



Prospects for The Development of Audit Activity

U. Atamuratov

teacher of the "Audit" department of TMI

INTRODUCTION

In the conditions of modernization of the economy in our country, it is very important to attract foreign direct investments, introduce modern corporate management methods, radically increase the efficiency of joint-stock companies for future investors in the process of managing economic entities, and to ensure their openness and attractiveness. is enough. From this point of view, there is a need to formalize the results of the external audit and compile it in accordance with the international standards of the audit. Especially in the process of integration into the world community, the demand for audit services and attention to the question of its quality has increased.

In the process of auditing financial statements, the auditor's report occupies an important and central place. Therefore, the form and content of the auditor's report form the process of correct assessment of financial statements. In the process of external audit, the audit report and the auditor's conclusion, which is its component, play an important role. Because the auditor's report is reliable, understandable and sufficient information supply serves to provide the necessary information for the users of the financial report.

LITERATURE REVIEW

About the organization of external audit activity and the process of creating an audit report, the famous Russian economists-scientists A.D. Sheremet and V.P. Suytslar wrote: we can list a number of changes. Including, special attention was paid to the issue of the formation of audit reports and conclusions. The audit report is drawn up by the auditors based on the results of the audit, and contains information confirming the indicators of the financial statements" [1].

In this matter, V.I. Podolsky and I.V. Fedorenko expressed the following opinion about the purpose and tasks of audit reports: "The first step regarding the essence of the audit report and its main content is the examination of the (standard) rules of the national audit activity in force in the Russian Federation clarified the concept of audit reports. As a next step, the appropriate report form and the procedure for its presentation were developed by licensed auditing organizations and independent auditors. The third step is to establish a central attestation-licensing commission under the Ministry of Finance, and its task is to issue licenses to audit organizations and certify auditors. A document consisting of detailed information on the progress of the audit, deviations from the established procedure of accounting, violations of rights in financial statements, as well as other information obtained as a result of the audit and considered as the basis for drawing up an audit opinion" [2].

But by some economists-scientists, for example, professor Mirgorodskaya T.V. we can see that the concept of auditor's report is understood in a very narrow scope, i.e. "The auditor's written report is defined as a form of letter to the management prepared on the basis of the information obtained during the audit process. This written information means the written expression of deficiencies identified during the audit of the accounting and internal control system" [3].

Economist-scientist Dysembaev K.Sh. expressed the following opinion: "According to Article 6 of the Law of the Republic of Kazakhstan "On Auditing Activities", audit firms must fulfill the following four mandatory conditions in order to organize and conduct their activities:

1. The audit firm must include (at least 4 auditors with auditor qualification certificates);
2. The share of the auditor or other auditing firm in the charter capital should not be less than 51%;
3. The head of the audit firm must have an auditor qualification certificate;
4. Availability of a license issued by the Ministry of Finance.

Audit firms operating in the Kazakhstan market can be divided into the following 4 groups:

1. "Big four" audit firms;
2. Several leading national audit firms;
3. Small national audit firms;
4. Private entrepreneurs.

The audit reports prepared by this audit firm and a private entrepreneur differ in their characteristics and content and essence, and there is a specific feature of their preparation [4].

ANALYSIS AND RESULTS

In the process of conducting audits and in the process of drawing up audit reports based on its results, audit reports compiled by multinational audit companies serve as a common benchmark. , they are performed on the basis of separate international audit standards, and if they are audited by local audit organizations, they are performed on the basis of international standards of audit activity, and in addition, at the request of the business entity, external audits can be performed on the basis of international audit standards and audit reports can be prepared. But if audited entities communicate with foreign companies, it is necessary to use international standards so that it is easy and convenient for foreign investors and partners to understand them.

The above-mentioned issues and problems arising in the audit process require the improvement of the quality of audit activity, its organization and comprehensive development, consideration of its theoretical and methodological aspects, and in-depth research. All of these objective processes require the study of the problems of auditing financial statements in entities, compiling audit reports and improving their content.

The next important issue is the analysis of the legal-regulatory system in determining whether the audit activities established in Uzbekistan are consistent with international experience. Therefore, in the process of determining this system, it is important to consider the stages or stages of its regulation in foreign countries.

If we look at foreign experience, the organization of audit activity in Ukraine in this matter is carried out as follows: "Organization of audit activity is divided into the following 3 levels based on the world experience presented in this law and reflected in other normative documents:

Level of organization	Its basics
First level	legislative acts (laws of Ukraine, decrees of the Cabinet of Ministers of Ukraine (decisions having the force of law), Decisions of the President of Ukraine on issues related to general business activities and other regulatory documents
Second level	International standards of auditing, code of auditor professional ethics, Ukrainian national audit regulations, regulatory documents of Ukrainian ministries and agencies
Third level	internal regulatory documents developed by the audit firm on the basis of the first and second level documents

Figure 1. Analysis of the level of regulation of audit activities in Ukraine ¹

As can be seen from this picture, the first level of regulation of audit activity in Ukraine combines legislative acts related to business activity ("On Business Activity", "On Enterprises in Ukraine", "On Banking and Banking Activities", "On Securities and Stock Exchanges" gi, "Laws of Ukraine" on "Economic Societies") and considers the issue of the necessity of independent audit in enterprises and organizations of various forms of ownership and organizational-legal forms of economic management" [5].

