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CONTROL OF CAPITAL RESERVES OF THE ENTERPRISE: ORGANIZATIONAL AND METHODOLOGICAL TOOLKIT

ABSTRACT

The article is devoted to the study of organizational and methodological tools for controlling the reserves of the capital of the enterprise. The place of control of capital reserves of the enterprise in the classification of financial control and the function of controlling capital reserves is investigated.

The purpose of the article is to analyze and reveal organizational and methodical approaches to controlling the company's capital reserves. It is substantiated that the control of capital reserves performs the following functions: preventive (prophylactic, warning, protective); informational (cognitive, communicative); corrective (regulatory); mobilizing and educational. In accordance with the essence, purpose and functions of control of capital reserves, its purpose is to establish compliance of the volume and structure of the capital reserves formed at the enterprise with their normative indicators, the value of which ensures the enterprise's ability to resist negative phenomena and activity processes, to cover the damages or losses caused by them.

In the context of achieving the goal, the main tasks of the control of capital reserves of the enterprise were formulated and their compliance with the functions of this control was established, its subjects and main objects were identified in accordance with them. The organizational and methodological toolkit of capital reserve control has been formed as a set of control actions performed by the subjects of this control using specified control methods in accordance with the forms of its implementation. The regulatory influences that should be implemented in order to eliminate deviations identified as a result of the control of capital reserves of enterprises have been determined.

Keywords: control, capital reserves, indicators of financial stability of capital, level of reserve protection of the enterprise

JEL Classification: M41, G32, G39, E22

INTRODUCTION

In modern economic conditions, entrepreneurial activity, which is not always carried out under favorable and defined economic, socio-political and environmental conditions, is exposed to the danger of unforeseen costs and losses. In order to ensure the sustainability of enterprises' activities under conditions of uncertainty, various mechanisms and tools are used, the most common of which is a reservation. The main function of the reserves that are created in the accounting system (reserve for doubtful debts, reserve capital, reserves for future expenses) is to protect the capital from reduction, support the economic potential of the enterprise and ensure financial and economic conditions for the conduct of its activities in periods of uncertainty. For effective risk management and finding ways to reduce them, the control system of capital reserves is important.

LITERATURE REVIEW

Many works are devoted to the problems of theory and practice, methodology and organization of the formation and use of reserves, in particular, the issues of accounting, auditing and reporting of capital reserves were studied by Veryga Yu.A. Oryshchenko

M.M. [1]. Lemishovska O., Yaremko I. considered the management of the reserve capital of public companies as an information function of the target accounting mechanism [2]. Hrynychshyn Y. investigates the problems of accounting for provisions, as one of the types of reserves created to reimburse restructuring costs [3]. Categorical and conceptual apparatus for reserves as an object of accounting was specified Korinko M.D., Grynenko I.M. in [4] and Krupka Ya. D. in [5]. Among foreign studies, the work of Ayca, Zeynep Suer is relevant. [6], in which the recognition of reserves is considered through the evidence of BIST100 non-financial companies.

Separate aspects of the organization and methods of control were considered by Voronko R.M. [7], Vygovska N.G. [8], Napadovska L. V. [9], Bachynskiy V. I., and others. in [10], Maksimova V. F. in [11]. However, the problem of controlling capital reserves as an accounting object remains insufficiently resolved, which causes certain gaps in the accounting methodology and constitutes an unresolved part of the general problem of control in accounting.

AIMS AND OBJECTIVES

The purpose of the article is to analyze and reveal organizational and methodical approaches to controlling the company's capital reserves.

METHODS

A general scientific method of analysis was used to justify the essence of control of capital reserves of enterprises; classification method for identifying the types of this control, its characteristics and establishing the subjects of implementation; the deduction method for researching the functions of control of capital reserves; the principles of corporate governance for identifying subjects of control of capital reserves and substantiating proposals regarding the organization of its implementation at enterprises; method of coefficients for analyzing the level of reserve protection and financial stability of a sample of the largest Ukrainian enterprises; decomposition method for determining control actions that collectively make up the method of controlling capital reserves of enterprises.

RESULTS

When studying the control of the company's capital reserves, it is first of all advisable to find out its place in the general system of economic control. According to Voronka R.M., "...the content of economic control is manifested through a system of specific measures that should ensure rational management of business entities of various forms of ownership" [7, p. 42-43]. The scientist rightly emphasizes on the use by scientists of different, but interconnected categories of control, such as financial-economic, financial, financial-economic, economic, corporate and other types of economic control. The object of economic control is the sphere of production and movement of finished products, works, services (real economy), and the object of financial control is the sphere of financial support of the real economy [8, p. 45]. Given that capital reserves are of a financial nature (regardless of whether they are secured by cash or funds or not, reserves are a component of the enterprise's capital), they are primarily the object of financial control.

In terms of time, control of capital reserves of enterprises is most often carried out retrospectively, that is when economic transactions or facts of economic life have already taken place and are reflected (or should be reflected) in the accounting and financial reporting system. Preliminary control of capital reserves can be when its subject is the assessment of the adequacy (optimality) of established reserve standards. In this case, the control performs a preventive function. Given the fact that operations with capital reserves are not permanent (accruals or revaluations occur at the end of the reporting period, and use (write-off) - only after the occurrence of events that led to the losses for which the reserves were formed), there is no need for their systematic current (operational) control. Current control of capital reserves can be carried out periodically as a check of the correctness of their formation or write-off until the closing of the reporting period in the accounting system (for example, when the chief accountant checks the correctness of the operations of accounting for these operations by another accountant, etc.). As for the relationship between the subject and the object of control, the control of capital reserves can be both external and internal. However, capital reserves are not a common object of external control, with the exception of companies in the financial sector and banking institutions, for which reserves are an important and mandatory factor in ensuring the financial stability of functioning.

