



## OBLIGATIONS IN MANUFACTURING ENTERPRISES SPECIFIC TO INTERNAL AUDIT CHARACTERISTICS

Nomozov Ilhomjon Ziyodullo o'g'li

\*Researcher

### ABSTRACT

*This is it in the article work release in enterprises obligations internal audit to himself special from the features come came out without improvement according to Suggestions work developed.*

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### INTRODUCTION

In order to achieve economic development, it is important to reduce the obligations of economic entities and their rational management. Liabilities directly affect the financial condition and solvency of economic entities. Therefore, determining their level and meeting the repayment terms are important. In the accounting system, there are some problems related to the assessment of obligations and their reflection in financial statements. This requires researching the theoretical and methodological bases of the accounting of obligations in accordance with the current conditions of the economy on the basis of deep scientific research, and applying their results in practice.

It is worth noting that today almost all of the economically bankrupt enterprises have significantly high liabilities. There are cases where the liabilities of enterprises in economic sectors are much higher than their funds. For the above reasons, it is important to objectively evaluate the real potential of enterprises, to correctly determine the amount of their obligations. We believe that special attention should be paid to the research of methodological problems related to the correct estimation of the amount of liabilities in the forms of financial statements.

### LITERATURE REVIEW

" On Accounting" entitled "Objects of Accounting" states that liabilities are one of the objects of accounting. The concept of " obligation" is not defined in this Law and is not given in the form of a separate standard in the BHMS of the Republic of Uzbekistan. Therefore, the essence of this concept is still controversial [1].

In the explanatory dictionary edited by SIOzhegov and N.Yu.Shvedova, who are well-known philologists, the term " Obligation" is defined from a linguistic and partially economic point of view [2].

B. Needles, H. Anderson, D. Caldwell emphasized the opinion that " Obligation is the legal basis of the payment of goods or services that occurs as a result of various types of transactions of the enterprise." [3].

OBBobojonov and KJJumaniyazov stated that " Liabilities are debts (creditors) incurred during the reporting period or in previous periods, and their repayment (i.e. extinguishment) leads to a decrease in economic value, that is, a decrease in available assets." The obligation arises as a result of the subject's fulfillment of various agreements and is considered a legal basis for future payments for goods, services rendered and work performed»[4].

TVIgonina says that " liability means the debt of the accounting organization." This allows for a clear separation of accounting objects such as liabilities and receivables»[5].

Christine Djonik points out that " liabilities are debts owed on assets owned by the company. These debts are incurred by persons and organizations who are not the owners of the company" [6].

### RESEARCH METHODOLOGY

Researched induction, deduction, grouping, experiment , adaptive and another one how much of methods used.

### ANALYSIS AND RESULTS

In our country, as in all spheres, consistent reforms are being implemented in the field of audit, and audits are required to be conducted on the basis of international standards. Article 9 of the Law of the Republic of Uzbekistan No. ORQ-677 " On Auditing Activities" states that " auditing activities do not conflict with the legislation of the Republic of Uzbekistan until the announcement of the International Federation of Accountants in the Republic of Uzbekistan" "on the basis of the authorization of the audit activity on the basis of the standards of audit activity posted on the official website of the competent state body in the field of audit activity" <sup>1</sup>is specified. Today, it is necessary to organize the audit of obligations, like all objects of audit, on the basis of international audit standards.

Common obligations audit before conducting the audit planning process done is increased . Planning process one in view simple to the process looks like However audit program and plan being investigated economy host of the subject scope , activity type and another many aspects depends will be This is it circumstances the audit planning methodical aspects around seeing exit Demand is enough Audit common plan and program internal control system , importance level and auditing organization by determined auditing risk level directly depends will be Obligations as a result of research internal audit planning 5 stages was developed .

Therefore, when creating a general audit plan and program, it is necessary to pay attention to the level of importance first. Materiality is one of the most basic concepts in auditing. Its high or low level has a dramatic impact on the audit process. In particular, the presence of uncertainties and probabilities in obligations requires auditors to exercise greater responsibility in determining the level of materiality. Because uncertainty and probabilities in obligations have a dramatic impact on the financial status and financial results of an economic entity.

