

**UDC 657.631.6****JEL: F51, H83, M40, Q12****ACCOUNTING AND AUDIT OF AGRICULTURE  
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**Introduction.** The USA accounting and audit industry is a complex and influential sector encompassing institutional structures. The Big Four, regional (local) firms, and independent auditors are the most common among them. In turn, the Securities and Exchange Commission (SEC) ensures that professional standards and financial reporting are met through its rigorous oversight. The demand in the industry springs from business expansion, economic prosperity, and the implementation of certain regulatory norms and standards for unsettled debts. The problem is the investigation of the peculiarities of the accounting and audit industry in the United States, size, regulatory framework, dominance of the Big Four firms, and ever-increasing technology use in the field.

**Aim and tasks.** This study examines the peculiarities of accounting and auditing in the USA in the context of agribusiness development.

**Results.** An analysis of leading audit firms (Deloitte, PwC, EY and KPMG) showed an average increase of 40% in income over the period 2018-2023. Accounting and auditing in the USA remains the leading sector among developed countries, showing the highest projected turnover growth due to strong B2B demand, rising labour costs (71.2% of total industry expenses) and increasing industry profitability (27.5%). However, despite the growth in the overall number of companies, the industry remains fragmented, with the top five companies accounting for 17.2% of production value in 2023. Technology is still developing, and new laws are being set every so often in the accounting and auditing industry. A comprehensive set of approaches is required to characterise agribusiness in the United States.

**Conclusions.** The analysis of the Financial Accounting Standards Board (FASB), which has the authority to supervise and regulate accounting, revealed the audit standards that the FASB conducts for review and takes action against firms that violate the standards and rules of ethics. The most important aspect of the supply of professional auditors is meeting the demand for credible audits in the market.

**Keywords:** agribusiness, accounting, audit, agricultural enterprises, USA.

## **1. Introduction.**

The accounting and audit sector in the USA comprises a variety of organisations, from the Big Four to regional and local accounting firms and self-employed auditors. Besides being under the jurisdiction of a multiple variety of regulators, it is also closely checked to make sure that the rules nations are kept and that the integrity of financial reporting is ensured. The Securities and Exchange Commission (SEC) is the main regulator of public companies. The Securities and Exchange Commission sets accounting standards using the Financial Accounting Standards Board (FASB).

The main arm of the Securities and Exchange Commission is the most crucial instrument governing public firms, which also symbolises accounting standards with the Financial Accounting Standards Board. Accounting companies suggest various services, such as audits, accounts, tax planning and preparation, consulting, and forensic accounting. These services help stakeholders manage their finances and make less risky decisions, made possible by innovations in accounting and auditing software (cloud computing, data analytics and artificial intelligence).

Along with Process Automation with the help of software and automated work to the likes of data entry, accounting, and risk assessments as a result of the automation techniques development of the technology, the Certified Public Accountants (CPA) can now be more involved in analysis, interpretation, and strategic advice without the need to spend so much time.

## **2. Literature review.**

Researchers have identified issues in accounting and audit trends and highlighted the importance of a procedural approach to auditing (Joura et al., 2022; Kesimli, 2019; Ramesh, 2022). This implies that the audit process should comply with a systematic approach to ensure reliability, consistency, and effectiveness.

A study that deals with using KPIs by audit bodies in different regions emphasises the importance of performance measurement and evaluation in the audit sector (Nevidomyi & Kanonishena-Kovalenko, 2022). Inspecting and evaluating the accomplishments of audit bodies will positively influence their effectiveness and corporate responsibility.

This investigation focuses on the interaction of internal financial controllers with the auditor (Verbytska et al., 2023). This study highlights the importance of a robust quality control system for auditing services (Cai et al., 2023; Dao et al., 2019; Ho, 2022; Gong et al., 2022; Proskurina & Zubachova, 2022).

This finding suggests the need for stringent quality control measures to ensure the delivery of reliable and accurate audit services. The study underscores the major role of professional scepticism in auditors' professional judgment (Kang et al., 2015; Blix et al., 2021; Dickey et al., 2022).

