

THE IMPLEMENTATION OF HETEROGENEOUS RISK TO THE COMPANY'S OPERATIONS AND TRANSITION COUNTRIES RESPECTING THE BEHAVIOR OF AGRICULTURAL ENTERPRISES IN THE REPUBLIC OF SERBIA

BILJANA BJELICA

ASSISTANT PROFESSOR, COLLEGE OF BUSINESS ASSISTANCE SOKOLAC,
71350, BOSNIA AND HERCEGOVINA
bjelica.biljana@gmail.com

OGNJEN BAKMAZ

MASTER, COLLEGE OF BUSINESS ASSISTANCE SOKOLAC,
71350, BOSNIA AND HERCEGOVINA
ognjen@vub.edu.ba

RANKO MIJIĆ

ASSISTANT PROFESSOR, COLLEGE OF ECONOMICS AND INFORMATICS PRIJEDOR,
79000 PRIJEDOR, BOSNIA AND HERCEGOVINA
ranko.mijic@gmail.com

SLOBODAN POPOVIĆ

ASSISTANT PROFESSOR, INTERNAL AUDITOR, JKP GRADSKO ZELENILLO,
2100 NOVI SAD, SERBIA,

CORRESPONDING AUTHOR: slobodan.popovic49@gmail.com

VERA POPOVIĆ

PHD RESEARCH ASSOCIATE, INSTITUTE OF FIELD AND VEGETABLE CROPS
21000 NOVI SAD, SERBIA
vera.popovic@ifvcns.ns.ac.rs

Abstract

The primary function of the establishment of control mechanisms in the transition countries is that their attention is directed to the current activities of certain parts of the company which is especially important in manufacturing companies such as those in agriculture. Control mechanisms justify their existence constantly and permanently.

The observation should be made from most general (activity influences the country where the predominant activity is performed), concrete (tested embedded accounting controls, financial presentations and other contemporary data management, effectiveness and functioning of the non-financial controls and assessment of the relevant risks). When introducing control mechanisms should take into account the desired level of security programmed.

Therefore, it is necessary to program risk factors and impact on the company, especially in the productive activities such as agriculture.

Keywords: control mechanisms, enterprise, risk, safety.

Classification JEL: M41

1. Introduction

Management of the company is constantly improving and looking for a way that will be better able to manage and control a company that he is entrusted with the management. Therefore, management must establish control mechanisms, which will increase the safety and security of business. On this occasion, control and internal control and audit can provide full support to management in its efforts to increase the safety of operations.

Without control, management cannot properly manage and direct the development of the company, to set targets by the owner of the company, which is especially important in manufacturing companies, as well as in enterprises in the field of agriculture. Controls cannot exist in isolation, but are part of its framework; management should ensure that the process control to be regularly revised amended with new procedures that are closer to the optimum.

Therefore, well-managed companies, by the management, executives in controlling strive to maintain their skills and knowledge. At the same time they need to ensure better flow of information, the knowledge they have gained, and the management is trying to provide them with assistance in this, taking into account the costs of control, that they would not be greater than the possible benefits I realized the benefits of control.

It is important to emphasize that there is no unified methodology of control, which would be considered generally accepted or that would be treated as a best practice, and that would apply to all enterprises and all branches of economy and industry in a country. Also, there is no generally accepted model for its application in the enterprise.

Management of internal control includes a clear description of the roles and responsibilities in the exercise of control starting position management, operations, technology implementation in the enterprise, available resources at the disposal of the responsible charge of the implementation of internal control was.

This avoids confusion in the management company. At the same time can be achieved and the reliability of information provided by the flexibility of the strategy of companies and protect the interests of the owner activity [1]. This applies in particular to the extremely heterogeneous enterprises [2], [3], [4], which is in fact very different and which function in different activities, in particular in agriculture, [5], [6], [7], [8].

Therefore, it should be noted that if the quality control mechanisms work within the company, it is more relevant to the external auditors and external control after the end of the financial year. This is among other things see the balance sheet of an enterprise, which is the subject of the work and interests of a large number of authors [9], [10].

Highlight accesses control should be viewed in the context of corporate governance [11], but also in the overall management [12], with the aim of improving the operation and functioning of companies with respect to internal control mechanisms [13], [14], [15] [16] And the total valuation of heterogeneous activity [17]. Time numerous authors draw attention to the importance of the audit profession to its full capacity and in the context of the numerous activities of various business enterprises [18], [19], [20].

2. Starting the audit process - general model

Control mechanisms in the company should focus on establishing a quality process, enabling the implementation of the plans, strategies, functions, systems, initiatives, activities, and other actions taken by the management implemented in order to achieve the set business goals.

Control mechanisms are measures, and MATODA Procedure Code introduced by the company in order to protect the integrity of the funds and support the structure of the control, to all transactions during the course of the ongoing process of work carried out in the manner prescribed.

The control mechanisms may be considered as the most important and the highest applied form an internal control. Control mechanisms established in the company are an integral part of risk management and are built into the management structure covering all areas of business.

An example of a possible overall presentation of the description of risks authors give in Table 1.

Table No 1. The general model of possible risk with the introduction of the possible numerical intervals in which the risk of certain control software

Type of control	Risk	Estimated interval of risk by management	
		Description	Quantified risk interval
Segregation of duties	The risk that a person is fully responsible for all phases of a specific process.		1-3
Organizational	The risk that a particular duty to be assigned to an inadequate level.		1-3
Approval	The risk of unauthorized and invalid data entry into the system.		1-3
Physical	The risk of loss or damage related to the material resources of the organization.		1-3
Supervision	The risk that the employee does not comply with the appropriate procedures.		1-3
Personnel	The risk that they will be employed or appointed officials who have relevant experience and knowledge to perform their duties.		1-3
Mathematical and accounting	The risk of accounting errors, for example, wrong encoding and fails.		1-3
Control	The risk of cumulative errors or unusual transactions that are not revealed other controls.		1-3

Source: Production authors.

