

Ochilov Farxodjon Shavkatjon ugli

Associate professor of Audit department

Tashkent state university of economics

E-mail: ochilovfarhod094@gmail.com

Abstract. In this article, how to use expert work in auditing and improve its procedure, in what cases an expert is needed for an auditor and what types of expert opinion are divided, information about what processes exist in each type, and on increasing the role of an expert in auditing. suggestions and recommendations were given.

Key words. Audit, expert, objective approach to expert examination, license, audit evidence, expert opinion, audit object, requisites.

INTRODUCTION. The characteristics of the audited enterprises during the provision of various services related to auditing sometimes require special knowledge in certain areas of activity. It is understandable that the auditor does not have the opportunity to competently examine all aspects of the production and economic activities of the enterprise or to assess certain aspects. For these reasons, serious problems and significant errors may remain undiscovered and undetected. Therefore, auditors and audit firms have the right to involve other specialists, that is, experts, in conducting an audit. An expert is a qualified specialist in his field. An expert is a person who is aware of all the information about his profession, regardless of the field.

The main emphasis in the article is on improving the procedure for using expert work in audit investigations.

LITERATURE REVIEW. The use of expert work in audit investigations has been studied by local and foreign scientists in their scientific research, and below we will review the work of these scientists and the regulatory and legal documents and standards.

According to the ISA 620 "Using the work of an auditor's expert", "An expert is a specialist who is not on the staff of the audit organization and has sufficient knowledge, experience and skills in areas other than accounting and auditing." An audit firm may engage a specialized firm, which is a legal entity, as an expert. These firms provide services in areas such as property valuation, engineering, and geology [1].

In accordance with the Law of the Republic of Uzbekistan "On Auditing Activities" dated February 25, 2021, No. LRU-677, the auditor has the right to involve other specialists as experts to participate in the audit [2].

According to one of the leading scholars in the field of local auditing, Ilhamov Sh., "An expert is a specialist who has knowledge, skills and work experience in a field other than accounting and auditing. An expert can be involved and hired by a business entity or an auditor (auditing organization). In the case of hiring an expert-auditor, his work is used by the auditor not as the work of an assistant auditor, but as the work of an expert.

Accordingly, in such situations, the auditor should apply appropriate procedures to the work and conclusions of the expert, but usually there is no need to assess his qualifications and professional awareness for each engagement [3].

According to Hamdamov B.Q., the auditor's duties to use the work of an individual or organization with professional knowledge and experience in a specific field other than accounting or auditing to assist the auditor in obtaining sufficient relevant audit evidence include the use of expert work. For example, the audit process may require the services of engineers, technicians, lawyers, translators, and even doctors or pharmacists. In order to adequately assist auditors in engaging experts, the expert's qualifications, license, membership in professional associations, and letters of recommendation for previous examinations are first checked [4].

Scientists Tolakhodjaeva M.M., Ilhamov Sh.I. and Khodjaeva M.Kh. defined an expert in their books as follows: "An expert is a specialist with advanced knowledge and experience in a certain field of activity who can express a reasoned opinion on a particular issue. He is a person invited by an enterprise, organization or state body to conduct an examination" [5].

Based on the above definitions, we can see that the definition and explanation given by economist Sh. Ilhamov to the expert currently covers both practical and theoretical aspects.

ANALYSIS AND RESULTS. The analysis and results section of this article discusses situations in which expert work can be used, the requirements for an expert in an audit, and the importance of using expert work and important recommendations for its improvement.

Based on the above goal, the following tasks can be identified:

- to conduct scientific research on the study of expert work in audit audits based on international standards and its practical application;
- to apply the research studied on the basis of standards in practice and to explain its results.

The audit organization, based on the results of the audit and the expert opinion, must assess the following in the business entity:

- whether sufficient and appropriate evidence has been obtained to express an opinion in accordance with the legislation on auditing activities;
- whether uncorrected material misstatements, taken individually or in aggregate, comply with the legislation on auditing activities;
- whether the adopted accounting policies are reasonable and comply with the requirements of the legislation on accounting;
- whether the information reflected in the financial statements is reliable, comparable, understandable and appropriate;
- whether the financial statements comply with the requirements of regulatory legal acts on accounting and the preparation of financial statements.

An expert may be involved in audit audits in the following cases:

1. When evaluating certain property (land, buildings, machinery, equipment, etc.)

2. To determine the amount and condition of property (reserves of minerals, service life of machinery and equipment)

3. When determining the volume of work performed (construction, geological exploration)

4. When legally assessing contracts, constituent documents, regulatory documents.

Expert assistance is not used for other situations. The decision to use expert services in an audit is made by the management of the audit firm, taking into account factors such as the complexity and importance of the existing conditions. To participate in an audit, an expert must meet the following requirements:

➤ A document confirming the qualification in the field in which the expert intends to provide services (diploma, certificate, license);

➤ Work experience in the field in which the expert intends to provide services;

➤ A license from a state institution granting the right to provide services in this field.