The results of studies of audit reports of the largest Ukrainian enterprises [12] indicate that capital reserves are not key issues when auditing enterprises. Given the lack of strict regulation of the formation of reserves of companies in the real

sector of the economy, in the process of auditing their financial statements, auditors, as a rule, do not pay much attention to capital reserves, because they do not consider them as reporting items with a significant risk of distortion.

Taking into account the spread of the concept of sustainable development, the capital reserves of socially important enterprises (especially those that consume natural resources, enjoy a special status of assistance from state authorities or local self-government, or are budget-forming for a certain area) should become an important object of control from public organizations. Institutional control of capital reserves can be carried out by structural divisions of the enterprise and officials with relevant control functions (accounting, internal audit or control department, managers of the highest level of enterprise management).

On the basis of the obligation to carry out control of capital reserves, it is impossible to unequivocally attribute it to a mandatory or voluntary type, because the obligation to carry out is mainly determined not by the topological area of accounting as an object of control, but by other factors - the size of the enterprise, organizational and legal form and form property, types of economic activity, etc. In particular, for joint-stock companies, an audit of financial statements is mandatory, one of the objects of which may be capital reserves. Control of capital reserves is mandatory for banks and financial institutions.

When carrying out tax control of the taxation of the company's profit, transactions with capital reserves can be the object of control as those that affect the object of taxation. At the same time, for small enterprises that operate on a simplified taxation system and whose reporting is not subject to mandatory audit, the control of capital reserves is voluntary.

The control of capital reserves does not cover the entire set of economic operations at the enterprise, therefore, in terms of scope, it belongs to the thematic type of financial control. Depending on the form, purpose and reason of this control, it can be carried out both in a continuous way and selectively. Most often, random inspections are carried out during the audit of financial statements. In general, the method of coverage is determined by the subject of control, taking into account a number of factors, including control tasks, risks of distortion, etc.

Control of capital reserves is periodic due to the frequency of carrying out, which is mainly due to the periodic and not systematic nature of economic transactions with them.

According to sources of information, the control of capital reserves is mostly documentary, as it is based on information provided in accounting and other documentation. However, in the event of the occurrence of risk events that led to losses or damages, for which reserves were formed, to check these losses or damages, control subjects can use actual control methods, which involve actual measurements of the volume of losses or damages.

Considering the fact that the control of capital reserves is mainly based on accounting documentation, which today is represented or, if necessary or at the request of the subject of control, can be represented in electronic form, this control can be carried out both at the enterprise - the object of control, and at workers places of the subject of control. That is, depending on the place of implementation, this control can take place both directly at the object and remotely.

The form of control, as a rule, depends on the subject of control and its purpose. Auditors mainly conduct audits, state control bodies - inspections or audits, regulatory bodies - monitoring. If it is necessary to establish the objectivity or adequacy of the value of reserve standards or the amount of received costs or losses, to cover which the reserves were formed, expert control methods are used, i.e., an examination is carried out. And such forms as investigation or official investigation are not inherent in the control of capital reserves of enterprises.

The purpose of tactical control of the company's capital reserves is to establish compliance of the volume of reserves and operations with them, with legislative and regulatory documents and management policies that regulate them. Whereas the goal of strategic control is to analyze the compliance of management policies (accounting, financial, risk management) with respect to capital reserves to the company's development strategy.

In terms of coverage, the control of capital reserves of one enterprise is microeconomic. To analyze the readiness of the economy for crisis phenomena, the ability of certain industries to withstand crisis conditions of operation, monitoring by state authorities and regulation of the total amount of reserves formed by enterprises at the national or sectoral level is relevant. In this case, control of capital reserves will be macroeconomic.

Control of capital reserves of enterprises performs a number of functions. To investigate their essence, it is advisable to apply the general scientific method of deduction, i.e. first to define the functions of control in general, and then to find out which of them are inherent in the control of capital reserves of enterprises and how they are manifested in it. Based on the works summarized in [13, p. 142; 14, p. 26, p. 102] approaches to distinguishing control functions can be distinguished

as follows: preventive (preventive, warning, protective), informative (cognitive, communicative), corrective (regulatory), mobilizing, educational.

The preventive (preventive, warning, protective) control function is aimed at preventing negative phenomena and processes in the enterprise's activities and the distortion of information about them in the accounting and financial reporting system. According to Voronko R.M., this function is primarily performed by the preliminary type of control, as it makes it possible to identify and subsequently eliminate the circumstances that are the cause of mismanagement [7, p. 109-110].

The preventive function of the preliminary control of capital reserves of enterprises is emphasized in the analysis of the classification of this control based on the time of implementation. The preventive function of this control is manifested by assessing the adequacy (optimality) of established reserve norms, which, on the one hand, is aimed at ensuring their sufficiency to cover potential losses or damages in the event of negative (risky) events, and on the other - warns against the formation of an excessive amount reserves, which can also negatively affect the financial and property status of the enterprise.