Hence, this sheds light on the necessity for auditors to maintain an objective and efficient way of thinking while executing their duties. Research on fraud, errors, and artificial intelligence in accounting and audit emphasises the need for effective measures to detect and prevent fraudulent activities (Gomes & de Andrade, 2023; Nazarova et al., 2022; Nezhyva & Mysiuk, 2022; Zhou et al., 2022).

A study addressing culture-tax evasion relations was a trial in which scientists tried to answer the question of whether culture affects tax evasion and confirmed that the cultural component could determine, to a large extent, the degree of individual compliance with tax regulations (Ermasova et al., 2022). In accounting and auditing, some challenges need to be solved in the context of agribusiness development.

## **3. Methodology.**

Besides official information and periodicals, the analysis database includes other reliable sources, such as government reports, industry studies, scientific studies, and professional publications. The mentioned sources are the most trusted data and assistance for accountants and auditors.

On this basis, particular statistical methods are used to examine the data, detect the trends, and create the growth rates. Economic-logical methods implement economic principles and logical reasoning to describe the industry's behaviour and dynamics. The maximisation of a set of methods like these is the way to get a comprehensive knowledge of the accounting and audit sector, its performance, and its perspectives.

The research methodology in the study includes the two main following: the method of internal control analysis for COSO (Committee of Sponsoring Organizations of the Treadway Commission) and the method of profitability indicators analysis.

### **2.1. Method of Internal Control Analysis for COSO.**

The main criterion for the reliability of companies' financial statements is the performance of the internal control systems that would be the subject of the survey. COSO offers a mechanism that includes risk assessment, privacy inclusion, information and communication, and monitoring. Qualitative analysis is used, which allows for deciding the reliability of what is covered by the control reports in the USA. The company reports investigated and assessed compliance with COSO standards. This allowed inferring the level of control in the US auditing and accounting sector.

### **2.2. Method of Profitability Indicators Analysis.**

It accounts for the economic condition of the accounting and auditing sector. The methodology that will be carried out is to compute profitability ratios by which one can identify the net profit generated in the industry compared to total costs. For the analysis, statistical data was compiled from official and annual financial reports of companies in the USA, ranging from 2017 to 2023. The calculation of average annual growth is the method that allows one to evaluate the financial stability of the industry and its competitiveness.

Both methods complement each other, with COSO letting you evaluate the internal control system, and financial analysis helps you assess whether these controls affect the profitability and viability of US companies operating in accounting and auditing.

## **4. Results.**

The USA financial system is directly connected to the accounting and auditing standards (Edwards, 2020). The procedures of disclosing exact, reliable, and clear financial information via accounting and auditing are the most important and necessary for businesses, organizations, and individuals respectively.

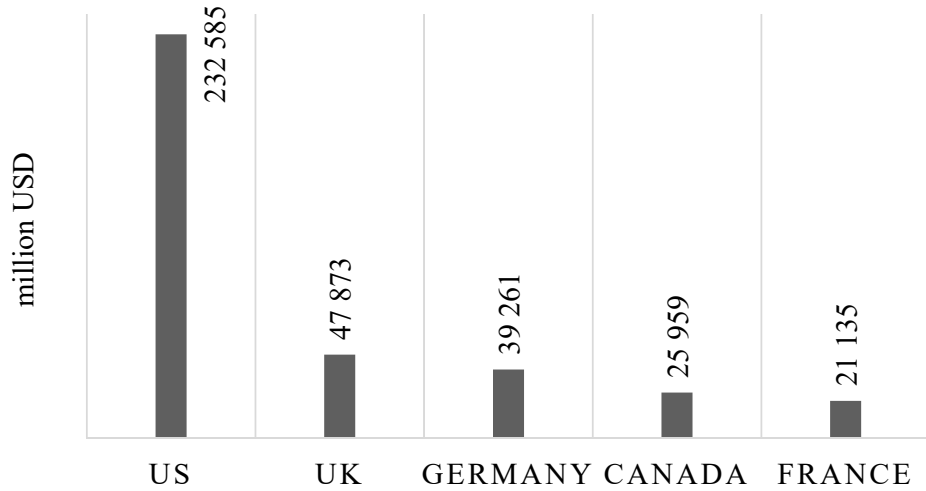
The main saving grace and method of accounting and auditing in the USA are the standards. Financial statement reliability is a result of the use of proper internal controls. COSO has developed a framework related to internal control that organisations can use to establish, evaluate, and design their internal control systems. Accounting also includes tax compliance and planning.

