

THE ESSENCE OF AUDIT OPINION AND ITS IMPORTANCE FOR USERS OF FINANCIAL STATEMENTS

Aybek Nazarboevich Abdullaev

PhD, Associate professor of the department

“Financial accounting and audit”

Yaqubova Feruza Mavlonberdiyevna

BFA Master’s student

Abstract. The article attempts a scientific analysis of the subjective and virtually unregulated by law, but at the same time the most significant category in the economic and legal field is "auditor's opinion". The limited availability of such information in the theory of auditing is a serious problem, since the practice of choosing one or another form of audit opinion still reveals unresolved issues and contradictions regarding the correctness of the auditor's expressed opinion. The purpose of the article is to study the content of the concept of "auditor's opinion" in the historical and theoretical aspect and identify problematic areas of its formation in the conditions of imperfection of current legislation in order to increase the objectivity of assessing the reliability of financial statements. The research is based on the use of general scientific methods of comparison, analysis, generalization using critical assessment, historical and logical approaches implemented using the dialectical method of cognition. Based on the studied works of Russian and foreign scientists, the paper presents the author's vision of the emergence and development of the concept of “auditor's opinion”.

Keywords. auditor's opinion, auditor's report, auditor, financial statements, auditor's professional judgment, International auditing standards.

Introduction

The objective need to obtain reliable accounting data revealing the nature and results of the financial and economic activities of the organization has led to increased user interest in the term "auditor's opinion". Being the indisputable and unchangeable basis of the audit opinion, the concept of "auditor's opinion" was established in the professional lexicon of specialists only by the end of the XX century. However, despite the obvious tendency to improve the legislative aspects of auditing and numerous studies by native and foreign scientists, the auditor's decision to choose The expression of opinion has still not been practically formalized and remains unclear and little understood by interested parties. Obviously, this situation is primarily related to the subjectivity and relativity of the concept itself. The ellipsis in disclosing the essence of the auditor's opinion is also put in connection with the ambiguity of attributing this

conclusion, which in most cases is reduced to a general scientific interpretation, to purely specific audit terms.

Analysis and results

As for the concept of “audit opinion”, in the economic literature this vocabulary is interpreted in different ways. This concept has an important informational meaning for users. The terms “conclusion”, “reasoning”, “opinion”, “point of view”, “assessment” refer to the subjective result of the auditor's work.

The studied regulatory documents refer to the fact that when drawing up an audit summary, the auditor must act based on his professional reasoning. So, considering the category” audit opinion”, let's dwell on the need to research the essence of the auditor's professional feedback.

The research of various experts in the theory of “audit”, the study of legislative and regulatory documents in the field of regulation of auditing activities, has shown that there is no single approach to describing the concept of “professional reasoning”.

It is noted in international standards that the auditor must form an opinion on the fact that financial statements are prepared in accordance with the basis used for the presentation of financial statements in all important respects.

According to I.N.Kuziev financial statements aim to obtain audit evidence in relation to the available data and numerical information, and it is envisaged to carry out the appropriate processes to achieve it. The choice of processes that involve the assessment of risks on the violation of serious facts in the financial report as a result of an act of dishonesty or errors is based on the professional judgment of the auditor.

It should be noted that professional feedback is used at all stages of audit activity: in planning, in the collection and evaluation of audit evidence, in the expression of the opinion about the reliability of financial reporting. Confirmation of this can be found in the works of most authors on Audit theory. For example, according to the international standards of auditing, auditing involves the performance of procedures for obtaining audit evidence on the amounts reflected in the financial statements and the data to be disclosed. The procedures chosen depend on the auditor's reasoning, including the assessment given to the risks of significant distortions that may arise in financial statements due to fraud or error.

Thus, the quality of the work of the auditor and the form of the audit summary will depend on the professionalism of his conclusions. The audit opinion is the basis, result and conclusion of the auditor's work. The main criterion when expressing an audit opinion is its consideration of the reliability of the report, that is, the level of accuracy of financial reporting data, which allows users of this report to make correct conclusions on the results of economic activity, financial and property status of the subjects under audit and make sound decisions based on these conclusions.