The informational (cognitive, communicative) function of control involves the provision by the subject of control of true information to the subject's management (customer of control, stakeholders, etc.) about the real state of the object of control. This function is closely related to the information needs of the subject of control regarding the object of control and the purpose of control. These same factors will determine the manifestation of the information function against the capital reserves of enterprises.

The corrective (regulatory) function of control is related to the implementation of corrective actions based on the results of control. Regarding the control of capital reserves of enterprises, such corrective actions can be:

- revision of capital reserves standards;
- addition of capital reserves;
- writing off the excess amount of capital reserves;
- writing off reserves to cover losses or damages in connection with the occurrence of risky events;
- reversal of improperly performed operations with capital reserves;
- formation of a new type of capital reserves, etc.

The mobilizing function of control involves generalizing the experience of its implementation for use in performing control procedures in the future, in relation to other objects of control, transferring it to other subjects of control or developing a generalized practice of its implementation, etc. The performance of this function is important for any type of control, in particular, control of the capital reserves of enterprises. On the one hand, on the specificity of capital reserves as an object of control, and on the other - on their importance in the management system of enterprises in order to overcome crisis phenomena, the mobilization of the best experience of both the control of capital reserves and their management, in general, is relevant and important.

The importance of the educational function regarding the capital reserves of enterprises is primarily due to the business community's underestimation of their role in preserving the capital of enterprises and countering its reduction. It is implemented through the formation of management culture in enterprise managers, and accounting culture in accounting personnel regarding capital reserves, operations with them and their reflection in the accounting and financial reporting system.

The functions of controlling the capital reserves of enterprises are summarized in Figure 1.

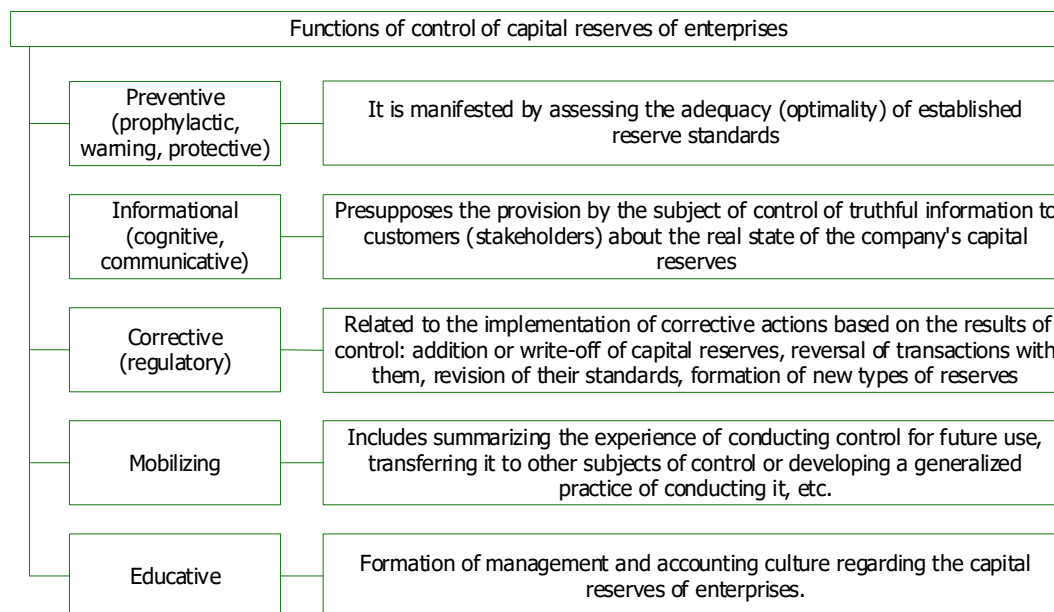


Figure 1. Functions of control of capital reserves of enterprises. (Source: formed on the results of the analysis and generalization of scientific papers [7, 14, 15, 16, 17])

The study of the theoretical foundations of the control of capital reserves of enterprises involves the study, first of all, of the subject area of control, which, in addition to the essence, types and functions of control, covers its purpose, tasks, subjects and objects, etc.

Based on the results of the analysis of the content of scientific works on financial or economic control [7, 14, 15, 18], it is possible to conclude that there are different approaches of scientists in determining its purpose. Often, the purpose of control is to bring guilty persons to justice. In our opinion, punishment can be a component of the goal or task of the activity of state control bodies, that is, one of the tasks of control activity, but not the goal of control, given its functions, described above.

Shevchuk V.O., applying ontological and epistemological approaches to understanding control, does not single out punishment or bringing guilty persons to justice in any manifestation of its essence [19, p. 12-13]. Instead, the main goal of control is to promote the growth of sectors and branches of the national economy by monitoring the achievement of target benchmarks and checking compliance with the limiting parameters of their development at the micro- and macroeconomic levels.

