

ASSESSING THE INFLUENCE OF INTERNAL AND EXTERNAL FACTORS DURING A MANAGEMENT AUDIT

Xabibullayev Azizbek,
Independent Researcher, Uzbekistan

Ergashev Khudoynazar,
Associate Professor, Samarkand Institute of Economics and Service, Uzbekistan

Abstract

An external audit is an independent verification of the client's accounting (financial) statements in order to establish its reliability and compliance of ongoing financial and economic transactions with Uzbek legislation; identifying the reasons that hinder the realization of the company's potential opportunities and developing recommendations for their elimination. The purpose of this thesis is to describe the assessment of the influence of internal and external factors when conducting a management audit [1].

Keywords: effective control, property, liabilities, financial flows, enterprise, strengths and weakness, financial management system, reliability.

The purpose of an external audit is not only a direct audit of financial statements, but also the development of a set of measures that allow the client to make the most efficient use of available resources within the framework of the current legislation of Uzbekistan. Internal audit is an independent activity within an organization to review and evaluate its performance for the benefit of management [2]. The purpose of internal audit is to help the organization's employees perform their functions effectively.

Assessing the influence of internal and external factors during a management audit

They are considering external factors of the macroenvironment and factors of the microenvironment, factors of the internal environment using a situational audit, which involves analyzing and assessing the strategy of an agricultural organization using methods and techniques of strategic analysis [10]. Thus, when analyzing the external macroenvironment, it is necessary to take into account the following factors: political, economic, social, technological, legal, environmental, demographic, physical, cultural [3].

When analyzing the microenvironment, a general analysis of the industry, end consumers, competitive situation and other significant factors is performed. When analyzing the internal environment, an audit of processes is carried out in the context of financial management, production, marketing and sales, personnel management, information technology, innovation, and the current strategy of the agricultural situation is assessed [4]. At this stage, the internal audit service can use strategic analysis techniques such as SWOT analysis, PEST analysis, etc.

An external audit is carried out by an audit firm (auditor) on a contractual basis with an economic entity for the purpose of objectively assessing the reliability of accounting and reporting, as well as preparing recommendations for improving the financial position of the enterprise, increasing the efficiency of its activities, and finding unused production reserves. Internal and external audit complement each other and at the same time have significant differences [5].

The management accounting system is one of the key factors that is the basis for decision-making in management auditing. Management accounting is a tool that allows you to quickly respond to changes in the situation, objectively evaluate your business and make informed decisions. The management accounting system at the enterprise must ensure [6]:

- reliable and timely information about the position and results of the enterprise’s activities and their compliance with the goals of the enterprise;
- effective control over the property, liabilities and financial flows of the enterprise [7];
- “real” data for planning activities and analyzing the strengths and weaknesses of the enterprise;
- a transparent enterprise financial management system that allows you to achieve your goals [11].

The most important factor in this regard is the absolute reliability of the data presented. Also, when conducting the necessary research, thanks to which a number of factors were identified, due to the influence of which they relate to operations with an increased level of risk when conducting a management audit [8]:

- Complexity of the organizational structure;
- Large array of accounting documentation;
- Assessing the effectiveness of enterprise management based on incorrect indicators [9].

The influence of the listed factors on the efficiency of enterprises makes conducting a management audit objectively necessary [9].

The responsibility of management of the audited entity is to assess the ability of the audited entity to continue as a going concern, even if the applicable financial reporting procedures do not explicitly require this [12].

If the audited entity has a long history of profitable transactions and easy access to financial resources, its management may make its assessment without conducting a detailed analysis.

The auditor may have doubts about the applicability of the going concern assumption when reviewing financial (accounting) statements or performing other audit procedures [13].

In accordance with the standard, the following groups of indicators are identified, on the basis of which doubt may arise regarding the applicability of the going concern assumption:

- financial characteristics;
- production characteristics;

- other signs [14].

