

ACCOUNTING POLICIES AND FINANCIAL REPORTING REQUIREMENTS: PRACTICE AND DEVELOPMENT STAGES

Bazarova Zalina Sadikovna

Student of the Academy of Banking and Finance of the Republic of Uzbekistan

Specialization in bank account, audit and control

Abstract: Requirements for accounting policies and financial reports of commercial banks play an important role in ensuring the transparency, reliability and stability of the banking system. The accounting policy determines the procedure for accounting of the bank's assets, liabilities, income and expenses and must be consistent with international financial reporting standards. Financial statements provide accurate information about a bank's financial position, results, and cash flows. These reports are a trusted source for stakeholders – investors, lenders, regulators and customers. The bank's accounting policy and financial reports are checked by internal and external audit. Also, they should be prepared in accordance with national legislation and the requirements of the Central Bank.

Keywords: Commercial banks, accounting policy, financial reporting, international financial reporting standards (IFRS), balance sheet, income accounting, cost accounting, assets, liabilities, reserves, risk management, transparency, internal audit, external audit, financial stability, Central bank, control, capital, financial performance, cash flows, regulation, stakeholders.

Requirements for accounting policy and financial reports of commercial banks are important for ensuring transparency of banking activities and maintaining financial stability. These requirements are developed in order to accurately reflect the bank's financial condition, operations and risks, and to provide reliable information to interested parties, including investors, creditors and regulatory authorities. Accounting policies and financial statements should be formulated in accordance with international and national standards.

The accounting policy of commercial banks is a set of methods, principles and rules adopted by the bank for keeping financial accounts and reports. The bank's accounting policy should ensure accurate and reliable reflection of its activity, comply with international financial reporting standards (IFRS) and national legislation. The accounting policy defines the procedure and methods of accounting of the bank's assets, liabilities, capital, income and expenses. Financial statements of commercial banks are prepared in accordance with international financial reporting standards (IFRS) and internal regulatory documents of the country. Financial statements must provide accurate and complete information about the bank's financial position, results and cash flows. The main types of financial statements are:

1. Financial statement (balance sheet): reflects the state of the bank's assets, liabilities and capital as of a certain date.
2. Statement of financial results: reflects the bank's income, expenses and net profit.
3. Statement of cash flows: shows the bank's cash flow, cash inflows and outflows within operational, investment and financing activities.
4. Report on changes in equity: reflects all changes in the bank's capital.

5. Notes and additional information: Information that interprets and explains the information presented in the bank's financial statements.

Financial statements of commercial banks are subject to internal and external audit. Internal audit is organized in the bank itself and controls the correct management of financial transactions and accounts. External audit is carried out by independent audit organizations. Audits are necessary and mandatory to ensure the reliability and truthfulness of financial reports. The amount of reserves in commercial banks and the procedure for their use are carried out in accordance with the rules established by the Central Bank and other control bodies. These rules were developed in order to maintain the financial stability of banks and reduce the risk of losses. Adequate formation of bank reserves allows investors and customers to be sure about the reliability of the bank. This increases the general confidence in the banking system.

Also, the accounting policy for allocating reserves in banks should comply with international financial reporting standards. These standards provide transparent and accurate information about the financial condition and risks of banks. Banks must regularly submit reports on their reserves, undergo financial monitoring and audit. Internal and external audit services monitor the process of formation of reserves and ensure its legal and correct implementation. In the process of providing services to customers, banks purchase fixed assets, intangible assets, low-value and perishable materials, take into account their movement, make expenses and receive income as a result of their activities. It tries to make a profit, which is the main goal of commercial banks. All these transactions are recorded in bank accounts.

The amount and quality of the banks' loan portfolio changes depending on the economic situation. Economic crises, inflation, exchange rate fluctuations and other financial factors affect the repayment of loans. Therefore, banks should constantly analyze their loan portfolio and identify new risks. A deterioration in the quality of assets requires an increase in reserves, and this can negatively affect the bank's profitability. But despite the short-term loss, it ensures the financial stability of the bank in the long term. Requirements for accounting policies and financial statements of commercial banks is a complex and multifaceted process, which serves to ensure the reliability, transparency and efficiency of the banking system. These requirements are determined by national legislation, international standards and banking regulatory bodies. Financial statements and accounting policies are the main source of information on the bank's financial results, assets, liabilities and financial risks.

Financial practices such as asset valuation, recognition of income and expenses, depreciation calculation, and recording of currency transactions should be clearly defined in the accounting policy. These processes are one of the important factors in ensuring the financial stability of banks and increasing the reliability of financial reports. The accounting policy of commercial banks is required to be conducted on the basis of international financial reporting standards (IFRS - International Financial Reporting Standards). These standards are designed to ensure global comparability and transparency of financial statements. IFRS allows banks to prepare financial statements in different countries based on the same standards and provides additional confidence for investors.

Requirements for the accounting policies and financial statements of commercial banks in the Republic of Uzbekistan are regulated by the Central Bank. Banks must operate in accordance with national accounting standards (MBHS) and international financial reporting standards (IFRS). The

procedure for accounting, auditing and reporting of banks is defined in the national legislation. Banks' financial reports are subject to internal and external audits. Internal audit is organized in the bank itself and ensures correct and reliable preparation of financial reports. The external audit is conducted by independent auditing organizations and confirms the veracity of the bank's reports. Continuous monitoring is carried out by the Central Bank and other regulatory bodies.

For the owners of the bank, as well as for its shareholders, this information is very important to know how the bank's funds are attracted, how they are used, and what financial results are expected from the bank's asset operations. In addition, accounting information is interesting for bank managers, its employees, as well as bank customers. Because the managers and all employees of the bank are interested in the state of the bank's daily assets and liabilities, the structure of income and expenses, and the bank's customers want to know the bank's liquidity and its level of stability. In the conditions of the market economy, the management office of the enterprise, which is a client of the bank, is required to pay special attention to the bank's liquidity and its profitability. Thus, a bank is a commercial institution, and services related to the organization of payments and accounts, keeping accounts of legal and physical entities, keeping their funds, and lending are considered products of banking activity.

Carrying out such large-scale operations and providing services in the banking activity is necessarily related to accounting. Accounting plays a major role in the collection of information about the movement of funds and their sources during the execution of the above-mentioned operations. Asset and liability operations of the bank are planned using accounting information. The result of the financial reports shows the financial status of the bank and creates conditions for bank managers to develop specific measures and activities for the development of the bank's work. Based on this adopted policy, a mechanism for the implementation of activities is created, this activity is reflected in the daily work processes of bank employees and in the reflection of transactions in accounting.

In short, requirements for accounting policies and financial statements of commercial banks are an important factor in ensuring transparency, reliability and stability of banking activities. These requirements ensure accurate and reliable information about the bank's financial position to interested parties, and also help to manage financial risks and sustainable development. These requirements ensure the supervision of banking activities, management of financial risks and provision of real information to interested parties.