
DOCUMENTATION SPECIFICATIONS OF AUDIT RESULTS IN UZBEKISTAN

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ABSTRACT

This article is devoted to the issues of documenting the audit service, including working documents created during the audit process, requirements for their content and form, the composition of working documents, the importance and relevance of keeping audit work documents, a review of the literature on the subject, information reflected in the audit report, documenting the audit results, observable shortcomings and recommendations for improving the documentation of audit processes are described.

KEYWORDS: *Audit Service, Mandatory Audit, Audit Work Documents, Audit Report, Audit Report, Interim Audit Report, General Audit Report, Audit Client, Audit Results.*

INTRODUCTION

It is known that according to the results of the audit, the results of the audit must be formalized in documents, regardless of whether or not deficiencies or violations of the law have been identified. This requires that the results of the audit should be reflected in officially approved documents in the form and content prescribed by law, and that the sources of the information provided in the documents or supporting evidence should be attached.

In the auditing practice of Uzbekistan, problems related to the structural structure, amount and form of working documents have always been in the center of research, because the quality of the services provided by the subjects of audit activity is determined by the disclosure, completeness and sufficient evidence of the information in the audit working documents. For example, in the new Law of the Republic of Uzbekistan "On Auditing Activities" it is noted that "appropriate documentation of the results of the audit services" is evaluated as the main indicator of the quality of the audit organization's work [1]. Today, in the course of audits, it is observed that clients intentionally or unintentionally do not provide auditors with all the documents describing the reliability of financial reporting indicators in full and on time, auditors do not document the results of the audit at the level of the requirements of regulatory legal documents and audit standards.

Literature review

Issues of documentation of auditing processes are reflected in normative legal documents regulating auditing activities, audit standards, researches of Uzbek and foreign economists and practitioners. In particular, in accordance with paragraph 6 of the international standard of auditing entitled No. 230 "Audit Documentation", auditor's documents are written records of performed audit operations, relevant audit evidence and conclusions reached by the auditor (in some cases, "working documents" or "working papers" terms like) can also be used [2].

Montgomery, a foreign economist, stated that "working documents should be easy to read, complete, understandable, and have a structural structure that is appropriate for solving a

specific audit or problem" [3].

Uzbek economists M.Tulakhodjaeva and Sh.IIhomov stated that "the audit organization is not obliged to provide working documents to the audited economic entity. The audit organization does not have the right and is not obliged to provide working documents to other persons, including tax and other state authorities. [4].

According to economists E.M. Merzlikina and Yu.P. Nikolskaya, "the number and content of the documents included in the working documents of the auditor's audit, the nature of the issue, the form of the auditor's conclusion, the nature and complexity of the economic entity's activity; the state of accounting of the economic entity, the reliability of the internal control system of the economic entity; sufficient level of management and control over the work of audit organization employees in performing separate audit operations; specifies the specific methods and methods used during the audit process" [5].

The experts of the journal "Accounting and Taxation" say, "The audit opinion is given on the basis of the audit evidence obtained from the results of the audit. Accordingly, issuing a conclusion is the last stage of the audit" [6].

audit activities stated that "The final stage of the audit involves the implementation of the following measures:

- regulation of inspection results;
- analysis of inspection results;
- drawing up an audit report" [7].

Research methodology

During the research, the methods of theoretical and practical study, systematic approach, grouping, comparative analysis, observation, statistical analysis and factor analysis were effectively used. Based on the conducted researches, the procedure for summarizing and evaluating the results of audits in the activities of audit organizations, the essence of documenting the audit results and the content of the documentation procedure were revealed, and recommendations for improving the audit documentation were formulated.

RESULTS AND DISCUSSION

The method of collecting, compiling, storing, formalizing and presenting audit work documents and evidence attached to them is the international audit standard No. 230 "Audit documentation" (hereinafter AXS), AXS No. 620 "Using expert work engaged by the auditor" , it is determined to be regulated on the basis of documents such as AXS No. 500 entitled "Audit evidence" and AXS No. 700 entitled "Forming an opinion and giving a conclusion on financial statements". However, the requirements of these standards are in the form of recommendations in the provision of initiative audit and audit-related services (consulting services).

