

SUMMARY OF EXTERNAL AUDIT RESULTS AND ITS PROBLEMS

Sindarov Sherzod Egamberdiyevich

Tashkent institute of finance, DSc., Associate professor

ABSTRACT

This article examines the practice of external audit in the Republic of Uzbekistan and analyzes its future prospects. Also, in the article, proposals and recommendations for improving the procedure for drawing up and presenting audit conclusions in audit inspections are put forward.

Keywords: *External audit, internal audit, conclusion, report, audit opinion, international auditing standards, financial statements.*

INTRODUCTION. Attracting foreign investment is one of the main issues in the task of establishing and developing modern industries in the Republic of Uzbekistan. Achieving this goal depends to a large extent on the availability of financial reporting forms based on the demand of external users. In order to present financial reports based on the requirements of foreign investors, these reports should be audited by an external auditor and an appropriate audit opinion should be issued based on its results.

In this case, it is necessary to conduct audits on the basis of international standards of auditing, and to draw up indicators of financial reports based on international standards of financial reporting accepted in international practice. In this context, it is important to organize an external audit, including summarizing the results of the audit examination correctly and at the level of international requirements. Therefore, it is important to develop a procedure for conducting an external audit of financial statements of economic entities and summarizing its

results.

RESULTS AND DISCUSSION.In this context, it is important to organize the form, structural structure and generalization of the auditor or assistant auditor reports prepared by auditors and assistant auditors according to the assignment given to them, based on international standards. From this point of view, the main attention should be paid to the analysis of the current situation of the preparation of the audit report on the general audited entity based on the reports of the auditor and assistant auditors, and on the basis of this, attention should be paid to the issue of improving its content and generalization stages.

When viewing the content of audit reports, the main attention is paid to their content and structural structure. First of all, it is necessary to analyze the audit report and its structure according to the international audit standard. According to the International Auditing Standard (IAS) No. 700 "Forming an Opinion on Financial Statements and Issuing a Report (Summary)", the audit report on the results of an audit conducted in accordance with International Auditing Standards consists of the following sections [1]:

1. Name;
2. Addressee;
3. Introductory paragraph;
4. Auditor's responsibility;
5. Auditor's opinion;
6. Auditor's signature;
7. Date of audit report;
8. Auditor's address.

According to this standard, in the introductory paragraph, it is noted that the audit was conducted on the financial statements of the economic entity; financial statements structure, period audited, accounting policies and comments; the financial statement date or period is clearly indicated.

The responsibility of the management of the audited business entity for the

preparation of financial statements is determined. The responsibility of the auditor is that the auditor expresses his opinion on the financial statements based on the audit he has conducted. The auditor presents truthfully all important aspects of the financial statements.

K. Akhmadjanov, I. Yakubov gave a more complete description of this issue: "Information in the audit report provides an opportunity for the client's management to study the deficiencies in the accounting documents, internal control system, and financial statements that cause the occurrence of incorrect information. Also, the report contains practical suggestions for eliminating the shortcomings identified in the accounting and internal control system of the enterprise.

Each page of the audit report must be signed by the auditor (auditors) who performed the audit of the financial report. The audit report will be sent to the client of the audit with all the necessary details of the client indicated. It should be noted that we can see that there is no common opinion on the need to prepare an audit report and its forms.

Therefore, we can see that there is no general opinion on the issue of whether it is necessary to prepare an audit report and whether its content should be viewed from an analytical point of view.

Some authors expressed the following opinion on expressing the content of the auditor's report in a different form:

Table 1

Analysis of the need to prepare an audit report [2]

	Audit report
1.	<i>Based on the results of the audit of financial statements, the auditor must prepare an audit report and an audit conclusion</i>
2.	<i>An audit report can also be prepared when other types of audit services are provided</i>
3.	<i>Preparation of an audit report and a letter to the management to be presented to the head of the entity, the general meeting of shareholders</i>
4.	<i>An audit report drawn up in the event of deviations from the established procedure of accounting</i>

Taking into account the nature of this issue in some sectors, Professor N. Karimov expressed the following opinion on the division of the audit into 3 stages. We believe that the following should be taken into account when following the principles of sequence and logical connection in the process of preparing audit reports.

For this, it is very important to submit reports on time, that is, to provide a quality product within the periods specified in the audit plan.

In our opinion, it is correct to divide the process of preparing and presenting the audit report into three stages:

- Preparation of preliminary audit conclusions;
- Preparation and presentation of the final report;
- Make recommendations based on the results of the inspection [3].

