

The Level of Importance of Auditors in the Stability of Financial Activity in Enterprises

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Abstract:

The role of auditors in ensuring the stability of financial activity in enterprises is of great importance. Auditors check the financial status of the enterprise and help identify deficiencies and risk factors in their operations. In this process, auditors not only point out the identified shortcomings and error risks, but also make recommendations for their elimination. In this way, the management of the enterprise will have the opportunity to correctly direct financial activities and make effective decisions.

Keywords: audit, auditor, subject, financial report, analysis, manager, strategic, operative-tactical, firm.

INTRODUCTION

In order to ensure effective operations in modern conditions, the organization must have accounting and control-analytical information that ensures the formation of reliable accounting (financial) reports on the one hand, and on the other hand, allows managers and owners to develop and create informed strategic and operational-tactical decisions.

A complex "economic" mechanism with many independent and interacting systems works in organizations in the implementation of entrepreneurial activities. They are accounting and financial control. These systems in organizations are combined as a management function not only with a common goal, but also as stages of implementation: preparation of economic data about an economic entity, its analysis and evaluation, with the participation of financial audit services correct errors.

The development of organizations operating as owners of means of production and labor products largely depends on the safety of these means and the efficiency of their use. The specific features of

the financial audit of enterprises are determined by their complex organizational structure, geographical distance of branches and a large share of fixed assets in the composition of assets [1].

Financial audit is a comprehensive examination of the organization's economic and financial status, verification of the reliability of information in the organization's financial statements, as well as analysis and assessment of its development prospects. by experts of the organization itself (internal audit) and by third-party auditing companies commissioned by the management (independent audit) [2].

LITERATURE ANALYSIS AND METHODOLOGY

There are many economists who have conducted research on the stability of financial activity and the importance of auditors in enterprises. Below are some of the scientists who have conducted research on this topic and their main works.

Michael C. Jensen - One of the founders of agency theory, he studied the role of auditing and internal control systems in solving agency problems in enterprises. Agency theory, created by Jensen and William Meckling, explains the role of auditors in promoting reliability and transparency in financial activities. William H. Beaver - Conducted research on auditing and financial analysis, studying the reliability of financial indicators and improving the quality of information through auditing. His work confirms the importance of auditors in ensuring the financial stability of enterprises. David F. Larcker and Scott A. Richardson - These scholars have conducted extensive research on the role of auditors in improving corporate financial reporting and internal control. They showed the importance of auditing in terms of the effectiveness of internal control and the truthfulness of financial statements [3]. Ray Ball and Philip Brown - studied the impact of financial information disclosure and audit information on the market value, scientifically researched the effect of auditor activity on the stability of the enterprise. Their research shows how audit information plays a role in stabilizing financial markets. Jere R. Francis - Conducted research on the importance of audit quality in ensuring the financial stability of companies. He studied the possibilities of reducing risks and increasing investment confidence in the enterprise by improving audit quality. Mark DeFond and Charles W. Park - studied how financial control and auditing activities affect the profitability and financial stability of the enterprise[4]. Their research emphasizes the importance of auditing in increasing the economic efficiency of the enterprise.

Ushbu olimlarning ishlari auditorlik faoliyatining moliyaviy barqarorlikka ta'siri va uni mustahkamlashdagi muhim jihatlarni o'rganishga asosiy hissa qo'shgan va ushbu yo'nalishda ilmiy adabiyotlarda keng qo'llanilmoqda.

RESULT AND DISCUSSION

In practice, the financial audit of the enterprise is often considered as a very narrow concept, which usually includes the classic mandatory audit of financial statements.

Many firms conduct an audit, which is an independent review of their financial statements. Some are required to do so by law, for example, joint stock companies and insurance companies, while others carry out the audit voluntarily, for example, if the owner of the company changes. Only trained specialists - auditors can perform the audit [5].

Auditors play a very important role in ensuring the stability of financial activities in enterprises. They independently assess the company's activities, ensure the accuracy of financial reports, identify errors and risks, and make necessary recommendations to the management. An auditor is a specialist who can check the company's financial statements and give an opinion on how reliable and transparent they are. It can also conduct an independent audit of financial statements and provide related services, such as:

- bookkeeping and tax accounting;
- preparation of financial statements, tax calculations and declarations;
- giving advice on accounting, tax and management;
- providing legal assistance in matters related to audit, for example, representing the client's interests in court and at the tax office;
- training other auditors.

Audit can be divided into several types. Depending on the main purpose of its implementation, they are divided into the following:

- financial;
- internal audit.

