

## **ROLE AND ROLE OF AUDIT IN MANAGEMENT AND CONTROL OF ENTERPRISE COSTS**

G'anibayev Ilxomjon Shokiraliyevich

Senior Teacher of Fergana Polytechnic Institute

### **Abstract**

In the article the place and role of audit, the need for audit services, The tasks of the audit in the control of enterprise costs and product costs, internal control system, internal audit activities, documents that must be prepared during the implementation of the cost audit , the importance of the results of the audit activity in making management decisions, and the need for the auditor to have professional judgment in planning and conducting the audit are explained.

**Keywords:** Audit, enterprise costs, product cost, internal control, internal audit, professional judgment.

### **Introduction**

Currently, audit control is widely used in world practice and in the practice of our country. The main condition of such control is the mutual interest of their owners, state (tax authorities) and auditor organizations in ensuring the reliability of accounting and reporting. Today's competitive environment among audit firms contributes to the improvement of the quality of audits. The main purpose of the audit is to determine the reliability of the financial statements of the economic entity and the compliance of their financial and economic operations with the applicable regulatory documents.

In the conditions of rapid development of today's economy, accounting of costs and financial results is the most important indicator of the enterprise's production and economic activity, and its management and control represent the process of ensuring the achievement of goals for the enterprise. Controlling and regulating costs, as well as production costs, is the most important thing in the process of managing an enterprise . The reliability of these expenses and the legality of their distribution, the analysis of the accounting system, the state of internal control can only be carried out with the help of an audit.

### **Literature Analysis**

Auditing emerged as an economic practice tested during the historical development of society. The history of the development of audit has developed not only practical recommendations based on international standards of auditing, strengthened by rules and principles, but also concepts of independent importance that explain its practical activity and development prospects [1, p. 21].

Auditor services arose in connection with the following:

- 1) the possibility of the creation of non-objective information by the information compilers (administration), the occurrence of conflicts between the users of this information ( e.g. , investors , creditors) and their compilers;
- 2) of the quality of information on the decisions made (and they can be very important);
- 3) the need for special knowledge to verify information;
- 4) lack of permission for users to rate the quality of the axboard.

This and a number of other reasons have led to the emergence of a public need for the services of independent experts who have the appropriate training, qualifications, experience and authorization to provide such services. Audit services are intermediary services that establish the reliability of financial information [ 2 , 16-17 b ].

An audit is an economic process in which an individual with sufficient knowledge and a special qualification certificate determines the correctness of financial statements and other financial information of an economic entity and their compliance with legislation [ 3 , 18 b ].

The concept of audit is broader than the concepts of control and inspection, because it includes not only checking the accuracy of financial indicators, but also developing proposals for improving economic activity in order to optimize costs and increase profits on a legal basis. An audit can be defined as a specific examination of a business. In this case, accounting and internal control of the economy are carried out on the basis of the contract, and compliance of financial and economic transactions with the law is checked (that is, the truthfulness of the reporting indicators is controlled). Also, in order to avoid unnecessary costs, an expert consultation will be held [ 4 , 10b ].

The transition of our republic to market relations made us feel the need to establish new economic relations. That is why it was demanded to organize accounting and auditing at the level of international standards. The development of entrepreneurship in our country, the emergence of various forms of ownership, in turn, led to serious changes in the structure of economic control and inspection [5, 264 b].

The audit of the financial report of the business entity and related financial information is conducted by the audit organization in order to determine the reliability of the audited financial report and related financial information and compliance with the legislation on accounting.

Reliability is understood as the level of accuracy of financial reporting data, which allows drawing unbiased conclusions about the financial condition of the economic entity and the results of financial and economic activity based on this report [Article 6.32].

An audit is an economic process in which a natural person with a special qualification certificate having sufficient knowledge determines the correctness of the financial statements and other financial information of an economic entity and their compliance with the legislation [ 7, p. 19].

---

**Research Methodology**

Effective regulatory documents on the organization and implementation of the audit of enterprise costs, the study of scientific research in this direction, the analysis of the effective use of production costs, clarification, comparison, logical thinking, alternative selection, data grouping, analysis and synthesis methods are widely used.

