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Article



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NECESSITY OF USING INTERNAL AUDIT SERVICE IN ECONOMIC ENTITIES

Abstract: This article examines the need to organize and effectively use the internal audit service in business entities. Effective ways of organizing internal audit are described.

Key words: internal control system, control, current control, financial operations, integral control, assets, quality product, production costs.

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Introduction

Internal control system in economic entities in solving the task of increasing the competitiveness of enterprises due to the harmless operation of economic entities, the production of quality products, the introduction of a strict economy system, the promotion of reducing production costs and product costs effective organization is of great importance.

A prerequisite for the scientific organization of internal control and the theoretical and methodological basis for evaluating this system in the course of audits is the disclosure of the concepts of "internal control" and "internal control system".

There are several interpretations of the concept of "control" in the scientific literature. The complexity of defining control in a general way is determined by the variety of its forms and scopes. The issues of theoretically based classification of the concept of "control" are given a special place in the work of the economist M.M.Tulakhodzhaeva. According to him, "Forms depending on the time of implementation of control actions are divided into initial, current and next control. Preliminary control-provision is carried

out at the stage of planning and design, before the implementation of economic or financial operations, and serves to adopt rational management solutions.

Current control is an integral part of internal economic control, a component of the process of rapid management and regulation of production and financial activities of the entire enterprise and its internal divisions. Current control provides a close relationship between planning and execution of an effective production process, and is carried out with the help of rapid statistical and accounting methods.

The next control is carried out after the implementation of economic and financial operations, and it differs by the in-depth study of the audited documents and the entire financial situation of the enterprise. Such an idea can also be found in the works of the Russian scientist V.I.Rodolsky. Also, as a confirmation of the above, it is permissible to cite the following opinion: "Control is divided into a separate system. As a part of the control management system, it is divided into the following according to the classification of various signs: initial, current, next; constant, periodic, random; documentary, real; by

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choice".

N.F.Karimov approaches the concept of "control" as follows: "...by control, it is appropriate to understand the harmony of theoretical knowledge and practical experience expressed in various fields of science, first of all, accounting, finance, management, economic analysis, informatics". According to the definition given by B.Khoshimov, "Control serves the purpose of uncovering deficiencies and mistakes in the operation of the enterprise and its components, correcting them in time and preventing them from happening in the future". M.F.Ovsiychuk offers the definition that "Control is a comprehensive study of the activity of the organization and its structural units, the economic efficiency and legal implementation of economic operations, the reliability of accounting reports and account information, and the state of the object of control". H.N.Musaev defines that "Control consists of studying the activities of economic entities, finding existing internal opportunities, identifying shortcomings, and developing recommendations aimed at improving activities". According to the definition of O.Bobojonov and K.Jumaniyozov: "Control is the final process of planning and analysis, which aims to fulfill predetermined tasks of the subject's activity and allows to reveal and prevent deviations."

In contrast to the above opinions, it is possible to distinguish between external and internal control, depending on the entity performing control in the economic entity. Experts distinguish departmental, non-departmental and internal economic control among the forms of external control. M.M.Tulakhodjaeva adds state, public and independent control to the above. Economists give different definitions of internal control, including its object, subject, goals and forms. For example, in the Western economic literature, internal control (integral control) is viewed as "an accounting and management control committee that helps to ensure that the decisions made in the organization are properly implemented in practice. Internal control includes accounting control and administrative control. Accounting control includes the methods and methods of checking accounting documents and ensuring the preservation of material assets. It helps to prevent errors and other deficiencies in the process of checking (inventory) the actual existence of assets. "Administrative or management control includes a set of instructions, methods and techniques that help to plan and control the financial and economic activities of an economic entity".

Therefore, in order to achieve the most necessary level of internal control, in our opinion, the following basic principles and methods should be present in the economic entity: effective organizational structure; accounting policy and accounting methodology; the method of keeping assets; an effective internal audit program.

According to N.F.Karimov, "Internal control means internal control of banking activities, unlike external types of control, including regulation by law, control by external control organizations, and the like." From this point of view, the concept of internal control corresponds to the concepts of management control and operational control.

L.V. Sotnikova stated that "Internal control is a system of measures organized by the head of the enterprise in order to ensure that all employees more effectively fulfill their obligations in the implementation of economic operations." B.A.Khasanov admits that "Internal control is a measurement system organized and implemented by the head of the enterprise in order to effectively perform the tasks assigned to all employees in conducting business transactions." B.Q.Khamdamov also emphasizes the above opinion, "Internal control is a constant, daily activity, which, in turn, makes it possible to conduct accounting correctly, to use the company's resources in accordance with the plans of the management." We can say that the above definitions of "internal control" certainly correspond to the current conditions. However, most experts limit themselves to listing the objectives of internal control and ignore its object.

The object of internal control is what the control tools are aimed at. Both the object and the subject of control must be connected to the control. The concept of control object is close to the concept of control object. Therefore, the definition of the object of control depends on the goals of management. The object of control for the purposes of internal control is the means that ensure the reliability of accounting and financial reporting.

As a result of the critical study and analysis of the research works of local and foreign scientists, we propose the following main goals of internal control: 1) ensuring the reliability of the information reflected in the accounting and financial statements; 2) ensuring the preservation of assets and records and performing control actions; 3) to ensure the efficient operation of the enterprise, its stability and development in conditions of intense competition.

