ORGANIZING INTERNAL AUDIT IN THE PUBLIC SECTOR AND SUMMARIZING THE RESULTS

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Abstract:
In this article, general issues related to the organization of internal audit activities in the public sector and generalization of the results were considered, and proposals were developed for generalization of the results of internal audit activities in the public sector. Also, theoretical approaches to the organization of the internal audit service have been reflected.

Keywords: budget execution process, internal audit service, international standards of internal audit, internal audit methodology, state financial control, internal control, audit report, internal audit methods.

INTRODUCTION

One of the main aspects of internal audit is to help improve the organization's performance. Therefore, in international practice, internal audit facilities are notified before the start of the event. Notification of internal audit objects about the internal audit event allows the internal audit object to prepare for the event before the start of the internal audit event, to eliminate the deficiencies that have arisen.
The first of the main activities of the internal audit service is to draw up the annual internal audit plan based on risk analysis, and the second is to effectively conduct the internal audit event.

MATERIALS AND METHODS

Before conducting an internal audit event, the internal audit service studies its software products, reports and other information related to the internal audit object

ISSN: 2835-5326 Website: econferenceseries.com

in order to obtain complete information about the internal audit object, and based on the results of the study, creates an internal audit event program.

At the same time, the Institute of Internal Auditors has developed the following manuals regulating internal audit activities in international practice:

organization of internal audit policy/practice in the public sector in cases where there is no legal basis;

independent audit committees (collegial bodies) in public sector organizations;

transparency of the internal audit report in the public sector;

optimization of auditing activities in the public sector;

introduction of a new internal audit function in the public sector;

the role of audit in public sector management;

public sector concept.

RESULTS AND DISCUSSION

The internal audit program shows "the directions of the internal audit event, the duration of the internal audit event, the group conducting the internal audit event, the period covered by the internal audit event, and information on audit methods."

It should be noted that the internal audit activity does not fully cover the activity of the object, but rather it is conducted in the areas determined as a result of the studies before the internal audit activity (for example, wages, public procurement). In other words, it can be called thematic learning. In our opinion, thematic learning has its own positive aspects. First of all, the effectiveness of the event will increase, that is, during the event, the main attention will be paid to specific directions, these directions will be studied in detail, shortcomings will be eliminated, and quality suggestions and recommendations will be given. In addition, the quality and speed of the event will increase. Currently, one of the negative aspects of internal audit services in conducting internal audit events is the long duration of the event at the facilities. In our opinion, thematic studies are the solution to this situation. In other words, internal audit services examine areas of high risk in the internal audit facility. Based on the suggestions and recommendations given by the internal audit services, the internal audit facility develops and approves a plan of measures for the implementation of the given suggestions and recommendations. The plan of

Date: 5th June, 2024
ISSN: 2835-5326 **Website:** econferenceseries.com

measures shows the terms of implementation of proposals and recommendations, information about the responsible persons.

The internal audit service monitors the execution of the plan of measures drawn up in connection with the implementation of the suggestions and recommendations given by the results of the internal audit event. It is advisable to appoint an employee responsible for monitoring by the internal audit service. However, depending on the number of employees of the internal audit service, monitoring may be carried out by the head or employee of the internal audit service.

In this case, the internal audit facility provides quarterly information to the internal audit service on the implementation of the action plan. In the information, the reasons for non-implementation of the suggestions and recommendations given by the internal audit service are indicated. It also provides supporting documents for the implementation of proposals and recommendations.

When we study the foreign experience of internal audit, we can see that the results of the activities of the internal audit service are formalized in the form of a report, and the main purpose of the report is to provide reliable information about the organization's activities to the head of the organization through the report.

