



Reasons for Origin, History of Development and Economic Efficiency of Audit Concept

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Abstract: The article discusses the content, importance and features of the concept of audit. In addition, the opinions of experts and scientists of our country about the concept of audit are also mentioned.

Key words: audit, auditor, accounting audit, financial statement audit.

The concept of audit has a long history. The first independent auditors appeared in European joint-stock companies in the 19th century. The translation of the word audit is derived from the Latin word “auditing”, which means “hearing” or “hearing”.

The occurrence of the audit is the result of the separation of interests of those who directly manage the enterprise (administration, managers) and those who put money into its activities (owners, shareholders, investors). They could not and did not want to rely only on the information provided by the management of the enterprise and the accountants who depend on it. The shareholders wanted to make sure that they were not deceived, that the report presented by the administration fully reflected the current financial situation of the enterprise. In order to verify the accuracy of financial information and to approve the financial statements, shareholders were required to rely on their opinion. One of the important requirements for the auditor is his unconditional honesty and independence. The complexity of accounting requires the auditor to have an absolute qualification.

From the middle Ages in Europe, it became customary to confirm and record power contracts by various responsible persons, and in this regard, accounting and auditing gradually began to take shape. Increased. Joint-stock companies began to appear in the economy of countries. Of course, such conditions did not pass the financial crisis, and the demand for accounting auditors who can protect the interests of investors increased. The British Parliament passed an important set of laws to control the economy. All these auditors focused on controlling the accuracy of accounting and reports. The first auditor tasks were not clearly defined, and all investors, shareholders, creditors accepted auditors as their support.

Prof. B.Q. Khamdamov expresses his opinion about the stage of emergence of audit: “If audit is considered as a financial control, initially the audit system was created by China. In ancient Chinese records, as early as 700 BC, there was a special position of auditor to supervise the government officials who had the right to use public money and property. The duties, rights and forms of state auditors varied from dynasty to dynasty.[1]

Prof. R.D. According to Dosmurov, he provided the following information in the textbook “Fundamentals of Audit”: “According to some sources, the profession of accountant-auditor was to resolve serious issues between shareholders, creditors and tax officials in European joint-stock companies in the middle of the 17th century. Began to form due to its importance. At that time, there

was a need for specialists who could independently work and give realistic conclusions about the production and financial activities of the enterprise. As a result, in 1862 in England, in 1867 in France, and in 1937 in the USA, an important audit law was adopted. Currently, audit institutes with their own organizational and legal infrastructures are operating in countries with a developed market economy. [2]

Amir Temur's books also contain valuable information about the important role of accounting, finance and control in the management of the country. In the "Regulation of people who are responsible for taking property – taxes from the raiyat, bringing order to the country, its improvement and security", it is said about the accounting and control work in the administration of the state: "...I ordered to appoint three ministers to each country. One of these is for the raiyat, and let him monitor the collection of taxes collected from him and make a report. He should write down the amount of tax, the names of taxpayers, and keep the money collected from the raiyat. The second minister manages the affairs of the police. Let Sipoh keep an account of the funds that have been given and should be given. And the third minister should arrange the coming and going (travelers and merchants), the harvest collected in various ways, the property of the insane, the property without an heir, and the fines imposed by the judges and sheikhulislams."

"Regulation of distribution of fees to the police" contains information about the inspection system specific to that period: "Let two ministers be appointed for each country that has been given possession." One should record the wealth collected from the region and check the condition of the raiyat so that the jagirdar does not oppress the citizen and ruin their condition. He must write all the goods collected from the region in the receipt book. The second minister should write the spent part of the (income) in the income book and distribute (from the collected goods) for the salaries of the soldiers. As for which emir is given property, let them keep it as it is for three years. Let them check it after three years. If the country is prosperous and the raiyat is satisfied, let them leave it as it is. If the situation is contrary to this, the region should be transferred to the holisa, and no payment should be made to that jagirdar for three years. [3]

Audit – by authorized persons – auditors (auditing organizations), in order to determine the validity of the financial statements of economic entities and their compliance with the current legislation of the Republic of Uzbekistan and other regulatory documents. Examination and analysis, verification of the admissibility of the requirements for accounting and other financial statements, their completeness and reality. Also, audit includes consulting, that is, providing services to clients with a contract. In European countries, auditing has been known for 150 years, but in our country, it began to develop from the first years of our independence as a result of abandoning the monopoly and transitioning to a market economy. Because of this, it is necessary to study the experience of countries with developed auditing activities. It should be said that the economic activities of the enterprises, organizations and institutions of our country have been checked before. However, although the concepts of control and audit are close to each other, they are not the same thing.

