

The Ministry of Education of Azerbaijan Republic

The improvement and methodology of the conduct
of internal audit.

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JUNE 2019

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Introduction

With the procurement of sovereignty of the Republic of Azerbaijan, a number of vital authoritative acts have been embraced in later a long time pointed at the effective execution of the move to free showcase economy, modern shapes of economic financial control have been established.

In later a long time, intentional work has been carried out in arrange to overcome the law based standarts within the Azerbaijani economy based on market relations and to slowly increment monetary transparency.

At present, the organisation and improvement of the internal audit service within the Republic of Azerbaijan and its advance change of its methodological standarts are exceptionally imperative. It has been demonstrated once once more by the “Law on auditing service” and the “Regulation on the Chamber of Auditors of the Republic of Azerbaijan” received in 1994.

The sphere of utilize of bookkeeping frameworks and measures in administration and ventures has altogether extended, and request for internal review has expanded essentially. From this point of see, it is considered to be one of the foremost vital issues within the ponder of the involvement picked up from the financial improvement of the economically progressed nations of the world, which encompasses a long history of inner inspector benefit. In spesific, the development of the internal audit service within the framework of inner control of the financial substances and its assist enhancement is an critical issue.

Taking this into sought, in 2007 the Law on Internal Audit was received. This Law sets out the lawful premise for the organization and

usage of the inside review benefit, the rights and obligations of inner inspectors in arrange to extend the productivity of managgement of financial substances within the Republic of the Azerbaijan.

Internal Audit recognizes the reason, judiciousness, completeness and opportunities of the entity's utilize of financial resources to recognize sources of subsidizing for the detailing and utilize of money related assets, recognizing authenticity and viability in budgetary and financial operations and their introduction, and the precision of the accounts with the state budget and extra-budgetary stores distinguishing and overseeing productivity as an viable apparatus for progressing efficiency.

Taking under considerations the need of the internal audit, the foundations of internal audit division has begun in different undertakings and organizations of our nations. Be that as it may, there are a number of defficiencies and lacks in building this unused, promising commerce, there's a need of inside auditor's information and abilities, methodological regulating acts, aducational-practical books and deliberate helps that offer assistance create measures and moral guidelines for internal audit.

The most reason of the investigate is the revelation of the essence of internal audit, organization of internal audit system in agreement with worldwide prerequisites in Azerbaijan, point of view headings of advancement. In order to reach that objective, a set of tasks has been distinguished within the inquire about work, which includes:

1. The meaning, characteristics and duties of internal audit.
2. Legall base and objects of internal audit.
3. Improvement of the methodology of internal audit conduct.
4. Comparing international and natinal experience of internal audit conduct.

The graduationwork consisted of the introduction, three chapters, and a conclusion.

1.The meaning, characteristics and duties of internal audit.

1.1.The meaning and characteristics of internal audit.

The word “Audit” within the Latin term is determined from the word “audio”, which implies “great listening” or “listener” in different translations[1]. The primary independent auditors were set up within the 19th century by the creation of joint stock companies in Europe.

Generally, the auditory has a long history. During the Middle Ages, certain people in Egypt and Rhodamia were making wrong testimonies about the birth of the vagacienses. During the Roeme Imperial period, officials responsible for financial and judical affairs oversaw the activities of the public authorities accountants.

One of the type of enterpreneurial activity is an audit and it is n objective,unbiased and autonomous analytical supervision infrastructure that empowers successfull solution of government and business related issues and interests. Generally, the audit has its own special ,decent place, position in the market infrastructure.

Audit verifications aim at determining the validity of accounting records and estimations of property , finding and reporting deficiencies, establishing accounting, calculating taxes , preparing declarations establishing compliance of financial business activity of the firm with legal normative acts, as well as recommendations and suggestions for entrepreneurial exercices. In addition to all of them, the other types of audit service has begun to improve recently. In order to clarify the validity of compliance with tax legislation, there is a need for further audit of this field.

Tax Code of the Republic of Azerbaijan was made some ammendments and aditions and these changes increase the level of

responsibility of auditors and enables them to represent as tax agents. For this reason, entrepreneurs and generally tax payers can sign contracts with the auditors and attracts them as responsible for the correctness of the fulfillment of their tax liabilities.

Thinks about appear that all financial substances, counting holding companies, utilize review administrations not as it ere to summarize their yearly budgetary and financial exercices, but moreover to get sensible, exact and legitimate data vital for making strides inside controls, promoting and financial-economic action they can.

When assessing reviews by an audit firm, genuine thought ought to be given to assessing the fetched of the substance (trade). Since the comes about of the trade movement appraisal are utilized to form alterations to bookkeeping and charge announcing. The legitimacy of the valuation activity's comes about is to a great extent subordinate on the choice of the valuation method. Professro A.B. Abbasov notes that the strategies utilized within the handle of evaluation of the commerce (commerce) depend specifically on the reason and reasons of its usage. The forward esteem can be measured in numerous ways, depending on the reason and reasons for the evaluation, the same substance may have diverse values at the same time .

In our conclusion, the method of reviewing reviews by all household and remote review organizations ideally with residential and remote reviewing organizations in arrange to secure the interface of review companies and free inspectors, to prevent unjustifiable competition within the review showcase and to reinforce civilian control over the auditors' the archive ought to be directed. At the same time, it is vital that particular measures be taken to extend the capabilities, abilities and polished skill of national reviewers in line with universal measures.

The exactness of the money related articulations infers the precision of the statement of financial position. This makes conditions for the client to create the proper choices on the monetary and property circumstance of the economic entity and the comes about of its exercises and to form the proper choices on their premise (Table 1).

Table 1

Users interested in financial statements

INFORMATION USER	The main interests of users
Investors and their representatives	Risks and profitability of predicted or already invested investments; investment opportunities and expediency; the ability of the organization to pay dividends
Employees and their representatives	Organization's stability and profitability; its ability to pay its wages and to ensure that jobs are maintained
Creditors	Timely closing of issued debts and appropriate interest payment
Suppliers and contractors	Timely payment of the required amounts
Buyers and customers	Continuing the organization's activities

Government	Fulfilling their functions: resource allocation, regulation of national economy, development and implementation of public policy, statistical observation
Public interest	Role and contribution of the organization to improving the welfare of society at the central and regional levels

From organizational point of see, audit is partitioned into internal and external audit. Income is supported by internal review firms and expository bunches that work inside companies (firms, companies). They are in charge of the organization and are capable for it. External audits are carried out by specialized review firms or inspectors who have the proper to review, and are responsible to the Chamber of Auditors in an organizational way. The challenges confronting inner and external audit are moreover diverse. The most objective of the outside review is to endorse the precision and completeness of the bookkeeping records, to confirm the reality of the financial figures demonstrated within the bookkeeping archives and money related accounts, to uncover the infringement of the financial and budgetary exercises of the substance, to recognize ways to dispense with them, appraisal of the reserves, deciding the liquidity proportion, and computing the money related position.

An internal audit might cruel the framework of autonomous confirmation of the similarity of the budgetary and financial action of the substance and the organization with the enactment and the bookkeeping rules and the viability of the administration standards by the instruction of

the administration of the trade substance (or board of directors). The supervisory specialist ought to be subordinate as it were to the administration, but ought to not be subordinate on the examined substance or substance. Since one of the imperative viewpoints of internal audit is its effectiveness.

The internal auditor determines the aim, purpose, completeness and timeliness of the firm's money related resources to be used for the purpose of determining and managing financial resources and determining the sources of funding for the formation and expense of financial resources, and discloses the legitimacy and effectiveness of the financial and economic operations. Defining the accuracy of the calculations with the state budget and related funds, it acts as an effective tool for increasing the efficiency of governance. The internal auditor is not limited to the recording of violations and control over their elimination. It first of all allows the development of concrete proposals and recommendations for improvement of the works at the test site by identifying cause-and-effect relationships to detected evacuations.

