



INSTITUTIONALIZATION OF THE ACCOUNTING PROFESSION: UKRAINIAN CASE

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ABSTRACT

The aim of the study is to identify the influence of institutionalism on the accounting profession in Ukraine, in particular, to establish and assess the factors of such influence, its tools, characteristics and forecasting, on this basis, the prospects for the development of the institution of the accounting profession with an emphasis on the agricultural industry. Institutional impact on the accounting profession and its consequences are revealed through the use of a historical approach in research. To assess the initial conditions that have developed in Ukraine in matters of accounting, its development, the impact on it of existing institutions, including international ones, empirical analysis and assessment of the process of institutionalization of the accounting profession and its description in scientific professional literature were applied. To collect sociological information on the nature and characteristics of the accounting profession, a survey was conducted based on 180 accountants of private agricultural enterprises and 70 accountants of state enterprises in the system of



the National Academy of Agrarian Sciences of Ukraine in the context of 4 elements of the profession: functions and professional ethics of an accountant, legal regulation of accounting activities (organization and methodology accounting and reporting), educational training of accountants, professional accounting associations. To summarize the results of the survey, their illustration and analytical assessment, a graphical method was used. The use of modelling allowed us to confirm the assumption of the conservative nature of the accounting profession in Ukraine and the problematic nature of its self-regulated development. The authors concluded that it is necessary to improve the institution of the accounting profession in Ukraine, provide arguments and directions for solving problematic issues, in particular, the development of the professional movement and self-organization, improving the quality of accounting specialists training in educational institutions, developing accounting methodology for the agricultural sector, improving the composition and accounting display of accounting objects.

Keywords: Institutional Influence; Institutionalization; Accounting; Accounting Profession; Accounting Organization; Institute of Accounting; Private Enterprises; State Enterprises

1. INTRODUCTION

International and European integration of Ukraine, a change in the vector orientation of the economy in the direction of ensuring the growth of its efficiency based on the use of energy-saving technologies, put new requirements for the accounting indication of the processes of Ukrainian business entities activities. In accordance with this, there is a change in the requirements for specialists in the field of accounting and their professional performance and competence are being transformed.

In addition, the phenomenon of the services provision in the field of accounting is actively spreading by persons that are not accounting employees of an enterprise, but develop such a business on their own (registered as individuals-entrepreneurs or legal entities). The accounting reform processes and the transition to international accounting standards also have a significant impact on the accounting profession.

However, the current state of the accounting profession in Ukraine should be described as conservative. Taking into account this fact, we must stress that there is an objective need to change not only the perception of the accounting profession, but also to improve the training of specialists, its content and scope. Forecasting the directions of development of the accounting profession must be carried out guided by the philosophical laws of dialectics, and relying on the progressive achievements of economics, in particular the provisions of the

institutional theory, while taking into account external externalities and internal management requests. The relevance of research in this area is significantly enhanced by the phenomena associated with the internationalization of accounting and the intensification of the international financial reporting standards application.

2. LITERATURE REVIEW

2.1. Major overseas approaches to the institutionalization of accounting and the accounting profession

Institutionalization is the process of defining and consolidating social norms, rules, statuses and roles, bringing them into a system capable of acting in the direction of satisfying some social need. The process of institutionalizing the accounting profession can be understood as the gradual unification of all its conservative elements into an effective self-regulating institution through the unity and struggle of such opposites as evolutionary dependence on the development path (path dependence) and revolutionary institutional borrowing (institutional borrowing).

A lot of attention is paid to the issue of institutionalization of the accounting profession in scientific publications by foreign authors. This issue is considered in the context of its consideration through the prism of the development of audit and reporting confirmation services.

So Ken (2016), examining this issue, concludes that in modern conditions there is a transformation in the accounting profession. Identity experimentation moves the accounting profession toward the commercialization of not only auditing practices but, more importantly, the very identity of the auditor and the profession as a whole. Such change is an important issue as it may have profound implications for the profession's roles in the market economy (Ken, 2016).

Institutional borrowing is widely manifested in formal “rules of the game” and is characterized by the ability to change quickly, come into constant conflict with dependence on the trajectory of development, manifests itself in informal social and culture stereotypes “in the heads” of people and is not capable of revolutionary turns. However, despite this, progress in the development of the accounting profession is an objective law that follows from new needs arising in the process of human life.

This is confirmed by the emergence of innovative directions in accounting and the corresponding transformations in the accounting profession. An example is the pioneering



research of such scientists as Gibassier, El Omari and Naccache (2020), who analysed the birth of an environmental accounting profession. They made an attempt to analyse the institutional work that gives rise to a new profession and found factors that lead to diversification in accounting work and give rise to at least two different types of it, one of which can be identified as creative. Their research contributes to an understanding of the dynamic professionalization process in which the different actors mobilize both creative work and sabotage work.

In general, foreign scholars focus on the influence of various institutions on professional accounting. In particular, Greenwood, Suddaby and Hinings (2002) examines the role of professional associations in a changing, highly institutionalized organizational field and suggests that they play a significant role in legitimating change and a model of institutional change is outlined, of which a key stage is "theorization," the process whereby organizational failings are conceptualized and linked to potential solutions. At the same time, scientists rightly argue that Regulatory agencies, such as professional associations, play an important role in theorizing change, endorsing local innovations and shaping their diffusion.

