

PAPER

ORGANIZATION OF AUDIT IN ACCORDANCE WITH INTERNATIONAL AUDIT STANDARDS AND PROBLEMS OF THEIR IMPLEMENTATION IN UZBEKISTAN

Djabbarov Makhamadkhon Djabbarovich ^{1,*}

¹Senior lecturer of the Department of Specialization, Social-Humanitarian and Exact Sciences, Andijan Faculty of Tashkent State University of Economics Andijan, Uzbekistan

*Makhamadkhon@gmail.com

Abstract

The article examines some issues of further improvement of auditing activities, namely legislative support of this type of activity by the state and the integration of the potential of professional communities in the development of standards, methodological support for conducting an audit and improving its quality.

Key words: auditing services, auditing standards, audit reports, quality control, audit, auditing activity, control, standardization, international auditing standards.

Introduction

At the initial stage of the transition to a market economy, it was widely believed that in a market economy, such a concept as financial control would be applied within the narrow framework of only the public sector.

The Republic of Uzbekistan has chosen its own model of transition to a market economy, socio-economic development, and ways to solve the tasks set before the integration of the economy into world civilization, the purpose of which is to raise the standard of living of the population. The purpose of this article is to analyze the development of auditing activities and audit as one of the basic elements of the institutional environment for the application of IFRS.

Methods

The work used general scientific methods of cognition: a systems approach, logical generalization, legal analysis and hypothesis.

Let's compare the volumes of the National Auditing Standards and ISAs that we are used to. The difference is enormous. But this does not mean that the National Auditing Standards are bad. At the initial stage of the transition to market relations, they successfully coped with their task. And the International Standards, which have

incorporated the best, time-tested approaches to organizing and conducting audits, quality control, review checks, and standards of assignments, will help to develop further. All this will increase the reliability of audit reports for domestic and foreign investors.

International standards imply a more scrupulous and meticulous study of the enterprise. The practice of using special computer programs for these purposes will significantly expand, especially when auditing large enterprises. The programs will help not to miss anything important, to observe the sequence of actions, and to automate the analysis of some information. This is a kind of quality control of the auditor's work.

Results and discussion

The audit system is an integral part of the financial sector of the economy of Uzbekistan. The state pays close attention to the improvement and development of this sphere. To date, a comprehensive legislative and legal framework for auditing has been created, the licensing system has been significantly simplified and liberalized.

Economic incentives and tax benefits and preferences have been created for the active development of auditing in our country. For example, such as:

- issuance of licenses for auditing activities without a term limitation
- exemption of audit organizations from paying income tax and a single tax payment until January 1, 2017;
- making decisions on termination of licenses for violations committed only by the court, etc.

The transition of Uzbekistan to market relations has revealed the need to create new economic institutions regulating the relationships between various business entities, among which the audit institution occupies a worthy place.

In a market economy, reliable information about the activities of an enterprise plays an important role, which is necessary:

- for government agencies to monitor compliance with tax legislation;
- for the owner of an enterprise to determine the development strategy and ways to improve the efficiency of its activities;
- for banks, insurance companies, to assess the solvency of the enterprise and the likelihood of loan repayment, to determine the insurance risk;
- for suppliers, buyers, other enterprises and organizations that have business relationships with the business entity, to be sure of payment for supplies, receipt of goods, services, works;
- for potential investors, to assess income from deposits.

Audit is an element of market relations. Like any other element of the market, it comes into being as soon as a group of market participants has a need for it, demand arises. At one time, the development and complication of production, the development of the market led to the fact that the owners of organizations (shareholders, members, founders), as well as investors and creditors, were unable to independently verify that all financial and business transactions of the economic entity of interest to them comply with the requirements of the law and are correctly reflected in the accounting.

It has been established that there are terminological inaccuracies, as well as difficulties in perceiving the provisions of ISAs due to translation problems and the mentality of practitioners, which will complicate the application of ISAs at the initial stages. In addition, a complicating and at the same time positive factor is the detailed elaboration of the standards, which has affected their volume.

Problems associated with the objects of audit checks have been identified due to differences in terminology in various legislative acts of our country, which casts doubt on the "sufficiency" of the currently existing amendments to some laws regulating accounting, reporting and audit.

The main principles of successful auditor activity are professionalism, competence, independence and confidentiality.

To date, more than 4000 specialists have passed the relevant exam and received an auditor qualification certificate in our republic. Obtaining a qualification certificate is preceded by a training process in specialized training centers under a special auditor training program. The certificate issued by a government agency is intended to confirm the professional suitability of the auditor, to indicate the level of special knowledge required for work. It is a matter of honor for every auditor to always be in shape, constantly improve their professional skills.

Currently, there are more than 20 training centers for auditor training in the republic. Experienced teachers, lawyers, and specialists from reputable audit organizations are involved in training auditors.

