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**ASSESSMENT OF THE FINANCIAL STATEMENT ACCURACY
FOR THE RUSSIAN COMPANIES FINANCIAL SECURITY**

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Abstract

The study examines the tools for assessing the financial statement accuracy. Special attention is paid to assessment of the public financial statement accuracy to ensure the financial security of the organization in Russia. Considering the need for constant monitoring of both the reporting of its own organization by management and the reporting of counterparties and competitors to correctly predict the activities of the organization, the need to assess the financial statement accuracy becomes one of the main audits problems. The authors consider the practice, both theoretical and empirical research methods based on practical application to real reporting of Russian companies, considering their features. As the object of the study, the reporting of small and large Russian companies was chosen, one is presented on the stock exchange and is regularly audited, the other, on the contrary, is a company with less than 25 employees. Their reporting has been examined in accordance with the logic of their activities and individual characteristics. Have applied a coefficient analysis and the mathematical-statistical M-Score model to their reporting. The standards of the coefficient analysis applied to reporting in the Russian Federation are outdated and imperfect, and mathematical and statistical models are currently imperfect, since their application is reliable only in conditions of perfect and long-term application of IFRS, which is currently irrelevant for Russian reporting. The conclusion is made about the need to adapt to modern Russian realities and to improve the assessment of the financial statement accuracy in the Russian Federation.

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Keywords: Checking of counterparties and competitors, coefficient analysis, financial statement accuracy, main problem of audit, methods of reporting analysis



1. Introduction

Financial reporting in modern corporate management is one of the tools designed to reduce risks in relation to the committed facts of the company's business life to ensure its economic and financial security (Eilifsen et al., 2020). You can identify the strengths and weaknesses of the organization while carrying out the detailed analysis of the reporting. Internal audit and analysis allow the company's management to recognize vulnerabilities in time and take the necessary measures to keep the organization competitive. It is equally important to understand the financial condition of counterparties, since their results directly affect the results of the partner organization. An unreliable buyer runs the risk of not receiving postpaid payments. Therefore, the analysis and audit of both your own financial statements and the partner's ones allow you to predict possible risks and opportunities in time and take the necessary measures. But correct conclusions can be made only when analyzing reliable financial statements. In this regard, the assessment of the financial statement accuracy is one of the main problems of the audit.

2. Problem Statement

Currently, we can get an idea of the financial condition of the organization by its reporting. However, any organization seeks to reflect only what is beneficial for it in public reporting. Informatization and automation of many accounting processes, of course, is an obvious advantage when the auditor examines the internal information of the audited entity, credentials. However, periodically automated accounting processes contain errors that cast doubt on the reporting accuracy, and do not always allow determining whether the fact was distorted by an accidental failure or it was regulated by a person with certain selfish goals, that is, it was falsification and, accordingly, all reporting is unreliable (Hajek & Henriques, 2017). In this regard, the most important is the audit of the financial statement accuracy. A few tools have been developed in world practice to determine whether the reporting is reliable, but in Russian practice, most of them cannot be applied due to the lack of updated coefficients, mathematical and statistical models and standard values for them. Auditing the financial statement accuracy is problematic since most organizations maintain their reporting in accordance with Russian, not international financial reporting standards, the huge influence of historical factors, the relationship of the organization with the state, its size on the direct presentation of financial statements. In this regard, it is important to study the methods of auditing the financial statement accuracy, which would make it possible to obtain a correct assessment in relation to various types of organizations in the Russian Federation.

The audit of the financial statement accuracy involves the inclusion of analytical studies of the audited information in the audit procedure. International Auditing Standards, as well as the Russian auditing scientific community, strive to standardize in every possible way the analytical part of the audit procedure, such as the coefficient analysis. However, the incomplete information provided to the external person for analysis used by accountants in the direct preparation of reports remains problematic. Also, during a preliminary analysis of the company's information on open data provided to external users, the issue of incomplete disclosed information becomes even more acute, since the preparer of the statements is legally obliged to provide only the main reporting forms as part of the balance sheet, the statement of financial results and annexes to them. Usually, these forms are limited to sources of information for analysis. Also,

in the context of the transition of Russian accounting to international standards, more and more freedom for preparers of financial statements is obtained in the form of the opportunity to exercise professional judgment in the process of drawing up reports and when providing external users with information about the financial position of the organization, but there is no definition of professional judgment in Russian legislation. The absence of the definition determines the absence of boundaries of professional judgment, which leads to the possibility of almost any shortcomings, errors and manipulations in reporting to be included in this category. It should be noted that the International Standards on Auditing, which were analyzed, illustrate the accuracy in the extremely generalized way and do not specify the audit program, methods of assessing the accuracy (Meredith et al., 2020).

