Analysis Of Methods Of Verification Of Tax And Financial Statements

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ABSTRACT

Tax evasion takes various forms, such as concealing the objects of taxation, reducing the tax base. As a rule, such manipulations are carried out through distortion of tax and financial reporting data. Such concealments and distortions, in addition to the above risks, lead to the absence of the state as a regulator, an adequate picture of the state of the economy and the business environment, which in turn negatively affects the effectiveness of the ongoing socio-economic policies of various kinds and levels.

KEYWORDS

Cameral control, models, false, reporting, risk.

INTRODUCTION

Taxes are the main source of replenishment of the state budget and an important tool for regulating social and economic processes. However, they also have a significant impact on the economic activities of enterprises. Since taxes are an integral part of the financial and economic life of enterprises, often managers and other beneficiaries of economic activities have a desire to minimize tax payments. This is expressed in the desire to organize their financial and economic activities in such a way that tax liabilities do not arise or are minimal.

Such aspirations are expressed not only in tax planning, but also often in distorted information about the results of the economic activity of the enterprise.

Purpose of the study. Study the methods of conducting tabular control using a risk-based approach in order to identify and suppress tax violations in the fight against money laundering, financing of terrorism and financing the proliferation of weapons of mass destruction.

Research methodology. Explore and analysis of technique of tax and current reporting management in the fight against money laundering from criminal services, terrorist financing and financing the proliferation of weapons of mass destruction are used methods of economic grouping analysis, observation, analysis, synthesis and others.

Study analysis. Their works of A.G. Titizyan, J.M. Korzovantykh, L.G. Lopasteyskaya, Yu.Petrova, M.D. Benish, S. Lee, D.S. Nichols, B.I. Isroilov, Z.N. Kurbanov and B.B. Ibragimov showed the procedure and ways of analyzing tax and financial reporting in order to combat money laundering and tax control.

Analysis and outcomes. Tax evasion poses a threat to the economic security of the country, due to the increase in the shadow economy and the reduction in state budget revenues. Lack of budget revenues leads to complications, and sometimes to the impossibility of the state to implement its main functions of creating public goods. In addition to damage to the state budget and the functions of the state, tax crimes and offenses reduce the competitiveness of business activities of law-abiding taxpayers [1].

Tribute elusion takes various forms, such as hiding objects of taxation, reducing the tribute base. As a rule, such manipulations are carried out through distortions of tax and financial reporting data. Such concealments and distortions, in addition to the above risks, lead to the lack of an adequate picture of the state of the economy in the state as a regulator and the business environment, which in turn negatively affects the effectiveness of socio-economic policies of various kinds and levels.

Despite a relatively wide range of forms of tax control, tax audits are the main ones. The latter are divided into visiting and office. Such their importance is primarily due to the fact that other forms of control are most often directly related to the activities carried out as a result of field and office tax audits.

The main types of tax control are desk control and field tax audits (tax audit (field audits)). On-site inspections are the most effective way to achieve the goals of tax control, but this form of tax control is extremely laborious and requires a lot of resources. First of all, man-hours. Corruption risk also increases due to direct contact of tax authorities with taxpayers in a poorly controlled situation. Another disadvantage of this form of tax control is a strong impact on the business activity of economic entities for quite a long time, caused by such an audit. This, in turn, leads to a deterioration in the business environment and puts pressure on private initiative.

In the context of on-site inspections, coverage is reduced due to the complexity and length of inspections. On the contrary, a desk audit is able to cover all business entities that submit tax reports.

In this regard, the most important task is to create and organize such a tax control system

that will increase the effectiveness of cameral control, and resort to field inspections only in cases of extreme necessity, thereby saving the resources of the tax authorities and increasing the efficiency of the tax control measures in general.

Cameral inspection is a check of information about a taxpayer carried out by tax authorities and other sources, associated with their comparison and comparison with each other, in order to identify violations of tax legislation. [2]

At present, a desk audit is reduced to checking the timeliness of filing tax reports, formal checking the correctness of filling out the reporting forms, and checking the correctness of the calculation of taxes.

In practice, checking the calculation of taxes is reduced to exporting reporting data from a software product that accepts reports, in "Excel", and further check the calculation through the module "Tax Calculator".

This method is based on the calculation of the tax base in accordance with the reporting data provided by the taxpayer. In this case, the possibility of falsification of accounting data is not taken into account. It is possible to check reports for falsification only during an on-site tax audit, that is, with access to primary accounting information. Or when requesting clarifying information from a taxpayer, however, such a request must be justified. And with competent falsification, the reporting data may not arouse suspicion at all.

Therefore, I propose to use the method of checking accounting data for the likelihood of manipulation of accounting data at the stage of a desk check. This method is used to

calculate the specific coefficients according to the Benish and Roxas model.

