



MODERN ASPECTS OF ECONOMIC AND SOCIAL SUSTAINABLE DEVELOPMENT

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PECULIARITIES OF AUDITING THE CASH FLOW STATEMENT

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Annotation. The article examines the audit of cash flow statements of economic entities. In particular, the essence and main aspects of the organization of cash flow accounting and auditing were systematically studied. Analysis of the composition, structure and dynamics of cash flow accounting and auditing, as well as directions of production cost accounting, were studied.

Key word: accounting, cash flow accounting, audit, economic analysis, financial analysis, cash flow analysis, system of regulatory legal frameworks for organization of cash flow accounting, , business plan analysis.

Since money is the intermediary in all calculations, it is natural that all mutual payments and mutual calculations must be performed correctly and on time to ensure a uniform circular circulation of funds in the national economy of the republic, and to operate in the field of the market economy. In turn, it has a serious impact on the timely and effective implementation of funds, payment, settlement and credit transactions.

The financial accounting department of the enterprise usually carries out all payment and settlement transactions, controls the accounting of financial, payment, settlement and credit transactions, timely and correct formalization of these transactions in accordance with the laws.

The statement of cash flows reflects the impact of the entity's operating, investment and financial activities on its cash resources during a certain reporting period, and explains the changes in cash resources during this period.

Statement of cash flows (form 4) is prepared on the basis of National Accounting Standards (BHMS) No. 9 "Statement of cash flows". Using cash flow information can help you determine:

- determining the organization's ability to find cash and their equivalents and the organization's need to use such cash flows;
- to determine changes in the organization's net assets, its financial structure (including its liquidity and solvency) and its ability to influence the amount of money and cash flows in a timely manner to adapt to changing conditions and opportunities;
- comparison of operational activities of different organizations, as this denies the use of different calculation methods for the same operational and economic activity phenomena.

The purpose of the audit of the statement of cash flows is to check the completeness and reliability of the information in the report, and their compliance with the applicable legislation. The

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following preliminary documents and account register data are used for the audit of the cash flow statement:

Table 1

Sources of information for a cash flow statement audit

No	Preliminary documents
1	Accounting balance (form No. 1)
2	Report on financial results (form No. 2)
3	Report on the movement of fixed assets (form No. 3)
4	Statement of cash flows (Form 4)
5	Report on equity (form No. 5)
6	on receivables and payables (form 2a)
7	Accounts on journal-orders and settlement charts

Performance indicators of all divisions of enterprises and organizations that are not allocated to separate independent balance sheets should be included in the indicators of financial reporting forms.

To achieve this goal, it is necessary to solve the following tasks:

- ❖ to determine the actual balance of the amount and amounts of available cash, securities in the cash register by carrying out an inventory;
- ❖ to determine whether the "Rules for the implementation of cash transactions by legal entities" are being followed when accounting for cash transactions;
- ❖ to check transactions carried out on settlement, currency and other special accounts in the banking institution;
- ❖ drawing up and concluding an interim report based on the conducted inspection.

Where there is production for the market, money is a very important economic tool. Money serves the repetition of production, contributes to economic growth. Funds in the form of money become resources through the market, goods are created with the participation of resources, and money is received by selling goods. The reversal of such a movement means that an economic process has occurred.

When the auditor begins the audit of the statement of cash flows, first of all, he should assess the internal control system in determining the scope of operations used during the audit, the time factor, and creating the audit schedule and program.

The internal control system is defined as follows: the internal control system is the control and effective management of financial and economic activities by the management of an economic entity, ensuring the preservation of assets and accounting documents, preventing and detecting errors and fraud, the accuracy, completeness and timeliness of accounting records. a set of organizational measures, methods and actions (internal control tools) adopted for the purpose of preparing reliable financial information.

The auditing organization should use three levels when assessing the reliability of the internal control system: high, medium, low. In order to improve the objectivity of the assessment of

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the reliability of the internal control system, the auditing organization should use other levels in addition to the above-mentioned levels. In foreign countries, they rate its reliability on a five-to-ten point system, and some rate it as a percentage (0-100). In the detailed assessment of the internal control system, to study it in depth - to develop various test procedures, to compile a list of sample questions; it is necessary to analyze the obtained results, use a scale of points, coefficients and formulas.