If we summarize the differences between external and internal audits ,you can understand more easily.(Table 2)

Table 2

Differences between External and Internal audit

Characteristics	External	Internal
Regulation	Government	Board of directors, Management

Status	Not dependent on the detainees	The structure of the management structure
Aim	Arrangement of an conclusion on the precision of the reports	Effectiveness of internal control system operation
Positioning	The audit is determined by the contract between the auditor and the auditor	Management determines management needs
Tools	It is determined by auditor standards	Independently selected
Organization of work	Independently identifies the auditor by auditing standards	Execution of specific management instructions
Responsibility	Responsibility to customers and third parties in accordance with the law	Responsibility to the management to fulfill their commitments
Reporting	Auditor's opinion is attached to the financial statements	Reporting to management

Due to the expanded chance of violation of bookkeeping and tax legislation in entities and organizations where internal audit services are not organized, the tax burden on the budget is diminished. Taking into consideration the need of internal audit, internal review divisions have been set up in different ventures and organizations of our nation. An inner

reviewer is an free, supplier and admonitory body and is an indispensably portion of the entity's administration oversight system whose reason is to assess the adequacy of the enterprise management framework. For this reason, it is conceivable to attain the objective of the entity's inner review division through the arrangement of the review report on the exactness of the bookkeeping records, the fetched appraise and the assurance of the property, as well as the arrangement of recommendations for the enhancement of the strategies of organizing utilization, the interaction of diverse offices.

Inside reviewers work both within the public division and within the private segment. Audit Azerbaijan, working in our nation, serves the reason of dispersal and improvement of internal auditor calling, improvement and change of inner review measures and standards, proficient freedom of inner inspectors and assurance of interface and polished skill. The Audit-Azerbaijan segment is well-organized, and victory has been accomplished through the consistent work of the residential reviewer calling within the nation[2]. More than 80 pros working in different administration and endeavors of the nation on the suggestion and introduction of the AuditAzerbaijan segment, was conceded to the person participation. Universal certificates have been issued to them, and this work is underway. was conceded to the person participation of the bootlegger. Worldwide certificates have been issued to them, and this work is underway.

As an introductory frame of internal audit control framework, it is significant as one of the key components of its administration.

Internal audit, which plays an vital part within the administration of enterprises, management and organizations, could be a modern concept for the financial life of our nation, in spite of the fact that it has been

effectively utilized in different financially created nations since the late 19th century.

Inner review is an necessarily and fundamental component of the inside control framework made by the administration of the financial substance for checking, assessing and announcing the bookkeeping records. Inside review is fundamental in arrange to anticipate misfortune of fabric assets inside the substance and to require vital activity for that reason.

Inner review could be a control over the viability of other sorts of controls, such as assessing its execution inside an substance.

Through inside review, the substance controls the development of its resources, its administration approach and its quality. This work can be performed both by its possess staff and by outside pros.

Internal audit covers the following:

- 1.Control of asset status and avoidance of losses;
- 2.Confirmation of the accuracy of the information used by management;
- 3.Approval of internal control procedures;
- 4.Evaluating the effectiveness of internal control and information processing;
- 5.Evaluate the quality of the information provided by the internal information system;

Inside review may be a framework of free confirmation of the similarity of the organization with the budgetary and financial exercises of the organization and the rules of bookkeeping received by the administration of the trade substance and the adequacy of administration standards.

Inside review is an autonomous, supplier and admonitory body and is an necessarily portion of the entity's administration control framework and its reason is to assess the adequacy of the undertaking administration framework. For this reason, the inner review unit made by the venture is accomplished through the review of the precision of the bookkeeping report, the execution of the fetched appraise and the assurance of the property, as well as through the arrangement of the generation strategies, the recommendations for the change of the interaction of diverse divisions.

Internal audit isn't limited to the recording of infringement and control over their evacuation. It permits for change of the work at the test location by distinguishing cause-and-effect connections, to begin with of all, of the prohibited relocations.

In institutions and organizations where inner review administrations are not organized, there's a developing chance of infringement of bookkeeping and charge enactment coming about in blunders in charge installments to the budget.

Expanded consideration to enterprise exercises, national generation, budgeting issues, and regions of movement that can offer assistance progress country's fabric prosperity in later a long time have made a great premise for the quick development of the auditor's benefit and its internal audit.

The Part of Internal Audit within the to begin with arrange of advancement The targets of money related administration were to guarantee the security of stores and to organize common control over little bunches at undertakings. In consequent a long time, the consideration of inner evaluators centered on how administration frameworks accomplish

their destinations, at the same time, how successfully they are organized and what works to move forward.

The objective of the inside review is to supply an master supposition on the entity's financial approach, including accounting approaches, and to assess the level of inside controls performed by all basic subdivisions. In other words, inside reviews cover a broader and more cutting edge oversight assignment, counting financial investigation, monetary technique definition, showcase investigate, and administration tips.

The objective of the inner review is to supply administration data to analyze accounting (financial) reports and to assess the amplexness of the liabilities for the administration of the substance, to check the rightness of the bookkeeping records of the financial exchanges, and to organize the compelling interaction with outside reviewers .

At present, there are following forms of internal audit in the world:

1. Functional auditing of management systems
2. organizational-technical audit of management systems
3. comprehensive audit of the enterprise management system
4. Audit of activity areas
5. compliance auditing

Useful inspecting of administration frameworks is conducted to evaluate the generation capacity and viability of any useful zone. For case, an review of the different exchanges performed by the division inside its scope of work could be a useful review. The usefulness of the execution of isolated capacities in inside review is evaluated from the point of see of their interaction and shared impact.

Organizational-technical review of the conveyance framework is carried out by the inner review body as a control of the organizational or specialized achievability of the isolated parts of the administration.

An review of exercises includes a intensive, objective investigation and review of certain sorts of exercises, zones or commerce ventures to recognize openings that will move forward the financial conditions.

Review of similarity implies the review of compliance of financial movement with different necessities, rules, rules and laws.

In expansion, inside reviewers may have more control over organizational-technical and utilitarian reviews, reviews of exercises, and reviews of regions and forms.

1.2.The duties of internal audit.

In general, the internal audit responsibilities are characterized by:

1. analyze accounting and operational records, complete and accurately reflect the operations of the entity's financial and economic activities, and prepare proposals to ensure reliability of the reporting data;
2. to verify the accuracy and quality of financial and production information and to advise the director of the institution or board of directors;
3. establishing and observing the rule, plan, law and training system that forms the basis of the operations and the reports made at the entity;
4. verify the protection of business assets and, if necessary, approve their existence;
5. to evaluate the effectiveness of existing resources;
6. to check the compliance of the results of the operations and programs with the intended goals and objectives;
7. oversee the implementation of decisions made to eliminate shortcomings and deficiencies identified as a result of external and internal audits conducted during the previous reporting period;
8. summarize, systematize, analyze the materials of external and internal audits conducted at the entity and prepare relevant proposals for the management of the office on their findings;

Counseling administrations in bookkeeping and tax assessment and installment, as well as in lawful things and in other regions of review, may be considered the foremost common sorts of administrations.

The capacities of inside inspectors are broad. Based on worldwide encounter, internal auditors carry out an autonomous master assessment of firms, companies and other administration capacities, counting their possess exercises. They communicate the comes about of the audit and assessment of the substance to which they are conducting the review. Household evaluators report to the beat administration and ordinarily communicate straightforwardly with the chiefs and other administration units.

Internal auditors, as a run the show, control the state of utilize of stores subject to the primary substance, control over the exactness of financial operations, and other capacities.

Internal audit could be a framework of confirmation of compliance with the bookkeeping standards of bookkeeping and reporting principles of budgetary and financial action that's made by the entity's administration and specifically directed by the venture and its inside reports.

Building up state budgetary control, oversight and review administrations at the universal level in Azerbaijan at the display organize of financial changes will eventually give a more prominent opportunity for the amassing of budget reserves at the endorsed level, their proficient utilize, and the country's financial improvement[1].