Having analyzed the approaches of various scientists and taking into account the above arguments, the purpose of controlling the capital reserves of enterprises, in our opinion, can be defined as establishing the compliance of the volume and structure of the capital reserves formed at the enterprise with their normative indicators, the value of which ensures the enterprise's ability to resist negative phenomena and activity processes, to cover damages or losses caused by them. The proposed definition of the purpose of controlling the capital reserves of enterprises involves the performance of a number of tasks in its process, which collectively reveal the purpose, namely:

- to analyze whether management policies (accounting, financial, risk management, etc.) are adequate in terms of the enterprise's ability to resist negative phenomena and activity processes and preserve its capital from a reduction in the conditions of uncertainty, dynamism and turbulence of the development of the modern national and global economy;
- to determine whether the norms of capital reserves established at the enterprise correspond to the management policies that regulate them (accounting, financial, risk management, etc.);
- to check whether the formed volumes of the company's capital reserves correspond to the optimal level of their standards;
- to check the legality and authorization of operations with capital reserves and the state of their reflection in the accounting and reporting system of the enterprise (documentation, synthetic and analytical accounting, representation in reports, etc.);

- to prepare information for carrying out the necessary corrective actions based on the results of the control of the company's capital reserves;
- to provide with information about the results of control to its customer or other interested persons (stakeholders), etc.

Correspondence of the tasks of controlling the company's capital reserves to its functions is shown in Table 1.

Table 1. Correspondence of tasks of control of capital reserves of the enterprise to its functions.

№	Task of control of capital reserves of the enterprise	Functions of control of the company's capital reserves, the implementation of which is aimed at the implementation of the control task
1	Analysis of the adequacy of management policies regarding the ability to resist negative phenomena and processes and preserve capital from reduction	Preventive, mobilizing, educational
2	Determining the compliance of the established norms of the company's capital reserves with the management policies that regulate them	Preventive, mobilizing, educational
3	Checking the compliance of the formed volumes of capital reserves with the optimal level of their standards	Informational (cognitive), mobilizing, educational
4	Checking the legality and authorization of operations with capital reserves and the state of their reflection in the accounting and reporting system of the enterprise	Informational (cognitive), mobilizing, educational
5	Preparation of information for carrying out the necessary corrective actions based on the results of the control of the company's capital reserves	Corrective, mobilizing, educational
6	Providing information about the results of control to its customer or stakeholders	Informational, mobilizing, educational

Each task of controlling the company's capital reserves is aimed at performing some basic control function for it (this function is highlighted in bold in the third column of Table 1). At the same time, along with the main function, all tasks also perform the mobilizing and educational functions of controlling the company's capital reserves.

The application of a systematic approach to the study of the control of capital reserves of enterprises makes it possible to single out the following elements: subjects of control, objects of control, and control actions. Shevchuk V.O. identifies two subsystems in the control system:

- the control system, which includes control subjects and control actions;
- controlled (under control), which includes objects of control [19, p. 48].

Subjects of control of capital reserves in relation to the enterprise can be external or internal. Among the large set of external subjects of financial control, the external subjects of control of capital reserves of enterprises include (Figure 2):

- state control bodies - primarily, bodies of the State Tax Service of Ukraine, however, depending on the type of activity of the enterprise, its organizational and legal form and form of ownership, other state authorities or control bodies may also show interest in its reserves, in particular: above we talked about banks and financial institutions whose reserves are regulated by the National Bank of Ukraine (NBU); if the company is a participant in the stock market, then its reserves may become the object of interest of the National Commission for Securities and the Stock Market (NCSSM), etc.;
- municipal control bodies – relevant control and analytical units of local self-government bodies, which may be interested in the capital reserves of communal, resource-extracting and budget-forming enterprises;
- independent control bodies - first of all, auditors and audit firms that audit the financial statements of enterprises;
- public control bodies – public organizations, trade unions, political parties, etc.

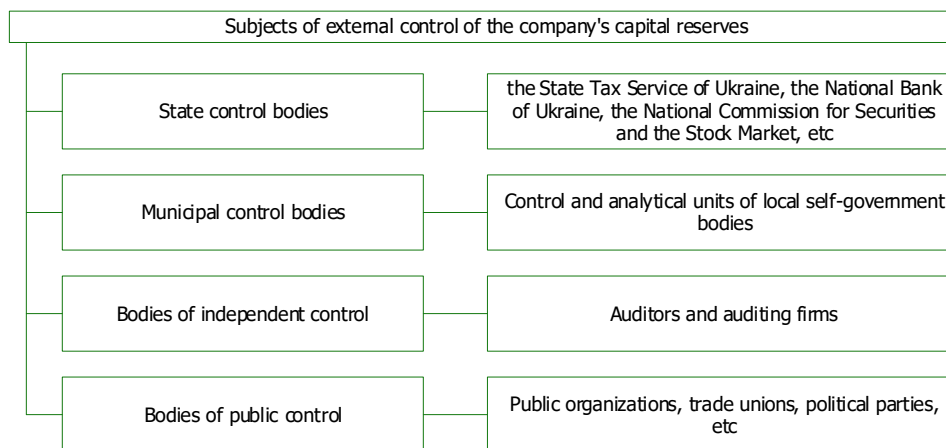


Figure 2. Subjects of external control of capital reserves of enterprises.

Internal subjects in relation to the enterprise carry out institutional (management) control of capital reserves. Their list depends on a number of factors, including the size of the enterprise, its organizational and legal form and form of ownership, organizational structure, etc. In small enterprises, where there are no specially organized internal control or audit services, control of capital reserves is carried out directly by the chief accountant, manager, or another authorized employee of the enterprise.

In large enterprises, especially of the corporate type, the structure of internal control is much more complex, which is due to a number of bankruptcies and corporate scandals (Enron, Parmalat, and others) and the legislative and regulatory documents adopted as a result of them, in particular, the Sarbanes-Oxley law (USA, 2002) [20], the combined corporate governance code of the Financial Reporting Council (Great Britain, 2008) [21], the 8th Directive of the Company Law (EU, 2006) [22], etc.

