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AUDIT OF INTANGIBLE ASSETS

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Abstract. Identification during the audit of shortcomings in accounting for intangible assets will allow developing recommendations for correcting negative situations, which will improve the organization and quality of their accounting in the organization.

Keywords: audit, intangible assets, audit tasks, sources of information, audit procedures.

Today there is no need to prove that the 21st century, by general recognition, is becoming the century of globalization and the erasing of borders, information and communication technologies and the Internet, a century of ever-increasing competition in the world space and the world market.

In these conditions, a state can declare itself that has among its main priorities always the growth of investments in human capital, the preparation of an educated and intellectually developed generation, which in the modern world is the most important value and a decisive force in achieving the goals of democratic development, modernization and updates.

The beginning of the twenty-first century is characterized for our country by the entry of the economy into a new stage of its development. The high speed of development of information resources has led to the formation of a new economy, global in scope. The main resources for development are increasingly becoming people and the knowledge they possess, as well as intangible assets. In commercial organizations whose main goal is to make a profit, intangible assets become more important compared to real estate and equipment. In knowledge-intensive industries, intangible assets play a special role. According to experts, in a developed economic system, the property of a commercial organization on average consists of 30-60% of intangible assets, however, there are companies in which trademarks and brands

alone can occupy about 80% of their capital. Accounting for intangible assets in many commercial organizations is not given due attention; these assets are sometimes not reflected in full, which reduces the investment attractiveness of the organization. In large commercial organizations, management is interested in the proper organization of accounting and auditing of transactions with intangible assets. An audit of intangible assets, performing a control function, allows one to form an opinion regarding the reliability and completeness of their reflection in the accounting (financial) statements of commercial organizations. As part of its audit activities, a commercial organization can use a whole range of audit-related services and other services in the field of audit activities aimed at developing recommendations for improving the quality of accounting for intangible assets and increasing the efficiency of their use.

Intangible assets are an integral part of the organization's non-current assets, which are understood as accounting objects used in the organization for more than one year, which do not have physical properties, but provide the opportunity to receive income constantly or over a long period of their operation.

The purpose of an audit of intangible assets in an organization is to check the correctness of classifying assets as intangible, the formation of the composition, the completeness and reality of accounting and the reliability of the depreciation of their cost. The tasks that are identified by the auditor during planning should be carried out according to the following scheme: the content of the task, sources of information used by the auditor during the audit, recommended audit procedures and errors and violations characteristic of the audited segment (section) of the audit. Audit procedures are ways of obtaining audit evidence (information), which, like their sources, may be different [2-3]. In accordance with this, audit procedures are also diverse, the list of which is given in International Standard on Auditing (ISA) 500 "Audit Evidence": inspection, observation, external confirmation, recalculation, re-conducting, analytical procedures, inquiry [3].

Currently, the role of intangible (intangible) assets in the property of enterprises is steadily increasing. This is due to the wave of absorption of some enterprises by others, the speed and scale of technological changes, the spread of information technologies, the complication and integration of the financial market of Uzbekistan.

Issues of methodology and organization of accounting for this type of property are actively discussed all over the world. We can safely say that intangible assets are one of the most problematic issues in accounting methodology at present. The practical use of intangible assets in the economic turnover of enterprises is essentially the process of commercialization of the innovation sphere, which can be conditionally reduced to the following stages.

The first stage is a competent classification of intellectual property objects, on the basis of which a preliminary assessment of their market value should be formed. However, at present, enterprises either do not fulfill it or do it amateurishly. Therefore, professional development of basic methodological and methodological recommendations is necessary.

The second stage is the inclusion of the value of intangible assets into the property of enterprises. In accordance with the legislation of the Republic of Uzbekistan, these funds are subject to depreciation: they are charged monthly to the cost of products (works, services) according to the standards that the enterprise calculates based on their initial cost and their useful life, but not more than the life of the enterprise itself, then they are sold and settled on company bank account.

The third stage is the commercialization of intangible assets, which consists of the active entry of enterprises into the market of scientific and technical products; in the ability to find your buyer, master the art of an entrepreneur, i.e. look for a customer (consumer) for your idea or development, etc. From the point of view of IFRS, an intangible asset is an identifiable, controlled asset that does not have a tangible form.

Intangible assets are reflected in accounting at their original and residual values; amortization of intangible assets is taken into account separately. The initial cost represents the costs of acquiring intangible assets or the costs of creating intangible assets and bringing them to a state suitable for use.

Costs for the acquisition of intangible assets include amounts paid to the seller of the object, intermediaries, for information and consulting services, registration fees and duties, customs expenses and other costs associated with the acquisition of objects.

Expenses for the creation of intangible assets include wages accrued to the relevant employees, contributions for social needs, material costs and general production and general business expenses.