The organization of inner review at the desired level will play an imperative part within the anticipation of negative occasions within the execution of financial operations by expanding the obligation of other units and divisions inside the body, and expanding the duty of the material directors for their benefit obligations. Separated from these, inner review could be a source of data on a run of issues for outside review, which is of awesome significance within the desire of existing legitimacy.

Inside review plays an imperative part in avoiding unjustified appropriation of ineffective administrations, misfortunes, labor and cash streams, and making sensible proposition amid certain monetary troubles. Inside review gives inner control over the administration of the financial substance and its auxiliaries.

The convenience of inner review depends to a great extent on the structure of the substance. In a few cases, the organization of inner control is depended to an endeavor auditor on a open premise, which comes about in futile comes about. It is prudent to set up inside review within the frame of a department office as a free unit.

The internal auditor service works based on the rules of the head of the endeavor or shareholders. It is prudent to acknowledge exceedingly qualified masters with involvement within the field of tall quality, open organization and supervision benefit no less than 3 a long time.

In expansion to the common rules, inner indebted individuals, their rights and obligations ought to be indicated within the useful obligation enlightening of inner reviewers. The Internal Audit Service is guided by its laws, controls, orders, existing benchmarks for the investigation and conduct of review and other informational and reports.

The structure and structure of the inside review benefit might be decided depending on the nature of the entity's money related exercises and the controlling organization. The number of representatives and compensations are decided by the staff plan.

The exercises of the internal audit benefit are based on the internal audit plan. Such a arrange is endorsed by the head of the inside review benefit. Sound-related reviews for partitioned ranches are performed on the premise of inside review program.

It is convenient for the entity's internal audit service to have the taking after rights[2]:

1. Examine initial documents, accounting records, plan, estimate and other documents related to financial and economic activity of economic entities;
2. Get acquainted with constituent documents, founders' general meeting minutes and contracts with other entities;
3. Studying of the condition of warehouses, production and service objects, construction objects in the area of the enterprise;
4. Checking the condition of property conservation by the responsible persons;
5. Carrying out inventory of existing property, enterprise commitments, or without its involvement;
6. Control over the correct representation of economic transactions in the entity's accounting records;
7. Verification of accuracy of accounting and statistical reports, timely and proper payment of taxes;
8. Analyze and analyze the economic status of the management system and its usefulness.

Internal inspectors ought to be anticipated to comply with worldwide benchmarks of conduct when performing their obligations. Inner inspectors ought to not intentionally take part in illegal exercises, ensure their proficient judgment and objectivity whereas satisfying their obligations, ought to not lock in in exercises opposite to the interface of

their possess teach and ought to illustrate tall polished skill, profound quality and respect in satisfying their proficient obligations.

Due to the nature of each substance, its scope of generation and other variables, it is prudent to include the inside review office within the expansive and medium-sized substances and the inner reviewer in littler substances.

Taking after the assurance of the inside auditor's specialist and duties and the arrangement of the vital arrange, the following organize is to get ready an starting review arrange. The chance appraisal show and the likely misfortune investigation strategies are utilized to decide the scope of the review, as well as the scope of work for each range.

The following critical issue in organizing the internal audit is the foundation of an internal audit department and an appraisal of the encounter and competence of the representatives to be utilized within the division. The key calculate here is to guarantee the proper relationship of the common hone, particular information, proficient examining and technical abilities vital to carry out review plans within the division.

The inside review division is an necessarily portion of the substance and works in agreement with the program and the affirmed statute, decided by the board of executives or board of chiefs.

Standards of liquidity and autonomy are considered as the premise for inside review. Inner reviewers ought to not be subordinate on the regions in which they are examined. Their freedom is conditioned by the presence of a free and objective environment for their work.

The reasonable and fair-minded position and elucidation of inside inspectors are decided by objective and organizational status.

The administration of the internal audit office ought to have wide scope of exercises and have satisfactory powers to audit the review supposition and make pertinent choices based on the proposals of the reviewers.

For the most part, internal auditors ought to not oppose this idea with proposals, suppositions and judgments of others. Internal auditors ought to not be straightforwardly included in administration, in worldwide inspecting hone, inner inspectors ought to not lock in in exercises past the scope of the organization. Something else, the objectivity of the internal audit may be diminished.

2. Methodology of internal audit conduct.

2.1. Legal base and objects of internal audit.

In 1999, the Internal Auditors Institute chosen to distribute a unused version of the Internal Audit Standards and Code of Ethics in association with changes in world review practice and strategies, as well as expanded request from stockholders, directors and other partners. As a result of the deliberate work attempted by the IIA, modern guidelines have been changed in early 2001 by investigating key issues such as autonomy, objectivity, competence, and suitable proficient approach, and looking into issues such as scope, chance evaluation, quality arranging and security, . These records, which are of extraordinary importance for the country's specialists, by recognizing the nature of the inside reviewers and the moral rules of the calling have been interpreted into the Audit-Azerbaijan area and concurred as "Internal Audit Standards" at the conclusion of 2001. In this way, a major hypothetical system was made in which inner inspectors seem allude to building up their exercises in Azerbaijan.

Inner inspectors ought to carry out their work on the premise of the suggestions created by the International Association of Internal Auditors - the essential objective of which is to upgrade the internal audit function and the level of polished skill of each inspector independently.

The Internal Auditors Institute has created a unused structure for the inside review action. This structure incorporates:

- the Code of Ethics of Internal Auditors;
- Internal audit standards;
- Practice documents;
- funds on practice.

Internal auditors ought to comply with the ethical standards and rules of conduct set out within the Code of Ethics by inner reviewers, which are a portion of the unused structure of the proficient movement affirmed by the Internal Auditors Institute, and ought to follow to the "Internal Audit Standards".

Given the expanded hone of including inside reviewers and their trade records to help outside audit, there's a have to be decide the quality of the inner review. In this respect, specific consideration ought to be paid to compliance with moral guidelines and proficient benchmarks. These variables guarantee tall quality of inner review. From this point of see, the Code of Professional Ethics of Internal Auditors defines rules and standards of behavior in that forte and gives important proposals. The required code may be a statement of unforgiving standards of behavior and makes a difference to actualize these standards.

Internal Auditors' Ethics Code was affirmed by the Board of Chiefs of the Internal Auditors Organized on 17 June 2000.

The aim of this Code is to handle the ethical standards of the internal auditor profession.

The Ethics Code is vital and suitable for an inner review calling to be based on the unwavering quality of hazard, control and objective administration. The working of this Code isn't restricted to the scope of the inside review concept and includes:

1. Professional standards of inside audit;
2. The Code of Conduct, which decides the conduct of inside reviewers. These Rules are key to inner reviewers in practicing proficient practice.

The Ethics Code of the Founded and other controls issued by the Founded characterize the standards that inside inspectors ought to be guided by. The term "internal auditor" alludes to the individuals of the Organized, to the holders of the Word related Certificates of the IIA, or those who are qualified to get those certificates and to the important benefit suppliers in agreement with the inner inspector calling.

As for the scope of the Code of Ethics for Internal Auditors, this Code applies to both private people and organizations that give internal review administrations. Individuals of the Established and proprietors of proficient certificates or those who are qualified for a certificate will damage the Code of Ethics in agreement with the Charter of the Institute and the choice of the Regulatory Authority of the Institution. In case any negative frame of behavior isn't reflected within the Code of Conduct, it does not cruel that they will not be considered unacceptable, and so individuals of the Established, certificate holders or certified candidates will not be subjected to authoritative punishments[3].

The objective of the inside inspecting measures is to:

1. Explaining the parts and duties of inner inspectors, chiefs, board individuals, government offices, outside reviewers and comparative proficient organizations of all degrees;
2. Establishment of rules and regulating work on inner audit;
3. Improving the inside review implementation experience.