A financial audit is a process of evaluating, verifying and confirming the accuracy and reliability of an organization's accounting and financial statements. The main purpose of the financial audit is to identify the inaccuracies that were intentionally wrongly introduced into the financial statements due to wrong reasons or due to mistakes. It also helps protect the interests of investors and shareholders[6].

Operational audit is an analysis of the operational activities of the enterprise to verify the effectiveness of the existing processes, as well as their compliance with the business standards adopted by the company. Its main purpose is to identify operational and weak points and make recommendations for improvement.

Depending on who performs the audit, it is divided into:

- External;
- Internal audit.

Internal audit is an independent activity carried out by the company itself within the organization, which is aimed at evaluating the effectiveness of the risk management, control and process management system. The purpose of the internal audit is to make recommendations for improving the control system and increasing the efficiency of the entire organization, as well as to look for obstacles that the supervisory authorities can pay attention to.

External audit, as the name suggests, is carried out by third parties. A company may hire an auditing firm to audit its financial position and identify irregularities in its financial and operational practices. Sometimes organizations are required by law to conduct external audits (for example, joint stock companies and insurance companies), but they can also be done voluntarily. In this case, such an audit is similar to an internal audit, the only difference is that external experts are involved instead of permanent experts to check the company's activities. Another option is a state audit conducted by regulatory bodies[7]. In this case, state bodies can independently conduct an audit of the organization they are interested in, or engage any audit organization as an independent expert who provides an independent legal assessment of the reliability of the audited organization's report.

Each of these types of audits has its own characteristics, but their main purpose is to ensure the reliability of reporting data, protect the interests of stakeholders, and improve the overall efficiency of the organization.

In turn, there are three types of auditors:

- external;
- internal;

➤ individual.

External auditors work for auditing or consulting firms and serve auditing companies.

Internal auditors work as employees of large companies with a large number of branches to continuously monitor the financial activities of the organization and its divisions.

Individual auditors are registered as sole proprietors and work for themselves. They cannot carry out statutory audits, but they can carry out audits that are voluntarily requested by the company - this is called a proactive audit.

In order to successfully perform his tasks, the auditor must have certain qualifications and a number of skills. An auditor is a specialist who performs work related to the analysis and evaluation of the organization's financial and economic activities. To become an auditor by profession, in general, to have special education.

Let's start with the fact that the general requirement for any auditor is higher education (preferably in the field of economics or finance). Another requirement for any type of auditor is the availability of additional professional training. For those working as internal auditors - in the field of internal audit. For those who are external - in the field of auditing.

When it comes to internal audit, it is the responsibility of the company that hires the permanent auditor to decide what powers the employee should have. This includes financial risk management, crisis management skills, and an understanding of how business economics and management are structured. Auditor training courses at the National Institute of Economics and Finance (NIPCEF) offer a wide range of programs that are useful for both external and internal auditors.

If we talk about external audit, this is a special field of activity regulated by law. However, a great opportunity to get comfortable in any profession is through the trainee or assistant stages.

The interest in obtaining accurate information is widespread among various regulatory bodies. For example, bank employees require objective and extensive information about the organization's solvency and profitability. Stock exchanges want to get maximum profit from buying or selling stocks. Shareholders are interested in business investment prospects and large dividends. Therefore, everyone requires reliable information about the financial status of the organization. To obtain such information, it is necessary to apply for verification by independent objects of financial control - auditors or organizations offering audit services [8].

Basically, to confirm the reliability of financial statements, an audit opinion is required by courts, prosecutors and investigators, public administration bodies. The need for such inspections is mainly due to the inaccuracy of the information provided by the administration, the consequences of the decisions made, and the lack of information from the user in the quality assessment.

During the audit, the preparation of financial statements and balance sheets is not neglected. There are certain standards of financial audit and their norms[9]. Such standards ensure maximum audit quality and help users integrate into the audit process itself.

It is impossible to implement any type of management without a financial audit, which exists to achieve the economic goal of the organization, to make the most successful decisions, to ensure a clear position in a certain structure and the stability of development. It is the auditors, the financial audit has a purposeful, systematic effect on the behavior of the market economy, that is, on commercial processes[11].

CONCLUSION

In short, the importance of auditors in the stability of financial activities in the enterprise depends on their ability to provide reliable and truthful reports, which increases the confidence in the

enterprise for investors, creditors and other interested parties. In particular, the correct audit analysis helps to reduce the financial risks of the enterprise and achieve long-term stable operation.

Auditors also make a significant contribution to verifying and improving internal control systems and ensuring proper financial records. All this helps ensure that financial reports are accurate and impartial, which is an important factor in maintaining the stability of the enterprise.

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