

Pirnazarova Gulnora Urumbaevna

Applicant of TSUE, Department of Accounting,

Tashkent, Uzbekistan

PRACTICAL STATE OF THE ORGANIZATION OF THE INTERNAL AUDIT SERVICE IN BUSINESS SUBJECTS AND ITS ANALYSIS.

***Annotation.** The article examines the practical situation of the organization of the internal audit service in business entities and the problems of its analysis. Research is being conducted in developed countries to improve internal audit processes. These studies identify the features of the use of international standards of internal audit, the advantages of meeting their requirements and their introduction into the national economy.*

Keywords. Audit, costs, business entities, analysis, practical skills.

Introduction

In world practice, the legal basis of internal audit is regulated based on the standards developed by the Institute of Internal Auditors. In these standards, the formation, definition, purpose, tasks and principles of internal audit have a leading place. Currently, international standards of internal audit have been developed and implemented in international practice. The international basis of professional practice of internal audit is today the basis of interstate and national legislation on internal audit, and on its basis relevant recommendations are being developed for the governing bodies of a number of countries. Improvement of internal audit activities in countries based on international standards remains one of the urgent issues of today.

Literature review

Scientific research on influencing economic growth by improving the internal audit service is conducted by the world's leading higher education institutions and scientific centers, including the World Bank, The Center for Economic and Business Research (CEBR), American Accounting Association, American Institute of Certified Public Accountants (ACIPA), The Institute of Internal Auditors (IIA), Pricewaterhouse Coopers, Ernst&Young, The Institute of Chartered Accountants in England and Wales - ICAEW, International Accounting Standards Board

(IASB), University of Cambridge, Oxford University (Great Britain), Kyoto University (Japan), conducted by St. Petersburg State University (Russia), Tashkent State University of Economics and Tashkent Financial Institute (Uzbekistan).

A number of scientific results have been achieved in the course of scientific research on the improvement of the internal audit service: the characteristics of internal audit in the management system have been revealed (Washington, DC: World Bank); recommendations on improving the internal audit system based on international standards were developed (The Institute of Internal Auditors); The relationship between internal audit and external audit costs is based (University of California, USA); the procedure for compiling financial statements based on international standards was developed (International Accounting Standards Board); the procedure for analyzing the impact of the internal audit service on financial statements in enterprises has been improved (American Institute of Certified Public Accountants (AICPA)); Recommendations for improvement of internal audit systems in the federal treasury based on international standards have been developed (St. Petersburg State University (Russia)).

Globally, scientific research is being carried out in the following priority directions for the improvement of the internal audit methodology: adaptation of the internal audit service in countries to international standards; improvement of internal auditors' evaluation methodology; achieving cost reduction in entities based on effective organization of internal audit service; to achieve the formation of an effective management system in enterprises by analyzing the reports of the internal audit service.

B.A. Khasanov in his scientific research focused on the system of computerization of the internal audit service.

In N.F.Karimov's scientific works, aspects of internal audit organization in commercial banks and improvement of its methodology were studied. K. B. Akhmadjonov revealed some issues of improving the internal audit methodology in business entities.

In the above scientific studies, the internal audit plan, preparation of working documents of internal audit, summary report, improvement of internal audit methodology, system of certification of internal auditors at the international level have not been fully studied.

Methods and analysing

In the developed countries of the world, research is being carried out to improve the processes of internal audit. These studies determine the features of the use of international standards for internal audit, the fulfillment of their requirements and the benefits of implementation in the national economy. Bringing the regulations governing the activities of internal audit in business entities in line with international requirements based on the introduction of experience and scientific achievements of developed countries is an important factor in improving the efficiency of the internal audit institution, forming an effective management system and attracting investors in order to reduce business risks of the service

