

ORGANIZATION OF THE INTERNAL AUDIT SERVICE AND ASSESSMENT OF ITS IMPACT ON EFFICIENCY

Shafkarov Fahriddin Khudaiberdievich
National Research University “TIIAME”
Assistant of the Department of Accounting and Auditing

ABSTRACT	KEYWORDS
<p>This article covers the methods of organizing an internal audit, assessing its activities, as well as how an internal audit is carried out in a sanatorium-wellness institution. It is envisaged to achieve the current and strategic objectives of its activities in the sanatorium-wellness institution and to organize an internal audit.</p> <p>In sanatorium-wellness institutions, the risk of organizing an internal audit service and reducing its effectiveness and determining the reasons for their occurrence were identified. It is possible to determine if the institution will increase the effectiveness of the project, ensure savings in funds and achieve efficiency goals. The organization of the Internal audit Service of the sanatorium-wellness institution is discussed. At the first stage for the development of a system of coordinating indicators, the strategic goal of the Internal audit Service is formed and the main factors for achieving it are determined.</p>	<p>Financial reporting, accounting, internal financial control, internal audit, Internal audit Service, factor, assessment, efficiency.</p>

Introduction

The purpose of organizing an internal audit is to assist in making management decisions, ensure the reliability of financial statements, make recommendations for the development and elimination of identified shortcomings of sanatorium-wellness institutions, and control their implementation.

In sanatorium-wellness institutions, there are criteria for the feasibility of establishing an internal audit department, which are the following:

- first, it allows the supervisory board or executive body to exercise effective control over the autonomous units of the institution;
- secondly, targeted control checks and analysis work carried out by internal auditors will determine the most promising areas of production reserves and development;
- thirdly, internal auditors, along with supervision, also perform the task of providing advice to officials of the financial and economic, accounting and other services of a higher institution, its branches and subsidiary enterprises.

The main stages of the organization of the Internal audit Department in sanatorium-wellness institutions:

- to identify and correctly determine the issues that must be resolved through the organization of the

Internal audit Department, to create a system of goals for the organization of the department in accordance with the accounting policy of the institution;

- clarification of the main tasks necessary to achieve the goals set;
- to combine a kind of tasks into groups and, on their basis, to form a structural unit of a department specializing in the performance of these tasks;
- development and approval of the scheme of interaction of each structural unit, the determination of rights, obligations and responsibilities, the regulation on their office guidance and Internal audit Department;
- unification of structural units into a single Internal audit Department, determination of its organizational status, and development and approval of a regulation "on Internal audit Service" in accordance with the appropriate set of goals, objectives and functions of structural units;
- integration of the Internal audit Department with the management units of institutions;
- development of working standards and code of ethics of internal audit.

To form an internal audit service, its proper organization, as well as its implementation in accordance with the sequence, provides an opportunity to greatly facilitate the work of sanatorium-wellness institutions. On the basis of the stages of internal audit in sanatorium-wellness institutions, a unified procedure for conducting an internal audit is established.

The main focus of the subjects with whom the Internal audit Service is established should be on the effective use of the work of the Internal audit Service.

Material

Sanatorium-wellness the organization of activities carried out by internal audit personnel, types of works and services, organization of production and a detailed examination will make it possible to find better ways to develop this area.

Sanatorium-wellness identification of the weaknesses of the institution will become the basis for assessing its bararity in modern conditions and determining the prospects for development.

V.V.Bursev, using a special approach, considered internal control from the point of view of participation in the management process, recognized the transparency of information for effective decisions of the management object as the goal of internal control, and defined internal audit as one of the forms of internal control. He believes that the definition of internal control, defined as a structural-functional form, reflects the interconnections of units of their organizational structure in accordance with control functions and can be applied to all economic entities in contrast to internal auditing.

L.V.Sotnikova considers internal audit not a form of Organization of internal control, but a structure that complements the structural system of internal control and is part of its configuration.

Ya.V.Sokolov believes that " internal audit – written information on the audit summary and the results of the audit should take into account that it is fully responsible for determining the content of the control risk, the deadlines and size of the audit rules. This assumes a comprehensive assessment of the effectiveness of internal auditing. This uses the methods and forms used to assess the state of internal control elements.

A.D.Sheremet and W.P.Suys argues that "internal auditing is not just giving the business entity its own information, but confirming the accuracy and reliability of the reports".

It has been demonstrated that sanatorium-wellness can positively influence an institution's ability to properly define its policies and practices through its current internal audit activities. However, the

personnel responsible for the Sanatorium-wellness institution do not always correctly understand or fully comply with these policies and actions. There is no time for the managers of the business entity to complete these and determine the shortcomings in time. It seems to us that it is this problem that the internal audit service solves.

Due to their daily activities, The Specialists of this service or department provide an opportunity to protect sanatorium-wellness institutions from serious errors in the management system, losses, erroneous calculations, shortcomings, and identify ineffective directions that the business entity can lead to a crisis. At the same time, it is worth noting that their functions are not limited to verification and control, they work with employees of the enterprise in times. They inform senior management about all their actions and constantly discuss their directions, introduce clarifications and, thanks to this, form promising plans for the future of their service. Sanatorium-wellness both the management apparatus of the institution, in turn, will have additional information from the Internal audit Service that will help improve management.

The Audit Service should be provided with the following internal audit regulations: Internal audit Service Regulations, Office instructions of specialists, calendar plans of the department and its specialists, methodological manuals on questions of auditing, internal audit standards, norms (rules) for internal audit processes, methodological instructions for obtaining internal audit style and audit evidence, methodological recommendations for auditing and implementation of results.

