



**Azərbaycan Dövlət
İqtisad Universiteti**



Ministry of Education Republic of Azerbaijan

Azerbaijan State University of Economics

UNEC SABAH

Sevinj Abbasova

**THE ROLE OF INTERNAL AND EXTERNAL
AUDITS IN THE PROFESSIONAL
WORKPLACE**

Supervisor : Ali Abbasov

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INTRODUCTION

The external Audit is an autonomous inspector of the bookkeeping (monetary) proclamations of clients so as to build up its unwavering quality and consistency with the monetarily and prudent exercises did by Azerbaijani law; recognizing the reasons that impede the acknowledgment of the organization's conceivably and created suggestions for their disposal.

The external auditor's objectives are a direct examining of financial reports as well as the development of a lot of estimates that enable the clients to boost the utilizing of accessible assets inside the structures of the present enactment of the Azerbaijan Republic.

Inside examining is a free action in an authoritative that checks and assesses its employment in light of a legitimate concern for supervisors. The reason for internal auditing is to help specialists of the collaborations successfully played out your capacities.

The significant tasks are:

- to uncover the monetary embodiment of external and internal auditing; dissecting the highlights of this audit;
- distinguishing the relationship and the contrasts among internal and external audits.

The relevance and significance dimension of these issues impacted the selections of points.

To accomplish these errands, the accompanying objectives were set: to considering the hypothetical destinations of external and internal audit (the controller structures of the corporation);

- to think about the functional equation of bookkeeping at the association;

The database of the research are administrative documentation, distributions of economic diaries and papers, materials of course books on bookkeeping, the board bookkeeping, budget reports, a total rundown of which is given in the rundown of references that were utilized to acquire the latest data

1. ECONOMIC ESSENCE OF INTERNAL AND EXTERNAL AUDIT

1.1. Internal audit, Aims and objectives of internal audit

Internal Audit is a free action in an cooperations that checks and evaluates its job in the interests of managers. The reason for inward review is to support representatives of the cooperation effectively perform your functions. An internal audit is conducted by auditors working directly in the cooperations. Small business object may not have regularly auditors. In this case, the internal audit may be entrusted to an audit assurance committee or an audit firm on a contractual basis.

In economically developed countries, the same attention is paid to the internal audit, as well as external.

The International Institute of Internal Auditors characterizes that interior review as a free exercises of checking and evaluating an cooperation's jobs in its interests. In the list of terms and definitions using in the laws (standards) of auditing activities approved by the Audit Commission under the President of the Azerbaijan Republic, internal audit is considered as organized for an economical entity in the interests of its owners and regulated its internal documents, the

system for monitoring compliance with the established accounting procedure accounting and reliability of the internal audit system.

The requirement for interior review emerges from the issues related to the supposed scale impact. In affordable site of this circumstance, the idea of "economies of scale" signifies: first, as the size of profitability builds, a participation looks to diminish costs because of various elements — this is an unarguable impact of scale; also, in parallel there is a doubtful effect of scale, which comprises of certain administrative troubles related with organizing and controlling the exercises of a huge collaborations.

An inward review is particularly significant if the association has topographically scattered branches or offices in which neighborhood the executives settles on free choices.

The reason for the inner review is to help the administration assortments of the association to practice compelling power over the different parts (components) of the inside review framework.

The fundamental assignment of interior evaluators ought to be to guarantee that the requirements of the board bodies are met to give control data on different issues important to them.

Under the general capacity of interior reviewers ought to be comprehended:

- Evaluation of the sufficiency of control frameworks, that is, the usage of assessments of the executives' units (control), the arrangement of the sensible proposition to address the recognized lacks and suggestions to improve the board effectiveness;

- evaluation of the viability of the action, that is, directing master appraisals of different parts of the working of the association and giving sensible recommendations to their improvement.

The exercises of inner inspectors for the overseeing assemblages of the association have data and counseling the esteem.

The organization builds up an association's control approach and strategies. In any case, staff may not generally get them or not generally consent to them. Administrators don't have sufficient opportunity to check the dimension of this usage and auspicious recognize shortcomings. The help of interior evaluators is to give assurance against blunders and misuse, distinguish "hazard zones" and the likelihood of disposing of future lacks. Inward evaluators help distinguish and take out shortcomings in the executive's frameworks, just as recognize infringement of the board standards. Every one of these activities is supplemented by discourses with the most astounding administering groups of the association so as to characterize inner review systems. In this manner, the association's administration bodies utilize the administrations of inward examiners as extra assets to enable them to do their capacities.

Outside specialists utilize various terms to allude to explicit regions of inner review.

The most well-known is the division into three sorts of inside review: the operational review (the executives' review), review for consistency, the review of budget summaries. In the meantime, a review of financial reports is normally led by outer examiners, however, budget reports can likewise be inspected by inside evaluators by request of the organization.

The above arrangement is very rearranged. It is conceivable to recognize its following sorts:

- utilitarian (cross-practical) review of the executive's frameworks;
- authoritative and innovative review of the executives' frameworks;
- an exhaustive survey of the affiliation's organization system;
- review of exercises;
- consistency review.

The review must consent to the necessities of the review. A practical review of the executives' frameworks is led to evaluate execution and adequacy in any utilitarian setting. For instance, a review of any tasks directed by units

(authorities) with regards to their capacities. The nature of interworking relies upon their interconnection and communication.

The hierarchical and innovative review of framework the executives requires doing complex managerial and viable systems (so as to remember appraisals of the totality of the connected strategies, methods, the board advances, methodology did) of practicality (sanity).

The review of exercises includes a target study and an exhaustive investigation of individual sorts of action, business or business - ventures with the point of accomplishing open doors for improving business exercises.

What's more, inward evaluators can screen the condition of authoritative, mechanical and utilitarian review the executives frameworks, review exercises, just as review components and procedures identified with the outside condition, for instance, the arrangement of outer relations, picture, advertising. It depends on an ever increasing number of shortcomings of the association. such control allots conveyed by inside evaluators identify with a far reaching review of the association's administration framework.

A review for consistence with the guidelines communicates the review control system for necessities:

- laws, by-laws, measures (rules, strategies) set up by outside experts;
- the endorsed utilization of the administration of formal guidelines, undertakings.

A review of consistence with practicality communicates the systems for examining the exercises of authorities (subjects of the executives) with the end goal of convenience (judiciousness, discernment, sensibility).

Points and goals of interior review Inner examining is an autonomous action inside a particular association went for checking and assessing its work so as to regard the interests of the executives and proprietors. The reason for inside review is to give solid data on the condition of money related and financial exercises of the administration and proprietors of the organization. In such manner, it tends to be noticed that the inner review is gone for improving the productivity of the venture and encouraging crafted by the board work force. When directing an inward review, the evaluators furnish their association with investigation and appraisal information, proposals and other fundamental data got because of the review. Inward review may likewise incorporate an appraisal of the board and hierarchical procedures so as to create proposals for the monetarily valuable and proficient utilization of assets accessible in the association, the levelheaded accomplishment of the monetary objectives of the undertaking and the advancement of unbiasedly solid inner strategies. revenue driven sharing. As per this, the inward review technique ought to be recorded in the inner reports of the organization or directed as unique guidelines for the inside review division or staff inspector. The key element of an inner review is that it is directed by an inward control body in the structure of an association subordinate to the administration of a venture. Along these lines, an interior review is gone for giving data to organization the executives to encourage the board choices. The fundamental undertaking of the interior review is to give data and to affirm consistence of the revealing data by giving the administration groups of the venture with control data on explicit parts of business exercises or regions of bookkeeping. In like manner, the general elements of interior examiners include: surveying the ampleness of control frameworks; assessment of financial pointers. Appraisal of the sufficiency of control frameworks incorporates both direct checks of individual territories of control of bookkeeping, business, and budgetary exercises, just as the advancement of explicit suggestions for dispensing with infringement, blunders, and weaknesses so as to improve the effectiveness of business tasks of a venture,

for example, everything else. Assessment of the viability of financial action is gone for the development of master sentiments on specific territories of monetary action of a monetary element and recommendations for their improvement. Hence, a target end can be made that inward review is essentially instructive and warning in evaluating interior monetary, bookkeeping, and budgetary financial procedures.