On this issue, Prof. H.N. According to Musaev, "The meaning of the word "audit" is interpreted differently in the economic literature. Most scholars say that the meaning of the word "audit" is derived from the Latin language and means "he hears", while others say that the word "audit" is derived from the English language and means "he helps". There are also ideas that audit means "checking", "investigating". [4]

The purpose of the audit is to solve a specific issue determined by the current legislation, the system of legal regulation of auditing activities, mutual contractual obligations between the auditor and the client. The purpose of the audit activity is to determine the authenticity of the accounting (financial) reports of economic enterprises and the compliance of the implemented financial and economic operations with regulatory documents.

"The main purpose of auditing is to independently evaluate the activities of economic entities, and at the same time, to help them eliminate deficiencies in the activities of enterprises."

The main task of the audit is to verify the financial statements for the following purposes:

- Confirming the reliability of reports or noting their invalidity;
- Check whether expenses, income and financial results are adequately, reliably and realistically reflected in the accounts and reports as a result of the company's activities during the audited period;
- Accounting and preparation of reports, verification of compliance with the current regulatory legislation on assets, liabilities and valuation of private capital;
- Determining the possibilities of proper use of private and working capital, financial reserves and bonds. [5]

The main purpose of the financial statement audit is to make a true assessment of the complete, correct and realistic reflection of assets, liabilities, private funds and financial results in the accounting report on the results of the enterprise's activity, the accounting policy adopted by the enterprise is in accordance with the current legislation. Checking compliance.[6]

Thus, audit practice and organization in different countries, including our country, has its own characteristics. Table 1.1 below shows the organizational characteristics of audit in different countries. The organization of audit activities depends on the characteristics of each country, its structure, economy and other factors. [7]

Organizational descriptions of audit in countries

COUNTRIES	INDICATORS		
	The main purpose of the audit	Organization regulating audit activities	Auditor personnel training system
UZBEKISTAN	Checking the financial report and related financial information of the economic entity in order to determine the accuracy of the financial report and financial information and compliance with the law	<ol style="list-style-type: none"> 1. Ministry of Finance of the Republic of Uzbekistan. 2. National Association of Accountants and Auditors 3. Auditors of the Republic of Uzbekistan chamber 	<ol style="list-style-type: none"> 1. Ministry of Finance of the Republic of Uzbekistan. 2. National Association of Accountants and Auditors 3. Chamber of Auditors of the Republic of Uzbekistan
ENGLAND	Controlling the veracity of accounting, giving opinions on the reporting system and financial reporting of the enterprise	Committee of certified accountants and auditors	Committee of certified accountants and auditors
FRANCE	External financial control of the accuracy of financial statements in the non-state sector of the economy	<ol style="list-style-type: none"> 1. Accountant - forwarding agency 2. National Chamber of Inspectors 	<ol style="list-style-type: none"> 1. Accountant - forwarding agency 2. National Chamber of Inspectors
USA	Audit of financial statements by impartial auditors and expert-consultative activity	<ol style="list-style-type: none"> 1. Federation of Auditors Association 2. Institute of internal auditors 3. Institute of Accountants 	<ol style="list-style-type: none"> 1. Institute of certified auditors 2. Institute of Internal Auditors
SWEDEN	Checking the financial statements and economic transactions of companies,	<ol style="list-style-type: none"> 1. Audit activity commission 2. Swedish Society of 	<ol style="list-style-type: none"> 1. Commission on the activity of auditors

	enterprises, banks, organizations are reflected in the accounting accounts	Auditors (SRS)	2. Institute of Professional Development of Auditors (UPEB) 3. Swedish team of auditors
RUSSIA	Determining compliance of accounting reports with RF legislation through independent accounting expertise	The Commission on Auditing Activities under the President of the Russian Federation (TsALAK) and the RF MB, the Chamber of Auditors of Russia	TsALAK MF and RF MB educational-methodological center

Audit science and the methods used during auditing are divided into general scientific and special categories, and the author's definitions revealing the essence of the methods included in the categories were described in the article.

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