FEATURES OF ORGANIZATION AND CARRYING OUT OF INTERNAL AUDIT

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https://doi.org/10.5281/zenodo.15220747

Abstract

Internal audit plays a key role in the management system of the company, providing an objective assessment of the effectiveness of work processes. The article deals with the theoretical basis of internal audit, its organizational aspects, methods and tools of conducting an audit in the company.

Keywords: Internal audit, control, risks, efficiency, standards, methods, international auditing standards, regulatory and legal requirements.

In today's world with the rapid development of business structures in various industries, accounting remains an invariably important activity of the company, while ensuring transparency and efficiency of their activities. Accounting is a system of collecting, processing and interpreting financial information necessary for making informed management decisions. With the development of technology, globalization and digitalization, the importance of accounting in company management is increasing, making it the most important foundation for sustainable economic development.

A requirement for the effective management of organizations is internal auditing, which is becoming increasingly strategic. One of the key aspects of strengthening economic stability is, properly designed, an internal control system that provides an independent and objective assessment of the financial condition of the company.

This process is not limited solely to the control function, but represents a key element of the threat management system, ensuring compliance with regulatory requirements and improving the company's internal mechanisms. Competently organized and conducted internal audit contributes to building confidence on the part of management structures, business owners and other stakeholders, which, in turn, contributes to increased transparency, efficiency and effectiveness of the organization's functioning.

The relevance of the study of internal audit is due to its significant role in both commercial organizations and public institutions, where special attention is paid to the rational use of resources and ensuring a high level of internal audit. Internal audit performs a key role in identifying and analyzing risks, forming reasonable proposals for improving organizational processes and providing an independent expert assessment of the effectiveness of the management system.

The purpose of the study is a comprehensive analysis of the organization and control of internal audit, detection of factors determining its effectiveness and development of recommendations for its improvement.

Today, in the conditions of market economy development and increase in business structures audit is an important area that performs a key function in the company's management system, providing an independent assessment of the financial condition, efficiency and reliability of the company's internal processes.

In this way, the internal control system serves as the organization's "first line of defense," providing not only control over operations but also enhancing the company's reputation. Financial reporting is the foundation, the face of the company to shareholders, creditors and regulators, and the accuracy of this reporting is directly dependent on internal controls.

Audit - an audit for the purpose of expressing an independent opinion on the financial statements and other information related to the financial statements, in accordance with the legislation of the Republic of Kazakhstan. [2]

Audit performs a key function in ensuring stable, productive and effective functioning of the company's activities, as in changing economic conditions and international political interactions increase the likelihood of financial and operational risks that can provoke to crisis situations. In this aspect, audit activity contributes to the timely identification of problem areas in the company's activities, providing an objective assessment of its financial condition, the effectiveness of internal processes and compliance with regulatory requirements, which in turn allows to minimize the level of risks and increase the sustainability of business strategy.

Auditor - an individual certified by the Qualification Commission for Attestation of Candidates for Auditors (hereinafter - the Qualification Commission) who has received a qualification certificate for the qualification of "auditor."[2]

Auditors may also provide other services related to auditing, i.e. consulting services in the field of tax and accounting in accordance with the regulatory requirements specified in the legislation of the Republic of Kazakhstan.

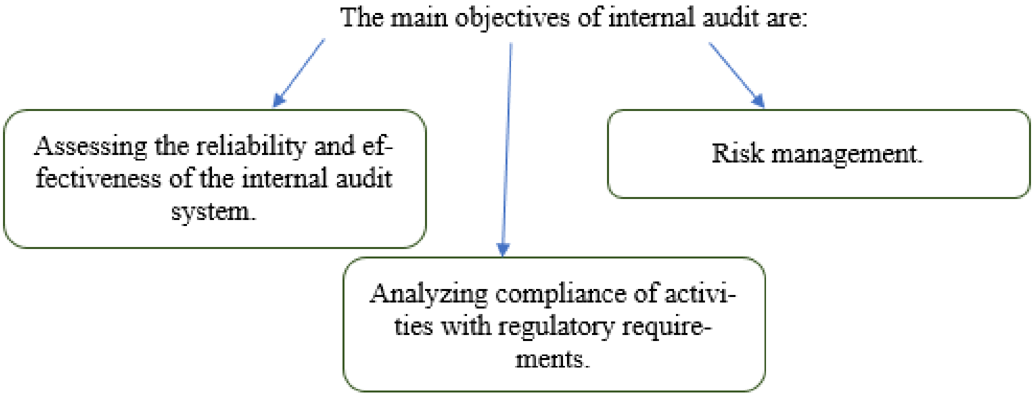
Characterization of the main directions of other audit services.

Table 1.

№	Name of services	Content of the auditor's work
1	Tax audit	Checking the subject's tax declarations for compliance with tax legislation
2	Compliance audit	The analysis of certain financial or business activities of an economic entity to determine whether they comply with prescribed conditions, rules or laws
3	Price audit	Checking the reasonableness of price setting for an order, product, unit or batch of goods or products
4	Performance audit	A systematic analysis of an organization's performance conducted for a specific purpose
5	Special audit	Verification of specific aspects of the economic entity's activities, its compliance with certain procedures and rules, established norms and regulations

Audit activity is the activity of auditing and rendering related services carried out by audit organizations, individual auditors. [3]

The main objectives of internal audit are:



The key document regulating internal audit activities is the International Standards on Internal Auditing.