According to ISA 300, planning an audit of financial statements sets out the matters that the auditor should consider before identifying and assessing the risks of material misstatement. One of these matters is the involvement of experts. According to ISA 500, when audit evidence is prepared using the work of management's expert, the auditor should:

* assess the competence, capabilities and objectivity of this expert

* obtain an understanding of this expert's work

* evaluate the suitability of this expert's work as audit evidence and confirm it as appropriate.

Clearly, if the preparation of an entity's financial statements requires the use of an expert, the competence of the expert and the appropriateness of the work performed are important in assessing the risks of material misstatement. ISA 500 does not refer to the work of the auditor's own expert because there is no relationship between the work of that expert and the risks of material misstatement in the financial statements.

In accordance with ISA 620, using the work of an auditor's expert, an auditor's expert is defined as: "A person or organization with expertise in a field other than accounting or auditing whose work in that field is used by the auditor to assist the auditor in obtaining sufficient relevant audit evidence. An auditor's expert may be either the auditor's internal expert (a partner or employee, including temporary employees of an audit firm or network firm) or the auditor's external expert" [6]

Auditors are experts in accounting and auditing matters, but they are not expected to be experts in any other field. However, auditors should recognize that in some cases, to reduce the risk of material misstatements not being detected, they may need to involve their own experts. Such expertise may be required in the following areas:

Valuation of:

- land and buildings;

- plant and machinery;

- jewellery;
- works of art;
- antiques;
- intangible assets - such as patents and trademarks;
- environmental liabilities;
- site cleanup costs;
- oil reserves;
- gas reserves;
- mining reserves.

Actuarial accounting of liabilities relating to:

- insurance contracts;
- employee benefit plans.

Interpretation of:

- contracts;
- laws;
- regulations.

Many of the above issues are rarely discussed in auditing texts and are not encountered by most in real-life auditing situations. However, in various economies, auditors, particularly those involved in the audits of large companies (e.g. banks, insurance companies, and mining and exploration companies), require expert opinions from a range of disciplines.

In this regard, companies should rely on the opinion of their experts when auditors do not have sufficient evidence for the accuracy of valuable jewelry, works of art or antiques - assets that are held as trading or investment assets. It follows that the auditor relies on expert opinion in order to reduce risk and increase materiality in his opinion. According to ISA No. 320 "Materiality in Auditing", a positive opinion is expressed if the financial statements of a business entity fairly reflect its financial position, financial results in all material respects and comply with accounting legislation. For example, the following criteria are established for determining the level of materiality in an audit:

- 1) profit before tax – 2%;
- 2) net income (without VAT) – 2%;
- 3) balance sheet – 2%;
- 4) equity – 2%;
- 5) total expenses of the organization – 2%.

Based on this, below we will determine the level of materiality in the audit through the 2023 indicators of Almalyk Mining and Metallurgical Combine JSC.

Table 1

Basic indicators and assigned significance levels for Almalyk Mining and Metallurgical Combine JSC¹

¹ Made by author

40	ISSN 2277-3630 (online), Published by International journal of Social Sciences & Interdisciplinary Research., under Volume: 14 Issue: 03 in March-2025 https://www.gejournal.net/index.php/IJSSIR
	Copyright (c) 2025 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY). To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

Basic indicators	Financial reporting forms and lines	The amount of the base indicator in the client organization's report, thousand soums.	Level of importance, %	The amount of the level of importance, thousand soums
Profit before tax	2-form, 240-line	10 981 139 822.0	2	219 622 796.44
Net income (without VAT)	2-form, 010-line	31 048 339 169.0	2	620 966 783.4
Balance sheet	1-form, 400-line	55 093 947 378.0	2	1 101 878 947.6
Equity	1-form, 480-line	24 381 875 359.0	2	487 637 507.18
Total expenses of the organization	calculation is made based on form 2	18 792 587 337.0	2	375 851 746.8

Using the table above, we calculate the significance level below.

$$(219\ 622\ 796.44 + 620\ 966\ 783.4 + 1\ 101\ 878\ 947.6 + 487\ 637\ 507.18 + 375\ 851\ 746.8) : 5 = 561\ 191\ 556.3$$

$$(375\ 851\ 746.8 - 561\ 191\ 556.3 / 561\ 191\ 556.3) * 100 = -33$$

$$(1\ 101\ 878\ 947.6 - 561\ 191\ 556.3 / 561\ 191\ 556.3) * 100 = 96.4$$

According to the results of the calculations, both levels of significance differ significantly from the average level (any difference of more than 20% is considered significant), therefore, a decision should be made to exclude these indicators from the calculations. In this case, the new arithmetic average level of significance is determined:

$$(219\ 622\ 796.44 + 620\ 966\ 783.4 + 487\ 637\ 507.18) / 3 = 442\ 742\ 362.3$$

The main purpose of determining this level of materiality is to ensure that the auditor's report reflects the precise amount of error resulting from the audit, enabling a qualified user of the financial statements to draw the right conclusions and make the right decisions on their basis.

