



## **IMPROVEMENT OF PROCEDURES FOR THE ORGANIZATION OF AUDIT**

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### **ABSTRACT**

At the present time, one of the most pressing scientific problems in the practice of auditing is to eliminate a number of problems that need to be solved in the process of reviewing, conducting and generalizing the results of audits, improving their theoretical and methodological foundations. These are, firstly, the inability to apply the rules and regulations on accounting and auditing activities to the level of requirements in audit practice, secondly, the insufficient study of the methodological aspects of the organization and conduct of the audit, thirdly, the inability to generalize and formalize the results of the audit in the audit work in accordance with the current requirements, and secondly, the risk of auditing, the lack of transparency. On the other hand, such situations as the definition of indicators of the quality of audit work and the effectiveness of audit organizations and the method of its assessment are not developed at the level of modern requirements..

### **KEYWORDS**

Focusing on the scientific research carried out in our review, the issue of solving the problems of the past, the planning pressures of auditing, in particular the improvement of the preliminary planning methodology, has not been discussed in detail as a whole, holistic scientific work so far. The expanding concept of auditing, and the shortage of fundamental research in this field, has led to the need for scientifically based reviews to improve the initial planning process, defining the relevance and significance of preliminary planning processes. Elimination of the above-mentioned existing cases determines the relevance of this article and the priority areas of scientific research, requires an in-depth study of scientific problems aimed at improving the preliminary planning procedures of audits conducted in our country.

## Introduction

Rossiyskaya economist Yu.I. Novikov said that "audit planning is a detailed approach to the development of a general strategy and the expected nature, timing and volume of audit procedures.... Audit planning involves three main steps: 1) Pre-audit planning; 2) Auditing of the mind of the river; 3) Setting up and drawing up an audit program."<sup>1</sup>

According to Tatyana Rybak and Maria Lavrentyeva, "in order to implement the directions of the overall audit strategy, the audit organization develops and documents the audit regime."<sup>2</sup>

In the process of preliminary planning of the audit, the documents or sources of information obtained by the auditors are considered<sup>3</sup> in the research of the economist A. Sattorov.

Economist I. Meliev<sup>4</sup>'s research reveals the essence, significance and essence of the actions performed in the preliminary planning.

According to researcher O.R. Raimberdiyeva, "planning is the initial pressure of auditing, which includes the development of a general audit plan by the audit organization, which specifies the amount, schedules and timing of the audit, as well as the development of an audit program that defines the volume, types and types of audit. The sequence of audit procedures necessary to shake up the audit organization and the financial viability of the organization is a reasonable consideration."<sup>5</sup>

Economist N. Kalutskaya notes that "when planning an audit, the following documents are drawn up: a working document on the study of the client's personal activities, a letter on the audit, an audit agreement, a general regime and an audit program. In the formation of this activity, the listed documents are the main body. The purpose of audit planning is to provide effective economic performance within a certain time frame, as well as to identify existing problems in the company that require immediate action. In the planning of audit activities, aspects such as goals, objectives, responsibilities of auditors and a plan of general activities are defined."<sup>6</sup> 900315991

From the foregoing, it is clear that the preliminary planning procedures for the audit are not detailed or sufficiently researched in the auditing regulations, literature and reviews.

## Analysis and results

Due to the fact that auditing activity in the Republic is an emerging type of activity since the period of independence, there are cases of inconsistency of the requirements of the regulatory documents on this activity with the requirements of practice, which entails practical and theoretical improvement of the audit activities in accordance with international experience and international standards. For this purpose, when we analyzed the requirements of the International Auditing Standard No. 300 (hereinafter AHS) in terms of content and form, it turned out that the content and significance of the

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<sup>1</sup> Novikov Y.I. Planning of audit and assessment of the system of accounting and internal control for accounting of settlements with VAT in LLC "Yasnoe delo", Omsk // Electronic scientific and methodological journal. Omsk State Agrarian University. - 2021. -No3(6) July - September. - URL <http://ejournal.omgau.ru/index.php/2021-god/5/29-2016-2/368-00118>. - ISSN 2413-4066

<sup>2</sup> Tatyana Rybak and Maria Lavrentyeva. Planning of the audit and the procedure for its implementation. [https://www.minfin.gov.by/upload/audit/sm\\_i/2021\\_11\\_gk.pdf](https://www.minfin.gov.by/upload/audit/sm_i/2021_11_gk.pdf)

<sup>3</sup> A.Kh.Sattorov. The importance of reviewing audits and evaluating the internal control system. Journal of Finance and Banking 4 (2022), pp. 97-104. [journal.bfa.uz](http://journal.bfa.uz)

<sup>4</sup> Methods of conducting auditing: problems and solutions. Monograph-T.: "VNESHINVESTPROM", 2020. 191 pages

<sup>5</sup> Raimberdiyeva O.R. Osobennosti planirovaniya audita v Respubliki Uzbekistana [Features of audit planning in the Republic of Uzbekistan]. - Text: immediate // Young Scientist. — 2020. - No. 2 (106). - P. 578-581. - URL: <https://moluch.ru/archive/106/25319/>.