During the assessment of the internal control system for the cash flow statement, separate control operations are carried out for each item included in it, i.e. for operational activity, investment activity, and financial activity.

Assessment of internal control over cash flow reporting. During the study of the literature written by existing specialists, we were convinced that the set of actions used in the evaluation of the internal control system for accounting objects is very little studied.

When starting an audit of the statement of cash flows, the auditor should assess the state of the internal control system over the statement. Table 8 lists the questions used in the tests.

The standards used by the audit organization during audit planning are determined by the National Standard of Auditing Activities (ANS) No. 300 "*Audit Planning*". As mentioned above, it is impossible to conduct a quality audit without carefully preparing the audit plan. In practice, the audit planning process begins before the contract between the audit organization and the business entity is concluded. In many cases, if no contract is signed with the client, this raises the question of what sources of funds will be used to finance the planning of the audit. After concluding the contract, the cost of preliminary planning of the audit will be added to the total cost of the audit service, otherwise it should be carried out at the expense of the audit organization. Planning is the initial stage of an audit, and auditors should not directly begin the audit process until the plan is established. Audit planning according to the standard is divided into the following stages:

- a) preliminary audit planning;
- b) preparation and creation of the general plan of the audit;
- v) preparation and creation of the audit program.

This standard requires the creation of both an audit plan and an audit program when conducting an audit of any enterprise.

The general plan of the audit: familiarization with the company's activities, preliminary planning, evaluation of the internal control system, determination of the scope and severity of the selection, preparation of the audit program, the process of conducting the audit directly (implementation of the program), analysis of the results of the completed work, preparation of all intermediate and general documents, should reflect all stages of the audit, including the presentation of the results of the audit to the enterprise, etc.

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According to the standard, the auditor should include in the general plan the preparation of audit deadlines and the audit schedule, the preparation of an audit report and an audit conclusion. During planning, the auditor should take into account the following:

- calculation of time spent in the future period (in case of repeated audits) and actual labor costs;
- level of importance;
- formation of the audit team, the number and qualifications of auditors involved in the audit;
- allocation of auditors to specific sections where audits are conducted according to their qualification levels and positions;
- guiding all members of the audit team, introducing them to the financial and economic activities of the multinational company;
- control over the implementation of the plan and the quality of work of assistant auditors by the head of the audit group;
- explanation of methodological issues related to the performance of audit activities.

After evaluating the internal control system, the auditor should include the plan of the reliability audit of the statement of cash flows in the general plan of the audit. The audit plan is presented in Table 2.

Table 2

Statement of cash flow audit plan

The audited enterprise

Audit period February 201128”

The number of person-hours is 110

Head of the audit team **Yakubov O.**

Composition of the audit team **Yaqubov O., Salimov T.**

Audit risk %_ 5

Significance level % 4

No	Type of work planned	Transfer period	Executive	Explanation
1	2	3	4	5
1	the cash flow statement and accounting registers are consistent with each other	2.03.2010-3.03.2010	Salimov T	
2	Verification of cash flows from operational activities	2.03.2010-3.03.2010	Salimov T	



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3	Verification of the correct formalization of cash flows for investment activities	2.03.2010- 3.03.2010	Salimov T	
4	Checking the accuracy of net cash inflows and outflows for financial activities	2.03.2010- 3.03.2010	Salimov T	

After drawing up *the general plan of the audit* in accordance with the standard, it is necessary to draw up *an audit program*, in which a detailed list of all audit actions should be described. The program is a detailed guide for auditors, which should reflect all their actions on the audit of all departments of the accounting account that should be audited, as well as the analysis of the internal control system. The creation of the audit program should not be performed superficially, because it serves as an effective control lever in the auditors' work, and the auditor's conclusions on each section of the program should serve as the basis for the creation of the audit report and the auditor's conclusion.

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