



IMPROVING FINANCIAL PERFORMANCE AUDITING BY APPLYING INTERNATIONAL AUDITING STANDARDS

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ABSTRACT

The article discusses various international standards of national standards, and also explores how you can improve the audit of financial results by applying international standards.

KEYWORDS: *International auditing standards, financial results, national auditing standards.*

INTRODUCTION

Currently, more and more companies need not only the organization of accounting and tax accounting, but also its constant control, since even the most experienced accountant or manager can make mistakes, and these mistakes can result in colossal losses and cause irreparable harm to the company. An audit helps to avoid many troubles.

The purpose of checking financial results is to establish the compliance of the accounting methodology used by enterprises for the formation and use of financial results with regulatory documents. This is necessary to establish the reliability of the final financial result and accounting (financial) statements in all material aspects [1].

Do not forget that the main users of the audit report and report are founders and investors. It is this factor that becomes the key to the need to improve the audit of financial results by applying international standards, since foreign investors can also be potential investors. And attracting foreign investors plays an important role for the further development of the country.

LITERATURE ANALYSIS

Issues related to the audit of financial results in commercial organizations have been investigated in the works of such scientists as: I. N. Bogataya, O. M. Gusarov, O. V. Kovalev, A. P. Kolesnikova, Yu. P. Konstantinov, MB N. WITH. Kosova, S. P. Suvorova, M. V. Melnik, E. M. Merzlikina, E. A. Mizikovskiy, Yu. P. Nikolskaya, N. V. Parushina, V. I. Podolsky and others.

The problems of improving audit and internal control in consumer cooperation organizations are devoted to the works of economists: I. T. Abdukarimov, O.B Buzdalina, E. A. Elenevskaya, V.

F. Ermakov, OA Efremova, M. V. Karaseva, V. I. Makarieva, G. Panaedova, N. P. Semenchenko, T. Yu. Serebryakova, A. Tkach and others.

At the same time, despite a fairly wide range of authors dealing with these problems, the issues of improving the audit of financial results in organizations have not been comprehensively studied. In addition, the available research in the field of auditing financial results does not take into account the specifics of organizations' activities. Currently, it is necessary not only to adapt the existing methods of auditing financial results to the specifics, but also to develop qualitatively new methodological approaches [2].

MAIN PART

Changes in the economic environment lead to changes in the functions and methods of control, complex branches of knowledge and branches of economic activity arise.

From the point of view of control over the formation of financial results and their reflection in the reporting, there are two types of control as the most effective: on-farm control and external audit [2].

A study of the practice of on-farm control shows that recently, large enterprises have been developing budgeting and budgetary control, which are a modernized type of planned and normative control method, and the domestic school of accounting and control has certain achievements in developing a methodology for a normative check form of accounting and control in internal cost accounting, we believe that further research in the direction of improving this methodology will be quite relevant and effective.



In international auditing standards, there is also no provision regarding the maintenance of audit working documents, and the methodology for their preparation by foreign audit organizations is confidential. Therefore, it is necessary to develop a perfect methodology for the preparation of audit working papers. Use a computer in audit. An audit is a complex and time-consuming process, therefore auditors are constantly working to reduce the audit time as much as possible, without reducing its quality, and, therefore, without increasing the audit entrepreneurial risk.

Continuously improve the qualifications of auditors. For the proper performance of their duties, auditors must be proficient in audit techniques, perfectly know the regulatory framework regarding the subject of the audit and the subject area of research, namely, the information obtained from the results of the previous audit is used by auditors for subsequent audit. Checking the status of accounting and reporting is carried out on the basis of the program.

By the beginning of the audit, the auditor gets acquainted with the normative documents that govern the accounting and financial reporting.

The auditor should have background material that summarizes the summary of laws, regulations, instructions and other guidance on accounting and reporting issues.

The program consists of the following questions:

- the state of accounting and reporting. It is found out in what form of accounting the accounting and tax accounting is carried out at the enterprise, whether the application of such a form of accounting provides verification of the reliability of the reporting data. Assessment of the state of accounting can be objective only after checking the accounting of individual transactions;

- the correctness of reflection in the accounting and tax accounting of the results of the previous audit (on accounting and reporting issues);

- correspondence of balance sheet indicators to the data of the General Ledger, registers of synthetic and analytical accounting, reports and documents attached to them;

- the correctness of the inventory of the cash desk, material values and calculations, and the correctness and obligation to carry out control sample inventories; quality and timeliness of checking inventory materials and compiling comparative information by the accounting department; timeliness and correctness of consideration and approval of the results of inventories by the head;

- the correctness of accounting for cash transactions and their compliance with the procedure for conducting cash transactions;

- the procedure for keeping records of costs, production costs and financial results (income, profits, profitability);

- the state of accounts receivable and payable; establishing the facts of overdue, bad debts, doubtful debts and measures to eliminate them and improve the financial condition;

- the reality of balance sheet items, the reliability of reports on financial results, cash flow and equity.