The internal audit process includes such stages as:

1. Planning-identify the purpose of the audit, develop appropriate audit programs and methods.
2. Conducting the audit-analyze, review documentation, conduct testing with employees (interviewing employees, testing).
3. Formation of the report - the final stage of the audit, control over the elimination of identified problems, recommendations if necessary, elimination of problems to avoid further risks.

Before conducting an audit, the auditor should

Determine the method of conducting the audit.

In the process of collecting and interpreting information, professionals use a variety of methods and strategies. The most common ones include the following audit control methods:

Solid method. All source accounting documentation is subjected to comprehensive analysis, which is compared with the indicators of analytical registers. Then the latter are correlated with the movement of funds and balances in synthetic accounting forms. This method of audit is characterized by a high degree of reliability, but requires considerable time and labor costs. Application of this approach for organizations with numerous settlement accounts (for example, credit institutions) is inefficient.

Sampling method. Evaluation of the organization's activity at this approach is carried out not on the basis of the whole documentation, but on its separate sections. The efficiency is largely determined by the representativeness of the surveyed sample. Information for audit control can be selected using random number generators, at specified intervals (for example, every hundredth document) or by means of mixed technologies.

Mixed method. Includes elements of full and randomized audit trails. The first approach is used in the study of activities associated with increased risks, while the second is used for standard, routine operations, which the company performs regularly and in significant volumes (for example, settlement or cash transactions).

Modern internal audit is being actively transformed by digitalization, automation and changing approaches to risk management. With the growing complexity of business processes, companies are seeking to integrate advanced technologies to improve the efficiency of audit procedures.

The use of specialized software solutions (Audit Management Software, ERP systems, data control systems) can significantly improve the accuracy and speed of analysis. Among the key advantages of digital tools are:Reduced probability of errors due to automated data processing

1. Ability to analyze large volumes of information (Big Data)
2. rapid identification of anomalies and risks using artificial intelligence (AI) and machine learning 2.
3. Facilitate interactions between internal auditors and management through digital platforms

The use of automated systems allows auditors to focus on strategic aspects of controls, minimizing routine operations.

Traditional audits were often focused on retrospective analysis, identifying irregularities after they occurred. Current trends suggest a shift to risk-based auditing, aimed at preventing potential problems. The main features of this approach include:

1. Focus on critical areas of the business where the probability and potential consequences of risks are most significant
2. Flexibility in planning audits depending on the changing business environment
3. use of predictive models to assess likely threats.

Risk-oriented audit is especially relevant in companies with high dynamics of changes, where traditional methods of audit do not always allow to identify problems in time.

Conclusion

Internal audit plays a key role in the management system, providing an independent and objective assessment of the effectiveness of processes, risk management and internal control systems. In the conditions of dynamic business development, increased competition and digital transformation of companies, internal audit becomes not just a verification tool, but an important element of strategic management.

The study examined the theoretical foundations of internal audit, its organizational aspects and methodological approaches. The analysis showed that internal audit has evolved from traditional document control to a comprehensive system of monitoring and evaluation of business processes, focused on risk prevention and improving operational efficiency.

The article pays special attention to modern trends in the development of internal audit. The introduction of digital technologies, automation of audit procedures, the use of artificial intelligence and Big Data allow to significantly increase the accuracy and speed of analysis, as well as to reduce the influence of the human factor. At the same time, automation does not replace the internal auditor, but only changes his functions, making his work more analytical and strategically significant.

The risk-oriented approach, which is increasingly used in the practice of internal audit, allows not only to identify actual violations, but also to predict potential threats, minimizing their consequences. This is especially important in the context of globalization and rapidly changing market conditions, when traditional audit methods no longer provide an adequate level of protection of the company from financial, operational and strategic risks.

An important element of internal audit is compliance with International Standards on Auditing (ISAs), which ensure uniformity of approach, transparency and reliability of audit procedures. In particular, the key standards applicable to internal audit are:

ISA 315 “Identification and Assessment of Risks of Material Misstatement” - defines methods and procedures for assessing risks and their impact on the financial statements.

ISA 330 “Audit Procedures in Response to Assessed Risks” - establishes principles for designing audit procedures based on identified risks.

ISA 500 “Audit Evidence” - regulates the process of gathering and evaluating audit evidence to form reasonable conclusions.

ISA 610 “Use of Internal Auditors' Work” - defines criteria for interaction between external and internal auditors, ensuring more effective use of internal audit results.

ISA 620 “Use of Auditor's Experts” regulates the use of experts to assess complex and specialized aspects of the audit.

Thus, internal audit remains an essential element of effective enterprise management. Its role will only increase in the future, especially in the digital economy. Companies that manage to adapt internal audit to modern requirements and integrate it into strategic management will gain a significant competitive advantage by increasing the transparency, manageability and sustainability of their business.

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