Therefore, we believe that professional feedback is the basis for audit opinion. Taking into account the above, we consider it necessary to clarify the definition of the concept of "audit opinion". An audit opinion is an opinion expressed in an audit summary on the reliability of a financial report based on the professional feedback and experience of the auditor. The proposed explanation of the concept of "audit opinion" allows you to define its form and content.

According to its form, an audit opinion –a document with a certain legal force – is the result of its work, presented in the form of an audit summary. In terms of content, an audit opinion is a professional opinion about accounting reporting.

On the basis of the audit report, which is concentrated on the audit, an audit opinion, that is, an audit summary, is formed. Because as a result of the audit, an assessment of the indicators of the financial report is made and an opinion is expressed on whether its data corresponds to the indicators of the accounting report.

It is worth noting that each group of users of accounting reports has its own interests, which can be in a current or promising form, depending on the decisions made by users based on the information of interest to the group. The distortion of information of interest or their absence significantly affects all interested subjects. Each participant in the economic process, relying on the opinion of a professional auditor, tries to achieve reliability of reporting data, while the auditor, through his conclusion based on regulatory legal acts, must provide information about the compliance of the report with the requirements of the current legislation.

However, the problem is that users of accounting information can have different goals and not count on each other's economic interests. For example, the management of a Joint-Stock Company, acting in the interests of the owner, seeks to provide reporting indicators to various users (investors, creditors, tax authorities) in proportion to their information surveys, sufficient for control over the activities of a Joint-Stock Company and in such a way that it does not cause any serious objections. Users will have different material interests, depending on the number of participants in the economic activity. As you know, since accounting is considered a means of reflecting all property relations in society, a conflict of interest arises between the scope of information and the users of accounting information arising from it.

This situation, in our opinion, allows us to put an equality mark in the middle of the circle of users from the financial statements and audit summary. In terms of reliability of reporting data, the degree of disclosure of information about financial reporting in an audit summary often depends on the interests of one or another group of users, depending on the existing economic situation. Another serious problem arises here: the main purpose of the audit may be to express an opinion about the reliability of the financial report, as well as in the interests of those users who cannot agree with each other.

Nevertheless, S.M.Bichkova and E.Yu.Itigilova believes that professional audit opinion should pay special attention to the satisfaction of the interests of users. According to the estimates of the authors in question, "as a criterion, the client's opinion may be manifested about how much the activities of the auditor contribute to the success of the client and the increase in prestige in the market. This means that the auditor must initially be able to see the "disparity in interests" and strive to eliminate it. Often the imbalance is manifested in the fact that auditors see their task in collecting reliable evidence and providing a truthful and objective opinion about the verified report. Users believe that the auditor's duty is, above all, to find errors (intentional and accidental). Auditors, on the other hand, include error detection as an additional product of verification. If errors are detected during the verification process, then the auditor will examine them in terms of importance."

Another much more significant problem here is the collision of the audit opinion with the user's opinion, which is manifested in the imbalance of information provided by the auditor to the interests of the user in terms of professional audit opinion.

Thus, based on the interests of each user, the auditor puts his own criterion of importance in the opinion expressed in the audit summary, just as the auditor acting based on his professional reasoning independently sets this criterion for each specific audit. From this it can be concluded that user risk is equated to auditor risk because each user has a specific risk just like the auditor, resulting from misinterpretation of reporting data.

As a result, a disagreement may arise between the auditor and the client's opinions on the issue of assessing the importance of errors detected during the audit in this situation. It is assumed that such a disagreement will occur in two situations. First: the auditor considers the identified errors to be serious and intends to make a modified or negative conclusion, while the client insists at the same time saying that the errors are not important. Second: the auditor did not reflect errors in his conclusion, which were ultimately recognized as serious, for example, on the results of a tax audit. In this case, the client says that the auditor must be responsible for not conducting the audit at an acceptable level, while the auditor points out that the errors detected by the Tax Authority are not serious, in turn, the auditor will not be responsible for them.

