Formulation of the problem. The dynamism of changes in the IT sphere, the power and scale of information flows that pass through even small IT enterprises on a daily basis are such that it is almost impossible to ensure the effectiveness of business process management without the use of efficiency indicators of IT enterprises' activity, which are the basis for its formation. There are defined the main problems in the process of organizing the management reporting system of the IT enterprise, which will serve as the ways to solve them. It is noted that the absence of an established justified form of reporting without connection with the indicators in the technical documentation minimizes the effectiveness and expediency of presenting such information. It is proposed a list of forms for the system of regular management reporting with adaptation to a specific IT enterprise, which requires an assessment of the existing system. The time required to adapt the system will depend on the size, nature of the enterprise, and the scope of the reporting system. The proposed forms of management reporting will increase the transparency of the formation of the main indicators of IT enterprises in order to obtain a full-fledged information base for economic analysis and making final and balanced decisions based on the results of the effectiveness of taxation, organization and management.

Keywords: IT enterprise, management reporting, management accounting, analysis, taxation, tax decisions.
M. Matyukha. Certain aspects of reporting were raised in the works of Yu. A. Igoshyna, N. V. Makarova, and T. I. Ocheretko etc. However, the question of the formation of the management reporting system and its importance for making tax decisions by IT enterprises is investigated fragmentarily – in the part of separate objects, which justifies the need for further in-depth study of these issues.

The purpose of the article is to study the peculiarities of the formation of the management reporting system of IT enterprises, its importance as an information source for making informed and balanced decisions regarding taxation, organizational efficiency and management.

Presenting main material. An important component of the organization of management accounting is the organization of the management reporting system at the enterprise. In order to form information flows, that are necessary for making strategic management decisions, the accounting department should expand its accounting and analytical functions in the business management system [2].

In modern conditions, the activity of enterprises is characterized by uncertainty, as well as a significant increase in the speed of information flows. The effectiveness of their activities depends on the decisions made by the management staff, who need information about the state of the object of management in real time, which allows to increase the effectiveness and efficiency of such management [3].

Scientist L.V. Napadovska confirms that an important condition for the creation of an effective internal reporting system at the enterprise is a detailed study of the tasks solved by managers at different levels of management, and the identification of the needs of information that depend on the authority to make specific management decisions [7].

We agree with M. M. Matyukha that the purpose of drawing up management reporting is to meet the information needs of management by providing value and natural indicators that allow to evaluate, analyze, control, forecast and plan the activities of both the structural divisions of the enterprise and the enterprise as a whole, as well as activity of specific personnel [6, p. 256].

A typical problem during the preparation of management reporting, according to L. V. Chyshchevska, is an answer to a single request of the manager without connection with correlated indicators [11, p. 54]. Every decision made on the basis of the information provided in the management reporting forms must be justified, therefore a clear understanding of the needed indicators is necessary, even if they are formed from different spheres of the enterprise.

For IT companies, it should be taken into account that each project is already accompanied by technical reporting, but it is not enough to establish comprehensive control over the IT project and show that this project:

– achieves the required results, namely results that satisfy previously defined quality criteria;
– is performed according to the schedule and the agreed resource and cost plans;
– maintains the correlation between benefits received and costs incurred.

In addition, control over the IT project is organized by the management of the IT enterprise on the basis of informal episodic reports from the accounting, financial and economic departments. The absence of an established justified form of reporting and no connection with indicators according to technical documentation minimizes the effectiveness and expediency of presenting such information.

To support the decision-making process, the IT enterprise should ensure the receipt of a number of reports throughout the entire IT project, in particular, these are reports on the following:

– IT project progress sequence;
– evaluation of the IT project after completion (evaluation of how the project was executed);
– analysis of the IT project after completion to assess the benefits obtained.

In order to evaluate an IT project, it is important to maintain a reporting system that would allow monitoring of the IT project. Control may include compliance and performance reviews, as well as looking for improvements achieved or not yet achieved, including tax decisions.

The main problem that arises in the organization of the management accounting system in general and in the formation of the management reporting system in particular is that the transaction is reflected in the accounting only by the fact of receiving or spending money.

The presentation of information on the revenue received based on the payments received from customers without correlation with the costs and results obtained for a separate IT project does not allow obtaining a complete information base for conducting an economic analysis of the IT enterprise.

