



INNOVATIVE TOOLS OF DEVELOPING AUDIT ACTIVITY IN UZBEKISTAN

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DISCUSSION

The stability of the accounting system is one of the required conditions for ensuring the stability of the national financial system as well as for ensuring the continual production process and the stability of macroeconomic growth. National monetary system as a state legal form of organizing the money circulation, consists of the following elements: monetary unit, money circulation structure, organization and regulation of money circulation; the money supply and its structure; the parity and the exchange rate of the national currency; the principles of organizing the monetary system.

Accounting and auditing are both essential business functions which, while distinctly different concepts, can interrelate at times. Small business owners must set up an accounting system before they open their doors to manage and record financial data, but auditing is generally reserved for larger or more established businesses. Understanding the definitions of accounting and auditing, as well as the correlation between the two, is vital to understanding business finance.

Accounting is the systematic process of recording, storing and presenting company financial data. Accountants maintain complex records of all financial transactions, including things like sales revenue and expenses in addition to costs such as payrolls and taxes. The accounting cycle begins with transaction receipts and other original financial documents. Accountants make entries for all financial events in individual accounts, most often using a software accounting program. Using the information stored in company accounts, accountants routinely construct financial statements, such as balance sheets and income statements, to provide internal and external stakeholders with insightful glimpses into a company's financial situation. [1].

Auditing is the process of reviewing and investigating any aspect of a business, whether financial or nonfinancial. Auditors are fully trained to spot areas of needed improvement, potential dangers and incidents of unethical conduct in their area of expertise. Audits can disrupt the normal flow of business in a company, but the ability to spot and address potential weaknesses can outweigh any

temporary losses of productivity. Among the range of issues audits can review are human resources policies, operational procedures, quality or safety policies and, of course, accounting audits.

Accounting audits bring these two distinct concepts together and can convey significant benefits to small and large businesses alike. An accounting audit by definition is a systematic review and investigation of the policies, procedures and systems put in place to record, store and present financial data within a company. Accounting audits cover the full range of the accounting cycle, looking for inconsistencies, inefficiencies, errors and incidents of unethical conduct at all steps in the process. Audits begin by analyzing the systems put in place to ensure that the accounting department receives all transaction documents in a timely manner. Audits review the accounting system in depth to ensure that all necessary accounts are present and maintained accurately. Accounting audits also review financial statements and the processes used to prepare financial statements.

Audit in Uzbekistan emerged since the beginning of market reforms, development of foreign trade relations. Attracting foreign capital was only possible with the guarantee of return, and, consequently, independent evaluation of business structures. The usual way of obtaining reliable information – is an independent examination audit. Thus, the need for auditing has become an objective reality. [2].

In Uzbekistan, there is a gradual reform of the audit activities. The main reformer and regulator of the audit activities is the Ministry of Finance of the Republic of Uzbekistan in cooperation with the Chamber of Auditors of Uzbekistan and the National Association of Accountants and Auditors. At the moment, Uzbekistan has the following regulatory gradation of the audit activities.

The President of Uzbekistan Shavkat Mirziyoyev signed a Decree aimed at radically improving the activities of the Audit Chamber. Among the main objectives of the structure is the implementation of a system analysis of the formation of the state budget parameters, the audit of the security of the state and territorial programs being



taken by sources of financing, monitoring the completeness of the budget revenues, auditing the efficiency, and legality of the expenses.

In addition, the Chamber will be responsible for conducting an external audit of the monetary and foreign exchange policy of Uzbekistan, the state of assets and liabilities of the state, management of gold and foreign exchange reserves, as well as operations carried out with precious metals and precious stones. Now the staff of the Audit Chamber will be 70 people, of which 41 will be part of the Inspection to monitor the completeness of receipts. The head of the Inspection will be appointed and dismissed by the President personally. [3].

Shavkat Mirziyoyev provided the structure with a number of interesting powers. Those include the access to the database of government agencies and organizations, the introduction of mandatory submissions for the elimination of inconsistencies in these databases, as well as representations on the application of disciplinary measures to the heads of territorial tax and financial bodies.

The Chamber received the right to involve employees of financial, tax and other bodies in the ongoing activities to assess the correctness of forecasting the revenues of the state budget, expanding the taxable base, ensuring the completeness of tax collection and accounting of taxable items.

Based on the results of the inspections, it should enter proposals for further improvement of legislation and law enforcement practice, increase the effectiveness of government agencies and organizations, abolish inefficient tax and customs privileges, and change tax rates aimed at improving tax administration and completeness of tax base coverage.

One of the main tasks for the organization in the near future will be the creation and commissioning of a software package that provides real-time assessment of the taxable base, the full coverage of taxpayers by comparing databases of tax and other government agencies, organizations, and banks.

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