It is necessary to assume that, along with the risk of serious errors in the financial report, there is also a regular risk that the auditor expresses a disproportionate opinion about the reliability of the financial report. Nevertheless, the accountant must comply with accounting standards, and the auditor-with audit activity standards. This helps to significantly eliminate such risks.

It should be noted that in order to express a professional, objective and independent opinion about the security of information contained in the financial report, the auditor must accurately classify the interests of the group of users of this information. In this, the main priority is given to active users – external (investors and creditors) and internal (owners, managers and other employees). Despite the fact that the risk-forming factors-signs are different for external and internal users, obtaining information confirmation about the stability of the socio-economic system (the subject under audit) and its ability to maintain it is considered common for them.

Conclusion.

The breadth of the circle of users of an audit opinion and not only their interests, but also the incompatibility of the auditor's goals and customer interests are considered a kind of barrier in determining the reliability of the accounting report of the subject under investigation. In the situation that has arisen, the task of the auditor, in our eyes, will consist in summarizing the interests of all users by analyzing their information needs. This allows you to determine the reliability of the necessary financial reporting indicators for each group of users, and then research them. The degree of objectivity of an audit opinion can only be assessed by users with different interests and advantages, taking into account risk Factors and the importance of information. To prove and substantiate his opinion, the auditor is obliged to comprehensively study accounting information. It is worth noting that knowing the specifics and reliability of accounting information ensures that the audit opinion is more objective in relation to the user's opinion.

Thus, an audit opinion is considered the main category in the formation of an audit conclusion about the reliability of a financial report. The growth of the importance of audit opinion requires a consistent study of the process of its formation and justification in the audit summary. In addition, the fact that an audit opinion is based is necessary not only for those who use accounting information about the subjects under audit and their financial and economic activities, but also, first of all, for the purpose of proving their point of view and ensuring the high quality of the audit itself.

Reference

1. Кўзиёв И.Н. Аудиторлик ҳисоботларини тузиш ва уларни умумлаштириш: назария ва методологик масалалар. Монография. –Т.: “IQTISOD-MOLIYA”, 2015. 58-бет.
2. Аудит: учебник для бакалавров / под ред. Р.П. Булыги. – М.: ЮНИТИ –ДАНА, 2009. – 431с.
3. Бычкова, С.М., Итыгилова, Е.Ю. Аудит: учебное пособие / С.М.Бычкова, Е.Ю.Итыгилова; под ред. Я.В. Соколова. – М.: Магистр, 2009. – 463с.
4. Файзиёв Ш.Н., Каримов А.А. Аудит. Учебное пособие. –Т.: “IQTISOD-MOLIYA”, 2013. -С. 157-158.
5. Aybek Nazarbaevich Abdullaev, Shavkat Bayramovich Babaev, Mirza Qilichbayevich Sabirov, & Inomjon To‘raevich Jumaniyazov. (2024). TAX RELATIONS IN BUSINESS ENTITIES PROVIDING NON-STATE EDUCATIONAL SERVICES. American Journal of Interdisciplinary

Research and Development, 25, 123–134. Retrieved from <http://www.ajird.journalspark.org/index.php/ajird/article/view/969>

6. Aybek Nazarbaevich Abdullaev, Inomjon To‘raevich Jumaniyazov, Shavkat Bayramovich Babaev, & Mirza Qilichbayevich Sabirov. (2024). PROSPECTS OF ORGANIZING RENTAL OPERATIONS IN NON-GOVERNMENT EDUCATIONAL ORGANIZATIONS ON THE BASIS OF INTERNATIONAL STANDARDS OF FINANCIAL REPORTING. *Galaxy International Interdisciplinary Research Journal*, 12(2), 104–114.

