

The Role of Financial Control in the Organization of the Budget Process

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Abstract: The article discusses the importance of financial control in the organization of the budget process, the views of economists on the study and draws conclusions.

Keywords: budget, finance, financial control, management, revenue, cost.

INTRODUCTION

Financial control can be important for monitoring and evaluating the performance of an organization. One of the main goals of every business is to make a profit. A budget is a planning tool because it provides direction for business activities. It shows which activities are important and how many resources should be allocated to each activity. State financial control provides systematic coordination of necessary opinions, plans and actual results in the economy, which is a necessary basis for making correct management decisions. State control helps to avoid costly mistakes in many ways in the financial and economic sphere. In addition, a well-established system of state financial control also serves to achieve the principles of social justice, without which it is impossible to build people's confidence in the central and regional authorities.

However, the activity of the state financial control bodies that exist in our country today cannot be recognized as the most effective and completely perfect, therefore there is a great need for their improvement.

Financial control is a form of financial management, a special area of control in terms of the formation and use of financial resources in all structural divisions of the state economy. It involves the verification of economic and financial transactions regarding their legality, economic nature and positive results.

In the public sector, a set of specific normative-legal documents defining the status and level of development of the legal system of control of the financial control of the state as any category of the legal system is manifested.

Within the framework of the topic, two concepts, namely "budget process" and "financial control", can be justified, and then they can be related to each other and illuminate our research. In particular, in the Budget Code of the Republic of Uzbekistan, "Budget process - formation, compilation, review, acceptance, approval and execution of budgets of the budget system, control of their formation, structure and execution, preparation and approval of reports on the execution of budgets of the budget system, as well as the process of mutual relations between them. Also, participants of the budget process - state authorities and management bodies, state financial control bodies, budget organizations and recipients of budget funds. Nowadays, financial control is very important in the organization of the budget process. If the financial control is effective, it is possible to organize the activities of the organization effectively. Article 3 of the Budget Code of the Republic of Uzbekistan states that State financial control is "the study, analysis and comparison of accounting, finance, statistics, bank documents and other documents of the objects of state financial control in order to control the implementation of the legislation on the budget" is defined as.

Of course, as a result of the financial violations of some employees, the financial resources of the organization were spent incorrectly, which had a negative impact on its financial situation. The effectiveness of financial control results in the fact that funds spent contrary to the interests of the state budget and the organization are returned to their proper place. In addition, according to the economic and legal level of violations determined by the results of financial control within 12 control objects and according to the requirements of the current law, 3,591.0 cases were transferred to law enforcement bodies, that is, 11,225.5 mln. submitted for administrative or criminal liability for embezzlement and loss of funds in the amount of soums.

Analyses show that in the process of state financial control in the part of budget recipients, the main focus is on the financial literacy of the employees working in budget organizations, that is, creating the organization's cost estimate, approving it, spending funds within the estimate, and effective use of information software products. It is considered important to improve the skills of all. In addition, the implementation of special financial standards has begun in some ministries and committees where financial legislation is often implemented, as well as some activities of the Accounts Chamber of Uzbekistan regarding the implementation of financial control have begun to be expanded, the intended purpose of which is to increase the effectiveness of financial control. In accordance with the decree of the President of the Republic of Uzbekistan dated August 27, 2021 No. PF-6300 "On measures to further improve the state financial control system", the following audits will be implemented by the Accounts Chamber of Uzbekistan starting from 2022:

- ❖ financial audit, which provides for the assessment of accounting (budget) accounting, truthfulness of financial reports, purposeful and legal use of financial resources and completeness of income, as well as the legality of financial transactions;
- ❖ compliance audit, which provides for checking and assessing the compliance with the requirements of regulatory and legal documents and their compliance with state programs in the use of consolidated and attracted budget funds, in the implementation of state procurement, as well as ensuring the completeness of revenues and business processes;
- ❖ efficiency and effectiveness of expenses, subsidies, benefits and preferences in the object of control, economy of use of allocated funds, fulfillment of set target indicators, appropriateness and effectiveness of projects implemented at the expense of the consolidated budget and attracted funds, as well as the state and funding sources of regional programs
- ❖ performance audit, which involves the assessment and analysis of the provision of.

Currently, in some ministries and committees, it is planned to implement some financial projects that serve to ensure the targeted and targeted spending of funds allocated from the budget.

Table 1

LIST OF MINISTRIES WHERE FINANCIAL, EFFICIENCY AND COMPLIANCE AUDITS ARE CONDUCTED BASED ON EXTERNAL AUDIT STANDARDS AND MANUALS

№	THE MINISTRY WHERE THE AUDIT EVENT WILL BE HELD	THE TYPE OF AUDIT TO BE CONDUCTED
1.	Ministry of Health	Financial audit
2.	Ministry of Employment and Labor Relations	Performance audit
3.	Ministry of Water Resources	Performance audit
4.	Ministry of Higher and Secondary Special Education	Compliance audit

In fact, according to the decree of the President of the Republic of Uzbekistan dated August 27, 2021 No. PF-6300 "On measures to further improve the state financial control system", the Chamber of Accounts will conduct a financial audit, employment and labor in the Ministry of Health during the first quarter of 2022 In the Ministry of Public Relations, the Ministry of Water Management and the Ministry of Higher and Secondary Special Education, it was decided to conduct an efficiency audit and a compliance audit based on external audit standards and manuals. and it is planned to be implemented in agencies, the main goal of which is, of course, to achieve the effectiveness of financial control.

Further development and improvement of the state financial control system over the use of budget funds in the regions is determined by the following factors:

- optimization of the activities of organizations that spend almost half of the budget funds;
- transition to long-term planning and efficiency-oriented budgeting;
- development of the state procurement system, introduction of program-targeted methods of management and efficiency audit.

In the implementation of state financial control, control and accounting bodies should focus not only on detection of violations, but also on providing practical assistance, including on the internal financial control system. In general, the formation of a complete and effective treasury system - the internal financial control system serves to regulate budget execution and reduce the scale of serious financial violations. Accordingly, the tasks of analyzing the effectiveness of the budget process come to the fore.

In this regard, the activity of the control and accounting bodies as an integral part of the budget process should help to increase the efficiency of the management of state financial resources, to identify cases of deviations and violations from the established principles of legality, efficiency and savings in spending financial resources. At the initial stage of the budget process, control and accounting bodies contribute to taking corrective measures that increase the effectiveness of the budget process, and at the next stages, they contribute to the development of mechanisms for improving the budget process.

The activity of higher financial control bodies at all stages of the budget process is a mechanism aimed at increasing the efficiency of the use of budget funds at the state and local levels. Thus, in order to increase the effectiveness of the budget process, it is necessary to strengthen financial control at all its stages, develop expert and analytical directions of the activities of control and accounting bodies.

In this regard, it is necessary to solve the following set of tasks:

- development of regulatory legal documents, methodical provision of activities of control and accounting bodies that help to increase the efficiency of financial control;
- determining new strategic directions of activity of control and accounting bodies;
- study and implementation of international experience of financial control;
- introduction of new methods of financial control, including performance audit;
- forming a system of highly qualified personnel training and experts to introduce new methods of financial control into the practice of control and accounting bodies;
- development of reliable methods for evaluating the efficiency of the activity of control and accounting bodies. Solving these tasks allows creating a single effective system of external financial control, forming a strategy for developing and improving the activities of external state and municipal financial control bodies, which defines the unity of goals, principles, and tasks.

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