The Law of Ukraine "On Auditing Activities" creates the legal basis for the organization of auditing activities. The law defines the concepts of audit, audit activity, auditor, audit firm, audit report and other audit activity documents, defines the circumstances of mandatory audit, the Chamber of Auditors of Ukraine, the Union of Auditors of Ukraine, certification of auditors and registration of audit activity, audit and audit services. determines the procedure for presentation, the responsibility, rights and obligations of auditing firms and auditors. These regulatory documents determine the obligations of economic entities during the audit and their responsibilities to the state and the auditor. Well, in this matter, we can see that Professor Dusmuratov R has divided the audit activity into certain groups in order to solve the problem of dividing it into several levels.

First of all, in this matter, in the picture above, Prof. Dosmuratov R. by the legal-normative regulatory system of auditor activity and divided its elements into 4 levels.

Of course, after the implementation of this grouping, a number of changes took place in the development of society, including international audit standards, which became known as "International Standards of Audit and Quality Control", the composition of internal audit standards changed, some changes were made in the audit procedure, and the need to further clarify its criteria appeared. it happened. Of course, based on the description of the goals and tasks of audit activity, they can be grouped differently based on the law on audit activity and other scientific sources. Based on the above-mentioned sources and foreign experience, in our opinion, audit activities can be divided into the following stages.

¹ Author development

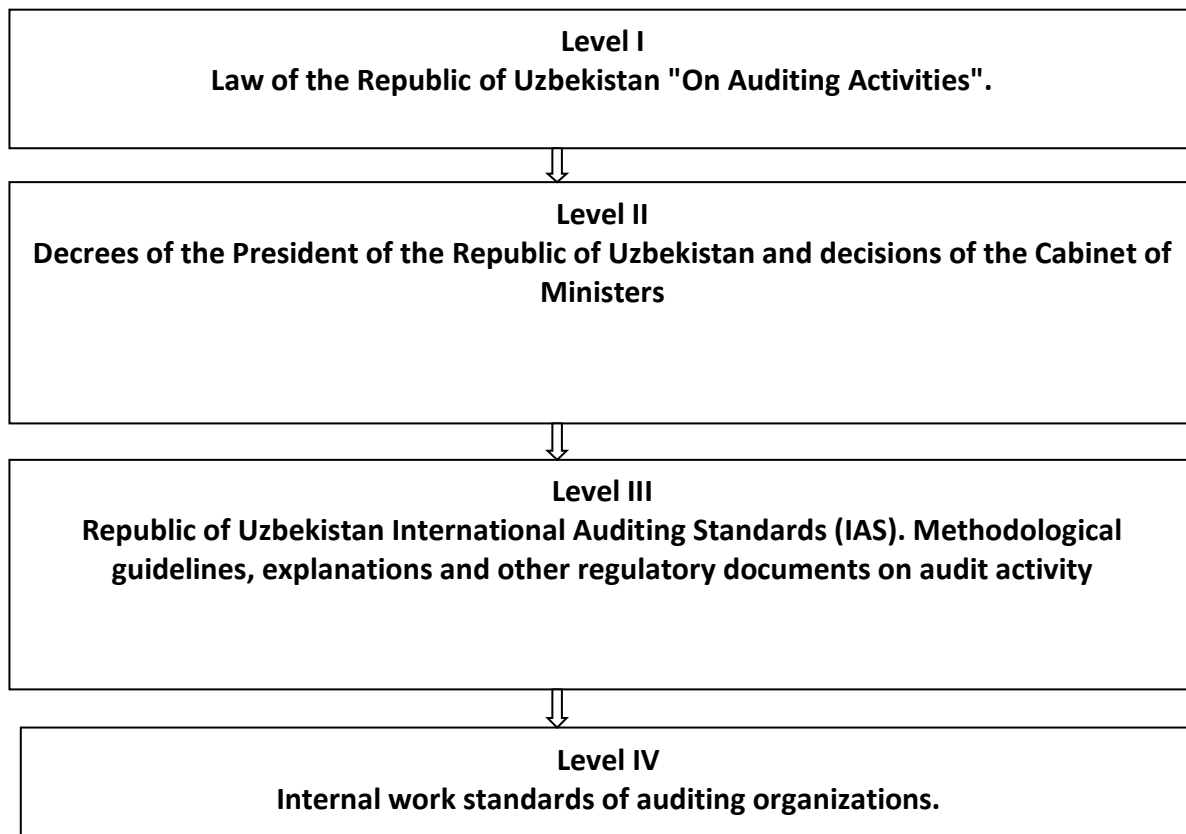


Figure 2. The system of legal and regulatory regulation of auditing activities in the Republic of Uzbekistan and its elements [6].