The guidelines characterize the useful obligations of the organization, the inside review division, division executive and inner evaluators and incorporate the following:

1. The reliance of the inner review division on the examined exercises and the objectivity of inner auditors;
2. The polished skill and proficient consideration that inside evaluators ought to demonstrate;
3. The scope of the inside review work;
4. Inside review assignments;
5. Inside review division management.

For the most part, the word related benchmarks of the inner inspectors ought to comprise of the taking after areas in agreement with the systematized rule:

"Independence", "Professionalism", "Implementation of internal audit", " Internal audit management " and each of these areas ought to contain partitioned items.

Independence ought to demonstrate that inner reviewers are completely free when they perform their trade openly and dispassionately. Freedom of the inside reviewer is decided by the organizational status of the inner review firm, its rights and obligations, and connections with the administration.

Independence ought to demonstrate that internal auditors are completely free when they perform their commerce openly and impartially. Freedom of the inside reviewer is decided by the organizational status of the inner review firm, its rights and obligations, and connections with the administration.

The taking after things ought to be included to the segment of the independence:

Organizational status of the inner review institution. This body ought to be subordinate to the official specialists of the organization. Something else, the inner evaluator submits to the authorities an objectivism when checking them. The organizational status of the organization ought to be adequate so that it has the flexibility to function unreservedly.

Rights and obligations of the inside reviewer. The inside inspector ought to not be in charge of those dependable for the ranges to be inspected and ought to be backed by the administering body of the organization to dodge clashes of intrigued[3]. The head of the inner review office must have a coordinate association to the administration device to address all the pertinent issues.

When it comes to professionalism, the inside evaluator ought to have a certain level of readiness, encounter and competence, recognize insufficiencies, and have the capacity to assess and to fulfill his / her obligations in agreement with moral standards. This area incorporates the taking after guidelines:

Internal auditor's competence. An inside inspector ought to have fitting information, aptitudes and teach to carry out his / her capacities legitimately.

Compliance with ethical standards. Person auditor's person rules, judgments, conclusions ought to be in line with moral guidelines. Something else, his professionalism and exactness can be addressed.

Collaboration with benefit clients. Inside evaluators ought to build up ordinary commerce connections between themselves and administered workers, administration, and outside administrators and maintain a strategic distance from any harming hones.

Persistent education. In-house evaluators ought to be able to persistently make strides their proficient advancement and level of information by taking portion in different proficient courses, conferences, conferences, familiarizing themselves with unused writing in elmipressic considers and preparing in person programs to guarantee their professionalism is tall.

Inner review movement in several lawful and social situations; reason, structure and estimate of organization; organization, or outsourced. These contrasts can influence the inside review hone in each environment[4]. Be that as it may, compliance with inner reviewing measures is fundamental in the event that compliance with inside evaluator obligations.

The reason of the guidelines is to:

1. define the fundamental standards of the inside audit;
2. prepare a system to actualize and make strides a wide extend of exercises that improve the significance of inside audit;
3. define the premise for the investigation of the inner review performance;
4. to encourage the improvement of organizational forms and actions;

Benchmarks incorporate "Attributive Standards" (1000 arrangement), "Implementation Standards" (Arrangement 2000) and "Implementation Standards".

Attributive standards allude to the depiction of inside review organizations and individuals.

Implementation standards depict the characteristics of the inside review and the quality criteria that this benefit can degree. These measures allude to the inside review work as a whole.

Implementation standards. Attributive and Implementation standards allude to particular sorts of obligations.

At show, there's a set of attributive and implementation measures, and there will be majority of benchmarks: one set of major inside review sorts. Implementation measures are to begin with set out for consultative activity for affirmation activities.

Standards are portion of the proficient encounter structure. This structure was proposed by an operational group and was affirmed by the Board of Executives of the Internal Auditors Institute in June 1999. Proficient encounter covers the inside review, the Ethics Code, the Standards, the Charter, and other guidance.

The wording utilized within the standards and utilized within the "Expository dictionary" is utilized. The Internal Audit Standards Committees are teaching to conduct broad meetings on the benchmarks advancement prepare. Some time recently submitting any report, the Standarts Panel presents the introductory draft to the discourse for thought.

These standarst came into impact on January 1, 2002.

Attributive standards.

1000 - Goals, Powers and Tasks

The destinations, powers and obligations of the inner review are formally decided by the Charter, don't strife with the benchmarks and are affirmed by the Board.

1100 - Autonomy and objectivity

The inner review movement is free and inner inspectors are fair-minded in their work.

1110 - Organizational independence

The chief review official reports to the organization in which it performs its functions.

1110.A1 - Inner review exercises are free from obstructions when characterizing their scope, whereas performing their work and announcing the results.

1120 - Person objectivity

Inner inspectors are reasonable and unbiased in their work and don't permit struggle of interests.

1130 - Infringement of freedom or objectivity

In case real or unequivocal freedom or objectivity is breached, the points of interest of the infringement are uncovered to the parties concerned.

1130.A1 - Inside reviewers ought to not prioritize the different exchanges they are dependable for. The fair-mindedness is considered to have been damaged when the reviewer gives underwriter administrations for the year in which he / she is responsible.

1130.A2 - The confirmation engagements beneath the capacities of the reviewer are subject to control by a party not included in inside review activities.

1200 - Competence and a Essential Proficient Approach
Obligations are carried out with competence and with the fundamental proficient care.

1210 – Competence

Internal evaluators require the information, aptitudes, involvement, etc. to fulfill their person duties. they must ace skills.

Internal evaluators ought to have or have the information, aptitudes and abilities required to perform their obligations in collective activities.

Internal reviewers require the information, abilities, encounter, etc. to fulfill their person duties, they must ace skills.

Inside reviewers ought to have or have the information, abilities and aptitudes required to perform their obligations in collective activities.

1210.A1 - When the inside review committee does not have the vital ability and information to perform the total or portion of its commitment, the chief review official is exhorted and prompted of assistance.

1210.A2 - The inside reviewer has the information essential to characterize the signs of the lie, but he / she may not have the capability of a pro who is mindful for exploring and examining a lie.

1220 - Fundamental proficient caution Internal inspectors utilize aptitude and aptitude inalienable in competent and careful inner evaluator. Essential proficient needs don't infer culminate performance.

1220.A1 - The internal auditor applies the necessary professional caution in practice, taking into account the following:

- Scope of work required to achieve the targets;

- The relative similarity, relevance or relevance of the work to which the approval procedures apply;
- Relevance and efficiency of risk management, control and management processes;
- The likelihood of committing serious mistakes, observance of lawlessness or rules;
- Cost of Relative Income Provision.

1220.A2 - The inside inspector ought to be arranged for critical dangers which will influence goals, operations, or resources. In any case, defending methods don't ensure that all critical dangers will be recognized, indeed when required by proficient care.

1230 - Feasible advancement of professionalism Inside reviewers increment their information, abilities and competencies through the persistent improvement of professionalism.

1300 - Quality Enhancement and Ensure Program

The Chief Inspector plans and bolsters the Quality Change and Ensure Program covering all perspectives of inside review exercises; continually checks its adequacy; this program covers all angles of inside review action. The reason of the program is to help internal review exercises within the improvement and upgrade of the organization's exercises and at the same time guarantee compliance of inside review action with the Standards and Code of Ethics.

There's a framework of review strategy and strategy for the think about of the subject matter of the audit, for the right, exhaustive evaluation.

The review strategy could be a strategy of inspecting, rectify and compelling evaluation of the subject matter and strategies utilized to attain the most objectives confronting it. As we have as of now famous over, there are multifaceted objectives and destinations within the review. Different specific methods and strategies can be utilized to address these assignments and accomplish the destinations of the review. The Review incorporates a framework of strategies and strategies of self-evaluation.

The framework of strategies and strategies of review is exceptionally wealthy. This framework incorporates genuine checking, test determination, number-crunching calculations, explanatory tests, studies, individual perceptions, shared assistance, numerical factual strategies, arrangement of elective money related detailing archives, narrative review, specialized ability of reports, fabric ability, overbought and so on. All of this is often a framework of coordinate strategies and strategies for examining audits.

