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IMPROVING FINANCIAL INSTRUMENT AUDITS IN COMMERCIAL BANKS

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Abstract:

This article develops the organization of based on the international standards of financial reporting, the study of financial instruments, their classification, content, their types and its audit is considered. Auditing in this IFRS№9"Financial instruments" and their implementation into practice and organizing its.

Keywords:financial instruments, accounting system,International Financial ReportingStandards, stocks, proceeds and disposals, audit, analytical accounting.

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INTRODUCTION

Today's world economy is based on global competition. In such conditions, the government pays special attention to creating favorable conditions for business in every possible way, in particular, increasing the volume of foreign direct investment by providing relief to investors in ensuring property immunity, drastically reducing the tax burden, freeing foreign economic activity, free disposal of profits. Because it is impossible to provide regularly growing needs only with national investments. On the other hand, sufficient conditions created for National investors serve to increase the interest of foreign investors as well. The creation of a healthy competitive environment in the banking and financial system, the active involvement of foreign investors in the formation of foreign banks, an effective stock market in the banking sector is one of the current important tasks.

This can also be done by placing the state share in public trading on the National Stock Market. Only for this it will be necessary to increase the attractiveness of commercial banks investision. Investision increasing attractiveness is not a one-day task as well as a result that can be achieved in one day. In the ongoing digital transformation process, it is necessary that commercial banks, first of all, get rid of non-liquid and non-profitable assets faster, and, most importantly, engage in commercial activities. On the other hand, it is obliged to seek to maximize profits as a result of the expansion of digital banking services through the electronic platform and the reduction of transaction costs, ultimately, to switch from inflation to paying regular dividends on the basis of high market profitability to shareholders. In this direction, the priority goal of releasing up to 60 percent of the share of the private sector in the bank's assets by the end of 2026 has been strengthened by completing transformational processes in commercial banks with a state share in the new Uzbekistan development strategy for 2022-2026. The stock market is an important factor in the development of the banking sector. It is the strengthening of the stock market that plays an important role in the development of the activities of commercial banks in the future. Because the emergence of fierce competition between the credit and stock markets in financing the economy ensures development through the desire of both sectors to excel in competition. From this, the National producer will be able to attract cheap capital to the party where capital is needed. Therefore, the banking system is also highly developed in countries that have chosen the exchange model of the financial market in terms of financing the economy. Or vice versa, it can be seen that even in countries that finance the economy by means of a bank, stock exchanges have developed as a complete competitor.

The stock market has such an advantage that through it, foreign investors have the opportunity to invest directly in business entities in other countries, without leaving their country. So, this market is an area that offers great convenience, without borders on the development of investments.

Today, the world trend is showing that hundreds of types of financial instruments are used on foreign stock exchanges. On the Tashkent Republican Stock Exchange, ordinary and preferential shares and partial corporate bonds are placed. Due to climate changes in the world economy, in terms of striving for global green development, in recent years, special attention has been paid to the release, placement of green bonds as well, and the orientation of The attracted capital to green projects.

LITERATURE REVIEW

Uzbekistan seeks to integrate into international organizations and open up to the international financial market. An example of this is the granting of the status of a beneficiary country under the general system of prefents of Uzbekistan ("GSP+"), efforts to become a member of the World Trade Organization (WTO), the sale of BRM (Sustainable Development Goals) international sovereign bonds to the London Stock Exchange for the first time in 2021, green sovereign international bonds in 2023, as well as several commercial banks,

In developed countries, passive income from financial instruments in the income of residents and enterprises also makes it possible to connect . While more than a hundred types of financial instruments are valid in international practice, we can see this indicator in practice at much lower connections. In this regard, expanding the implementation of operations of large enterprises, organizations and shareholder societies, in particular commercial banks, with financial instruments, thereby increasing their income, attracting additional resources to them, as well as the emergence of additional funds in the state budget and at the disposal of the population and enterprises through the development of the Uzbek financial market, which can be one of the factors.