**Analysis and Results Discussion**

One of the main tasks of the audit is to determine the possibilities of rational use of the existing material and financial resources of the enterprise. Effective use of material and financial resources of the enterprise

The purpose of conducting an audit of the costs and services related to the products and services produced in the enterprises is to determine the correct formation of the costs in accordance with the requirements of regulatory documents, taking into account the economic transactions that have occurred, to determine the occurrence of production costs and the accounting and tax base according to the centers of responsibility. It consists of keeping an accurate calculation and thereby organizing the management of production costs and enterprise expenses.

Audit - independent examination and analysis by authorized persons - auditors (auditing organizations) in order to determine the reliability of financial statements of economic entities and financial operations in accordance with the current legislation of the Republic of Uzbekistan and other regulatory documents, accounting and other financial means checking compliance with the requirements for reports, their completeness and accuracy.

In enterprises, it is important to control the costs related to production, including the consumption of raw materials according to the norms, the correct write-off, the correct organization of the depreciation of fixed assets, the services provided by auxiliary shops, and the correct implementation of the distribution of general production costs. The place and role of auditing in the control of these processes is great.

The tasks of conducting an audit of determining the costs and costs of products related to production in enterprises are as follows :

1. To study the costs of product production and evaluate their condition.

Costs of manufactured products economic element and study and assessment of calculative substances giving, including ;

- manufactured product, completed work (shown service). raw materials included in the cost are specified to assess whether it is spent according to the norms ;
- in the case of unfinished production, to assess its correct identification and the process of determining the cost of the manufactured product;
- to work right to pay and social assessment of the correct calculation of tax amounts;
- to fixed assets assessment of whether a reasonable method has been chosen from the methods provided for in the national accounting standards for depreciation calculation and whether depreciation costs have been calculated correctly;

- economy inventories (special clothes, robes, shoe and other ) assessment of the correct deduction of the cost of the services provided .

- assessment of the correct write-off of the services provided to the main production by auxiliary production shops and the correct allocation of general production costs to the cost of the product using methods based on the cost of production.

Control of the implementation and dynamics of the established plan for reducing the cost of manufactured products ;

4. Determining the reasons for the change in income and calculating the factors affecting it in terms of quantity;

5. T anarchy decrease according to is available opportunities to determine and others.

In order to control the correct organization of the accounting of costs related to production and the correct determination of the cost of services in enterprises, it is necessary to check the following:

- timely, complete and reliable reflection of actual expenses in the reporting period in production expense accounts;

accuracy of evaluation of raw materials and materials used for production ;

- ensuring control over compliance with the Regulation on fixed cost estimates, job salaries, tariff rates, remuneration and rewards for the labor of production employees;

- the causes of non-production expenses and losses and the basis of their write-off;

- measures taken to reduce them;

- correctness of depreciation calculation for fixed assets and intangible assets;

- correctness of write-off of amounts (transportation preparation costs) deviating from the accounting value of goods and materials;

- the correctness of writing off the natural decrease of goods, fuel , lubricants and other valuables;

- within the framework of the approved standards for time spent on a business trip and on the road, accommodation rent, travel expenses to and from the place of business trip, foreign business trip related to production activities expenses.

- correctness of spending other costs related to production.

The internal control system plays an important role in the control of economic processes related to enterprise activity. The main element of the internal control system is the establishment of internal audit activities.

Today, great attention is being paid to internal audit activities in our country. Because the organization of internal audit creates the possibility of continuous control and analysis of economic processes related to the activities of enterprises.

Recently, more and more attention is being paid to internal audit functions in the companies of the developed countries of the world. This is due to the fact that companies are increasingly involved in global integration and financial processes, as well as economic institutions [8, page 4].

Internal audit – accounting that the information is correct to provide and in the enterprise efficient internal control system to organize directed activity. Internal audit

system: organized independently by the enterprise; serves the interests of the company's management [9, 305 b].

The main purpose of internal audit is to ensure proper accounting at enterprises operating in our country, to check the correct conduct of calculations on taxes and other mandatory payments, to protect the interests of owners and prevent actions by management bodies contrary to their interests, to notify owners about this in case of detection of such cases.

The use of audit services or the organization of an internal audit in enterprises helps to correctly prepare the financial statements of these enterprises, to correctly assess existing assets, private investments and liabilities, income and expenses.