The real confirmation implies checking, calculating and planning any commerce exchanges in put of their trade bookkeeping. This is often comparative to stock at to begin with[6]. But the particular highlight of the inventory strategy is that stock may be a topical region, ie checking the development of settled resources for any period of time, or combining information with real adjust of inventories, inventories, and inventories at any date.

The strategy of determination is that a gather of financial and budgetary exchanges are chosen for a particular date, check their legitimacy, confirm the exactness of the figures, check the legitimacy of the comes about, and select a couple of months for the settlement. The method of determination is more often than not connected within the skill

and confirmation of the debtor's, lessors' debts' behavior in settlements with labor and labor installments, products exchanges.

Documentary review is carried out as an examination and checking of bookkeeping reports of financial and money related transactions.

Arithmetic computation may be a strategy utilized to indicate last archives that characterize quantitative and subjective pointers in reviews and examinations.

Analytical tests are utilized to decide files and rates of any product.

Survey may be a composed and verbal statement on exploring and clarifying any issues that will emerge within the exercises of ventures and organizations, firms and other organizations. Private reconnaissance could be an individual perception or perception of the inspector amid that specific period in arrange to pick up individual certainty in any prepare of generation and financial action of endeavors and organizations.

Common encounter implies the formalization of an review exchange of an review substance and a firm in an financial handle, with a related substance and the endorsement of money related exchanges carried out with the assent of both parties.

Mathematical statistical strategies are a combined strategy, ordinarily utilized to summarize financial markers and assess any issue.

Planning of elective budgetary articulations The reports are arranged as an elective to the bookkeeping and budgetary explanations arranged in a few cases in arrange to affirm the exactness of the bookkeeping money related articulations within the bookkeeping records of the operations within the financial and monetary activity.

Specialized skill of archives - specialized audit of endeavors, organizations' constituent archives and other non-financial reports, evaluation of their similarity with authoritative acts, etc.

Clearly, the application of strategies and strategies of review depends on the substance, reason of the audit-examination documentation. For case, amid reviews of reviews of bookkeeping records, different strategies and strategies are utilized in financial action reviews in understanding with financial exchanges. In the event that coordinate reviews are carried out at the time of assessment and examination of cash exchanges, it is adequate to utilize the strategy of selecting the primary alternative on compensation and pay rates.

In expansion, the strategies and strategies of financial examination and, in specific, its monetary examination, can be broadly utilized to address a number of basic issues confronting the review.

A few of the ultimate proposition of the audit-expertise work of the review are based on the comes about of the financial examination[7]. For illustration, the strategies and strategies of financial analysis are broadly utilized within the assessment of sound utilization of assets, mobilization of saves, and financial valuation. More accurately, the arrangement of these issues is outlandish without applying strategies and strategies of financial investigation.

On the other hand, in conditions of advertise economy, there's a got to utilize monetary strategies and strategies to survey the financial potential of the undertaking from the monetary point of see of the financial movement of the generation.

The utilize of strategies and strategies of money related investigation within the audit is utilized to assess the comes about of

financial action. It is imperative to allude to the assessment frameworks for person areas[5]. Such valuation frameworks incorporate an appraisal framework that distinguishes the current state of the entity's resources, gauges the capacity to function capital, assesses intangible resources, characterizes the monetary condition, decides the efficiency of the production, determines the level of benefit of the venture and characterizes it within the securities showcase.

In order to monitor the level of solving socio-economic issues in entities and organizations, a special assessment system uses criteria for determining the solution of housing issues and other problems.

2.2. Improvement of the methodology of internal audit conduct.

An entity's inside review division is characterized by a number of highlights. To begin with of all, this segment ought to be isolated from bookkeeping and other structures and subject to coordinate administration. The inside inspector has no right to request that his or her proposals be implemented[9]. They are not capable for their execution and comes about. The data utilized by the reviewer is private since the data contained within the original documents and records may be a commercial mystery. The chief of the wander is most curious about the inner audit of the commerce substance, so the inside reviewer ought to be able to unreservedly utilize any data that's essential for control. The substance and need of the data utilized by him is decided by himself. Within the field of action, depending on the generation volume and other components, it is prudent to involve the extraordinary unit within the application of internal audit in expansive and medium ventures, and within the little ventures the pertinent pro is included.

The inside review division is capable for depicting its nature, structure of the organization, control offices, scope of issues to be inspected, information of the procedures of conducting reviews, summarizing and analyzing bookkeeping financial data, proposals and proposals on the comes about of reviews, qualified and competent experts. In expansion, it is essential to form the fundamental conditions for the staff of the unit and to be prepared with computer gear.

The head of the inside review division is considered to be exceedingly qualified within the profoundly taught, profoundly qualified, bookkeeping and temperate field, with the fitting attestation.

The staff and structure of the inner review office depend on the characteristics of the organization's monetary and financial exercises, the scope, complexity and conditions of the control methods. Number of workers and compensations are given in staff schedules[6].

The inner review division is an necessarily portion of the body and works in agreement with the controls endorsed by the administration. Within the statute, inside evaluators ought to not be obligated for any obligation or risk for the sort of movement they are assessing and investigating.

Exemplary Explanation of Inner Review Segment is as follows:

1. General Provisions

1.1. Inside review is an objective, preservationist and admonitory movement that makes a difference the trade substance accomplish its destinations by orderly approach to the appraisal and advancement of chance administration, control and administration productivity coordinated to the advancement and viability of the trade entity.

1.2. In its exercises, the inner review division is represented by national enactment, in-house statutory acts, choices of originators and orders of the management.

1.3. Duty for organizing inner review is carried out by the head of the unit. He ought to organize uninterruptedly viable control of all the basic subdivisions of the organization, as well as setting up commonly useful connections with all basic units and abroad competent authorities.

2. Tasks

The inside review division's duties are as follows.

2.1. Notice of the conclusion of the administration of the Company on the following:

- the condition of the generation, economy and budgetary teach of the organization;
- similarity of the organizational administrative framework with the existing standardizing archives and the directions of the organization;
- organization of bookkeeping and checking of report preparation;
- Distinguishing proof of existing dangers and sorts of investigation on sorts of exercises checked;
- disposal of uncovered shortcomings;
- comes about of reviews carried out within the auxiliary subdivisions of the organization.

2.2. Giving recommendations and exhortation to the administration staff, specialists on the execution of financial operations, bookkeeping records, the improvement of inside controls and other administrative documents.

3. Structure

3.1. The structure and staff of the division are affirmed by the administration of the organization.

3.2. The unit may incorporate complex investigation and mastery bunches, lasting stock bunches and other groups.

3.3. In agreement with this Statute and obligation obligations, the division head isolates the errand among the employees.

4. Functions

The capacities of the inner review office are:

4.1. Carry out an skill of monetary and financial action of the enterprise;

4.2. Confirmation of presence, condition, costs and duties of property, legitimate and convenient execution of installments to the budget and extra-budgetary funds;

4.3. Change of bookkeeping, bookkeeping frameworks; Arrangement and accommodation of substantive proposition for the dissemination of benefits and arrangement of reserves, arrangement of fabric and monetary resources;

4.4. Confirmation of the adequacy of the utilize of fabric, money related and labor resources;

4.5. Planning of proposition on the arrangement of an enterprise's arrangement of bookkeeping and bookkeeping in agreement with the current legislation;

4.6. Checking money related and financial exercises of the entity's divisions.

4.7. Organization of planning for outside reviews and reviews carried out by assess authorities.

5. Wages

5.1. The salaries of workers of the inner review division should be paid in understanding with the endorsed staffing table in understanding with the marked labor contract.

6. Relationships with other structural divisions of the enterprise

6.1. The internal audit division gets the taking after from the entity's basic subdivisions:

- introductory archives, substantial standards, financial contracts, other data required for review, examination and analysis;
- bookkeeping and monetary articulations and other bookkeeping records.

