

Practical Aspects of Auditing

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Abstract: This article covers the analysis of the structure and dynamics of fixed assets, auditing of fixed assets through analytical indicators, international standard financial reporting, determination of coefficients of serviceability of fixed assets, analysis of movement and wear of fixed assets.

Keywords: Audit, international standards of financial reporting, balance sheet, fixed assets, depreciation, financial analysis coefficient, depreciation coefficient, renewal coefficient, start-up coefficient, exit coefficient, termination coefficient.

INTRODUCTION

One of the main tasks in the process of integration into the world economy is the production of products that meet the requirements of international standards. To produce such a product, it is necessary to modernize the production process, introduce new technologies and re-equip.

In this context, emphasizing the importance of this issue, our president Sh. Mirziyoev said: "Modernization of networks and regions, increasing their competitiveness, development of export potential should be in the center of our constant attention. For this, it will be necessary to further attract foreign investments and advanced technologies and information and communication systems to all areas. On this basis, we need to increase the gross domestic product of our country by more than 2 times by 2030.[3]. Therefore, technical and technological re-equipment of agriculture, which is the main task of production and the leading branch of the economy, and the processing of its products, is an important issue.

Many reforms are being implemented in the republic in order to ensure that accounting becomes an all-round effective and reliable tool. The new edition of the Law No. ORQ-404 of April 13, 2016 on "Accounting" with additional changes, the need for fixed assets in the current economy modernization period makes it more responsible for proper accounting and auditing. [1].

It is important to constantly modernize the main tools and use them effectively in enterprises. In this regard, some work has been carried out in Uzbekistan, including the following seven priority directions for 2022-2026, which were developed based on the principle of "From the strategy of actions to the strategy of development" as a result of public discussion in the development strategy of the new Uzbekistan, important tasks are defined in terms of modernization of production, technical and technological renewal, implementation of transport-communication and social infrastructure projects, and the implementation of an active investment policy [4].

Materials and methods

In the Republic of Uzbekistan, the national accounting standard "Accounts" is used to record accounts. In this standard, auxiliary agents are defined as follows:

- fixed assets are material assets held by the enterprise for long-term economic activities in the process of production, performance of work or provision of services, or for the purpose of implementation of administrative and socio-cultural tasks. [2].

In the implementation of modernization processes, the main attention should be paid to the technical and technological re-equipment of enterprises at the expense of mobilizing internal resources.

To do this, it is possible to ensure the continuity of the life cycle of the enterprise in the market conditions based on the competitive environment by constantly analyzing the state of the main means of the enterprise, making a correct assessment of its serviceability, level of wear and tear and efficiency of use.

Based on the "Balance" Form 1 report of the "Galla-Alteg" JSC enterprise at the end of 2022, we will evaluate the state of its main assets. For this, first of all, we will analyze the structure and dynamics of the company's main assets."

Results

Table 1. Analysis of the composition and dynamics of the main means of the enterprise "Galla-Alteg" JSC.

№	Indicators	At the beginning of the year		By the end of the year		The difference	
		The amount is one thousand sums	Share %	The amount is one thousand sums	Share %	The amount is one thousand sums	Share %
1.	Total fixed assets	3796736	100	4244641	100	447905	X
	Including;						
1.1	Active part	3126133	82.3	3502599	82.5	376466	+0.2
1.2	Passive part	670603	17.7	742042	17.5	71439	-0.2

The data shows that the asset part of the fixed assets of the enterprise was 82.3% of the total fixed assets at the beginning of the year, and by the end of the year they increased by 0.2% or the increase amounted to 376,466 thousand sums.

But these indicators are not enough to give a full assessment of fixed assets. This is because during the year, changes occur in the composition of fixed assets.

The range of fixed assets will expand due to commissioning, modernization and reconstruction of purchased and completed objects.

Due to physical and mental wear and tear, some of them will leave the ranks.

Therefore, the analysis of the movement of fixed assets covers the following indicators:

- launch factor;
- update coefficient;
- exit coefficient;
- wear coefficient;
- termination coefficient;
- coefficient of expansion of the car and equipment park.

We use the following information to calculate and analyze indicators related to the movement of fixed assets.