Outside and inward review. The connection between review activities, various leveled subjection, review targets, the aftereffect of a review, just as the installment for the administrations of the examiner and its status. Review detailing is a fiscal summary. It very well may be made a decision about that the inside review has the status of a staff part who is autonomous. In this way, the finish of the interior reviewer can't be affirmed by affirming the unwavering quality of answering to outside clients. Subsequently, inward review can be redressed in all cases. The key point in the check is the arrangement of administrations to confirm the money related and monetary control of the venture. as per appropriate law. Also, inner review ought to incorporate an evaluation of the monetary proficiency of money related assets accessible to the venture. Because of the assessments led, all the important markers ought to be accomplished, and the pointers of benefit and appropriation of the organization's salary ought to be resolved. Likewise, contrasts in outside and interior review are communicated in similar examination.

1. The reasonable premise of evaluating: morals of conduct, autonomy, demonstrable skill, proof, the precision of introduction;
2. Review of hypothesizes: parity of interests, free nature of the movement, proficient commitments, confirmation, unwavering quality of control, the exactness of the data, the precision of data gave. It ought to be noticed that the hypothesizes trusted that the exactness of the control and the precision of the data together agree with the standards of confirmation. A similar investigation of the use of ideas and

proposes of evaluating exercises in the structure of outside and inward review is introduced in the table.

Correlation of outside and interior review utilizing the ideas and review proposes. The idea of evaluating. Association of examining exercises. Standards of outside evaluators. Inner review, review, review, review, review ought to follow moral standards, guarantee classification of data and consistence with capability necessities. The interests of the inspector, the worker of the endeavor are disregarded. Autonomy. O Autonomous nature of the movement. The main occupation. Subjection to the administration of the work force of the assessed individual. Demonstrable skill. The evaluator must agree to pertinent review guidelines and models. Proficient duty. Give an abnormal state of the crowd. Archived Dependability of control High S irregularity Unwavering quality of data Recorded, which is reflected in the end. Feed precision. Use of reviewing guidelines. Exactness of data.

1.2 External audit, Aims and objectives of external audit

The outside review is directed on a legally binding premise by review firms or individual evaluators so as to impartially survey the dependability of the bookkeeping and fiscal summaries of a monetary substance.

At the phase of starter arranging of an outside review, the inspector ought to get comfortable with the monetary and financial exercises of the financial element and have the accompanying data:

- about outside components influencing the monetary action of a financial element, mirroring the monetary circumstance in the nation (locale) all in all and its sectoral particularity;

- about interior components influencing the monetary action of a financial substance identified with its individual attributes.

Likewise, the inspector will get comfortable with the authoritative and the board structure of the monetary element; sorts of creative exercises and item run; capital structure; productivity level; the arrangement of inner control of the financial element was composed.

Ventures and associations reserve the option to pick a review association to lead a necessary review or a reviewer business visionary to direct activity reviews or to give different administrations identified with the review.

Be that as it may, the decision of review associations is to some degree limited throughout mandatory inspecting in associations whose contract (value) capitals contain at any rate 25% of state property of a constituent substance of the Azerbaijan Republic. For this situation, it ought to be browsed among review associations - victors of an open delicate for the privilege to direct reviews of these associations. The method for holding such rivalries is affirmed by the Government of the Azerbaijan Republic. The review association additionally has the option to pick a customer. There is an inquiry regarding the consequences of the starter review arranging stage.

The letter of duty of the review association to direct a review (hereinafter alluded to as the letter of responsibility) is the report that establishes the review association in light of an encouragement to lead a review.

We welcome a review firm to finish up a review contract. The fundamental reason for this report is to disclose to the leader of the association.

The dedication letter must include:

- The planning of the review;
- obligations of a review association;
- commitments of the association being reviewed.

The review contract is finished up as per the arrangements of the Civil Code of the Azerbaijan Republic, specifically, ch. 39 "Paid administrations arrangement

contract" and the Rule (standard) of reviewing exercises "Technique for closing concessions to the beginning of the arrangement of review services". The contract is finished up.

In the content of the agreement, it is prudent to reveal the accompanying fundamental angles and basic conditions, for example,

- The subject of the agreement for field review administrations;
- conditions for directing review administrations;
- rights and commitments of a review association;
- rights and commitments of a monetary substance;
- duty of the gatherings and the system for settling debates.

Alongside this, different arrangements might be incorporated into understanding.

Arranging, directing the underlying phase of the outer review, incorporates a general review association demonstrating the normal volume, just as a review association of review programs that decide the degree, types, and grouping of formal review methodology important to frame a review association a target and sensible assessment about the fiscal summaries of the association.

The review association and individual inspectors are required to design their work with the goal that the review is completed viable.

Outer review arranging is completed by a review association as per the Audit Planning Rule (standard) of evaluating exercises, with general standards for leading a review, and as per the accompanying security standards:

- complete arranging;
- progression of arranging;
- ideal arranging.

The rule of the extensiveness of review arranging includes guaranteeing the interconnection and intelligibility of all phases of arranging - from fundamental intending to draw up a general arrangement and a review program.

The guideline of the ideal arranging of a review infers guaranteeing the changeability of making arrangements for the likelihood of picking the ideal variation of the general arrangement and the review program based on criteria controlled by the review association itself.

Arranging an outer review of a review association comprises of the accompanying primary advances:

- starter arranging of outer review;
- readiness and planning of a general arrangement for outside review;
- planning and readiness of an outer review program.

At the fundamental arranging stage, the review association evaluates the likelihood of a review. On the off chance that the review association thinks about it conceivable to direct a review, it continues to the development of the state for the review and goes into a concurrence with the financial element.

When arranging the synthesis of a review group, a review association ought to think about the financial limit of working time for each phase of the review (preliminary, primary and last); proposed bunch terms; the quantitative structure of the gathering; authority and capability dimension of gathering individuals.

During the time spent primer acquaintance with the customer, the evaluator needs to survey the budgetary soundness of the customer; the situation of the customer in the financial condition; the association with a past review firm.

An outline of the business ought to include:

- a profound comprehension of the customer's business exercises, intentions of the customer's business exercises, thought processes of the senior administration workforce for evaluating the danger of giving false data;
- starter scientific surveys to evaluate the current money related state of the organization to feature uncommon and surprising adjusts;
- comprehension of the bookkeeping strategies;
- evaluation of the dimension and materiality.

Starting the development of a general plan and audit program, the audit organization should use preliminary knowledge about the economic subject, as well as the results of the analytical procedures carried out. With the help of analytical procedures, an audit organization should identify areas relevant to the auditor.

In the process of preparing an overall plan and audit program, an audit organization evaluates the effectiveness of the internal control system (ICS) that an economic entity has and evaluates its risk. ICS can be considered effective if it promptly warns of the occurrence of inaccurate information, and also reveals inaccurate information. Assessing the effectiveness of the ICS, the audit organization should collect a sufficient amount of audit evidence.

The general arrangement should direct the usage of the review program. All in all terms, the review association ought to accommodate the planning of the review and draw up a calendar for the review, report readiness, review report. During the time spent arranging time costs, the evaluator should consider genuine work costs; the computation of the time spent in the past period and its association with the present figuring; the dimension of materiality; examined chance appraisals.

As a rule, a review association decides the method for directing a review dependent on the consequences of a fundamental examination, appraisal of the unwavering quality of the inside review framework. When all is said in done, it is prescribed to accommodate: the development of the review group, the number, and capabilities of examiners; dispersion of inspectors as per their expert capabilities and authority levels for explicit review destinations; teaching all colleagues about their duties; the boss' power over the execution of the arrangement and the nature of crafted by the review collaborators, their upkeep of working documentation and the best possible handling of the review results;

illumination by the leaders of the review group of methodological issues identified with the viable usage of review techniques.

The review program is the advancement of a general review plan and is a nitty-gritty rundown of the substance of review methods important for the handy execution of the review plan. The evaluator should archive the review program, assign a number or code for each review system to be completed so as to have the option to allude to them in their working papers amid the work procedure. The review program ought to be as a program of trial of controls and as a program of review techniques on the benefits.

The discoveries of the inspector for each segment of the review program, archived in the working records, are the real material for the arrangement of the review report and review report, just as the reason for the development of a target sentiment of the examiner on the budget summaries of the monetary substance.

Toward the finish of the arranging procedure, the general arrangement and the review program ought to be recorded and embraced in an endorsed way.

While setting up a general arrangement and an outer review program, the examiner should build up a worthy dimension of materiality and review hazard, which makes it conceivable to consider the budget reports solid.

The idea of materiality is the reason for tackling many review issues. Materiality shapes an intelligent arrangement and connection between the phases of the review, the volume, and substance of review methodology, the assessment of the aftereffects of the gathered review proof and the review report of the organization. It decides the span of the admissible blunder and, accordingly, the type of review report.