The main tasks of accounting for intangible assets:

- ensuring control over their availability and safety from the moment of acquisition to the moment of disposal;
- correct and timely calculation of wear and tear;
- obtaining information for the correct calculation of taxes transferred to the budget;
- obtaining data for reporting on the presence and movement of intangible assets.

The main tasks of accounting for intangible assets: the formation of information reflecting the movement (receipt, disposal, receipt (transfer) of rights under license or copyright agreements) of intangible asset objects in the organization; formation of the initial cost in the accounting accounts; reflection in accounting of amortization of intangible assets; determining the results of sales and other disposals of intangible assets. Intangible objects arise when money is spent on any services and are accounted for as deferred expenses or as intangible assets.

According to NAS No. 7, intangible assets are property items that do not have material content, which are controlled by an economic entity and are intended for use for a long time (more than a year). Like any asset, an object of intangible assets must

be under the control of the organization, bring economic benefits (or at least there are reasonable expectations of receiving benefits in the future), and be clearly identified as a separate accounting object. Control of an intangible asset occurs when an entity has the right to obtain economic benefits from the asset and the ability to prevent others from accessing the asset. An enterprise controls the use of an intangible asset if its rights to it are legally protected and can be enforced in court. The value of intangible assets lies in the long-term rights or benefits they provide to their owners. The simplest examples of intangible assets (they are also called intangibles) are patents, copyrights, trademarks, licenses, know-how, and company price (goodwill). The business qualities of employees, their qualifications and other abilities cannot be classified as intangible assets. Expenses for staff development, which contribute to obtaining additional economic benefits, cannot be recognized as intangible assets, since the enterprise cannot fully control the loyalty of the staff and the continuation of work at this enterprise in the future. Costs for staff development are current expenses of the period.

The identifiability of an intangible asset consists of clearly distinguishing it from other objects if the enterprise can sell it, exchange it, or distribute specific future benefits from such an asset. An exception to this rule is goodwill, or business reputation.

Intangible assets are often contained on some tangible media, such as a CD or film. The classification of an object as a tangible or intangible asset is based on a judgment about which element—material or intangible—is more important. For example, software for controlling a machine tool should be accounted for as part of property, plant and equipment. Where the tangible medium is not critical (for example, a CD-ROM containing a computer accounting program is not part of the computer), it is usually accounted for as an intangible asset. The operating program of a computer, inseparable from it, is accounted for as an object of fixed assets in a single complex with the computer.

Intangible assets are accounted for according to the initial assessment, which is determined for objects: a) contributed by the founders on account of their contributions to the authorized capital of the enterprise - by agreement of the parties; b) acquired for a fee from other enterprises and persons - based on the actual costs incurred to acquire and bring these objects into a state of readiness; c) received from other enterprises and persons free of charge - at the market value on the date of capitalization or at the cost indicated in the acceptance and transfer documents; d) created by the enterprises themselves or obtained as a result of research and development at their own enterprise - at actual cost. The fact of existence of an object of intellectual property must be documented. This may be documentation, as well as information reflected on magnetic and other storage media. In addition, it is necessary to have an acceptance certificate confirming the fact that the enterprise has received this object, or documents confirming the facts of the emergence of rights in the organization or the transfer of rights.

Accounting for intangible assets is generally based on the same principles as accounting for tangible ones: the cost of an asset is reflected at the amount of actual costs upon its acquisition and is subsequently written off as expenses during its useful life. The cost of an internally created intangible asset includes all expenses that can be identified and attributed to this object and are associated with its creation and preparation for its intended use. In particular, it includes:

- material costs and expenses for services of third-party organizations;
- payment of personnel involved in the creation of the asset;
- direct costs of servicing the process of creating an asset: registration fees, costs of patents and licenses used for development and other similar costs;
- overhead costs required to create the asset.

The cost of an internally created intangible asset does not include selling and administrative expenses, other than those that can be directly attributed to preparing it for useful use. Accounting for intangible assets and their depreciation is carried out on the following accounts [5]:

- 0410 - Patents, licenses, know-how
- 0420 - Trademarks, trademarks and industrial designs
- 0430 - Software
- 0440 - Rights to use land and natural resources
- 0450 - Organizational expenses
- 0460 - Franchise,
- 0470 — Copyrights,
- 0480 — Goodwill,
- 0490 — Other intangible assets,
- 510 — Amortization of patents, licenses and know-how,
- 0520 — Amortization of trademarks, trademarks and industrial designs,
- 0530 — Amortization of software,
- 0540 — Amortization of rights use of land and natural resources,
- 0550 - Depreciation of organizational expenses,
- 0560 - Depreciation of Franchises,
- 0570 - Depreciation of copyrights,
- 0590 - Depreciation of other intangible assets.

At the moment, enterprises must be able to correctly account for intangible assets, as this has a great impact on the functioning of the business and the profitability of their activities.

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