Internal control system is also required to pay close attention in audits. If the internal control system is effective in business entities, the accounting information is formed in a qualitative manner.

<sup>1</sup>Law of the Republic of Uzbekistan "On Auditing Activity" No. ORQ-677. Article 9.

This, in turn, leads to a reduction in audit risk.

Material misstatements in financial statements give rise to audit risk. Audit risk is divided into economic literature risk, control risk, and non-detection risk.

Non-separable risk depends directly and indirectly on the activity of the economic entity. This type of risk depends on the type of operations performed by the business entity. The more complex and unusual operations are encountered in the subject under investigation, the higher is the risk that cannot be isolated.

As mentioned above, there are also indirect factors affecting risk that cannot be isolated. For example, economic policy in the country, globalization to the world market, level of freedom of foreign trade, etc. are examples of this. However, the category of factors that have the greatest influence on non-separable risk is strongly influenced by the country's refinancing rate and the level of tax incentives.

Long-term and short-term bank loans occupy an important place in liabilities. Their attraction and extinguishment will directly depend on the refinancing rate. The higher the refinancing rate, the more difficult it will be for the entity to extinguish its obligations related to bank loans to commercial banks.

Tax benefits also affect the amount of liabilities. If the entity is provided with significant tax benefits by the state, additional opportunities for further development of the activity will arise. However, according to the law, tax credits are required to be used for their intended purposes. The next aspect that affects the inseparable risk is the competition in the market and the quality of the product.

If the business entity does not have its position in the market, it will be difficult to sell the product, and as a result, the amount of liabilities will increase.

Another important factor influencing the inherent risk is dependence on foreign markets for raw materials. Especially in the current conditions, this aspect is an important factor determining the continuity of the subject's activity. This is also affected by the state of the transport and logistics system. Dependence on raw materials and foreign markets has a serious impact on the amount of liabilities, leading to an increase in non-alienable risk.

The second category of audit risk is control risk, which is directly related to the extent to which the internal control system is established in the business entity. The head of the economic entity is responsible for the internal control system. But the effectiveness of the internal control system is evaluated by the internal audit service. If the internal audit service works effectively in the business entity, the accounting information will be correctly formed and the financial statements will be reliable.

The next aspect affecting the control risk is the quality of the accounting policy of the economic entity. In accordance with the current normative legal documents, the accounting policy must be drawn up in joint-stock companies and approved by the head. However, its organizational, technical and methodological aspects must comply with the current accounting and tax legislation. Non-compliance with the rules of the accounting policy causes unplanned or unforeseen obligations to the entity.

Other factors also affect control risk. Auditors use different methods to determine control risk. Tests, control questionnaires, and inventory methods are used in this process.

type of audit risk is the risk of non-detection. The risk of non-detection usually occurs when sufficient evidence is not collected during the investigation process. However, this type of audit risk is also affected by the level of knowledge and skills of auditors.

### CONCLUSIONS AND SUGGESTIONS

Research shows that the lower the materiality level, the higher the audit risk. This aspect affects the determination of the scope and direction of the audit of obligations.

Audit risk also depends on auditor selection. The variety of obligations and their high value

require the use of a selective method in the audit. Auditing requires auditors to follow certain rules when conducting an audit.

The international standards of financial reporting focus on estimated liabilities. There are many reasons why this type of obligation arises. In audits, it is necessary to pay attention to the presence of precisely estimated obligations and their amount. The proposed audit procedures in the verification of transactions related to the estimated obligations serve to ensure the correct conduct of audits and the formation of reliable information.

As a result of the research on improving the audit of obligations, the " Working document for checking the correctness of long and short-term debts" was developed. The practical use of the " Working document for verification of long-term and short-term debts" serves to establish effective control over liabilities, expand the possibility of gathering evidence, and improve the methodological support of audits.

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