3. Observing the effect of activity and risk assessment

The impact of activities or MEPPP the company has many. Table 2 presents the impact of activities emphasizing the importance of expressing risk assessment.

Table No 2. Only the impact of economic activity on the risk assessment for businesses

Ordinal number	Name Sector / activity	RISK ASSESSMENT
1	Department of Public Enterprises	1
2	Finance and insurance sector	1
3	Manufacturing industry	2
4	Wholesale and retail	2
5	Travel	2
6	mining	2
7	Agriculture, forestry and fishing	3
8	Companies in bankruptcy	3
9	Other	3

Source: Production authors.

4. The effect of some risk to the company

Many risk factors can affect the performance and operation of companies. The authors give an overview of some factors influencing the company's operations. We emphasize that it is necessary to print bar descriptive I recognize the risk, because I was better than not paying attention to the risk to the company's operations. The paper outlines an impact that is most relevant to the agricultural company in the Republic of Serbia.

Table No 3. Review of selected risk factors impact on the company

Internal factors of company organization				
Risk factor	Description	Possible risks to the company expressing		
		Descriptive stated evaluation sheet risks to the company	Interval risks which evaluates the state of risk to the company	Individually expressed nominally valued risk to business operations
Built mechanism of internal control and internal audit	The lack of defined system of internal control and audit by management	HIGH RISK	1-3	3
The existence of the obligation to adjust the accounting policies	Lack of accounting obligations to monitor costs Maintenance of the total and that they harmonize with the carrying value of the assets with which the company operates	HIGH RISK	1-3	3
The existence of conduct by companies adopted international accounting standards over normative document company	Absence of obligation to apply IAS	HIGH RISK	1-3	3
Reporting obligations of the Supervisory Board of the interval to 7 days from the occurrence of significant events after the company	Absence of reporting obligations of the supervisory board in a short time or not at all the existence of the obligation to report on an important event for the forms on their websites	HIGH RISK	1-3	3

The existence of technical, technological and environmental controls in the performance of commercial activities of the company	The absence of an institutional mechanism to satisfy the technical, technological and environmental controls in the performance of commercial activities of the company	HIGH RISK	1-3	3
Total risk:				***

Source: Production authors.

4.1. The importance of respecting the relevant risks to pursue control affairs

Appropriate identification and assessment of relevant risks is extremely important to control functions in the company, including in agricultural enterprises and agriculture. The essence of these activities is to reduce the unreliable information on which to make business decisions by management.

In addition, risks that exist in one environment, it is possible to observe with respect to:

- height of the accumulated savings,
- propensity to save;
- development and efficiency of the banking sector, for which he developed, is able to raise more funds, but it is efficient, able to make them better places;
- the impact of tax policy (through tax rates) on savings;
- development and distribution of long-term securities;
- development and distribution of the stock exchange for trading long-term securities, long-term condition that invest funds without being able to, if necessary, on the market, quickly and easily get back to them, the way he would a little investor was willing to accept;
- efficiency of the money market, for which it is more efficient, easier to come up with the necessary liquidity for current needs;
- political, economic and monetary stability, because without them the risks (non-commercial - because of political instability, commercial - because of the economic instability and inflation - because of monetary instability) increased sharply, partly because of natural aversion to risk owners discourage holders of capital to qualify;
- development and market environment of transparency and shareholder culture in general.

In real life there should be a proper display of the identification of Hazards Company to control company revealed the dangers that are submitted to management. This is achieved by analytical procedures, the auditor's tests and in other ways. Thus a large number of risk is a result of inefficient and insufficiently prepared procedures control mechanisms enterprises, and partly based on the fact that the testing of transactions almost always done on a sample basis (almost never tested 100% change, because this is The most frequent impossible, and if it were possible, would involve unacceptably high costs of internal audit).

Quality control mechanisms are a direct function of the quality of employees who manage the system. The company must have a good employment policy, training, evaluation, counseling, promotion, pay and protection of employees entrusted with controlling mechanism enterprise. Problems related to the personnel who perform the most common causes of errors control management reporting. Regardless, the importance of risk assessment, account should be taken of the major constraints control.

A careful examination of these characteristics reveals a direct relationship with the company controls. Understanding the roles and responsibilities of individuals in terms of control of

the companies and related businesses later financial reporting is achieved on the basis of obtaining appropriate information. This primarily refers to the extent to which they understand in what online activities of financial reporting with the work of others, as well as ways of reporting on deviations from the prescribed control procedures appropriate senior organizational part of the enterprise, regardless of sector and industry in which the company operates.

A reliable accounting system should consist so such methods and records that will:

- identify and record all valid business events,
- business events described in detail on a timely basis in a way that allows their appropriate classification in the financial statements,
- estimate the value of business events in a way that enables recording their proper monetary value in the financial statements,
- determine the period in which the transaction occurred to allow their records to the appropriate accounting period, and
- the financial statements adequately disclose business events and everything related to them.

5. Conclusions

With this work the authors point out the importance of identifying bit (heterogeneous) risk and in accordance with the observation of a large number of sectors and industries of the economy. Observed behavior is possible a number of different companies in transition countries.

The analysis included possible behavior agricultural companies in Serbia. Indirect work indicates the importance of respecting the general control mechanisms and the importance of a comprehensive standardization or connected with the importance of respecting international auditing standards and IAS for whose proper understanding and assessment of risks below apply this work.

Only respect for the interval of risk, knowledge of the mechanisms of control in the company, means that enable their proper evaluation and quality implementation of modern risk management at the enterprise level, which may take the management in order to increase management efficiency.

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