

Prospects of the Construction Industry in Uzbekistan and Issues of Improving the Audit System in It

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Abstract: This article discusses the issues of conducting audits at enterprises operating in the construction sector of our country. At the same time, the stages of inspections at construction enterprises were analyzed and proposals were made to improve the industry.

Keywords: internal audit, construction enterprises, standard, project.

Introduction

In our country, as it is in the world's leading countries, the increasingly developing construction industry doubles the responsibility of industry representatives like us. First of all, this puts difficult tasks before the representatives of the industry. The President of the Republic of Uzbekistan, Sh. Mirziyoev, while inspecting the new construction projects in the country, emphasized that "it is necessary to pay special attention to environmental aspects in the timely and high-quality construction of projects"[1]. Taking the lead in the field of engineering and technology policies for urban planning and construction, enhancing labor productivity, increasing the value of construction and installation works, implementing innovative projects and initiatives that ensure efficient use of resources from the perspective of energy efficiency, and developing activities for the construction of settlements, regulatory schemes for the Republic, the Republic of Karakalpakstan, regions, the city of Tashkent, districts, and cities, establishing the production and approval of their main regulations and other urban development documents, conducting monitoring on their implementation, and improving and updating the normative-legal basis of urban planning and urban development activities, aligning the formulation, planning, construction, and production of construction materials and products with standards are identified as important tasks. Let's review the results achieved in the field over the past years through timely implementation of these tasks in the table below.

Table 1 Construction works (growth rate, %) [2]

Territories	2015	2016	2017	2018	2019	2020	2021	2022
Republic of Uzbekistan	118,8	107,2	106,0	114,3	122,9	109,5	106,8	106,6
Republic of Karakalpakstan	105,3	89,4	112,3	125,8	128,0	107,0	103,8	107,3
Andijan	107,1	106,4	103,1	121,8	99,3	109,5	108,7	109,2
Bukhara	116,2	98,2	106,4	119,8	114,9	117,0	111,8	101,5
Jizzakh	105,6	109,7	99,0	129,0	146,9	101,5	116,2	107,0
Kashkadarya	124,9	114,4	99,9	110,9	103,2	98,3	117,6	105,3
Navoi	102,2	100,3	105,4	147,5	125,6	94,6	116,8	105,5

Namangan	102,6	108,6	102,4	123,0	140,8	118,3	109,1	108,5
Samarkand	119,5	100,2	95,3	119,6	126,2	111,7	117,8	111,8
Surkhandarya	118,9	106,7	107,3	129,7	121,2	109,0	112,9	101,6
Syrdarya	117,1	100,2	99,8	149,0	158,2	110,2	109,9	99,7
Tashkent	109,4	100,2	100,3	131,1	155,8	107,8	115,3	108,6
Fergana	109,0	102,8	95,4	120,4	118,8	115,3	115,3	113,8
Khorezm	116,0	101,8	108,2	114,0	119,3	97,4	130,9	101,8
Tashkent city	107,3	102,8	120,5	136,5	135,5	106,6	118,3	104,4

The table above shows that, in terms of the administrative divisions, the regions with the highest population growth rates within the Republic are the Kashkadarya and Samarkand regions, while the Syrdarya and Navoi regions are considered to have a relatively lower population growth rate.

In general, 118 out of 120 cities in our country have a master plan. 205 out of 1,080 townships have also been provided with a master plan. Of course, each master plan is reviewed by the Republican Architecture and Urban Planning Council under the Cabinet of Ministers and the Architecture-Urban Planning Council under the Regional Construction Directorate. In addition, the buildings and structures being built based on these plans are approved by the architectural and urban planning councils of the regions in a weekly meeting. At the next stage, project-estimate documents will be developed and examined. Therefore, every legal device is scheduled to go through this procedure.

The larger the enterprise, the more complex the technology, and especially if it works with a direct impact on the environment, the more important it is to take into account the costs of protecting nature. Because, the higher the level of the business entity's relationship with the environment, the more and more diverse the funds allocated to this direction will be [3]. Enterprises operating in the field of construction also deal directly with issues of environment and nature protection during their activities.