<sup>6</sup> Kalutskaya Natalia Alekseevna. Main stages of audit planning. Journal "Modern Russian Science". Belgorod, RF. Oct. 2021

audit planning pressures, the theoretical and practical aspects of the requirements imposed on it were not clearly disclosed,

and the differences in the characteristics of audit planning pressures were not disclosed.

It is known that in AHS No. 300 entitled "Planning of the Financial Audit", it is established that the audit planning process should be carried out in two stages, i.e., on the basis of the steps of developing an overall audit strategy and preparing an audit plan. However, due to the fact that the pressures specified in AHS No. 300 were ruptured and ruptured, it did not allow for perfect planning of the seedling inspection from this normative zújjat. In our opinion, it is expedient to carry out the audit planning process by dividing the process into three subheadings:

1. Initial remediation;
2. Preparation of a common regime;
3. Preparation of the audit program.

It was also found in the course of the study that while the tasks and requirements to be performed in the initial planning phase were not generally outlined in AHS No. 300, the preliminary planning actions were described in very short and abstract content in the existing educational literature and research work. As a result of the research carried out in the audit organizations in cooperation with the Chamber of Auditors of Uzbekistan and the National Association of Accountants and Auditors of Uzbekistan, it was found that the preliminary planning process in practice is not carried out superficially or in accordance with the requirements of international standards of current auditing.

It is important to note that in the international standards of current auditing, the audit planning process actually begins with the initial planning of the audit, the tasks to be performed in this process or the content of the audit actions are not specified. In our opinion, first of all, it is necessary to add an additional clause to AHS No. 300, which expresses the content of the initial audit planning process. We propose to elaborate on the initial planning process in this proposed clause. In our view, the inclusion of the content of the preliminary planning process in the standard will allow the auditor or audit organization to have a better understanding of the essence of the preliminary planning process and its distinctive features, as well as to obtain clear information about the tasks to be performed in it. "In the initial planning process for the auditor, the following are identified as sources of information on the subject (Table 1).

**Table 1 Auditorlic Auditing Costly Sources of Planning<sup>7</sup>**

1	Wikipedia:WikiProject Archives
2	Hýzhalik jurituvči sub'ektni rýyhatga olish týğzhatlar
3	Documents regulating the Government's Jisob Policy and Amendments to it
4	Hýzhalik jurituvči sub'ektni rýyhatga olish týğzhatlar
5	Minutes of meetings of the shareholders' meetings of the supervisory and (or) regulatory bodies or other similar governing bodies
6	Accounting Department
7	Statistics of Statistics
8	Contracts and Agreements of the Contracting Entity
9	Database of internal auditors
10	Branch Hall and Shuba Societies District
11	Documents regulating the development and organizational structure of the Khuzhalik subject, its branches and shuba societies
12	Information on the qualification level of the audit organization specialists (in order to assess the sufficiency of specialists who understand the scope of activity of the customer of the audit and to determine the need for expertise)

<sup>7</sup> Prepared by the Author

In addition, in AHS No. 300 entitled "Financial Audit Planning", the requirements describing the preliminary audit planning process are set out in a general and abstract manner, and in order to clarify them, we propose to amend this paragraph of the standard as follows:

"At the initial review stage, the auditor must be familiar with the financial activities of the subject of the khuzhalik and have an account of the activities of the khuzhalik subject:

1. Information on external factors affecting the financial and economic activities of the subject of Khuzha;
2. Information on internal factors affecting the financial and economic activities of the subject of Khuzhalik;
3. Information of the customer of the audit on the characteristics of activities and the requirements of the documents of the company regulating these types of activities".

We also believe that it is sufficient to include the exploration of sources of reserves in AHS No. 300 in the general planning section of the audit and to include the auditors in the preliminary planning process and to make appropriate additions and amendments to the existing AHS No. 300 regarding the preliminary planning process. In particular, in AHS No. 300, it is expedient to include the following in this HAS, in order to clarify the contents of the Preliminary Planning Process and to clarify the above problematic aspects of the auditor's duties in the preliminary planning process.

