REPORT

on the provision of practical assistance to audit organizations and independent auditors on the use of International Standards on Auditing

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1. Introduction

Practical assistance to independent auditors and audit organizations derives from paragraph "the Chamber's functions" - "makes recommendations to the independent auditors and audit organizations on generalization of audit practices and application of the current legislation acts, prepares the proposals for the development and improvement of audit services, and supervises their implementation" of Article 7 "The Regulations on the Chamber of Auditors of Azerbaijan Republic", approved by the Milli Majlis of Azerbaijan Republic dated 19 September 1995, and from membership obligations to the International Federation of Accountants "the SMO 3 - International Standards and other official statements issued by the International Auditing and Assurance Standards Board (IAASB)". Implementation of this obligation is reflected in Article 2.4 of the Plan of Work of the Chamber for 2016 "Providing a practical assistance to audit organizations and independent auditors on the use of International Standards on Auditing".

2. Actuality of the theme

Providing practical assistance to audit organizations and independent auditors, as a function of the Chamber, covers all its activity and structural subdivisions. This assistance, covering the principles of application of International Standards on Auditing and all of these standards, has a wide scope.

Considering these factors, in each part of the activities carried out by the Chamber one can find a segment of practical assistance.

Taking the above into consideration, it can be concluded that the provision practical assistance to audit companies and independent auditors is carrying out not by a separate structural subdivision or employee (employees) of the Chamber, but by the Chamber as a whole. Factor of audit orientation in the country in accordance with International Standards on Auditing actualizes a provision of practical assistance to audit organizations and independent auditors.

3. Objective of work

The objective of the research - assistance in the implementation of measures towards an improving of the national audit level by providing practical assistance to independent auditors and to audit organizations in application of MCA, using all forms and methods.

4. Areas of practical assistance

Carried out researches and analysis identified the following methods to provide practical assistance to independent auditors and audit organizations:

4.1. Providing auditors with scientific, methodological and other visual aids

In that area over the last year the following materials have been drawn up by corresponding structural subdivisions and employees of the Chamber and adopted (approved) by the Chamber's Council:

1. "Methodical guidelines on the preparation of intra-company standards" (N.Talibov)
2. "Methods of determining the value of audit services" (V.Rahimov)
3. "On public control over the activities of the Chamber of Auditors" (Working Group)
4. "The program of auditing in tourist organizations (N.Talibov)
5. "Methodical basis on the provision of related audit services" (Working Group)
6. "Methodical guidelines for registration and accreditation of audit organizations and independent auditors" (S.Gyulmamedov)
7. "Obligations of auditors and the relevant structures, arising from the adoption of legal acts related to the acceleration of economic reforms" (V.Rahimov, N.Talibov)
8. "System of investigations and disciplinary measures" (working group)
9. "Rules for issuing the permissions to the auditors" (S.Gyulmamedov)
10. "Rules on quality control of audit services in Azerbaijan Republic" (Working Group)
11. "Instruction on implementation of internal quality control of audit" (Working Group)
12. "Methodic recommendations on the application of the law of Azerbaijan Republic "On the fight against legalization of criminally obtained funds or other property and the financing of terrorism" by auditors (M.Abbasov)
13. "Methodical guidelines on organization of audit in the fight against corruption" (M.Abbasov)
14. "Program on auditing in the motor transportation enterprises" (N.Talibov)
15. Exemplary intra-company standards on auditing (draft)
16. "Methodical guidelines on evaluation of business (enterprise)" (draft - Z.Guseynov)

4.2. Organization of conferences, symposia, round tables and seminars

The following activities were carried out in this area by the Chamber within 2016 (materials can be found on these links):
1. On February, 25, 2016, a Round Table in the Chamber of Auditors of Azerbaijan Republic on the theme "Main duties of audit in modern conditions"; (http://audit.gov.az/index.php?type=xebergoster&id=272)
2. On April, 05-06, 2016, an International scientific-practical conference on "Actual problems of audit regulation in modern conditions" and an event dedicated to the 20th anniversary of the Chamber of Auditors of Azerbaijan Republic; (http://audit.gov.az/index.php?type=xebergoster&id=276)
4. On June 28, 2016, Round Table on "Duties of auditors in the fight against corruption and increasing transparency", organized by the Chamber of Auditors of Azerbaijan Republic in order to support the ongoing reforms in Azerbaijan; (http://audit.gov.az/index.php?type=xebergoster&id=289)
6. On October 27, 2016 - A seminar in the Chamber Auditors on the application of the "New regulations on external quality control of audit services in Azerbaijan Republic" and
"Guidelines on the implementation of internal quality control of audit"; (http://audit.gov.az/index.php?type=xebergoster&id=305)


4.3. Organization of qualification increasing courses

In September and November 2016 - 2 training courses for auditors were carried out in the Chamber. The courses' curriculum is entirely covers the area of providing auditors with practical assistance.