External audit organizations pay great attention to the external audit module when compiling an audit report based on international audit standards. In the conditions of modernization of the good economy, such issues as how this model should be and what it focuses on are important. Based on practical experience, we consider it an acceptable option to form the image of this module as follows.

External audit sequence	
<i>1. Initial stage</i>	
Initial agreement	Drafting of an audit contract
Audit plan and program	Getting to know the business
<i>2. Audit preparation stage</i>	
Selection in audit	Collecting audit evidence
Analytical operations	Materiality and audit risk
<i>3. The main stage of the implementation of the audit</i>	
Acquaintance with the accounting policy	Analysis of accounting status and chart of accounts
Results of internal control status check	Analysis of receivables and payables
Checking the condition and maintenance of inventory, fixed assets and intangible assets	Results of verification of compliance with legal requirements during the implementation of financial and economic activities

Audit of taxes and other mandatory payments	Results of examination of financial reporting indicators
Deviations in financial reporting indicators and issuance of corrective orders for their correction	Preparation of financial statement indicators to reflect their post-audit status in the audit report and record it in the audit report
4. Summarizing the results of the audit is the final stage	
Summarizing the results of the audit	Forming an audit report
Forming an audit opinion	Drafting a letter to management

Figure 3. External audit sequence model structure ²

As can be seen from this figure, the initiation of the external audit sequence model begins with the initial agreement and the conclusion of the contract. That is, it should be noted that the initial stage of these cases begins with the letter of agreement on conducting an audit. The final result is completed with the formation of an audit report and an audit conclusion. As a result, a letter to the management is formed.

In the process of conducting an audit by an external auditor, the following information is paid attention to in the process of checking the implementation of financial and economic operations on the audited object and its compliance with the legislation of the Republic of Uzbekistan:

1. Assessment of compliance with the law of the financial and economic operations carried out by the inspected client.
2. Statement of serious non-compliance with the legislation of the Republic of Uzbekistan of implemented financial and economic transactions, identified during the external audit process.
3. Statement of deviations during the calculation of relevant taxes and other mandatory payments established by law, correct application of tax rates and correctness of their timely payment and violation of the established procedure in the audited entity, determination of the taxable base.
4. A statement of information on the completeness, preservation and actual existence of long-term and current assets of the audited entity.

The audit report drawn up by the external auditor contains recommendations to eliminate deviations and violations of the law identified by the audit team, as well as suggestions and recommendations to improve the efficiency of the client's financial and economic activities.

One of the important issues in the organization of audit activity in the conditions of modernization of the economy is the formation of internal standards (rules) of audit organizations for effective operation of audit reports. International auditing standards (IAS) do not specify a specific standard or procedure in this matter.

CONCLUSION.

1. Considering the external audit, the changes that occurred during and after the economic crisis created the need to organize the demand for external audits and audit reports at the international level. For this reason, in our opinion, it was determined that great attention should be paid to the external audit module when compiling an audit report based on international audit standards. Including, it was justified that the sequence of external audit consists of 4 modules, consisting of the initial stage, the stage of preparation for the audit, the stage of implementation of the audit, and the stages of summarizing the results of the audit.

2. When determining the main task of the auditor's report on the financial statement, it was determined that the content of the auditor's report and the auditor's opinion should be paid special

² Author development

attention to the following issues based on the study of the auditor's report and conclusions calculated from the audit plan:

1) Determining auditors' responsibilities to managers, investors, contributors and shareholders based on the nature of audit conclusions;

2) In the preparation of the audit report, the responsibility of the head of the audited entity and the head of the accounting service for the compliance of the prepared financial report with the standards, and the presentation based on objective and correct professional knowledge, affects the completeness and quality of the audit report.

3. The audit report is presented to the management of the audited entity, it consists of detailed information about the progress of the audit, deviations from the established procedure of accounting, violations of rights in the financial statements, as well as other information obtained as a result of the audit and considered as the basis for drawing up an auditor's conclusion. is a document. In our opinion, the audit report consists of reports prepared by the auditor and involved experts, data collected during the audit, comparative tables, correction logs, analytical practical materials. Audit reports may vary depending on the nature of the work to be performed. In our opinion, an audit report is a report consisting of detailed information on audit evidence collected during the audit, deviations in accounting, violations in financial statements, as well as other information obtained as a result of the audit, and this report is given to the audited business entity. In addition to the auditor's report, a separate letter is written to the management, which contains recommendations on the causes and elimination of deviations and violations identified during the audit, practical recommendations and suggestions on improving the efficiency of financial and economic activities. The information in the audit report is confidential and cannot be disclosed. Persons who use this information will be held responsible for disclosure of information in accordance with the law.

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