"During the preliminary planning phase, the audit organization assesses the potential for auditing the audit customer and agrees on the terms of the audit agreement with the encouragement of the entity. If the audit organization decides that it is possible to conduct an audit, it will try to form an audit group and execute an audit agreement with the client."

In our opinion, it is expedient to send a letter to the audit organization after the initial planning actions are carried out to the incentives of the subject conducting the audit on the effective organization of the audit . In our opinion, it is expedient that the exemplary form of this letter should be prepared in the context of the poem.

We inform you that an audit will be carried out by us from 8 April to 28 April 2022 in accordance with the Audit Agreement No. 03/2019 with the entity you are sponsoring. In this regard, in order to ensure that the audit is carried out in a timely manner and in the prescribed manner, we ask you to provide the following guidelines for the activities of the audit team:

1. A separate hall for the inspection team, \_\_\_ work urns with workplaces, at least 2 access points to power sources each, a telephone line providing long-distance telephone access and access to the Internet.
2. Authorization for audit guru specialists to access accounting body databases that allow computers to extract the text of the accounting body regents.
3. Permission to access the printer or network printer.

4. Annual statistics and accounting for the year 2022 with annotations of izobots in the paper.

5. Interim Accounting Standards for the Quarters of 2022.

On 6.6.2022, with the declaration of the tax authorities (4 quarterly VAT), as well as all additional and clarified declarations for 2018, decipherka of normative deadlines for capital expenditures.

7. Accounting Regulations for 12 October 2022, Exempt Items, Basic Means OS-1 Acts and State Registration Data.

8. Acts of comparison of funds with receivers and creditors as of 31.12.2022 of the audit period;

9. Acts of comparison with tax authorities.

10. Acts of inventorying of properties and complexes of the Joint Stock Company for 2022, comparison-appraisal records on the results of inventory.

11. Registers of Khuzhalik Contracts.

12. Copies of the Register.

13. In 2022, the Journal of Organs is a member of the Institute.

14. Minutes of meetings of shareholders and supervisory board of the company, founders for the 4th quarter of 2022 and the 1st quarter of 2019.

15. Copies of the articles of association and constituent documents, copies of certificates of renewal if changes were made in the activities of the company in 2022.

16. Certificates confirming the changes made to the constituent society of the society.

17. Order of the Mizhoz-Korkhana Patrons and Branches.

18. Copies of the Joint Stock Company's Physical Policy for 2022 and its appendices.

19. Copies of the Joint Stock Company Archives of the Joint Stock Company, which were opened on 31.12.2022.

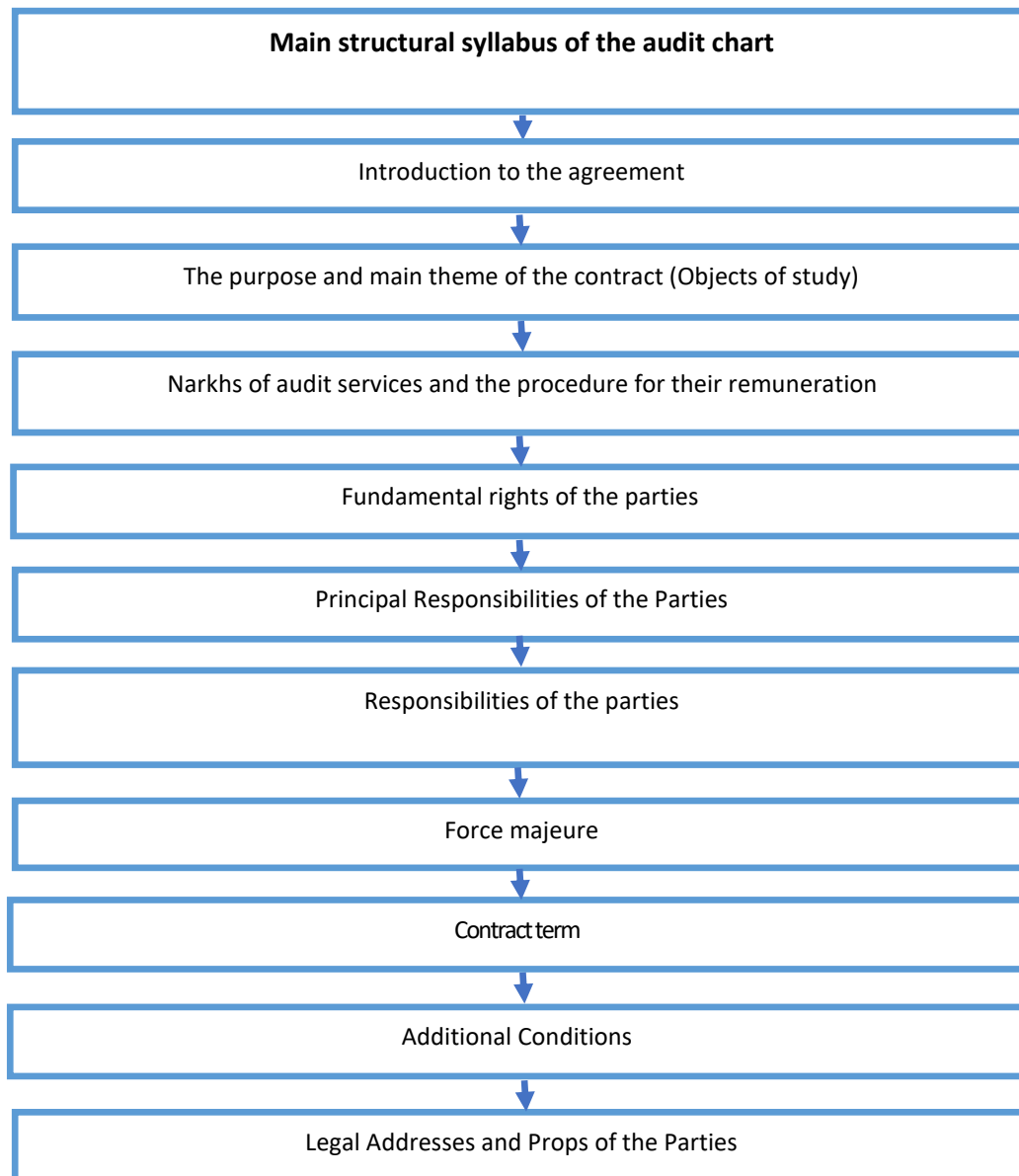
20. Certificates confirming the investment of the hololatíga community on 31.12.2022 in the Aktsmallik society.

