

**IMPROVING THE NEW SERVICE AND CONCEPT: THEORETICAL-  
METHODOLOGICAL ISSUES OF FORENSIC AUDIT**

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**Abstract:** In a situation where the number and scale of economic crimes, including financial fraud, is increasing, forensic services aimed at identifying these crimes are becoming increasingly relevant. This research paper analyzes the definitions of a new concept for the market of audit and expert-analytical services - "forensics", and examines the issues of regulatory and legal regulation of the new service. Comparative descriptions of audit, inspection, examination and forensics are given, and forensics The main features that distinguish expert-analysis services from other types are identified. Forensic audit in Uzbekistan, regulatory and legal foundations and proposals are presented.

**Keywords:** forensic, definition, audit, expertise, regulatory regulation.

**УЛУЧШЕНИЕ НОВОЙ УСЛУГИ И КОНЦЕПЦИИ: ТЕОРЕТИЧЕСКИ-  
МЕТОДОЛОГИЧЕСКИЕ ВОПРОСЫ СУДЕБНО-МЕХАНИЧЕСКОГО АУДИТА**

**Аннотация:** В условиях роста числа и масштабов экономических преступлений, включая финансовые махинации, все большую актуальность приобретают судебно-медицинские услуги, направленные на выявление этих преступлений. В данной исследовательской работе анализируются определения новой концепции для рынка аудиторских и экспертно-аналитических услуг – «судебная экспертиза», и рассматриваются вопросы нормативно-правового регулирования новой услуги. Приводятся сравнительные описания аудита, инспекции, экспертизы и судебной экспертизы, а также определяются основные особенности судебно-медицинской экспертизы, отличающие экспертно-аналитические услуги от других видов. Представлены судебно-медицинский аудит в Узбекистане, нормативно-правовые основы и предложения.

**Ключевые слова:** судебная экспертиза, определение, аудит, экспертиза, нормативное регулирование.

**YANGI XIZMAT VA KONTSEPTSIYANI TAKOMILLASHTIRISH: SUD  
EKSPERTIZASINING NAZARIY-METODIK MASALALARI**

**Annotasiya:** Iqtisodiy jinoyatlar, jumladan, moliyaviy firibgarliklarning soni va ko'lamini oshib borishi munosabati bilan ushbu jinoyatlarni aniqlashga qaratilgan sud-ekspertiza xizmatlarining ahamiyati tobora ortib bormoqda. Ushbu tadqiqot ishida auditorlik va ekspert-tahlil xizmatlari bozorining yangi kontsepsiyasi – "sud-tibbiyot ekspertizasi" ta'riflari tahlil qilinadi va ushbu yangi xizmatning huquqiy va me'yoriy asoslari ko'rib chiqiladi. Maqolada audit, inspeksiya, ekspert tekshiruvi va sud ekspertizasining qiyosiy tavsifi berilgan va ekspert-tahlil xizmatlarini

boshqa turlardan ajratib turuvchi sud ekspertizasining asosiy belgilari aniqlangan. Shuningdek, u O'zbekistonda sud ekspertizasi, uning me'yoriy-huquqiy bazasi va takliflarini taqdim etadi.

**Kalit so'zlar:** sud ekspertizasi, ta'rif, audit, ekspert tekshiruvi, normativ-huquqiy baza.

### Introduction

The purpose of using the "State Audit" program is to analyze violations of budget legislation in state bodies and organizations, to automate the accounting and reporting process by collecting, processing, and storing information on control (audit) activities of state financial control bodies and internal audit services in order to increase their effectiveness in order to prevent repeated and unjustified financial control (audit) activities.

The demand for forensic audit services has increased in recent years as fraud in businesses and government agencies around the world has increased. The cases of Enron, Arthur Anderson, and WorldCom are often cited as examples of fraud that have engulfed the corporate world [1]. This is also confirmed by research conducted by the auditing company PWC in this area. According to this study, overall, despite supply chain problems, environmental and geopolitical instability, an uncertain economy, a shortage of qualified personnel, and many emerging risks, the level of fraud, corruption, and economic crime has not increased since 2018. Less than half of organizations (46 percent) reported experiencing fraud or other economic crime in the past 24 months [2].

These circumstances have increased the focus on forensic auditing. Forensic auditing is considered to be a generalization and adaptation of financial skills to detect fraud, criminology, legal services and fraud.

Fraud and theft of material or intellectual property can lead to significant financial losses. Therefore, it is extremely important to develop appropriate measures to prevent, detect and investigate financial crimes, and to promptly respond to violations. Also, the ongoing threat of financial fraud and its impact on corporate activities has created the need for multifaceted relationships in corporate governance (i.e., the relationship between the audit committee, external auditors and management) to protect the interests of shareholders and other market participants with the overall goal of improving the control function and ensuring corporate governance.

