

## FORMATION OF INTERNAL AUDIT REPORTS AND RECOMMENDATIONS IN BUDGET ORGANIZATIONS

Mehmonov Sultonali Umaraliyevich

Vice-rector of Tashkent Financial Institute, doctor of Economic Sciences, professor

Jo'rabayev Mahmudjon Ilhomjon o'g'li

Master of Tashkent Financial Institute

### ANNOTATION

In this article theoretically substantiates the need to organize and conduct an internal audit in budgetary organizations, form an internal audit summary, report and recommendations. The formation of the summary and report of the internal audit conducted in budgetary organizations was investigated. In budgetary organizations, author's proposals have been developed to improve the formation of an internal audit summary, report and recommendations.

**Keywords:** audit, budget Organization, internal audit, estimate, account, report, conclusion, recommendations.

Nowadays, in budgetary organizations, it is very important to reduce costs, effectively and rationally use funds. The totality of theoretical, methodological and practical issues related to the laws being developed today and the structural changes arising from it, as well as the development of organizational and methodological support of internal audit entities in budgetary organizations, is the most interesting and relevant for scientific research.

In budgetary organizations, the effective organization of the Internal audit Service plays an important role. One of the most important aspects of internal audit activity is the identification and analysis of possible external and internal risks in the development and implementation of new projects, as well as the development of recommendations that allow you to reduce the level of risk or minimize the possibility of losses.

At the new stage of economic reforms carried out in our republic, the need arises to improve the system of state financial control on the basis of the requirements of the time in terms of content and quality in order to increase the competitiveness of the national economy and further strengthen macroeconomic stability. This can also be clearly seen in the third line of the "Strategy of actions in five priority areas of development of the Republic of Uzbekistan in 2017-2021" – the paragraph aimed at improving inter-budgetary relations aimed at ensuring proportionality at all levels of the state budget, strengthening the income part of local budgets, while maintaining the social orientation of expenses.

Today, the state financial control system existing in our republic consists mainly of external financial control, and separate units of the competent authorities, including the Accounts Chamber of the Republic of Uzbekistan, the Ministry of finance, the Tax Committee, the prosecutor general's office, carry out state financial control within their tasks.

Increasing the efficiency of expenditures of the state budget of the Republic of Uzbekistan, strengthening the Prevention of violations of budget legislation and expanding remote financial control, as well as, in order to improve the activities of the bodies of state financial control, the order

of the president of the Republic of Uzbekistan “on further increasing the efficiency of expenditures of the state budget of the Republic of Uzbekistan and improving the activities of the bodies of state financial control” (registered by the Ministry of Justice of the Republic of Uzbekistan on October 24, 2022, The adopted regulatory and legal guidelines stipulate that control over the execution of budget funds and ensuring its transparency, as well as making sharp positive changes in the system of state financial control. In this regard, the effectiveness of the use of budgetary funds in the Republic is improved on the basis of Advanced International experience, and special attention should be paid to the internal audit and financial control system in budgetary organizations.

The development of an effective system for conducting an internal audit is carried out on the basis of existing laws in society. The management personnel of the organization and internal auditors make decisions in monitoring and assessing the effectiveness of the internal control system. The Internal audit Service can be applied to any type of enterprise and organization, regardless of its structure. Only, in budgetary organizations, internal audit requires a change in the methods of its activities and makes several requirements for the organization of effective internal control.

The study and assessment of accounting and accounting by the Internal audit Service of the budgetary organization must necessarily be reflected in the working documentation of the Internal Audit Service.

In doing so, it is recommended that the following be applied:

- specially designed test operations;
- list of sample questions to determine the opinion of management personnel and accounting personnel;
- special blanks and inspection sheets;
- lists of objections, statements or acts.

The opinion of the auditor on the organization of the accounting system and the effectiveness of the internal control system serves as the basis for planning the conduct of audit activities. It indicates the features of the accounting system of the organization under investigation, as well as the fact that the results of the study and assessment of the internal control system of this organization are not documented or a thorough internal audit is not carried out in the appropriate way.

In the process of internal audit, it is imperative to check(s)the accounting system in the organization under investigation, and in this case, to study(s)the means of control, as well as to evaluate(s), which will be the basis for determining the nature, size and temporary costs of the planned activities.

The internal control system must comply with the size and characteristics of the organization's activities. In the process of internal audit, it is necessary to have sufficient confidence that the accounting system reflects the activities of the organization under investigation truthfully.