The first goal is to ensure the reliability of the information reflected in the accounting and financial statements:

- based on other legal documents on the issues of bookkeeping and financial reporting;

- it is necessary to establish permission from the management for the implementation of all economic operations. This is done by signing primary documents. "Documents that serve as a basis for receiving and issuing money, goods, credit and settlement obligations of the enterprise, institution and organization, as well as accounting reports and balance sheets are signed by the head or by persons designated by him";

- registration of all economic operations carried

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out by the organization with initial accounting documents. Initial accounting documents are drawn up during economic operations or after operations are completed;

- timely registration of economic operations in accounting registers. The persons who drew up and signed the initial accounting documents are responsible for their correct and accurate composition on time, as well as for their submission within the specified periods for reflection in accounting;

- full reflection of all economic operations in accounting;

- transfer of all economic operations to the relevant synthetic and analytical accounts and ensure that the analytical account data match the balance and turnover of the synthetic accounts as of the last calendar day of each month;

- compliance of the economic operations being carried out with the legislation of the Republic of Uzbekistan;

- development of procedures for controlling economic operations and movement of property.

Ensuring the compliance of economic operations with the legislation of the Republic of Uzbekistan and following the procedures for controlling economic operations and property movement, unlike other conditions, cannot be fully provided by the accounting service of the economic entity, which makes it necessary to separate these procedures from the purpose of ensuring the reliability of accounting and financial reporting.

In order to achieve the second objective of ensuring the preservation of assets and records, the following conditions must be met:

- the items of the enterprise's balance sheet should be based on a thorough inventory of assets and liabilities;

- ensuring the safety of funds when storing and transporting them;

- to conclude agreements on financial responsibility with employees of the appropriate category;

- protection of accounting registers from unauthorized corrections. Making unapproved corrections to accounting registers is not allowed;

- ensuring the preservation of accounting and other documents necessary for tax calculation and payment, as well as documents confirming the income received and expenses incurred in the last three to five years. Initial accounting documents, accounting registers, financial reports and other reports, as well as other documents related to the organization and management of accounting are kept by the accounting entity during the periods established by law, but at least five years after the reporting year.

The third goal is the separation of the goal of ensuring the effective operation of the economic entity and its stability, its maximum development in the conditions of economic crisis, and vice versa. used,

some concepts are used interchangeably with others.

In the literature, the concept of "internal control" began to be used in the sense of controlling. In other words, internal control is given other additional functions that are not specific to it. The authors, led by L.R. Rorova, define control as "a separate functional direction of economic work in the enterprise related to the implementation of financial and economic interpretive functions in management for making operational and strategic management decisions." Thus, the main purpose of internal control, which is accepted as a necessary and sufficient condition for the reliability of financial reporting, in our opinion, is only two: 1) to ensure the reliability of the information reflected in accounting and financial reporting; 2) ensuring the preservation of enterprise assets and accounting records.

In the regulatory documents, "Internal control system - control and efficient management of financial and economic activities by the management of an economic entity, ensuring the preservation of assets and accounting documents, preventing and detecting cases of errors and fraud, accounting records is a set of organizational measures, methods and actions (internal control tools) adopted in order to prepare accurate and complete and timely reliable financial information. In the works of Russian scientists, "Internal control system is a set of goals set by the management of the organization for its employees (in the form of job instructions) and concepts followed by the management itself (control environment). This definition includes three elements: a system, goals and concepts, and a system itself is a set of elements and a system of relationships between them. It is emphasized that the main task of internal control is to reduce administrative risks in the day-to-day management of the organization.

According to R.D.Dosmurov, "The internal control system is a set of permanent, daily activities aimed at ensuring the correctness of accounting and reporting and enabling rational use of the company's resources." Yu.T.Dodoboev and E.F.Gadoev "The internal control system is established by the head of the enterprise to ensure the following: 1) effective and orderly operation of the enterprise; 2) ensuring compliance with the policy of the leader; 3) ensuring the preservation of properties; 4) they recognize the definition of "achieving high-quality documentation of operations". K.B.Akhmadjonov stated that "the internal control system of the enterprise is all the laws, measures and measures developed by the enterprise in order to ensure that the enterprise achieves the goals and tasks set for itself, including the task of preparing reliable financial information. is a complex".

Summarizing the above points, we offer the following definition, "Internal control system is organized by the head of an economic entity, effective performance of the duties of management personnel, correct management of financial and economic

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operations in accounting. aimed at improving the efficiency of production, investment, material-technical, financial and labor resources use is the sum of daily actions".

We base our concept on a different definition of the concept of "system". A system is a set of elements that are interconnected by an objective law and together form a whole structure. The main difference is that the internal control system is not a simple set of elements, but a set of interconnected elements based on objective laws. Such an approach allows us to define the interrelationships and interdependencies between its elements when building a model of the internal control system. The basic rules of operation and development of systems have been sufficiently developed in the works of foreign and domestic scientists, but we used it as a starting point for research.

N.F.Karimov applied to the internal control system its "systematic organization consisting of a firm basis, responsibility within the scope of powers, accountability to senior leaders, separation of critical functions, the ability to quickly adapt to changes in internal and external factors, the role of each department and clearly defines the responsibility, appropriately supervises the activities of employees

and understands the periodic evaluation of their work.

Internal control as a means of feedback gives the expected effect only when reliable information is obtained about the state of the entire managed system and methods and means of determining deviations from the intended goals, management instructions and regulatory documents, and when it is used effectively.

A properly organized internal control system creates an opportunity to identify deviations from accepted, approved rules and procedures, as well as to assess their causes and develop the necessary management effects.

Like any system, the internal control system of an economic entity should be appropriate for its dimensions and operational characteristics. In order to confirm the reliability of financial statements in the course of audits in accordance with the standards of auditing activities, the auditing organization "makes a decision based on the results of preliminary studies that the audited business entity can rely on the internal control system during its work activities. necessary". However, studying the internal control system during an audit is a complex, labor-intensive and responsible task.

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