The Internal Revenue Service (IRS) is charged with the administration and application of federal tax laws in the USA. Accountants help people and companies submit their tax returns to the IRS and other tax authorities and ensure they comply with tax regulations.

Accounting systems that work automatically have made processes quicker, efficiency higher, and the capacity to analyse large volumes of financial data better.

Accounting and auditing in the USA was the leading sector among the top 20 developed nations by turnover. The industry referred to signifies an increase in the year 2023. Also, the prognosis of the industry shows it to be in the first position in 2026. Regarding the absolute turnover growth of the US, it is forecasted to have the highest turnover growth among the top 20 developed countries. This shows that the accounting and audit industry in the USA has more immense B2B demand potential than the other developed countries. The cost of production increased by 9.6% in the 2023. The major change was the labour cost, which accounted for 71.2% of the total industry expenditure. Furthermore, accounting and audit average salaries increased by 4.8% in 2023. Besides, turnover per employee increased by 7.8% during that time (Fig. 1).

The industry's profitability increased and reached 27.5% in 2023. The US ranks sixth among the top 20 developed countries in terms of the profitability of the accounting and audit industry. The total number of companies operating in the industry grew in 2023 to 355,076 companies. The industry can be considered fragmented, as the five largest companies accounted for 17.2% of production value in 2023. The industry's concentration remained unchanged over the year. PwC LLP remained the leading company in the US's accounting and audit industry and accounted for 5.2% of production value in 2023.

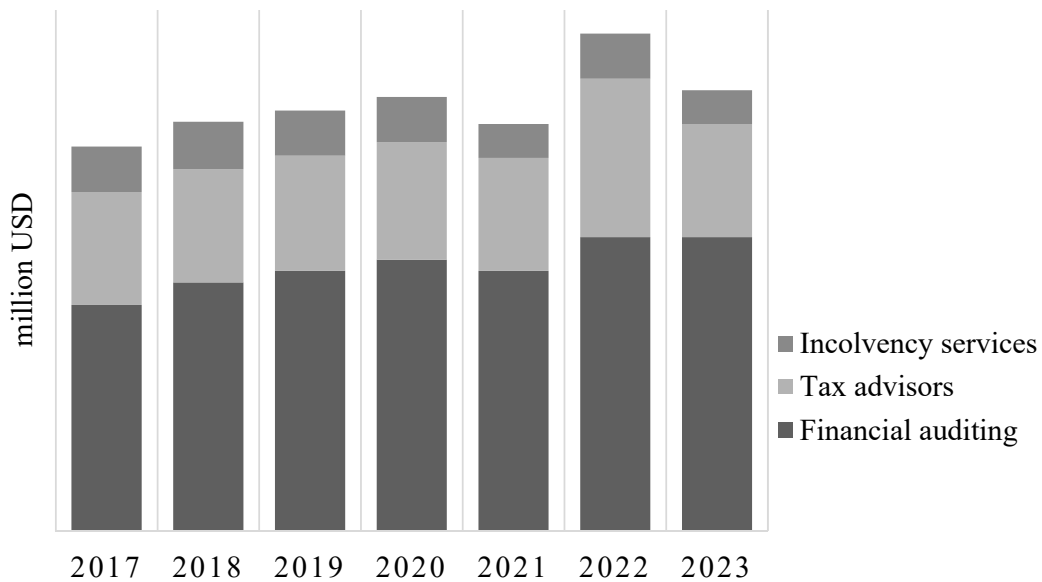


**Fig. 1. Turnover Developed Countries Comparison, 2023.**

Source: based on United Nations (2024).

