops, Novi Sad, Serbia,

⁶ Institute for Medicinal Plants Research "Dr Josif Pančić", Belgrade, Serbia

Abstract: The audit can contribute to improving the management of the company. This can start the process of reducing the interval of risk in all parts of agricultural company. Management should be seen as a body that is constantly looking for innovative solutions that will improve the management of the company. The process of establishing control mechanisms should serve the improvement of the overall enterprise management. An audit can provide full management support, especially in the first phase of collecting data from the relevant stakeholders in the company. The authors primarily emphasize that there is no unified methodology initiated by the audit which would be considered generally accepted. Secondary authors point out that there is no generally accepted best practice that could be applied universally to the whole economy of the Republic of Serbia. With this work the authors emphasize profitability management efforts designed to take into account the recommendations of the audit, especially in the agricultural enterprise.

Keywords: *audits, process management, agriculture, risks.*

INTRODUCTION

Management requires management to new approaches based on the use of audit instructions, recommendations and information [1]. An appreciation of such viewpoints,

* Corresponding author. E-mail: slobodan.popovic49@gmail.com

especially in agricultural companies, [2], can be made a number of benefits [3]. Agricultural companies in the business need to use statistical analysis of [4], because it generally improves the operation of the whole agricultural sector [5], [6], [7].

It can serve as a revision of the first monitoring and control functions in the company [8], [9]. This can improve the practical functioning of the agricultural firm may [10], [11], [12]. All processes are based on the standardization of in general may help to improve the overall results of the management [13].

In the aggregate behavior of agricultural management is conducive to changing the overall behavior within the branch, that is, one word contributes to changing the socio-economic behavior within the state [14].

Thus, it can be seen that it is important for the business establishment of internal control mechanisms, which will reduce the risk to the overall operations of the company. This is achieved using heterogeneous models improve the management of [16], [17], [18]. In brief any revision within the enterprise can provide positive effects on the overall performance of [19].

MATERIAL AND METHODS

To create a work the authors used the testing of top management and middle management levels in the medium enterprise of the Republic of Serbia, which has several decades of existence in the market from the dominant business of agriculture. Selected company owns more than 100 pieces of agricultural equipment that can be run in several subgroups.

To highlight the importance of auditing the authors have identified that risk interval ranging from 1-10, except that 1 is the lowest risk and 10 the highest risk to the company. The main risks based on risk identification date by the audit are grouped into 10 subgroups. The objective of these activities was to identify the highest risk, as he would be presented to management, who continue to take measures to prevent them, reduce or cancel other measures.

The criteria for assessing the financial condition of the company are the second level of testing, with the main reason analysis of the most significant risks to the company, which was established in the first part of the research. The last level research through the test was to 5 subgroups agricultural equipment presents management with the aim of finding the equipment that has the highest risk compared to the same age.

All activities that have occurred on the basis of the objectives defined by the authors were taken for a reason finding the greatest risk to appear in a realistic way the importance of auditing in everyday business can be a real driver of audit activities within the agricultural enterprise.

RESULTS AND DISCUSSION

The importance of this study is to highlight the importance of audits in agricultural enterprises. The authors point out that there is no universal model for governance to be improved. In this regard, in Tabs. 1, 2 and 3 further show the research of agricultural companies in relation to the intervals risk. Tabulation 1 provides basic categorized risks

to agricultural company, tabulation 2 draws attention to the greatest risk to the company or the company's financial risk; tabulation 3 presents the evaluation of agricultural equipment in relation to the risk to the company.

Table 1. Categorized basic risks to agricultural enterprise

No	The main risks based on risk identification date by audit	The results related to the nominal value expressed by a single risk
1	Reputational risks	6
2	Operational risk	6
3	Strategic risk	8
4	Risks related to the rules that have already been made in the company	5
5	Social risk	5
6	Risks related to contracts concluded in the enterprise	4
7	The financial risk of the company	10
8	Control risk	9
9	Regulatory risk companies	5
10	Technological risk for the company	7

Table 2. Possible criteria for risk assessment in relation to the agricultural operations of financial companies

No	The criteria for assessing the financial condition of the company	Interval observation	The results expressed in nominal terms risk
1	Days Insolvency	Until the 7	3
		Until the day 15	7
		Until the day 30	10
2	Debt Indicators	=1	3
		1-2	7
		2 or more	10
3	Profitability Ratios	above 8	2
		0-8	6
		loss	10

Based on these results it can be concluded that the biggest risk to the agricultural enterprise risk financially. Its value is expressed in nominal terms by 10. The biggest risk to the agricultural enterprise is still covered by a triple analysis as follows: the number of days of illiquidity, indicators of indebtedness and profitability indicators. Insolvency is nominally expressed with the highest number i.e. 10 for overdrafts over 30 days. With charge indicated by a value 2 and is more nominal terms with the highest number, i.e. 10, and in this situation there are major difficulties for the company. The return to a situation of expression loss is nominally expressed with the highest number i.e. 10, that the situation is very difficult at the company.

