

## Foreign Experience in the Formation of State Financial Resources

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**Abstract:** This article covers the issues of financial control organization in foreign countries, general principles and functions of control bodies are studied. The materials on the activities of the control bodies of foreign countries are summarized and the specific features of the modern foreign experience of control organization are studied.

**Keywords:** state financial control, foreign experience, financial control bodies, audit.

### INTRODUCTION

The evolution of state financial control largely depends on the changes taking place in the political, economic and social spheres of the country. The working principles of state financial control bodies depend on the model of financial control formed in a certain country (Matveeva, 2020). At the legislative level, many countries provide for the existence of specialized independent higher bodies of financial control and management. State bodies whose main task is to carry out external control over the management of state finances and state property in accordance with the procedure established by national legislation are the supreme financial control bodies. The main principles of the activities of the Supreme Audit Institutions vary from country to country, but usually include the following:

1. Independence: these bodies are expected to operate independently of the organizations they audit and political interference. This independence ensures that their conclusions and recommendations are objective and impartial.

2. Objectivity: Supreme Audit Institutions must conduct their audits objectively, impartially and impartially. They must base their conclusions and recommendations on sound evidence and professional judgment.

3. Professionalism: SAIs are expected to maintain a high level of professional competence and professional standards in their audit work. This includes having qualified and experienced personnel, using appropriate audit methodologies, and continuously improving their skills and knowledge.

4. Transparency and accountability: supreme control bodies are responsible for ensuring transparency and accountability in state activities. They should be transparent in their activities, including publishing audit reports and providing information to the public. They should also hold state bodies accountable for using state funds.

5. Compliance with laws and regulations: the supreme control bodies are tasked with ensuring compliance with laws, regulations and other applicable standards. They must assess the compliance of

state bodies with legal and regulatory requirements in their financial management and operations.

6. Efficiency and effectiveness: higher control bodies are expected to contribute to the efficient and effective use of public funds. They should assess whether government programs and activities have achieved their goals and objectives in a cost-effective manner.

7. Continuous improvement: higher control bodies should strive for continuous improvement of their activities and practices. This includes the introduction of new audit methodologies, the use of technologies and the study of best practices and international standards. These principles define the activities of SAIs and help ensure that they fulfill their role of promoting transparency, accountability and effective governance in the management of public funds. Within the framework of their activities, the supreme control bodies cooperate with the parliament, the government, state authorities, as well as other control bodies. They present the results of their activities to the head of state or the parliament. These reports must be made public. Also, special attention should be paid to the constitutionally guaranteed independence of the supreme control bodies, including their organizational, functional and financial independence. Many countries have independent institutions of public financial control, while others, on the contrary, are partially or fully controlled by higher authorities (Perneev, 2015). Historically, there have been several basic models of financial supervision institutional arrangements, which may vary by country and jurisdiction. Some commonly observed models include:

1. Centralized model. In this model, one central body or agency is responsible for financial control at the national level. This central authority usually has the authority to conduct audits, monitor financial activities, and enforce financial regulations and laws.

2. Decentralized model. In this model, responsibility for financial control is shared among several agencies or bodies at different levels of government. For example, there may be separate financial control bodies at the national, regional and local levels, each of which will have specific powers and responsibilities.

3. Integrated model. In this model, financial control functions are combined with the broader structure of government ministries or agencies. This integration allows for closer coordination and harmonization of financial control activities with other government functions, such as budgeting and financial management.

4. Independent model. In this model, financial control functions are performed by an independent institution, which is often called a supreme control body or auditor general. This independent body is usually separate from the executive branch of government and has the authority to conduct audits, issue reports, and make recommendations to improve financial management and accountability.

5. Hybrid model. In some countries, a hybrid model combining elements of centralized, decentralized and independent models is used. This includes a central body responsible for setting standards and policies, while delegating audit and oversight functions to independent bodies at different levels of government. It should be noted that these models can be adapted and adjusted to suit the specific needs and aspects of each country or jurisdiction. The choice of model depends on factors such as the size of the government, the degree of centralization, and the existing legal and institutional framework. In countries with well-formed democratic forms of governance and a developed market economy, when there is a sufficiently effective system of control bodies, the organization of control is not an end in itself, but an integral part of the management of public finances and material resources, as well as the participation of citizens in the state and other is considered as one of the means of exercising the right to reliable information about the use of funds (Kabashkin and Kartasheva, 2011). For this study, the countries that have accumulated a lot of experience in the field of state financial control and continue

to actively develop the process of standardization in this field were selected. At the same time, their experience was compared at several levels, including general control over public finances, parliamentary and government public financial control. In the case of Germany and France, it can be seen that general control over public finances is carried out by the supreme financial control body, which is assigned to the audit office. In countries with a monarchical form of government where the main political role belongs to the parliament, the central supervisory body is independent of the government and reports directly to the parliament, for example the National Audit Office of Great Britain. Presidential republics also have parliamentary oversight, for example, in the United States, it is the Comptroller and Fiscal Office, which reports to Congress. Thus, the French Court of Accounts (Cour des Comptes) is the supreme body of external control, which is given wide powers. It conducts its activities independently of the parliament and the government. This independence is based on its judicial status, which has existed since its establishment in 1807. It has fiscal jurisdiction, is responsible for auditing, managing and approving government and social security accounts, and is involved in evaluating public policy. The Accounts Chamber performs its activities in accordance with the principles of independence (in planning and carrying out audits and choosing the measures to be implemented), collegiality and non-contradiction of order, which guarantee the quality and impartiality of its observations. The First President presides over the chamber. The Secretary-General and two assistants to the Secretary-General are subordinate to the President, appointed by decree at the President's proposal, and manage departments.

Conclusions and suggestions. The study of foreign systems of state financial control bodies shows that in most of the analyzed countries, state financial control bodies actively participate in the management of state finances. They follow the principles of independence, impartiality and transparency in their activities. In addition, the analyzes confirm the existence of common tasks and general principles in the organization of the work of supervisory bodies, taking into account national features and historical development. We can testify that all countries are striving to increase the role and responsibility of regulatory bodies, to provide them with the necessary powers and the appropriate material base.

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