In our opinion, first of all, we believe that the meaning of the term "audit working documents" should be clarified. It should be noted that the methodology of preparation and presentation of audit working documents other than the auditor's conclusion has not been sufficiently studied or stated in the current regulatory documents and scientific research conducted by the economists of our Republic and in the literature created by them .

In our opinion, the audit working documents are the information received from the audit

organization, the customer of the audit and third parties (supervisory bodies, buyers and customers, suppliers and contractors, banking organizations, debtors and creditors) on the organization, conduct and completion of the audit. is a set of delivered documents.

In our opinion, although the approximate list of documents that can be included in the working documents is given in the international audit standard No. 230 entitled "Audit documentation", however, in this AXS, the names of the working documents are described in a general and abstract sense, and their content must be clearly and fully explained for the user of the document. , we consider that. In our opinion, the list of documents that can be included in the auditor's working documents is as follows (Table 1).

Table 1 Audit work documents¹

No	The name of the work document
1	Documents (organizational and founding documents) containing information on the organizational, legal and organizational structure of the audit client
2	Documents containing the information obtained during the preliminary planning of the audit, the general audit plan, the audit program and the additions and changes made to them
3	B accounting and internal control system study results
4	Preliminary and cumulative documents reflecting the analysis of the performed economic transactions and accounting accounts
5	Intermediate documents reflecting the opinions and conclusions of the auditor (expert) on the results of the audit .
6	transactions and the reliability of financial reporting indicators
7	Copies of letters or discussion notes to ensure the fulfillment of the terms of the audit contract with the audit client
8	regulatory and law enforcement agencies and other third parties regarding the activities of the audit client and confirmation letters received from the audit client
9	An auditor's report on the results of the audit
10	Copies of accounting and other financial documents of the audit client, as well as other documents related to the audit
11	Documents related to the results of previous audits, etc.

In our opinion, it is appropriate to reflect the results of the audit stages in a document called "audit reference" based on the scope of the audit, the characteristics of the audited object of the enterprise and the level of seriousness of the deficiencies identified during the audit . In this regard, if we pay attention to the audit practice of the CIS countries, in most of them (Russia, the Republic of Belarus, Kazakhstan, Moldova) the results of the interim audit are reflected in a working document called "deed" or "act", in the practice of our Republic " inspection of the activities of entities operating x furnaces and According to paragraph 31 of the "Regulation on the procedure for keeping the register of inspections" it is said that " The results of inspections are formalized with a document (reference), and in necessary cases, with an instruction to eliminate identified deficiencies . " In our opinion, the "deed" in control practice is usually drawn up in the process of audits, in which the specific responsibility for measures to eliminate the deficiencies identified by the law enforcement or supervisory body (for example, warning, fine and penalty, change of position) is indicated in the deed in the form of a firm decision. This is contrary to the "principles of independence and impartiality" of audit activity [8].

¹Prepared by the author

Also, in the auditing practice of Uzbekistan, the Law of the Republic of Uzbekistan "On Auditing Activities" valid until 2021, the current national standards of auditing activities, and the educational literature on auditing do not clearly indicate the form and content of the document in which the interim results of the audit should be reflected. It is worth noting that the content, form and procedure of formalization of the work documents created between audits are not strictly defined in the laws and statutory documents and educational literature regarding the actual audit activity, and the fact that they are not reflected in the documents of the standard form and content specified in the law, is the reason why the audit results are not fully and accurately documented. in

In our opinion, in accordance with the scope (volume) of the audited objects (transactions) in the audited enterprise, it is appropriate to summarize the results of the audit by the auditor in the following two documents:

1. Intermediate auditor certificate;
2. General audit certificate.

For example, if the results of the inventory audit are reflected in the general audit report, we recommend creating an intermediate audit report on the results of the audit of goods, finished products, materials, and semi-finished products included in the inventory. In this case, we believe that it is necessary to prepare a general audit report based on the information of all interim audit reports and to formalize the evidence collected in them as an attachment.

In our opinion, the auditor's certificate should be drawn up by the auditors themselves at the end of each object inspection on a computer graphics basis, on appropriate numbered, clean paper. In our opinion, it is appropriate that the content of the auditor's report should consist of the following information (Table 2).

