



## Bank Accounting and Audit

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### ABSTRACT

The definitions of "Bank accounting and audit" and the significance of each are given in this article in order to maintain the relevance of the banking system for clients. It provides pertinent information on the financial system and substantiates the details provided using reliable sources and scholarly studies.

### Keywords:

monetary system, banking system, auditor, bank, business, accountant, client, firm, and economist.

**Introduction:** As we all know, one of the oldest and most popular occupations in the field of economics is that of the accountant. Everyone is aware of the obvious truth: without an accountant, a profession with a century's worth of history, the business cannot function effectively. A reputable organization that needs one must choose a true professional accountant who is a highly qualified specialist. However, an accountant must also possess the personal traits necessary for the job in addition to the information and abilities that are essential to the profession. One of the fundamental theoretical topics in the training of economists for the banking system is "Banking Accounting and Audit". This subject looks at how money is circulated, how the monetary system can be improved, how to guarantee the stability of the national currency, how banks came to be, how they developed, how the Republic of Uzbekistan's banking system came to be, how to guarantee the stability of the banking system, and how liquid banks are.

The bank offers a vast array of banking services and completes around a thousand distinct activities each day. Accounting and reporting should take into consideration each of them. Accounting and banking have a lot in common.

On the one hand, the banking system benefits from a common accounting system since it can evaluate consumers using uniform financial data. On the other hand, because transactions into and out of any accounting system are done through banks, the accounting system in use necessitates a common banking system. In order to maintain track of their own and their clients' flows – both internally and externally and without modifications – banks often also require an accounting system. The concept of maintaining control is the most crucial one, without which the management process of the bank is impossible. To assure the legitimacy, dependability, and effectiveness of banking activities, it is necessary to implement internal banking controls that can stop various types of infractions, potential mistakes, and potential losses. At all levels of management, control should be implemented. It is carried out at the highest level through the office of the chief controller (internal control or audit service). Control is exercised at the intermediate level through a variety of services, including financial, accounting, human resources, economic security, etc. The history of audit, which may be translated as "he hears" or "hearing," is quite extensive. The audit came about largely as a

result of the division of interests between those who directly operate the bank (administration, managers), and those who make financial investments in its operations (owners, shareholders, investors). The services of intermediaries known as auditors are those that verify the accuracy of financial data as well as other accounting and advisory (legal, tax) services. The capital market can operate more effectively when trustworthy information is available, and it is also feasible to evaluate and forecast the effects of different economic actions. It is absolutely crucial to perform an audit even when it is not required. A person with an auditor qualification certificate is an auditor. An organization with a license to carry out auditing tasks is referred to as an audit organization. The accuracy of accurately reflecting the financial position and results of the company's operations in the financial statements, compliance of accounting with established requirements, criteria, and compliance by the audited company with current legislation are all established during the audit of financial statements. The fact that an independent auditor prepares an audit opinion on this matter and verifies the accuracy of the company's reporting, compliance with current laws, and other pertinent information is crucial. Internal accounting and control at the bank also contain a number of strategies, tactics, and guidelines used to safeguard assets and liabilities, reduce risks and boost earnings, and guarantee strict adherence to the management of the bank's directives. When doing a bank analysis, the financial situation of the bank is examined first. This is done using a set of quantitative and qualitative indicators that indicate the real placement, availability, and usage of banking resources. The internal (unpublished) and external (public) statements of the bank, as well as analytical accounting data and other paperwork, all include the necessary information for such an examination. On the one hand, banking accounting is a component of the overall accounting and control system, and on the other, it connects the micro level to the macro level.

**Conclusion:** The legal foundation of accounting and auditing is intricate and examines a wide range of legal interactions that arise in one particular area of expertise - accounting. These legal interactions have diverse subject relationships, and the subject composition has a direct bearing on how those relationships develop. In order to meet the accounting requirements of the internal control standards, this connection typically takes the form of vertical subordination of one entity to another. In terms of general adherence to accounting regulations, the employee is subject to the organization's administration, and the head and chief accountant are administratively subservient to the state operating via their bodies in line with their competence, etc. Accounting is sometimes referred to as the "language of business" since it has a special lexicon for informing decision-makers. Accounting is sometimes referred to as the language of business, and this is equally true of banking accounting. A type of information source for internal control and management decisions made by the bank's managers is the accounting system in banks.

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