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AUDIT OF RISKS OF SUSPENSION OF TAX INVOICE REGISTRATION: REGULATORY AND ACCOUNTING-ANALYTICAL ASPECTS

In the context of modern transformation processes occurring within the fiscal system of Ukraine, the administration of indirect taxes, particularly the Value Added Tax (VAT), has acquired the characteristics of a high-tech process utilizing automated control tools. The implementation and continuous modernization of the Monitoring System of Risk Assessment Criteria have fundamentally changed the architecture of relationships between the state and taxpayers. Whereas control was previously exercised primarily in the form of desk and field audits *post factum*, today a mechanism of preventive blocking of economic activity operates through the instrument of tax invoice registration suspension. In this context, the role of the audit changes significantly; the traditional approach, which was limited to verifying the correctness of account correspondence and the arithmetic of declarations, is losing its relevance. Taking the foreground is the tax security and compliance audit, the purpose of which is to confirm the enterprise's ability to function under conditions of strict regulatory pressure. In accordance with the norms of the Tax Code of Ukraine, the timely registration of tax invoices is an unconditional obligation of the taxpayer, the failure of which leads to financial sanctions and the loss of business reputation [4]. Therefore, the task of the auditor is to assess the enterprise's internal control system regarding its ability to ensure the uninterrupted registration of tax documents.

The issue of the functioning of the tax invoice blocking mechanism is the subject of deep analysis in scientific circles; researchers I. Drozd and G. Nazarova, examining the regulatory aspects of this process, rightly note that the existing mechanism contains a number of systemic risks for compliant taxpayers. The authors point to the problem of a formal approach by controlling bodies to the analysis of enterprise activities, where the algorithms of the Monitoring System of Risk Assessment Criteria do not take into account the specifics of complex production cycles or business seasonality. This creates a situation of legal uncertainty, which the auditor must identify at the planning stage of the engagement [2]. In turn, I. Bulavko and L. Chyzhvska emphasize the consequences of registration suspension, classifying them into financial, operational, and reputational categories. Financial consequences include not only fines but also the freezing of working capital in accounts within the electronic VAT administration system and expenses for legal assistance. Understanding these consequences allows the auditor to assess the materiality of the risk to the enterprise's business continuity [1].

The methodological basis of the audit in this sphere is based on the provisions of the Resolution of the Cabinet of Ministers of Ukraine No. 1165, which defines the monitoring algorithm. The audit engagement must simulate the process of a tax invoice passing through control stages: from verification for signs of unconditional registration to the analysis of risk criteria. The auditor must analyze the client's «tax history» in detail, particularly the tax burden indicators and the growth rates of tax payments, which are indicators of a positive history. However, the greatest attention should be paid to verifying compliance with the risk criteria of business operations. The most common reason for blocking is the so-called «misgrading» (commodity mismatch), when the system records a discrepancy between the commodity codes (UKTZED) at the «entry» (purchase) and «exit» (sale). For manufacturing and construction enterprises, this is a critical control point. The auditor must verify whether the enterprise has submitted the Table of Taxpayer Data to the controlling body, which

explains the technological process of converting resources into a finished product, and whether a decision on its acceptance has been made [5].

To systematize audit procedures and increase the efficiency of the verification, it is advisable to use a risk matrix, which allows for matching blocking criteria with specific auditor actions (Table 1).

Table 1

**Matrix of audit procedures regarding the identification of risks of tax
invoice registration suspension**

Risk Criterion (according to CMU Resolution No. 1165)	Essence of the Accounting Problem	Audit Procedures and Sources of Evidence
Absence of goods in the Table of Taxpayer Data (mismatch of UKTZED codes)	The system does not see inventory balances in the «virtual warehouse» or does not understand the nature of their origin.	<ol style="list-style-type: none"> 1. Analysis of technological maps and specifications. 2. Verification of the status of the Data Table in the Electronic Cabinet. 3. Reconciliation of warehouse accounting data with the Electronic VAT Administration System data.
Insufficiency of material and technical base	Lack of information on assets (warehouses, workshops, transport) necessary for activity.	<ol style="list-style-type: none"> 1. Verification of the completeness of Form No. 20-OPP submission. 2. Inventory of fixed assets. 3. Analysis of lease and leasing agreements.
Riskiness of the counterparty	Operations with taxpayers showing signs of fictitiousness or «carousel fraud» (schemes).	<ol style="list-style-type: none"> 1. Conducting Due Diligence on counterparties. 2. Verification of the availability of consignment notes (TTN) and warehouse documents. 3. Analysis of the business purpose of the transaction.
Insufficiency of labor resources	Discrepancy between staffing and the volume of work performed.	<ol style="list-style-type: none"> 1. Analysis of the staffing table and reporting on the Unified Social Contribution. 2. Verification of civil law contracts and outsourcing agreements.

Source: Compiled based on [4-6]

A critically important stage of the audit is verifying the completeness and reliability of information submitted in the notification on objects of taxation. Practice shows that a significant portion of blockings occurs precisely because the taxpayer has

not notified the State Tax Service about the presence of warehouse premises, owned or leased transport, or production equipment. The Monitoring System of Risk Assessment Criteria, not seeing these resources, automatically draws a conclusion about the unreality of the business operation. The auditor must perform a reconciliation of accounting data (Account 10 «Fixed Assets», Account 11 «Other Non-Current Tangible Assets», Off-Balance Sheet Account 01 «Leased Non-Current Assets») with the data contained in the taxpayer's electronic cabinet. The detection of discrepancies requires the auditor to provide a recommendation regarding the immediate submission of updated information to avoid risks in the future.

A separate block of the audit engagement is the analysis of the effectiveness of the administrative appeal procedure for decisions on the refusal to register tax invoices. The mechanism for submitting explanations and copies of documents is regulated by Order of the Ministry of Finance of Ukraine No. 520; the auditor assesses the quality of the preparation of these explanations by the enterprise's accounting service. It is important to verify whether the explanations reveal the full content of the business operation, whether they confirm the reality of asset movement, and whether the provided copies of documents are of high quality and legible. Insufficient substantiation of explanations is one of the main reasons for refusal to unblock; therefore, the auditor must assess the competence of the personnel responsible for this area of work [6].

It is also worth emphasizing the importance of analytical support for the management of tax settlements. I.-L. Mohyla, in her research dedicated to the accounting and analytical support of tax settlements (using Personal Income Tax as an example), rightly observes that without building a detailed analytical accounting system, it is impossible to ensure effective control over tax liabilities. This thesis is absolutely relevant for the audit of VAT as well; the auditor verifies whether the enterprise's accounting system is configured in such a way as to ensure automated control over UKTZED codes at all stages of inventory movement, which allows for minimizing errors in tax invoices [3].

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Thus, the audit of risks of suspension of tax invoice registration is a complex, multi-component process requiring the auditor to combine deep knowledge of tax legislation, an understanding of the algorithms of the STS information systems, and financial analysis skills. The result of such an audit should be the construction of an effective internal control system at the enterprise, capable of preventively identifying blocking risks and responding promptly to the challenges of the fiscal environment, thereby ensuring business stability.

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