Also, we will give a number of suggestions on formalizing the report on the Internal Audit activity in the scientific work. In this case, we can conditionally divide the information displayed in the report into three parts (Figure 1)

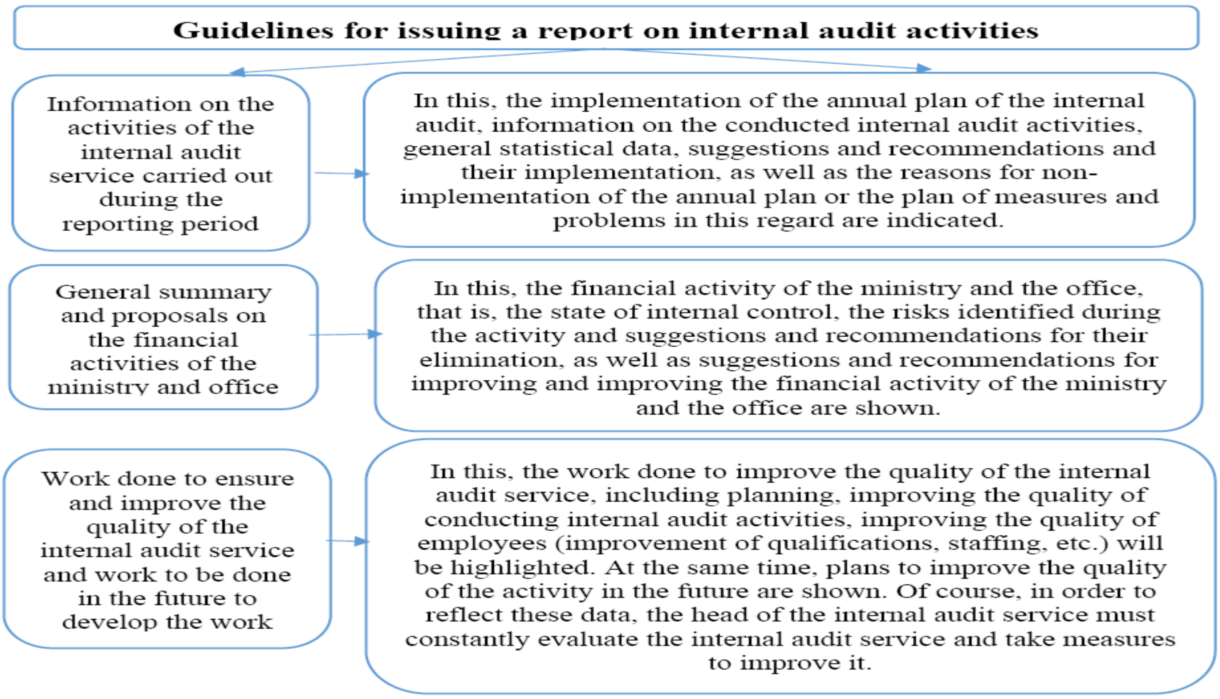

Figure 1. Guidelines for issuing a report on internal audit activities

In conclusion, the report on the activities of the Internal Audit Service should fully reflect the activities of the Internal Audit Service. The head of the ministry and department should express their opinions and comments on the information, suggestions and recommendations given in the report.

In our opinion, the report is the main document in the work of the internal audit service and it is issued primarily for the head of the organization. He informs the head of the organization about the organization's financial situation, existing errors and shortcomings, and positive changes. In addition, the report shows specific suggestions and recommendations to eliminate the identified errors and shortcomings.

In our opinion, the preparation of a complete report depends on the quality of internal audit activities. The quality of internal audit activities directly depends on the capacity of internal audit service personnel, including knowledge, skills and experience.

CONCLUSION

In our country, the internal audit activity in the public sector is developing slowly, and one of the main problems in this area is the capacity of employees. Because most of the higher educational institutions of our country do not train state internal audit or state audit specialists. Or only at the master's level, science is taught about it. Almost all employees of the internal audit service are employees of the state financial control, accounting, tax, finance, treasury. The share of former employees of financial control bodies is especially high in this field. As a result, in practice, internal audit service employees deviate from the essence of internal audit and its tasks in the implementation of internal audit activities. Employees of the internal audit service mainly deal with financial control during internal audit activities, that is, checking compliance with legal norms, identifying and punishing errors and shortcomings. At the same time, in their reports, mainly detected violations of laws, thefts, shortages are indicated, and these reports are sent to law enforcement agencies. Simply put, these internal audit services perform the function of the State Financial Control Inspectorate.

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