7. Shavkat Bayramovich Babaev, Aybek Nazarbaevich Abdullaev, Mirza Qilichbayevich Sabirov, & Inomjon To‘raevich Jumaniyazov. (2024). SOME ISSUES OF THE DEVELOPMENT OF BANKING INNOVATIONS IN THE COMMERCIAL BANKS OF UZBEKISTAN. *Academia Repository*, 5(03), 31–37. Retrieved from <https://academiarepo.org/index.php/1/article/view/662>

8. Shavkat Bayramovich Babaev, Aybek Nazarbaevich Abdullaev, Mirza Qilichbayevich Sabirov, Inomjon To‘raevich Jumaniyazov, & Inomjon To‘raevich Jumaniyazov. (2024). CONCEPTUAL REFLECTION OF THE CHANGING ROLE OF THE STATE EXPORT POLICY IN THE DEVELOPMENT STRATEGY OF THE NEW UZBEKISTAN. *European Scholar Journal*, 5(3), 5-8.

9. Jumaniyazov Inomjon To‘raevich, Abdullaev Aybek Nazarbaevich, Sabirov Mirza Qilichbayevich, & Shavkat Bayramovich Babaev. (2024). Importance of social principles of sovereign wealth funds. *Global Scientific Review*, 26, 46–54.

10. Jumaniyazov Inomjon To‘rayevich. (2024). ESG IN SOVEREIGN WEALTH FUND INVESTMENTS. *ОБРАЗОВАНИЕ НАУКА И ИННОВАЦИОННЫЕ ИДЕИ В МИРЕ*, 41(2), 117–124.

11. ZM Shaikh, S Ramadass, B Prakash, JI Turayevich Data-Driven Decision Making in Stock Portfolio Management: LSTM and Monte Carlo Simulation in Action- Fluctuation and Noise Letters, 2023

12. To‘raevich, J. I., Nazarbaevich, A. A., Qilichbayevich, S. M., & Babaev, S. B. (2024). Importance of social principles of sovereign wealth funds. *Global Scientific Review*, 26, 46-54.

13. Jumaniyazov, I. T. (2019). The impact of Uzbekistan Reconstruction and development fund’s expenditure on GDP growth. *Science, research, development № 16. Monografiya pokonferencyjna.*

14. Inomjon To‘raevich Jumaniyazov, Aybek Nazarbaevich Abdullaev, Mirza Qilichbayevich Sabirov, & Shavkat Bayramovich Babaev. (2024). METHODOLOGICAL BASIS FOR FORECASTING THE TAX POTENTIAL OF THE RUSSIAN FEDERATION. *Spectrum Journal of Innovation, Reforms and Development*, 27, 100–107.

15. Abdullaev, A. N., Jumaniyazov, I. T. R., Sabirov, M. Q., & Babaev, S. B. (2024). DIRECTIONS FOR IMPROVING THE PROCESS OF PERSONAL INCOME TAX FORECASTING. *American Journal of Interdisciplinary Research and Development*, 28, 233-243.

16. ESG PRINCIPLES IN INVESTMENT PROJECTS FINANCED BY SOVEREIGN INVESTMENT FUNDS. (2024). *Ustozlar Uchun*, 1(4), 1096-1102.

17. THE SOCIAL IMPORTANCE OF SOVEREIGN WEALTH FUNDS. (2024). *Ustozlar Uchun*, 1(4), 1028-1034.

18. TARGETED PLANNING OF BUDGET EXPENDITURES AND IMPACT ON SOCIAL POLICY. (2024). *Ustozlar Uchun*, 1(4), 1442-1444.

19. Jumaniyazov, I. T. (2021). The Progressive Foreign Experiments in the Activity of Sovereign Wealth Funds. *Annals of the Romanian Society for Cell Biology*, 109-116.

20. Jumaniyozov, I. (2018). Impact of Development Finance Institutions on Economic Growth: Implications for Reconstruction and Development Fund of Uzbekistan. *International Journal of Management Science and Business Administration*, 4(2), 84-88.

21. Jumaniyozov, I. (2020). ISSUES OF ENSURING THE TRANSPARENCY OF SOVEREIGN WEALTH FUNDS. *International Finance and Accounting*, 2020(5), 1.