

**APPLICATION OF NEW AND MODERN SOFTWARE SOLUTIONS IN COMPANIES
THAT ARE CONSIDERED DEVELOPMENTAL IN TRANSITION ECONOMIES WITH
REFERENCE TO THE APPLICATION OF INTERNAL AUDIT**

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Abstract

The starting point in today's economy is that software today is embedded in all pores of human life, private and work environment.

Developed software of companies makes the economy of a country stronger and the life of the inhabitants of a country much more comfortable, assuming that it is modern and developed in accordance with modern standards.

Software solutions are increasingly relying on process automation in the economy, with numerous activities performed daily with the presence and use of modern technology where automation processes cannot be imagined without the application of modern software solutions.

Application software and software development engineering today have an extremely complex task, more than ever before. Quality software engineering makes a positive contribution to the development of flexible, reusable software solutions relevant to a large number of users.

Nevertheless, software development is accompanied in parallel by numerous recurring problems, which can be grouped into several large categories that will be described in this study.

Keywords: *software application, internal audit, internal control, management improvement, enterprise.*

1. Introduction

From the point of view of the development of an economy, the application of software can be viewed as a dynamic system that is constantly evolving and changing, and in which continuous processes are taking place that strive for an innovative approach that will enable better living and economic development of a country [1].

In the continuation of the development of these attitudes, the authors gave an overview of possible influences on the development of the economy through the presentation of Figure 1.