The turnover indicator allows assessing the size of the industry, the branching of the supply and the demand in the B2B sector (business-to-business). A higher level of production value indicates greater potential demand for the industry's products among B2B customers (business-to-business) and a more reliable supply chain supporting production.

The historical turnover growth shows the average annual growth of the cost of production in the period 2017-2023. The rate of such growth makes it possible to assess whether the industry is in the stage of maturity or development. The absolute growth of turnover in the future demonstrates the nominal increase in the cost of production over the same period (Fig. 2).



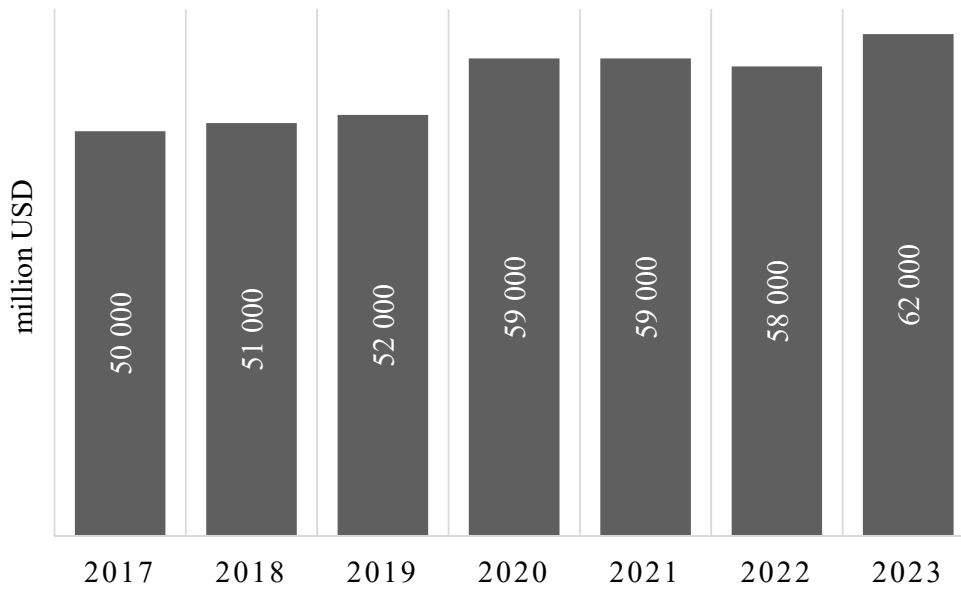
**Fig. 2. USA turnover by Category, 2017-2023.**

Source: based on United Nations (2024).

The high projected growth in absolute value indicates an expansion of production volumes in the industry and growth in potential B2B demand. The rate of future turnover growth shows the average annual growth of production value from 2023-2027 and assessing future industry potential. A high average growth rate indicates that the industry is in a growth stage with the potential for untapped B2B demand. The Turnover Scorecard is a tool for comparative analysis of industry performance in the region. This tool looks at five key indicators of industry competitiveness and identifies opportunities in each country. Unless otherwise stated, data are presented in dollar equivalent, considering annual fluctuations in the exchange rate.

B2B costs (business-to-business) reflect the total cost of goods and services used as inputs to produce goods or provide services. Intra-industry trade is also considered which involves the exchange of products within the same industry where it is one of the primary consumers.

Excludes expenses for volunteer work, including work by household members in an unincorporated business owned by the same household. The figure "taxes less subsidies" refers to the taxes on production the industry pays or the subsidies it receives. Excluded are specific taxes on products, such as VAT and excise duty on gasoline, tobacco, and alcohol (Fig. 3).