The auditor cannot predict future events or conditions that may cause the entity to cease to be a going concern, so the absence of any reference to going concern uncertainties in the auditor's report cannot be construed as a guarantee of the entity's ability to continue as a going concern. The auditor is not required to develop procedures (other than making inquiries of the audited entity) to examine factors that cast significant doubt on the entity's ability to continue as a going concern beyond a period of at least 12 months from the reporting date.

Based on the audit evidence obtained, the auditor must determine whether, in the auditor's judgment, a material uncertainty exists related to conditions and events that, individually or in the aggregate, cast significant doubt on the entity's ability to continue as a going concern.

References:

1. Tasheva, D. INTERACTIVE LEARNING FORMS IN RUSSIAN LESSONS. Zbiór artykułów naukowych recenzowanych., 211.
2. Tasheva, D. (2022). Methods Of Using Didactic Materials To Enhance Activities In The Russian Language Lessons. Ta'lim Va Rivojlanish Tahlili Onlayn Ilmiy Jurnal, 2(1), 325-328.
3. Shaymanova, Y. T., & Qarshiboyeva, Z. A. (2022). RUS OLIMI AN SAMOYLOVICHNING SHARQ TILLARINI O'RGANISHGA QO'SHGAN HISSASI. Oriental renaissance: Innovative, educational, natural and social sciences, 2(Special Issue 24), 365-372.
4. Shaymanova, Y., & Qarshiboyeva, Z. (2023). O'zbek Tilidagi Neologizmlarning Tasnifi Classification Of Neologisms In The Uzbek Language. Qishloq Xo'jaligi, Atrof-Muhit Va Barqaror Rivojlanish Milliy Konferensiyasi, 93-96.
5. Yulduz, S. (2023). Baho mazmunini ifodalovchi birliklarning gap tarkibida ifodalanishi. Qishloq Xo'jaligi, Atrof-Muhit Va Barqaror Rivojlanish Milliy Konferensiyasi, 48-51.
6. Abduvaxobovna, K. Z. (2022). Some Lingpoopetic Features Of Rhetorical Interrogative Sentences. Galaxy International Interdisciplinary Research Journal, 10(4), 721-724.
7. Khaydarovna, Ullieva Sanobar, Umarova Dilfuza Mamatkulovna, and Allayarova Dilfuza Klichevna. "Artistic Character As A Personality Model: Methods Of Linguistic Representation Of The Human Image." The Seybold Report (2023).
8. Mamatkulovna, U. D. (2023). Analysis of Pedagogical Aspects in the Study of the Problem of Bilingual in Teaching the Russian Language. Periodica Journal of Modern Philosophy, Social Sciences and Humanities, 17, 94-96.
9. Mamatkulovna, U. D. (2023). CULTUROLOGICAL APPROACH IN TEACHING THE RUSSIAN LANGUAGE. American Journal of Interdisciplinary Research and Development, 14, 62-65.

10. Klichevna, A. D., & Mamatkulovna, U. D. (2022). Psychological and pedagogical aspects in the study of the problem in bilingual teaching of the Russian language.
11. Klichevna, A. D., & Salimovna, T. D. (2023). Practical Aspects of the Formation of a Communicative Approach in the Development of a Linguistic Personality in Teaching the Russian Language. *Periodica Journal of Modern Philosophy, Social Sciences and Humanities*, 18, 180-183.
12. G Bozorova, Maktab adabiy ta'limida Muhammad Yusuf Hayoti va ijodini o'rgatishning samarali yo'llari. *Til, Ta'lim, Tarjima*. 2022.
13. G Bozorova, Muhammad Yusuf Ijodida Milliy Ruh Ifodasi International Scientific and Theoretical Conference, 2022.
14. GR Bozorova, Effective ways to teach the life and creativity of Muhammad Yusuf in school literature education. *Международный журнал языка, образования, перевода* 3 (2). 2022.