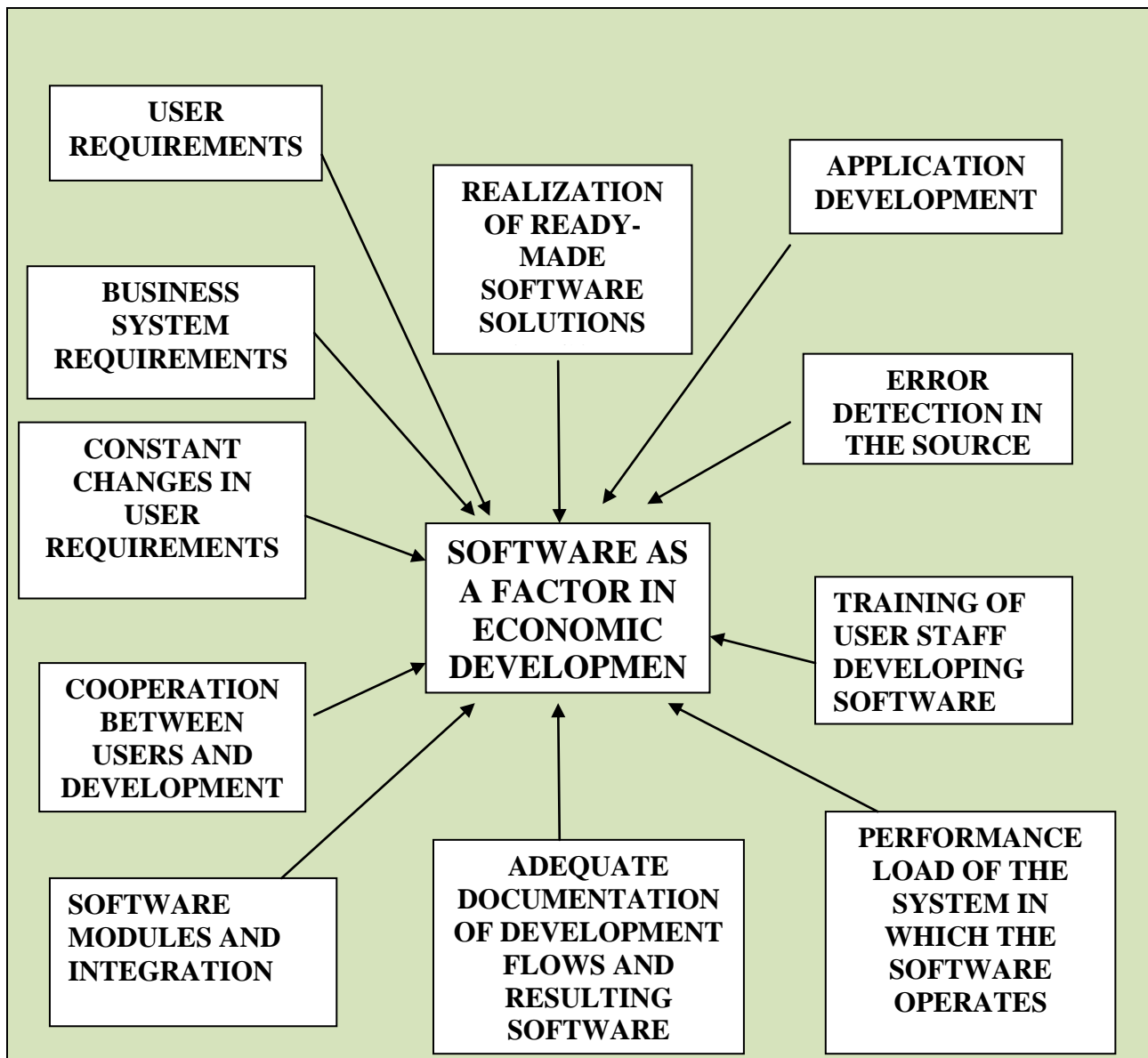


Figure 1: Overview of possible software impacts on economic development.

Source: Authors (2021).

In addition to the above, the authors point out that the long-term goal of software engineering development is aimed at finding repeatable, predictable processes or methodologies,

which would raise the level of productivity and quality of development flows and ready-made software solutions.

2. Software projects in the focus of economic management

Managing a software project is a very responsible task and entails many consequences, since the completion of the same can easily be delayed in relation to the agreed deadlines, and in this regard, delayed in relation to the planned budget.

Successful software project management is a demanding job, given that many software projects have failed to meet expectations related to functional, cost and time requirements. In the current practice of software development, the waterfall model is most often mentioned, as one of the most common traditional models in the development of software solutions, with a sequential approach.

However, this model exhibits both positive and negative factors throughout the software development lifecycle, which can lead to a significant increase in costs. With this model, development is carried out through traditionally established and rigidly elaborated sequences.

In finding a more flexible, faster, cheaper and more modern way of understanding in the development of software solutions, it is necessary to assess the epithets of "good" practice of software solution development, and the authors presented in Figure 2.