2.2. Institutionalization of Accounting and the Accounting Profession in the Scientific Thought of Ukrainian Authors: a Brief Overview

Recognition of the materiality of the influence of regulation on the development of accounting and related professions, as well as its content and production features, determine the key characteristics and requirements for people who exercise their authority to keep records, generate reports, confirm them or other functions. In Ukrainian scientific thought, more and more attention has been paid to this issue in recent years. However, in most cases it is a study of the institutional foundations of accounting, not the accounting profession.

Despite this, most researchers recognize commercialization in the accounting field as a phenomenon associated with the development of innovative approaches to accounting. This, in turn, changes the requirements for the skills and knowledge of accounting specialists and, of course, affects the institutions for their training.

Karpenko and Denga (2019), summarizing professional skills, consider it expedient for a person (specialist) to realize his human potential for professional activity to be considered competence, that is, it is the desire and ability to realize his potential (knowledge, skills, experience, personal qualities) for successful creative (productive) activity. The authors state that in the 21st century such key competencies are most needed for an accountant: creativity, critical thinking, and cooperation and communication skills.



As you can see, the named components characterize accounting work to a greater extent now as a set of creatively scientific and communicative operations; in the aggregate can be identified in the form of innovative potential.

Stolyarchuk (2015) examining the problems of the influence of social and economic institutions on the development of accounting, rightly summarizes that the use of innovative potential in a post-industrial society is the result and consequence of the functioning of the institution of the innovation market. The scientist also notes that during the commercial use of innovative products, an important role is assigned to the market of scientific products, which is a synergy of scientific and technical information, intellectual property and demand. The same applies to credentials, which in recent years have increasingly played the role of an innovative product that is capable of ensuring an increase in the performance of business entities through the use of effective development strategies as a basis for developing effective development strategies.

On the other hand, the formation of such an innovative product is the result of using the abilities and work of a specific person, who, while fulfilling his professional duties within the framework of the current legislation, can skilfully apply his own generalizing abilities to prepare interpretable credentials and their representation to managers of different management levels for making effective decisions.

One of the important factors in obtaining the appropriate level of knowledge and skills is not only educational institutions, but also to participate in various professional organizations, which can be summarized as an institution of accountants.

Zhuk (2014) in his research proposes to consider the institution of accountants as an informal component, which is always present in the institution of Accounting. The qualitative and quantitative growth of this institution, in the author's opinion, forms the institution of professional accountants as an informal, social and organizational component of the accounting institution, which is characterized by qualitative (informal institution is what is in the minds of accountants) and quantitative (the presence and maturity of professional organizations of accountants) indicators of accountants.

As you can see, these, as well as a number of other studies in the field of institutionalization of the accounting profession, directly or indirectly indicate the need to develop this direction in scientific research, since it will solve the problem of a shortage of quality accounting personnel, which is very important for modern Ukraine.

3. METHODOLOGY

The study of the directions and ways of institutionalizing the accounting profession requires the identification and consideration of many factors, but the most significant of them are the requirements that are posed in modern conditions for accounting workers. In addition, it is important to assess the initial conditions that have developed in Ukraine in matters of accounting, its development, the impact on it of existing institutions, including international ones. For this purpose, an empirical analysis and assessment of the process of institutionalization of the accounting profession and its description in scientific professional literature have been carried out. The elements of the technical analysis method are applied for the purpose of forecasting the development trend of the branch institute of the accounting profession on the basis of ideological principles.

A survey was conducted of 180 accountants of private agricultural enterprises and 70 accountants of state enterprises - experimental farms of the system of the National Academy of Agrarian Sciences of Ukraine with the aim to collect sociological information on the nature and characteristics of the accounting profession.

The study covered 4 elements of the profession: the functions and professional ethics of an accountant, legal regulation of accounting (organization and methodology of accounting and reporting), educational training of accountants, professional accounting associations. Their illustration and analytical evaluation, a graphical method was used to summarize the results of the survey. The use of modelling allowed confirmation of the assumption of the conservative nature of the accounting profession in Ukraine and the problematic nature of its self-regulated development.

4. RESULTS

4.1. Basic Components of the Institutionalization of the Accounting Profession and their Characteristics in Ukraine

Developing the institutional approach, in the earlier works of the authors of this study, in particular Metelitsa (2014), a schematic diagram of the forecast of the development of Ukrainian institutions was formed on the basis of a critical analysis of the genesis of the accountant's functions and areas of his activity and responsibility. Such institutions are a manifestation of external externalities of obtaining the qualifications of an accountant by taking into account the in-depth economic content of a somewhat narrow interpretation of the institutions of accountants and the definition of the profession as an institution (Figure 1).



