# INTERNATIONAL AUDITING ACTIVITIES AND ITS PLACE IN UZBEKISTAN PRACTICE

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**Abstract:** Auditing is a professional activity of specialists, which consists in checking the accuracy, completeness and compliance of financial statements with ethical standards. Auditing in foreign countries is carried out on the basis of international standards, focusing on principles such as independence, confidentiality, and professional competence. This article examines the characteristics, organization, development trends, and impact of auditing in foreign countries on Uzbekistan. Special attention is also paid to the importance of international auditing standards and their role in practice.

**Keywords:** Auditing, international standards, independence, ethics, audit, reporting, foreign countries.

Auditing is a professional activity of specialists, which consists in checking the accuracy, completeness and compliance of financial statements with ethical standards. Auditing in foreign countries is carried out on the basis of international standards, focusing on principles such as independence, confidentiality, and professional competence.

Auditing plays a very important role in the current global economy. By ensuring the reliability of financial statements, auditing helps in making investment decisions.

Auditing in foreign countries is carried out on the basis of professional ethics. International Standards on Auditing (IAS) play a significant role in this activity.

Studies show that auditing in foreign countries is organized differently depending on the economic, legal and professional environment of each country. If we briefly provide information about the main aspects of auditing in some developed countries, for example;

In the United States, auditing is carried out under strong supervision. In 2002, the Sarbanes-Oxley Act was introduced in the United States, which aims to strengthen the independence of auditors and prevent fraud in financial statements.

In the United States, the Public Company Accounting Oversight Board (PCAOB) supervises audit firms. Auditors are usually required to hold a Certified Public Accountant (CPA) license.

Auditing activities are carried out based on Generally Accepted Auditing Standards (GAAS) and GAAP (Accounting Principles). Auditors must hold a CPA (Certified Public Accountant) license, which requires a special exam and experience. For this reason, annual refresher courses are mandatory. The activities of audit firms are conducted on the basis of transparency and prevention of conflicts of interest.

In the United Kingdom, auditing activities are regulated and supervised by the Financial Reporting Council (FRC). International auditing standards - ISA (International Standards on Auditing) are used.

Here, auditors must have Chartered Accountant (CA) or Certified Auditor status. Membership requires membership in professional organizations such as ICAEW and ACCA.

Large private and public companies are subject to mandatory annual audits.

In Germany, auditing is regulated by the Wirtschaftsprüferkammer (Chamber of Public Accountants). Auditors are certified as "Wirtschaftsprüfer". Auditors must pass rigorous exams and

gain practical experience to obtain the "Wirtschaftsprüfer" certificate. Qualification certificates must be renewed annually.

In Germany, companies undergo mandatory audits depending on the size of their business.

In Japan, auditing is regulated by the Financial Services Agency (FSA). Auditors must obtain Certified Public Accountant (CPA) status. There is an independent audit for large companies.

In France, auditing is regulated by the Compagnie Nationale des Commissaires aux Comptes (CNCC). Auditors are called "Commissaire aux Comptes". Mandatory audits are determined by the size of companies.

In most developed countries, the auditing profession is based on independence, professionalism and ethical standards. Auditors work to protect the public interest. Auditing plays a very important role in increasing the transparency of financial statements.

In addition, auditors must understand that when operating in foreign countries, they must comply with local legal requirements and adhere to ethical norms and rules.

Auditing is a professional service that consists of examining the financial statements, assets, as well as tax, financial management and other important aspects of an organization. Auditing is not only about checking and expressing an opinion, but also includes the task of advising on tax, financial management and other areas.

Auditing in foreign countries is carried out on the basis of the principles of independence, confidentiality and professional competence.

-Independence: Auditors should not be dependent on any organization or person in the process of conducting their activities. This ensures the objectivity of the audit result.

-Confidentiality: The auditor has no right to disclose information obtained during the audit. This is one of the main elements of ethical norms.

-Professional competence: Auditors must constantly update their knowledge and increase their level of expertise.