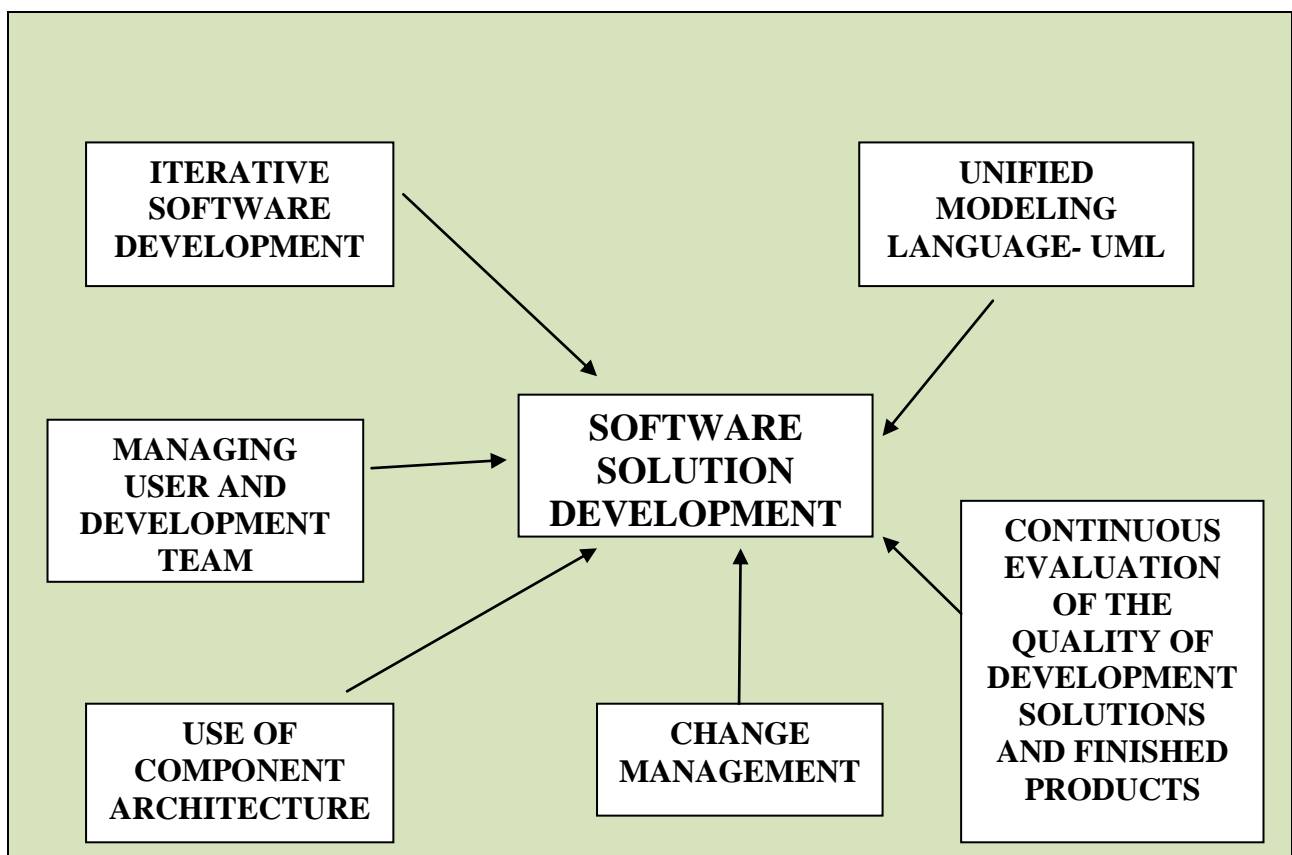


Figure 2: Overview of the development of software solutions in the system of "good practice".
Source: Authors (2021).

A different approach to “extreme programming” software development is software engineering methodology, best known for several rapid software development methodologies.

This methodology provides the ability to adapt to changes in information requirements during the project development process, and is therefore more realistic and accessible than the previous methodology, which defines all requirements right at the beginning.

Economic development requires constant interaction between clients and members of the development team. This leads to better job completion, cost reduction, continuous management of customer requirements and absolute flexibility in development.

The authors gave an overview of what was said in the presentation of Figure No. 3, where the connection between software development and practical requirements of software users or customers is emphasized.