The auditor examines the volume and characteristics of economic activity, the structure of the accounting apparatus, document flow, the distribution of duties between accounting employees.

The completeness and timeliness of documentary registration and display in the accounting of all transactions related to the movement of inventories and funds is a criterion for assessing the setting and state of accounting.

In the course of an audit of financial statements, the accuracy of the reflection of the financial position and results of the enterprise's activities, the compliance of accounting with the established requirements and criteria, and compliance with the current legislation by the audited enterprise are established. Of particular importance is the fact that the verification of the reliability of the company's statements, compliance with the current legislation and the drawing up of an audit opinion on this issue is performed by an independent auditor.

The question of determining the materiality in the process of auditing is very significant. The materiality of information is understood as its importance for these financial statements. Information is tangible if its absence significantly affects the reliability of financial statements.

It can be briefly described that materiality is the maximum allowable level of possible distortion of an individual item or financial indicator in the reporting, as well as financial results in general, or the maximum allowable amount of an erroneous amount that can be shown in published financial statements and be considered as immaterial, that is, not introducing users are confused.

It should be noted that materiality in this case will be quantitative, since it can be calculated.

When writing a report, the auditor can ignore intangible information and consider it as non-existent. But if inaccuracies in deviations from the GAAP, changes in accounting, etc. have a sufficiently tangible impact on financial performance, it is necessary to amend the standard audit report. In practice, when deciding whether the information is material enough to make such changes, it is necessary to distinguish between lesser and greater degrees of materiality. Information of a lesser degree of materiality is important and it is necessary to

disclose it or make appropriate restrictions in the conclusion [3].

This information cannot be ignored. To a large degree of materiality, information is very important and significantly affects the content of the audit report. The auditing standards indicate the main

reasons leading to deviations from the standard positive audit report.

But it is worth considering certain problems in the implementation of international standards, these include Fig. 1.

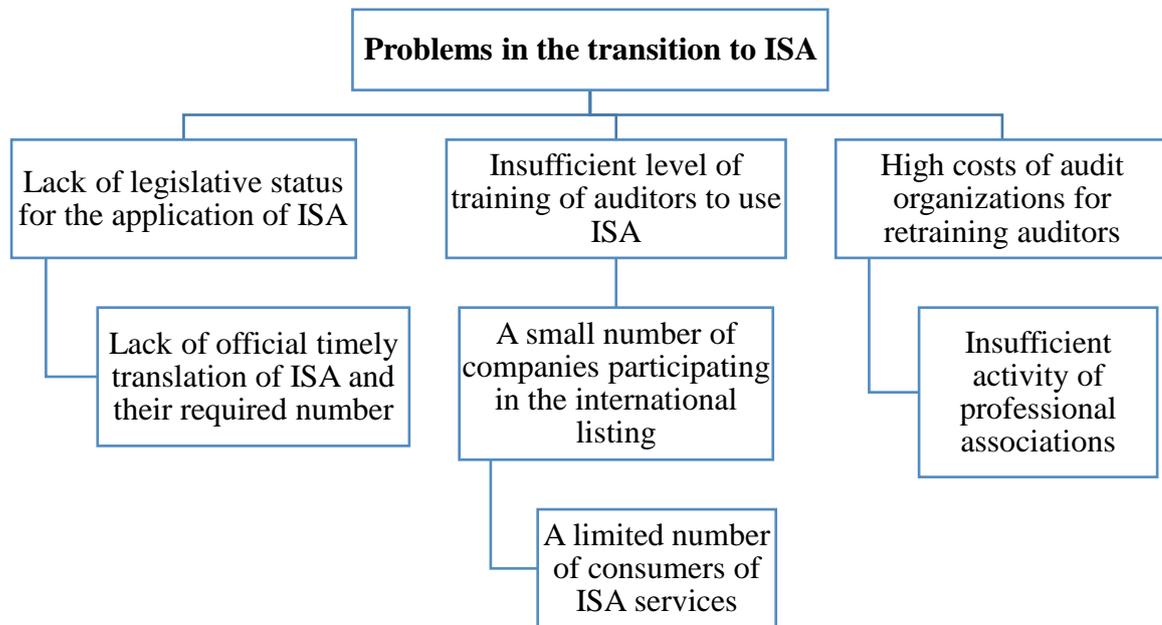


Figure 1. Problems in the transition to ISA [4]

CONCLUSION

In Uzbekistan, independent audit activity has found application quite recently, therefore, auditing is a new business, which is based on audit and control. Therefore, it is necessary to look for ways to improve the audit procedure and technique, taking into account modern scientific advances. Also, annually carry out work on improving the qualifications of auditors. Improve the system of economic control in the country as a whole, improve the legislation of Uzbekistan in the field of financial control. It is necessary to revise the norms of legislative support for the subjects of the audit system for maximum approximation to international and European standards, as well as to implement legal and methodological consolidation of audit as a modern progressive type of control in Uzbekistan [6].

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