Today, companies have objective necessities to compile their financial statements on the basis of International Financial Reporting Standards (IFRS). In the procedure provided for by law, the procedure for applying Mhxss was introduced . In order to enter the world market, get an international loan, attract foreign investments, it is advisable to draw up financial statements on Mhxs. In our country, the number of companies making financial statements based on their Mhxs is increasing. Because, the achievement of increasing the transparency of financial statements will be possible only by switching to IFRS. Therefore, the use of documents developed by international organizations and advanced instruments and experiments are considered to be relevant issues on the agenda.

In turn, it is envisaged to increase the quality of preparation of financial statements of commercial banks by introducing new requirements for the classification and valuation of financial assets under the international standard of financial reporting № 9 (PF-3270 ,2017)

On February 24, 2020, PQ-4611 of the Prizident of the Republic of Uzbekistan was adopted on "additional measures for the transition to International Financial Reporting Standards". This decision States: Joint-Stock Companies, commercial banks, insurance organizations and legal entities included in the category of large taxpayers will organize accounting on the basis of IFRS from January 1, 2021 and will prepare financial statements based on IFRS from the end of 2021 (PQ-4611.2020).

PROBLEM. The preparation of financial statements based on IFRS, the publication of which gives many advantages. Through this, we can ensure transparency, accuracy, completeness of financial statements. The main thing is that since these reports are prepared on the basis of international standards, foreign investors will be able to easily compare ushu financial statements with the financial statements of other state-owned companies and make a decision to invest in a liquid, highly profitable company that they please.

Today, like many countries of the world, Uzbekistan is trying to attract foreign investors.To this end, the application of IFRS standards is mandatory for companies listed in more than 140 countries of the world, including the European Union, Australia, Asia and Africa (https://www.ifrs.org).

Doctor of philosophy in Economic Sciences Jumanov.S.A. in his doctoral dissertation (PhD), he noted that today the transition to the international standards of financial reporting and its introduction in improving financial reporting is relevant for all countries, many countries around the world are moving to the formation of financial statements on the basis of IFRS as a result of financial reporting compilation (Jumanov S.A. 2019)).

IAS 32 is indicated to be provided in financial statements relating to financial instruments and their classification. IFRS 9, on the other hand, shows how financial instruments are recognized at what value it is and how they are recognized in financial statements. IFRS 7 financial statements reflect aspects related to the disclosure of financial instruments.

Financial instruments (instruments) are a package of assets or capital that can be sold or purchased. Most ensure that financial instruments are effectively circulated and transferred between investors from all over the world. These assets can be in the form of cash , the right to a contract for the supply or receipt of cash, or other types of financial instruments, or a

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document confirming a person's ownership of some organization (Ergasheva Sh, Ibragimov A, Rizaev N. (2019)).

A financial instrument is a contract that leads to an increase in the financial asset of one organization and the financial obligation or share instrument of another (Tashnazarov I. (2019)).

A financial instrument is a paper visual or virtual document containing any monetary value, implemented in a contract ASOI. Financial instruments can be considered as any contract that leads to the creation of a financial asset for one company, a liability for another company or equity capital (Jumanov S. (2019)).

For example, goods such as precious metals, energy products, raw materials and agricultural products sold on the world market are not considered financial instruments. Because they do not have obligations or rights (for example, ownership, right to sell, right to buy) in relation to something else. But these are present in derivative financial instruments (e.g. option, futures, forward contracts) resulting from trading (Avloqulov A. (2020)).

The financial instrument is an effective paid contract, which represents the right or obligation in the form of payment (check), ownership of shares and dividend (from the stock), debt (bond, credit, deposit account), currency or deravitives (futures, forward, options, swap) in relation to some counterparties (Avloqulov A. (2020)).