Materiality is the likelihood that the connected review methods permit to decide the nearness of mistakes in the announcing of a financial substance and evaluate their effect on the appropriation of important choices by its clients. The importance of materiality can be communicated as $0 < C < 1$.

The materiality level is comprehended as the minor expense of a bookkeeping blunder, beginning from which its client is probably not going to have the option to make the right determinations dependent on it and settle on proper choices.

When finding the total estimation of the materiality level, the examiner should take as a premise the most significant markers describing the unwavering quality of the detailing element to be reviewed, hereinafter alluded to as the fundamental pointers of the budget summaries.

Reviewing associations are required to set up an essential framework and strategy for deciding the dimension of materiality, which must be recorded and connected on a continuous premise.

Review associations are required to ascertain the dimension of materiality, taking on a specific offer of any key pointers: the numerical estimations of records, accounting report things or budget summaries. In the meantime, it is conceivable to utilize both fundamental markers of the present year, and normal pointers of the present and earlier years, just as any count methods that can be formalized.

The examiner ought to think about the dimension of materiality:

- at the arranging stage in deciding the substance, time and measure of review techniques utilized;
- over the span of performing explicit review methodology;
- at the phase of the fruition of the review in evaluating the effect of the distinguished mutilations and infringement on the unwavering quality of budget reports.

The principal reason for a review with an obligatory review is to shape a target feeling on the dependability of the budget reports of a monetary element. This feeling is the substance of the review report.

As per Craftsmanship. 10 of the Government Law "On Examining", a review report is an official record expected for clients of money related (bookkeeping) proclamations of evaluated substances, ordered as per bureaucratic guidelines

(benchmarks) of inspecting action and containing a supposition of an examining association. or then again an individual reviewer who communicated in the recommended structure the exactness of the money related (bookkeeping) proclamations of the evaluated element and the consistency of their bookkeeping systems with the laws of the Azerbaijan Republic.

The review report dates from the finish date of the review, as this situation gives the client motivation to trust that the evaluator considered the effect on the money related (bookkeeping) articulations and the review report on the occasion and tasks known to the Reviewer and what occurred before that date.

The review report is marked by the leader of the examiner or an individual approved by the supervisor and the individual who led the review (the individual who led the review), demonstrating the number and term of his capability testament. These marks must be fixed.

As per the consequences of the review of the budget summaries of the business substance, the review association should express sentiment on the unwavering quality of these reports as a genuinely positive change in the review report or reject the outflow of their feeling in the review report. ,,

An unequivocally positive conclusion ought to be communicated when the evaluator presumes that the money related (bookkeeping) proclamations give a right thought of the monetary position and consequences of the budgetary and financial exercises of the reviewed substance as per set up standards and techniques for bookkeeping and money related arrangement (bookkeeping) explanations in Azerbaijan League.

The overhauled review report is checked upon the accessibility of:

- factors that don't influence the review feeling, however, are depicted in the review report so as to draw in the consideration of clients to any circumstance existing in the examined element and revealed in the budgetary (bookkeeping) explanations;

- factors influencing the feeling of the reviewer, which may prompt a decision with a booking, a refusal to express a conclusion or a negative assessment.

In specific situations, the review report might be changed by including a section that attracts thoughtfulness regarding the circumstance influencing the money related (bookkeeping) proclamations yet is considered in the illustrative notes to the budgetary (bookkeeping) articulations.

The inspector may think about changing the review report by including a section showing critical vulnerability (other than watching the guideline of business coherence), elucidation of which relies upon future occasions and which may influence the money related (bookkeeping) explanations, just as on the consideration (after the part with assessments) of the part that attracts regard for the circumstance that does not influence the monetary (bookkeeping) proclamations.

The examiner will be unable to express a genuinely positive supposition if in any event one of the accompanying conditions exists and as per the reviewer's judgment this situation has or may significantly affect the exactness of the money related (bookkeeping) proclamations:

- there is a point of confinement on the extent of work of the reviewer;

- there is a conflict with the executives in regards to the worthiness of the picked bookkeeping strategy, the technique for its application or the sufficiency of unveiling data in the money related (bookkeeping) articulations.

The conditions referenced in the main section may prompt the outflow of assessment with a booking or to the refusal to express a supposition.

The conditions referenced in the second passage may prompt the outflow of sentiment with a booking or to a negative supposition.

The assessment with a booking ought to be communicated in the reviewer infers that it is difficult to express an unqualifiedly positive conclusion, yet the impact of conflicts with the administration or constraining the extent of the review isn't so critical and profound as to express a negative sentiment or deny to express a supposition. The supposition with a booking must contain the wording: "except for the impact of conditions ..." (demonstrate the conditions to which the reservation applies).

Refusal to express a conclusion happens in situations where the extent of the review is so huge and profound that the inspector can't acquire adequate proof and, accordingly, can't express an assessment on the unwavering quality of the budgetary (bookkeeping) explanations.

A negative sentiment ought to be communicated just if the effect of any conflict with the executives is so noteworthy for the budgetary (bookkeeping) explanations that the reviewer presumes that creation a reservation in the review report isn't adequate to unveil misdirecting data or fragmented monetary (bookkeeping) detailing.

The examiner may have conflicts with the administration of the reviewed substance on issues, for example, the suitability of the picked bookkeeping strategy, the technique for its application or the ampleness of divulgence in the money related (bookkeeping) explanations. On the off chance that such contrasts are material to the monetary (bookkeeping) proclamations, the examiner should express a certified assessment or a negative feeling.

The refusal of a review association to express its sentiment on the exactness of the fiscal reports of a financial element in the review report implies that, because of specific conditions, the review firm can't express such a supposition.

The finish of a review firm dependent on the consequences of a review of the yearly fiscal summaries is a compulsory component of the yearly budget summaries for endeavors to be inspected as per the enactment of the Azerbaijan Republic. This end additionally has lawful status.

The examiner will be unable to express an unequivocally positive supposition if at any rate one of the accompanying conditions exists and as per the inspector's judgment this situation has or may significantly affect the exactness of the money related (bookkeeping) proclamations:

- there is a breaking point on the extent of work of the inspector;

- there is a conflict with the board in regards to the worthiness of the picked bookkeeping arrangement, the strategy for its application or the ampleness of uncovering data in the money related (bookkeeping) articulations.

The conditions referenced in the main section may prompt the declaration of supposition with a booking or to the refusal to express a sentiment.

The conditions referenced in the second passage may prompt the statement of supposition with a booking or to negative sentiment.

The feeling with a booking ought to be communicated in the examiner presumes that it is difficult to express an unqualifiedly positive supposition, however, the impact of conflicts with the administration or restricting the extent of the review isn't so crit The finish of a review firm dependeical and profound as to express a negative assessment or deny to express a conclusion. The supposition with a booking must contain the wording: "except for the impact of conditions ..." (demonstrate the conditions to which the reservation applies).

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The examiner may have conflicts with the administration of the inspected element on issues, for example, the suitability of the picked bookkeeping arrangement, the technique for its application or the sufficiency of divulgence in the monetary (bookkeeping) proclamations. On the off chance that such contrasts

are material to the budgetary (bookkeeping) explanations, the inspector should express a certified sentiment or a negative assessment.

The refusal of a review association to express its conclusion on the precision of the budget reports of a monetary substance in the review report implies that, because of specific conditions, the review firm can't express such a feeling.

The finish of a review firm dependent on the consequences of a review of the yearly fiscal reports is a compulsory component of the yearly budget summaries for endeavors to be evaluated as per the enactment of the Azerbaijan Republic. This end likewise has a legitimate status.

The review report comprises of three sections: presentation, investigation, and last form. The introduction contains all the fundamental data about the inspecting firm or a free inspector. In this way, for a reviewing firm, the legitimate location and telephone numbers, data about the permit to confirm the action (permit number, date of issue, name of the expert that issued the permit, permit legitimacy period); the last name, first name and patronymic of the inspectors who took part in the review, their capability endorsements for leading review exercises. For an audience who works freely, indicate: the last name, first name, the proficient experience of the inspector; date of issue and name of the permitting specialist for evaluating exercises, just as the permit legitimacy period, the quantity of the reviewer capability authentication

The scientific part is a report of an inspecting firm to a business element on the general consequences of a review of the condition of inside review, bookkeeping and announcing of a monetary substance, just as on consistency with enactment on money-related exercises. furthermore, monetary movement. tasks. The logical part ought to be routed to the organization of the monetary substance. The last part is the finish of the review firm on the dependability of the fiscal summaries of the business element. It ought to contain: the name of this part; the name of the beneficiary of the last work; name of the monetary substance; object

of review; a sign of the administrative demonstration to which the fiscal summaries must go along; appropriation of obligation of a monetary element and a review firm in connection to budget summaries; sign of the administrative demonstration as per which the review was led; a report on the material conditions paving the way to the review report, in a structure other than a genuine one, and an evaluation of the level of impact of the circumstance on the fiscal summaries of an endeavor, if conceivable, financial; the finish of the review firm on the precision of the budget reports of the business element; review report date. The last part can't be dated by the date of marking the fiscal summaries of the financial element.

