DEVELOPMENT OF COST ACCOUNTING AND INTERNAL AUDIT SERVICES

Tursunova (Pirnazarova) Gulnora Urumbayevna
assistant of the department «Accounting and audit»
National Research University "Tashkent Institute of Irrigation and Agricultural Mechanization Engineers institute "
gulnora@uzpalmer.com
https://orcid.org/0009-0005-5874-973X
https://doi.org/10.5281/zenodo.18067764

ARTICLE INFO

Received: 23rd December 2025
Accepted: 24th December 2025
Online: 25th December 2025

KEYWORDS

The main purpose of internal audit is to help managers of the entity effectively fulfill their responsibilities, to gain sufficient confidence that the enterprise and its structural units are using the enterprise's assets effectively in order to most effectively achieve the goals and objectives set before them [49; p. 17].

ABSTRACT

The internal audit service must convince the enterprise management that its service is necessary and useful. Because, we believe that the attitude towards internal auditors in enterprises is not the same and that the employees of the enterprise are not ready to fully use the internal audit service. The attitude towards internal audits depends on the internal culture of the enterprise and the cooperation of managers with them. Unfortunately, the employees of the enterprise do not always realize that the internal audit is controlling the work process, not the performers, identifying shortcomings in existing processes, rules and regulations, thereby helping the enterprise achieve good results.

The main purpose of internal audit is to help managers of the entity effectively fulfill their responsibilities, to gain sufficient confidence that the enterprise and its structural units are using the enterprise's assets effectively in order to most effectively achieve the goals and objectives set before them [49; p. 17].

So, if we pay attention to the above point, then indeed the purpose of the internal audit service is to control the correct registration of all transactions taking place in the enterprise.

In our opinion, one of the important aspects of internal audit activities is to identify and analyze risks in the development and implementation of projects. Also, internal auditors monitor the expenditure of funds on various projects and programs, analyze the reliability and timeliness of financial and management accounting, and assess the fulfillment of contracts and contractual obligations.

The internal audit service must convince the enterprise management that its service is necessary and useful. Because, we believe that the attitude towards internal auditors in enterprises is not the same and that the employees of the enterprise are not ready to fully use the internal audit service. The attitude towards internal audits depends on the internal culture of the enterprise and the cooperation of managers with them. Unfortunately, the employees of the enterprise do not always realize that the internal audit is controlling the work process, not the performers, identifying shortcomings in existing processes, rules and regulations, thereby helping the enterprise achieve good results.

In Western practice, there are two main directions of internal audit, the first main direction is auditing. It is mainly aimed at checking the preservation and effective use of assets, identifying debts and deficits and eliminating them. The second main direction is internal audit. Its main purpose is to ensure the reliability of financial reporting, minimize taxation (tax burden) and help ensure the integrity of the enterprise's assets.

According to S.I. Zhminko, “It is observed that the function of internal audit, aimed at checking financial statements and minimizing taxes, is moving to the function of covering all aspects of the enterprise’s activities” [95; p. 18].

Also, A.K. Ibragimov noted that the importance and necessity of internal audit is associated with the analysis of management functions [51].

It is clear from this that the essence of internal audit is mainly manifested in the fact that it is a type of activity that can support the enterprise’s management system.

In this regard, Professor A.A. Karimov emphasizes that there are two main differences between external and internal audit:

- firstly, external audit is based on confirming the correctness of the enterprise’s financial documents, while internal audit focuses on determining the state of the existing control system of the enterprise and its various divisions: production, marketing, sales, finance, etc.;

- secondly, external audit, first of all, takes into account the interests of consumers, creditors, tax authorities and other users, who are the customers of the enterprise. Internal audit, first of all, is aimed at the interests of the enterprise management, and an effective internal audit system serves to partially reduce the costs of external audit [54; p. 70].

Based on the above considerations, it can be said that external audit, as a rule, is aimed at confirming the reliability of the enterprise's financial statements, paying attention to factors and events that may affect them, and serving the interests of the enterprise's customers, and internal audit is a system aimed at assessing the effectiveness of the existing control system of the enterprise and its various divisions. An effective internal audit system allows you to reduce the costs of external audit of the enterprise.

Based on the above, the differences between internal and external audit are detailed in Appendix 1.

All forms of control complement each other in assessing the reliability, reasonableness and effectiveness of the financial condition of an economic entity.

The following are recognized by S.I. Zhminko as the main principles of internal audit:

1. Independence and objectivity. Independence is a concept that has a certain organizational content and is determined by the level of subordination of the internal audit service in the enterprise. The concept of objectivity is understood as a personal quality of the internal auditor - the lack of emotionality in assessing and giving conclusions.

2. Assurance and advice. The essence of internal audit activities - providing assurance and advice to clients - has significantly expanded and today includes the following areas: risk management, internal control, corporate governance. Assurance

The provision of assurance is an objective analysis of audit evidence in order to independently assess and express an opinion on the effectiveness of systems, processes, and transactions. The main difference between consulting and assurance is that in cases where advice is required, the scope of the auditor's work is determined by the client [95; p. 22].

