

Mansurov Avazbek Umarjonovich

Master's student at the Banking and Finance Academy of the Republic of Uzbekistan.

EFFECTIVE ORGANIZATION OF INTERNAL AUDIT IN COMMERCIAL BANKS

Abstract: This article analyzes the theoretical and practical aspects of effectively organizing internal audit in commercial banks. The importance of internal audit for banking activities, the application of modern methodologies, and its role in risk management are discussed. Recommendations for improving audit processes are also provided.

Keywords: Internal audit, commercial banks, risk management, efficiency, technologies.

Introduction

The stable operation of commercial banks is closely linked not only to financial management but also to an effective internal control system. Internal audit serves as a tool to ensure the legality and reliability of banking operations. In recent years, the growing complexity and risks in banking activities have further increased the importance of internal audit. This article examines methods for effectively organizing internal audits, their role in risk management, and the application of modern methodologies.

Literature Review

The following works and studies were used as primary sources to examine internal audit:

The COSO Framework: This framework describes the fundamental principles of internal control and risk management.

Basel Committee Documents: International standards for organizing internal control in commercial banks.

Rustamov, R. (2022). "Bank Management and Internal Audit." This work provides suggestions on adapting internal audit processes to local conditions.

Blockchain Technologies: Modern approaches used to enhance financial security.

The literature provides both methodological and technological bases to improve the effectiveness of internal audits.

Methodologies

Effective organization of internal audits requires the application of the following methodologies:

Risk-Based Approach: This methodology enables the identification of risks in banking activities and prioritizes focus areas.

Automated Systems: Using information technology to carry out audit processes quickly and accurately.

Continuous Monitoring: Timely identification of deficiencies through constant control of banking operations.

Big Data Analysis: Effective analysis of large volumes of financial data.

Compliance with International Standards: Adhering to ISO and Basel requirements when organizing audits.

Findings

The results of the study indicate the following:

The effectiveness of internal audits enhances financial transparency and minimizes risks.

Implementing modern technologies optimizes auditing processes.

Proper application of internal audit conclusions in practice increases the profit margins in banking activities.

Recruiting qualified personnel and ensuring their continuous training improve the quality of audit outcomes.

Conclusion

Internal audit is a key tool for ensuring financial stability in commercial banks. Its effective organization contributes to risk management, optimizing banking activities, and increasing customer trust. The methodologies and recommendations provided in this article hold practical significance for improving internal audit systems in banks.

References:

- 1.Law of the Republic of Uzbekistan "On Banks and Banking Activities."
- 2.COSO (Committee of Sponsoring Organizations) Framework on internal control.
- 3.Basel Committee. "Principles for Risk Management and Internal Control."
- 4.Rustamov, R. "Bank Management and Internal Audit." Tashkent, 2022.
- 5.Davlatov, S. "Modern Foundations of Financial Management." Tashkent, 2021.
- 5.Khodjayev, I. "Innovative Approaches in Banking Activities." Tashkent, 2021