In recent years, 22 decisions and decrees aimed at the development of the construction industry have been adopted. In the last five years, more than 8,000 apartment buildings with 250,000 apartments were built. This brought light to the hearts of 250,000 families. The dreams of the brothers living in a small house as a family of 3-4 have come true. Of course, there is a saying that the past short 5-6 years period is being sealed as a new history. In particular, another historic document was adopted on December 9, 2021. The Decree of the President of the Republic of Uzbekistan on measures to build "New Uzbekistan" massifs and ensure socio-economic development of the regions was a matter of interest to thousands of citizens in need of housing. With this Decree, it was also aimed to increase the social production potential of the regions and improve their infrastructure. Today, 29 massifs have been selected in our country and practical work has been started.

The construction industry plays an important role in the development of the economy of any country. It is he who participates in ensuring the interaction of the main components of the economy and the integrity of the entire economic complex. In recent years, a number of works have been carried out on the basis of modern approaches for the development of the economy of our country. The stable development of auditing activities in the field of construction does not yet fully meet the requirements for it. In the past years, the normative legal and methodological basis of auditing was formed in our country, as well as a simplified and unlimited system of auditing activity licensing was introduced, which made it possible to form the audit services market and ensure the entry of local auditing organizations into large international networks of auditing companies. But there is still not enough competition in the audit services market. The development of the field is hindered by the fact that the national standards of audit activity do not fully correspond to the generally recognized international audit standards and the absence of an effective system of external control of the quality of audit organizations' work.

The audit aimed at assessing the quality of work in the construction sector is directly related to the correctness of the fulfillment of the initial requirements. Therefore, one of the important tasks of the construction project audit is the technical evaluation of all the completed works and the assessment of their compliance with the initial permits and calculations.

The quality system in the construction industry has features that are reflected in the audit of construction organizations, and there are several conditions for such features:

First, for the successful implementation of construction projects, it is necessary to organize the following two systems:

- The quality system of the construction organization is based on the requirements of the standards. For example ISO 9001:2015;
- Quality system of each individual construction project. It is based on the individuality of the systems. the quality of the organization and the standards that are mandatory for use in a particular project (for example, state (guest) standards, SRO standards).

Second, the implementation of a construction project usually involves several organizations - from units for small projects to several hundred for large projects. At the same time, each organization can have its own quality system, and the quality system of the completed project must be the same for all project participants.

Thirdly, the conditions for implementation of construction projects may be different. The external environment can also have a significant impact on the process, which, along with the organization of work, also affects the performance of the employees of the construction organization.

During the analysis of the main principles of Audit activity in construction enterprises, the following are distinguished and the principles of internal audit are considered: consistency, integrity, compliance, regularity, functional and organizational independence, objectivity, timeliness, appropriateness and efficiency. We consider the audit objects of construction enterprises in the following picture (Figure 1):



Figure 1. Objects of construction organization audit.

Depending on the tasks of construction enterprises, the audit can be divided into internal and external types. On the other hand, the purpose of the audit in construction organizations is to assess the compliance of the work with the customer's requirements for each specific project. The main focus of the audit is to verify the fulfillment of the contract requirements. The audit is carried out in accordance with all the requirements of the contract, while the management system of the construction organization affects only the part related to the execution of this contract. Conducting these practices in construction organizations is aimed at identifying inconsistencies

in the application of internal audit system requirements. The main purpose of the audit is to check the fulfillment of system requirements. For all projects carried out by the organization, it is carried out in accordance with the quality and contract requirements and the requirements of audit systems.

The internal audit service of the construction organization has several main goals:

- achieving effective and economic use of the organization's resources;
- timely identification of facts of violations and their elimination;
- ensuring compliance with the normative legal documents of the Republic of Uzbekistan, and decisions of the management bodies of the organization.

In conclusion, conducting audits in the construction sector involves implementing several complex operations. To improve the audit system in the field, the following objectives are pursued:

- Applying international audit standards in construction companies to enhance the audit system;
- Enhancing the certification and skills development system for auditors in accordance with international practices;
- Studying the legislation and advanced experience of foreign countries in the field of regulating audit activities by the state and developing a draft law on "Amendments and Additions to the Law of the Republic of Uzbekistan on Audit Activities" to ensure the direct implementation of norms that comply with the specified criteria and addressing the identified challenges in compliance with the law.

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