The activity of internal audit to provide assurances for the activities of the enterprise is important for the supervisory board. From the point of view of simple management, the ability of internal audit to provide advice on improving the efficiency of business processes is more valuable, that is, it is more important to provide advice on issues for which simple (linear) management is responsible. The top executive management is both in favor of internal audit assisting simple (linear) management in performing its functions and in favor of ensuring management monitoring. Because, in our opinion, the main task of internal audit is to provide objective assurances. It can also be noted that it is necessary to be extremely careful not to overestimate the relative share of issue work in order to prevent negative consequences for the future objectivity of internal audit.

R.A.Alborov defines the functions of internal audit as follows:

- analysis and assessment of external factors affecting the activities of an economic entity;
- answering questions of administrative employees and founders on accounting, tax, analysis of economic activities, management and law;
- preparing the economic entity for inspections by external audit, tax and other control bodies;
- periodic control of financial and economic activities;
- checking the correctness of the conclusion and implementation of economic contracts;
- assessing the economy and efficiency of economic operations;
- checking the degree of achievement of the program goal [80; p. 83].

In general, internal audit performs various functions.

In particular, according to A.K.Makalskaya, the functions of internal audit are:

- transferring all available information on financial and economic activities to senior management;
- increasing the efficiency of internal control;
- confirmation of the reliability of the reports of the business entity's departments

It is advisable to consider the following proposals for assessing corporate governance practices and improving their processes:

- on the formation and development of ethical rules and values within the organization;
- on ensuring the responsibility and effective management of employees for the results of the organization's activities;
- on providing information on risks and control issues of the relevant structural units of the organization;
- coordination of activities and information exchange between the supervisory board, external and internal auditors, the organization's management, etc.

There are the following types of external audits:

- compliance audit checks the compliance of the activities of the structural units of the enterprise, their employees, if necessary, with the rules established by higher authorities or specified in legislative acts. For example, checking and evaluating concluded contracts from the point of view of legal requirements, reducing risks, etc.
- operational audit is a complete study of all business operations and processes, their impact on the efficiency and productivity of work;

- in the audit of financial statements, such checks are carried out by finance and accounting personnel and mainly study the extent to which the solvency, financial results and reports of the enterprise are correctly reflected.

Functional audit of management systems is carried out to assess the productivity and efficiency of production in any functional area of economic activity.

Organizational and technological audit of management systems represents the control carried out by the internal audit body over various links of management, their organizational or technological expediency (rationality), that is, the methods, techniques, management technologies used, the measures taken.

Audit of types of activities involves an objective study and comprehensive analysis of individual types of activities and business projects in order to further improve their potential. All strengths and weaknesses of the organization's activities are identified, the stability of its position in higher social systems, as well as development prospects are assessed.

Audit of compliance with instructions represents audit control measures for compliance with:

- laws, by-laws, standards (rules, methodologies) established by external authorized bodies for the sale of products;
- instructions issued by management bodies.

List of references:

1. Law of the Republic of Uzbekistan. On banks and banking activities // National database of legislative acts, 06.11.2019, No. 03/19/580/3994; 07.01.2020, No. 03/20/600/0023.
2. Law of the Republic of Uzbekistan. On the Central Bank of the Republic of Uzbekistan // National database of legislative acts, 12.11.2019, No. 03/19/582/4014.
3. Resolution of the President of the Republic of Uzbekistan “Strategy for Reforming the Banking System of the Republic of Uzbekistan for 2020-2025” No. PF-5992, National Database of Legislative Documents, 13.05.2020, No. 06/20/5992/0581, approved on May 12, 2020.
4. Strategy of the President of the Republic of Uzbekistan “Digital Uzbekistan - 2030” dated October 5, 2020, No. PF-6079, National Database of Legislative Documents, 06.10.2020, No. 06/20/6079/1349.
5. Resolution of the Board of the Central Bank of the Republic of Uzbekistan. On approval of the Regulation on the classification of asset quality in commercial banks and the procedure for the formation and use of reserves to cover potential losses on assets // Collection of Legislation of the Republic of Uzbekistan, 2015, No. 28, Article 374; National Database of Legislative Documents, 30.04.2018, No. 10/18/2696-2/1120.
6. Annual Report of the Central Bank of the Republic of Uzbekistan for 2023.//www.cbu.uz.
7.Ways to improve the accounting for liabilities in the travel agency. TM Zhuraevna European journal of economics and management sciences, 3-6.
8.АА Каримов, СУ Мехмонов, МЖ Темирханова Развитие социально-экономических систем в условиях нового технологического уклада. Стратегия устойчивого развития в антикризисном управлении экономическими ...
9. М.Ж Темирханова, ХБ Зарипов СОВЕРШЕНСТВОВАНИЕ ЦИФРОВОЙ МОБИЛЬНОЙ СВЯЗИ В СОВРЕМЕННОМ МИРЕ Бюллетень науки и практики 6 (7), 262-271

10. М.Ж Темирханова, Хусан Баходирович Зарипов, Ли Шаоминь. Совершенствование цифровой мобильной связи в современном мире Бюллетень науки и практики Byulleten nauki i praktiki 6 (7), 262-271