The business substance is just obliged to give the last piece of the review report to invested individuals. In such a manner, the diagnostic and last parts can be marked and fixed independently. The first and second pieces of the end are private and can't be revealed without the assent of the business element. Examiners and review firms are likewise not permitted to exchange data got amid the review to outsiders for business use.

Points and destinations of the outer review. The key highlights of outside review emerge from the idea of examining and are because of the compulsory autonomous nature of the review, as the outer evaluator ought not to have any close to home interests in the venture being inspected, and furthermore not go about as a member. As per the substance of the outer review, its principal task is to affirm the exactness of the fiscal summaries, the accuracy of bookkeeping and the rightness of the bookkeeping procedure, as per the present enactment. In the meantime, outside review serves the interests of not just the administration of the substance being evaluated, yet additionally the interests of outer clients of bookkeeping and monetary data, including government organizations, banks, minority investors, and so forth. As per its substance, an outer review can be sorted out willfully in line with the element being examined or in the obligatory way accommodated by the authoritative demonstrations. The fundamental goal of

the outside review is to build up whether the submitted reports and the monetary records of the association being inspected are in similarity with it, to evaluate its budgetary position and execution over a specific period.

In present-day conditions, an outside review is sorted out occasionally, and in various periods outer review can be done by various inspectors. Amid and amid the outside review, examiners ought to effectively advance an expansion in monetary assets and their reasonable use. Checking the condition of monetary action and the exactness of budget summaries, reviewers screen the accomplishment of arranged pointers of monetary movement, the condition of safeguarding of money related and material assets, the right allotment of expenses to the expense of generation, the development and dispersion of benefits, and the rightness of bookkeeping. The principal goal of the outside review is to set up the unwavering quality of the budget summaries of the element being inspected and the consistency of the money related and business tasks performed by it with the current administrative and legitimate demonstrations of the Azerbaijan Republic. The outer review ought to affirm the truth of the information exhibited. In such a manner, the standard of materiality is appropriate in the review practice. In view of this rule, the examiner is obliged to build up not the supreme precision of the information of the inspected monetary (bookkeeping) proclamations, however its unwavering quality in every single fundamental viewpoint. As per rule (standard) No. 4 "Materiality in review" data about individual resources, liabilities, salary, costs and business tasks, just as parts of the capital is viewed as material if its exclusion or contortion may influence the monetary choices of clients made based on money-related (bookkeeping) articulations. The materiality level is the constraining estimation of a fiscal report blunder, starting with which a certified client of these budget summaries is probably not going to have the option to make the correct end dependent on it and settle on the privilege financial choices. While deciding the dimension of materiality, the fundamental pointers of fiscal summaries are utilized as the premise. The materiality level is determined in the

extent to the gauge pointers. Permitted as a solitary pointer of the dimension of materiality for this specific test, and a lot of various estimations of the dimension of materiality, every one of which ought to be intended to evaluate a particular gathering of records, accounting report things, revealing markers. Instances of subjective twists: deficient or insufficient depiction of bookkeeping strategies, when there is a probability that a client of budgetary (bookkeeping) proclamations will be deceived by such portrayal; the absence of revelation of data infringing upon administrative necessities for the situation when there is a probability that the ensuing utilization of assents may significantly affect the exhibition of the element being examined. The inspector ought to think about materiality in deciding the nature, timing, and degree of review methodology; assessment of the impacts of contortion. General review chance is characterized as the likelihood of shaping an erroneous supposition of an examiner on the unwavering quality of evaluated budget summaries and, therefore, the arrangement of a mistaken conclusion on the consequences of a review.

2.INTERACTIONS AND DIFFIRENCES BETWEEN INTERNAL AND EXTERNAL AUDIT

2.1 Interaction between external and internal audit

The nature of the inside review work affects the direction of reviews by outer inspectors.

The compelling work of the inward review division permits outer inspectors not to direct a point by point review since the outside examiner can somewhat confide in the inside evaluators in unveiling blunders and infringement. This fundamentally decreases the time spent on the check by lessening the number of autonomous techniques. Notwithstanding, in this circumstance, it can't be accepted that the accountability of the outside inspector for the assessment

communicated in the money related (bookkeeping) explanations of the organization will be decreased or imparted to the interior evaluators.

Thusly, for inward examiners, the trust of the outside inspector fills in as one of the expert criteria and invigorates their exercises inside the control framework set up at the venture, which is fundamental for powerful business, resource insurance, and the most complete conceivable and precise bookkeeping records.

At present, the methodology for the association of outside and inside evaluators is represented by the Review Principles (Standard) "Study and utilization of the inner review work".

The association of outside and inner examiners by the interior review ought to be founded on the situation of most extreme help to a free evaluator, from the outer reviewer - on the idea of a fair-minded way to deal with surveying the level of certainty with respect to the inside inspector. This arrangement is reflected in the Review Guideline (Standard), which gives the review association the privilege to openly and completely speak with interior inspectors, approach inner review reports important to it, and the likelihood of getting data on a Significant issue that may influence on his work.

The conclusion on the exercises of the inner review is shaped by the review association at the arranging phase of the up and coming review. This considers:

- authoritative status: the situation of the inner review administration in the administration arrangement of the investigated organization, its capacity and capacity to watch objectivity and autonomy, the nearness or nonappearance of different obligations, the effect of confinements and limitations forced by the board, and (or) the proprietors of the undertaking on interior review;

- Ability: proficient instruction and aptitudes (work involvement) of evaluators, strategies for contracting, preparing and raising the dimension of aptitudes for representatives of the inner review administration, their level of comprehension of issues and errands;

- proficient dimension: the condition of arranging, checking and reporting crafted by the inner review, the accessibility, and substance of the important arrangements of the inside review, work projects, and working documentation;

- useful structure: the substance and extent of work performed by the inside review administration;

- the dimension of essentialness: thought and acknowledgment for execution by the administration and (or) proprietors of the undertaking of proposals of inner review.

In the event that the review association chooses to utilize crafted by the interior review, it should keep on contemplating crafted by the inside review, become acquainted with the working archives and ensure that:

- the projects and extent of the interior review work are predictable with the destinations of the outside review;

- crafted by inward inspectors is completed as per the arrangement and is recorded;

- the (ends) of the inward reviewers are adequately substantiated by the information gotten by them and compare to the current conditions, and the substance of the reports arranged by the inner evaluators relates to the aftereffects of the work performed by them;

- territories of expanded hazard, known to masters of the endeavor, are considered when arranging work and are checked by the interior review;

- the frame of mind of the board and (or) proprietors to remarks, recommendations, and questions presented by interior inspectors is helpful.

The discoveries of a free evaluator during the time spent inspecting the interior review arrangement of the examined organization ought to be reflected in its working documentation.

Free examiners may include inner reviewers of the inspected organization in their work. The extension and kinds of these works ought to be foreordained in the fitting project created by the outer reviewer when arranging their work and

concurrent with the leader of the inner review office since the referenced works will be added to the representatives of the inside review office. ,

The nearby collaboration of outer and interior evaluators during the time spent leading a review of a venture, not the slightest bit diminishes the duty of a review association for issuing a review report, the composed data of a reviewer to the administration of a monetary substance on directing a review. results, just as to decide the substance, timing, and extent of review methods.

2.2 Differences between internal and external audit

Interior review is a basic piece of the association's administration control; it very well may be free, that is, submit legitimately not to the official body of the endeavor, yet to outside funders.

In the Guidelines (benchmarks) of examining exercises of the Azerbaijan Republic the accompanying definition is given:

An inner review is composed by a business element in light of a legitimate concern for its proprietors and is represented by its inside reports, the framework for observing consistency with setting up bookkeeping strategies and the unwavering quality of the inward control framework.

Interior review is one of the approaches to screen the viability of the exercises of basic units of a monetary element.

Interior review has for the administration and (or) proprietors of a monetary element educational and counseling an incentive since it is planned to upgrade the movement of a financial element and satisfy the obligations of its chief.