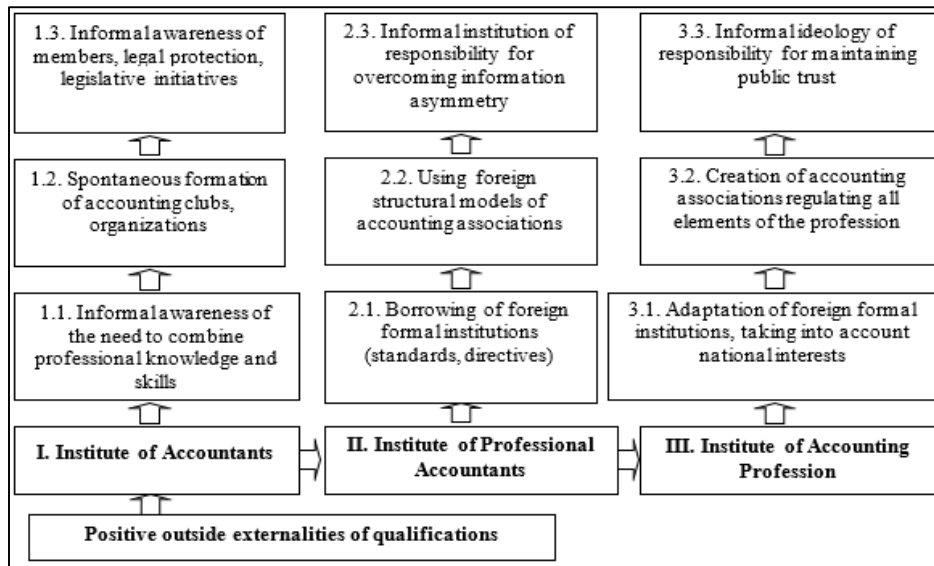


Figure 1: The process of institutionalization of the domestic accounting profession as a manifestation of positive external qualifications
 Source: Metelytsia (2014)

Dialectical tendencies of development of the self-regulatory institute of accountants of agar branch (Metelytsia, 2014).

The three main components in Figure 1 scheme comprehensively solve the problem of achieving the highest quality structural mechanism for institutional support of accounting and the formation of its personnel base. The first, in this case, should be recognized the formation of the institution of accountants. It aims to protect professional accounting interests in the performance of the service management function, develops in an evolutionary way, is resistant to changes and has a partial organizational formalization of relations.

The Ukrainian Institute of Accountants is developing according to the principle of a dialectical chain: informal institutions - spontaneous associations of accountants - new informal institutions. Today in Ukraine there are a number of accounting clubs representing the national institute of accountants (All-Ukrainian Accounting Club, Our Club and the Chief Accountant Club). Although these clubs cover a significant number of accountants, they are scattered regionally or by the choice of certain types of professional literature, computer programs.

The formation of the institution of professional accountants is equally important. This institution aims to reduce information uncertainty and increase economic security by effective professional public accounting organizations and is characterized by a high level of professional judgment, accounting imperialism (strengthening the influence of accountants in other areas of activity - budgeting, controlling, management) and engineering (widespread use of tools from other branches of knowledge - computer systems, information technology).

That is why the institute of professional accountants should be considered as a component of the institute of accounting, whose agents (professional organizations and separate accountants) through internal formal institutions (statutory and sub-statutory documents) develop in the minds of accountants an informal institution of professional responsibility for overcoming asymmetry of information by methods of professional judgment, accounting engineering and imperialism.

In Ukraine, the institute of professional accountants is at the stage of development through the revolutionary borrowing of Western institutions of self-regulation and is represented by developing professional organizations and unites less than 2% of the total number of accountants. The domestic institute of professional accountants is sensitive to external changes and develops according to the principle of a dialectical chain: borrowed formal institutions are associations of accountants - new informal institutions (awareness of responsibility for their actions, cultural stereotypes, and unwritten rules, thinking habits, traditions, social norms, status and image).

The manifestation of the highest level of self-regulation is the formation of the institution of the accounting profession. This institution aims at self-regulation of all spheres of professional activity, without exception, and is characterized by the limitation of the level of professional judgment, imperialism and engineering by supervision by state-authorized bodies. Indeed, the desire of an accountant to show investment attractiveness and super profits by methods of professional judgment, which is recognized in institutional theory as a moral hazard, is restrained by moral principles and ethical norms. However, irresponsible behaviour is still possible and its consequences for society are obvious: in institutional theory, they are called the problem of negative selection, which provokes undermining the trust, image, and status of the accounting profession. That is why balanced government oversight of the self-regulatory institution of the accounting profession has no alternative.

So, based on the above considerations, we will give our own understanding of the economic essence of the institution of the accounting profession: this is the highest level of self-regulatory institutionalization, in which professional public organizations of accountants through state-controlled formalization of all elements of the accounting profession (organizational and methodological, scientific and educational, functional and ethical) achieve the approval of stable external informal institutions of guarantee, brand name and trust on the part of the principal (society). The institute of the profession is the driving force behind the

development of the institute of accounting, strives to strengthen its own role and importance, and to get closer to society by opening as much as possible.

We are not aware of any analogues of the completed institution of the accounting profession at the national level. The regulatory models of the United Kingdom and the United States did not reach this level due to the significant delegation of the functions of regulating stock markets to authorized state bodies, and the regulatory model of the Russian Federation is characterized by strong state scientific and methodological influence and a relatively insignificant share of accountants' participation in professional associations.

