

IMPROVEMENT OF PRIVATE CAPITAL AUDIT IN ECONOMIC SUBJECTS ACCORDING TO INTERNATIONAL AUDIT STANDARDS

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Abstract

This article discusses the development of the program and plan of the private capital audit, based on the general program and plan of the audit, in order to increase the quality of the audit during the audit of the private capital report of joint-stock companies in accordance with the international standards of the audit, and to form a fair audit conclusion.

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Introduction.

Today, capital is one of the most important economic categories in economic entities based on ensuring competitiveness, and by organizing and improving the private capital audit in the development of financial and economic activities of owners and increasing investment attractiveness, it is necessary to promote a stable economy. It is important to be able to provide.

Private capital is the main indicator of the activity of every economic entity. Private capital is the sum of equity capital and debt capital in attracting economic resources and is the main source of financing business processes in the implementation of financial and economic activities. The private capital audit occupies a special place in the audit of the reliability of economic process data of economic entities. Reliability of the private capital audit depends on the right methodology for conducting the audit. Ensuring the completeness and truthfulness of information, accurate and timely reflection in financial reporting forms, and compliance with regulatory documents during the private capital audit of business entities ensures the reliability of the audit. When conducting a private capital audit, it is necessary to ensure the compatibility of the data on the capital formed during the reporting period with the auditor's reports. In this regard, during the audit, the auditor uses the information of regulatory legal documents and accounting reports as the information supply of the audit. The following can be included in them: Laws of the Republic of Uzbekistan "On Auditing Activities" (2021), "On Accounting" (2016), Presidential Decision-3946 of September 19, 2018 No. "On measures for the further development of audit activity in the Republic of Uzbekistan", Decision No. 140 of the Minister of Finance of the Republic of Uzbekistan dated December 27, 2002 "Financial reporting forms and their filling the order on approving the rules on "On approving the rules for filling out financial statements" of the Minister of Finance of the Republic of Uzbekistan dated January 23, 2019 10, national and international standards of accounting, national and international standards of auditing, and other regulatory legal documents related to this field serve to a certain extent to implement the tasks.

Review of the literature.

We cite the opinions of foreign and domestic economists and practitioners on the methodology of private capital audit, stages of the audit, planning of the audit, formalization of the inspection results.

Foreign scientists M.N. Tolchinskaya expressed the following opinions: "When conducting a private equity audit, the audit firm must define four areas of inspection:

1. audit of founding documents;
2. audit of the formation (registration) of the authorized capital;
3. audit of account books with the founders;
4. formation (registration) of authorized capital and audit of taxation of account books with the founders»[2].

Y.Y. Parasotskaya also demonstrated the composition of the authorized capital and the issue of shares, state registration, checking the nominal value of shares in the audit of private capital»[2].

According to local scientists D.A. Tychiev and V.A. Grekov, "In private equity audit, audit of undistributed profit (unreimbursed loss), audit of authorized capital, audit of the formation of added capital are considered components of its organization" [3].

4Regarding audit planning, I.N. Koziyev noted the following in his scientific works: "In the matter of audit planning, the audit plan can be divided into the following main stages by the audit organization:

1. Audit preliminary planning.
2. Preparation and creation of the general plan of the audit.
3. Preparation and creation of the audit program".

According to N.SH.Khajimuratov: "The quality and effectiveness of audits depends on the correct planning of the audit process. When planning an audit of financial statements, it is necessary to comply with the requirements of international audit standards and other regulatory legal documents. This ensures the prevention of controversial situations that may arise as a result of audits of the audit organization»[4].

Research methodology. Definitions and opinions given by economists on the use of international auditing standards in the audit of private charitable accounts are summarized. The issues of conducting private charity accounting and reporting based on International Audit Standards and increasing its harmonization have been scientifically studied. Literature review, data grouping and comparison methods were used to cover the topic.

Analytical results.

It is important to obtain information about the decrease or increase in the amount of the authorized capital during the audit of the authorized capital of economic entities. Mandatory audits are conducted annually in joint-stock companies. During the audit, the shares of owners who participated in the formation of private capital in joint-stock companies with their assets and their payment procedures, the compliance of distribution processes with the regulatory legal documents of the Republic of Uzbekistan, the timely payment of dividends, the payment of funds it is studied whether it is used correctly in accounting and reports. In our opinion, the information presented in Table 1 is considered to be the auditor's elements during the private capital audit of joint-stock companies by auditing organizations.

