

## Legislation mechanism of auditing machine-building enterprises in the Russian Federation

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**Abstract.** The main goal of machine building enterprises' audit is to protect the interests of its owners and society in general, to give a sense of confidence to users that financial reporting is authentic, due to objective and independent assessment of information about the activity of economic subject. Such confirmation can be got in auditor's report, where he gives the assessments about authenticity of financial reporting, conforming to legislation the accounting record-keeping. Most theoretical-methodological and sector-scientific problems of audit are connected with uncertainty of its legal aspect. Priority of stated problems, its theoretical, methodological and practical meaning and argumentative issues defined the choice of the research topic, its goal and tasks. The goal of research is to prove the mechanism of realization of legislation about audit of economic entities, including machine building enterprises, to define the reasons of cooperation of its structured elements and to show up problems and argumentative issues in issues of legal assessment of mechanism of realization of legislation about audit. Research is based on general-purpose method, application-specific and social methods. Method of structural-functional analysis was used to study mechanism of realization of legislation about audit as economic-legal event allowed to define each of its elements from the point of view of definite functional assignment. The legal mechanism of audit is defined in this study, including its components. Method of legal regulation as institutional aspect of audit, which are regulated by audit, techniques and methods of establishment of rights and duties of subjects of regulating economic-legal relations.

The most spreading organizational and legal forms of machine building enterprises in market system are open joint-stock corporation.

At the present time considerable number of participants of market relations are interested to get objective information, concerning of effectiveness of function of capitals, using of resources, prospects of stable and stabilized operation of public companies of machine building enterprises, their competitiveness, investment attractiveness [1]. Risk of corruption of accounting information always exists.

The main instrument to get authentic facts about financial status of business entity is audit.

Most theoretical-methodological and sector-scientific problems of audit are connected with uncertainty of its legal aspect, particularly, legal mechanism of realization of legislation about audit, legal assessment of audit and others. Priority of stated problems, its theoretical, methodological and



practical meaning, presence of serious of open questions and argumentative issues defined the choice of the research topic, its goal and tasks.

The goal of research is to prove the mechanism of realization of legislation about audit of economic entities, including machine building enterprises as system economic-legal event, to define the reasons of cooperation of its structured elements and to show up open problems and argumentative issues in issues of legal assessment of mechanism of realization of legislation about audit.

Research is realized on the base of general-purpose (philosophic) method, application-specific and social methods.

Method of structural-functional analysis, which was used to analyze mechanism of realization of legislation about audit as economic-legal event allowed to define each of its elements from the point of view of definite functional assignment.

Philosophic method, which have general scientific character, are used indirectly by others more concrete methods for the purpose of economic-facilities specification of comparison, analysis and synthesis, idealization, generalization, ascension from abstract to concrete, induction and deduction.

In modern scientific researches noticeable predominates normative element. Normative methodological knowledge, acting in the form of instructions and norms, in which are defined content and sequence of the definite kinds of activity, fulfilling numerous the most important functions, furnished problems statement as from substantial so from formal point of view.

The problem of legal assessment is not new for public-legal science.

Ratable problematics was on the march in philosophic sciences in treaties of E.V. Bogolubov, U.D. Granin, M.V. Demin, O.G. Drobnitskii, L.A. Zelenov, M.S. Kogan, B.A. Kislov, A.M. Korshoonov, V.V. Mantatova, K.N. Lubootin, S.I. Popov, A.A. Roochka, O.E. Sokolova, V.P.Tugarinov, A.Ya. Khapsirokov and others.

Certainly, scientific studies concerning the questions of legal assessment of S.S. Alexeev, A.N. Baboi, M.I. Baru, N.V. Vitrook, S.I. Vilnyanskii, U.A. Demidov, V.I. Zazhitskii, V.N. Koodryavtsev, TV. Kashanina, P.E. Nedbailo, P.M. Rabinovich, E.V. Chvyaleva, A.F. Cherdantsev, L.D. Choolukin, F.N. Fatkoolin and others open legal categorical apparatus, leaving legal potential of audit not investigated to the full extent. We understand the importance and development of legal assessment of audit and mechanism of realization of legislation about audit.

Mechanism of legislative regulation is observed in domestic jurisprudence as the unity legislative means, with the help of which it is possible to provide the effective legislative influence on public relations.

Herewith the mechanism of legislative regulation salutes as methodological category, intermediating the legal process, i.e. adding it definite bespoke trend to get the desire result.

But any mechanism is the system of elements, which must possess dynamics, otherwise the principle of consistency is destroyed, the base of legislative regulation must, according to our opinion, be "alive" and really working. This purpose must be not in submission and appliance, but to give the concrete legal process the functions, which mutually stipulate each other. If not elsewhere we see the creative potential of mechanism of legal regulation in the sphere of audit.

The theorist of Russian jurisprudence S.S. Alexeev suggests, that the mechanism of legal regulation is called "to reflect the anatomy of legal reality from its dynamic side and consequently, delineate the hypostasis of justice, i.e. the elements of legal system, throughout which the legal regulation is carried out" [2].

The elements of mechanism of legal regulation are closely interrelated with each other due to the constructive carcass: instrumental, special juridical psychological, social and economic.

The structure of mechanism of legal regulation bases on institution and concrete utility, which appears on any stage of legal regulation - as on the stage of formation of juridical norm, so on the stage of genesis of rights and duties for concrete agents and also on the stage of their realization.

In this investigation we pay our attention to realization of statute of the law in the sphere of audit of public companies' machine building enterprises, it may be in different ways: by protection, by security, by security and by guarantee.

