

## Bank Accounting and Audit

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**Abstract:** This article clearly defines what the terms “bank accounting” and “audit” mean and how important they are to keep banking system work pertinently for customers. It gives relevant information about banking system and proves the vey information mentioned in detail providing the sources and academic researches.

**Keywords:** Bank accounting, audit, customer, accountant, company, economist, monetary system, banking system, auditor, bank, business.

As we know, such a profession as an accountant is one of the most common and ancient professions of the economic direction. Everyone knows the simple truth – the company will not be able to work well without an accountant, whose profession has a century-old development. A real professional accountant, as a highly qualified specialist, is a need for a respected institution that requires it. But, in turn, an accountant must have the skills inherent in this profession, knowledge, be able to apply this knowledge in practice, as well as have the appropriate personal qualities. The subject "Banking accounting and audit" is considered one of the core theoretical subjects in the preparation of economists for the banking system. This subject studies the organization of monetary circulation, the improvement of the monetary system, ensuring the stability of the national currency, the origin of banks, the stages of their development, the formation of the banking system of the Republic of Uzbekistan, the issues of ensuring the stability of the banking system, the liquidity of banks.

Every day, the bank performs about a thousand different operations and provides a huge number of banking services. All of them should be reflected in accounting and reporting. Banking and accounting are closely interrelated. On the one hand, a common accounting system is beneficial for the functioning of the banking system to evaluate customers with standardized financial information. On the other hand, the accounting system used requires a common banking system, since transactions in and out of each accounting system are carried out through banks. In general, banks also need an accounting system to keep records of their own and their customers' flows - both internally and externally and without changes. The most important principle, without which the bank's management process is impossible, is the principle of ensuring control. This principle requires organizing such internal banking control that is able to prevent various kinds of violations, potential errors and possible losses, to ensure the legality, reliability and efficiency of banking activities. Control should be carried out at all levels of management. In the highest level, it is conducted through the office of the chief controller (internal control or audit service). In the middle level, control is carried out by a number of services: financial, accounting, personnel, economic security, etc. Audit (in different translations, this word means "he hears", "listening") has a fairly long history. The emergence of the audit is primarily due to the separation of interests of those who are directly involved in the management of the bank (administration, managers), and those who invest money in its activities (owners, shareholders, investors). Audit services are the services of intermediaries who establish the reliability of financial information and other accounting and consulting (legal, tax) services. The availability of reliable information makes it possible to increase the efficiency of the functioning of the capital market and makes it possible to assess and predict the consequences of various economic decisions. Conducting an audit even in cases where it does not is mandatory, is undoubtedly important. Auditor - an individual who has an auditor's qualification certificate. An audit organization is a legal entity that has a license to conduct auditing activities. During the audit of financial statements, the accuracy of reflecting the financial position and results of the company's activities in them is established; compliance of accounting with the established requirements, criteria; compliance by the audited company with the current legislation. Of particular importance is the fact that the verification of the reliability of the company's reporting, compliance with

current legislation and the preparation of an audit opinion on this issue is carried out by an independent auditor. In addition to accounting statements, internal accounting and control in the bank also include a set of plans, methods and procedures used to protect assets and liabilities, minimize risks and increase profits, and ensure strict compliance with the instructions of the bank's management. When conducting a bank analysis, first of all, it is analyzed the financial position of the bank, which is characterized by a system of quantitative and qualitative indicators reflecting the actual availability, placement and use of banking resources. Information for such an analysis is contained both in the internal (unpublished) and external (published) statements of the bank, as well as in analytical accounting data and other documentation. Banking accounting is part of the general accounting and control system, on the one hand, and forms a link with the macro level, on the other hand.

The legal basis of accounting and auditing is complex and studies a variety of legal relationships arising in a specific field of activity — accounting. The nature of the relationship between the subjects of these legal relations is different and is directly determined by the subject composition. As a rule, this relationship acts in one form or another of vertical subordination of one entity to another in the relationship to fulfill the accounting requirements of the internal control rules. The employee is subordinate to the administration of the organization in the relationship of general compliance with accounting rules, the head and the chief accountant are administratively subordinate to the state acting through their bodies in accordance with their competence, etc. Accounting is often called the language of business, because it uses a unique vocabulary to convey information to decision makers. The generally accepted expression that accounting is the language of business also applies to banking accounting. The accounting system in banks is a kind of information provider for internal control and management decision-making by the managers of the bank itself.

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