3. Research Questions

The authors tried to assess the financial statement accuracy, like the audit accuracy, moreover, they selected two organizations with the same activities (both organizations are engaged in scientific research activities in the technical field, as well as in production). A brief description of the analyzed organizations is presented in Table 1 (it should be noted that the conventional names of organizations were used to avoid breaching data confidentiality).

Table 1. Characteristics of organizations - objects of research

Organization	LLC A	PJSC B
Organizational and legal form	Limited Liability Company	Public Joint Stock Company
Type of activity	Research, production	Research, production
Size	Small company (<25 employees)	Large company (> 500 employees)
Stock market presence	No	Yes (the company's shares are traded on the stock exchange)
Age	13 years	More than 100 years
Relationship with the government	Fulfills government orders	The government is one of the owners of the organization, regularly fulfills government orders, is sponsored by the government
Reporting	In accordance with RAS, there are no explanations to statements	In accordance with IFRS, full statements with explanations are provided
Annual audit	No	Yes
Facts of misstatement of financial statements	Yes	Not known for certain

Source: authors.

The first step in assessing the reporting accuracy of the two organizations was a logical analysis in accordance with the specifics of each organization. The main activity of A is research and development in the field of natural and technical sciences, that is, they should bring the organization most of the income and they should go for the bulk of the costs. For PJSC B the main thing is production, although the official website indicates that the focus of the company is R&D. In accordance with the economic activities of LLC A, which has been operating in two main areas for more than 13 years, must have a sufficient number of intangible assets on its balance sheet, since research and development involves the registration of patents, a significant result in the balance sheet according to the research and development results, fixed assets for

the purpose of research in technical areas, software development, design. The need for fixed assets on the balance sheet also determines production activities. The leasing assumption is inappropriate as the company has been on the market for over 10 years. Also, production activity assumes the presence of reserves on the balance sheet of the organization. Organization B was created as a factory even before the Revolution in Russia in 1917, survived the nationalization during the period of the USSR and retained the original specifics of its activities. It must have a sufficiently high security of assets, especially intangible, fixed assets. Also, the organization regularly creates R&D, respectively, there should be dynamics and enough assets in line with the results of research and development. It would be logical for the organization to accumulate enough volume of reserves. The audit of the financial statement accuracy through the analysis of open information is based on the statement that initially financial distress and the deterioration of indicators lead the organization to the intention to distort the statements, and therefore the ratio analysis is one of the central parts of the audit of the financial statement accuracy. Let's analyze the reporting of LLC A. A detailed coefficient analysis is presented in Table 2.

Table 2. Ratio analysis of the reporting of LLC A and PJSC B

Indicators	Standards	LLC A			PJSC B		
		2018	2017	2016	2018	2017	2016
Liquidity and solvency ratios							
Absolute liquidity	≥0,2	0,36	0,34	0,82	0,22	0,57	0,30
Urgent liquidity	≥1	2,70	1,98	1,68	1,66	1,19	0,87
Current liquidity	≥1	1,69	1,87	1,35	2,71	1,73	1,43
Profitability ratios							
Profitability ratios	> 0, 10-20% for industries	13,58	10,49	4,08	10,17	55,03	18,84
Return on sales	10.3% (-10%) according to OKVED	4,46	3,67	2,65	11,08	49,28	14,28
Return on assets	6.5% according to OKVED	10,92	8,78	4,64	6,41	37,57	12,23
Return on equity	20% in Russia, 10-12% in developed countries	22,61	19,79	9,75	12,05	64,76	26,20
Asset turnover ratios							
Asset turnover ratios	>1	2,45	2,39	1,75	0,58	0,76	0,86
Current assets turnover	By industry	3,02	2,76	2,06	0,92	1,12	1,32
Inventory turnover	Growth	23,97	20,93	3,60	1,44	1,67	1,55
Accounts receivable turnover	Higher - better	3,94	4,64	6,19	2,50	3,48	4,13
Equity capital turnover	Growth, higher - better	5,35	5,85	3,86	1,12	1,61	2,01
Accounts payable turnover	Higher - better	7,59	5,65	5,20	2,50	2,37	2,46

Source: authors.

