

THE PURPOSE, REGULATORY AND LEGAL BASES AND FEATURES OF THE AUDIT OF PRODUCTION COSTS

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Abstract. This article contains thoughts and opinions about the purposes of the audit of production costs, its legal basis and features in the current market economy.

Key words. Production, cost, product, service, audit, financial result.

In today's globalization, sustainable production is the basis of the market economy. The demand for quality products is increasing day by day, especially in the environment of healthy competition. From this point of view, in order to minimize production costs, reduce product costs, and for the purpose of regulation, we would like to highlight the regulation of the Republic of Uzbekistan No. possible In this, the composition of the costs included in the product plays an important role. From this point of view, auditing production costs is one of the urgent problems at the same time.

The purpose of conducting an audit of the calculation of production costs and the cost of products is to determine the compliance of the procedure used in accounting and taxation of the economic transactions that have taken place with the requirements of the normative documents of the Republic of Uzbekistan. The main document regulating the calculation of production costs and taxation in enterprises is the "Composition of production and sales costs of products (works, services) and the procedure for forming financial results" approved by the Regulation of the Cabinet of Ministers of the Republic of Uzbekistan No. 54 dated February 5, 1999. "Regulation on" is considered. In order to control the correctness of the calculation of production costs and the correctness of the report on the cost of products, work and services, it is necessary to check the following:

- * timely, complete and reliable reflection of actual expenses in the reporting period in production expense accounts;
- * raw materials, materials, fuels spent on production, the correctness of the assessment of spare parts and fuel-lubricating materials;
- * ensuring control over compliance with the Regulation on fixed cost estimates, job salaries, tariff rates, remuneration and rewards for the labor of production employees;
- * the reasons for the appearance of non-production costs and losses and the justification for writing them off;
- * measures taken to reduce them;
- * correctness of depreciation calculation for fixed assets and intangible assets;

- * the correctness of writing off the sums (transportation preparation costs) that deviate from the accounting value of goods and material assets;
- * the correctness of writing off the natural decrease of goods and other values;
- * correctness and reasonableness of adding the following costs to the cost of products (work, services);
- * payments for accommodation and communal services provided to foreign citizens directly working in production in the joint venture in accordance with the founding documents;
- * time spent on a business trip and on the road, accommodation rental, travel expenses to and from the place of a business trip within the approved norms, expenses of a foreign business trip related to production activities.

Basic costs, production organization and management costs are checked for correctness and reasonableness and compliance with norms. The correctness of the planned and reported calculation of products (work, services) is checked by cost items. As a result, the differences between the plan and the actual cost are analyzed by items, and the reason for the differences is determined. The correctness of the consumption of raw materials and materials, the methods of checking the correctness of prices, compliance with the standard of consumption corresponding to the unit of product (work, service) are checked. Check the correctness of closing accounts of losses and production costs. The auditor should be well aware that the cost of products (work, services) is defined in accounting as the sum of expenses related to production (performance of work, service) and realization during the reporting period for ordinary activities. Cost, as an element of calculation for taxation purposes, is the amount that reduces the taxable base. The difference in this definition is not only in form, that is, in terms of terminology, but also in terms of quantity. Because expenses for normal activities are added to the cost calculated for the purpose of taxation, taking into account the established norms (limits) and restrictions.

Product production (work performance, service) costs are added to the cost of the period, regardless of the time of payment (paid in advance or later), which refers to the reporting period. The principle of temporal certainty of facts in economic activity means that the fact of their use (expenditure) and not the fact of payment of the cost of goods and services (work, services) is important for the correct formation of the cost. For example, it is known from the contents of the documents submitted to the auditor for the audit that the audited company paid the rent of production buildings for the following year in December last year. This expenditure was carried out at the same time, that is, in December last year, at the cost of products (works, services). The auditor found this business transaction to be unreasonable, i.e. it artificially increased the cost of last year's products (work, services) and reduced the financial result and profit tax, and recommended making corrections. At the same time, he explained that

during the next year, 1/12 of the total sum should be written off as an expense every month. In accordance with Article 9 of the Law of the Republic of Uzbekistan “On Accounting”, all economic transactions carried out in the enterprise must be formalized with the appropriate preliminary documents at the time of implementation or after completion. The principle of documentation of expenses determines the task of the auditor to confirm the existence of supporting documents for the justification of expenses, as well as the correctness of the reflection of these transactions in accounting. In accordance with the above-mentioned “Regulation on the Structure of Costs”, all costs are grouped as follows:

1. Costs included in the production cost of products:
 - a) direct and indirect material costs;
 - b) direct and indirect labor costs;
 - c) other direct and indirect costs, including production overheads.
2. Expenses that are not included in the cost of production, but are included in the expenses of the period and are covered by the profit from the main activity:
 - a) sales expenses;
 - b) management expenses (administrative expenses);
 - c) other transaction costs and damages.
3. Expenses related to the financial activity of economic entities, which are taken into account when calculating profits or losses incurred from the general economic activity of economic entities:
 - a) interest expenses;
 - b) negative exchange rate differences on foreign currency transactions;
 - c) revaluation of funds invested in securities;
 - g) other expenses related to financial activities.
4. Extraordinary losses to be taken into account when calculating profits or losses before paying the profit (income) tax.

In order to make a detailed analysis of the cost structure, the auditor should check the economic elements of each cost group.

It is not a secret to anyone that the production costs in our country are increasing day by day. From this point of view, it is important to check whether the regulatory legal documents, laws, decrees, regulations, and codes in force in the Republic of Uzbekistan are being followed during the audit of these expenses. Auditing of production costs is one of the requirements of the present time. That's why the manufacturing enterprises audit the production costs of their activities every year.

In the Address of President Sh. M. Mirziyoyev to the Oliy Majlis dated December 20, 2022, in order to support production, active support of cooperation, development of small and medium capacity storage, sorting and processing infrastructure was

promoted. In 2023, \$1 billion will be allocated to projects to create a high added value chain in the agricultural sector.

It was noted that next year, districts and cities will be divided into 5 categories based on their existing conditions, potential and opportunities, and subsidies, loans and compensations for entrepreneurs will be allocated based on categories, and tax rates for them will be different. Due to the reduction of the value added tax rate from 15% to 12% from January 1, it was determined that at least 14 trillion soums will remain at the disposal of entrepreneurs.

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