In accordance with these imperatives, the principles of corporate governance and best practices in the organization of the internal control system, its structure should cover several levels:

- the audit committee as the highest body of internal control (as a rule, it functions as part of the board of directors) and is independent of managers, whose powers primarily include supervision of the functioning of the company's internal control system;
- internal audit service – a control body directly subordinated to the audit committee and through which the committee implements its control functions;
- the centralized unit for internal control in the management system of the enterprise, as a rule, is accountable and linearly subordinate to the financial director (deputy manager for finance). This unit directly implements internal control functions at the enterprise.

Given the fact that capital reserves are aimed at protecting it from reduction, all the above-listed subjects of internal control at the enterprise should be interested in them. At the same time, the priority of their tasks, in our opinion, should be different: the audit committee and the internal audit service in the control of the company's capital reserves should concentrate on performing a preventive function, and the centralized division - on informational and cognitive.

The controlled subsystem of the system of control of capital reserves of enterprises includes objects of control, the list of which depends, first of all, on the subject of control and the subject of its interest (Table 2). The objects of control of capital reserves of enterprises are directly reserves by their types.

Shevchuk V.O. classifies control systems of economic systems based on the location of elements of these systems into closed, semi-open (input, output, horizontally, up or down) and open [19, p. 49-50]. Given the characterized structure of the control system of capital reserves of enterprises, the characteristics of its elements regarding the location of subjects and objects of control, this system can be defined as open, because:

- it covers not only external and internal subjects of control but also certain factors external to the enterprise that are important for objects of control of capital reserves (for example, the solvency of debtors, etc.);
- control actions can be directed both from the outside (from an external subject of control to an object within the enterprise) and to the outside (from an internal subject of control to an external object or its determining factor).

Table 2. Objects of control of capital reserves of the enterprise in accordance with subjects of control.

Subjects of control of capital reserves of the enterprise	Objects of control of capital reserves of the enterprise
State control bodies	Reserves, the formation of which is regulated by legislative and regulatory documents, as well as reserves that affect the objects of taxation
Municipal control bodies	Reserves that ensure the sustainable functioning of business entities that are socially important for a certain territory
Bodies of independent control	All types of capital reserves, which are formed according to legislative and regulatory documents or management policy of the enterprise
Bodies of public control	Reserves that belong to the sphere of interest of the relevant public control body (for example, for professional unions - reserves for the payment of vacations, for additional pension provision, etc.)
Audit Committee	All types of capital reserves of enterprises
Internal audit service	All types of capital reserves of enterprises
Centralized division of the enterprise for internal audit	All types of capital reserves of enterprises

The study of the place of control of the company's capital reserves in the classification of financial control, its purpose, tasks, subjects of control and its functions is the basis for the development of organizational and methodological tools for control. It is advisable to consider the method of control of capital reserves of enterprises in a multidimensional section - from the point of view of the structure of control actions, forms and subjects of control.

For most subjects and forms of control, the formation of control norms involves finding out the value of the standards of the company's capital reserves, established by legislative and regulatory documents or management policies, as well as establishing the actual volumes of losses from the occurrence of risk events, the compensation of which is aimed at (or should be directed) reserves. However, certain subjects, namely the audit committee and state control bodies, during these control actions, should analyze the adequacy of the reserve standards established at the enterprise, their compliance with the declared management concepts and management policies. Taking into account the fact that the functions of the audit committee do not involve direct inspection, but supervision of the functioning of the internal control system at the enterprise, these control actions should include obtaining information about the effectiveness of other control units, the control environment, etc.

Control actions related to obtaining actual information about the course of controlled processes involve the collection of information about the actual volumes of capital reserves formed and used during the control period and their balances as of the control dates (the sources of this information are described below). When applying such a form of control as an audit, these control actions also involve the formation of a control sample. And the centralized unit for internal control performs control actions for collecting information using the method of inventorying capital reserves.

Different forms of control can involve both the same methods of its implementation and different ones. At the same time, the form of control provides not only the methods of its implementation, but can also determine its purpose and subjects (auditors do not conduct an audit, and tax inspectors do not conduct an audit; but both the first and the second in the control process use comparison methods, etc.).

Control subjects, as a rule, compare the actual volumes of formed capital reserves by their types (V_{rf}) with standards (V_{rs}), the actual volumes of written-off reserves (W_{rf}) with the actual volumes of received losses or damages from the occurrence of risk events (V_{lf}).

In case of establishing the existence of differences between the actual and normative (comparable) indicators, the subjects of control determine the corresponding deviations - the statics of reserves (D_{rs} (1) - in relation to the volume of formed capital reserves as of the reporting date) and the use of reserves (D_{ru} (2) - in relation to the volume capital reserves written off during the reporting period):

$$D_{rs} = V_{rf} - V_{rs}, \quad (1)$$

$$D_{ru} = W_{rf} - V_{lf}. \quad (2)$$

At this stage of control actions, the audit committee establishes inconsistencies in the functioning of the system of internal control of capital reserves with the established requirements.

Control actions also include the evaluation of identified deviations and their analysis and interpretation. As a result of the detection of deviations, three types of results can be obtained:

- zero result or no deviations if the compared indicators match;
- excess of actual data over normative (comparable) indicators;
- exceeding the normative (comparable) indicators over the actual data of the subject of control.

