



Auditing: Formation and Development in the Conditions of Market Relations

Zaynalov Jakhongir Rasulovich¹
Aliyeva Susanna Seyranovna²

¹Doctor of Economics, Professor, Samarkand

²Docent, Samarkand

Abstract: The article focuses on raising the status of the most qualified auditors to the status of independent international auditors. It is noted that this will give an idea of the uniqueness and possibility of solving certain problems of improving the social orientation of the ongoing transformations in the course of the development of an innovative economy. It is also noted that the effectiveness of an audit, ceteris paribus, is directly proportional to the degree of independence of the auditor from the management of the organization to which he provides professional control services.

Independent audit firms should be able to solve certain specific problems of their self-development.

Key words: audit, control, auditor, self-financing, self-management, independence, quality, audit services.

INTRODUCTION

As part of the work carried out on the transition to market relations, as well as on the restructuring of the activities of economic entities, the need to reorganize control is now increasingly felt. In general, control is one of the most important functions of management, and therefore the urgent need to improve its quality and effectiveness in the context of the intensification of market relations does not raise any justified objections. The contradictory development of market processes also confirmed this need. The corresponding thesis is declared in many decisions and resolutions of the Cabinet of Ministers of the Republic of Uzbekistan, was argued in detail in the election platforms and in the speeches of people's deputies, in the press and on television.

The unsatisfactory state of financial control is typical for many sectors of the national economy, but perhaps the most complaints from private entities are presented to the state of control. Characteristically, the staffs of the primary enterprises themselves are also concerned about the sharp deterioration in the quality and effectiveness of financial control. Financial control is purely administrative rather than advisory in nature, and the results of inspections are punished.

The most important organic part of the subsequent financial control is the audit activity of consumers of budgetary funds. In practice, the volume of such work is reduced from year to year, but the responsibility of recipients of budgetary funds increases, and the shortcomings inherent in traditional types and forms of control, in this regard, become even more tangible. The matter is complicated for many reasons. Among them, first of all, is the sharp reduction in regular employees of the corresponding profile undertaken in the course of the reform (in some cases by more than half). At the same time, the labor intensity of periodic comprehensive and thematic audits remained high, and in many cases, taking into account the imbalance of the market, the growth of household incomes and the

contradictory development of reform processes, it even increased. However, the control and audit department (both departmental and supra-departmental), reduced during the reform, as practice shows, has already found it physically impossible to cope with a huge amount of documentation and verification and control procedures, especially since it is entrusted with the responsibility of conducting various inspections (services).

Even more important reasons, in our opinion, were the relatively low wages of employees of the control and audit department, the underdevelopment of methods for assessing the effectiveness of their work, time wages, shortcomings in its organizational, personnel, instructional, technical, software and other support. As a result, the information contained in the acts of inspections, which are carried out by the existing regular control and audit department, at the turn of the 90s. The twentieth century and the first decade of the XXI century concerns mostly formal issues, moreover, often lost their relevance.

This exacerbated the contradictions between the work of staff auditors and the assessment of their work. The false belief that inspections are not highly suitable for the effective management of the most important areas of economic activity in the context of the intensification of commodity-money relations objectively reduced the role of inspections in the eyes of management and labor collectives, and this harmed reformist relations in administrative and economic territories, did not contribute to prompt adjustments of the social orientation in the current economic processes.

There are so many reasons, among which, in the context of inflationary tendencies, perhaps the most important is the low salary of auditors and the decrease in the prestige of their work, and the ability of managers of various ranks to attract the most qualified specialists to control activities. And this did not contribute to the financial recovery of various economic systems, which are, in essence, the only base of administrative and economic territories.

Of course, the need to reorganize control activities has been growing over a long period of time. Suffice it to say that the organization and technology of such work has not undergone significant radical changes for about the last 20 years. However, by now, given the expansion of rights and economic independence of enterprises (associations), as well as the accumulated contradictions in the financial and economic reality of various administrative and economic territories of the country, this need has already come close to such a threshold of measures beyond which it is possible and effective only qualitatively new solutions, moreover, taking into account the experience of countries with developed and efficient forms of management. Moreover, the situation described above is not hopeless.

According to major business executives and leading scientists, the resolution of these topical and acute contradictions is largely due to the reform of the control itself, including its transfer to the principles of independence and self-financing, according to the type of internationally recognized practice of audience. This form of control and consulting services for various enterprises, concerns, firms, corporations and other economic organizations is widespread in many Western countries, but in recent years it has been developing in our country, as well as in other countries with economies in transition. In addition, the principle of effective management and control, on which the audit mainly operates, is beneficial to various administrative and economic territories of the Republic, since it allows you to significantly reduce the cost of their budgets for financial control functions, which, as you know, are quite large. Moreover, taxes are also levied on the income of auditors.

The recommendations of scientists on the need to supplement the existing forms of control with a fundamentally new form of control - the audit - is already being developed and confirmed not only in individual budgetary institutions of the republic and its administrative and economic territories, but also at the upper levels of management. There are several legislative acts prescribing mandatory audit services for enterprises. Then, the issues of creation and functioning of audit firms in the country were carefully studied, discussed and approved in the Methodological Department on behalf of the collegium of the Ministry of Finance of the Republic of Uzbekistan. A number of audit firms ("Ishonch audit") were also formed, which provide purely audit and consulting services to enterprises of all levels that arise and operate in a particular territory, including in the Samarkand region. For several years now, some other organizations of various types have been operating in Samarkand and Tashkent, in one way or another in contact with the elements of audit.

Preparations for the transition to innovative conditions of development, with which, as public opinion polls have shown, more than half of the respondents pin their hopes on the recovery of the economy and the solution of a number of other urgent tasks, has made it possible to take a fresh look at

the problem of reorganization of the control and auditing, as well as consulting financial activities. The idea was born to eliminate the noted shortcomings by forming an independent audit organization.

To this end, a set of issues related to the reorganization of control and audit activities on the principles of audit and subordination to an established organization under the Ministry of Finance of the Republic is currently being considered. This organization will need to carry out its activities on the basis of full self-financing, be a legal entity, have an independent balance sheet, settlement and other bank accounts.

The subject of activity of this audit firm may be the implementation of comprehensive audits of financial, economic and commercial activities for various enterprises, regardless of the form of ownership, their departmental subordination, according to their Orders and with payment (at state rates) for the professional services provided. The parent audit firm may also provide paid consulting services on the organization of accounting, control and analysis of business activities for foreign exchange transactions, on the expansion or initiation of foreign economic activity, moreover, with a guarantee of confidentiality of such services, if the customer specifically discusses this condition.

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