

ECONOMIC ACTIVITIES BASED ON INTERNATIONAL STANDARDS

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Abstract

In Uzbekistan, the path of creating national standards based on international experience was chosen. At the same time, the development of auditing standards in Uzbekistan is based on the assumption that each of them should define some part or aspect of the auditing activity, be short and concise, but contain a fairly complete description of the requirements for regulation of the object of standardization.

Keywords: Autonomous committee, issues, international auditing standards, development, auditing profession, professionalism, auditors, international scale, methodology.

Introduction

One of the main ways to improve domestic auditing is the standardization of auditing activities. A fundamental place in solving this problem is given to international auditing standards. Back in 1948, members of the American Institute of Certified Public Accountants approved and adopted ten statements called "Generally Accepted Standards of Auditing Practice." These provisions have not changed significantly since then and form the basis of the standards developed by the Committee on International Auditing Practices [1].

Auditing standards are documents that formulate common basic requirements and general approaches to conducting an audit. The standards define regulatory requirements for the quality and reliability of the audit, the scope of the audit, shortcomings, methodological issues, and the basic principles that auditors must follow [2]. Compliance with auditing standards allows for a certain level of assurance of quality audit results. The auditor has the right to deviate from these standards in cases where this is necessary to more effectively achieve the audit objectives.

Meaning of standards:

- 1) ensure high quality of the audit;
- 2) promote the introduction of new scientific achievements into audit practice;
- 3) help users understand the audit process;
- 4) enhance the public image of the auditing profession;
- 5) eliminate unnecessary control by the state;
- 6) help auditors negotiate with the client;
- 7) provide connection between individual elements of the audit process [3].

Standards are the basis for evidence in court, the quality of the audit and the determination of the level of responsibility of auditors. On the basis of auditing standards, educational programs for the training of auditors are formed, as well as uniform requirements for conducting exams for the right to engage in auditing activities. Auditing standards must respond to changes in economic conditions and are therefore subject to periodic review.

The International Federation of Accountants (IFAC) is responsible for the development and implementation of international auditing standards. Currently, IFAC unites 159 members from 118 countries, including Uzbekistan. Uzbekistan is represented in the IFAC by the Institute of Professional Accountants of Uzbekistan. Only countries that are members of the International Federation of Accountants can apply international auditing standards as national ones [4].

In October 2000, the first official translation of the International Standards on Auditing into Uzbek was published. However, its use as Uzbek regulatory documents has not been successful, mainly due to the difficulty of literal translation of the text of regulatory documents from English into Uzbek. In 2001, the second edition of the translation of international auditing standards was released, on the basis of which the original versions of domestic standards are gradually being replaced with new ones. Uzbek auditing standards are a presentation of international standards in a language accessible to Uzbek specialists and in a form familiar to the persons to whom such regulatory documents are intended.

The main objective of the International Federation of Accountants is to develop and strengthen the position of the accounting profession worldwide. To work on this task, the IFAC created the IFAC Council, which, in turn, founded the Committee on International Auditing Practices (CIAP) [4].

Currently, both international and national auditing standards are widely used to regulate auditing activities.

Auditing standards include four main types [5]:

- General auditing standards (a set of professional requirements regarding the qualifications of the auditor, independence of point of view);
- Working audit standards (provisions on the need to plan the auditor's work, study and evaluate accounting systems and internal controls, obtain evidence);
- Reporting standards (provides an indication of what kind of financial statements were checked during the audit, delimitation of functions between the auditor);
- Specific standards used for auditing in specific areas of activity.

The International Federation of Accountants, established in 1977, is developing professional requirements for auditing at the international level. Within the framework of the International Committee on Auditing Practices, acting as a permanent autonomous committee, it issues international auditing standards that have a dual purpose: to promote the development of the auditing profession in those countries in which the level of professionalism of auditors is below the global level, and to unify, as far as possible, the attitude towards auditing on an international scale.