However, despite the generally favorable picture of auditor training, it was noted that individual training centers train applicants for an appropriate fee who are subsequently not admitted due to non-compliance with the qualification requirements for the qualification exam conducted by the commission of the Ministry of Finance and public professional organizations. The quality of the auditors' work remains an equally acute problem. Recently, claims against auditors have

increased significantly. This is indicated, in particular, by the increase in the number of written requests to the relevant authorities with complaints about unscrupulous auditors. In addition, "auditors" have appeared who, for a certain fee, issue customers with the final part of the audit report without conducting an audit at all. This is a compromise of the audit, unthinkable in a normal economy. This phenomenon is a disgrace to our business.

Owners and accountants must understand that the danger of such an audit threatens them first and foremost. And if some of the company's personnel, sometimes even unscrupulous accountants, may have an interest in evading a good-quality audit, then the owner is only cutting off the branch he is sitting on.

Closely related to the above is the problem of ensuring the confidentiality of the audit. In our conditions, the auditor has too many temptations and very few objective factors that prevent them, not to mention the moral side of the matter, to comply with the requirements of the legislation, which prohibit the transfer of information obtained by him during the audit check to third parties, in one way or another making it public against the interests of the client or simply trading in this information.

It seems to us that only a few enterprises in these industries currently understand the meaning and purpose of the existence of the auditor's institution. And they have sufficient financial resources to attract experienced auditors to solve their problems.

The number of effectively functioning enterprises that must conduct mandatory audits is insignificant compared to their total number. This means that most of them, due to the limited financial resources, can use the help of only small audit firms with low prices for their services. Such firms are not able to ensure the proper level of audit. At best, individual accounting areas and tax payments are checked, at worst, unscrupulous auditors are invited who, without doing anything, for a small fee, simply put their stamp on a positive audit opinion. A significant number of enterprises are experiencing enormous economic difficulties and need specialist assistance, which is currently unavailable to them. As the crisis is overcome, the economic potential of enterprises will grow and, as a result, an increasing number of them will turn to the services of qualified auditors.

Ways to improve and further develop auditing activities. In the coming years, the demand for audit services will increase not only in quantity but also in quality. It is necessary to prepare for this now, because the quality of management personnel and the level of enterprise management are improving. Only a proportional increase in professionalism and technology will allow audit firms to withstand competition.

Large audit firms currently have the strongest positions: they have created a powerful intellectual potential, use advanced audit technologies, and have extensive practical experience. Their potential allows them to provide services to the largest enterprises.

As the economic potential of enterprises grows and the meaning and sense of auditing activity is understood, the demand for audit services is increasing. At the same time, the basis for the civilized development of auditing activities will be created and will further play a colossal stimulating role by large audit companies with branches in the regions.

Undoubtedly, national audit companies will be assigned a leading role in the audit services market, allowing:

- to interest international audit organizations in cooperation;
 - integrate into international professional organizations;
 - have a strong intellectual potential;
 - form its own client base consisting of enterprises with sufficient financial capabilities;
 - oust unscrupulous audit organizations from the audit market.
- One of the key aspects on which the stable development of a national audit company depends is the creation of a regional network of branches, which will provide the opportunity for

prompt customer service and the company's presence in a specific region.

The advantage of consolidating audit organizations and having an extensive regional network is obvious. When performing complex tasks that a client sets for an audit organization, specialization by industry and area is absolutely necessary. Such specialization is possible provided that stable work with many enterprises of the same industry or with a monopoly enterprise. The first requires an extensive network of branches, the second - a large team of specialists, which can only be formed in a large audit company.

Professional training is a key parameter for forming a high-class team of specialists. The creation of a complete and comprehensive training system requires the involvement of significant resources, which only a large audit structure can provide. The future of medium-sized audit organizations seems fairly certain. There are only two main alternatives: integration or servicing medium and small enterprises in a particular industry.

Conclusion

It has been concluded that further work is needed to solve the following problems: improving the style of both accounting and audit standards; substantiating a fundamentally new doctrine of process control due to the insufficient reliability of the risk-oriented direction in auditing; overcoming the formal approach in auditing activities and in the methodology of auditing as a process.

There are currently enough professional associations of auditors in the republic. These are the National Association of Accountants and Auditors, the Chamber of Auditors and their regional branches. But it should be noted that the existing associations act in a disjointed manner, without any unifying principle.

It is advisable to restructure the system of public regulation of auditing activities by transforming the structures currently operating within its framework into a single effective audit service and turning it into a truly nationwide professional organization of auditors. Only then will the government be able to transfer its powers to this organization.

Today, certain functions are already delegated to professional public organizations. This includes coordinating with them the training program and the procedure for passing qualification exams to obtain an auditor qualification certificate, conducting advanced training courses for auditors, as well as jointly organizing qualification exams for the right to obtain an auditor qualification certificate. In addition, public organizations are involved in the process of developing national auditing standards.

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