At the international level, the organizational and institutional components of the International Federation of Accountants and the Foundation for International Financial Reporting Standards also do not claim to be recognized as a global institution of the accounting profession due to the lack of an oversight mechanism on the part of an intergovernmental regulatory body. Therefore, it is quite obvious that the institution of the accounting profession in Ukraine is only a predictive guideline, which must be adhered to in solving our task of developing an effective institution of professional accountants in the agricultural industry. For this we will focus on the features of the institutions we have specified and defined. These features are indicated by the institutional theory of accounting and make it possible to substantiate the gradual development of the institutions of accountants, professional accountants and the profession in general.

These features make it possible to predict the development trend of the sectoral institution of the accounting profession due to the link to ideology (Figure 2).

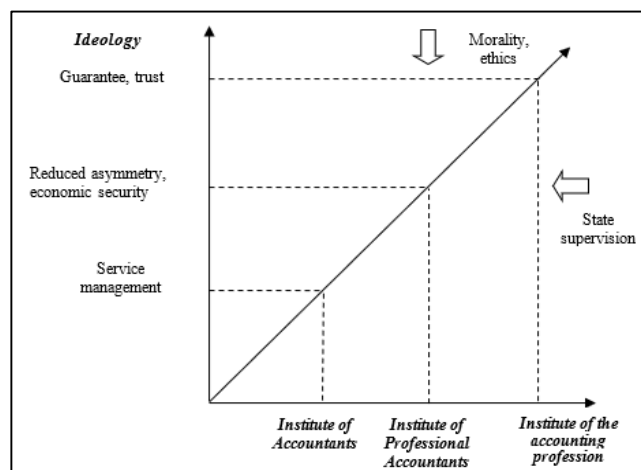


Figure 2: Predictable direction of development of the Accounting Profession in the Agricultural Sector
 Source: developed by the authors

The study of the accounting profession in the agricultural sector indicates that the sectoral institute of professional accountants is at the initial stage of its development on the basis of an industrial professional association – the Federation of Auditors, Accountants and Financiers of the Agro-Industrial Complex of Ukraine (FAAF). Of the total number of 500 thousand accountants, 63 thousand of whom work in the agricultural sector and only 1.6 thousand of specialists are members of the FAAF.

Confirmation of the initial stage is also the presence of many problematic issues and roughness's that exist in accounting and leave their mark on the accounting profession and the behaviour of an accountant as a responsible specialist.

For example, you can cite many examples from the history of the accounting profession in Ukraine, which clearly demonstrate the destructive and later educational power of the philosophical law of dialectics. For example, the introduction from January 1, 2007 of borrowed norms for the valuation of biological assets and agricultural products at fair value was not accepted by accountants of agro-industrial enterprises due to the lack of an active market and the complexity of new approaches to professional activities. As a result, the government incurred additional transaction costs for finding consensus formal institutions and returning to the usual method of valuing assets and products at their initial cost in the work of accountants.

Another example of rejection of institutional borrowing can be cited in the field of public sector accounting, where the first version of the Strategy for Modernization of the Public Sector Accounting System for 2007-2015, approved by the Resolution of the Cabinet of Ministers of Ukraine dated January 16, 2007 No. 34, declared the creation of the institution of public accountants in order to increase responsibility, as well as the status of heads of financial and accounting services. However, due to the unpreparedness of the professional community to take full responsibility for the development of all aspects of professional activity, changes were made to the Strategy, which returned the reform process in the opposite direction by approving a number of formal institutions establishing the control of full-time accountants with the Treasury bodies.

Another example is the application of the accrual basis in the public sector. The 2007 strategy provided for its full implementation.

But in the Strategy for the modernization of the accounting and financial reporting system in the public sector for the period up to 2025, approved by the Order of the Cabinet of

Ministers of Ukraine dated June 20, 2018, No. 437-r, it is stated that “accounting of the execution of state and local budgets is kept on a cash basis using the accrual method for individual operations (accounting for public debt, liabilities of budget funds managers).

Of course, such a step is substantiated from the point of view of insufficient development in Ukraine of mechanisms and instruments for repayment of obligations. However, instead of focusing on this and its regulatory decision, the new Strategy declares the possibility of not applying the accrual method in some operations. Such phenomena negatively affect not only the accounting system, but also the accounting profession and its perception by specialists. After all, inconsistency in such important issues is, in fact, a step back.

It is quite obvious that the awareness by accountants and society of the fact that the accounting profession is moving away from a complex of loosely interconnected evolutionarily formed elements (functions and ethics, legal regulation, accounting associations, educational training, accounting science) to a self-regulatory institution, which purposefully develops all aspects of professional activity and is controlled by the state, is a rather lengthy process and is informal.

The duration of the informal institutionalization of the accounting profession corresponds to the period of time during which the scientific and professional community will move away from the classical perception of accounting as an information system and recognize accounting as a social and economic institution that ensures the management of development on a global scale.

The hypothesis put forward will require proof, which we will carry out on the example of the agricultural industry and begin by studying the current state and trends in the development of self-regulation, the “core” of which is not even the subject of the profession - an accountant, but an informal institution of trust in accountants “in the heads” of society.

4.2. Components that form the qualification of an accountant in Ukraine

Let's briefly examine the driving force behind the institutionalization of the accounting profession - the business and ethical qualifications of an accountant. To do this, we will consider the components that form the qualifications of an accountant, and are determined by national classifiers and International Education Standards for Professional Accountants, which do not have overwhelming force over national regulations.