Age agricultural equipment affects the possible risk events per company. Only five categories show that small subgroups agricultural machinery, irrigation systems and greenhouses are fairly highest level of risk.

Table 3. Selected types of agricultural equipment by age and compared to the results of risk in relation to the fair value of the business books

No	Type of farm equipment	Age farm equipment	The results expressed in nominal terms risk by management in relation to the fair value of agricultural techniques
1	Tractors	To 5 years	4
		To 10 years	6
		Over 10 years	9
2	Towing agricultural vehicles	To 5 years	4
		To 10 years	7
		Over 10 years	9
3	Small agricultural machinery	To 5 years	9
		To 10 years	10
		Over 10 years	10
4	Irrigation systems	To 5 years	5
		To 10 years	8
		Over 10 years	10
5	Greenhouse	To 5 years	8
		To 10 years	10
		Over 10 years	10

CONCLUSIONS

The process of introduction of audit work, a process this is designed by the top-management. The goal activity is gaining reasonable assurance in order to prevent events in future period's operations.

These jobs generally affect:

- improve the efficiency of decision-making by the management,
- increase the reliability of financial reporting,
- Preservation of compliance with applicable laws and regulations and
- contribute to the protection of property.

With this work the authors point out that the results are such that the greatest risk in the opinion of the surveyed participants of financial risk. The same influences and increases the risks of a situation where the insolvency longer than 30 days, when the indicators = 2 or more than 2, that is, when the result of the loss of business. In addition to analyzing the results shown Agricultural equipment according to category 5, valuing the total risk in all age periods software can be concluded that the greatest risk to management under the category of small and agricultural machinery (28) and greenhouses (28).

Just mentioned under the category with the highest risk should be the focus of management in terms of making future decisions relating to business improvement. They should pay the most attention and take measures that will in future be offset the risky business. This confirms the importance of the audit because it may indicate at the earliest stage possible risks in business.