Table 2 Information reflected in the auditor's report²

No	Details of the auditor's certificate
1	The place of the inspection, the date of the reference (for example, March 10, 2018, the materials accounting department of "A" JSC, 13 Abay street, Samarkand district)
2	Basis for the audit (list number and date of the audit contract, order of the head of the audit organization (team leader), audit plan and program)
3	The form of the audit and the period of its conduct (mandatory, initiative-type and at the initiative of supervisory or law-enforcement bodies, audit, audited reporting period)
4	Surname, first name, patronymic and position of the members of the audit team (assistant auditor and expert) who conducted the inspection
5	first name, patronymic and position of the person in charge of the inspected facility
6	The full name of the legal entity according to the founding documents of the audited enterprise, the surname, first name, and patronymic of the officials who performed management duties or accounting duties during the audit period
7	The location of the enterprise (postal address), bank details, as well as its identification number (if required according to the characteristics of the object of inspection)
8	Information on previous inspections (if necessary, brief information on the measures taken on the results of previous tax control, audit and state financial control department inspections and inspections)
9	General information about the audited period and documents submitted by the enterprise

²Prepared by the author

	for audit
10	A description of the deficiencies identified as a result of the inspection and the reasons for their occurrence
11	Final opinions and conclusions of the auditor (head of the audit team) based on the results of the audit (the level of seriousness of the identified deficiencies and their impact on financial reporting indicators are indicated, if such symptoms are not identified, this must also be indicated in the reference)
12	Proposals for elimination of identified deficiencies or their prevention in the future (proposals for each identified deficiency should be stated separately)
13	Confirmation marks or signatures of members of the audit team who prepared the audit report and confirmed the results of the audit
14	Information about the responsible persons who familiarized themselves with the content of the reference and received a copy of it or were dissatisfied with the result of the inspection

The content of the above requirements should be clearly and in detail stated in the reference. They must adequately and fully reflect the progress of the investigation and its results. However, in practice, all the required conditions are not always reflected in the documents containing the auditors' inspection results. In our opinion, the following mistakes are usually made by auditors during formalization in practice (Fig. 1).

We believe that the head of the audit team should check the absence of the above situations in the prepared audit reports, if there are any deficiencies, the head of the audit team should correct the errors or omissions in the report and accept the reports after sufficient evidence has been collected. In our opinion, the audit report must be made in at least 2 copies, and the evidence collected on the objects of inspection must be attached to each report in at least one copy .