The competence of an accountant and its recognition - a qualification, which is a necessary condition for the institutionalization of the profession, is formed during a long

process of educational training; obtaining knowledge, skills, abilities, practical experience; working out professional behaviour. The positive consequences of obtaining qualifications (external externalities) are informal perception of aspects of professional activity and maturity to enter the self-regulated professional movement.

Our survey of private agricultural accountants and public accountants confirms the assumption that the accounting profession is conservative and not ready for a self-regulatory movement.

For questioning and establishing the actual state of the accounting profession, such elements of the profession as: functions and professional ethics of an accountant, legal regulation of accounting activities (organization and methodology of accounting and reporting), educational training of accountants, professional accounting associations were taken as a basis. Further we will dwell on the results of the survey in more detail.

A study of the functions of an accountant shows that the accounting service occupies an essential place in the business management system: 46.9% of the surveyed accountants of private enterprises and 51.4% of accountants of state enterprises noted that the chief accountant takes part in the current meetings of the directorate, and 53, 6% of accountants in private enterprises and 60% of accountants in public enterprises indicated that the chief accountant is responsible for organizing management accounting. Timely tax reporting (74.9%) and the reliability of financial and statistical reporting (60.3%) are considered their most important functions as an accountant for private enterprises. These indicators in state-owned enterprises are also very high - 58.6% and 74.3%, respectively (Figure 3). Thus, accountants deliberately give priority to tax accounting in order to prevent the application of penalties by regulatory authorities.

Research on the organization of accounting indicates a high level of use of computer programs by accounting services, requires the accountant to constantly improve knowledge of information technology. Enterprises are gradually moving from the use of journal-order (31.3% - in private enterprises, 42.9% - in state-owned) and memorial-order (12.8% - in private enterprises, 8.6% - in state) forms of accounting in a computer. Computerized forms of accounting, using accounting software, are the following: 57.0% - in private enterprises, 58.6% - in state enterprises. Considering ways to increase the reliability of financial and statistical information at the state level, accountants did not support the idea of reconciling the reporting

information by regional departments of agro-industrial development or state statistics bodies (40.2% - in private enterprises and 64.3% - in state ones).

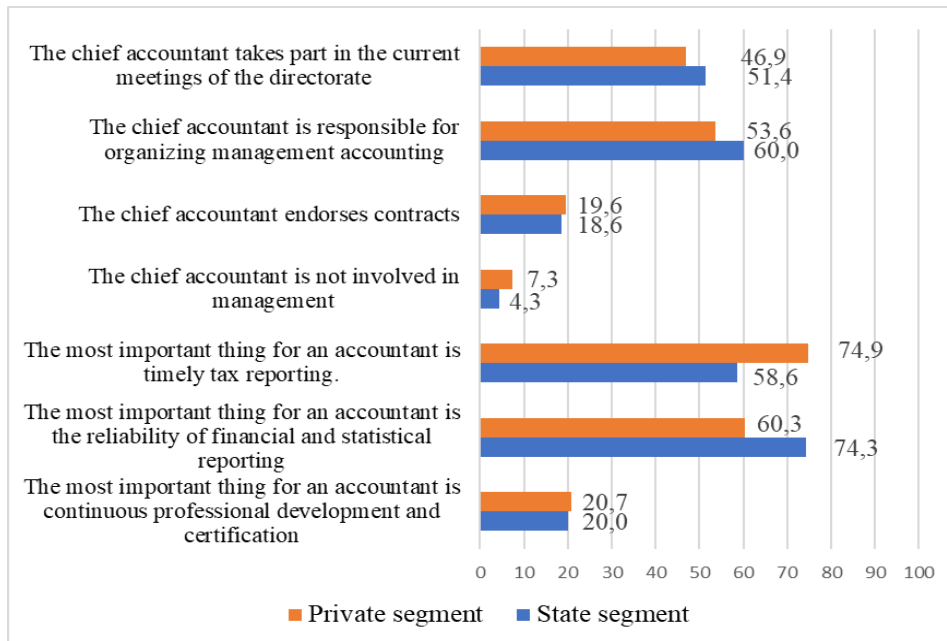


Figure 3: Functions of an accountant in the agricultural sector, %
 Source: developed by the author based on the conducted survey

Only 20.1% of the private sector accountants and, accordingly, 18.6% of the public sector accountants see the need to submit reports to the regional APR departments and check the information by them. Accountants explain their point of view by the fact that audits are already periodically carried out by tax and control and auditing bodies (Figure 4).

