

IMPROVEMENT OF INTERNAL AUDIT IN BUDGETARY ORGANIZATIONS

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Annotation. *The article covers theoretical and practical aspects of the organization of internal audit activities in budgetary organizations.*

Keywords. *audit, financial control, internal control, budget, estimate, financial statement, audit, audit report, audit conclusion.*

The budget organization is a non-profit organization that is established according to the decision of the bodies of state power in accordance with the established procedure for the implementation of state functions, maintained from the account of the funds of the state budget.

In the process of reforms carried out in the budgetary system, as a result of the improvement of the procedure for organizing and maintaining the budget account in accordance with the requirements of international standards, the legislative framework for the organization of accounts in budgetary organizations was sufficiently formulated.

But despite this, there are a number of problematic cases in the practice of accounting of budgetary organizations. Including:

1. Errors and financial irregularities are observed as a result of insufficient awareness of the responsible personnel about the relevant normative-legal acts, frequent changes and updates of the composition of the employees of the accounting department, that is, the lack of personnel resettlement, insufficient formation of a mechanism for controlling the work of the employees of the accounting department, which is carried out by.

2. When the planned inspections are carried out by the bodies of state financial control (accounts palatasi, the main Department of supervision of the Ministry of Finance of the Republic of Uzbekistan and its regional divisions, the bodies of the state tax service), cases of non-compliance with the discipline of purposeless use of funds, financial deficits and budget are identified.

3. As a result of insufficient activity of internal financial control system in budgetary organizations, various approaches and errors in accounting are being made.

4. Since the analysis of estimates of budgetary organizations and the state of their execution is not established, shortcomings, errors are detected when inspections are carried out by financial control bodies.

The solution to the above problems derives from the need for the development of Internal audit Service Activities in budgetary organizations.

It can be said that both the budget and the internal control of the targeted and rational use of non-budgetary funds will largely depend on the effective organization of the internal audit system.

Internal audit is an activity aimed at controlling the compilation and implementation of estimates by the organization through compliance with legislative acts, as well as monitoring, ensuring the reliability of financial reporting data, compliance with the budget-estimate discipline, purposeful and reasonable expenditure of funds.

The International Institute of internal auditors describes internal audit as an independent activity for the examination and evaluation of its activities in the interests of the organization.

Currently, the regulation "on Internal audit Service at Enterprises" has been adopted and introduced in our country. But this normative document covers the activities of commercial organizations.

In our opinion, even in budgetary organizations, it is desirable to introduce the activity of the Internal audit Service in the legislative order. It is advisable to establish a Department of Internal audit Service in a Buda budget organization. Internal audit Service is one of the structural elements that make up the internal control system of an organization.

The Internal audit Service can be recognized as an activity designed to help to carry out effective control over the various joints (elements) of the internal control system.

In accordance with its objectives, the Internal audit Service should perform the following functions in budgetary organizations:

- evaluation of the internal control system (the result of the operations carried out by the management and employees of the budgetary organization on the performance of the state function and the provision of the performance of the state service, the provision of reliable reports and compliance with the legislation and other normative legal acts and regulations), the development of recommendations and proposals for;

- to evaluate the effectiveness of activities, develop and present recommendations based on compliance with the budget-estimate discipline;

- to develop appropriate proposals to ensure the reliability of information contained in the financial report;

- implementation of internal audit annually by conducting appropriate inspections in accordance with the plan approved by the head of the organization (quarterly and at the end of the reporting year); - development of a plan of measures to eliminate errors and Omissions identified by the results of inspections conducted by the state financial control bodies and control over their implementation;

- expert examination of compliance with the legislation of economic contracts concluded;

- to provide methodical assistance to the accounting and planning and financial departments in maintaining accounting and compiling financial statements, to advise them on the issues of Finance, Budget-tax laws and other legislation;

- control over the implementation of normative acts and internal regulations, rules on reporting, obligations of contracts, compliance with the accounting and payment discipline, timely implementation of accounts with budgetary and non-budgetary funds, compliance with the procedure for the formalization of primary accounting documents and the implementation of decisions on elimination of identified errors, etc.

It will be desirable to involve in the Internal audit Service Department employees with extensive practical experience who have worked for many years in the accounting position in budgetary organizations, as well as persons who have a certificate of auditor. The head of the Internal audit Service must directly obey the head of the budget organization.

It will be appropriate for the employees of the Internal audit Service Department to monitor the processes of the formation of financial reports on the results of their execution, starting from the conclusion of cost estimates and the staff schedule. The activities of the employees of the Internal audit Service Department are determined by the internal records of their positions.

