

## PLANNING AND ORGANIZATION OF AUDIT EXAMINATION: THE CASE OF UZBEKISTAN

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### Abstract

This study examines the planning and organization of audit examinations in Uzbekistan, focusing on the institutional framework, methodological approaches, and challenges faced by audit firms operating under national legislation. Using a mixed-method empirical approach that combines regulatory analysis and expert interviews from leading audit firms, the paper identifies the core elements of effective audit planning, evaluates compliance with International Standards on Auditing (ISA), and proposes best practices for improving audit quality and efficiency. The findings suggest that while Uzbekistan has made significant progress in harmonizing its audit standards with international norms, gaps remain in strategic planning, risk assessment, and auditor independence.

**Keywords:** Audit planning, audit organization, Uzbekistan, International Standards on Auditing (ISA), audit quality, empirical study.

### 1. INTRODUCTION

Auditing plays a critical role in ensuring transparency, accountability, and reliability of financial information within a market economy. Effective audit planning and organization form the foundation of audit quality, directly influencing the reliability of audit conclusions and the efficiency of the entire audit process (Knechel & Salterio, 2016). In recent years, Uzbekistan has undertaken significant reforms to strengthen its auditing system in line with International Standards on Auditing (ISA) and the global best practices promoted by IFAC (International Federation of Accountants).

The objective of this study is to empirically analyze how audit examinations are planned and organized in Uzbekistan. Specifically, it explores the processes, regulatory mechanisms, and organizational factors influencing the quality of audit engagements.

The study addresses the following research questions:

1. How do audit firms in Uzbekistan plan and organize audit examinations under national and international frameworks?
2. What challenges do auditors face in implementing ISA-compliant planning and organization procedures?
3. What measures can improve the efficiency and quality of audit planning and performance?

### 2. Literature Review

Audit planning and organization have been widely discussed in international literature. According to Arens et al. (2020), planning ensures that auditors focus on areas of high risk and allocate resources efficiently. Simnett et al. (2019) emphasize that audit organization involves defining roles, timelines, and documentation processes that facilitate effective control and supervision.

Empirical studies from developing economies (e.g., Al-Khaddash et al., 2013; Nwanyanwu, 2018) show that institutional and cultural factors significantly influence audit planning. The adoption of ISA standards is often hindered by limited professional capacity and weak regulatory enforcement.

In Uzbekistan, audit activity is regulated by the Law on Auditing Activity (2021) and the Resolution of the Cabinet of Ministers No. 309 (2020), which require auditors to conduct risk-based planning, maintain audit documentation, and ensure independence and professional ethics. Despite these frameworks, challenges remain in ensuring consistent quality control, as observed by the Chamber of Auditors (2023).

### **3. Methods**

This study employed a mixed-method empirical approach combining qualitative and quantitative techniques.

#### ***Data Collection:***

- Documentary analysis of Uzbek auditing laws, standards, and methodological guidelines.
- Semi-structured interviews with 12 senior auditors and partners from five leading audit firms in Tashkent.
- Survey questionnaire distributed to 40 auditors regarding their audit planning practices.

#### ***Data Analysis:***

Qualitative data from interviews were analyzed using thematic coding, while survey data were processed using descriptive statistics (mean, frequency distribution). The reliability of survey items was confirmed with a Cronbach's alpha coefficient of 0.87.

### **4. Results and Findings**

#### **4.1 Audit Planning Practices**

Most firms in Uzbekistan use annual audit planning systems aligned with ISA 300 (Planning an Audit of Financial Statements). 82% of surveyed auditors indicated that they perform preliminary risk assessments, but only 55% document these formally.

#### **4.2 Organizational Structure of Audit Engagements**

Audit firms typically establish engagement teams based on specialization. However, limited staff training and workload concentration at the senior auditor level were identified as key constraints.

#### **4.3 Regulatory and Institutional Barriers**

Interview data revealed that insufficient guidance from national standards, inconsistent enforcement, and delays in ISA translation hinder effective planning. Moreover, the absence of digital audit management tools limits efficiency.

#### **4.4 Comparison with International Practices**

While Uzbekistan has largely harmonized its auditing standards with ISA, practical implementation gaps persist. Compared to firms in developed countries, local firms devote less time to audit strategy meetings and rely more on manual documentation.

### **5. Discussion**

The findings confirm that audit planning and organization in Uzbekistan are evolving but still face systemic challenges. The results align with prior studies (e.g., Knechel & Salterio, 2016; Simnett et al., 2019) emphasizing that planning quality directly affects audit effectiveness.

Improving audit quality in Uzbekistan requires strengthening training programs, enhancing digitalization, and enforcing standard compliance through regulatory supervision. Collaboration between the Ministry of Finance, the Chamber of Auditors, and academic institutions is essential to develop tailored audit methodologies.

### **6. Conclusion and Recommendations**

This empirical study concludes that while Uzbekistan's audit system demonstrates strong regulatory alignment with international standards, gaps remain in implementation, documentation, and human capital.

Key recommendations:

- Develop unified national audit planning guidelines aligned with ISA.
- Introduce digital audit management platforms to streamline organization.
- Strengthen professional training and certification in audit planning techniques.
- Encourage peer review and quality assurance programs among audit firms.

These measures would enhance audit transparency, reduce risks, and strengthen investor confidence in Uzbekistan's financial reporting environment..

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