Documents are very necessary for the auditor to have the appropriate evidence that the expenses were carried out in accordance with the applicable legislation and regulatory requirements during the audit of expenses in enterprises. As a result of the research, we believe that the auditor conducting the cost audit should prepare the following audit documents during the cost audit:

1. Compliance of the implemented audit procedures with legal and regulatory requirements;
2. Cost audit compliance with standards;
3. Results of completed audit procedures;
4. Received audit evidence;
5. Important issues arising during the audit, conclusions drawn on them and important professional judgments in arriving at these conclusions.
6. Compliance checklist:
  - a) Rules for keeping accounting records of expenses in enterprises in accordance with the normative basis;
  - b) Cost accounting standards used by the enterprise;
  - c) Principles of accounting for generally accepted costs defined in regulatory documents.
7. Audit programs, for example, an audit program for material costs, labor costs, depreciation costs, etc.
8. Analysis: cost auditing relies more on analysis than essence testing to determine the correct and fair view. Example: the different raw materials used are the value of the materials, the norm, the natural reduction, etc.
9. A list of audit requests, including a log of responses (questionnaire) for their resolution.
10. Summary of significant contracts related to expenses and income.
11. Confirmation letters, example: on the formation of a stock of materials with contractors..
12. Representation letter from management correspondence (including email) on important issues.

In enterprises, an auditor audits expenses planning and to professional judgment in conducting have to be need Expenses from the point of view of a professional auditor in terms of the audit planning and to pass need.

Today's fierce competition environment, price changes and growth, and the increasing demand for quality products require managers of manufacturing enterprises to implement a number of requirements, including improving the quality of manufactured products, modernizing the enterprise with new equipment, efficient use of existing resources, production control over the cost and expenses of the released products, creating conditions for the future development of the enterprise, etc. The use of an audit service or the organization of an internal audit in the enterprise serves to provide the head of the enterprise with reliable analytical data in fulfilling the above requirements.

### Conclusion

A number of conclusions can be made by analyzing the organization and implementation of the audit of enterprise expenses .

Firstly, proper organization of the audit of enterprise expenses, rational use of available resources, control of expenses, and prevention of inefficient expenses;

Secondly , the ability to correctly determine and reflect the financial results of the enterprise, to present truthful financial reports for internal and external users, and to provide reliable information for making timely and correct decisions regarding the future activities of the enterprise increases;

Thirdly, the organization of the internal audit creates an opportunity to control, monitor and evaluate compliance with the legislation of the Republic of Uzbekistan, founding documents and internal documents in the enterprise's activities.

Fourthly, based on the use of external and internal audit services, to ensure the completeness and reliability of the information reflected in the accounting and financial statements, to continuously monitor and analyze whether the implementation of economic operations is carried out in accordance with the established rules and regulations, the preservation of assets and the implementation of expenses within the framework of established standards. control is provided.

Fifthly, the method of providing methodical support to the structural units of the enterprise in keeping accounting records and preparing financial reports, providing them with advice on finance, tax, banking laws and other legal issues will be introduced. As a result, the ability to provide reliable financial reports and necessary analytical information for management decision-making increases.

### References

1. И.И.Мелиев. Аудиторлик текширувини режалаштириш ва ўтказишни такомиллаштириш. Диссертация. Тошкент- 2019 йил.166 б.
2. А.Д.Шеремет, В.П.Суйц. Аудит: Учебник. — 5-е изд., перераб. и доп. — М.: ИНФРА-М, 2006. — 448 с.
3. М.М.Tulaxodjaeva ва бошқалар. Аудит. Дарслик. Тошкент Давлат иқтисодиёт университети. Иқтисодиёт, 2011 й -581 б.
4. Р.Д. Дусмуратов ва бошқалар. Аудит. Ўқув қўлланма. Т.: ТМИ, 2007.139 б.
5. З.Т. Маматов, С.Ў.Нажбиддинов. Аудит. Ўқув қўлланма. Т.: «Sano-Standart» нашриёти, 2014. - 264 б



- 
6. O'zbekiston Respublikasining "Auditorlik faoliyati to'g'risida"gi O'RQ-677-sonli qonuni.
  7. Sh.I.Ilhamov. Audit. Darslik. 1-qism. T.: Iqtisodiyot, 2018 y -295 b.
  8. I.N.Qo'ziyev, Sh.N.Fayziev, A.Z.Avloqulov, I.X.Sherimbetov. Ichki audit. O'quv qo'llanma. Toshkent. Iqtisod-Moliya-2015 yil. 198 b.
  9. K.B.Axmedjanov, A.X.Sattorov. Auditga kirish. Darslik. – T.: «Innovatsion rivojlanish nashriyot-matbaa uyi», 2021, 448 b.