Table 1 Audit elements in conducting an audit of private capital

Capital structure	Audit elements	Planned private equity audit and types of work
Authorized capital	Composition and formation of authorized capital	Checking the state registration of the company's issued shares. Verification of compliance of ordinary and preferred shares and their nominal value. Verification of conformity of the types and amount of shares announced and placed in the charter.
	The size of the authorized capital	Verification of compliance with the minimum amount of authorized capital established by law. Checking the legality of the change in capital according to the law and its reflection in the accounting data.
	Payment of the authorized capital	Validity of received forms of payment, reflection of flows in accounting and verification of compliance with payment conditions provided for in the charter.
Additional capital	Property revaluation	Checking the validity of the correct calculation of the amount of revaluation (reduction) of fixed assets, the amount of changes in their depreciation and their reflection in the accounting and operations of the economic entity.
	Additional capital on funds generated between owners	Checking the correctness of the currency exchange differences in the formation of the authorized capital and whether they are correctly reflected in the accounting.
Reserve capital	Property revaluation	Checking the procedure for the correct reflection of transactions in the accounting of the decrease or increase in the value of property and the amount of depreciation
	Reserve capital fund	The amount of annual allocations provided for by law is checked.
	Free property	During the inspection period, check whether the property corresponds to its true value and the value is correctly written off and accounted for in accounting.
Purchased private shares	Ordinary and preferred shares	Verification of the correct accounting of the value of private shares purchased in the economic entity.
Retained earnings	Retained earnings of the reporting year	Checking that the income before tax, income tax expenses, tax sanctions and actual received income tax of the accounting period are correctly reflected in the books of accounts and reports
	Cumulative profit of previous years	Checking that the retained earnings of the previous periods are correctly reflected in the accounting and the correct use
Purposeful receipts	Grants	Checking the amount of received grants and the procedures for their receipt, as well as their fulfillment and correct accounting.
	Subsidies	Checking the purpose and size of subsidies.
	Membership fees	Verification of the purpose and duration of the contributions of the members of the economic entity and their reflection in the accounting.
The future expenses and payments reserves	Future costs and planned cost points	Sources and amounts of reserves are checked.

Proper organization of private capital audit in joint-stock companies allows to prevent problems between employees and owners of the economic entity.

When conducting a private capital audit in joint-stock companies, the following are the sources of information for audit organizations in the inspection process: contracts concluded with owners; charter of joint stock companies; minutes of the meeting of owners; acts of acceptance and transfer of shares; report on changes in capital; financial statement; Record information recorded in accounting accounts 8300, 8400, 8500, 8600, 8700 in documents. After determining the methodology of the audit, it is important to develop a program and plan for the implementation of strategic activities of the audit based on the requirements of the International Standards of Auditing No. 300 "Financial Statement Audit Planning". During the audit of the private capital account and report of the joint-stock companies operating in our country, based on the audit plan and program drawn up by the audit organization, the sources and directions of private capital formation and changes in the structure of private capital and their correct reflection in the account it is necessary to consider aspects related to When conducting a private capital audit, drawing up plans and programs in accordance with international audit standards is of particular importance for the audit. In our opinion, the private capital audit plan and program in joint-stock companies, based on the inclusion of the sources and directions of its formation, as well as the determination of changes in the structure of private capital and the profitability In Table 2, we can see that during the transfer, the possibility of increasing the productivity of the work quality, providing a quality audit opinion, and obtaining reliable information for investors has been created.

Table 2 «Conducting a private capital audit of "XXX" Joint Stock Company Program-plan

The organization under investigation		"XXX" Joint Stock Company		
Audit period		01.01.2022 from to 31.12.2023		
Number of person-hours		36		
Audit team leader		XXX		
Composition of the audit team		2		
Planned audit risk: from the balance sheet currency		3%		
Planned Severity Level:		5%		
No	The content of the proceedings	Conducted by whom	The date of the event	Explanation
1	Study of the accounting policy of the joint-stock company, part of private capital accounting	Auditor	02.05.- 03.05.2022	
2	Study of the charter of the joint-stock company	Auditor	03.05.- 04.05.2022	
3	Conducting an audit of the formation of the authorized capital of the joint-stock company. Study of compliance of the information with the founding documents.	Auditor, assistant auditor	04.05.- 05.05.2022	
4	Audit of the settlement with the founders. Calculation of exchange rate differences in settlements with founders on shares valued in foreign currency and its reflection in the "Added capital" account	Auditor, assistant auditor	05.05.- 06.05.2022	
5	Auditing the formation and use of reserve capital	Auditor, assistant auditor	10.05.- 11.05.2022	
6	Conducting an audit of the distribution of net profit in a joint-stock company	Auditor, assistant auditor	11.05.- 12.05.2022	
7	Auditing the dividend account	Auditor,	12.05.-	

		assistant auditor	13.05.2022	
8	Auditing the reliability of the "Changes in capital" report	Auditor	16.05.2022	
9	Formalization of the inspection on the private capital audit - drawing up a document	Auditor	17.05.2022	

The head of the audit organization: _____

Audit team leader: _____

During the private capital audit of the joint-stock company, it is intended to be audited by the auditing organization in accordance with the program and plan. The proposed private equity audit program and plan was developed on the basis of the actions necessary to be performed during the audit.

During the audit by the auditing organization, the private capital audit consists in getting acquainted with the information about the activities of the joint-stock company in accordance with the program and plan, analyzing the information in it. In the process of getting acquainted with the information about the private capital of the joint-stock company, the auditor will carefully check the sources and use of financial reports, as well as the collection of information on the founding documents.

Conclusion and suggestions.

The correct formation of the information of the account and report on the private capital of the joint-stock company ensures the reliability of the information and serves to ensure the improvement of the auditor's work quality. We believe that it is expedient to develop, approve and put into practice the standard of auditor activity for private capital audit. This standard should clarify the methodology of the audit of authorized capital, reserve capital, added capital and retained earnings, which are part of private capital. This, in turn, allows investors and other users of information to get more accurate information about the state and movement of private capital, and for auditors to make clear and correct conclusions. When conducting a private capital audit, it is appropriate to widely use the International Standards of Auditing together with the study of the formation of the authorized capital in accordance with the legislation and regulatory requirements of our country.

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