Considering the group of liquidity ratios, we can say that the data correspond to normative values established in Russian practice. We can also observe a positive trend towards an increase in all liquidity indicators, that is, LLC A can be characterized as solvent. Moving on to the data on the analysis of liquidity, we turn to standards of the Federal Tax Service (FTS) placed annually for the return on assets and, most importantly, sales. If the return on assets and current assets is higher than the industry average, then the return on sales, on the contrary, is significantly lower than the industry average of 10.3%, the deviation is greater than the allowable one, namely, only 4.5%. It was also advisable to consider the standard for production. However, according to OKVED codes related to company's production activity, the rate of the return on sales is set at a level of 8.6% or more. The reason is in additional costs not presented to the external

user to reduce the taxable base. That is, in this case, the coefficient analysis signals that this issue should be studied in more detail, perhaps not everything is smooth, concerning the financial statement accuracy.

Next, we turn to the results of the analysis of the company's business activity. The turnover rate of inventories is very high. That is, the organization makes the most efficient use of inventories and purchases materials only as needed, immediately sells finished products and purchased goods, the cost of inventory is minimal. For the organization whose research is not related to the creation of prototypes and the constant parallel production of machinery and equipment (which in fact brings more profit to the organization than scientific research), perhaps such a picture would be normal, and the high cost price was explained by high wages and management costs. However, LLC A has a continuous production cycle, two warehouses and remaining stocks at them at the end of the year are significant. Wages are relatively low for similar companies in the capital, although they are higher than the industry average. That is, the external user who sees the indicator of the turnover of inventories and at the same time examines the organization's website, which lists large production projects and advertising of a product as a finished product offered by the organization, can also regard the value of the coefficient as an indicator of inaccurate reporting.

Let's move from the coefficient analysis to the Benish M-Score model, which is presented as one of the main tools for determining the financial statement accuracy. However, since organization A is not necessarily audited, refers to small companies and does not provide explanations to the financial statements in the public domain, as a result, there is no information on depreciation, it will be possible to use only the adaptation model created by Feruleva and Stefan and less reliable than the original Benish model. The results are shown in Table 3.

Table 3. Benish M-Score model for auditing the financial statement accuracy of LLC A

Indicators	2017	2016	2016	Index 2018	Index 2017	Boundary, USA	Boundary, Russia
DSRI	92,936	96,81	104,697	0,96	0,925	1,031	1,408
GMI	1,608	1,715	1,379	1,067	0,804	1,014	1,26
AQI	-0,929	-0,967	-0,887	0,960	1,090	1,039	1,19
SGI	84833	81008	46768	1,047	1,732	1,134	1,28
SGAI	-0,321	-0,231	-0,569	1,390	0,406	1	1,025
LVGI	0,562	0,517	0,653	1,086	0,792	1	1,119
M-Score				-2,666	-1,908	-	-1,802

Source: authors.

It should be noted that in accordance with Russian standards, all the model coefficients based on the reporting data of LLC A for 2017-2018 is better than the boundary, and the value of the adapted M-Score is much better than the boundary. Perhaps, due to complete data and the use of the original M-Score model, the result would have been worse, since the disadvantages of the adaptation include the problematic of identifying falsifications with its help. However, there were no distortions through the M-Score in the reporting data of LLC A, and the improvement in indicators in accordance with the model data was also reflected - more indication of the financial position than the presence of falsification in LLC A.

Accordingly, assessing LLC A, we can see that almost all indicators illustrate the financial statement accuracy provided by the company and its financial health, despite the actual distortions in statements. The falsification was noticed because of the detailed ratio analysis, namely through the results of the return on

sales ratio (low) and the inventory turnover ratio (high). Let's analyze the reporting of PJSC B. The ratio analysis of the organization is presented in Table 2. During the last two reporting periods, the liquidity ratios of PJSC B correspond to the established standards. However, the absolute liquidity ratio demonstrates negative dynamics, which is associated with a decrease in the volume of the most rapidly sold assets. However, the organization can be called highly solvent.