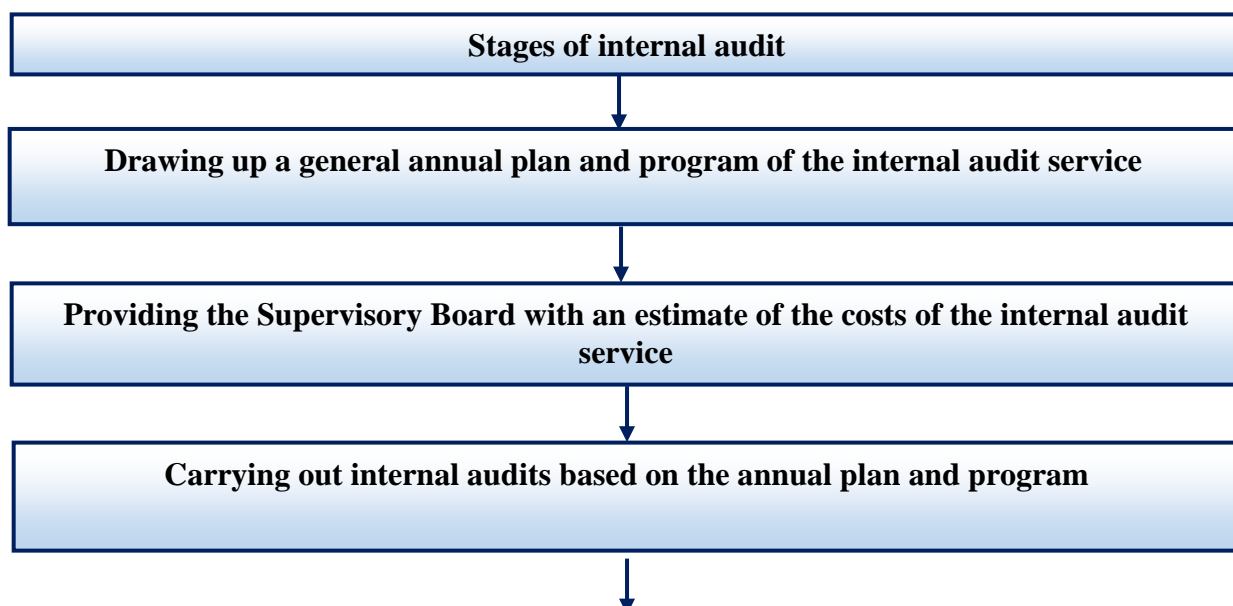
internal audit.

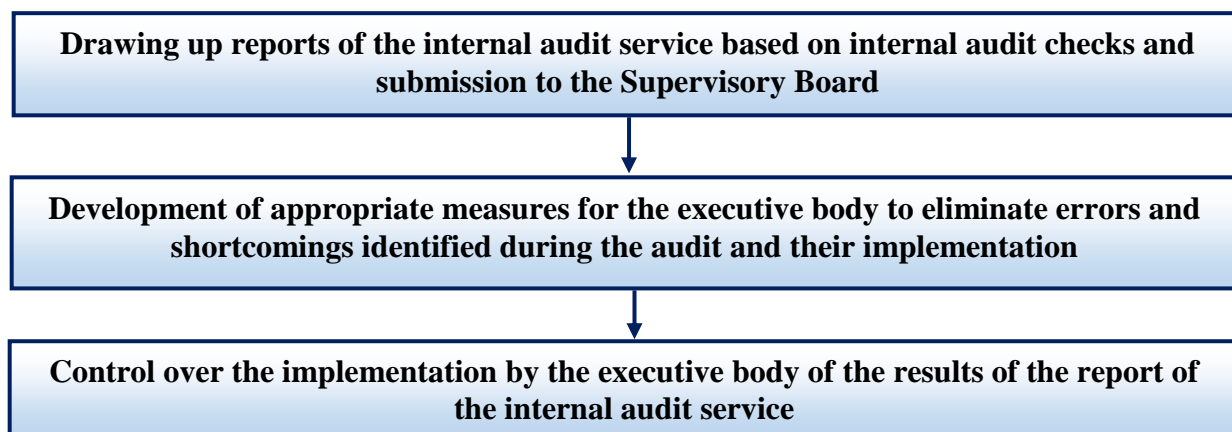
Improving the theoretical and legal foundations of internal audit, the mechanism for organizing the internal audit service in accordance with the requirements of international standards and the creation of methodological foundations for assessing the effectiveness of internal audit remains one of the important tasks for today. To implement the priority tasks identified in the “Action Strategy for the Five Priority Directions of Development of the Republic of Uzbekistan for 2017-2021”, adopted at the initiative of the President, our country needs a comprehensive and balanced socio-economic development of regions, districts and cities, active attraction of foreign investment in sectors of the economy and regions of the country by improving the investment climate, introducing modern standards and methods of corporate governance, strengthening the role of shareholders in the strategic management of enterprises. In order to ensure the fulfillment of these tasks, it is necessary to develop, in accordance with international standards, the legal and regulatory framework for internal audit that regulates internal audit activities, conduct research work on the organization of internal audit based on international standards and its improvement.