To eliminate the detected deviations, it is first necessary to interpret them. Because the main function of controlling capital reserves is a corrective (regulatory) function, and the prerequisite for the correct implementation of regulatory influences (determination of regulatory strategies) is the implementation of control actions related to the interpretation of deviations. The interpretation of detected deviations based on the results of the control of the company's capital reserves consists in clarifying the impact that these deviations have on the financial and property status, results and potential of the enterprise's further activity, as well as substantiating the ways of their elimination. Ambiguity in the interpretation of deviations based on the results of control of capital reserves is due to the fact that these deviations may arise not only due to distortion of actual data but also due to the inadequacy of reserve standards. Therefore, further regulatory influences may include both the adjustment of the volume of capital reserves or transactions with them, and the adjustment of the values of reserve standards, or even both the first and the second. The multivariate regulatory influences to eliminate deviations identified as a result of the control of the company's capital reserves are given in Table 3.

Table 3. Regulatory influences are intended to eliminate deviations identified as a result of monitoring the company's capital reserves.

Type of deviation	The reason for the deviations		
	Incorrect amounts of reserves	Incorrect reserve standards	The amounts of reserves and their standards are incorrect
$V_{rf} = V_{rs}$	X	X	First, adjusting the value of the standard reserve, then bringing (adding up or writing off) the amount of the reserve to the level of its standard
$V_{rf} > V_{rs}$	Write-off of excessively accrued reserve	Adjustment (increase) of the reserve standard	
$V_{rf} < V_{rs}$	Addition of the reserve to the level of its standard	Adjustment (reduction) of the amount of the standard reserve	
	Incorrect amounts of operations on the use of reserves	Incorrect estimates of the amount of damages or losses received	The amounts of operations on the use of reserves and estimates of the amount of damages or losses received are incorrect
$W_{rf} = V_{lf}$	X	X	Correction of documentation related to the assessment of damages or losses, bringing the amount of written-off reserves (provided there is a sufficient balance) to the amount of damages or losses
$W_{rf} > V_{lf}$	Reversal of excessively written-off reserves	Correction of documentation related to damage or loss assessment	
$W_{rf} < V_{lf}$	Additional write-off of reserves (provided they have sufficient balance)	Correction of documentation related to damage or loss assessment	
	The insufficient volume of the remaining reserve to cover the received damages or losses makes it necessary to revise the value of its standard		

Along with the absolute indicators of capital reserves, control subjects in the process of performing control actions can also use relative indicators of reserves. In particular, on the basis of financial reporting data, scientists propose to calculate the indicator of the level of reserve protection of the enterprise (3), which characterizes the provision of the economic entity with reserves to cover losses, repayment of expected and probable costs [23, p. 145-147]:

$$LRP = (R_r + R_a) / OWC * 100\%, \quad (3)$$

where *LRP* – level of reserve protection; *R_r* - the number of required reserves, formed in accordance with the requirements of the legislation; *R_a* - the number of additional reserves formed at the discretion of the enterprise; *OWC* - the amount of own working capital.

To determine the level of reserve protection, scientists have justified the following scale:

- the maximum level of 50-100% - characterizes the enterprise as fully secured with reserves to cover losses, repayment of expected and probable losses;
- an average level of 25-50% - indicates the optimal provision of capital reserves to cover losses, repayment of expected and probable losses;
- a minimum level of up to 25% characterizes the enterprise as insufficiently provided with capital reserves to cover losses, repayment of expected and probable losses;
- a negative level (below 0%) - can indicate an enterprise as one that is provided with capital reserves in the absence of positive own working capital or one that is not provided with capital reserves at all [1, p. 53-54].

Indicators of the level of reserve protection, as well as other indicators of the financial stability of the capital of the largest enterprises of Ukraine for 2018-2020, are given in Table 4.

Table 4. Dynamics of indicators of reserve protection and financial stability of the capital of the largest enterprises of Ukraine for 2018-2020. (Source: formed by the authors according to [12]).