Table 2. Movement of fixed assets at "Galla-Alteg" JSC. (thousand sums)

Indicators	Remaining at the beginning of the year	Came down	Came down	We are left for the end of the year
Fixed assets at original cost	3796736	577722	129817	4244641
Including				
New fixed assets		500722		
Depreciation of fixed assets	2044522			2255652
Residual value of fixed assets	1752214			198889

Based on the information presented in the table, we determine the following coefficients describing the movement of fixed assets.

$$\text{Operating coefficient of fixed assets (K)} = \frac{\text{Fixed assets launched}}{\text{Year-end balance of fixed assets}}$$

$$K = 577722/4244641 \cdot 100 = 11.8\%$$

In the era of rapid technical development, the technologies that seem to be advanced become morally obsolete in a short period of 5-7 years, and their place is taken by more advanced technologies.

$$\text{Dropout Coefficient} = \frac{\text{Is the cost of fixed assets}}{\text{Balance of fixed assets at the beginning of the year}}$$

$$K_2 = 129817 / 3796736 \cdot 100 = 3.4\%$$

$$\text{Termination rate} = \frac{\text{Balance of fixed assets at the beginning of the year}}{\text{Balance of fixed assets at the beginning of the year}}$$

Under the conditions of modernization, fixed assets are removed from the ranks of the company's assets in the following cases:

- when sold;
- due to useability;
- when given free of charge to other enterprises and individuals;
- when it is given as a share to the authorized capital of other enterprises;
- when it is given for rent in the form of a lease;
- as a result of thefts or losses.

In the conditions of modernization, the main attention is focused on the production of products from the competition, updating the product range, adjusting its quality to demand, increasing the productivity of the cocktail, reducing the cost, and constantly equipping the production with new equipment.

$$\text{Is the cost of fixed assets} \\ \text{Exchange rate} = \frac{\text{Derived fixed assets}}{\text{Is the cost of fixed assets}}$$

$$K_a = 129817 / 577722 \cdot 100 = 22.4\%$$

The coefficient of expansion of the weight of fixed assets

$$(K_a) = 100 - 22.4 = 77.6 \%$$

Therefore, it is necessary to constantly assess the technical condition of the main means, this is done by determining the following coefficients:

- efficiency coefficient;
- coefficient of wear.

The coefficient of availability of fixed assets (K) was determined by dividing their residual value by their initial value.

$$K(\text{validity}) = \frac{1 \text{ form 012 lines}}{1 \text{ form 010 lines}}$$

Table 3. Availability ratio of fixed assets at the "Galla-Alteg" enterprise.

No	Indicators	Year per head	By the end of the year
1	The initial value of fixed assets is thousand sums	3796736	4244641
2	Depreciation of fixed assets (thousand sums)	2044522	2255652
3	Residual value of fixed assets (1r-2r)	1752214	1988989
4	Availability ratio of fixed assets (3r:1r · 100)	46.2	46.8

It is positive that the coefficient of availability of fixed assets at the end of the year increased by 0.6%.

The coefficient of depreciation of fixed assets (KE) is determined by dividing the sum of their depreciation by the initial value of fixed assets:

$$K_w = \frac{1 \text{ form 011 lines}}{1 \text{ form 010 lines}}$$

Table 4. Analysis of depreciation coefficient of fixed assets at "Galla-Alteg" JSC

No	Indicators	The initial value of fixed assets is thousand sums	Depreciation of fixed assets thousand sums	Depreciation coefficient %
1	At the beginning of the year	3796736	2044522	53.8
2	By the end of the year	4244641	2255652	53.1
3	Variation - Difference	447905	211130	-0.7

Summary

By studying the dynamics of the level of depreciation of fixed assets, it is possible to estimate the renewal of fixed production funds, the service life of fixed assets. The level of depreciation depends on the methods of calculating depreciation allowances, changes in the composition of fixed assets, and depreciation rates.

At the "Galla-Alteg" enterprise, the level of obsolescence decreased from 53.8% to 53.1%, while its availability level increased from 46.2% to 42.9%.

But in the current conditions, it may be inappropriate to consider that it is always correct to evaluate the state of the fixed assets of enterprises through our above analysis.

The reason is that each enterprise can calculate the depreciation value of fixed assets based on its production characteristics, and some fixed assets can be used in the enterprise for several years even after the depreciation value is calculated.

This can lead to the conclusion that they are unfit for work through the results of the analysis. Regardless of the state of the market, fixed assets can be used for 10-15 years instead of 5-7 years in "Galla-Alteg" JSC, which we analyzed.

Nevertheless, we believe that such analyzes are necessary in the market conditions based on the competitive environment and that the company should always be ready for changes.

Currently, some enterprises have partially adopted international standards of financial reporting, but in the coming years, all economic entities will conduct accounting based on full international standards. Therefore, reports are submitted according to international standards. Including, audits are carried out on the basis of international auditing standards.

List of used literature

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