Violations of these principles are strictly controlled by countries and entail contractual liability.

Of course, international audits are carried out on the basis of International Standards on Auditing.

International Standards on Auditing (IAS) is a set of standards developed to harmonize auditing activities worldwide. These standards are set by the IASB (International Auditing and Assurance Standards Board) and are mandatory for every auditor.

Auditing firms in foreign countries are diverse, including global audit firms (Big Four - Deloitte, PwC, EY, KPMG).

Deloitte: One of the world's largest professional services specializing in auditing, consulting, financial advisory, risk management and taxation.

PwC: Provides a wide range of services in the field of auditing, taxation, legal services and consulting.

Ernst & Young (EY): Known for its services in the field of auditing, taxation, consulting and transactions.

KPMG: Specializes in auditing, taxation, consulting and legal services, as well as provides services in the field of financial advisory

These firms have opened branches in different countries of the world and offer auditing services in accordance with international standards. Their work is based on the following:

Compliance with international standards;

Independent audit;

High level of professional qualifications.

In 2025, the total number of employees of all Big Four in the world will be about 1.5 million people, of which about 14 thousand are in Russia and a total of 20 thousand in the CIS. In recent years,

the number of employees of the Big Four around the world has increased by 60,000 people annually, including 800-900 in Russia. The annual revenue of the Big Four is about $ 219 billion. Its main clients are US state-owned companies, which account for 80% of clients. In times of stable economy, these companies are actively hiring new people, but it should be noted that the reason for such high salaries is also the high turnover in these companies.

Auditing in Uzbekistan is also developing day by day, but there are some differences compared to foreign countries. In order to eliminate these obstacles, a number of legal documents have been developed in Uzbekistan in recent years.

Resolution of the President of the Republic of Uzbekistan dated September 19, 2018 No. PQ-3946 “On measures to further develop auditing activities in the Republic of Uzbekistan”, Resolution of the President of the Republic of Uzbekistan dated February 24, 2020 No. PQ-4611 “On additional measures on the transition to international financial reporting standards”, Resolution of the President of the Republic of Uzbekistan dated August 4, 2021 No. PQ-5210 Resolution "On additional measures to improve the auditor certification system", the Law of the Republic of Uzbekistan "On Auditing Activities" dated February 25, 2021 No. ZRQ-677, the Law of the Republic of Uzbekistan "On Amendments and Additions to Certain Legislative Acts of the Republic of Uzbekistan" dated January 20, 2023 No. ZRQ-815, the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 2022 These include Resolution No. 171 of April 11 “On approval of the Regulation on the procedure for recognizing international auditing standards for application in the territory of the Republic of Uzbekistan”, Resolution No. 538 of the Cabinet of Ministers of the Republic of Uzbekistan of September 28, 2022 “On approval of the Regulation on the procedure for conducting external control of the quality of the work of an audit organization”. These legislative norms are aimed at organizing an audit service that meets the requirements of a market economy, increasing the prestige of the auditing profession and the quality of their work, as well as meeting the interests of society and strengthening investor protection. Analysis of the audit services market in Uzbekistan shows that as of May 1, 2026, the register of audit organizations included 178 audit organizations and 859 auditors; of which 76% of auditors are men and 24% are women. 27 are members of large international networks and associations and carry out their activities in the “Big Four” (big-4).

These audit organizations also conduct audit activities based on the principles of independence, freedom, competence, objectivity and confidentiality, but full compliance with international standards is not yet sufficient.

We believe that these measures developed by the government of Uzbekistan will ensure transparency of the procedures of the authorized body in the future; systematize existing documents in the field of audit activities, as well as reduce the number of legislative documents; providing users of financial statements with reliable information; implementing the practice of conducting independent audits based on international auditing standards; expanding relations and cooperation between state bodies and republican public associations of auditors; serving to increase the quality and competitiveness of audit services of audit organizations, and the foreign experience being studied can be used as a model for Uzbekistan.

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