Looking at the group of profitability ratios, you can see a sharp jump in indicators in 2017 and a return to rather low values in 2018. The growth in 2017 was driven by an increase in other income from the sale of fixed assets, namely non-residential buildings. Accordingly, the dynamics of profitability by all ratios turned out to be negative in 2018, also compared to the results of 2016. PJSC's sales revenue is declining despite the growth in cost of sales and administrative expenses. However, despite the regression, the return on assets indicators are above the industry average according to the FTS data, the return on sales also meets the boundaries set by the FTS. There is no underreporting of profits. The return on current assets is also in line with the standards for manufacturing companies. The return on equity ratio is declining and is lower than the standard for the Russian economy, but it is normal for developed countries. The company accumulates retained earnings, which may indicate ineffective use of equity capital. Turning to the indicators of business activity of PJSC B, we can note the ineffective use of assets in general, as well as current assets, which is characteristic of science-intensive companies, such as PJSC B. But still, the company's business activity in relation to assets is low and decreases every year. Also, the turnover of inventories remains low, which may be associated with surplus in warehouses and incorrect management of the procurement process. Positive dynamics in the analysis of business activity can be noted only in the repayment of accounts payable by the company, which indicates its high solvency.

Negative dynamics with a sharp positive jump in almost all coefficients in 2017 make external users wary, at least investors. Tax fraud at PJSC B is unlikely, since the profitability of sales meets the industry standard and is even lower. The audit reports for the 3 years under study are positive. For all three years the company has been using the services of the same auditor, a Russian company. In 2015, the audit was carried out by another organization (the conclusion was also positive). The results of the M-Score model for identifying deliberate distortions of financial statements for Public Joint Stock Company B are shown in the table below (Table 4).

Table 4. M-Score model for auditing the financial statement accuracy of PJSC B

Indicators	2018	2017	2016	Index 2018	Index 2017	Boundary, USA	Boundary, Russia
DSRI	157,728	116,750	105,153	1,351	1,110	1,031	1,408
GMI	0,323	0,359	0,359	1,110	1,002	1,014	1,26
AQI	-0,930	-1,036	-0,892	0,898	1,162	1,039	1,19
SGI	2066999	2367099	2091785	0,873	1,132	1,134	1,28
DEPI	0,387	0,496	0,557	1,282	1,123	1	-
SGAI	0,224	0,200	0,179	1,122	1,118	1	1,025
LVGI	0,478	0,487	0,578	0,982	0,842	1	1,119
TATA	0,128	0,087	0,053	0,128	0,087	0,018	-
M-Score (full)				-1,637	-1,744	-2,22	-
M-Score (adapted in Russia)				-2,383	-2,278	-	-1,802

Source: authors.

Since PJSC B provides full financial statements in accordance with IFRS, it is possible to use the original Benish model. In accordance with the original model, there is a possibility of intentional misstatements of the company's reporting. However, the Russian model demonstrates an excellent indicator and even its positive dynamics, which determines the low probability of falsification of the financial statements of PJSC B. Let's consider each index. The depreciation and accrual to assets indices for PJSC B, which are not used in the Russian model, are far from the standards, and in accordance with Russian standards, only the financial dependence indicator is outside the permissible limits, that is, the company's liabilities are growing faster than its assets. Based on American standards, 5 out of 8 ratios are out of range and the organization is likely to falsify reporting. Only the in-person audit of the organization can answer find out the truth. The financial analysis of the statements of a large company, reflecting its financial position in accordance with IFRS, showed a real deterioration of PJSC, as well as the existence of the possibility of falsification in accordance with the Benish M-Score model in its original form. Despite the positive audit reports of recent years, there is a need to repeat the external audit, since the deterioration of the financial position is one of the main incentives to provide inaccurate financial statements. Accordingly, for small businesses, only a detailed coefficient financial analysis provides more accurate results of assessing the financial statement accuracy. Large organizations that depend on external users and their behavior and publish detailed financial statements can also be analyzed using mathematical and statistical models to assess the possibility of distortions in the reporting.

4. Purpose of the Study

The purpose of the study was to assess the effectiveness of audit tools for the financial statement accuracy. It was also important to study the possibility of assessing the financial statement accuracy in the framework of ensuring the financial security of the organization. The tools for assessing the accuracy were considered, which can be used both by the company management in relation to its own reporting, and by the organization as an external user to assess the accuracy of the reports of suppliers, buyers and competitors. An accurate assessment of the reporting accuracy makes it possible to conduct an accurate analysis of the financial condition of the organization and forecast the activities of the organization. It is also worth noting that the purpose of the study included the analysis of tools specifically in relation to the modern Russian economy. In the process of the study, it was important to be close to practice, that is, the study is to identify tools that allow to assess the financial statement accuracy of modern Russian organizations, considering their features. The purpose of the study was achieved, various tools that can be applied in assessing the financial statement accuracy in Russia were evaluated, and the accuracy of the assessment was determined with their help.