In such a situation, the analysis of IT projects in terms of comparison of actual and planned indicators is not informative for making informed management
decisions. The lack of appropriate analytical sections does not allow to quickly obtain the needed information that is necessary for the analysis of the profitability of IT projects, in particular, in terms of types of IT services (for example, for the development and implementation of software). Thus, the quality of reporting regarding indicators of completeness and efficiency is not ensured, there are significant risks of losing important management information.

In general, special accounting programs with appropriate modules (service resources or own developments), spreadsheets, enterprise resource planning systems (ERP systems), etc., are used to automate the process of creating and submitting management reports. In most cases, the formation of management reporting is carried out on the basis of electronic spreadsheets (in particular, MS Excel). In the conditions of a rapid increase in the volume of activity, this approach leads to a number of difficulties, since the documents in MS Excel are voluminous and complex, which, accordingly, leads to an increase in the risk of mistakes and omissions in management accounting. In such a situation, management staff cannot reliably assess the performance of IT enterprises (Fig. 1).

![Diagram](image)

**Fig. 1. Problems and ways of solving the organization of the management reporting system of the IT enterprise**

*Source: authors' own development*

The resolution of this situation requires consistent actions to set up and implement management accounting and reporting. To solve this task, third-party entities, consultants and/or specialists may be involved. The accounting staff of an IT enterprise can also solve these problems, provided they have the appropriate qualifications. However, as a rule, the presence of problematic issues in providing information requests indicates an insufficient level of their knowledge.

For the development of management reporting of an IT enterprise, it is advisable to follow a certain sequence:
The generalized activity of IT enterprises in terms of the main indicators, which are agreed primarily with the management staff, become the basis for the formation of management reporting and for making appropriate changes to the organization of accounting; in particular, it is an important source of information for the analysis and making of tax decisions related to the effectiveness of the selected system taxation.

Such indicators specifically for an IT enterprise can be the following:

- income in terms of IT services provided (installation and implementation of software, support and additional services, sale of licenses);
- profitability in terms of IT projects;
- turnover of receivables;
- EBITDA (earnings before interest, taxes, depreciation and amortization).

An important stage in the organization of the management reporting system is the definition of its forms. They can be presented according to various classification features, which will be summarized on the basis of the study of the scientific works [4; 5; 8]:

1) by content: comprehensive (summary) reports (contain information for general economic assessment and control of the enterprise's financial condition); thematic reports (are formed according to key indicators, their formation is carried out as necessary); analytical reports (are made at the request of the manager and reflect information about the causes and consequences of any results of the enterprise's activity);

2) by reporting levels: operational reports (are provided at the lower level of management and contain detailed information for making current decisions); current reports (are usually drawn up for middle-level managers, have a monthly frequency; they contain generalized information necessary for organizing the activities of the structural unit); consolidated reports (are made for top-level managers with a periodicity from one month to one year; they usually display the general information about the property and financial condition of the enterprise, the results of investment activities);

3) by volume of information: summary reports (include initial information about current operations taking place in the structural units of the enterprise); final reports (include summary data on the work of a structural unit or the results of work on an order/project for a certain period); general (consolidated) reports (these reports are the basis for aggregated information on the activities of the entire enterprise);

4) by the form of presentation of information: in tabular form; in graphic form; in text form; in combined form;

5) by the frequency of providing information: immediate; weekly; monthly; quarterly; annually;

6) by levels of provision: reports for senior managers; reports for managers of structural divisions; reports for lower level managers.

Taking into account the above criteria, reporting at an IT enterprise can be presented in any form. However, the composition of management reporting depends on the nature of the enterprise's activity and taxation. For IT enterprises, the reporting forms are also determined by the type of enterprise itself and the method of cost accounting.

In general, IT business taxation can be carried out both on the general and on the simplified systems. With the adoption of the Law of Ukraine «On stimulating the development of the digital economy in Ukraine» [10], IT enterprises have received a special model of taxation, more flexible and attractive employment conditions and a separate procedure for interaction with state regulatory bodies. This law introduced «Diya City» – a special legal regime for business in the IT sector. Special conditions of taxation are defined by the Tax Code of Ukraine [9]. As a result, currently all subjects of the IT industry in terms of taxation can be conditionally divided into three groups: those on the general taxation system, those on the simplified taxation system, those who are the residents of «Diya City» [1].