The IFAC has a certain methodology for developing International standards and regulations. It consists of the following [6]:

1. The IFAC Council selects certain topics for detailed study;
2. Special subcommittees are created that study background information and prepare projects for consideration by the Council.
3. If approved, the Council submits the project for consideration by all members of the IFAC, as well as international organizations that are not members of the IFAC, but are interested in adopting standards;
4. The received comments and proposals are considered by the Council, which makes the necessary adjustments and changes to the project;
5. The new edition is approved and published in the form of an international standard or regulation on international auditing practice, which comes into force from the date specified therein. In Australia, Brazil, India and Holland and other countries, international standards are used as a basis for developing their own standards, and in countries that have decided not to develop their own standards (Cyprus, Malaysia, Nigeria, Fiji, Sri Lanka, etc.), international standards can be fully used as national ones [7].

In the most developed countries, which have their own specific national auditing standards (Canada, Great Britain, Ireland, USA), international standards are simply taken into account by professional organizations.

In addition to general auditing standards, there are also special standards and norms that regulate the stages and areas of audit activity - standards and norms of forecasts and plans, ethical standards, etc.

The structure of the ISA is uniform. It includes:

- introduction, which reflects the purpose of the standard and the tasks facing the auditor, and also provides definitions of the most important terms used;
- sections outlining the essence of the standard;
- applications (for some standards) [8].

International auditing standards currently include 46 standards. They are structured and grouped according to the following topics:

Standards on introductory provisions (ISA 100-199) perform the function of defining the general terms of ISAs or the framework of auditing activities (framework concept). They determine the logic of development of ISAs, are the basis for the development of new standards, contain a list of terms, general guidelines, both for auditing activities and for other audit-related services. Standards that allocate responsibilities for auditing activities (ISA 200-299) define the terms of the audit order, the approximate content of the contract for the performance of audit services, as well as the conditions under which audit risk (the risk of a positive audit report despite significant errors in reporting) should be reduced to an acceptable minimum.

Standards for planning audit activities (ISA 300-399) require that when planning an audit, you should clearly define the range of issues to be audited, the composition of employees

who will participate in the audit (is there a sufficient number of employees, are they competent enough in issues related to the order), the need to attract external experts, specialists from other audit firms [8].

Standards for the use of internal control results (ISA 400-499) are based on the principle of the need to evaluate the effectiveness of internal control within the framework of external control. When planning an audit, it is imperative to examine the general attitude, awareness and practices of the enterprise management in relation to the internal control system.

The standards governing audit evidence (ISA 500-599) state that the auditor must obtain sufficient relevant evidence to enable a reasonable audit opinion to be made, and external evidence may also be used to obtain audit evidence to support certain elements of the audit. There are two circumstances that may lead to the expression of an opinion other than an unconditionally positive one: [9].

1. **Volume limitation.** Limitations on the scope of the auditor's work may be set by the organization's management (for example, the terms of the audit engagement provide that the auditor will not perform audit procedures that the auditor considers necessary). However, if a restriction in the terms of the engagement is such that the auditor considers it necessary to disclaim an opinion, the auditor will generally not agree to perform such a limited engagement unless required by law. In addition, the auditor does not agree to conduct an audit if the restriction violates the auditor's statutory responsibilities.

The scope limitation may be a consequence of circumstances (for example, the timing of the audit work is such that the auditor is not able to observe the process of inventory counting). A scope limitation also occurs if, in the auditor's opinion, the entity's accounting records do not comply with requirements or if the auditor is unable to perform audit procedures that he considers necessary. In this case, the auditor attempts to perform possible alternative procedures to obtain sufficient appropriate evidence to support an unqualified opinion. If a limitation on the scope of the auditor's work requires a qualified opinion or disclaimer of opinion, the auditor's report must include a description of the limitation and possible adjustments to the financial statements that might be necessary if the limitation did not exist [10].

2. **Disagreement with management.** The auditor may disagree with management on issues such as the appropriateness of the accounting policy chosen, the method of application, or the adequacy of the disclosures in the financial statements. If such disagreement is material to the financial statements, the auditor should express a qualified or adverse opinion.

International auditing standards are becoming more and more widespread in Uzbekistan. Currently, the efforts of regulatory authorities are aimed at completing the formation of the regulatory framework for Uzbek audit and bringing it into line with international standards.

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