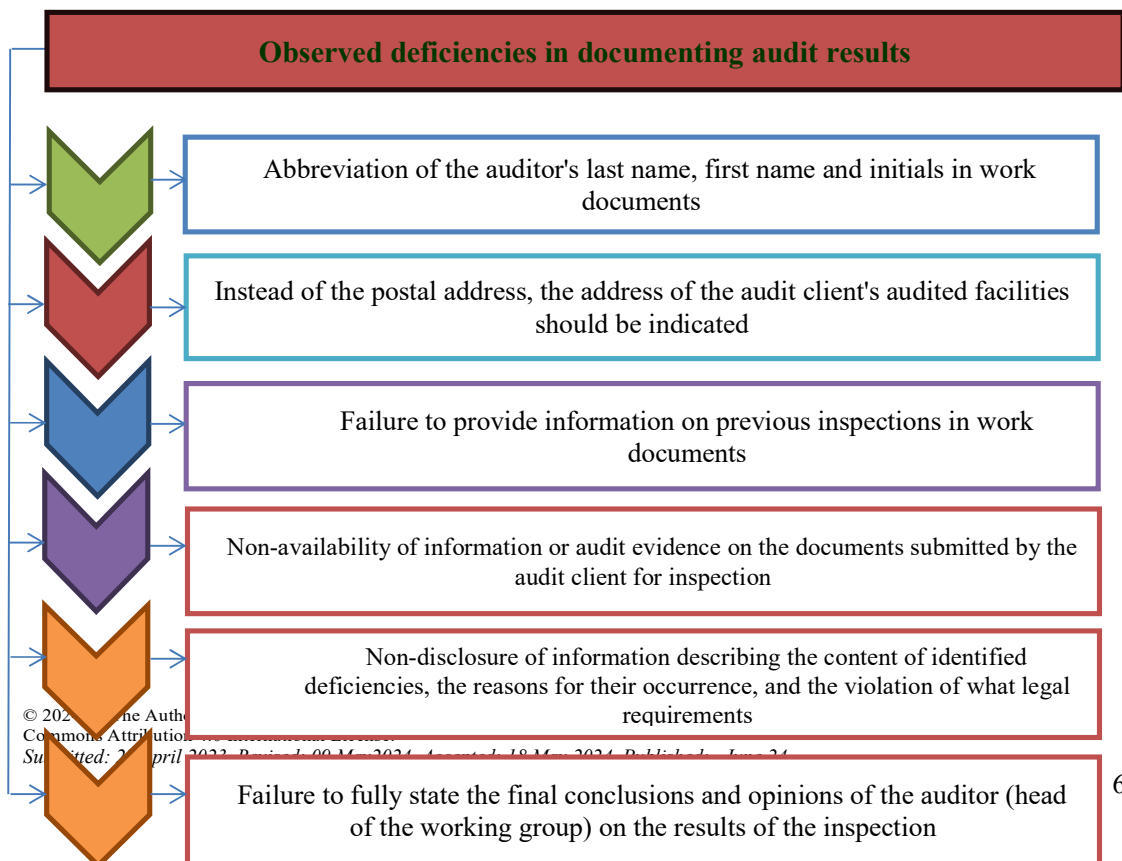


Figure 1. Observed deficiencies in documenting ³audit results

Also, in auditing practice, the results of interim audits are often drawn up in documents consisting of 1 copy, or the results of interim audits are not summarized in documents of standard content and form, cases of failure to provide auditors with certain documents justifying the reliability of financial reporting indicators by business entities in the course of audits, deliberately or unknowingly, in full and on time many observed. In our opinion, in order to ensure that the above situations are not allowed, it is advisable for the audit organization to receive a letter from the management of the audited entity guaranteeing the complete submission of the audited documents, and to receive this letter before the audit report is submitted. Also, the international audit standard No. 580 "Written Presentations" and other normative legal documents related to audit do not recommend the standard form of the presentation letter, so in practice, the content and form of the presentation letter are interpreted differently, and this situation does not clearly show the importance and effectiveness of the letter for the auditor.

In our opinion, the client's responsibility for the reliable presentation of the financial report should be reflected in the presentation letter. Some auditing organizations do not pay serious attention to it due to the fact that they do not fully understand the importance and necessity of such a presentation letter in practice.

CONCLUSION

The standard form and content of audit working documents or standard forms do not exist in practice, if standard forms of working documents were developed, the work of auditors would be much easier, and it would be possible to save labor and time.

In our opinion, the following should be done when summarizing the results of audit work:

- Describing the contents of the identified errors and financial statement distortions in the working documents prepared based on the results of the audit and preparing the final working documents;
- assessing the impact of identified errors and misstatements on financial statements;
- assessment of the sufficiency of the evidence justifying the identified errors and financial statement distortions;
- assessment of the characteristics of the audit client's activity and factors affecting the enterprise's activity;
- to reveal the content of inconsistencies in financial and statistical reporting indicators in audit work documents and to describe them ;
- evaluation of events that occurred after the preparation of financial statements;
- drawing up a written reference to the audit client based on the results of the inspection;
- clarifying the form of the conclusion on the results of the audit and preparing it.

In our opinion, the most optimal way to prepare or create audit working documents in a content and form that is understandable to everyone is to automate the audit or to apply modern automated platforms to audit processes. By applying audit platforms to audit processes, saving labor and time, preparing audit work documents in a form, content and necessary volume that is understandable for everyone, reducing arithmetic and orthographic

³ Prepared by the author

errors in work documents, working documents in the form and content specified in the current normative legal documents and international audit standards gives opportunities to create.

In our opinion, the most reasonable way to document the audit is for each audit organization to develop internal audit standards for this process and apply it to the audit process. The application of internal standards in the formation of audit working documents, the reflection of audit processes in documents of a predetermined standard form, content and volume, the reduction of grammatical and technical errors in the documentation of audit inspections, the systematic and interrelated documentation of audit processes, and the audit conclusion based on the evidence collected by the auditor or primary documents compiled creates opportunities for formation.

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