In order to determine the rational choice of the taxation system in general and to make tax decisions in particular, as a consequence to ensure the effective management of IT services and IT products, the enterprise must establish a regular reporting system, which, in our opinion, should cover the following:

- risk identification report;
- report on the level of implementation of the IT project;
- report on IT product financing sources;
- report on evaluation of sales and efficiency of IT products (Table 1).
The proposed management reporting system of an IT enterprise

<table>
<thead>
<tr>
<th>No.</th>
<th>Report Name</th>
<th>Information requests</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Risk identification report</td>
<td>- definition of risks for their management (in particular, definition of accounting measures)</td>
</tr>
<tr>
<td>2.</td>
<td>Report on the level of implementation of the IT project</td>
<td>- the need for planning and control over the provided IT services;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- determining the productivity and efficiency of the IT project</td>
</tr>
<tr>
<td>3.</td>
<td>Report on IT product financing sources</td>
<td>- determining the expediency of IT product financing;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- control over spending of funds</td>
</tr>
<tr>
<td>4.</td>
<td>Report on evaluation of sales and efficiency of IT products</td>
<td>- definition of sales activity, situation on the IT market;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- planning of implementation activities;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- tracking the effectiveness of each IT product.</td>
</tr>
</tbody>
</table>

Source: authors' own development

Tax decisions of a strategic nature, made on the basis of the analysis of the proposed reporting indicators, are important for further tax planning, determining the perspective of the economic benefit of the business entity, the expediency of the IT project/IT product.

Construction of the specified forms of management reporting is especially important in situations where changes in the customer's requests should be taken into account. When a team of specialists is already working on a certain IT project, and the customer decides to change or partially correct the assigned task, the incurred costs (which are primarily labor costs) should be taken into account when agreeing the budget. Given the importance of risk management in the course of the IT enterprise's activities, information support for this process is of great importance.

The practice of IT enterprises shows that there can be quite a lot of such situations for adjusting tasks in the IT project cycle. Regular provision of the information necessary for budget analysis allows you to clearly define the costs of the IT project and determine whether they correspond to those included in the scope of the IT project. In case of discrepancies, management should look for the reasons and cut costs in other areas if necessary.

The proposed forms of management reporting must be adapted to a specific IT enterprise, which requires an assessment of the existing system. The time required to adapt the system will depend on the size, nature of the enterprise, and the scope of the reporting system.

The procedure for adapting management reporting will be presented as follows:

1) adaptation of the system in accordance with specific requirements:
   - discussion of specific needs to determine additional information not offered in the reports to senior management;
   - addition of rows/columns and summarizing points to reports to meet additional requirements of the IT enterprise;

2) implementation and improvement of the system in accordance with the needs of the IT enterprise:
   - implementation planning;
   - construction of a management reporting system.

The main sources of data for the proposed forms of management reporting are the following:

- staff schedule of the IT enterprise (in terms of the list of positions and the number of staff units included in a specific IT project);
- payroll information for each programmer and other employees involved in the implementation of the IT project;
- information on actual labor costs of employees involved in the implementation of the IT project, in terms of the performed functions (easily implemented when using time trackers);
- information on amortization deductions of technical and software used during the implementation of the IT project;
- invoice requirements for the value of tangible assets issued by employees performing an IT project in the reporting period by IT projects, employees and groups of technical equipment);
- acts and invoices that confirm the costs of service and maintenance of fixed assets used during the implementation of the IT project.

The main users of these forms of management reporting can be: senior management of the IT enterprise; risk managers; IT project managers; chief accountants or persons entrusted with accounting and reporting duties at the enterprise.

Conclusions and prospects. The involvement of management personnel for the development of management reporting, in particular, when choosing the main performance indicators of an IT enterprise.
(control point), indicates their motivation to improve these indicators. The above reporting forms will allow monitoring the progress of the project for IT enterprises of various directions. Submission of reporting within specified terms increases its efficiency and makes the information contained in it more useful, including for tax decisions, as a result of the fact that it is submitted in relevant terms for management. The use of the proposed forms of management reporting will increase the transparency of the formation of key indicators, and improve communication among IT project participants. The perspective of further research is to determine the methods of influence of tax planning on the efficiency of the IT enterprise as a whole.

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