The increase in crimes observed in the economic sphere is creating a need for a new service aimed at detecting, reporting and preventing fraudulent activities. Today, although there are services such as auditing to detect certain types of economic crimes, they do not cover the full range of economic crimes. This is because the audit is conducted selectively, and the purpose of the audit is to express an opinion on the reliability of accounting (financial) reports. In this regard, a new activity in the field of expert and audit services - forensics - is actively developing. Forensics is a new and insufficiently studied phenomenon, both abroad and in Uzbekistan, aimed at investigating financial crimes. A review of foreign and domestic literature shows that there is no clear definition of this concept, there are different points of view on the essence of forensic services and the direction of their provision. In addition, the literature does not contain boundaries separating forensic and other types of expert-analytical activities. Based on the above, it can be seen that the study of a new direction in expert and audit activities is theoretically and practically relevant.

Forensics is a new type of activity (service), the emergence of which is associated with the development of forensic accounting.

The concept of "forensics" comes from the English word "forensic", which, when translated literally, can be translated as "court" or "forensic examination".

There are several views on the emergence and development of forensic services. According to Singleton, forensic accounting is one of the oldest professions, dating back to the Egyptians. The "eyes and ears" of the king served mainly as a forensic accountant, who monitored the inventory of grain, gold and other property of the pharaoh.

According to a number of authors, the necessary conditions for the emergence of forensics in the world were mentioned in the work of Pedro Antonio Alarcon in Spain in the 19th century [8]. Other authors claim that forensics was first used in the 20th century in the United States by former employees of the Central Intelligence Agency (CIA), the Federal Bureau of Investigation (FBI) and the National Security Agency (NSA) to provide services to protect the interests of individuals who turned to them in corporate disputes.

### **Material and method**

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Another point of view is that the first use of forensics belongs to Canadian specialists, who used the phrase "forensic accounting" in the bankruptcy case against Stephen Meyer in 1817 [30]. The fact of the use of forensic methods was also noted in Scotland in the 18th century, as mentioned by an American scholar in his work "Introduction to Forensic and Investigative Accounting" .

The use of the term forensics begins with its official introduction into circulation by E. Morris Peloubet in 1946. In Uzbekistan, since the early 1990s of independence, this concept has been partially reflected in practice in the regulatory documents adopted in the field of accounting and auditing, as well as forensic examination. The term forensics has been used in regulatory and legal documents since 2021.

In particular, the term "forensic" is used in the resolutions of the President of the Republic of Uzbekistan dated July 2, 2021, No. PP-5171 "On additional measures to ensure transparency and increase the efficiency of public procurement", dated December 10, 2021, No. PP-43 "On additional measures to strengthen control over the implementation of the Program for the Development of Social and Production Infrastructure of the Republic of Uzbekistan and other state programs", and dated July 14, 2022, No. PP-319 "On measures to increase the volumes of

uranium mining, processing and transformation at the Navoiuran State Enterprise in 2022-2030". Also, the concept of "forensic" was used for the first time in the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 18 dated January 12, 2022 "On additional measures to improve the procedure for organizing and conducting electronic online auctions and tenders"

#### **Conclusions and suggestions**

Thus, forensics is an independent activity aimed at analyzing and resolving serious economic risk disputes, combating all types of financial fraud, and developing procedures aimed at identifying actions of employees or organizations that do not comply with the rules by the owners of the company or the board of directors. Forensics is an independent service that differs from other expert-analytical and audit services. At this stage of the development of forensics, it does not have its own system of regulatory norms, therefore, in Uzbekistan, laws and other documents in areas related to forensics are used as a regulatory and legal basis.

In order to improve forensic accounting, it is also necessary to transform today's forensic accounting expertise into forensic accounting and revise its theoretical methodological foundations. In particular, it is necessary to change the subject of forensic accounting, which is taught in relevant higher educational institutions, to forensic accounting.

Forensic auditing is the activity of collecting, examining, processing, analyzing and reporting on information to obtain important facts and/or evidence in the field of legal or financial disputes and financial violations, including fraud and preventive advice. Forensic auditors are financial experts who use and apply scientific knowledge to detect fraud and crimes in legal matters that may involve criminal or civil disputes.

Auditing activities in Uzbekistan are regulated and carried out by the Law of the Republic of Uzbekistan No. ZUR-677 dated February 25, 2021 "On Auditing Activities", a number of sub-statutory regulatory legal acts and (international) standards for auditing activities (ISAs). In accordance with this Law, an audit of the financial statements and related financial information of an economic entity is carried out by an audit organization in order to determine the reliability of the audited financial statements and related financial information and their compliance with the legislation on accounting.

Audit organizations may provide related services such as analysis of financial and economic activities and financial planning, including the preparation of business plans, economic, financial consulting and management consulting [3].

Also, in accordance with ISA No. 240 "Auditor's Responsibility for Fraud in the Audit of Financial Statements" and other ISAs, audit organizations may currently provide forensic services or use the work of a forensic expert [6].

Based on the above, taking into account that forensics is a service aimed at identifying and evaluating economic (financial) fraud, combining various fields (accounting, economic analysis, audit, finance, forensic expertise, investigation, criminology, computer science, programming, sociology, psychology, law, etc.), it is proposed to open an Institute of Forensic Auditing Services in Uzbekistan. This institute will be aimed at separating forensic activities from auditing activities, performing forensic analysis of issues in various fields, generalizing them and presenting conclusions.

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