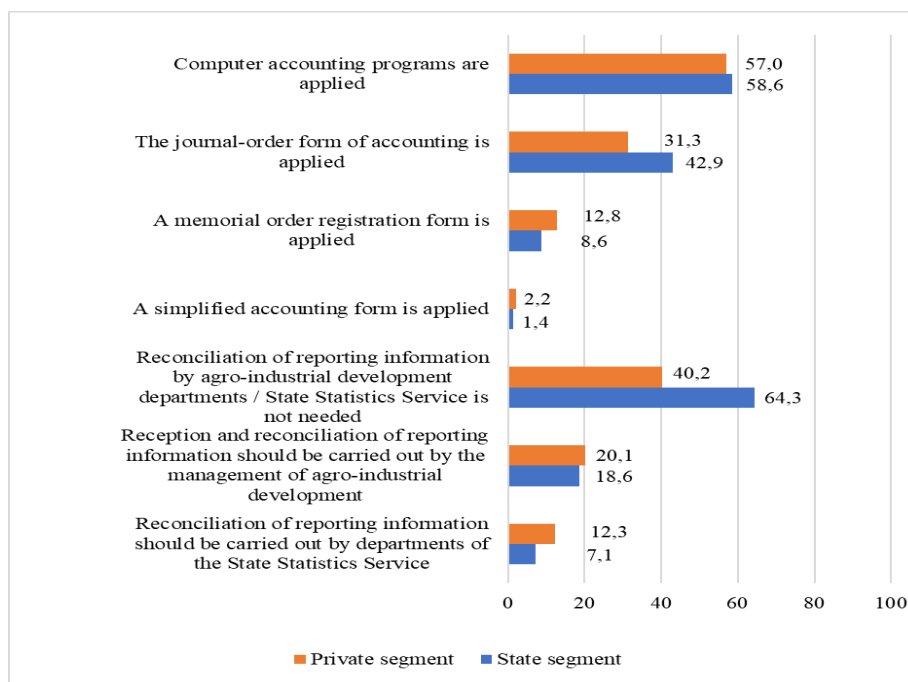


Figure 4: Organization of Accounting and Control over the accuracy of Reporting, %
 Source: developed by the authors on the basis of the conducted survey

Of course, in such a situation, the reporting information can be drawn up in accordance with the comments received only in subsequent periods. In turn, the information of the period of inspections remains with errors and is reduced to statistical data, which become the basis for making decisions at the level of state sectoral management. There is an obvious need to restore the functions of the APR departments in the field in terms of receiving and verifying reporting information with its subsequent construction by state statistics bodies.

Analysis of compliance with the accounting methodology defined by national standards shows that the largest share in the structure of assets of private agricultural enterprises is occupied by state support funds and tax benefits (70.9% of respondents reflect them in accounting and reporting). At the same time, an insignificant share is occupied by land plots as part of fixed assets (10.1% of respondents show them in accounting and reporting), land use rights as part of intangible assets (8.4% of respondents show them in accounting and reporting), objects intellectual property rights (computer programs, trademarks, plant varieties, animal breeds - 8.9% of respondents show them in the accounting and reporting).

Of course, this situation indicates an underestimation of these assets and, accordingly, a deliberate loss of the competitive advantages of such agricultural enterprises. In state-owned enterprises of the NAAS, the situation is significantly different, because the centralized instructions for the Academy oblige enterprises to put land and intellectual capital on the balance sheet. A significant share in the structure of assets of research farms of NAAS is occupied by intangible assets, such as land use rights (41.4%), land plots as part of fixed assets (25.7%) and objects of intellectual property rights (computer programs, trademarks, plant varieties and animal breeds - 18.6% (Figure 5).

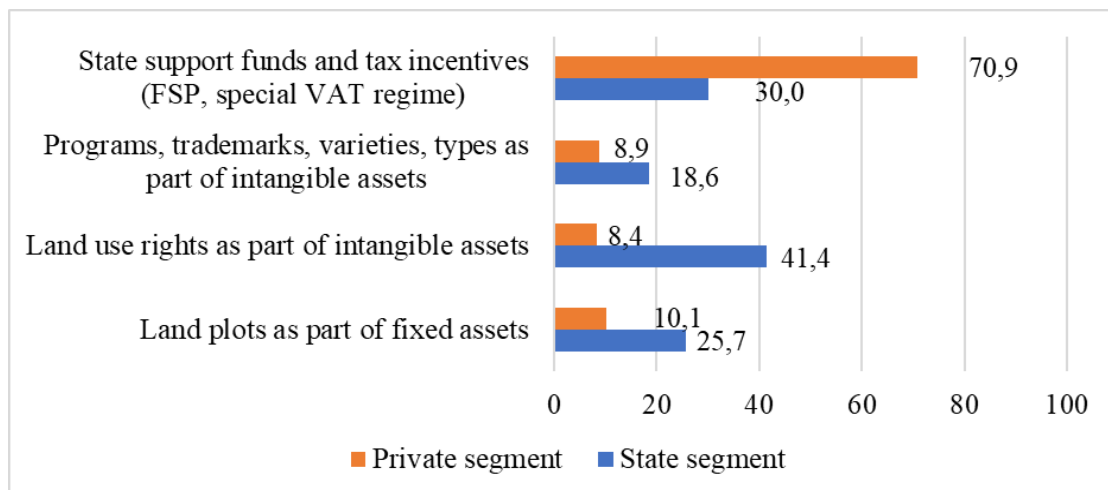


Figure 5: Reflection of the most significant objects in accounting and reporting, %
 Source: developed by the authors based on the conducted survey

Questionnaire data on accounting for agricultural activities show that more than a third of the respondents (35.2% in the private sector and 34.3% in the public sector) do not assess biological assets and agricultural products at fair value due to the complexity of the methodology and unreliability of data, and another third (30.2% in the private sector and 22.9% in the public sector) does not do this due to the lack of an active market for biological assets and agricultural products. That is why 64.2% of respondents in the private sector and 74.3% in the public sector support the idea that the Ministry of Finance of Ukraine should approve standards for accounting for agricultural activities, taking into account all aspects of industry specifics. Only 15.6% of respondents from the private sector and 18.6% - from the state sector consider it necessary to oblige enterprises to keep records in accordance with international financial reporting standards, that is, they oppose the use of international institutions that cannot be properly implemented (from the English Implement - “implementation, enforcement”) without their appropriate adaptation in the domestic institutional environment (Figure 6).