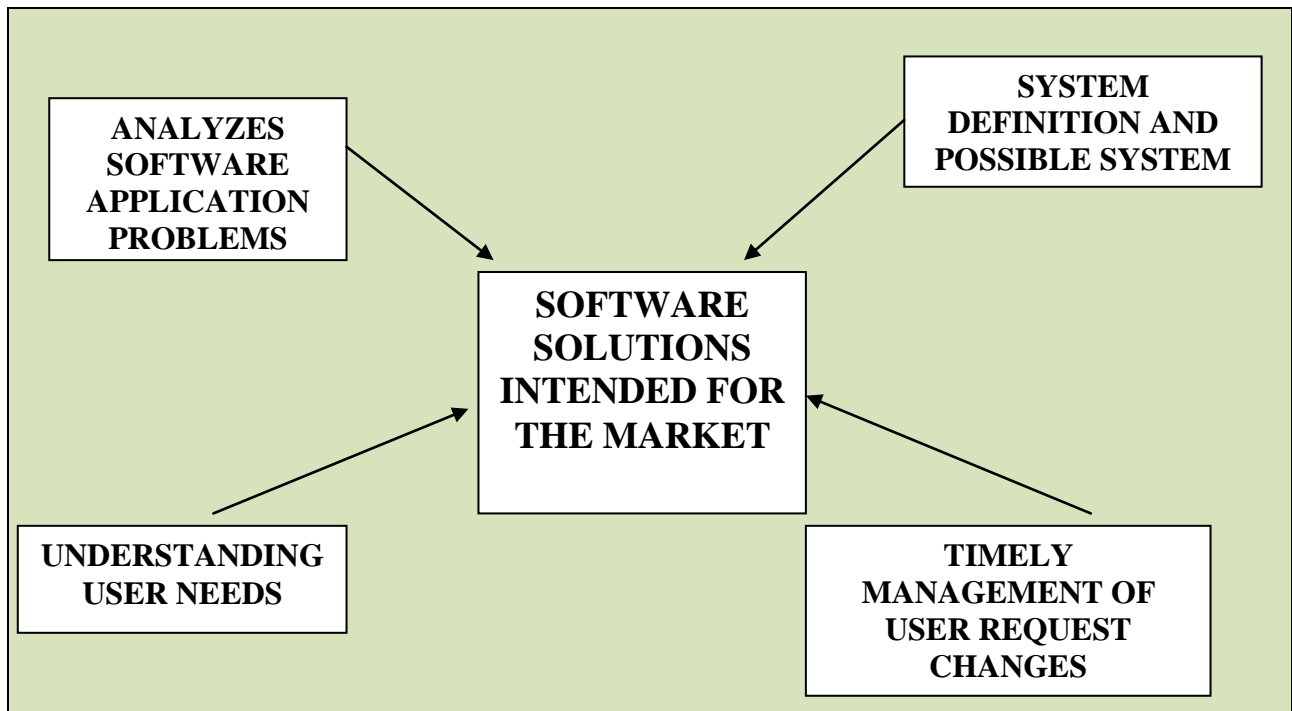


Figure 3: An overview of possible user requirements.

Source: Authors (2021).

3. Focus on meeting the requirements of software users in terms of practical application in the economy of an economy

User requests are managed in accordance with their translation and grouping. In addition, a detailed specification of functional and non-functional user requirements is attached, which translates into procedures, test data, design and user documentation.

The authors presented the presentation of user requirements in terms of software in the form of Figure 4.