6.2. Internal audit division to auxiliary subdivisions:

- Gives recommendations and proposals on assessment archives, audits, bookkeeping and control issues.

7. Rights

7.1. To require the basic subdivisions of the endeavor to issue expectations, reports, references and clarifications, as well as other archives essential for unbiased control.

7.2. Sign auditors' reports, work checks and other records coming from the exercises of the unit.

7.3. Displaying fabric and disciplinary measures against people who damage existing enactment to the administration and authors of the enterprise.

7.4. Foundation of relations with other organizations to resolve issues related to the division's competence.

7.5. Inside the scope of the capacities and obligations set out in this Regulation, the inner review office informational are obligatory and should be regarded by all representatives of the entity.

8. Responsibilities

8.1. The head of the division is mindful for the quality, opportune and convenient fulfillment of the capacities and obligations relegated to this division by this Statute.

8.2. The obligation of other representatives of the division is decided by their debts.

The exercises of the inside review office ought to be in line with the goals set some time recently it.

The primary assignment is to oversee chance. Inside review exercises confirm and survey the adequacy of the risk administration framework within the organization.

Within the advanced world, quick working conditions put organizations and businesses at hazard. It is significant to create a chance administration procedure for organizations. Inner Review comes to back the trade substance in conducting this commerce. Be that as it may, here are a few issues. An inside evaluator who recognizes the basic dangers of an substance and an organization needs solid instruments to recognize dangers. To overcome these challenges, numerous inner review

organizations are working to recognize the risk-making capacity by classifying the chance. Such classification has two primary objectives. The primary is to distinguish the risk that the organization has and, furthermore, to assist the administration experts get it and analyze the circumstance by guaranteeing that hazard data is drawn into a unequivocal system.

It isn't conceivable to create a chance classification that can be connected to all organizations. Inspectors along with hazard holders can work together to classify key dangers related with the organization and chance measurement.

But within the risk world, it is exceptionally successful not fair to have the risk and the instability. It is additionally vital to require advantage of the dangers emerging out of the vulnerability of the hazard emerging from unanticipated circumstances.

3. Comparing international and national experience of internal audit conduct.

3.1. Foreign experience in internal audit.

Public segment review exercises must be designed suitably to empower open division organizations to fulfill their obligation to be responsible and straightforward to the open, whereas accomplishing their targets successfully, productively, financially, and morally.

Since of the exceptional request for direction related to inspecting within the open division, in 2012 The IIA upgraded its supplemental direction titled The Role of Auditing in Open Sector Governance, 2nd version[4]. The upgraded hone direct displayed nine key elements required to set up an viable open division review movement. All nine key components must exist for the review action to be viable:

1. Organizational independence
2. A formal mandate
3. Unrestricted access
4. Sufficient funding
5. Competent leadership
6. Objective staff
7. Competent staff

8. Stakeholder support

9. Professional audit standards

1. Organizational Independence

Inside inspector respondents communicated a tall degree of certainty within the freedom of their inside review exercises. More than 90% of open division CAEs concurred or unequivocally concurred that autonomy was a key figure for the inside review activity to include esteem, which their inner review exercises were autonomous, objective confirmation and counseling exercises inside their organizations, in any case of the locale. Moreover, approximately 77% of CAE respondents had top-level administration included in naming them, and 81% had a coordinate regulatory announcing relationship to the CEO or administering body.

In any case, a huge number of respondents had not set up a few key components to encourage the autonomy of the inside review movement, such as foundation of an review committee or its comparable. There were expansive territorial contrasts in this respect, with the U.S. and Canada having the most noteworthy rate of review committees (81%) and Europe-Central Asia having the most reduced (10%). The worldwide normal was 53%. At long last, approximately one out of five respondents from all districts demonstrated that they had been subject to impelling to alter a rating or evaluation, or to pull back a finding in an inside review report.

2. A Formal Mandate

Almost 77% of the respondents, over all locales, shown that inside reviewing was required by law or direction where their organizations were based. The outside administrative environment impacts the capability of

the inner review action; hence, having a lawful command may grant more authenticity to the inner review movement.

With regard to other formal command records, more respondents shown that they had set up inner review charters (88%) than inner review mission explanations (59%), over all districts, in spite of the fact that both are basic hones to assist formalize the inside review activity's order inside the organization.

3. Unrestricted Access

The IIA's 2010 Worldwide Inner Review Overview did not incorporate particular information on this subject. Be that as it may, almost three-quarters of the CAE respondents concurred or emphatically concurred that their inside review exercises had adequate status in their organizations to be viable.

4. Sufficient Funding

The 2010 Global Internal Audit Survey did not include data on this topic.

5. Competent Leadership

In terms of CAE authority encounter, less than half of CAE respondents (40%) had more than six a long time of encounter as a CAE in their current and past organizations. It would appear judicious for open division organizations to guarantee that their CAEs have adequate encounter to extend authority capacity and validity of their inner review exercises.

With regard to proficient certifications important to inner reviewing, 71% of CAE respondents demonstrated that they had proficient certifications in this zone. The Certified Internal Auditor (CIA) was the proficient certification held by most of the CAE respondents. The Certified Government Audit Professional (CGAP) was the third most cited certification.

This overview too given data around which common competencies and behavioral abilities CAEs depicted as most critical to perform their work within the open segment. The three common competencies most regularly chosen as most imperative were:

- Capacity to advance the esteem of the inner review action inside the organization
- Communication aptitudes (counting verbal, composed, report composing, and introduction skills)
- Keeping up-to-date with industry and administrative changes and proficient standards

6. Objective Staff

Nearly all CAE respondents concurred or unequivocally concurred that objectivity was a key calculate for their inside review exercises to include esteem. This explanation was assist affirmed when 78% of the CAE respondents chosen objective behavioral aptitudes such as objectivity and/or administration and morals affectability as one of the five most imperative behavioral abilities vital for the inner review staff. (Table 3)

7. Competent Staf

Around half the inner review respondents at staff level demonstrated that they had proficient certifications significant to inside examining. Comparable to the major certifications for CAEs, the CIA and open bookkeeping certifications were the foremost common certifications. The CGAP certification took fifth position.

This consider moreover famous that inside review staff respondents held less proficient certifications than did CAE respondents, in any case the locale. Endeavors to assist energize inner review staff to ended up professionally certified are emphatically suggested for all locales.

In terms of formal preparing, almost three quarters of the inner review staff respondents within the open segment demonstrated they had at slightest 40 hours of training per year.

Objectivity may be a behavioral expertise that's basic for fruitful inner review exercises, and 70% of CAE respondents recognized it as one of the five most vital behavioral abilities for inside review staff. (Table 3)

8. Stakeholder Support

The IIA's 2010 Worldwide Inner Review Study did not incorporate particular questions around partner bolster, but there was a significant address with respect to inner review validity. Around 89% of the CAE respondents concurred or emphatically concurred that their inner review exercises were sound inside their organizations.

9. Professional Audit Standards

Nearly 80% of CAE respondents concurred or unequivocally concurred that conformance with the Measures was a key figure for their inside review exercises to include esteem to the administration handle, notwithstanding of the locale. About 90% of CAE respondents too shown that they acclimated at slightest mostly with the Standards.

Table 3

Behavioral Skills Chosen as One of the Five Most Important Skills for Internal Audit Staff	
Confidentiality	74 %
Objectivity	70 %
Communication — sending clear messages, listening	61 %
Judgment	48 %
Work independently	45 %
Team player — collaboration/cooperation	41 %
Work well with all levels of management	30 %
Governance and ethics sensitivity	25 %
Influence — ability to persuade	22 %
Relationship building — building bonds	12 %
Facilitation	12 %
Change catalyst	10 %
Team building/creating group synergy	9 %
Leadership	6 %
Staff management	2 %

3.2. National experience in internal audit.

Increasing speed of financial advancement forms in our republic, extension of entrepreneurial action and alter of common control culture in this prepare are watched within the quantitative and subjective diverse shapes of money related control. The presentation of the inside control framework in line with progressed worldwide involvement in connection to the orders issued by the President on the improvement of business enterprise that will serve the rise of the economy has made it essential to present inside review calling in our country.