Company name	Year	The level of reserve protection of the enterprise	Business insurance rate	Coefficient of provision with own working capital	Equity maneuvering coefficient	Coefficient of financial independence (autonomy)	Coefficient of financial dependence	Coefficient of financial stability	Coefficient of sustainability of financing	Ratio of long-term liabilities	Current liabilities ratio
Public JSC Ferexpo Poltava mining	2018	-32%	0.01	-0.25	-0.40	0.30	3.29	0.44	0.32	0.03	0.97
	2019	-249%	0.01	-0.14	-0.03	0.63	1.58	1.68	0.66	0.07	0.93
	2020	21%	0.01	0.30	0.24	0.67	1.49	2.05	0.69	0.06	0.94
JSC Yuzhnyi Gok	2018	56%	0.003	0.16	0.30	0.59	1.69	1.44	0.68	0.22	0.78
	2019	86%	0.003	0.06	0.26	0.61	1.65	1.53	0.73	0.32	0.68
	2020	12%	0.001	0.73	0.62	0.83	1.20	5.00	0.90	0.42	0.58
Public JSC «Kivstar»	2018	-1207%	0.55	-0.24	-0.07	0.68	1.47	2.08	0.69	0.04	0.96
	2019	-226%	0.56	-4.62	-0.45	0.56	1.79	1.27	0.66	0.23	0.77
	2020	-224%	0.51	-6.02	-0.55	0.42	2.36	0.73	0.68	0.45	0.55
The company ATB-Market	2018	4%	-	-0.48	-35.88	-0.02	-58.91	-0.08	0.09	0.55	0.45
	2019	-13%	-	-0.43	-2.24	0.07	13.77	0.08	0.18	0.11	0.89
	2020	-5%	-	-1.31	-4.65	0.05	18.75	0.06	0.33	0.30	0.70
Public JSC Ukrnafta	2018	-203%	-	-1.08	-2.33	0.16	6.41	0.18	0.21	0.07	0.93
	2019	-181%	-	-1.59	-3.10	0.14	7.14	0.16	0.21	0.08	0.92
	2020	984%	-	-1.38	0.21	0.25	4.02	0.33	0.71	0.61	0.39
JSC Concern Ganafogaz	2018	-13%	0.004	-2.47	-0.56	0.33	3.02	0.50	0.60	0.41	0.59
	2019	-13%	0.004	-2.33	-0.55	0.43	2.34	0.75	0.58	0.26	0.74
	2020	-22%	0.003	-2.95	-0.27	0.52	1.93	1.07	0.72	0.43	0.57
Nibulon AJV	2018	-3682%	0.0000002	-0.95	-0.02	0.33	3.00	0.50	0.65	0.48	0.52
	2019	-547%	0.0000002	-1.51	-0.14	0.41	2.45	0.69	0.71	0.51	0.49
	2020	-120%	0.0000001	-1.45	-0.72	0.36	2.75	0.57	0.48	0.18	0.82
Private JSC «Kyiv Confectionery Factory «Roshen»	2018	-5%	0.005	-4.03	-0.57	0.55	1.81	1.24	0.58	0.07	0.93
	2019	-5%	0.004	-2.84	-0.39	0.63	1.58	1.73	0.65	0.05	0.95
	2020	-3%	0.002	-2.47	-0.38	0.63	1.59	1.71	0.65	0.05	0.95
Philip Morris Sales and Distribution LLC	2018	79%	-	-0.04	-	-	-	-	0.12	0.12	0.88
	2019	75%	-	0.09	0.91	0.13	7.55	0.15	0.15	0.02	0.98
	2020	78%	-	0.10	1.00	0.14	7.29	0.16	0.15	0.02	0.98
DTEK JSC Westenergy	2018	-16%	0.001	-1.90	-1.11	0.30	3.36	0.42	0.42	0.18	0.82
	2019	-16%	0.001	-1.52	6.60	-0.08	-12.37	-0.07	0.03	0.10	0.90
	2020	-12%	0.002	-2.52	1.38	-0.66	-1.52	-0.40	-0.39	0.16	0.84
JSC Farmak	2018	11%	-	0.43	0.37	0.72	1.38	2.60	0.77	0.18	0.82
	2019	9%	-	0.55	0.43	0.78	1.27	3.64	0.86	0.33	0.67
	2020	8%	-	0.47	0.40	0.74	1.35	2.87	0.81	0.26	0.74
Public JSC Nizhnedneprovsky Tube Rolling Plant	2018	-91%	0.001	-0.15	-1.37	0.06	17.13	0.06	0.09	0.03	0.97
	2019	44%	0.001	0.03	0.72	0.23	4.43	0.29	0.34	0.15	0.85
	2020	45%	0.001	0.03	0.87	0.25	3.96	0.34	0.43	0.24	0.76
Public JSC Zaporizhstal	2018	172%	0.007	0.17	0.34	0.47	2.13	0.88	0.51	0.08	0.92
	2019	220%	0.008	0.10	0.15	0.51	1.96	1.05	0.57	0.12	0.88
	2020	275%	0.008	0.02	0.14	0.46	2.15	0.87	0.52	0.09	0.91
JSC Nikopol Ferroalloy Plant	2018	-25%	0.004	-0.44	-0.70	0.22	4.57	0.28	0.29	0.09	0.91
	2019	-32%	0.004	-0.45	-1.00	0.17	5.76	0.21	0.23	0.07	0.93
	2020	-59%	0.003	-0.32	-0.74	0.18	5.59	0.22	0.22	0.05	0.95
Public JSC Ukraine International Airlines	2018	0%	-	-7.95	0.97	-0.52	-1.94	-0.34	0.27	0.52	0.48
	2019	0%	-	-6.24	12.58	-0.05	-21.79	-0.03	0.64	0.47	0.53
	2020	0%	-	-12.80	0.94	-1.26	-0.79	-0.57	-0.46	0.36	0.64

The values and dynamics of the indicators in Table 4 show that the vast majority of the studied enterprises (with the exception of JSC Yuzhnyi Gok, Philip Morris Sales and Distribution LLC and Public JSC Zaporizhstal) have an insufficient (even negative) level of reserve capital protection. Given the value of other indicators of financial stability of capital, this

indicates an underestimation by the management of these enterprises of the reserve tool in their management system in general and risk management in particular.

Subjects of external control should pay special attention to the amount of reserve capital and its share in the total amount of equity capital. The main generating component of equity capital is profit, which, in accordance with the requirements of current legislation, is a source of not only the formation of reserve capital but also the payment of dividends. A clear example of the possibility of manipulation of earnings through the provisioning mechanism is the events that took place at Public JSC Ukrnafta in April-May 2021: different interpretations of approaches to the formation of reserves for doubtful debts by the company's management and the Cabinet of Ministers of Ukraine led to changes to the procedure for calculation by state-owned companies reserve of doubtful debts, revision of the number of formed reserves, adjustment of profits and transfer of dividends to the state budget. Thus, regardless of their microeconomic essence, reserves influence the economy not only at the enterprise level but also at the macro level.