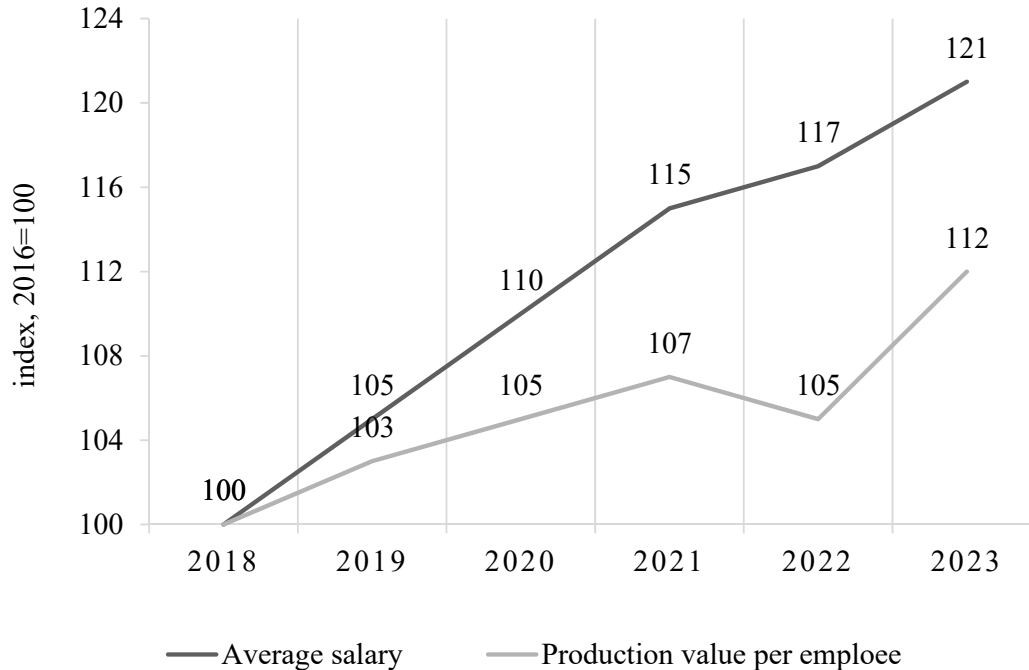
**Fig. 3. US auditing profit, 2017-2023.**

Source: based on United Nations (2024).

Profitability in this context denotes the profit margin over the budget in the industry of 2023. This metric is the yardstick that is used to tap a finger on the pulse of the financial health of an industry, its ability to persistently go by and how it crawls up to withstand tough rivalry in the region. The high return on capital within the industry speaks of: The market situation, low production costs in the country, and thus, these industries have a competitive edge compared to others abroad.

The analysis of variations in profits and margins allows assessing the degree of stability and competitiveness of the industry. A consistency in profitability levels signifies the economy’s ability to hold its grip on the financial situation which can lead to the future expectation of the demand from other businesses.

The salary trend in the audit segment is given in the Fig.4.



**Fig. 4. Salary trend in audit segment, 2018-2023.**

*Source: based on United Nations (2024).*

At the beginning of auditing, auditing syllables or audit associates typically means getting a lower salary than experienced professionals. However, the pay is likely to rise when people get experience and develop their careers.

Factors that might be the reasons for earnings: economic situation, business performance, and industry.

The salary process and the average salary and turnover per employee guide in evaluating the industry's competitiveness. When turnover per employee grows faster than the average salary, the company can still compete in the market. Higher production volumes are why the company put up with increased costs.

Big Four, worldwide, existing in the USA and have a significant impact on the auditing sector (Fig. 5):