An auditor's expert must be competent, capable, and impartial if their services are to be considered adequate for the purposes of the audit. Let's deal with each of these attributes.

Competence is related to the nature and level of expertise of the specialist. Obviously, any specialist hired should have widely recognized expertise in the specified discipline.

Competence refers to the expert's ability to exercise that authority in the context of the audit engagement. For example, the expert must have the time and resources to perform the task at hand.

Objectivity is concerned with the effects that bias, conflict of interest, or the influence of others may have on the expert's opinion. If the expert has an interest in expressing

anything other than an objective opinion on the subject, his or her opinion will be of no value to the auditor.

If an auditor's professional fails to meet the requirement for any of the above attributes, the risk of error or inaccuracy in the work performed will increase and, therefore, the objective of minimizing the risk of not detecting material misstatements will not be achieved. Accordingly, the auditor's quality control procedures should ensure that internal experts (who are part of the audit engagement team) are competent, competent and objective. If the audit organization intends to engage a new internal expert or, alternatively, relies on the services of an external expert, information about the expert's competence, ability and objectivity can be obtained from various sources.

These include:

- personal experience with the expert's previous work;
- discussion with the expert;
- discussion with other auditors familiar with the expert's work;
- knowledge of the expert's qualifications, membership in a professional body or industry association, license to practice, or other forms of external recognition;
- articles or books published by the expert.

In evaluating the auditor's expert's conclusions for audit purposes, the auditor may perform various tasks, including:

- making inquiries of the auditor's expert;
- reviewing the auditor's expert's working papers and reports;
- performing confirmatory procedures, such as observing the auditor's expert's work, examining authoritative statistical reports and other authoritative documents, publishing information, confirming relevant matters with third parties, performing substantive analytical procedures, and recalculating;
- discussing with another expert who has relevant experience;
- discussing the auditor's expert's conclusion with management.

If, when reviewing the results of the expert's work, the audit organization identifies significant inconsistencies between the expert's opinion and the information (documents) of the business entity, or the audit organization considers the results of the expert's work to be unfounded, the audit organization must implement additional audit rules that ensure verification of the validity of the expert's opinion or appoint another expert.

The expert's conclusion should be included in the audit firm's working papers. If, exceptionally, the expert provides oral explanations, the audit firm should reflect such explanations in its working papers. If the results of the expert's work do not provide sufficient appropriate audit evidence or are inconsistent with other audit evidence, the auditor should address this issue. This may be achieved by discussing the matter with the entity and the expert, and by inviting another expert or by including additional procedures in the audit report.

CONCLUSION. At the end of the article, we can conclude from the recommendations and research presented that measures and scientific research are being

42	ISSN 2277-3630 (online), Published by International journal of Social Sciences & Interdisciplinary Research., under Volume: 14 Issue: 03 in March-2025 https://www.gejournal.net/index.php/IJSSIR
	Copyright (c) 2025 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY). To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

carried out to facilitate, digitize and technologize the activities of audit organizations, the audit process, make the audit process and its results transparent, and most importantly, reduce and alleviate the responsibility assumed by the auditor and the expert through the conclusion given by the auditor. However, in some cases, situations may arise that do not correspond to our systems. In order to further improve the system, make management decisions and further improve corporate governance, it is necessary to provide quality audit services by improving the quality of audit services and its expert work, and as a result, provide a quality conclusion to eliminate the errors and shortcomings of the audited object.

REFERENCES.

1. ISA 620, Using the Work of an Auditor's Expert.
2. O'zbekiston Respublikasi «Auditorlik faoliyati to'g'risida»gi Qonuni (yangi tahriri). 2021 yil 25 fevral. O'RQ-677-son.
3. Ilhamov Sh.I. Audit. Darslik. 1-qism. - { IQTISODIYOT. 2018. -295-bet
4. Auditning xalqaro standartlari: Darslik / B.Q. Hamdamov-T.: «IqtisodMoliya», 2020. 268 b.
5. Amaliy Audit : Darslik / To'laxodjayeva M.M, .Ilhamov SH.I. va Xodjayeva M.X. T.: «IqtisodMoliya», 2020. 268 b.
6. ISA 300 (Redrafted), "Planning an Audit of Financial Statements," paragraph 7(e).
7. ISA 500 (Redrafted) "Considering the Relevance and Reliability of Audit Evidence".
8. ISA 320, Materiality in Planning and Performing an Audit.