The requirement for inward review emerges in extensive endeavors because of the way that top administration does not participate in day by day observing of the association's exercises and lower the board structures. The inward review gives data on this movement and affirms the precision of the reports of chiefs.

Interior review is basically important to avert the loss of assets and make the vital changes in the endeavor.

The association, job, and elements of inward review are controlled by the business substance, that is, its administration and (or) proprietors, contingent upon:

- the substance and highlights of the business element;
 - the volume of markers of monetary and financial movement of the monetary substance;
 - the present administration arrangement of the business element;
 - the condition of inside control.
- Inside the review, capacities can be performed by uncommon administrations or individual evaluators who are in the condition of a financial substance, review commissions (examiners), outsider associations and additionally outer inspectors connected with for inner review purposes.

To a limited degree, the elements of inward inspectors are performed by review groups to the detriment of expansive undertakings, which are subordinate to the central bookkeeper or money related chief, however, the elements of inner evaluators are more extensive.

When in doubt, the inward review work incorporates:

- 1) check of bookkeeping and inward control frameworks, their observing, and advancement of proposals for improving these frameworks;
- 2) confirmation of bookkeeping and operational data, including a check of methods and techniques, just as an uncommon investigation of individual things of budget reports, including point by point checks of exchanges, account adjusts;
- 3) confirmation of prerequisites of laws and other administrative acts, just as necessities of bookkeeping approaches, guidelines, choices and directions in connection to the proprietors (or) proprietors;
- 4) checking the exercises of different dimensions of government;

5) assessment of the viability of the inside control instrument, the examination and assessment of control checks in industry, basic units of a monetary substance;

6) checking the accessibility, condition, and safeguarding of the property of the financial element;

7) chip away at exceptional undertakings;

8) programming assessment by a financial substance;

9) unique examinations of individual cases, for instance, doubts of the indictment;

10) advancement and accommodation of proposition for the end of recognized insufficiencies and suggestions for improving administration productivity.

Inside the review, not just gives data about the exercises of the association yet, in addition, affirms the rightness and exactness of the reports of supervisors. Utilization of inside review data.

The outer review is directed by a free evaluator. The reason for the outside review is to affirm the accuracy of bookkeeping, appraisal of the consistence of inward control (review) with the necessities, objectives of the endeavor, and so on.

The outer review might be deliberate (in line with customer undertakings) and compulsory (as per administrative acts). Compulsory checks can likewise be sorted out by the court or the researching specialists. In the table (see Table 1)

	Distribution criteria	External audit	Internal audit
1	Purpose	Expression of opinion on the accuracy of financial statements, the provision of services, assistance, cooperation with customers	Internal control at the enterprise, allowing to control the correctness of training and representation
2	Objects	The audit reveals everything that distorts the financial statements, worsens the financial situation of the client, and also violates the current legislation.	
3	Subjects	Independent experts who have the appropriate certificate and license to participate in this type of business	Employees of the organization

4	Nature of activity	Business activity	Executive activity
	Legal regulation	Mostly civil law, business contracts	Civil law, commercial contracts, administrative law
6	Management Relations	Horizontal communication, voluntariness, equality in relations with the client, a report in front of him	Hierarchical relations, submission directly to the management of the enterprise
7	Practical tasks	Improving the financial situation of the organization, attracting liabilities (investors, loans), assistance in advising the client	Improving the financial situation, determining the reliability of accounting information, assistance in advising
8	Result	Audit report and recommendations for the client, confidentiality of information	Recommendations and recommendations for the accounting and optimization of the training system, the elimination of deficiencies and

			organizational conclusions
9	Payment for services	Customer pays a paid service agreement	Payment in the form of wages under an employment contract concluded with the organization under review
¹⁰	Status	External Auditor - Independent Expert	Internal auditor-employee of the organization

Accordingly, we can reason that the requirement for the administrations of a reviewer emerged because of the accompanying conditions:

1) the likelihood of getting one-sided data from its compilers (organization) in case of contention among them and the clients of this data (proprietors, speculators, leasers);

2) the reliance of the outcomes of choices made (and they can be huge) on the nature of data;

3) the requirement for extraordinary learning to confirm data;

4) the absence of data from clients who approach it to survey its quality.

Inside review not just gives data on the exercises of the association itself yet additionally affirms the rightness and precision of the executives announcing. Utilizing the data of inner review, the administration of the endeavor can opportune and auspicious do the essential changes inside the venture.

3. IFRS AND AUDIT

3.1 IFRS and Audit: Objectives and basics

International Financial Reporting Standards (IFRS). In our nation, the utilization of IFRS is done at the state level: IFRS principles in Azerbaijan come into power after the AR Service of Account comes into power. A review of financial reports under IFRS Huge Azerbaijan organizations is a significant factor in Azerbaijan.

We should perceive how an association's fiscal reports are evaluated as per IFRS. Application and usage of IFRS necessities in Azerbaijan Created as per Universal Money related Announcing Measures (IFRS; IFRS - Worldwide Budgetary Detailing Gauges) is a global expert association of the (IASB). The motivation behind making these benchmarks is to bind together the bookkeeping records of various nations. IFRS norms enable you to adequately and unbiasedly analyze the money related exercises of different organizations at a dimension. In Azerbaijan, just IFRS affirmed by the Service of Money of the Azerbaijan League can be utilized. Cutting-edge data on every single authoritative act as per IFRS is distributed on the official site of the Service of Money of Azerbaijan. The characteristic of IFRS models is that they depend on standards, and not on exacting principles. The primary standards of IFRS are recorded in the archive "Reasonable Premise of Money related Revealing" (as a result on the domain of the Azerbaijan Republic). As per this record, fiscal reports ought to be totally solid, nonpartisan, mirror the path of monetary wonders, and not simply speak to their authoritative document.

The primary clients of IFRS are accomplice organizations, loan specialists and potential speculators Universal Monetary Revealing Models? In Azerbaijan,

announcing under IFRS isn't required for all endeavors, however for certain associations, it is amazingly vital: first, it is organizations, worldwide accomplices or wanting to enter the universal market. Furthermore, individuals who are keen on finding remote financial specialists. Thirdly, associations that give credits in Western banks. As a rule, IFRS considers issues identified with business as per the soul and estimations of vast transnational organizations, for which the last money related aftereffect of a business and its capitalization are significant. Every single Azerbaijani undertaking is progressively incorporated into the global monetary model, and counseling administrations for the change of fiscal reports into IFRS are at present sought after. As per the Government Law of July 27, 2010, No. 208 "On Merged Fiscal reports" (hereinafter alluded to as Law No. 208), revealing as per IFRS is compulsory given by credit, protection, and clearing associations. non-state benefits reserves, organizations overseeing venture and non-state annuity reserves, government state bodies. open business entities whose shares are in government proprietorship. Propelled for exchanging on stock trades. In Azerbaijan, most associations like to utilize the change strategy for announcing as per IFRS. Change of explanations dependent on bookkeeping and assessment bookkeeping (RAS). The information that fits in with the IFRS standard must consent to the IFRS detailing framework, after which adjustments are made for the change. Parallel bookkeeping under RAS and IFRS is once in a while keeping up. Highlights of review under IFRS. As per Article 5 of Law No. 208, the yearly combined fiscal summaries are liable to a compulsory yearly review. The review report is perused and distributed together with IFRS reports. Along these lines, a review of financial reports under IFRS is vital for authority affirmation of the unwavering quality of the exhibited explanations. Figures and certainties The review of budget reports under IFRS is completed in Azerbaijan as per government examining models (FSAD). The change to worldwide evaluating benchmarks (ISA) is intended to happen after 2017, yet right now MSA can be utilized just to the degree that does not repudiate FSAD. The structure of

reports as per IFRS incorporates benchmarks - IFRS and IFRS (today there are 28 IFRS measures and 15 IFRS models in the Azerbaijan Republic), just as understandings of the IFRIC and SIC principles (8 clarifications of SIC and 17 clarifications of IFRIC). The review action is directed by the Government Law of December 30, 2008, No. 307 "On Examining" (hereinafter alluded to as Law No. 307), just as other government laws and guidelines, including the Common Code of the Azerbaijan Republic. The review association must be an individual from one of the examiners of self-administrative associations (SRO), and data about this ought to be incorporated into the SRO register. As per the Goals of the Administration of the Azerbaijan Republic of September 23, 2002 No. 696 "On Endorsement of Guidelines (Measures) for Evaluating Exercises", the general standards of reviewing are autonomy; genuineness; objectivity; proficient ability and respectability; classification; proficient conduct. It is important that sooner rather than later the bureaucratic inspecting measures will be supplanted by the Global Examining Gauges (ISA) as per the Announcement of the Legislature of the Azerbaijan Government No. 576."On the Endorsement of the Guidelines". acknowledgment of global inspecting benchmarks. " inspecting norms connected in the Azerbaijan Republic. "ISAs embraced by the Worldwide Organization of Bookkeepers, preceding their entrance into power on the domain of the Azerbaijan Republic, must experience a specialist examination and be perceived in the way settled by the previously mentioned Goals. Right now, the examination strategy was endorsed (Request of the Service of Fund of Azerbaijan dated August 5, 2015, No. 122 "On Endorsement of the Strategy for Testing the Appropriateness of Reports Containing Worldwide Reviewing Models in the Azerbaijan Republic). Reason for leading a review as per IFRS As per Law No. 307, a required review must be directed in all associations that submit and (or) distribute budget summaries as per IFRS. This prerequisite does not have any significant bearing to state and nearby governments, state additional budgetary assets, just as state and civic organizations.