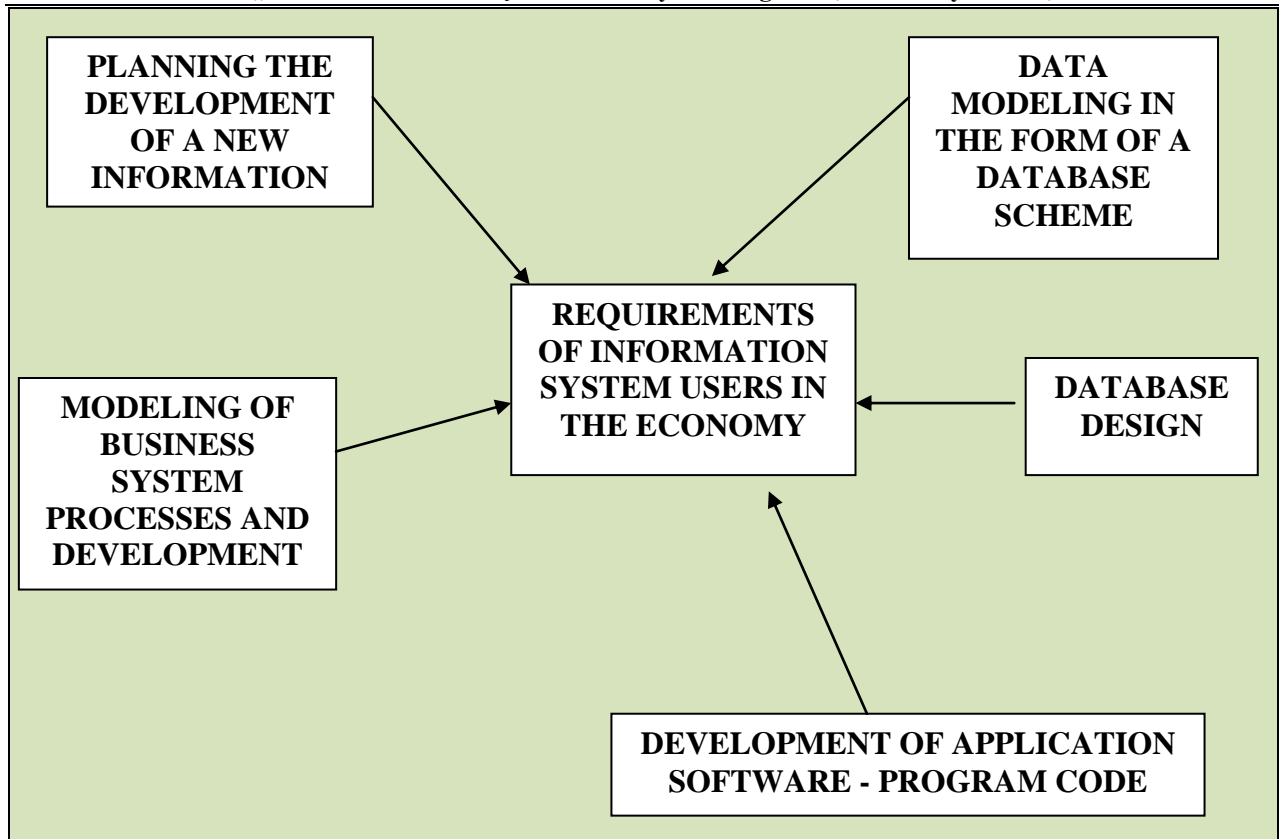


Figure 4: Overview of the requirements of the user information system in economy.

Source: Authors (2021).

Development solutions in a country's economy in terms of software are existentially important for the development of a large number of companies that strive for development and progress. In the following, the authors provide an overview of a possible scheme that shows the presentation (possible impacts) of monitoring the software development solution in economies that want to have continuous development (Figure 5).

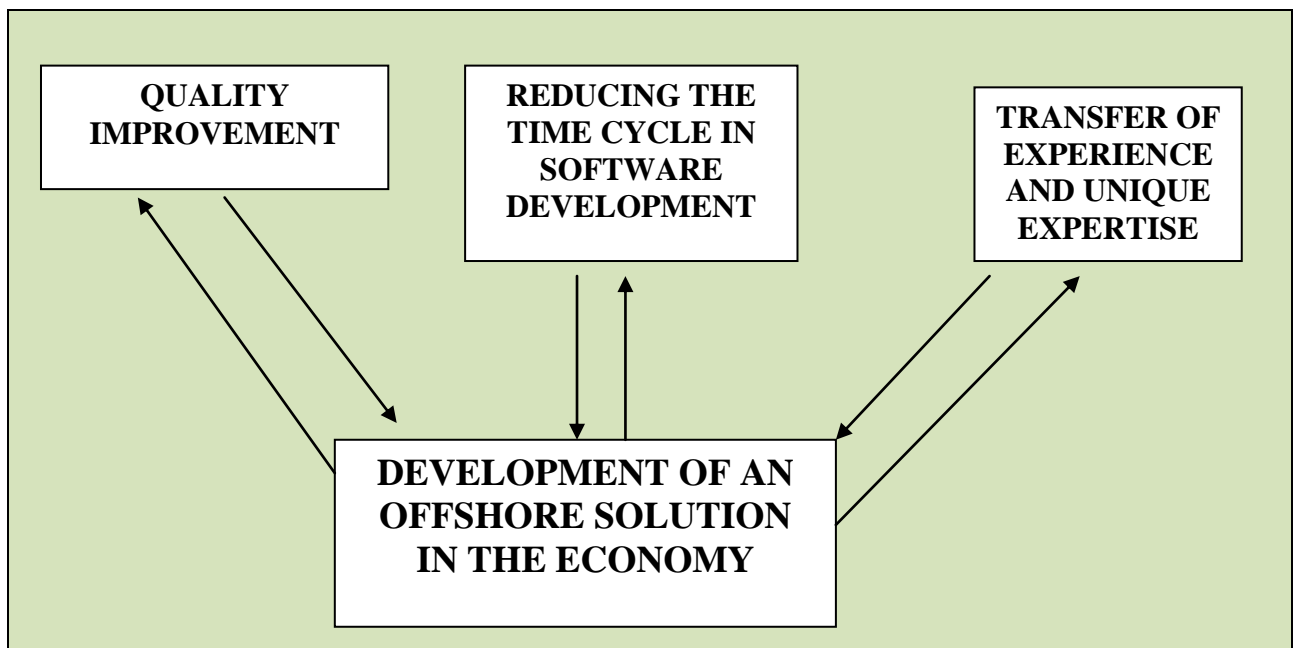


Figure 5: Presentation of possible influences on the formation of software development solution in economies.