The improvement of the country's economy based on the standards of free showcase relations, increasing speed of integration into the worldwide financial framework and the democratization of our society as a entirety require the organization and execution of an free, solid and counseling body of inner inspecting in line with universal benchmarks, free, fair-minded, is. This, in turn, requires the ponder of important universal encounter[6]. The Chamber of Auditors of the Republic of Azerbaijan too conducts deliberate work in this heading with numerous universal review bodies, counting the International Association of Internal Auditors (USA), which was built up as the primary proficient union within the field of inside review in 1941 and is currently the undisputed pioneer of this calling within the world. As a result of this work, on the premise of the offer of the Chamber of Auditors of the Republic of Azerbaijan, a choice was made to set up the Audit-Azerbaijan area of the Inner Inspectors Established in our nation at the assembly of the Board of

Governors of the Institute of Internal Auditors in Quebec, Canada on June 26, 1999.

The Audit-Azerbaijan segment is planned to advance and move forward inside evaluator calling in our nation, create inside review benchmarks and benchmarks, move forward inside auditors' proficient autonomy and ensure their interface and polished skill, taking under consideration the need of inner reviewer calling inside the system of financial reforms.

The primary common assembly of the individuals of Audit-Azerbaijan was held on September 20, 1999, and the composition of the most administration and supervisory bodies of the unit - 7 individuals, 3 reviews and 5 disciplinary commissions were affirmed at that assembly. In arrange to make strides the productivity of the Board of Directors and move forward the exercises of "Audit-Azerbaijan", an admonitory commission comprising of 9 individuals, as well as Membership, Methodological Affairs and Foreign Relations Commissions was established.

On September 29, 1999, the Audit Department of the Insstitute of Inner Inspeectos of the Republiic of Azerbaijan and the priimary 15 individuals of the Division were granted with certificates of the founded at the Chamber of Evaluators. The occasion was gone to by the official agents of our nation and agents of discretionary missions of remote nations in Azerbaijan[11]. Audit-Azerbaijan, which is the primary division of the Established of Inside Evaluators within the previous Soviet Union nations, was once in the past a part of the Northern Territory of the IIA territorial structure, and since 2001 the division operates within the North-Central Europe locale, which has the biggest agent within the European Confederation .

In 2000-2001, 16 gatherings of the Board of Audit-Azerbaijan were held and a number of vital choices were made on the organization of the movement of the unit. Endorsement of the essential standardizing reports such as the constitution characterizing the exercises of the Audit Azerbaijan segment, the rules for allowing participation certificates and the rules for deciding and paying members' participation expenses, the symbol reflecting the pith of the unit, the national images of our state and the needs of the country's economy has been made.

Inside a brief period of time, the Audit-Azerbaijan segment has been set up inside the system of financial changes within the nation within the setting of the liquidation of supervisory and assessment divisions within the services, committees and affiliations, the inside review framework in line with the enlightening and controls created by the Worldwide Inside Inspectors Established, ("Libra" and "Neptune" joint wanders, "Caspian Trans.Ko", AzerSell Telecom JV, "Garadagh Cement" ATCS and so on) and numerous other services, endeavors and organizations.) were acknowledged to the unit and gotten the certificate of the Established of Inside Reviewers. For the most part, in 1999, 15 complaints in 2000 and 14 in 2001, 31 were tended to to board individuals and were conceded to Audit-Azerbaijan participation. Right now, 84 individuals of the affiliation work in different areas of activity.

Concurring to the constitution of the Audit-Azerbaijan Public Association, at slightest 3 a long time of proficient encounter within the field of bookkeeping, back, financial matters, law specialties or at slightest 3 a long time of proficient involvement in claim to fame and at slightest 5 a long time of proficient involvement specialists from important callings, as well as aces and those with a degree in this strength may gotten to be

individuals of the affiliation. Confirmation and affirmation prerequisites are administered by the "Membership Certification Rules".

Specific consideration was paid to the interest of agents of Audit-Azerbaijan in worldwide occasions within the range of worldwide relations advancement and consider of dynamic world involvement. For this reason, appointments of the office effectively taken an interest in a few occasions held by the IIA and returned to the Republic of Azerbaijan with wealthy financial, considerable fabric and reports. Counting the EURO-2000 European Internal Audit Conference in Istanbul in May 2000 and the IV Internal Audit Congress in Istanbul in May 2000, at the 59th Universal Conference IIA in New York City within the Joined together States in June and the Inner Evaluators in Berlin in October The Worldwide Gathering 2000, organized by the Founded, was gone to by nine individuals of the division.

A number of work has been done to supply data approximately these exercises to the country's mass media, to supply focused on utilize of materials and archives that have been picked up amid remote visits, and to the individuals of the division.

Books, magazines, videocassettes, etc. sent from the IIA inside the "Audit-Azerbaijan" area and gotten as a result of worldwide relations. a database of visual helps, such as a library, was made. The list of materials included within the library is intermittently overhauled and dispersed to the individuals and other exercises that give the utilize of them.

The Internal Audit magazine, routinely sent to the Division IIA and distributed once each two months, gives all inside inspectors and all other partners with all the materials required for way better chance administration and oversight in organizations . Individuals of

AuditAzerbaijan have the opportunity to subscribe to this distribution and other magazines and pamphlets from the IIA at marked down prices.

The Internal Audit Department of the Chamber of Auditors frequently conducts workshops. The workshops give data on the organization of different sorts of trade substances, the common standards of inside review and the various questions that are important to the members in connection to the nature of the inner review benefit. In expansion, the Diary of Financial matters and Review, built up by the Chamber of Reviewers, frequently distributes articles on inner review. In specific, the International Institute of Internal Auditors presents introduction materials on the AuditAzerbaijan area, the IIA Code of Ethics, the capacities and obligations of the inside review and the outside review, the inside review and inner bookkeeping and monetary control framework, the highlights of building up inner review administrations in ventures and organizations. . articles published.

Interconnected commerce relations with the central station of the Universal Organized of Inner Reviewers have been reliably proceeded. Two of the individuals of the office were chosen as individuals of the IIA Progressed Innovation and Inside Review Guidelines Committee and effectively taken an interest within the discourse of the draft records arranged by the committees and communicated their concrete opinion.

The Audit-Azerbaijan segment won the 1st category within the improvement of the enrollment of the IIA, and the Division gotten a important grant for the challenge victor and a letter of salutation on sake of the Institute's management.

In 1999, the Internal Auditors Institute chosen to distribute a modern version of the inner reviewing guidelines and the Code of Ethics,

as changes within the world review hone and strategies, as well as the increment within the requests of stockholders, directors and other partners. As a result of the intentional work embraced by the IIA, modern measures, which were discharged in early 2001, reflected the key standards such as freedom, objectivity, competence, and fitting proficient approach, and the scope of inner review, chance appraisal, quality arranging and arrangement, commented. These records, which are of incredible significance for the country's specialists in terms of recognizing the inner characteristics of the inside reviewers and the moral rules of the calling, have been deciphered into the Audit-Azerbaijan area and concurred with the IIA and distributed in November 2001 beneath the "Internal Audit Standards"[9]. In this way, the most hypothetical system in which inner inspectors can allude to the foundation of down to earth exercises in Azerbaijan was made[10]. "Audit-Azerbaijan" open affiliation points to spread and create inside reviewer calling in our nation, fortify proficient relations among inside evaluators, secure their interface and autonomy, create guidelines and standards of proficient benchmarks, and proceed their movement with certainty.

The premise for the presence, quality and significance of inner review administrations in endeavors and organizations is staffing, ability, information and competence. From this point of see, one of the foremost vital standards of accomplishing the advancement and improvement of the inside review benefit is the planning of proficient inner auditors.