3.2 IFRS and Audit: steps of the procedure

1 Law No-208 comprehends systematized data mirroring the money related position, monetary consequences of activities and changes in budgetary position, just as the nearness of backups and additionally related organizations (for this situation, combined data). budget summaries), not assemble development. This technique for evaluating budget reports as per reviewing measures is a procedure that expects meticulousness and the arrangement of a restorative master feeling; in this manner, it is done as per the endorsed arrangement. Preliminary stage. Administrations for the review of budget reports as per IFRS incorporate an underlying appraisal of the volume of archive stream and monetary outcomes based on which a business offer is given. At that point come the time and costs. Reviews ought to be a general review plan. This arrangement is refreshed when already obscure realities are found. In the arranging procedure, the customer gives an examining set of records - authoritative and hierarchical, information on ledgers, major counterparties, and others. Furthermore, when of the landing of the examiners, it is important to get the ready point by point data as per the data solicitations of the review organizations (spending plans, solicitations, acts, contracts, speculation plans, and so on.). Gathering and investigation of review-proof. As per the starter review plan, a group of inspectors is checked. The review, generally speaking, happens in two phases: first, the data for the earlier year and the initial nine months of the detailing time frame are investigated, and after that, the information for the final quarter is evaluated considering the redresses of the break revealing. This is on the grounds that for practically identical information for the past period. Reviewers think about bookkeeping and expense bookkeeping information as well as the board data. Physical access to creation offices, stockrooms, and so forth might be required.

4.THE KEY DIRECTION OF FINANCIAL CONTROL IN ENTERPRISES

4.1Audit, which is carried out in the form of regular audits

The key bearing of monetary control in endeavors is outer and inward review, which is done as standard reviews.

Outside review includes the outflow of a sentiment about the exactness of bookkeeping and revealing and their consistence with pertinent law, hence guaranteeing that the interests of clients of bookkeeping data are regarded, for which the objectivity of this data is significant. Inside review additionally means to evaluate the unwavering quality of data about the monetary movement of the endeavor, however it is completed from the point of view of the proprietors and the board collections of the association. A key part of the dualistic idea of these types of review control is the way that the outside review is done by outsider free specialists, and the inside review of the undertaking is sorted out alone. The fundamental issue in the examination region as per this is the outside review directed by free evaluators can't completely supplant the interior review did all the time by the staff individuals from the association. The significance of these issues is foreordained by the need to practice viable money related control, while the aftereffects of outer review should bolster and affirm the reports drawn up based on inner review.

The review, talking as a target procedure in the bookkeeping and monetary exercises of present day ventures, is because of the need to survey the unwavering quality of budgetary data, the state and association of bookkeeping, just as accurately mirror the business tasks of undertakings, for their consistence with current enactment, bookkeeping guidelines and other administrative records. Guaranteeing convenient monetary advancement and business process in the venture is straightforwardly associated with the connected strategies for money

related control. The review is a free outer control of monetary and financial nature, did by autonomous specialists, proficient inspectors. In the meantime, reviewers who do outer control and confirmation so as to decide the exactness, precision and culmination of the monetary and financial pointers exhibited in the fiscal reports ought not work in an evaluated organization or association or be partnered people. A review is an outer review of the condition of bookkeeping and the impression of monetary and financial tasks inside the financial action of a monetary specialist for the exactness of data and their consistence with current enactment. It ought to be noticed that such confirmation is done based on legally binding commitments. In the meantime, evaluation of unwavering quality and consistence with the present enactment of the data exhibited in the revealing is of essential significance. Furthermore, the definition gives a sign that the financial action of the monetary specialist is liable to review, be that as it may, the review can likewise be led in regard of associations that are not financial operators. Review is a precise procedure dependent on the methodology for gathering information on the monetary movement of an endeavor and surveying the certainties of financial action recorded in the fiscal reports, and permitting to build up their importance to the real world. Review as a procedure has an unmistakable reason and rationale to direct. The premise of the review is in this way an organized way to deal with the totality of strategies did by the inspector. Along these lines, inspecting is a precise procedure that is arranged ahead of time. The consequence of the review is the introduction as a reviewer's decision of explicit and explicit ends that can be by one way or another utilized by the clients of the evaluator's report. The motivation behind the review is to shape an assessment on the exactness and unwavering quality of the data introduced in the fiscal summaries, mirroring the monetary position, consequences of business activities and money streams of the organization. The primary assessment foundation is consistence with current bookkeeping guidelines and enactment. In such manner, such a way to deal with deciding the points of interest of the examiner's report,

which is a "methods for communicating the reviewer's conclusion on the precision of the information contained in the fiscal summaries" additionally appears to be objective. The story way to deal with the present enactment depends, as a matter of first importance, on the consistence of the bookkeeping explanations with the present bookkeeping guidelines. Dependability alludes to the level of exactness of the (money related) fiscal summaries, which permits the client of the budget reports to make right determinations about the consequences of activities, monetary and property position of the reviewed people, and settle on educated choices dependent on these discoveries. As indicated by the consequences of the review, the inspector frames an end. Review report is an official record planned for clients of money related (bookkeeping) articulations of the evaluated people, accumulated as per government norms and containing the sentiment of the review association communicated in the recommended structure on the exactness of the monetary (bookkeeping) explanations of the inspected substance and consistence of its bookkeeping systems with the law.

The review report can be unequivocally positive and changed. A genuinely positive end implies that the revealing gives a reasonable thought of the budgetary position and consequences of the monetary and financial movement of the substance being inspected. Every single other finding are viewed as changed. On the off chance that they show up amid the review, legitimately influencing the examiner's conclusion, the review supposition and the inspector's feeling can be attracted up one of three alternatives exhibited in the table.

Accordingly, the estimation of reviews is communicated through the substance of the review report with regards to improving the nature of revealing, incorporating into the review report clarifications and increases that permit to substantiate the prospects for the improvement of the association. The aftereffect of the review is a review report containing a target assessment of the reviewer on the unwavering quality of the fiscal reports of the element being examined. Furthermore, the evaluator's conclusion may contain certain suggestions for

wiping out the bookkeeping blunders recognized amid the review, which makes the review a viable instrument for improving the administration of the business substance.

4.2 The audit report, its significance and role for the company

The elements of financial markers of ongoing years show a troublesome circumstance in the Azerbaijan economy. For Azerbaijan ventures, it is essential to search for approaches to all the more successfully oversee monetary movement and monetarily balance out. One of the apparatuses in this angle is the review of the exactness of fiscal reports, permitting to survey the consistence of the data displayed in the announcements with the genuine situation at the endeavor. In present day conditions, clients of budget summaries ought to have a genuine affirmation of the dependability of articulations and their consistence with current enactment. Endeavors need to create existing lines of business, increment their capitalization, for which the executives needs a well-considered activity plan for the medium term, covering the issue of wide access to global capital markets. In such manner, there is a need to improve the nature of budgetary data for settling on successful administration choices. To accomplish the required abnormal state of value and most extreme dependability of the budget reports take into account reviews. As per this, the job of the review report in the budget reports of the organization, which is the consequence of its review, is expanding.

Determination of an examiner or a review association by a business element.

Review administrations can be given to any business element paying little mind to the hierarchical and authoritative document and type of proprietorship, including associations, their affiliations (associations, affiliations, concerns, industry, between sectoral, local and different affiliations), organizations, and so forth choose an examiner, a review firm to give review administrations or direct a review.

