

IMPORTANT CONDITIONS FOR DEVELOPING ACCOUNTING AND AUDIT SYSTEMS IN ENSURING SUSTAINABLE GROWTH RATES IN REGIONS*Chinberdiev Pulatjon Lochinboevich**Andijan University of Economics and Pedagogy**Senior Lecturer, Department of Economics**Makhmudova Nigorabonu Mukhiddinjon kizi**Accounting and Auditing, 1st stage student*

Abstract: In this article, the audit service is not only a global trend, but also an urgent necessity in the conditions of actively developing and complex economic relations. The purpose of this article is to identify the main problems of internal audit in Uzbekistan. The concept of internal audit accuracy provides conceptual tools for studying internal audit as a disciplinary mechanism in the context of corporate governance of modern organizations. The article develops the initial conceptual formula and internal audit, audit and control to enhance the rationality of economic activity and appropriate control measures.

Keywords: audit; internal audit; development; mechanism.

In the context of economic modernization, the main tool for obtaining reliable information on the financial condition of business entities is internal audit. There are significant changes in the modern economy, one of which is the consolidation of previously unequal enterprises - large business entities - into the corporation, the integration of joint-stock companies and legal entities with different organizational and legal forms. Consolidation is carried out in conjunction with the transfer of operational management functions from shareholders to hired top managers in order to attract cheap financial resources, and the entry of Uzbek corporations into world stock exchanges.

The Resolution of the President of the Republic of Uzbekistan “On Additional Measures on the Transition to International Financial Reporting Standards” dated February 24, 2020 PQ-4611 opened a new page in accounting policy in our country. These processes have led to significant changes in the organization of internal control over the activities of Uzbek corporations and put forward other requirements for the disclosure of information on financial and economic activities.

The term “audit” comes from the Latin word “auditor”, “hearer”. In our opinion, “audit is an activity aimed at checking the accuracy of the financial information of an economic entity by persons with appropriate authority” and checking the completeness, compliance or compliance with certain rules and reporting on the results to the informant. For a high-quality and successful audit, generally accepted auditing standards should be applied to the audit process.

Improving the audit of banks in accordance with international standards includes the following:

1. Audit planning
2. Requirements for the internal standards of the audit organization
3. Quality control of the auditor's work
4. Audit documentation
5. Materiality and audit risk
6. Other information in financial statements
7. Audit of computer data

The Basel Committee on Banking Supervision (BCBS) is an important body that actively influences the process of regulating and supervising banking activities and implementing international standards. Modern auditing activities are divided into the following two groups according to their functional functions:

1. External audit.
2. Internal audit.

An external audit is an audit conducted by an auditor who is completely independent of the enterprise to verify that the annual financial statements of the enterprise are prepared in accordance with IFRS. An external audit is mainly financial, and as mentioned above, the reports consist of an audit. However, in addition to this type of audit, a compliance or operational audit can also be conducted. One of the important conditions for an external audit, that is, the auditor participating in this audit must not have an economic interest in the buyer of this audit. For example, the auditor conducting the audit is the founder, owner, shareholder, manager or other position of the company; also, if the audit firm provides accounting services to the enterprise as "Additional Services". This audit firm conducts an audit at the enterprise. In this case, that is, if the auditor or audit organization violates the principle of independence, the audit organization may be deprived of its license to conduct audit activities, and the auditor may be deprived of its qualification certificate.

The purpose of an external audit:

- to verify whether the financial statements reflect the correct and complete information or to identify cases of incorrect information;
- to verify whether the accounting and reporting system at the enterprise is maintained in accordance with certain legal documents
- to verify whether the company correctly reflects its income, expenses and final financial results for the period under review.

After the external audit is completed, an audit report and conclusion are submitted.

In the context of modernization of the economy, the main tool for obtaining reliable information about the financial condition of business entities is internal audit. There are significant changes in the modern economy, one of which is the consolidation of previously unequal enterprises - large business entities - into the corporation, the integration of joint-stock companies and legal entities with various organizational and legal forms. Consolidation is carried out in conjunction with the transfer of operational management functions from shareholders to hired top managers in order to attract cheap financial resources, and the entry of Uzbek corporations into world stock exchanges.

The first concept is widespread in European countries such as Austria, Spain, France, and Germany, where auditing activities are strictly regulated by centralized bodies. They essentially have the functions of state regulation and control of auditing activities.

The second concept was developed in English-speaking countries (USA, Great Britain), where the state does not participate in regulating these relations at all, and auditing activities

are self-regulated to a certain extent. Here, auditing is mainly focused on the needs of shareholders, investors, creditors and other business entities. In these countries, auditing activities are mainly regulated by professional auditing associations. For a self-regulatory model, the principles, norms, as well as rules (standards) of auditing activities are the main means of establishing relations between all audit entities. State influence on auditing activities is carried out only through general regulation of the economy and other areas of activity.

Undoubtedly, until recently, the regulation of auditing activities was built according to the first model. The Resolution of the President of the Republic of Uzbekistan dated February 24, 2020 PQ-4611 "On additional measures for the transition to international financial reporting standards" opened a new page in accounting policy in our country. These processes have led to significant changes in the organization of internal control over the activities of Uzbek corporations and put forward other requirements for the disclosure of information on financial and economic activities.

All important elements of the regulatory system are determined by law: the essence and objectives of the audit, audit subjects, their rights, duties and obligations; mandatory audit criteria, etc. are formulated. Certification of auditors and licensing of auditing activities, approval of rules (standards) in accordance with legislative acts are the competence of state bodies.

This makes it relevant to analyze the foreign experience of self-regulation of this area of social relations. Such experience is most developed in the USA and Great Britain. In the UK, at the beginning of 2000, the main "players" in the field of regulation of auditing activities were: the Institute of Chartered Accountants of England and Wales (TCAEW), the Institute of Chartered Accountants of Scotland (ICAS), the Institute of Chartered Accountants of Ireland (ICAI). These processes have led to significant changes in the organization of internal control over the activities of Uzbek corporations and put forward other requirements for the disclosure of information on financial and economic activities.

The main task of the internal audit system of enterprises is to find ways to increase production and reduce costs. The internal auditor should also provide advice on increasing the productivity and efficiency of the enterprise. Investigating violations of the economic system is a labor-intensive audit. In this, the main directions of the financial and economic development of the enterprise are studied.

Improving the audit system in the Republic of Uzbekistan based on world experience is a prerequisite for ensuring sustainable economic growth, improving the investment climate, and accelerating integration with the international community. These goals can be achieved by introducing international standards, strengthening regulatory oversight, improving the professional qualifications of auditors, and ensuring the transparency of financial reporting.

As part of the economic reforms being implemented in our country, special attention should be paid to improving the audit system. This will not only increase the reliability of financial information, but also strengthen the competitiveness of the national economy. Therefore, it is necessary to strengthen cooperation between state bodies, audit organizations and enterprises and develop strategies aimed at common goals.



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