5. Research Methods

The study used both empirical and theoretical research methods, including: comparison, description, generalization, visualization, formalization, financial analysis, mathematical and statistical modeling. The financial analysis in this study includes ratio analysis. The standardization of such an analysis is possible only when developing standards or updating them for each industry. The coefficients will be more rational to find, considering the division of the assets and liabilities of the organization by the types of its activities,

only then the coefficient assessment will be reliable (Rikhardssona & Yigitbasioglu, 2018). Ratios can be conditionally divided into three groups: liquidity and solvency; business activity, or turnover; profitability (Korolev, 2018). A detailed decoding of each of the coefficients is presented in Table 5. The decoding of codes and reporting forms can be found on the Internet, on the official website of the Ministry of Finance of the Russian Federation (2018) and in other sources.

Table 5. Ratio analysis of financial statements

Indicators	Description	Financial reporting formula
Liquidity and solvency ratios		
Absolute liquidity	A part of existing short-term liabilities can be repaid by the organization's funds in the shortest possible time through the most easily realizable property	$(1250 + 1240) / (1510 + 1520 + 1550)$
Urgent liquidity	A part of short-term liabilities can be repaid by the organization's own property through its conversion into cash in a short time period	$(1250 + 1240 + 1230) / (1510 + 1520 + 1550)$
Current liquidity	Possibility of repayment of current (short-term) debts only with the help of current assets	$1200 / 1500$
Profitability ratios		
Return on working capital	How effectively the organization uses working capital to manufacture products	$2400 / 1200 \times 100\%$
Return on sales	Profitability or unprofitability of the organization's activities, determining part of the profit in each ruble earned by the organization	$2400 / 2110 \times 100\%$
Return on assets	Whether the assets of the organization can bring the efficiency and profitability of its activities	$2400 / ((1600 \text{ beginning of period} + 1600 \text{ end of period}) / 2) \times 100\%$
Return on equity	The efficiency of spending funds received from owners and investors	$2400 / 1300 \times 100\%$
Asset turnover ratios		
Asset turnover	The intensity of the organization's use of assets	$2110 / ((1600 \text{ beginning of period} + 1600 \text{ end of period}) / 2)$
Current assets turnover	The number of applications during the period of the average balance of working capital	$2110 / ((1200 \text{ beginning of period} + 1200 \text{ end of period}) / 2)$
Inventory turnover	The number of uses during the period of the average inventory balance. The indicator of the effectiveness of reserves allows you to detect surplus ineffective reserves	$2120 / ((1210 \text{ beginning of period} + 1210 \text{ end of period}) / 2)$
Accounts receivable turnover	The rate of coverage of accounts receivable, payment for goods / work / service sold by clients	$2110 / ((1230 \text{ beginning of period} + 1230 \text{ end of period}) / 2)$
Equity capital turnover	The rate at which the organization spends its equity capital, the efficiency of the organization's resource management	$2110 / ((1300 \text{ beginning of period} + 1300 \text{ end of period}) / 2)$
Accounts payable turnover	The rate of coverage of accounts payable by the organization, payment for the purchased goods / work / service	$2110 / ((1520 \text{ beginning of period} + 1520 \text{ end of period}) / 2)$

Source: authors.

Mathematical and statistical modeling in the study includes the use of three mathematical and statistical models: the full Benish and Roxas M-Score models to identify distortions and falsification of reporting, the Feruleva and Stefan M-Score model adapted for the incomplete version of Russian reporting (adaptation of the Benish and Roxas models with a smaller accuracy, but the ability to apply to Russian reporting). The Benford's law turned out to be ineffective in Russian realities and therefore was not used in the study (Shi et al., 2018). The Benish M-Score model has the following form of the composite index (formula 1), the value of which should not exceed -2.22 (Roschektaev & Roschektaeva, 2018):

$$\text{M-score} = -4.840 + 920\text{DSRI} + 0.528\text{GMI} + 0.404\text{AQI} + 0.892\text{SGI} + 0.115\text{DEPI} - 0.172\text{SGAI} + 4.679\text{TATA} - 0.327 \text{LVGI} \quad (1).$$

Maria Roxas simplified the Benish model and obtained the following form with a boundary value of no more than -2.76 (formula 2) (Feruleva & Shtefan, 2016):

$$\text{M-score} = -6.065 + 0.823\text{DSRI} + 0.906\text{GMI} + 0.593\text{AQI} + 0.717\text{SGI} + 0.107\text{DEPI} \quad (2).$$