Source: Authors (2021).

4. Introduction of internal audit in companies that aspire to be development companies in transition economies

The management of development companies needs to find solutions that will better control the company they manage. The company's management should establish control mechanisms, which will increase the safety and security of the company's operations, and previously stated regarding the development of software solutions only builds on the possible requirements of users or requirements that top management can present to people involved in software development for the company.

Internal control and internal audit can provide full support to management in its efforts to increase business security, as well as to provide guidelines for future operations with the findings that describe the current operations of the company, as well as the company's operations in the previous period [2-8].

In addition, they can make a strong contribution to the development of new software solutions because their suggestions will be able to indicate a different design of software solutions for companies that are the customer of such software requirements. Without timely and precise internal control, the management will not achieve the set plans and goals, and control is one of the essential elements of development that should be built into software solutions that will automatically manage all parts of the company [9-12].

In well-run companies, staff employed in control, development must provide their skills, knowledge and interests in conditions of continuous modernization, and management tries to provide them with support by providing them with the necessary funds, equipment, professional development, etc.

The process of introducing internal controls in companies is a process ordered by top management in order to obtain reasonable assurance about the achievement of goals in the following areas:

- improving the efficiency of decision-making by management,
- increasing the reliability of financial reporting,
- maintaining compliance with applicable laws and regulations,
- protect the company's assets from unplanned misappropriation,
- Protection against speculative actions on the markets and in the company itself, etc.

As part of such an observation, the standardization of financial reporting to top management plays a major role, and the documentation that accompanies top management reporting can be greatly influenced by the software solution for monitoring documentation, which significantly raises the possible level of internal control and audit in companies.

Within the standardization, the application of International Accounting Standards and International Financial Reporting Standards can play a strong role, which can also be incorporated into new software solutions when creating automatic monitoring, primarily documentation in companies.

The use of international accounting standards enables better information and transparency in the economic and financial communication of the sector in the company. The internal audit established in the company should be primarily future-oriented, i.e. improving efficiency,

effectiveness and economy in companies that essentially aspire to be developmental. In addition, development cannot be observed without the influence of software management in enterprises.

The business environment should be viewed as an environment in which a large number of risks that exist in one environment operate. They are directly manifested in the market, especially in the money and capital market.

The company's environment is influenced by:

- the amount of accumulated savings and propensity to save;
- development and efficiency of the banking sector, because the more developed it is, the more able it is to raise funds, and the more efficient it is, the more efficient it is to place them;
- the impact of tax policy (through the tax rate) on savings;
- development and distribution of long-term securities;
- development and prevalence of stock exchanges for trading in long-term securities, the condition to invest funds in the long run without the possibility, if necessary, to get them quickly and easily on the stock exchange, is such that few investors would be willing to accept;
- efficiency of the money market, because the more efficient it is, the easier it is to obtain liquid funds necessary for current needs;
- political, economic and monetary stability, because without them the risks (non-commercial-due to political instability, commercial-due to economic instability and inflationary-due to monetary instability) increase sharply, which discourages capital owners from investing due to natural risk aversion;
- Development and transparency of the market environment.

5. Conclusions

Improving quality in the development of a new software product depends on many factors.

Improving development software solutions is of primary importance for improving the real business of the economy and a large number of companies that primarily want to become development companies where practical software development is of great importance, and the approach to creating software solutions can be of great practical importance for managing development companies that is, companies.

This is of particular importance for a large number of transition countries.

The research in this study was also done in a transition country, where more and more time, energy and resources must be devoted in order to develop software that is acceptable to a large number of companies that want to become development companies.

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