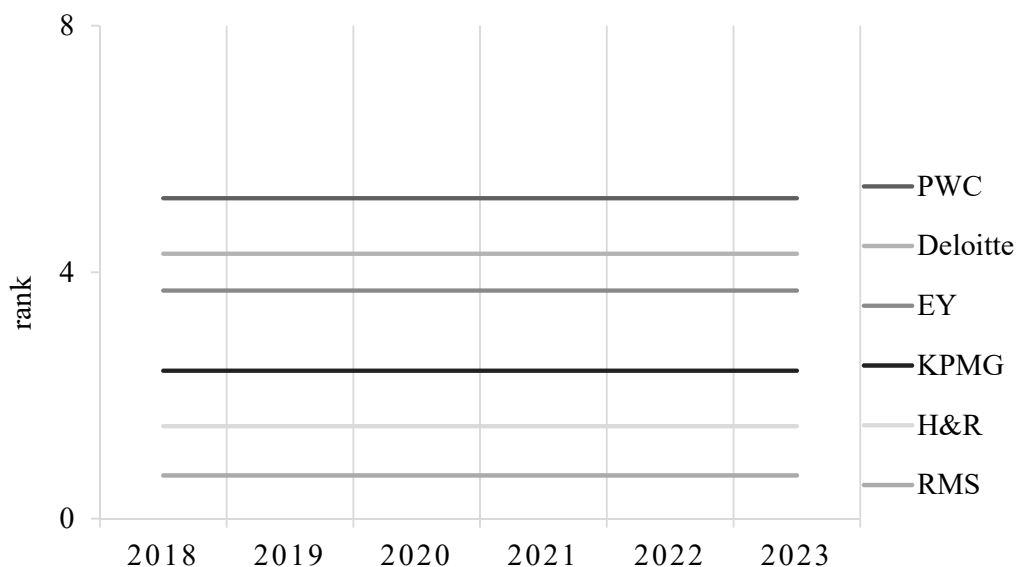
- Deloitte Touche Tohmatsu Limited: Deloitte is the world's fourth-largest

professional services firm, with the help of the most diverse services of audit, tax, consulting, and advisory. It has a saviour client base of distinguished business people from different sectors who benefit from its services.

- Price Waterhouse Coopers (PwC): PwC is a significant auditing firm that delivers audit, tax, and consulting services. It maintains many firms worldwide; as a result, it can attend to companies from different branches.

- Ernst & Young (EY): EY is one of the "Big Four" accounting firms that offer them the services of assurance, tax, technology consulting, and advisory. It prefers to operate in various sectors such as health, seasonings, and IT.

- KPMG International: A KPMG is a global management consultancy firm that specializes in auditing, taxation, and financial consulting services.



**Fig. 5. Top Companies' Ranking, 2018-2023.**

*Source: based on United Nations (2024).*

A higher attractiveness index is indicated industry performance, potential for growth and profitability. An attractiveness index (AI) is designed to assess an industry's attractiveness. Attractiveness index in selected industries:

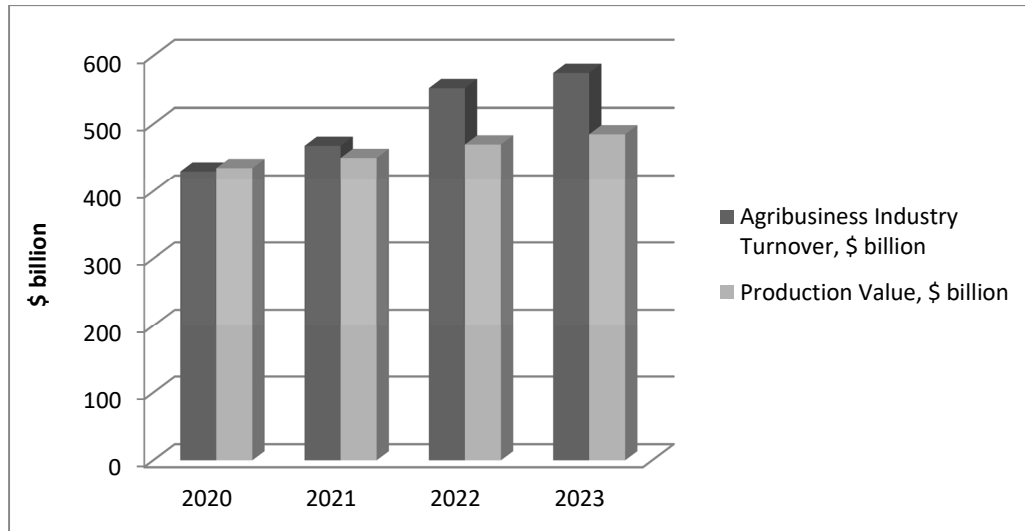
1. Office administrative and other business services (index 10);
2. Legal services (index 9);
3. Architectural and engineering services (index 9);
4. Business and management consultancies (index 9);
5. Accounting and audit (index 9).