The arrangement of inside reviewers can be carried out in a few stages. It is practical to plan important educational module, taking into thought the worldwide encounter and the accomplishments of created nations in this region, taking into consideration the characteristics of the national economy.

Given that inner inspectors will work in any future commerce, important rules and suggestions reflecting the complete compliance with the teach and proficient morals standards, the high professionalism and competency prerequisites within the work environment ought to be included in instructive programs.

It is fundamental that inner reviewers be separated from individual interface, comply with secrecy standards and get it their individual duties when providing administrations. At the same time, inner evaluators got to ponder progressed hones, apply unused trade strategies, and raise their capabilities and proficient standards.

Internal Audit Training Programs ought to too comply with the common technique of inside review, assembly the universal prerequisites, as well as the highlights of this benefit, which can act as an inside control structure in smokers.

Preparation of inner evaluators may comprise of a few stages:

First, the beginning planning for tenderfoots in this calling ought to be based on a 2-3-month educational modules and ought to cover the taking after topics:

- Reason and assignments of the inner audit;
- Inside review measures and standards;
- inside review procedures;
- Inner control methods;
- Review programs;
- Strategies of communication with people;

- work and last records of the inner auditor;
- Planning of review report;
- Concluding comments and recommendations.

Secondly, the arrangement of financial movement reviews can be drained the frame of 2-3 months courses. Programs of the courses ought to incorporate the following:

- translation of strategies of control over financial activity;
- Review of risks;
- Review of usage of cultivate action on the premise of set up rules;
- Disposal of inadequacies in money related and bookkeeping operations amid financial activity;
- Progress generation and operational control methods.

Third, the enhancement courses for driving inside auditors. The program of these courses ought to incorporate the following:

- objectives and targets of the driving (or chief) inside auditor;
- the rules for organizing, arranging and conducting an review (or a control measure);
- Examination of the comes about and arrangement of reports;
- The require for the foundation of an inner review framework in medium and huge ventures on the premise of unused shapes and strategies assembly universal requirements;
- Planning of pertinent national benchmarks and rules based on worldwide involvement and measures within the field of inner audit.

The standards of planning inner review courses in worldwide hone are as follows:

1. recognizing real issues and the foremost critical issues
 - utilize logical investigate results;
 - plan programs concurring to worldwide standards;
 - utilize the inquire about comes about as a key fabric for the curriculum;
2. Planning of educating materials for the course, taking into consideration diverse educating methods;
3. Assessment and selection of teaching materials, taking under consideration the wants of the audience members and the teachers' capacities.

There may be a around the world certification strategy for inner inspectors worldwide.

The significance of certification of the inner reviewer calling is as follows:

- a) For Organizations:
 - is considered an universal standard basis for proficient inside auditors;
 - demonstrates professional preparing and competence;
 - Inside inspectors are continuously energized and empowered to extend their proficient level.
- b) For proficient inner auditors:

- raising the specialist before the management;
- Verification of proficient competence and proficient image;
- Getting a single universally recognized reviewer certificate;
- Provision of advance within the benefit business.

In agreement with worldwide hone, a proficient inside auditor's certificate is gotten through fitting exams. Those taking portion within the exam must reply the test questions comprising of areas such as "Internal Audit Procedure", "Internal Audit Practice", "Control and Information Technology", "Internal Audit Requirements".

As a run the show, the segment "Internal Audit Procedure" incorporates questions almost review (65-75%), professionalism (10-20%) and enactment (10-20%); The Internal Audit Practice area surveys the review documentation (55-65%), information collection, documentation and detailing (20-30%), factual inspecting and arithmetic essentials (10-20%), "Control and information technology" control (25-40%), control over current action (10-20%) and data innovation (45-55%), segment "Conditions for conducting audit" incorporates money related bookkeeping (30-40%), back (20-30% %), administration bookkeeping (20-30%) and administrative lawful base (10-20%).

Conclusion and Recommendations

Scientific research and publication of the work related to “The improvement and methodology of the conduct of internal audit” illustrates that in 21st century circumstances in our country the importance of accounting (financial) surveillance and internal audit is increasing for the establishment of economic management at the level of market economy requirements, the reforms carried out in the field of business environment formation.

In this regard, the establishment of public expenditure and economic entities management system at the level of modern requirements, increasing the efficiency of existing financial and economic resources, and the formation of a transparent public expenditure mechanism further enhance the role of internal audit in managing the economy.

Dynamic inclusion of Azerbaijani money related educate in world obligation, expanding intrigued of remote financial specialists to the economy of our republic, and the similarity of the existing inside review framework to international standards will increment the require for changing the country's accounting and internal audit system. Thus, there are real opportunities for forming the environment of transparency in financial and economic management in our republic, preventing corruption and fraud, obtaining objective and unbiased information on each financial and economic activity, and further extending our foreign economic relations.

In modern conditions, it is crucial to further improve the accounting and financial and internal audit oversight of financial and economic activity in enterprises and organizations and their principles.

Without a doubt, there may be serious troubles in overseeing those transactions without the regular and reliable accounting and internal control over the execution of budgetary and financial exercises in ventures and companies. It is no coincidence that at slightest 2 percent of the stores to be went through on all major capital venture ventures in western endeavors and companies working in 58 free showcase economies are went through on financial control issues.

Certain results have been achieved in the process of achieving the purpose of graduation, basic recommendations and practical recommendations have been developed.

The emergence of independent Azerbaijan's democratic way of development, the formation of market relations in the country's economy, the purposeful expansion of entrepreneurial activity, and the emergence of economic subjects related to the market economy necessitated reorganization of financial control system on the basis of modern and modern requirements. In the world practice, audits as the most widely spread progressive form of financial control. The basics of the organization and regulation of the audit system in Azerbaijan are reflected in Azerbaijan Republic's Law related inspections service. The process of formation of an audit system in Azerbaijan reflects the qualities inherent in the progressive controlling body, oriented towards the economic direction by bringing transparency to the country's financial life.

Thus, as a part of the audit system, internal audit provides the protection of assets and accounting concepts as part of the entity's internal control and internal control system, the accuracy, completeness and validity of the reflected financial and operational activities, as well as the preparation of a timely financial statement an assessment of the effectiveness of the enterprise management system. Internal auditors operate both in the public sector and in the private sector.

Great attention to management as a result of the application of internal audit in the business entity; improved risk assessment methods; reduction of law violations; increased productivity; savings; high reliability of financial statements and asset protection.

With regard to all these, a number of reform measures would be helpful to further the transition to international accounting standards by further enhancing the accounting system and expanding the internal audit.

The proposed action complex is interpreted as follows:

1. First of all, the accounting system should be expanded and measures should be taken to exploit the internal audit more widely.

2. The accounting and internal audit oversight system on economic and financial activities in management institutions should be widely improved. At present, there is a significant deterioration of the level of auditing and control over economic and financial activity in enterprises and institutions, which leads to serious shortcomings and deficiencies in economic activity of economic entities. I think that the focus should be on intra-enterprise control, comprehensive oversight and, in general, audit oversight and improvement should be resolved as an important issue of the modern era.

3. It would be very useful for the internal audit organization to control all large and medium-sized companies, regardless of the form of ownership, to substantially expand the system of internal control.

4. State financial supervision bodies should work closely with government agencies and the results of the inspections should be examined by high state bodies and concrete measures should be taken.

5. The massive increase in the receivables between economic entities should be investigated by the authorities responsible for this area, the causes of their formation and substantial measures should be taken to improve the enterprises.

At present, the role and influence of international professional and intergovernmental organizations on the development of accounting, reporting and control systems in the world is growing. Many of them have raised the question of setting up an international accounting system for accounting and reporting. I think that in the conditions of great opportunities existing in our republic, it is impossible to solve this problem. Active involvement in solving these problems is a modern day's requirement. While the solution of these issues is not a simple process, the action should be substantially expanded to address these principles.

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