The Feruleva and Stefan model based on the Benisch model is presented below (formula 3) (Feruleva & Shtefan, 2016):

$$\text{M-score} = -4.840 + 920\text{DSRI} + 0.528\text{GMI} + 0.404\text{AQI} + 0.892\text{SGI} - 0.172\text{SGAI} - 0.327 \text{LVGI} \leq -1.802 \quad (3).$$

Accordingly, a variant of the Roxas model adapted for Russian financial statements is represented by formula 4 (Feruleva & Shtefan, 2016):

$$\text{M-score} = -6.065 + 0.823\text{DSRI} + 0.906\text{GMI} + 0.593\text{AQI} + 0.717\text{SGI} \leq -2.146 \quad (4).$$

The explanation of the variables of the M-Score model is presented in Table 6:

Table 6. Variables included in the analytical M-Score model:

Indicators	Abbreviation	Financial reporting formula *	Boundary in the Benish model, USA	Boundary in the Benish model, RF
Daily sales to accounts receivable ratio	DSRI	1230/2110*365	1,0309	1,4079
Gross Monthly Income	GMI	(2110-2120)/2110	1,0141	1,2601
Asset quality ratio	AQI	(1-(1200+1150+1170+1240))/1600	1,0389	1,1861
Revenue growth rate	SGI	2110	1,1341	1,2799
Depreciation rate	DEPI	Depreciation (in explanatory notes)/ (1150+Depreciation)	1	
Influence of commercial and administrative expenses	SGAI	(2210+2220)/2110	1	1,025
Dependency ratio index	LVGI	(1500+1400)/1600	1	1,119
Accrual to assets ratio	KTATA	(2200-4100)/1600	0,0181	-

* the table shows the formula for the numerator and denominator, where the numerator is the data of the reporting period, and the denominator is the one preceding the reporting period

Source: authors

6. Findings

The authors analyze a small research and development company, a limited liability company that also conducts production activities, is not audited and does not provide explanations for the financial statements published annually. It is also known that material misstatements exist in the financial statements of this entity. As an antagonist, they took the reporting of a large Russian manufacturing company with a large research component, a public joint stock company that maintains reporting in accordance with IFRS and publishes it annually with the auditor's report. The reports of both organizations were analyzed to assess the financial statement accuracy by means of coefficient analysis, the M-Score model. When analyzing the reports of a small business, suspicious indicators were identified only in the process of the coefficient analysis (return on sales and turnover of inventories). Mathematical and statistical models showed financial well-being and reliable reporting by the organization, provided that the full Benish model could not be applied due to incomplete information. The coefficient analysis of a large company showed a systematic deterioration in the financial performance of the organization and an attempt to sharply increase profitability to reflect a better situation than it is through the sale of non-current assets. The M-Score model in its full version showed the possible falsification of financial statements by the company, and the situation in 2018 was aggravated compared to 2017. The Russian adaptation of the model demonstrated the absolute reporting accuracy and even improved the quality of reporting. That is, if the organization submits reports in accordance with IFRS, it is advisable to assess its accuracy both by the coefficient analysis and the complete mathematical and statistical models.

7. Conclusion

Currently, the audit is inextricably linked with the professional opinion of the auditor. Accordingly, many audit reports depend on the subjectivity of the person (s) conducting the audit. Reducing the influence of subjectivity will allow the improvement of preliminary analysis, the development of standards for coefficients in accordance with the economic types of activities and the scale of companies. However, in parallel with this, it would be expedient for companies to provide reporting with the division of cost and revenue in accordance with the types of activities carried out by it. Also, maximum digitalization, distancing the audit process, as well as the publication of accounting information, primary documentation and reporting by companies, will minimize the subjectivity of the audit and maximize the financial statement accuracy. The assessment of the financial statement accuracy is both the main goal and the problem of the audit, but only this will ensure the full financial security of the organization. The assessment of the financial statement accuracy must be adapted to the Russian economic reality based on the difficult financial situation, the huge difference between large and small Russian companies, a parallel imperfect automation process and the need to control the activities of counterparties and competitors. This problem is so broad and it has not been worked out due to constant changes in accounting and auditing in Russian realities, which determines some prospects for research and improvement of methods for auditing and analyzing financial statements of Russian organizations.

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