The attractiveness index (AI) is a derived indicator that provides a fast comprehension of how a specific industry is doing if it is compared with other industries in an economy. The attractiveness index (AI) is devised from a group of variables. For every variable, all the industries in the economy are ordered by the grading system and acquire a respective score from 1 being the lowest to 177 being the highest. Once we have all the ranks, a weighted average is computed and then a corresponding percentile is given.

The attractiveness index (AI), the company's operation will become more dazzling.

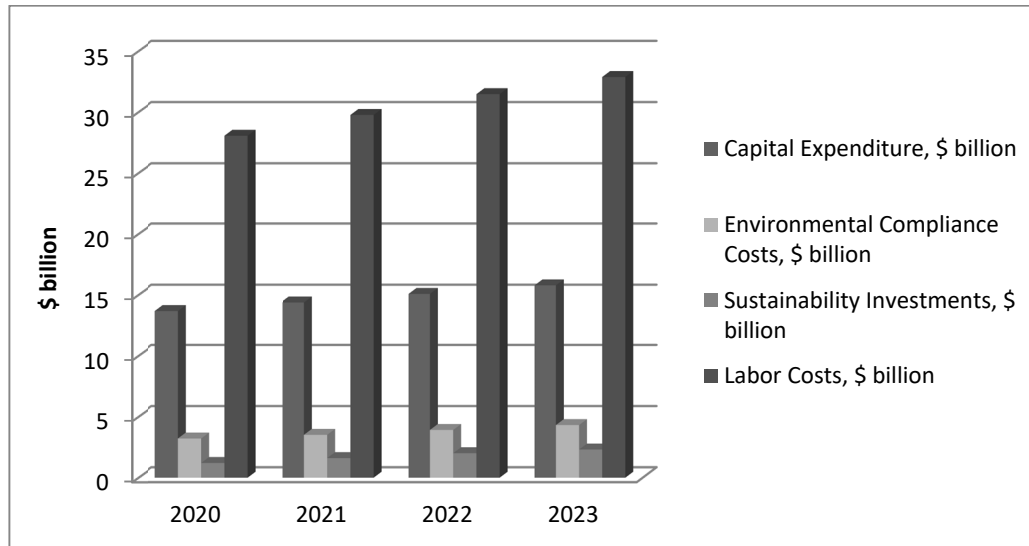
The accounts and audits sector are indispensable for financial reporting, compliance, and the assurance of services. It is a significant player in transparency, financial integrity, and regulation compliance. This industry is usually sought after because a company needs to comply with legal requirements, learn the latest developments in accounting standards, and meet finance requirements, which sometimes become complex.

The core issue of the USA is agriculture (Fig. 6, 7). Therefore, the issuing of financial disclosures, regulatory compliance, and assurance processes are changing. The transition to sustainability precedes companies to develop greener strategies. Besides redefining the operational strategies, organisations must find new ways of tracking and reporting their financial performance, especially regarding environmental and social factors.



**Fig. 6. Agribusiness Industry Financial Performance in USA, 2020-2023.**

Source: based on United Nations (2024).



**Fig. 7. Key Financial and Operational Indicators in USA Agribusiness, 2020-2023.**

Source: based on United Nations (2024).

Modern projects call for such a stand when the implications of the green economy are brought home with all the supply chain realities, the need to conserve resources, and tackle dynamic environmental issues. Modern companies should be able to evaluate sustainability indicators like carbon footprint, water use, and soil health and report this qualitative data along with the financial reports. Auditors are mainly responsible for maintaining the information’s accuracy and reliability, with stakeholders’ rising interest in sustainability in such cases.

The actual measurement of agriculture’s interaction with the green economy assumes stricter accounting and reporting management for corporations, that is, to refer to the economic, environmental, and social impacts of all their activities.

At the same time, the USA is moving to a more environment-favourable position. Thus, companies from various branches have already decreased their energy dependency on fossil fuels because of such a move reinforced by waste reduction and switched to the greenest production processes.



