DATA ANALYSIS IN INTERNAL AUDIT

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Abstract: Analysis of data in internal audit will significantly improve the efficiency of a business entity. In the article, the authors studied methods of analysis, directions of data analysis, reflection of the analysis results in the documentation of the internal audit service, and also proposed a methodology for using data analysis in internal audit.

Keywords: IAS (internal audit service), analytical procedures, data analysis, report of the internal audit service, business processes.

INTRODUCTION

Internal audit, like external audit, carries out a multifunctional audit and even more. Since internal audit, unlike external audit, performs a range of tasks much wider, while being the right hand of the company's management. Based on this, it can be argued that the effectiveness of the internal audit service consists not only in checking the correct accounting, preventing fraud and errors, but for the correct and timely management of the company, the analysis of IAS data plays an important role in further planning and forecasting the company's activities.

Audit data analysis is a tool for discovering and analyzing patterns, identifying anomalies, and extracting other useful information from the data underlying or related to the subject of the audit using modeling and visualization for planning or conducting an audit [1, pp. 131-133].

It is advisable to apply data analysis not only at the planning stage, but also throughout the entire internal audit process.

LITERATURE REVIEW

In the Republic of Uzbekistan today, great importance is attached to improving accounting and auditing. In particular, on May 5, 2021, the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan "On measures to improve the training system for employees of the internal audit service" was adopted. By this Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 280 dated May 5, 2021, the Regulation "On the procedure for attestation of employees
of the Internal Audit Service" was approved in a new edition (Appendix 1 to the Resolution).

Based on the Regulations of the Cabinet of Ministers of the Republic of Uzbekistan, based on the results of the checks carried out, appropriate reports are drawn up, signed by the employee (employees) who directly carried out them.

Wherein:

a) the report on the results of the audit of the progress of the business plan should include:

- analysis of quantitative and qualitative indicators of its implementation;
- a description of the reasons identified in case of failure to ensure its implementation, with a personal indication of the guilty officials;

b) the report on the results of the audit of compliance with the principles of corporate governance should include:

- analysis of the effectiveness of decisions taken by the management bodies of the enterprise, compliance with the legal rights and interests of its participants (founders);
- a description of the facts of violation of legislation in the field of corporate governance (compliance with the constituent documents, holding general meetings and meetings of the company's management bodies, the correct calculation and timeliness of payment of dividends, etc.);

c) the report on the results of the audit of the state of accounting and financial reporting of the enterprise must include:

- assessment of compliance with the established procedure for accounting and financial reporting;
- a description of the identified violations of the established procedure for accounting and preparation of financial statements;

d) a report on the results of checking the correctness of the calculation and payment of taxes and other mandatory payments must include:

- assessment of the correctness of calculations of taxes and other obligatory payments made and submitted to the relevant authorities;
- a description of the facts of violation of the established procedure for calculating and paying taxes and other mandatory payments, deviations in determining the taxable base;

e) the report on the results of the audit of the company's compliance with the legislation in the implementation of financial and business operations should include:

- assessment of the compliance of the financial and economic operations carried out by the enterprise with the legislation;
a description of the inconsistencies with the legislation of the financial and economic operations carried out by the enterprise, revealed during the internal audit;

f) the report on the results of the audit of the state of internal control should include:
   a description of the internal control system and the shortcomings in its functioning;
   data on the state of performing discipline in the structural divisions of the enterprise, the existing shortcomings in the work of its specific employees.

The results of checking the condition of assets should be based on an inventory of assets and include information about their movement, actual availability and safety.

Also, all reports on ongoing inspections must contain a final part, including an assessment of the activities of the executive body of the enterprise and its structural divisions, recommendations for eliminating the identified deviations and violations, a full package of supporting documents [2].

There are many methods for performing data analysis. For example, the Institute of Internal Auditors provides the following methods:
   statistical indicators (mean, standard deviation, minimum and maximum values) used to identify transactions / facts that may be indicators of illegal actions;
   a classification used to find dependencies between different data in a group;
   stratification (sample stratification) used to identify unusual values (too high or low values);
   combining data from different sources in order to identify discrepancies according to criteria such as name, address, as well as accounting accounts in various information systems;
   data testing for duplicate records (double payment, etc.);
   testing data for consistency (identifying missing data in a sequential dataset);
   summing indicators to check totals.

Russian scientists E.A. Egorova and D.N. Zezyulin propose the following sequence when analyzing the data of the following orders in order to reduce the possibility of an audit error [3, pp. 67-76]:

1. Get an idea of the object of the audit (including conduct a preliminary assessment of the risks related to the audited activity).
2. Determine the method (combination of methods) of data analysis to achieve the objectives of the assignment.
3. Sampling, analyzing and interpreting the data.
4. Formulate audit conclusions and recommendations based on data analysis.

RESEARCH METHODOLOGY
We propose the following methodology for using data analysis in internal audit:

**Figure 1. Methodology for using data analysis in internal audit** *(Compiled by the authors based on the material studied)*

The use of data analysis in internal audit will allow the auditor to quickly obtain valuable analytical information that will allow the internal audit service to provide the company's management with recommendations aimed at improving the company's performance.

Matt McGivern, Managing Director, Head of Advanced Analytics and Data Management Methodology at Protiviti (USA), is confident that such advances in data analysis can be transformational for internal audit. With advanced data analysis tools and training, audit teams can quickly and efficiently extract the insight from data available in any format, and even perform in-depth analysis of the data by uncovering causal factors in real time [4].

The analysis of data by the internal audit service can be divided into several directions (Figure 2).
Business process analysis includes analysis of all available information on processes, measurement of their performance, comparative analysis in order to identify problem areas, unused resources, process ranking, process performance analysis, etc. The main purpose of business process analysis is to identify and manage risks of business processes.

The analysis of the financial activity of the enterprise includes the analysis of financial statements (vertical and horizontal analysis) as well as the analysis of such financial indicators as liquidity, profitability, financial leverage, etc. This analysis is carried out in order to identify financial risks and develop recommendations for their reduction.

The analysis of the company's operating activities includes an analysis of the production and sales of the company's products, an analysis of the efficiency of using the labor resources of the enterprise, an analysis of the efficiency of using the basic production assets of the enterprise; The main goal of the analysis of operating activities is to achieve the set goals and improve the efficiency of operating activities.

Integrated analysis in internal audit can be viewed as analytical procedures. For purposes of the ISAs, the term analytical procedure means evaluating financial information by analyzing the likely relationships between financial and non-financial data. Analytical procedures also include the study of identified deviations or relationships that contradict other available information or significantly differ from the expected indicators [5]. The main purpose of the integrated analysis is to assess the impact of non-financial information on the economic performance of the enterprise. This type of analysis, a way of comparing financial information with

Figure 2. Directions of data analysis in internal audit (Compiled by the authors based on the material studied)
operational and non-financial information, allows: improve the risk management system, develop corporate governance, increase the investment attractiveness of an enterprise, improve competitiveness, etc.

**CONCLUSION**

Analyzing data in internal audit allows not only managing an enterprise with high quality and in a timely manner, but also to create innovative ideas, strengthening the company's image in the economic market, which is not unimportant under the current conditions of a pandemic. This, in turn, ensures the efficiency of the internal audit service, since the main purpose of the internal audit service is to help the corporate governance of the enterprise in its management.

Data analysis enables internal auditors to use large amounts of data with the greatest accuracy and efficiency, and as a result, identify potential risks and opportunities, as well as the forecast performance of the enterprise.

**REFERENCES**