Professor Messod incorporated these weighted coefficients into an equation called Benish's M-score. Benish's research has shown that the value of the composite M-score for organizations that manipulated profits exceeds - 2.22. However, an M-score of 3.09 indicates no manipulation; M-score -1.42 - about possible manipulations. The probability of detecting manipulations in financial statements using these ratios is quite high, but this is just an indicator that requires further detailed verification [3].

Benish also statistically derived and substantiated the possibility of using the integral indicator of manipulation - the M-score index, consisting of eight components, to form a professional judgment about the completeness and reliability of financial statements. In this case, the numerical values of each of the components of the index index M-Score also show predictions indicating that manipulation mechanisms are installed in each components of the index.

The Benish and Roxas model, as well as the values of the calculated indicators and the composite index M-score, allow, with a sufficient number of tracked companies, to display average values taking into account the specifics of the country. If necessary, you can also calculate the average and normal values for the individual sectors.

It is also necessary to calculate the average values of the calculated indicators. For this, it is necessary to study the reports of a number of enterprises, preferably representing the same industry, and calculate, on their basis, the values of the indices required for the Benish and Roxas model. The 10-site option is suitable for calculating industry averages.
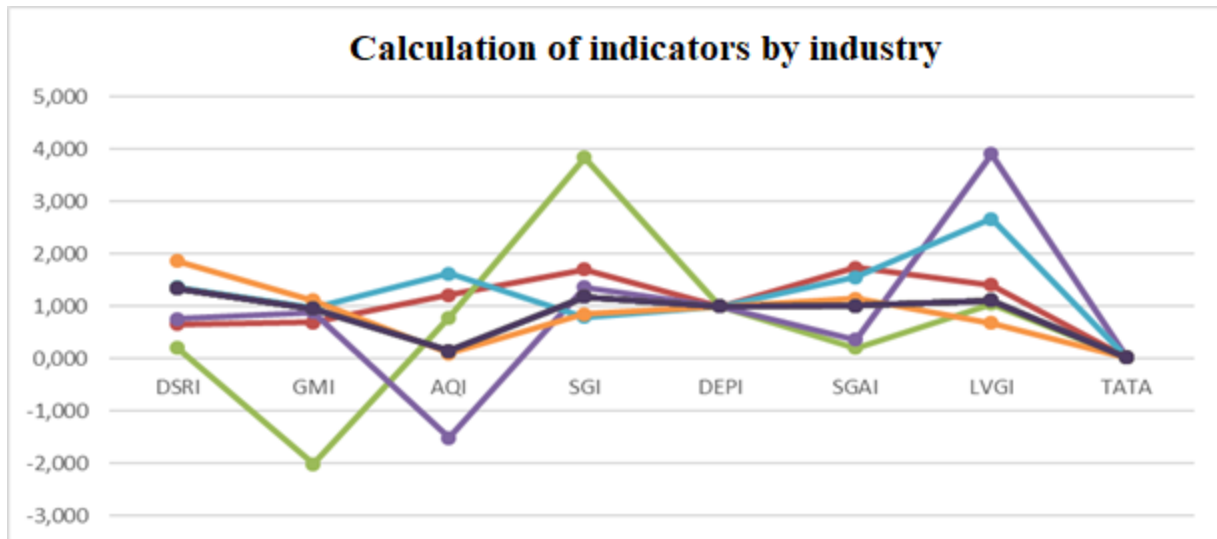
**Figure 1 - Graph of values of calculated indicators for the industry
(Compiled by the author based on the analysis of the reporting of enterprises of the
Republic of Uzbekistan).**

From this data, you can get the mean for the composite M-score.

**Table 1 - Calculation of the average value of the aggregated indicator
(Compiled by the author based on the analysis of the reporting of enterprises of the
Republic of Uzbekistan).**

Index	Mean	Normative value
M-score (Benish)	5,40	-2,22
M-SCORE (ROXAS)	-3,22	-2,76

To obtain a more accurate average, it is necessary to increase the sample of company observations and their reports. The bodies of the state tax service have the necessary database to improve the accuracy and efficiency of the analysis.

CONCLUSION

Analysis of reporting indicators according to the Benish model fixes possible manipulation of reporting, however, the Roxas model refutes this fixation, which may indicate an insignificant probability of manipulation.

Due to the fact that this method has been tested on the reports of public American companies that overestimate the accounting profit, it may not give a reliable result: in Russian conditions, for non-public companies and in the case of manipulations aimed at understating profits. But, despite the limitations, the indices themselves that make up the composite M-Score index fairly confidently show the relationship between the

key performance indicators of the organization.

This method can be used as a measure of a risk-based approach. The calculation lends itself to automation both in "Excel" (the author carried out the calculation in it), and in SQL. Considering that the software product used by the tax authorities of the Republic of Uzbekistan is created on the basis of SQL, there are many ways to implement this method and automate it, and there will be no difficulties with this.

An excellent prospect is the use of the Benish and Roxas model as a tool to identify suspicions of manipulation of reporting, thereby increasing the efficiency of checking the correctness of calculation and payment of taxes.

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