The activity of auditors has an aim to guarantee the security of interests of users of financial (accounting) statements, of public companies' machine building enterprises, and also to guarantee their constitutional right on authentic information.

When we observe and investigate the right of users of accounting statements of machine building enterprises we may use such terms as "security", "protection", security, and guarantee. However, in economic and juridical literature the different interpretations of these notions is possible, because in Russian legislation we don't have the definitions of these terms, though legislator often uses them. According to the notice of V.V. Sheblyakov, who is worse to agree, we "don't manage to exclude them outside framework of discussion, in the channel of stable clarity" [3]. Very often we observe the mixture of one phenomenon with the other or a new category appears, which has a distinction from previous.

"The negative moment of scientific search in this case will be that one and the same term, as E.V. Vavilin marks, using in regulatory acts in theory and in practice presents in different meanings, bearing not by a jugful identical logical cathexes, creating effectively "cacophony", "embroilment", objectively existing legal event [4].

The terms "security", "protection", "guarantee", "provision", can be in the text of Russian Constitution - article 2, 35, 41, 56,61 [1]. and also in scientific articles [5, 6, 7, 8].

The terms are used according to the different "subjects" [9]. However, we should notice that non-dictiontion the important modern juridical notions take place [10].

Consequently, to determine the real meaning of the notions, it is necessary to analyze first of all the existing access to determine the essence of each of them.

In juridical science the notion "security" and "protection" of right or interest, protecting by law, including authenticity of information, can be as identical (synonyms), or are distinguished and allotted by independent content.

In dictionary of V. Dal the word "protection" is understood as "intercession, patronage, and in the dictionary of S. Ozhegov -" those protects, answer for defense" [11].

A.S. Stremouhov in his dissertational investigation marks, that in the first case "protection" - is all that serves to protection and defense; acts, subjects, instruments, mechanisms in particular, obligation of audit. Thus A.V. Stremouhov identifies these two notions [8].

Concentration and close unity of notions "defense of rights" and "protection of rights" underlines N.V. Vitrook. According to this opinion "protection of rights - is the activity to eliminate obstacles to realize rights and duties (mandatory audit), and defense takes place, when there is breach of duties and abuse of right, but both these notions consist unified whole, which is called "protection (defense) of rights and duties, and the terms themselves are synonyms [12].

L.D. Voevodin is on the same page [13], V.I. Abramov supports the position of those scientists, who consider, that the legal reality the terms "protection" and "defense" as for human and citizen rights and freedoms shouldn't be identified [5] though these notions interrelated together [10] and is relevant as a part and whole [15].

The rights and interests are protected constantly and are defended only, when they are disturbed. Defense is the moment of protection, one of its form. The notions "protection" and "defense" according to their meanings are not coincided [16].

Protection is carried out when the rights and freedoms are disturbed or contested, and protection of freedoms begins from the settlement of general constitutional-legal order of rights and freedoms, i.e. from the legal fastening of rights and freedoms. And if they are fastened legally, consequently, the state contracts liabilities to comply them and protect if the third parties disturb them.

Mentioned in the article 2 of Constitution of the Russian Federation, the words "acknowledgement" and "adherence" are connected with protective functions.

The same function the law "About audit activity" fulfills, foreseeing the obligatiry audit for separate organizations. Thus, protection of rights of users for authentic information fulfills regulative-statistic function, i.e. is sui generis guarantee of rights and freedoms in statistic aspect.

Protection supposes involuntary way of actualization of rights, just: oblige audit of public companies of machine building enterprises, foreseen legally, and also the possibility to present financial sanctions either by authoritative body or by user himself to reconstruct the disturbed right, that demands prorated normative regulation in the Russian Federation.

Consequently, regulative-dynamic function is allotting for protection, which appears as guarantee of rights and freedoms in dynamic aspect [17].

Thus, security is the settlement of general legal order, and defense are measures, which are undertaken in cases, when the civil rights are disturbed or controverted [18-19].

Security is broad understanding - is creation the conditions to realize, the rights, and defense of disturbed rights is an element, more narrow part of their security, contrariety to illegal violations and restrictions of rights, warning of these violations and restrictions, and also compensation for damage caused.

Protection is built exclusively on protective and juridical norms, when mechanism of legal security is realized with the help of regulative and protective legal norms.

Security of rights is the stage, beginning from the moment of genesis of subjective right and needs in guarantee, including in guarantee of legal protection.

Security of rights presents the action or complex of actions, directed to warn or terminate illegal restrictions or illegal divestment. The official character of business accounting supposes its publicity, and, consequently, the necessity of existence of guarantees, which let in public aims to guarantee the authenticity of accountable information.

To guarantee its authenticity is possible during control, after it will be composed and presented.

The guarantee of authenticity of financial accounting and reporting in economic sphere, which includes business activity is obligation of presentation in the structure of reporting of auditor's report.

Thus, mentioned in the article 2 of the Constitution of the Russian Federation the words "acknowledgement" and "obligation" fulfill protection function. The same function the law "About audit activity" fulfills, foreseeing oblige audit for separate organizations.

Protection of rights of users, for authentic information is sui generis security provider of rights and freedoms of economic entities.

Protection supposes unwanted way to realize the right, in particular: oblige audit, foreseen legally, and also the possibility to present financial sanctions either to competent organs or by user himself to reconstruct violated rights, which demand corresponding normative regulation in the Russian Federation.

The analysis of realization of mechanism of legal regulation in audit sphere lets on the one hand, to determinate the real level of its administrative influence on public relations, and on the other hand, to determinate the number of problems, decisions of will make this mechanism not only clearly structured, but universal.

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