4.4. Publication of relevant materials in the mass media.

In 2016 - There were published the articles of the Chairman of the Chamber V.Novruzov "Development of audit acquires an important role in ensuring the financial transparency" (newspaper "Taxes", 31.08.16) and "It is necessary to ensure full transparency in the financial and economic fields" (newspaper "Azerbaijan", 22.10.15).

4.5. Placing of materials on the official website of the Chamber

Materials in the following sections are posted on the official website of the Chamber with regular updates:

» НОВОСТИ

DECREES, ORDINANCES AND ORDERS OF THE CHAMBER'S COUNCIL » Orders

Ordinances of the Chamber's Council » 2016
http://audit.gov.az/index.php?type=content&subid=159&cid=159

DECREES, ORDINANCES AND ORDERS OF THE CHAMBER'S COUNCIL » Decrees

DECREES, ORDINANCES AND ORDERS OF THE CHAMBER'S COUNCIL » Minutes of meetings

There is an important information for auditors in the following headings:

- LEGISLATION
- STANDARDS
- INTERNATIONAL RELATIONS
- PARTNERS
4.6. Informing the auditors about materials of international events

Materials of following international events were presented to auditors in 2016:

INTERNATIONAL RELATIONS » Materials of international events

Materials of the seminar on "Strengthening of audit quality for a more responsible and transparent economy", held on October, 09-12 in the capital of the Republic of Belarus Minsk, organized by the World Bank's Centre for Financial Reporting Reform (CFRR):

AACoP Audit Committees_eng
AACoP Establishing QA for Audit Jon Hooper_eng
AACoP Establishing QA for Audit - Jon Hooper_ru
Busuioc-QAS - general-eng
Busuioc-QAS - general-rus
EDUCOP Country IES Compliance Oct 11 1045_eng
EDUCOP Country IES Compliance Oct 11 1045_ru
EDUCOP-Oct-11-The case for change in accounting education_ruOct110930
EDUCOP-Oct-11-The case for change in accounting educationOct 110930

4.7. Publications

On the basis of a memorandum dated 14 January 2014 signed between the Chamber of Auditors of Azerbaijan Republic and the International Federation of Accountants and Auditors in 2016, HANDBOOK OF INTERNATIONAL QUALITY CONTROL, AUDITING, REVIEW, OTHER ASSURANCE, AND RELATED SERVICES PRONOUNCEMENTS from International Auditing and Assurance Standards Board (IAASB) ("Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services pronouncements" (edition 2013)) has been translated and published.

4.8. Individual meetings, telephone calls and other means of communication.

This method of practical assistance is operational in nature and covers more specific cases. Over the past period of this year, advising on issues of different content, the below
mentioned audit organizations and independent auditors were provided with practical assistance:

**Audit organizations:**
- "ANR AUDİT", Limited Liability Company
  Director: Abbasli Namig Rasim oglu
- "Cavid-Audit", Limited Liability Company
  Director: Mammadov Shahbaz Museib oglu
- "Kermur Audit və Konsalting", Limited Liability Company
  Director: Vahabov Adil Idris oglu
- "LŞ Audit", Limited Liability Company
  Director: Huseynov Farhaddin Abdugasym oglu
- "PREMİUM-AUDİT", Limited Liability Company
  Director: Kerimov Natig Imran oglu
- "Zaman - Audit", Limited Liability Company
  Director: Jabiyev Husein Communa oglu

**Independent auditors:**
- Abbasov Chingiz Abbas oglu
- Akhundov Nazim Zakir oglu
- Akhundov Vagif Khalil oglu
- Aliyev Këcheri Amrah oglu
- Bannayev Elhan Bachmann oglu
- Bashirov Sharif Miri oglu
- Akbarov Mubariz Akbar oglu
- Huseynov Shamsinur Rashid oglu
- Ibrahimov Elnur Elkhan oglu
- Iskandarov Samad Mahmud oglu
- Talibov Tariel Aslan oglu
  and etc.

**CONCLUSION**

Provision of independent auditors and audit organizations with practical assistance, promoting the use of ISAs, helps to improve a service quality and professional level of auditors, to take the necessary measures to ensure the fulfillment of the required by Law obligations of auditors. Practical assistance becomes a support in solving specific problems faced by auditors, creates favorable conditions for the expansion of their activities in the fields of education, accounting, consulting, outsourcing, together with a financial statements audit.