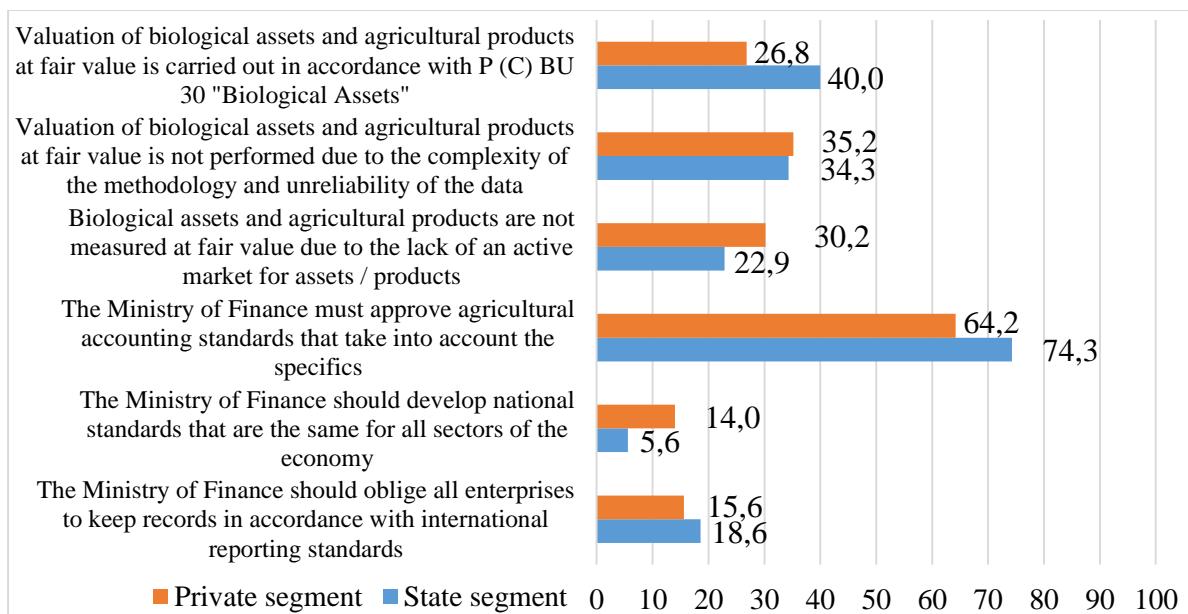


Figure 6: Compliance with industry accounting methodology, %
 Source: developed by the authors based on the survey conducted

Difficult situation is in the field of educational training of accountants. Thus, 78.8% of respondents in the private sector and 74.3% in the public segment did not undergo advanced training in educational institutions or consulting structures over the past three years. About half (49.2% of respondents) of respondents in the private segment have not studied international financial reporting standards and are not familiar with the IFAC Code of Ethics for Accountants. In state enterprises, this share is 97.1%. Of course, this reduces the mobility of

human capital and does not add confidence to accountants in the labour market. At the same time, it should be noted that 11.3% of the surveyed accountants of private enterprises are holders of certificates under the international program GRAY- "Certified International Professional Accountant", and 6.1% have received the qualification of CAPA - "Certified Professional Accountant of Agroindustrial Production" (Figure 7).

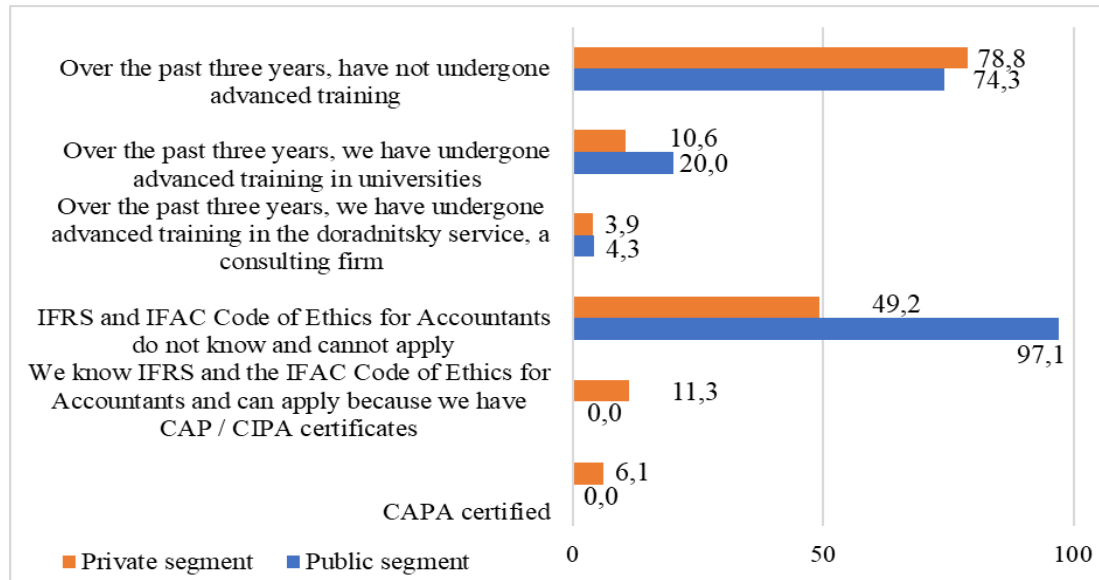


Figure 7: Education of accountants in the agricultural sector, %
 Source: developed by the authors based on the conducted survey