21. Audit opinions, auditors' corrections and procedures for the previous period.

The essence of this letter recommended is to ensure that the necessary conditions for the audit process are created in the subject of the audit and that the audit documents are submitted in a timely manner.

Reaching an initial audit agreement means gathering the necessary information on the activities of the subject who applied for the audit and explaining to the subject the requirements of the audit and the audit agreement.

Audit practice shows that in the currently available literature, auditing documents and studies, the requirements of the content and form of the audit agreement, in simple terms, the exemplary form and content are not given. This leads to different approaches and misunderstandings on the part of the auditor, audit organization and customers of audit services when preparing the contract.



**1-Fig. Structure names of audit agreement<sup>8</sup>**

The main purpose of concluding an agreement on the provision of audit services is to formalize the status of establishing, changing or terminating the mutual rights, obligations and obligations of the audit organization and the customer of audit services. In our opinion, it is desirable that the main components of the audit agreement, which is drawn up by the International Standards of Auditing (Fig. 1).

Amendment of the Audit Agreement means amendments, additions and amendments to its terms and means the pre-termination of the termination period, i.e. the validity of the agreement before the specified period. In practice, the amendment and termination of the contract can be made by agreement

<sup>8</sup> Prepared by the Author

of the parties. The concluded audit agreement may be amended and terminated in court at the request of one of the parties.

## Conclusion

In our opinion, preliminary planning of an audit is a process that includes the activities prior to the conclusion of the audit agreement between the contracting entity and the audit organization, during which the audit organization must familiarize itself with the activities of the audit customer, provide the appropriate license and information on the auditor's qualification certificate giving the customer the right to carry out audit activities, provide the audit customer's internal and The process of obtaining information on external activities, establishing the capacity to audit the subject of the client, agreeing on the terms of the audit agreement with the encouragement of the contracting entity, forming an audit working group to audit the customer, and finally, drawing up an audit agreement.

At the stage of reaching the preliminary audit agreement and preparing the audit agreement, the audit organization agrees on the form (mandatory or initiatory) of the audit client from the audit, the purpose of the audit, the types and amount of audit services provided by the organization, the issue to be addressed during the audit and the audit evidence and other mandatory terms of the audit agreement (the amount of service fee and payment procedure) should be obtained.

In our opinion, preliminary review of the audit allows the audit organization to assess the customer's audit capacity and to agree on the terms of the audit agreement with the audit customer. This entails the formation of an audit team and the execution of an audit agreement with the audit customer if both parties decide that it is possible to conduct an audit.

Implementation of the preliminary audit planning process in accordance with the procedures recommended in this article will provide an opportunity for audit organizations to evaluate the audit capacity of the audit entities, to get acquainted with the activities of the audit customer, to get acquainted with the audit customer, to improve and optimize the process of agreeing on the terms of the audit agreement with the audit customer.

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