The follow-up to these modifications means that transparency is the key that allows the authorities to do a detailed control of costs, tax credits, and other incentives companies willing to incorporate the sustainable dimension are given. The role of auditors centres on checking the authenticity of the claims, especially in growing the necessary transparency and reliability as a response to consumer and investor pressure. Therefore, professionals in accounting and auditing must catch up with the emerging sustainability standards to remain trustworthy and viable in the dynamic business scenario of the USA.

Accounting and auditing practices in the United agribusiness enterprises are essential for the health and proper financial management, and hence the survival, of this agricultural sector. Agribusiness, an umbrella term for a whole host of activities – farming and processing, trading, and retailing are some – engages some complex accounting approaches which make the operators incapable of effectively managing the various and comprehensive business mixtures.

The cost side of agribusiness is variable and goes with the economic flows, such as crop prices and labour costs. One of the most critical cost accounting functions is to follow the expense trend, and it is inconceivable to run even one activity if the cost is too high.

Keeping inventory under control is serious since the products in question are perishable. The accountants should be very precise in evaluating the value of the crops and supplies and include a complex valuation method and careful record-keeping process. The financial statements of agribusinesses are like any house painted over its previous shade. The agribusiness segment is regulated under tax rules and regulations specific to agriculture. The forms include tax credits and deductions usually available for farmers and producers. Hence, accountants need to be familiar with the recent laws and give advice in line with the rules and the client's specific conditions so they are not punished.

One area where auditors shine their lights is the compliance of agribusiness with federal and state regulations. Some of these are, of course, environmental laws and agricultural standards.

Dealing with these fines and licenses is the main concern here. What audits do is unmask the hidden processes that consume a lot of time and resources? These companies reorganise and, through such methods, win cost savings and a profit hike. A company may make more sales and cut costs by pinpointing the supply chain's weaknesses and removing them. When the cycle comes to a face-to-face confrontation with the bank or the investors, the issuer of financial records would be the main point of interest.

Nevertheless, such a document can only be helpful when checked by the issuing bank. On the contrary, there is a requirement for auditing financial statements that often ask for this as proof of business suitability. By doing this, they support the identification of the financial and operational risks in agribusiness, such as market fluctuations and crop losses. A good understanding of the possible risks gives the companies a prospect to devise well-thought-out strategies for risk mitigation.

The accounting and auditing sector is an indispensable part of agriculture's development. The economy needs financial stability, which helps keep activities solid and well-functioning. While the industry is still progressing with technological advancements and changing regulations, professionals must develop a new strategy unique to agribusiness brands in the USA.

## **5. Conclusions.**

Accounting and auditing constantly change due to changing conditions and requirements. The use of accounting and audit information in the USA must be accompanied by consideration of the current laws, and professionals knowledgeable in the field must be recruited to ensure the proper use of the said information.

The accountancy and audit sector in the United States has a very high-quality level, which, in turn, safeguards the credibility of financial information and develops the investors' trust, thus leading to the country's financial system's consistent growth as well as facilitating the operating strengths of the companies.

The prognosis of the industry shows it to be in the first position in 2026.

The significant change was the labour cost, which accounted for 71.2% of the total industry expenditure.

Furthermore, accounting and audit average salaries increased by 4.8% in 2023. The industry's profitability increased and reached 27.5% in 2023. The total number of companies operating in the industry grew in 2023 to 355,076 companies. A high average growth rate indicates that the industry is in a growth stage with the potential for untapped B2B demand. Nevertheless, where accounting and auditing are concerned, it should be kept in mind that they are processes that continually facilitate and are

highly dependent on dynamic situations and demands of such a mechanism. In the United States, information gathered from the accounting and auditing procedures is, on the one hand, affected by the regulatory framework. On the other, consulting with experienced practitioners with sound knowledge makes it possible to handle the supplied information efficiently, thus ensuring proper use of it.

Technology is still developing, and new laws are being set every so often in the industry. However, a fresh set of approaches is required to be characteristic of agribusiness in the United States of America.

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