The issues of professional movement and self-organization of accountants in solving professional problems are also subject to resolution. Thus, 58.7% of the surveyed accountants of the private sector and 92.9% of the public sector do not see the need for membership in professional public accounting organizations.

Moreover, 76% of the surveyed accountants of private enterprises and 60% of accountants of state enterprises plan to raise their status not through membership in an organization, but through their own active professional position (participation in round tables, conferences, ongoing self-education and training) (Figure 8).

The overwhelming majority of accountants do not see the need to defend their professional interests by joining efforts. And this is when, since 2003, a branch professional association has been successfully operating in the agricultural sector - the Federation of Auditors, Accountants and Financiers of the Agro-Industrial Complex of Ukraine.

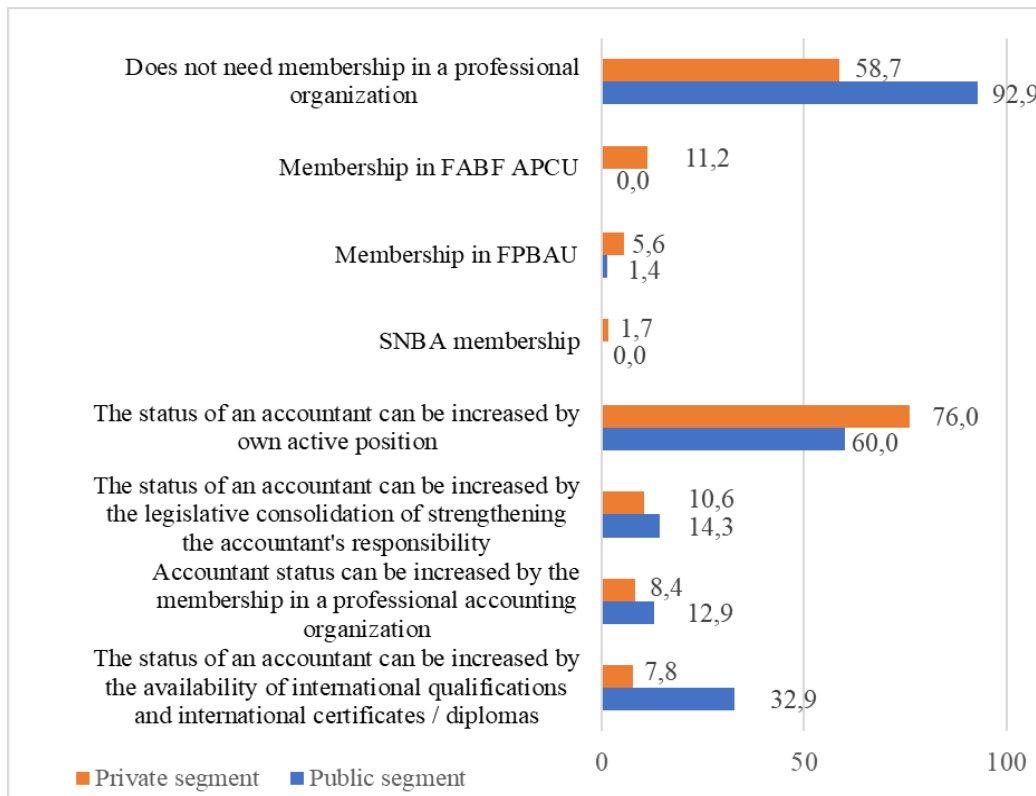


Figure 8: Self-organization of accountants in the agricultural sector, %
 Source: developed by the author based on the conducted survey

With the active support of accountants in the regions, this organization is developing proposals to simplify the methodology of accounting and reporting in agricultural activities and the introduction of industry standards and accounting policies, certifies its members, raises the level of professional culture and ethics, and therefore contributes to the emergence of the industry institution of accountants to a new, more quality level. Obviously, the organization itself must earn the trust of accountants, and only then move towards establishing the institution of trust on the part of society.

5. CONCLUSIONS

Thus, we can testify to the low level of development of the conservative elements of the accounting profession at private and public enterprises in the agricultural sector. One can say that there is considerable confidence in the accountants on the part of the management of enterprises; however, the accountants themselves do not take an active position in working out ways to improve the quality of reporting financial and statistical information.

This could be achieved by restoring the influence of the line ministry on accounting and reporting methodology and control over its accuracy. And an impetus to this process could be given by an active public position of the professional community. However, today,

unfortunately, the reliability of the information consolidated at the state level is questionable, and therefore the possibility of its use in the production of effective state policy is also questionable.

The problem lies in the unformed institution of responsibility to society for the reliability of information.

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