Monthly, quarterly reports on the items studied by the Internal audit Service Department should be submitted. The objectives of the Buda Internal audit Service are to provide:

- providing management with reliable information and preparation of proposals on improvement of financial and economic activities on the results of internal audit;
- to quickly introduce recommendations to the management on the elimination of identified deficiencies in the internal audit process, control over their elimination.

The initial stage of conducting an internal audit is its planning. In the audit plan, an audit program should be established, which indicates the expected size of the work, the schedule and deadlines for the conduct of the audit, the size, types and sequence of audit activities necessary for the formation of objections and comprehensively based opinions about the object under investigation.

The general plan of audits is drawn up before the beginning of each accounting year. When creating it, the following is taken into account:

- distribution of inspectors for each specific objects according to their professional characteristics and job levels;
- all members of the group should thoroughly study the instructions about their rights and obligations, provide information about the inspected objects;
- conducting working documentation;
- documenting the work done and discussing it with the responsible persons of the inspected facility.

The general plan should serve as a guide in the implementation of the audit program. Audit program is a set of methods and methods of internal audit documented in an established form. The audit program includes the audit procedures used in this audit, as well as their description, terms, scope and specific executors.

Before conducting an audit, it is necessary to determine the size of the audit sample, as well as review the audit documents available at the audited facility.

Methods of internal audit to study the effectiveness of using material and financial resources, to ensure the preservation of assets and the timely return of liabilities, to ensure the legality, truthfulness and expediency of business operations, as well as to study the initial documents that serve as the basis for reflecting these operations in accounting consists of a set of financial, economic, organizational, technical and real methods and measures for checking its financial and economic activity.

Conducting an internal audit is carried out in practice using the following types of control:

- inventory;
- review;
- study;
- control measurements;
- conducting documentary control, legal investigations and analytical procedures;
- observation, comparison and comparison;
- cross-examinations, etc.

According to the directions of the internal audit, various measures can be implemented. In particular, during the audit of transactions with tangible assets, the following are checked:

- correctness of recognition of assets in the account;
- that the balance of material values is at the standard level;
- ensuring the preservation of material values, the existence of orders of the head on the appointment of materially responsible persons, the existence of contracts on full personal material responsibility;
- timely inventory of material assets;

- keeping an analytical account of material values;
- documentation of receipts and write-offs of material assets and accuracy of accounting, etc.

It would be appropriate to create working documents on the objects of internal audit service inspection.

The results of inspections conducted by internal auditors should be formalized in the form of reports. It can be audit reports, audit report, notification letter, audit report, audit report and so on. In our opinion, it is appropriate to determine the structure of reporting forms.

The report on the results of the examination of the financial condition of the organization should include:

- assessment of the state of compliance with the budget-estimate discipline;
- assessment of compliance with the established procedure of accounting and financial reporting;
- a description of the violation of the prescribed procedure for keeping accounting records and preparing financial statements, etc.

The results of checking the condition of the assets should include the justification of the transfer of the inventory of assets and information about their movement, actual availability and storage. The internal audit service of the enterprise prepares a report on the results of the inspection, this report is signed by the head of the internal audit service and presented to the head of the organization for review and further approval.

After approval of the reports, their copies should be submitted to the executive departments of the organization. The executive units of the organization, in turn, must take measures to eliminate the deficiencies identified as a result of the internal audit.

The report can be divided into 3 parts: introduction, analysis and conclusion.

The introductory part of the internal audit report should consist of the following:

- report number;
- date of drawing up the report;
- periods of inspection in accordance with the general plan or internal audit schedule;
- instructions given to inspection questionnaires (in case of unplanned inspections);
- the period of the organization's audited activity;
- dates of the start and end of the inspection;
- surname, first name and patronymic of the persons who participated in the inspection and conducted the inspection;
- other necessary information.

The analytical part of the report is a systematized statement of cases of documented violations of the law found during the inspection process or cases that are important for making correct decisions based on the results of the inspection, indicating the absence of such a violation of the law.

The final part of the report should include the recommendations of the internal audit service to eliminate identified deviations and violations of the law, and proposals aimed at the targeted and rational use of funds.

Employees of the internal audit service are responsible for:

- falsification of the results of their own inspections;
- non-observance of the confidentiality of the information provided to them or made known to them in connection with the performance of their duties, constituting the secret of the enterprise;
- ensuring the storage and return of received documents.

In conclusion, it can be said that the effective implementation of internal audit activities in budget organizations strengthens the provision of targeted and rational spending of budget and extra-budgetary funds.

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