The fundamental criteria for choosing a review firm are:
proposals of colleagues, higher associations, promoting;
accessibility of a permit;
feasible involvement in the review advertise;
review of obligation and quality control;
the value level for the administrations gave;
due dates, and so forth.

Choosing a review firm that is keen on giving review benefits, the association draws up and sends it an official ostensible letter of proposition for the review.

The letter must demonstrate the full name of the endeavor, its primary attributes (date and number of state enlistment, rundown of originators and members, legitimate and real locations, size of approved capital, kinds of exercises, and so forth.). As indicated by Art. 435 of the Civil Code of the Azerbaijan such a formal offer is called an offer.

A proposition is a proposition routed to one or a few explicit people, which is very distinct and communicates the goal of the individual who made the idea to see himself as to have finished up a concurrence with the recipient who will acknowledge the offer. The offer must contain the fundamental terms of the agreement. The proposition interfaces the individual who sent it to the recipient (an evaluating firm or an examiner) from the snapshot of its receipt by the recipient.

The evaluator, having thought about the gotten proposition, sends a letter on the review to the business substance before finishing up an agreement for narrative proof of agree to the review and clarifies its conditions. For erratic understandings between the examiner and the business substance, the letter of duty is an offer.

Composed affirmation by a business substance of its acknowledgment of the terms of the review letter is an acknowledgment.

On the off chance that a potential customer at the absolute last minute chose not to go into a review contract with this examining firm (reviewer), he sends the notice to the inspecting firm (examiner) of the refusal of the proposition. On the off chance that the notice of withdrawal of an offer was gotten before or in the meantime as the offer itself, the offer is viewed as a review firm (evaluator) that has not been gotten.

The decision of business element inspecting associations and evaluators regarding the development of the hover of associations, inspectors and reviewers, investors, investors, and so forth accumulate. In review firms, the quantity of customers on different issues of action is likewise developing. A productive and successful review requires earlier work and arranging.

Fundamental exercises start with the choice to begin or proceed with collaboration with the customer. Despite expanding rivalry between review firms, the most significant part of value control is the review firm, which is the framework for choosing new customers, just as the arrangements of firms in connection to existing customers. Review firms coordinate with customers as well as keep on serving customers.

Review firms can be separated into a few kinds, contingent upon the connection between the customer and the examiner amid the review:

formally: customers of this sort are not going to build up close contacts with the reviewer and require an operational review;

casual: customers build up close contact with the reviewer and trust in his assistance. For this situation, the outer inspector plays out specific elements of inside review and gives various related administrations (discussion, examination, and so on.).

Their work ought to be checked and confirmed by legitimate elements, the exercises of a bookkeeping association, and so forth. Express review through oral testing. It is important to peruse reports, its principle markers.

Essential customer choice methodology include:

- evaluation of the idea of the business;
- meaning of review targets for the customer and conceivable utilization of its outcomes;
- illumination of practical supervisors;
- starter appraisal of the potential unpredictability and intricacy of the review, just as review chance;
- evaluation of the purpose behind the change or change of examiners;
- finish of review results;
- banks, banks, investors and different gatherings.
- getting suggestions (from different associations, masters, and so on.);
- express investigation of announcing;
- primer associate with the condition of bookkeeping and announcing, current and up and coming issues of the customer;
- evaluation of the possess capacities of review firms or inspectors to the work performed.

At the phase of primer arranging and coordination, every single hierarchical issue identified with the production of ordinary conditions for work and installment for the administrations gave must be composed and concurred.

Extraordinary consideration requires check of those associations that have a questionable notoriety. In this way, it is important to discover who is their pioneer, author, capability level, just as the consequences of work in this association (if conceivable), acquire data on the structures and parameters of the association, evaluate the viability of interior control, and so on., and the unpredictability of the work ahead, just as review span. As per the extent of work, its multifaceted nature and term are dictated by the expense of the review.

Having gotten a letter with a proposition to direct a review, the inspector (review firm) should likewise confirm and conform to the standard of autonomy right now cherished. 12 of the Law "On Auditing".

A review can't be performed:

the accompanying examiners:

1) authors;

proprietors or investors;

guardians and life partners, siblings, sisters, children, little girls, just as siblings, sisters, guardians, and offspring of life partners;

2) review firms in connection to business elements that:

their organizers, proprietors, investors, loan bosses, back up plans;

Their auxiliaries, just as the review firms for which the organization is inspected, are:

organizer;

proprietor or offer

3. Audit letter

A review letter is a record that manages the obligations and duties of a financial substance — the customer and the inspector (review firm) at the phase of finishing up a review contract.

The letter, when in doubt, ought to go before the formal proposition of a business substance with a solicitation to direct a review and (or) to start giving review administrations. This implies the goals and extent of the review must be accomplished. A letter can be created just with extra data for a monetary element.

The strategy for assembling and presenting a letter is dictated by the Federal Audit Standard No. 12 "Coordination of review conditions.

A review letter may contain:

required guidelines;

Extra Information.

Compulsory rules incorporate the accompanying things.

1. Under the terms of the review:

about the articles and destinations of the review, specifically, about the review of branches and divisions of the financial element;

the review report on the exactness of the customer's budget reports ought to incorporate an end on the precision of the fiscal summaries of branches, divisions, and auxiliaries;

on enactment and administrative records.

2. As per the commitments of the review association:

the detailing type of the review association on the consequences of the work performed;

on the obligation of the review association for the administrations gave;

the commitment of the review association to consent to business insider facts;

the danger of unidentified material mistakes or blunders in bookkeeping and detailing because of the particular idea of the connected review methods and the utilization of the interior control arrangement of the monetary substance.

For the commitments of a financial element:

on the obligation of the monetary substance and its official body for the culmination and exactness of the submitted bookkeeping documentation and fiscal summaries;

free access to essential records and bookkeeping;

that leasers and banks can't affirm their obligations;

Her sentiment on the unwavering quality of the fiscal reports of the business element.

Global Audit Standard "Terms of review understanding".

Extra data incorporates a letter of responsibility in line with a review firm or customer.

This incorporates:

general data about the administrations given by a reviewing firm, the capabilities of its staff;

an estimated review calendar and sythesis of the gathering of evaluators;

general attributes of the connected review strategies;

proposed wage conditions;

offer to utilize the administrations of free specialists, and so forth.

There are no prerequisites for the customer, and his budgetary condition, the level of common trust between the inspector and the customer.

The review letter is an affirmation of the customer's concurrence with the conditions offered by the customer.

In the meantime, the executives must be completely sure that the objectives and destinations ought to be checked, and not gave to workers of the venture.

Every one of these inquiries ought to be disclosed to the customer before the beginning of the assessment and even before the finish of the agreement.

A review letter sent by a review firm before the beginning of examinations stays away from false impressions and free places while shaping a review report on the consequences of investigations.

In the event that vital, she has the option to remind the customer about the substance of past commitments.

The evaluator may choose. In any case, the accompanying elements may help compose another letter:

- a) any sign demonstrating a wrong understanding
- b) any modified or unique terms of the review commitment;
- c) faculty changes in top administration

Understanding the exercises of the business element Before the beginning of the review or the arrangement of related administrations, the review association ought to be adequately acquainted with the exercises of the business element. To direct a review of fiscal reports, a review association must comprehend the action of the substance being inspected adequately to recognize and effectively assess occasions, activities, bookkeeping strategies utilized that may significantly affect the precision of budget summaries, on the course of the inspector on the discoveries, contained in the review report.

Necessities for a review firm or an inspector working autonomously as an individual business person in issues of procuring learning about the exercises of an evaluated business element and their further use in leading a review are characterized in Federal Audit Law (Standard) No. 15 "Understanding the Activity of a Subject of the Economy".

As indicated by the Federal Standard, the variables deciding the need to comprehend the exercises of a monetary substance are:

the monetary approach of the financial substance in the announcing time frame (periods), its system and strategies;

bookkeeping approach sought after by a monetary element and its consistence with the headings of budgetary arrangement;

in recognizing business exchanges did by a financial substance; the likelihood of a quality review;

the rightness of the utilization of lawful acts controlling the exercises of a monetary element;

The legitimacy of the decisions about the unwavering quality of the fiscal summaries of the financial substance.

Zones of movement of a financial substance, the comprehension of which is basic for a review association at all phases of a review, are:

- a) the principle movement;
- b) venture movement;
- c) different activities.