REFERENCES

- [1] Jovin, S. 2016. Financing obstacles of small enterprises-empirical analysis in the republic of Serbia. *Teme*, 3: 1101-1118.
- [2] Jovin, S., Đukanović, S. 2012. Problemi finansijskog izveštavanja malih i srednjih preduzeća, *Finansije*, 252-270.
- [3] Jovin, S. 2011. *Business and Financial Support to Small and Medium Enterprises in Serbia*. International Conference for Entrepreneurship, Innovation and Regional Development ICEIRD, 5-7 May, Ohrid, Macedonia, 1-7.
- [4] Bhering, L., Rbio 2017. A tool for biometric and statistical analysis using the R platform. *Crop Breeding and Applied Biotechnology*, 17: 187-190.
- [5] Colombo, R., Hoshino, R., Ferrari, A., Alves, G., Faria, R. 2017. *Cattleya forbesii* x *Cattleya bowringiana*: a new hybrid of *Cattleya* orchid. *Crop Breeding and Applied Biotechnology*, 17: 184-186.
- [6] Carvalho, B., Ramalho, M., Júnior, I., Abreu, A. 2017. New strategy for evaluating grain cooking quality of progenies in dry bean breeding programs. *Crop Breeding and Applied Biotechnology*, 17: 115-123.
- [7] Souza, R., Alves, M., Carneiro, N., Barros, B., Borém, A., Carneiro, A. 2017. Agrobacterium mediated genetic transformation of a tropical elite maize line. *Crop Breeding and Applied Biotechnology*, 17: 133-140.
- [8] Eremić-Đodić, J., Hajder, V., Đodić, V. 2011. *Pristup kontroli loga i značaj interne kontrole metodologijom COBIT-a*, XXXVIII, Simpozijum o operacionim istraživanjima, Beograd, Serbia, 265-268., 2011.
- [9] Eremić-Đodić, J., Platiša, G. 2010. *Uloga i značaj interne kontrole Informacionog sistema u preduzeću*, XXXVII Simpozijum o operacionim istraživanjima, Beograd, Serbia, 271-274.
- [10] Popović, S., Ugrinović, M., Tomašević, S. 2015. Management of Agricultural Enterprises by Means of Fair Financial Reporting in Accordance with International Standards of the Finance and Accounting Reporting, *CDQM*, Number 3: 24-30.
- [11] Popović, S., Mijić, R., Grublješić, Ž. 2014. Interna kontrola i interna revizija u funkciji menadžmenta. *Škola Biznisa*, 1, 95-107.
- [12] Popović, S., Majstorović, A., Grublješić, Ž. 2015. Valuation of facilities in use and application of international accounting standards, *Actual problems of economics*, 165(3) 379-387.
- [13] Popović, S., Tošković, J., Majstorović, A., Brkanlić, S., Katić, A. 2015. The importance of continuous audit of financial statements of the company of countries joining the EU, *Annals, Economy Series, Special Issue*, 241-246.
- [14] Popović S. 2014. *Socio-ekonomski faktori ograničenja razvoja agrara*, Monografija, Fimek, Novi Sad, p. 30.
- [15] Eremić-Đodić, J. 2013. Implementacija B2B modela na primeru javnog preduzeća. *Anali* 59-67.
- [16] Eremić-Đodić, J. 2013. *Revizijske procedure vrednovanja internih kontrola informacionog sistema na bazi kontrolnih ciljeva*, (Doktorska Disertacija, Univerzitet u Novom Sadu, Ekonomski Fakultet u Subotici), Novi Sad, 20-37.
- [17] Sedlak, O., Jovin, S., Pejanović, R., Ćirić, Z., Eremić-Đodić J. 2016. Access to finance micro, small and medium business units in Serbian agribusiness. *Ekonomika poljoprivrede*, 1219-1233.

- [18] Eremić-Đodić, J., Vasilije Đodić. 2010. Interne kontrole informacionog sisteme i upravljanje rizikom. *Računovodstvo*, 86-97.
- [19] Majstorović, A., Popović, S. 2015. Revizija poslovanja poljoprivrednog preduzeća, *Računovodstvo*, No. 1: 77-85, 2015.

REVIZIJA KAO FAKTOR POBOLJŠANJA RADA MENADŽMENTA U POLJOPRIVREDNOM PREDUZEĆU

Slobodan Popović¹, Dragan Đuranović², Jelica Eremić-Đodić³, Slobodanka Jovin⁴,
Vera Popović⁵, Vladimir Filipović⁶

¹JKP Gradsko Zelenilo, Novi Sad, Srbija

²Ekonomski Fakultet, Subotica, Srbija

³Eps Distribucija Beograd, Beograd, Srbija

⁴Visoka poslovna škola stukovnih studija, Novi Sad, Srbija

⁵Institut za ratarstvo i povrtarstvo, Novi Sad, Srbija

⁶Institut Dr „Josif Pančić“, Beograd, Srbija

Sažetak: Revizija može da doprinese poboljšanju upravljanja preduzeća. Time se može pokrenuti proces smanjivanja intervala rizika u svim delovima poljoprivrednog preduzeća. Menadžment treba posmatrati kao telo koje stalno traga za inovativnim rešenjima kojima će poboljšati upravljanje preduzećem. Procesi uspostavljanja kontrolnih mehanizmama treba da posluže poboljšanju ukupnog upravljanja preduzećem. Revizija može da pruže punu podršku menadžmentu, pogotovo u prvoj fazi prikupljanja podataka od relevantnih subjekata u preduzeću. Autori primarno ističu da ne postoji unificirana metodologija inicirana od strane revizije koja bi se smatrala opšteprihvaćenom. Autori sekundarno ističu da ne postoji opšte prihvaćena najbolja praksa koja bi se univerzalno primenila na celu privredu Republike Srbije. Ovim radom autori ističu isplativost napora menadžmenta da uvaži osmišljene preporuke revizije pogotovo u poljoprivrednom preduzeću.

Ključne reči: revizija, proces upravljanja, agrar, rizici.

Prijavljen: 13.04.2017.

Submitted:

Ispravljen:

Revised:

Prihvaćen: 25.10.2017.

Accepted: