



## The Practical Significance of Transparent and Reliable Accounting

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**Abstract:** This article describes transparent and reliable organization and preparation of financial reports, comparison of enterprise financial account data, reporting process, basic principles, theoretical and normative legal bases of financial reporting. The article also discusses the preparation of reports based on international standards.

**Key words:** transparency, financial reporting, international standards, consolidated financial reporting, accounting policy.

### INTRODUCTION

In order to attract investments to the economy of Uzbekistan, it is necessary to create certain conditions, including achieving transparency and accuracy of the activities of economic subjects of our country. Implementation of this issue depends on the application of universally accepted world standards of financial reporting - international standards of financial reporting. After gaining independence, Uzbekistan moved towards a market economy. In this process, the accounting methods of the Soviets were abandoned, and the financial statements began to be transferred to the principles accepted in the world. In particular, various national accounting standards supported by the law were developed, systems of training international accounting practices and certification of accountants were formed under the accountants' associations. It was expected that the completion of the legislation, education and training activities carried out in Uzbekistan would lead to full harmonization with the MHSS.

From the Ministry of Finance of the Republic of Uzbekistan ASSA (Association of Chartered Certified Accountants) to professional training of experts in the fields of accounting, auditing and business management according to international standards, as well as non-governmental educational institutions and higher educational institutions. Efforts have been made to sign the Memorandum to assist in the step-by-step international accreditation of educational programs.

Also, the draft decision of the President of the Republic of Uzbekistan "On additional measures for the transition to international standards of financial reporting" provides for the following [1]:

By August 1, 2020, it will approve the updated curricula for the "accounting" and "audit" specializations of the bachelor's and master's education courses, which provide for a deeper study of MIS, and introduce them to the educational process in the prescribed manner;

Starting from 2020, measures will be taken on the international accreditation of the training programs of higher education institutions in the field of accounting and the subsequent implementation of these experimental projects step by step to other higher education institutions in the republic.

From the 2022/2023 academic year in higher education institutions, the teaching of accounting and auditing subjects is only subject to a document on the successful completion of the "Financial Accounting" or "Financial Accounting" subjects of the Ministry of Finance or an international accounting certificate (ASSA and it is carried out by teachers who have diplomas, SRA, CÍPA);

The expenses of teaching pedagogues in educational centers in the direction of "accounting" and "audit" are financed from the budgetary and extra-budgetary funds of higher education institutions.

In the conditions of globalization of the economy, it is important to adopt a unified approach to the formation of qualitative, comparable, reliable and consistent information in different countries.

Such an opportunity can be achieved only by recognizing the International Financial Reporting Standards (IFRS) and preparing reports in accordance with them. In the new version of the law on accounting, it is recognized that accounting entities can use MFRS in the prescribed manner [2].

The need to use MHSS is determined by the following factors:

- investors and shareholders in different countries will have the opportunity to better analyze the financial statements prepared on the basis of the same principles, i.e. comparability;
- it is more appropriate to prepare a single financial report that is recognized for all of them, rather than a financial report based on the standards of that country, for different fund accountants in different countries. As a result, accounting costs are reduced and opportunities to attract capital are expanded.

International financial reporting refers to financial reporting prepared in accordance with IFRS or US GAAP standards. These two types of standards regulate the preparation and presentation of financial statements for all stock exchanges in the world and are recognized by these exchanges.

Financial statements based on MFRS improve the investment environment. It creates an opportunity for large companies to invest in the country.

International accounting standards are developed by the International Accounting Standards Committee.

The International Accounting Standards Committee (IASB) is a non-governmental international accounting organization whose members include representatives from the world's accounting professions, whose main goal is to develop international accounting standards for the preparation of financial statements. work, acceptance and continuous improvement are calculated.

IASB is headquartered in London. The Council of this international organization includes highly qualified and prestigious experts who have worked in high positions in global organizations and companies, world banks[3:67].

Today, the "Course of International Standards of Financial Accounting" is studied as a separate subject in higher education institutions. In fact, this course should be considered as a part of the "Financial Accounting and Accounting" discipline. It is known that financial accounting and accounting are described in terms of the system based on the standards of financial accounting. International standards of financial accounting form the legal basis of financial accounting and accounting.

International standards of financial accounting as a branch of the discipline "Financial accounting and accounting" is its subject, an international standard The objects that served as the basis for the development of These objects include the elements of the financial statement: estimated cash, estimated liabilities, contingent liabilities, contingent assets, exchange rate changes, reserves, construction

contracts, fixed assets, asset depreciation, intangible assets, segments, state subsidies and state aid, income, expenses on debts, profit tax, financial instruments, related parties, evaluation of enterprises, accounting policy and errors made in it, interim financial report, financial report consolidation, financial report in inflationary conditions and others it is possible to cross objects [4:117].

One of the important objects studied by the international standards of financial reporting is the presentation of financial reporting, accounting policies, and conceptual framework issues. These include cash flow statements, interim financial statements, consolidated financial statements, hyperinflationary financial statements, merger and acquisition financial statements, segmental financial statements, and joint venture financial statements. We will solve logical problems possible Each of these objects studied according to international standards are calculated separately.

Many users look to financial statements as the primary source of financial information. Therefore, the financial report must be prepared and presented taking into account their needs.

In this document, the purpose of the financial report for general use is explained as follows: "The financial report is a structured presentation of the organization's financial status and financial results of its activities. The purpose of the financial report for public use is to provide such information about the organization's financial condition, its activity, financial results and cash flows, which will be useful to a wide range of information users in making economic decisions. The financial report also shows the results of management of the resources entrusted to the management of the organization. To achieve this goal, the financial report provides information on the following indicators of the organization:

- a) assets;
- b) obligations;
- c) private capital;
- d) takes into account income and expenses, profits and losses;
- e) other changes in private capital;
- f) movement of funds" [5:44].

Due to the fact that national accounting systems are intended to be used in countries with different national accounting systems, they should be the same for all of them in terms of their composition. It consists of three parts on the content of international standards in action. The first part is the introduction, the second part is the description of the accounting object (opening), and the third part is called the accounting standard (summary).

MHXSs are distinguished by their extreme compatibility. International standards set the most basic and general directions in this field. Such an approach to the development of financial statements increases the possibility of their use in different countries and increases the compliance of national accounting standards with international standards.

In the Republic of Uzbekistan, a unique and suitable path for the transition to the national economy was chosen. It was a way to develop and implement national accounting standards that comply with international standards. Currently, our national standards are in line with international standards[6]. In the same line, today, joint-stock companies based on corporate management are preparing financial reports on the basis of international standards. This can be achieved directly by creating financial statements based on international standards or by transforming financial statements based on national standards into international standards. The first way is to achieve accurate and high-quality financial reporting based on international standards. In the second way, many problems and obstacles can be encountered in the process of transformation. But in the solution of both ways, we have to deeply study the content and

essence of international standards, apply its methodological issues, adapt our national standards to international standards as much as possible, and study the subjects of "Financial accounting and accounting" taught in world universities. , we translate literature from English into Uzbek, we adopt international terms in the field of accounting, we organize the exchange of experience of practitioners and researchers in foreign countries, we start certification of practicing accountants we'll need it[7:90] .

In order to fully and reliably disclose, taking into account the characteristics of the organization, it is necessary to develop the concept of the statement of cash flows. In our opinion, this may be due to the following reasons:

- studying the movement of money capital, including money equivalents;
- production cooperative, agricultural company, etc.;
- the importance of disclosure of information on compliance with monetary obligations on mandatory payments, turnover with employees, accounts, etc.;
- focused on meeting the requirements of users of cash flow statements;
- The management of the company can achieve transparency of the internal cash flows of the commercial organization in the report. The reason for this is that the safety of the funds does not mean that their attraction is suitable for the purpose, and maintaining a certain level of liquidity does not provide the required profitability, reasonable forms of accounting, etc.;
- data can be presented with different levels of detail (for example, on the basis of gross and net cash flows, on the basis of minimization and expansion of information on the turnover of money capital, in straight and curved form). This ensures the relevance of cash flow statements not only within this reporting framework, but also in other forms of financial reporting[8:57].

## CONCLUSION

Currently, financial statements prepared for shareholders and other users use accounting principles and rules that are transferred from country to country, and in some cases are used only in one country. Thus, accounting reports may lack comparability. The disadvantage of this situation is that investment analysts and other users who use the financial report have to incur additional costs in the process of analyzing the report due to the fact that it is structured according to different standards. They may also face confusion in the interpretation of reports. Due to this process, effective competition in the world market of capital will deteriorate, and companies will have to bear high expenses for maintaining capital. Most importantly, accounting reports lose confidence as a result of showing different profit amounts for different countries. The international scope of the reports leads to the following:

- the cost of preparing financial reports is higher than intended - because transnational companies are forced to prepare different reports for different countries about their activities;
- commercial companies need to have a unified system for evaluating the financial results of their activities in different countries. Companies also want their external performance appraisals to match their internal performance appraisals. Achieving these two goals is considered very difficult as the reports in different countries are different.

We believe that the implementation of the above-mentioned proposals and conclusions will contribute to the alignment of financial reporting in our country with international standards.

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