Rizaev N, Ibragimov A. lar in their textbook" halkaro standards of financial accounting " No. 9 IFRS financial instruments standard as a maxad of the data predicting requirements that allow users to experience the following, which are highlighted by organizations in their financial accounting:

a) how outstanding is the influence of financial instruments on the financial condition and financial results of the organization;

b) the nature of the risks that the organization faced during and at the end of the accounting period and that arise from financial instruments, and the extent to which the organization is concerned about how it manages these risks "

On each of the following categories defined in IFRS 9 of financial instruments, their balance values should be highlighted in the financial situation report or isoxes:

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a) financial assets valued at a reasonable value through profit or loss, should be listed in the table on the following types;

in the initial recognition and subsequent accounting, financial assets defined in accordance with IFRS 9 and financial assets assessed in the value of the bank through mandatory profit or loss in accordance with IFRS 9.

b) financial obligations to be assessed at a reasonable value through profit or loss should be specified in the following types:

c) financial assets that are valued at amortized value.

d) financial obligations to be satisfied in depreciated value.

e) financial assets to be valued at khaqqani through other generalized income (Rizaev N, Ibragimov A (2023)).

Financial statements based on IAS will improve the investiture environment in the country. Provides an opportunity for the penetration of investments by large companies into the country's economy. We can determine the need to use IFRS in the current globalization process by the following factors International Financial Reporting Standards):

- in different countries, investors and shareholders will have the opportunity to better analyze the financial statements of potential companies prepared on the same principles, that is, on the basis of comparability;

- in different countries, it is advisable to draw up a single financial report to different stock exchanges, in which each of them is recognized as the only one for all, rather than a financial report compiled on the standards of that country. As a result, the cost of drawing up a report also shrinks, and the possibilities of attracting capital also expand.

The main thing that interests the investor is the real net income of the organization and the truthful value of assets. Because the investor is not interested in levying more taxes on the budget, but in how effectively the organization operates. Therefore, the investor requires that the report shows assets at a fair value, at the expense of obligations and expenses, as well as without raising income.

The fact that financial information targets are not consistent in the state and owners is a situation that occurs in all countries of the world. As a result, accounting is carried out on two different rules: one is tax accounting, the second is financial. In this case, we are not talking about two types of accounts, "white" and "black". According to the mhxs, the difference between net profit accrued for income tax and business profit accrued for financial information should be openly presented and explained to users, as well as all serious risks in imposing probable additional taxes and penalties should also be reflected in the report. At IFRS, the company calculates a separate tax for itself, that is, estimates the amount of tax. After the end of the financial year, however, the tax calculates the amount of the tax on its base. The difference in the middle is corrected in the next year. These differences can occur in depreciation calculation or cost determination.

CONCLUSION AND SUGGESTION.

As a result of writing this article , the following conclusions and suggestions havebeen formed:

1. In our opinion, in accordance with the above positive aspects, we can have the practical advantages achieved by the transition to the IFRS№ 9 below:

- Market mechanisms of asset valuation-in this case, the initial value of assets and liabilities and the use of its current market value make it possible for both the investor and the organization itself to make effective decisions;
- Ease of application of financial instruments-a sufficiently frequent revision of modern business directions and methods of reflecting operas in international standards of financial reporting increases the chances of economic entities to use financial instruments;

2. Timely reflection of asset depreciation-the national standards of current accounting do not require taking action on the risk of asset depreciation. Thanks to this, large companies risk an increase in the amount of assets. International Financial Reporting Standards make the necessary requirements for the receipt of such risks;

3. Specific guidelines for conditional active and assessed liabilities-information about not only document-based operas is important for users to make correct and clear decisions, but also to reflect in Current Reports the consequences of events that may occur in the future;

4. Formation of consolidated financial statements – most large companies are drawing up consolidated reports taking into account the enterprises that are part of it, but the fact that

they do not take into account modern consolidation mechanisms when drawing up them is causing the real situation of this group of companies to become invisible. Consolidated reporting by International Financial Reporting Standards is a special component of financial reporting and has special requirements for it;

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