Currently, a number of scientific studies are being carried out in the world to improve the methodology of internal audit in the following priority areas: bringing the internal audit service in countries in line with international standards; improving the methodology for evaluating the effectiveness of internal auditors; reducing the costs of subjects by organizing the effective work of the internal audit service; formation of an effective management system at enterprises by analyzing the reports of the internal audit service.

When preparing reports for the internal audit service of economic entities, attention should be paid to the sequence of stages in the process of its implementation. The structure of the stages of internal audit is important, and it is advisable to present it in the following form (Fig. 1).

The analysis shows that the formation of an internal audit service provides an opportunity to simplify the work of business entities only if the organization is properly organized and the above sequence is followed.





Therefore, for the effective organization of internal audit, the annual work plan and program of the internal audit department must be approved by the Supervisory Board. In the internal audit planning process, a plan is drawn up covering the results of the annual work, and based on this plan, the head of internal audit develops an internal audit program.

Conclusion

As a result of scientific research, the following conclusions were made regarding the organization of internal audit and improvement of its methodology:

1. The author's definition of the concept of internal audit: "Internal audit is an activity organized to regularly and independently assess the reliability and efficiency of risk management, internal control systems, including corporate management practices based on generally accepted international and national standards in the field of internal control." was developed.

2. The regulatory and legal documents of the internal audit service were studied and practical proposals for amendments and additions to the relevant clauses of the Regulation "On Internal Audit Service in Enterprises" were substantiated. The national standard of auditing activities entitled "Using the work of the internal audit service" was developed and recommended for implementation. Also, AFMS No. 12 "Assessment of accounting and internal control system during audits", Regulation No. 2361 "On the procedure for certification of internal audit service employees" issued by the Ministry of Justice on May 12, 2012 on the

certification system of internal audit service employees in the Republic of Uzbekistan It was proposed to make additions and changes to the relevant clauses.

3. Based on international experience, the establishment of the Institute of Internal Auditors in our country in order to regulate internal audit activities in our country will serve to increase the quality of internal audit services.

The opening of the Institute of Internal Auditors in Uzbekistan will allow employees of the internal audit service to obtain the 3-level "Certified Internal Auditor" (Certified Internal Auditor, CIA) certificate at the international level, and improve the internal auditor certification system through public organizations of auditors.

4. As a result of applying the stages of conducting an internal audit proposed by the author in the organization of the internal audit service, in the process of documenting it, the timely creation of the internal audit plan and program, the preparation of the internal audit cost estimate, the development of job instructions for the employees of the internal audit service, the implementation of daily work processes, It is ensured that the report of the internal audit service is compiled and submitted to the supervisory board on a sequential basis.

Literature:

1. M.Z Temirkhanova -Problems in improving the approximation to international standards for reporting financial results in travel companies. Kaluga. Economic Bulletin, 2018.
2. T.M. Zhuraevna -Analysis of financial results tourism organization- World science, 2016
3. M Temirkhanova -Features of improving accounting policies in touristic companies and national economy- Bulletin of science and practice, 2018
4. M Temirkhanova Zh. Improvement of reporting forms according to international standards Bulletin of science and practice, 2017
5. MS Umaralievich, TM Jurayevna. The role of the internal audit based international internal audit standards in Uzbekistan. Social and Economic Aspects of Education in Modern Society, 7. 2019 y.

6. RN Kadirovich, TM Juraevna, L Shaomin. Improving the Intangible Assets Accounting: In a Pandemic Period. Annals of the Romanian Society for Cell Biology, 573-590. 2021y.