Getting learning about the exercises of a financial substance is a persistent procedure of gathering and handling data at all phases of a review. In the meantime, the data got at the consequent stages supplements and elucidates the information acquired at the past stages.

While acclimating with the exercises of a potential customer, evaluators ought to distinguish factors influencing the budgetary and financial exercises of a monetary substance. They can be isolated:

an) on outer variables - general financial and industry factors:

general financial variables (government approach, swelling rate, fiscal (money) revaluation, the condition of the economy in general, and so on.);

sectoral factors (market and rivalry, repetitive nature (regularity) of action, changes underway innovation, pioneering danger, retreat or extension of the business, and so forth.);

administrative elements (bookkeeping strategies, bookkeeping and detailing prerequisites, guidelines and enactment, tax assessment framework, government measures, review announcing necessities, bookkeeping clients).

b) interior elements related with the individual attributes of the business element:

singular variables (corporate structure, authoritative structure, inward review exercises, sources and strategies for financing, and so on.);

factors related with the attributes of financial movement (the nature of the business substance, the classification of fundamental costs, the structure of obligations, including conditions and limitations, and so on.);

money related variables (frameworks for estimating pay and budgetary streams, renting and other monetary understandings (advances, advances), accessibility of advances, activities with securities, correlation with the benefit of creation tasks).

Prior to a review, a review association should, when in doubt, comprehend the impact of outside components on the action of the element being inspected, though throughout a review a point by point examination of interior variables is conceivable.

The fundamental strategies for getting information about the exercises of a monetary element are:

an) an investigation of the general monetary conditions for the action of the business element being inspected (for instance, national financial arrangement, an

arrangement of expense and traditions control, the foundation of breaking points and amounts);

b) investigation of provincial attributes influencing financial movement subject (for instance, geological area, financial and charge states of the district);

c) thought of industry-explicit highlights of the circle of action of the financial element;

d) nature with the association and creation innovation;

e) gathering of data about the work force of the monetary element, the scope of items, utilized bookkeeping strategies (structure, bookkeeping approaches, level of mechanization);

e) gathering of data on the structure of value capital, investigation of arrangement and stock statements;

d) accumulation of data on hierarchical and creation structures; current advertising arrangement; significant providers and purchasers;

Review firms with a customer. By request of review benefits, the official examiner embraces to give administrations (to play out specific activities), and the client customer - to pay for these administrations. Concession to the interests of the gatherings included.

Planning of the agreement starts after a starter acquaintance with the monetary substance and settling on choices about the potential outcomes for directing review administrations.

This preparation strategy incorporates, specifically, the meaning of work seriousness, the expense, and timing of the review benefits, the requirement for outsider advisors and specialists.

The general arrangements of this agreement conform to the prerequisites of the article of the Civil Code of the Azerbaijan Republic. In any case, contracts for the arrangement of review administrations may have huge contrasts from different contracts. Most importantly, it is the bookkeeping of obligation between the entertainer inspector and the client customer, just as the interests of outsiders

(clients of data detailing). This is because of the way that the evaluator is mindful not exclusively to the customer yet in addition to the clients of fiscal summary data (investors, organizers, lenders).

On the off chance that the agreements go before the letter of the review, the content of the agreement ought to contain a portrayal of the basic states of future collaboration, the rights and commitments of the gatherings.

4.3 Impact of audit results on the financial statements of an enterprise

The accompanying targets can be recognized for acquiring a review report: - getting an official report when obligatory review conditions apply to an organization; - giving sentiments to accomplices of the bank to affirm their business notoriety; - the review report depicts the object of the exchange (dangers, "neatness" of the article); - get a thought of the consistence of archives and methods in the organization with administrative necessities. The review report on the budget summaries is the inspector's report on the exactness of these announcements. The review report sets up the general aftereffects of the review of the condition of bookkeeping and money related detailing. A review report is an archive with lawful status. It ought to be noticed that among them there is a constrained assessment that the fiscal summaries of endeavors fundamentally contain off base, misshaped data, and all bookkeepers and individuals when all is said in done who are occupied with monetary administration are unclean. This is a profound misinterpretation. Clearly looks at are conveyed not exclusively to distinguish money related wrongdoings and people associated with any misrepresentation. In any case, regardless of whether for quite a while we defer a wide range of illicit activities that really happen, the reviewer should check a genuinely wide scope of undertakings: distinguish mistakes in bookkeeping, charge and other fiscal summaries made by workers of the association or because of carelessness or because of absence of demonstrable skill and

capability, or because of rudimentary weariness; decide the reasons for errors and blunders in answering; to build up the idea of the twisting of data in the announcements and its source; give proposals to amending identified blunders; recognize potential measures to anticipate mistakes and bending of data in the budget reports of the organization. wrongdoings and misrepresentation as an afterthought (they truly occur), it's everything the equivalent for the reviewer. Committing errors is human instinct on the grounds that even experts can commit mistakes and make errors. Most importantly, this is the thing that examiners can control, in view of the consequences of the review, which enables us to anticipate good judgment intersections. Clearly a review report, containing a rundown of blunders distinguished as well as suggestions for their disposal, is changed from a basic report into an important manual for activity. Education, unwavering quality, and straightforwardness of fiscal summaries - the most significant condition for appropriate evaluation of the money related state of the organization and its improvement prospects. Therefore, the review report further affirms the accuracy of the choices made and substantiates them with fitting grounds.

4.4 The role of the audit report in enterprise management

Accordingly, the review report enables us to give organization the executives high caliber and auspicious data that can be utilized to settle on educated choices that help improve the administration of the endeavor overall or its individual divisions. Furthermore, affirming the precision of fiscal summaries, the reviewer enables the executives to utilize checked information and data contained in the organization's budget reports for a specific timeframe. In this manner, approved information can fill in as a reason for big business advancement plans for the future, connecting spending plans with wanted outcomes. The switch is

additionally valid: until the organization's administration is certain that the genuine aftereffects of the organization are confirmed and dependable, as the review report appears until you are certain about the level of accomplishment of the vital objectives and the arrangement of the relating quantitative assignments. articulation through money related pointers. When settling on significant administration choices, organizations draw in an examiner, since misfortunes from wrong choices can be a lot more noteworthy. This is particularly valid for substantial activities. For instance, RZD draws in inspectors for the board counseling on the change of the railroad division, which demonstrates the high significance of evaluating for ventures. The requirement for dependable review results as a review report to improve operational and vital administration is molded by the accompanying angles: amid a review, a huge rundown of organization documentation and friends clusters is assessed, in this way there are critical chances to address a noteworthy blunder. Thus, the administration of the undertaking will get progressively exact and dependable information for basic leadership.

From this pursues the externalization of expanding the effectiveness of the venture. The utilization of successful logical methods permits to improve the nature of the examination of big business execution pointers, to contrast real markers and arranged and assessed ones - choices made based on this choice will have a higher administration structure. Therefore, the executives techniques are being improved dependent on recognizing the particular reasons for deviations of real pointers from those arranged. A review is a standout amongst the best techniques for improving the nature of the executives and money related and monetary data, as it enables you to control the accuracy of the information displayed in the fiscal summaries. Regularly, the prerequisites for improving the nature of data leave the reviewers: the organization won't get a review sentiment until it makes the vital changes to the announcements. This urges undertakings to

improve the executives proficiency, while in the meantime permitting the utilization of better administration and money related financial data. Thusly, the review report is of specific incentive to the administration of the organization, which is displayed alongside a rundown of key proposals in the field of monetary announcing. The suggestions in the review report to improve the inside control framework are an amazing asset for intra-organization and key arranging. It ought to be noticed the extraordinary job of the examiner in evaluating the standard of the progression of the venture. The review report without reservation affirms the effectiveness of the undertaking, since the endeavor capacities, has no indications of chapter 11 and the aim to stop activities, which, other than its conspicuous positive job, can likewise expand the speculation appeal of the venture.

CONCLUSION

Thus, the objectification of the process of enhancing the role of high caliber money related detailing as a wellspring of solid data about the activities of an enterprise when making management decisions is a modern Azerbaijan reality. It should also be noted that when an enterprise reaches a sufficiently large size and level of development, an outer evaluation directed by an auditor is vital for the management of an enterprise. The reason is simple: the accounting department, the financial department, and the legal service are immersed in the daily routine, and as a result, they do not always track changes in legislation and industry in a timely manner. As a result, the rigid approach of the enterprise becomes somewhat "cumbersome." The audit report in this regard is the result of an impartial evaluation. Therefore, it is extremely important to move from a not

always reasonable perception of an audit company as an inspection body to work with an auditor in partnership.

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