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THE IMPORTANCE OF AUDIT IN INCREASING THE COMPETITIVENESS OF NATIONAL GOODS

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The purpose of an audit of inventories is to determine whether they are safe, economical and prudent and whether accounting is properly organized. It is also necessary to determine the reliability of the reporting indicators and the compliance of the method of accounting and taxation of transactions with inventories in accordance with the laws and regulations of the Republic of Uzbekistan. This is achieved through examining the nature of the transactions, as well as the control structure and accounting system, and assessing the risks. Inspection of inventories is considered a key part of the audit in large entities [1-3]. When checking the accuracy of the report on inventories, as in other audited entities, first of all, the balance sheet "Production inventories" (line 150), "Work in progress (line 160)", "Finished goods" (170- line), items "Goods" (line 180), it is necessary to determine the equality between General Ledger, journal orders and other accounting registers. However, it is important to make sure that the synthetic and analytical accounting data are consistent. It is necessary to bring material values to the cost of production and check the cost of the link, the norms of production costs, and so on. Suppliers and contractors should also be made to verify the timeliness and accuracy of their claims and the accuracy of the balance of materials in transit (which have not reached the entity) [4-6]. Objectives of the inspection of tangible assets on the road: to determine the validity of each shipment accounted for as tangible assets on the road, to determine whether the deadlines for delivery of goods have expired, to determine the measures taken by the farm to search for goods, the chief accountant and others to determine the control of the accounting of material values on the road by the staff of the Ministry of Transport and Communications. In addition, the relevance of the credentials to the products actually produced and the facts of the additions to the reports on the production of the merchandise are determined. During the audit, the auditor should determine:

– the actual availability of reserves;

– all transactions related to inventories are fully and accurately reflected in the accounting records;

– that all reserves are the property of the subject, ie they have property rights, and the amounts reflected as debt are liabilities;

– accuracy of valuation of inventories and related liabilities;

– Proper selection and application of inventory accounting principles.

The following sources of information are used to check inventories:

– regulatory documents related to the receipt, accounting, storage and transfer of tangible assets;

– accounting policy order;

Initial documents for registration of transactions related to inventories;

– organizational and legal documents and materials;

– accounting registers and accounting reports on inventory accounting;
– Full liability agreement with financially responsible persons.

During the audit, the auditor should be aware of the accounting methods and techniques selected for that area of audit. In accordance with the requirements of the National Accounting Standard No. 4 "Inventories", the entity's accounting policy order should reflect the methodological aspects of accounting for inventories, in particular:

– boundaries between fixed assets and inventory and household items;
– accounting for the purchase (manufacture) of inventory;
– Methods of valuation of inventories by type of write-off.

Although the management of the client-entity knows that one or another accounting principle affects the financial result, it often does not pay enough attention to the necessity of the information included in the accounting policy. This results in various irregularities [7-10]. The most common of these is non-compliance with selected accounting methods or consistency in their application.

The forms of primary document names used to account for inventories depend on the types and groups of tangible assets in the entity. The original documents must have all the necessary details. Such primary documents include power of attorney for the acquisition of tangible assets, income orders, acts of receipt and write-off of materials, inventory and household items, limit cards, bills of lading, consignment notes, warehouse account cards or notebook. Organizational and legal documents and other sources of information include:

- order (or decree) of the head of the entity, minutes of the board meeting, decisions of the founders and other board meetings. The study of this document is of exceptional importance for the auditor if, in the process of forming or changing the size of the authorized capital of the subject, materials, inventory and economic values, goods are added as a share, as well as if dividends or income are paid intangible assets;
- reports of audits of the entity for previous years;
- Contracts for the supply of goods, materials, raw materials, etc.

The auditor's conversations with the entity's staff about changes in management, accounting, and internal control systems may provide additional information necessary for the audit.

The results of such changes should be documented in working papers. Non-accounting transactions can often be detected during a creditor's debt review. For example, by comparing the entries in the accounting records with the information in the invoices, contracts, and supporting documents proving that the goods received have been paid to the suppliers, the auditor may determine that some accounts are not reflected in the accounting records. Transactions are incorrectly categorized. For example, the cost of inventories consists of all the costs associated with acquiring them. However, some or all of these costs (for example, the cost of expert services to determine the quality of the raw material purchased) may be incurred at once without being included in the cost of inventories. Procurement volumes may be exaggerated when costs are misclassified, such as reflecting fraudulent purchases or transactions. To identify such facts, it is necessary to selectively examine the costs and perform the necessary analytical actions.

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