In order to obtain primary information about the form of ownership, management and operations of the organization, which must be audited before making a decision to conduct an audit of the accounting and internal control system used, it is necessary to familiarize yourself with the Constituent documents of the organization and accounting documents, as well as the financial statements of the organization, and

The objectivity of the audit opinion in a positive assessment of the accounting and internal control system depends on three factors:

- to the correctness of accounting;
- to the reliability of the control system;
- to the accuracy of audit actions.

Thus, during the audit, auditors face the following types of risks:

- not noticing errors in the accounting system;
- not noticing errors in the internal control system;
- bias and scarcity of audit practices.

The first important step in the planning of an audit is the determination of the purpose of the audit (the purpose of the audit) and the scope of the industry, that is, the fronts on which the audit will be carried out.

One of the most important primary aspects of audit is its conduct on the basis of principles (planning, calculations, reporting and compliance). That is, the effectiveness of the organization under investigation is measured on the basis of the effectiveness of the financial statements of this enterprise. At the same time, the results of the audit carried out by the internal audit of the organization are also a separate important resource.

The methods of internal audit consist of a set of financial, economic, organizational, technical and Real methods and measures for checking its financial. The results of inspections conducted by internal auditors should be formalized in the form of reports. It can be Audit reference books, audit report, notification letter, audit report, audit (audit) act and the like. It is desirable that the structure of reporting forms in our opinion be determined.

The report on the results of checking the financial condition of the organization includes:

- assessment of the state of compliance with the budget-estimate discipline;
- assessment of compliance with the established procedure for maintaining accounting and drawing up financial statements;
- a description of the violation of the established procedure for maintaining accounting and preparing financial statements, etc.

The report can be presented in parts 3: introductory part, analytical part and closing part. The introductory part of the internal audit report should consist of:

- report number;
- date of creation of the report;
- deadlines for conducting an audit in accordance with the general plan or plan-schedule of conducting an internal audit;
- instructions to the inspection questionnaires (in the case of unscheduled inspections);
- the period of the organization's activities during which the verification was carried out;
- dates of the beginning and completion of the inspection;
- last name, first name and patronymic of persons who participated in the investigation and conducted the investigation;
- other necessary information.

Analytical part of the report

- a systematized statement of the cases of a documentary confirmed violation of the law, identified in the process of verification, or situations in which such a violation of the law is instructed not to exist and is of importance for making the right decisions on the results of the verification.

The final part of the report should include recommendations from the Internal audit Service on the elimination of identified deviations and violations of the law, aimed at the targeted and rational use of funds.

Based on the results of the study and analysis, proposals and recommendations will be developed by the Department of Internal audit Service. Monthly, quarterly reports on the objects studied by the

Department of Internal audit Service should be submitted. In this case, the tasks of the Internal audit Service are to provide:

- to provide the management with reliable information and prepare proposals for improving financial activities based on the results of the implementation of internal audit;
- quick introduction of recommendations to the management on the elimination of deficiencies identified in the internal audit process, control over their elimination.

Employees of the Internal audit Service are those who are considered responsible for:

- the fact that they distorted the results of the checks they carried out;
- failure to comply with the confidentiality of information provided to them or constitutes the secret of the enterprise known to them in connection with the fulfillment of the duties of the sleeper by them;
- ensuring the preservation and return of the received documents.

We believe that in budgetary organizations it is advisable to develop the following procedures for the formation of internal audit reports and recommendations:

1. The procedure for planning the activities of the internal audit system;
2. The procedure for obtaining evidence in the process of internal audit;
3. The procedure for the formation of working documents of the internal audit;
4. The procedure for generalizing and formalizing the results of the internal audit.

In budgetary organizations, the Internal audit Service should be formed based on the nature of the objects in which the number and composition of the work documentation is studied. Internal audit work documentation is allocated separately in budgetary organizations in sections on income and expenditure estimates, accounting and control of the execution of estimates, financial statements.

The following can be attributed to the efficiency indicators of the Internal audit Service in budgetary organizations:

- savings in budget expenditures as a result of the implementation of the recommendations given as a result of internal audit activities;
- indicators of reduction in the quantity and value units of financial violations after the implementation of the activities of the Internal audit Service in budgetary organizations;
- performance results of tasks performed by a budgetary organization.

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