



AUDITING: FORMATION AND DEVELOPMENT IN TERMS OF MARKET RELATIONS

Zainalov Zh.R.

Professor, Samarkand, Republic of Uzbekistan

Nurmukhamedov A.M.

Assoc., Tashkent, Republic of Uzbekistan

Sharipov K.K.

(PhD)., Tashkent, the Republic of Uzbekistan

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Received: 17 th September 2023	The article focuses on raising the status of the most qualified audit specialists to the status of independent international auditors. It is noted that this will give an idea of the uniqueness and the possibility of solving certain problems of improving the social orientation of the ongoing transformations in the course of the development of the innovative economy. It is also noted that the effectiveness of the audit, all other things being equal, is directly proportional to the degree of independence of the auditor from the management of the organization to which he provides professional control services. Independent audit firms should be able to solve certain specific problems of their self-development.
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As part of the work carried out on the transition to market relations, as well as on the restructuring of the activities of economic entities, there is now an increasing need to reorganize control. In general, control is one of the most important functions of management, and therefore the urgent need to improve its quality and effectiveness in the conditions of activation of market relations does not cause any reasonable objections. The contradictory development of market processes has also confirmed this need. The corresponding thesis is declared in many decisions and resolutions of the Cabinet of Ministers of the Republic of Uzbekistan, was argued in detail in election platforms and in speeches of people's deputies, in the press and on television.

The unsatisfactory state of financial control is characteristic of many branches of the national economy, but most of all, perhaps, private entities have complaints about the state of control. It is characteristic that the collectives of the primary enterprises themselves are also concerned about a sharp deterioration in the quality and effectiveness of financial control. Financial control is purely administrative rather than advisory in nature, and the results of inspections are punishable by punishment.

The most important organic part of the subsequent financial control is the audit activity of consumers of budgetary funds. In practice, the volume of such work is decreasing from year to year, but the responsibility of recipients of budget funds increases, and the

shortcomings inherent in traditional types and forms of control, in this regard, become even more noticeable. The case is complicated for many reasons. Among them, first of all, is the drastic reduction of full-time employees of the relevant profile undertaken during the reform (in some cases by more than half). At the same time, the complexity of periodic complex and thematic audits remained high, and in many cases, taking into account the imbalance of the market, the growth of incomes of the population and the contradictory development of reform processes, also increased. However, the control and audit department (both departmental and supranational), which was reduced during the reform, as practice shows, has already found it physically impossible to cope with a huge amount of documentation and verification and control procedures, especially since it is entrusted with the duties of conducting various inspections (services).

Even more important reasons, in our opinion, were the relatively low salaries of employees of the control and audit department, the underdevelopment of methods for evaluating the effectiveness of their work, time-based remuneration, shortcomings in its organizational, personnel, instructional, technical, software and other support. As a result, the information contained in the acts of inspections carried out by the existing staff control and audit department at the turn of the 90s of the twentieth century and the 10s of the XXI century concerns mostly formal issues, moreover, often lost their relevance.



This aggravated the contradictions between the work of full-time auditors and the evaluation of their work. The false belief in the low suitability of inspections for effective management of the most important spheres of management in the conditions of intensification of commodity-money relations objectively reduced the role of inspections in the eyes of management and labor collectives, and this harmed reform relations in administrative and economic territories, did not contribute to operational adjustments of social orientation in current economic processes.

There are so many reasons, among which, in the conditions of inflationary trends, perhaps the most important is the low salary of auditors and the decline in the prestige of their work, and the ability of managers of various ranks to attract the most qualified specialists to control activities. And this did not contribute to the financial recovery of various economic systems, which are, in fact, the only basis of administrative and economic territories.

Of course, the need to reorganize control activities has been growing for a long period of time. Suffice it to say that the organization and technology of such works have not undergone significant radical transformations in about the last 20 years. But by now, taking into account the expansion of the rights and economic independence of enterprises (associations), as well as taking into account the accumulated contradictions in the financial and economic reality of various administrative and economic territories of the country, this need has already come close to such a threshold of measures beyond which only qualitatively new solutions are possible and effective, besides - taking into account the experience of countries with developed and effective forms of management. Moreover, the situation described above is not hopeless.

According to major business executives and leading scientists, the resolution of these urgent and acute contradictions is largely due to the reform of the control itself, including its transfer to the principles of independence and self-financing according to the type of internationally recognized auditing practice. This form of control and consulting services for various enterprises, concerns, firms, corporations and other business organizations is widespread in many Western countries, but in recent years has been developing in our country, as well as in other countries with economies in transition. In addition, the principle of effective management and control, on which auditing mainly functions, is beneficial to various administrative and economic territories of the Republic, since it allows them to significantly reduce the costs of their budgets

for financial control functions, which, as is known, are quite large. Moreover, taxes are also levied on the income of auditors.

The recommendations of scientists on the need to supplement existing forms of control with a fundamentally new form of control – auditing – are already being developed, confirmed not only in individual budgetary institutions of the republic and its administrative and economic territories, but also at the upper levels of management. There are several legislative acts that prescribe mandatory audit services for enterprises. Then the issues of creation and functioning of audit firms in the country were carefully studied, discussed and approved in the Methodological Department on behalf of the Board of the Ministry of Finance of the Republic of Uzbekistan. A number of audit firms ("Ishonch Audit") were also formed, which perform purely audit and consulting services for enterprises of all levels that arise and operate in a specific territory, including in the Samarkand region. For several years now, several other organizations of various types have been working in Samarkand and Tashkent, in one way or another in contact with audit elements.

Preparation for the transition to innovative conditions of development, with which, as public opinion polls have shown, more than half of the respondents pin their hopes on improving the economy and solving a number of other urgent tasks, allowed us to take a fresh look at the problem of reorganizing control and audit, as well as consulting financial activities. The idea of eliminating the noted shortcomings by forming an independent audit organization was born.

To this end, a set of issues related to the reorganization of control and audit activities based on the principles of auditing and subordination of the formed organization under the Ministry of Finance of the Republic is being considered. This organization will need to carry out its activities on the basis of full self-financing, be a legal entity, have an independent balance sheet, settlement and other bank accounts.

The subject of the activity of this audit firm can be the implementation of comprehensive audits of financial, economic and commercial activities for various enterprises, regardless of the form of ownership, their departmental subordination, according to their Orders and with payment (at state rates) for the professional services provided. The head audit firm can also provide paid consulting services on the organization of accounting, control and analysis of economic activities on foreign exchange transactions, on the expansion or initiation of foreign economic activity, moreover, with a



guarantee of confidentiality of such services, if the customer specifically discusses this condition.

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