In practice, when companies create reserve capital, they only make an account that does not reserve real assets, which, if necessary, could be used to cover losses. At the same time, failure to create reserve capital can lead to the outflow of highly liquid assets in the form of dividends. And this is considered to be one of the biggest methodological problems of reserve capital accounting.

Control actions are completed by transferring the resulting control information to control customers or interested parties. In order to transfer this information, the subjects of control form appropriate reporting documents (depending on the forms of control) - acts, reports, conclusions. The transfer of information in reporting documents can take place both directly and through various communication channels, in particular electronically.

Important elements of the method of controlling the capital reserves of enterprises are the sources of information used by the subjects of control in the process of its implementation. Given that the control of capital reserves is mostly documentary, therefore the main source of information for its implementation is accounting documentation.

Accounting documents are classified according to many characteristics, however, from the point of view of determining the sources of control information, the most important, in our opinion, are their divisions by:

- the place of compilation into external and internal;
- assignment into order, executive (justification), accounting, combined [24, p. 83-84].

Given the fact that capital reserves are purely accounting in nature, their primary accounting is carried out using internal accounting documents. In addition to primary accounting documents, it is advisable for control subjects to use:

- other accounting documents, in particular, accounting statements that reflect information on the number of capital reserves in terms of value;
- legislative and other normative legal documents, both of external and internal origin (laws of Ukraine, resolutions of the Cabinet of Ministers of Ukraine, orders of ministries, National Regulation (Standards) of Accounting, etc., which regulate operations with reserves and their accounting, company orders on approval of management policies and other);
- legal documents (for example, a court decision to declare the debtor bankrupt);
- order documents for the enterprise (decisions of the founders' meetings on the use of reserve capital or the allocation of part of the net profit to its formation; orders on the granting of leave, etc.);
- evaluation and analytical documents that reflect information on the volume of damages and losses, impairment of assets, etc.

Sources of information for actual control of capital reserves are primary accounting documents. If the control is carried out after the occurrence of risk events that led to losses, the sources of information will also be the results of own observations, measurements and calculations, which are reflected in the inventory records.

Capital reserves are an internal mechanism of enterprise management from the point of view of risk management. Therefore, it is advisable to consider the effectiveness of their creation and use primarily from the standpoint of internal control.

DISCUSSION AND CONCLUSIONS

Capital reserves are an important tool for risk management and protection of the company's capital against reduction. This determines the need to build an effective system of control over their accrual, use and accounting. Taking into account

the nature of the economic category of capital reserves and the results of the analysis of scientists' approaches to the interpretation of the essence of economic control and its varieties, it is substantiated that capital reserves are primarily the object of financial control of the enterprise. In accordance with the essence, purpose and functions of control of capital reserves, its purpose is to establish compliance of the volume and structure of the capital reserves formed at the enterprise with their normative indicators, the value of which ensures the enterprise's ability to resist negative phenomena and activity processes, to cover the damages or losses caused by them. In the context of achieving the goal, the main tasks of controlling the company's capital reserves were formulated and their compliance with the functions of this control was established.

The organizational and methodological toolkit of capital reserves control is defined as a set of control actions performed by the subjects of this control using specified control methods in accordance with the forms of its implementation. Regulatory influences have been established, which are expedient to implement in order to eliminate the deviations identified as a result of the control of the capital reserves of enterprises.

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КОНТРОЛЬ РЕЗЕРВІВ КАПІТАЛУ ПІДПРИЄМСТВА: ОРГАНІЗАЦІЙНО-МЕТОДИЧНИЙ ІНСТРУМЕНТАРІЙ

Стаття присвячена дослідженню організаційно-методичного інструментарію контролю за запасами капіталу підприємства. Досліджено місце контролю резервів капіталу підприємства в класифікації фінансового контролю та функції контролю резервів капіталу.

Метою статті є аналіз та розкриття організаційних і методичних підходів до контролювання резервів капіталу підприємства. Обґрунтовано, що контроль резервів капіталу виконує такі функції: превентивну (профілактичну, попереджувальну, захисну); інформаційну (пізнавальну, комунікативну); коригувальну (регулюючу); мобілізуючу та виховну. Відповідно до сутності, призначення й функцій контролю резервів капіталу, його метою визначено встановлення відповідності обсягу та структури сформованих на підприємстві резервів капіталу їхнім нормативним показникам, величина яких забезпечує спроможність підприємства протистояти негативним явищам і процесам діяльності, покривати заподіяні ними збитки чи втрати.

У контексті досягнення мети сформульовано основні завдання контролю резервів капіталу підприємства та встановлено їхню відповідність функціям цього контролю, виокремлено його суб'єкти та основні об'єкти відповідно до них. Сформовано організаційно-методичний інструментарій контролю резервів капіталу як сукупність контрольних дій, що їх виконують суб'єкти цього контролю з використанням визначених методів контролю відповідно до форм його реалізації. Визначено регулятивні впливи, які доцільно виконати для усунення відхилень, виявлених за результатами контролю резервів капіталу підприємств.

Ключові слова: контроль, резерви капіталу, показники фінансової стійкості капіталу, рівень резервного захисту підприємства

JEL Класифікація: M41, G32, G39, E22