Summarizing the above points, based on the study of the activities of audit companies and firms, based on international audit standards, we think that the general structure of the auditor's report in a joint-stock company can be as follows in our opinion.

Table 2

The composition of the audit report on the results of audits of the economic entity

<i>Introduction to the audit report</i>	<ul style="list-style-type: none"> – Details of the auditing organization; – General information about the customer; – Getting to know the business; – Audit plan and audit program.
<i>The main part of the audit report</i>	<ul style="list-style-type: none"> – Gathering audit evidence; – Performing analytical operations; – Comparison of financial statement items with accounting indicators; – Use of selection methods in audit; – Forming the preliminary draft of the auditor's report; – Presentation of audit results and recommendations.
<i>The final part of the</i>	<ul style="list-style-type: none"> – Discussion of the accuracy of the data received from

<i>audit report</i>	<p>the divisions of the economic entity with the responsible persons;</p> <ul style="list-style-type: none"> – Assessing issues related to the client’s activities and his future activities; – Formalization of the final audit report on the financial account.
<i>Final audit report to management</i>	<ul style="list-style-type: none"> – Discussion of the final audit report and its presentation to the management.
<i>Submitting a letter to management</i>	<ul style="list-style-type: none"> – Submitting a letter to management written based on the audit report to correct identified deficiencies and discussing its results.

At the stage of planning the audit process, it is necessary to decide on the method of inspection for each object. Income and expense balances are non-specific and types of income and expenses resulting from erroneous transactions can be grossly audited. In addition, the number of items to be checked for some income and expenses may be small and these items may have a specific nature (for example, unexpected income or expenses), and in such a case, it is necessary to consider these items in full. Because it should be checked based on its unique characteristics.

CONCLUSION. During the writing and formalization of this article, the following conclusions were reached:

1. In the process of forming an opinion on the basis of the auditor’s report, a selective inspection is carried out by the auditor. In the process of auditing the income and expenses of the economic entity, the main method is selective verification. This is due to the fact that the balance of income and expenses is formed as a result of many operations, and gross verification of financial results requires a lot of time and physical effort. In addition, it is mathematically proven that the size of the total inspected objects has an insignificant effect on the size of the selection, so special attention should be paid to the objects during inspection.

2. It should also be noted that the audit selection is a process that requires careful planning, analysis of the obtained results, and documentation of the verification

process. Therefore, the auditor should decide whether to use a less labor-intensive and effective method, i.e. selection or general inspection. In any case, the auditor must determine the appropriateness of the audit option applied to each audited entity.

3. In our opinion, grouping the content of the audit report as follows (introduction, main part, final part, final audit report to the management and letter to the management) leads to the objective of the audit conclusion. As a result, it is possible to collect sufficient evidence and analyze it in the audit report before drawing up an audit opinion.

LIST OF LITERATURE

1. Аудит ва сифат назоратининг халқаро стандартлари. 2012 йил нашри. I қисм. 3-жилд. Тошкент: УБАМА, 2014. 1502б. Б.1052-1053.
2. Ahmadjonov K., Yakubov I. Audit asoslri. Toshkent. IQTISOD-MOLIYA. 2010. -288b/ В/235/
3. Тулаев М., Тожибаев Ш. Иқтисодий таҳлил ва аудит фанидан ўқув-услубий мажмуа. Тошкент: Иқтисодиёт, 2010. -418б. Б. 218.
4. Каримов Н.Тижорат банкларида ички аудит. Тошкент: ФАН. 2006.-262б. Б.224-227.
5. Шеремет А.Д., Суйц В.П. Аудит: Учебник 8-е изд., переработ. и доп. Москва: ИНФРА-М, 2010. -448с. с.39-42.
6. Лебедова Е. Аудит. М.:Academia, 2013. 525с. С.128.
7. Nematovich, K. I., Ravshanovich, A. I., & Shavkatjon, O. F. (2021). Customer Accounts Creation By Means Of Foreign Experience. Turkish Online Journal of Qualitative Inquiry, 12(7).
8. Ochilov , F. S. ugli. (2023). IMPROVING THE AUDIT OF LIABILITIES. SCHOLAR, 1(29), 4–10.
9. Ochilov, F. (2020). ECONOMIC ESSENCE OF LIABILITIES AND THEIR THEORETICAL ASPECTS IN ACCOUNTING. International Finance and Accounting, 2020(4), 28.