Factors

It consists in the organization of a system of analytical accounts that provide a wide range of information for the performance of the functions and functions of internal audit. As factors affecting the implementation of the idea, the following can be shown:

1. The fact that the parties involved are located outside the territory of the institution, complicates the operability, reliability and sometimes correctness of accounting information both on the territory of the country where the institution was registered and on the territory of another country.
2. The possibility that the parties involved may be registered on the territory of other countries and the need to organize accounting on the basis of the requirements of the country of registration, and the need to form the report as an information supply of internal audit.
3. The characteristics of the product offered by the enterprise, the technology of its production, the features of the organization of production, the specialization of production and the features of the formation of this cost and income, as well as their impact on the organization of analytical accounting.
4. The fact that The Associated party (an enterprise carrying out a full or partial period of auxiliary production, production and sale of products, etc.) has different functional aspects. It assumes to take into account aspects of the assessment of expenses, income, individual features of the accounting of calculations and their effectiveness in domestic economic operations.

The organization of the Internal audit Service serves to determine the effectiveness of the subject. Because, the Internal audit Service is studying daily processes and giving advice on how to eliminate shortcomings.

Evaluation

The assessment of the importance of Internal audit Service in sanatorium-health institutions has a number of features, and they are manifested in the following.

1. Sanatorium-wellness assessment of the current state of the institution. This ensures the general meeting of shareholders (founders) and the trust of the Supervisory Board in the regulations, established requirements, processes and internal control system in force under the internal audit. Current status assessments focus primarily on existing projects, agreements, and processes. It studies the activities of the economic entity and corporate governance issues based on the specific methodology and applied dishes of the Internal audit Service.

2. Sanatorium-improving the efficiency of the institution's activities. Based on the proposals and recommendations developed by the Internal audit Service, it helps to determine the possibilities of saving resources by further developing the activities of the economic entity, increasing its efficiency.

3. Development of the goals and objectives of internal audit. The implementation of the Internal audit Service, taking into account future risks, assesses the financial condition of the economic entity and determines the management strategy. The main focus in this is on the reliability of the information provided to the management and the fact that it is obtained from specific sources.

The effectiveness of the Internal audit Service depends on the fulfillment of the requirements of the adopted regulatory documents. Each economic entity must independently determine the system of indicators that determine the effectiveness of the Internal audit Service, having developed calculations and evaluation dishes of the main indicators in order to obtain an objective assessment of the Internal audit Service.

Quality criteria for assessing the activities of Sanatorium-wellness institutions are used a lot in practice. However, the specific criteria of the Internal audit Service are not formulated, while their results are practically not used in practice for the purpose of improving the Internal audit Service.

Let us cite some indicators that can be applied to quantitatively assess the effectiveness of the Internal audit Service:

- the amount of the results of the completed audit, which is presented according to the plan approved by the management of the society;
- the number of audits conducted by each auditor during the period;
- the number of audits conducted according to the budget;
- percentage of audited recommendations performed;
- the amount of repeated audit recommendations;
- direct cost reduction (savings) as a result of the implementation of audit recommendations;
- the degree of satisfaction of audit customers (customers).

There should be a program to improve the quality of its work along with the process of periodic assessment of the effectiveness of the Internal audit Service. The following will be included in the list of activities carried out within the framework of this program:

- current control (monitoring) of internal audit quality.

Such control is carried out by the head of the Internal audit Service and managers in the process of conducting an audit. Monitoring is aimed at compliance of the activities of internal auditors with the process and regulations of the enterprise and Internal audit Service. It also allows the head of the Internal audit Service to make sure that auditors carry out the audit assignment at the required level;

- an internal assessment dish held at least once a year by the chief and managers of the Internal audit Service. Their goal is to identify reserves for improving the activities of each internal auditor and, in general, the service with their own forces;
- external assessment, which is carried out at least once every 5 years. This is done by external counting

structures in relation to the Internal audit Service.

The Internal audit Service is engaged in the implementation of one of the strategic goals of the enterprise. Control indicators are necessary to determine whether the strategy is being implemented correctly, to make the contribution of the Internal audit Service to the overall financial results of the enterprise visible, as well as to assess the capabilities of each employee. Therefore, in achieving the set goal, it is advisable to use a system of coordinating indicators to assess the effectiveness of the activities of the Internal audit Service.

Conclusion

The conclusion is that for the effective organization of the Internal audit Service, the supervisory board must ensure the independence of the activities of the internal auditor, guarantee that the Internal audit Service will carry out its activities in accordance with the requirements of the regulation "on the Internal audit Service at enterprises".

As a result of the application of the stages of conducting the internal audit proposed by the author in the organization of the Internal audit Service, in the process of documenting it, timely conclusion of the internal audit plan and program, preparation of an internal audit cost estimate, development of the Internal audit Service staff position instructions, implementation of day-to-day work processes.

References

1. Burtsev V.V. Standardization of internal audit and joint-stock company. – Moscow.: Auditor, 2002. – 48 p.
2. Sotnikova L.V. Internal control and audit. Textbook / VZFEI. - Moscow.: Finstatinform CJSC, 2000. - 239 p.
3. Sokolov Ya.V. Fundamentals of auditing. – Moscow.: Accounting . 2000. – 456 p.
4. Sheremet A.D., Suits V.P. Audit. Textbook. – 5th ed., revised. and augmented. – Moscow.: INFRA-M. 2008. – 448 p.
5. Butera A. Mastering the Five Tiers of Audit Competency: The Essence of Effective Auditing (Internal Audit and IT Audit), Auerbach Publications, 2016 – 183 p.
6. James C. Paterson Lean Auditing: Driving Added Value and Efficiency in Internal Audit, 2015 - 328 p.
7. Lynford Graham Internal Control Audit and Compliance: Documentation and Testing Under the New COSO Framework, 2015 – 416p.
8. Norman Marks World-Class Internal Audit: Tales from my Journey, 2014 – 244 p.