

## IMPROVING METHODS OF ACCOUNTING COSTS AND PRODUCT COSTS IN CONDITIONS OF TRANSFORMATION OF INTERNAL AUDIT TO INTERNATIONAL AUDITING STANDARDS

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**Annotation.** The article explores the possibilities of introducing international standards and methods in the context of organizing an internal audit of costs and the cost of products, works and services provided at transport enterprises.

**Key words:** internal audit standards, specific internal audit methods, main performance indicators, internal audit of costs and costs.

The creation of a New Uzbekistan requires the establishment of appropriate management mechanisms, strengthening financial discipline, saving resources and reducing ineffective expenses, both at the level of the republic and in the field of foreign investment. In the report of President Sh.M. Mirziyoyev at a video selector dedicated to the development and reform of agriculture in Uzbekistan was instructed to "... organize an internal audit service for the targeted use of funds allocated by international financial organizations, the budget and banks" [1].

As practice shows, as a result of the establishment of a single tariff for the transportation of mineral fertilizers in the chemical industry by rail throughout the republic, as well as the abolition of escort and protection of territorial warehouses of ammonium nitrate by units of the Ministry of Internal Affairs, as a result of which costs decreased in the amount of more than 32 billion soums. per year and the price of products for the end consumer [2].

The purpose of developing Internal Audit Standards is to establish uniform basic principles and procedures in the organization and conduct of internal audit in business entities. In the process of conducting an internal audit of costs and calculating the cost of products, works and services, attention should be paid to internationally recognized principles, methods and procedures. At the same time, an important point is compliance with the requirements of current regulatory documents that comply with international standards and take into account the peculiarities of the technologies of this production and domestic legislative acts. This means transformational stages of transition to international internal audit standards in developed countries such as the USA, Canada, the European Union, China, etc.

The qualitative characteristics of these standards should include the following principles:

Independence and objectivity;

Professional competence;

Work quality control.

In addition to the above principles, one more very important principle should be added, that is, the ethical principles of the internal auditor. In most cases, the ethical standards of behavior of internal auditors include honesty, objectivity, confidentiality, and professional competence.

Let's look at some features of internal audit standards. Among them, planning the annual scope of the audit occupies a special place. The leadership of internal audit is assigned to the head of the internal audit service, who is responsible for the effectiveness of managing the activities of the service in order to ensure maximum impact and usefulness of the work of the internal audit service in the company.



An important factor in organizing internal audit is modern computer software products, which are designed to make the auditor's work easier. The company's internal audit services must use specialized audit software products. It is advisable to integrate the audit programs used with a single software that takes into account audit risks.

To monitor the quality of work of internal auditors, we recommend using key performance indicators (KPIs). The most important performance indicators should include the following:

1. Standards characterizing the quality of internal audit:

Level of independence and objectivity of the internal auditor;  
Professional competence of an internal auditor.

2. Compliance with standards of ethical conduct by internal auditors:

Honesty;

Objectivity;

Confidentiality;

Professional competence;

Compliance with daily routine and work discipline.

3. Performance standards:

Compliance with annual audit planning procedures by the internal auditor.

Compliance by the internal auditor with procedures for planning an individual audit engagement:

The correctness of the internal auditor's determination of the purpose of the audit engagement;

Compliance by the internal auditor with procedures for pre-planning the audit engagement;

Determination by the audit engagement manager of the sufficiency of resources to complete the audit engagement;

Drawing up by the head of the audit engagement a memorandum on planning the audit engagement;

Preparation of the audit engagement by the audit engagement manager.

4. Performing an audit assignment:

Compliance by the head of the audit engagement and the internal auditor with the requirements for performing the audit engagement;

Timely communication to the head of the audit engagement and the head of the Service of the main internal audit results that may affect the content of the audit reports;

Compliance by the internal auditor with the deadlines for completing the audit assignment;

Compliance by the head of the audit engagement with the deadlines for fulfilling the quarterly plan;

5. Audit report:

The internal auditor's preparedness for possible conflict situations if the audit report contains serious comments;

The ability to defend the internal auditor's point of view, perseverance and self-confidence and the willingness to immediately confirm the facts and detail the audit results;

Compliance by the head of the audit engagement and the internal auditor with the requirements established for the form of the audit report.

6. Audit recommendations:

Sufficiency, validity, materiality, usefulness of information to confirm identified findings and to provide recommendations;

Availability, importance (value) of recommendations aimed at improving ways and methods of increasing the efficiency of general corporate governance and limiting the risks of corporate activities and the internal control system;

The level of identification of the causes of identified findings and unsatisfactory conditions so that recommendations for corrective action are truly useful.

7. Monitoring the implementation of recommendations issued:

Systematic monitoring by the internal auditor of the implementation of recommendations issued by the Service and external auditors in accordance with established requirements;

8. Working documentation:

Systematization, storage and use of working documentation in accordance with established requirements.

9. Individual development plan:

High-quality implementation of the Individual Development Plan.

10. Other activities:

Consulting activities;

Participation in the implementation of other tasks not provided for in the Annual Audit Plan;

Degree of KPI fulfillment, % (sum) [3].

### Conclusions and recommendations

1. Based on the results of research into the advantages of using international standards and principles when conducting an internal audit of cost accounting and product costs, the following conclusions were drawn:

2. We consider it inevitable to use in-house standards for auditing the cost accounting process and calculating product costs, which contributes to the rational use of the company's labor, material and financial resources.

3. The principles of internal auditing should be strictly followed to ensure compliance with professional competence.

4. An important factor in the internal audit of cost efficiency is the use of the key performance indicator (KPI) method, which gives impetus to the effective organization of internal audit work, worthy evaluation and motivation of its activities. In favor of the above arguments, we recommend developing criteria for assessing the effectiveness of internal auditors, taking into account the peculiarities of the technology of transport enterprises.

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