PROBLEMS AND PROSPECTS FOR DEVELOPMENT STATE FINANCIAL CONTROL IN THE REPUBLIC OF UZBEKISTAN

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PROBLEMS AND PROSPECTS FOR DEVELOPMENT STATE FINANCIAL CONTROL IN THE REPUBLIC OF UZBEKISTAN

Abstract: One of the most important functions of state financial control is the management of the country and is a prerequisite for the normal functioning of the financial and credit system. This is largely due to the fact that it is the state bodies that are responsible for a large number of functions to protect the financial rights and interests of members of society, the use of various methods to prevent and prevent abuse and theft. State financial control is a regulated activity of state authorities and departments to audit financial transactions related to the formation, distribution and use of centralized and decentralized funds. The article analyzes the problems of state financial control. Prospects for the development of state financial control based on advanced world experience are considered.

Keywords: Public financial control, tax control, violation classifier, auditor, external audit, internal audit, risk of violations, inventory, centralized funds, decentralized funds.

1. INTRODUCTION

The Strategy of Actions on five priority directions of development of the Republic of Uzbekistan for 2017-2021 was approved. These actions are developed on the basis of a comprehensive study of urgent issues of concern to the population and entrepreneurs, an analysis of current legislation, law enforcement practice and advanced foreign experience, as well as a broad public discussion [1].

According to the priority areas, the issue of control over the expenditure of public financial resources is acquiring a particularly high public status, since the controlling bodies ensure that an important public request for obtaining objective information on the activities of the authorities in managing financial resources is fulfilled, they contribute to an increase in the efficiency of the entire system of public administration, first of all, in the area of spending budget funds. It is relevant that it is the key goal - to increase the efficiency of management and use of budgetary funds, state assets and public sector entities - that is urgent for almost all countries, and is pursued within the framework of the ongoing reform in the field of budgetary and financial control.

Financial control as a function of finance regulates the activities of specially created regulatory bodies for the observance of financial legislation and financial
discipline of all economic entities. Depending on the subjects, state financial control is subdivided into the following types:

- external audit, whose tasks are to analyze, evaluate and verify the effective and legitimate management of national resources (financial, natural, industrial, personnel, informational) to ensure a dynamic growth in the quality of living conditions of the population and the national security of the country;

- internal audit, the tasks of which are analysis, assessment and verification of the achievement by the object of state financial control of direct and final results provided for in the parameters of the state budget of the Republic of Uzbekistan, the reliability and reliability of financial and management information, the effectiveness of internal processes of organizing the activities of public authorities, the quality of services provided, the safety of state assets.

The model for constructing financial control can be divided into the following interrelated areas: state, independent and public control. Consider state control as an integral part of the state structure.

One of the most important functions of state financial control is the management of the country and is a prerequisite for the normal functioning of the financial and credit system. This is largely due to the fact that it is the state bodies that are responsible for a large number of functions to protect the financial rights and interests of members of society, the use of various methods to prevent and prevent abuse and theft. State financial control is a regulated activity of state authorities and departments to audit financial transactions related to the formation, distribution and use of centralized and decentralized funds. Therefore, government auditors are empowered to carry out inspections, both in the public sector and in the field of private and corporate business. State financial control includes control over:

- execution of the state budget and budgets of state trust funds;
- organization of money circulation;
- use of credit resources;
  - the state of the state internal and external debt, state reserves;
  - providing financial, tax incentives and benefits.

Budget control is an integral part of state financial control, which is the activity of authorized state bodies to verify the legality, expediency and effectiveness of actions in the formation, distribution and use of centralized funds of the state and local authorities. In the public sector, budget deviations are an important performance dimension. Because of political and institutional pressures, it is crucial that public sector organizations neither overspend, nor underspend. Budget deviations actualize the issue of tight budget control. [2]

The main tasks of budgetary control are:
- control over compliance with the current budget and tax legislation;
- ensuring the correctness of the preparation and execution of the budget;
- ensuring the timeliness and completeness of the fulfillment of obligations by citizens and business entities to the state budget;
- checking the effectiveness and targeted use of budgetary funds and extra-budgetary funds;
- checking the circulation of budgetary funds and extra-budgetary funds in banks and other credit institutions;
- control over the implementation of the mechanism of interbudgetary relations;
- identification of reserves for the growth of incomes of budgets of different levels;
- ensuring the safety of state property.

It is also necessary to define a classifier of violations, which provides a unified approach with the applied methods and types of financial control. The classifier of violations should include the following types of violations:
- financial violations;
- violations of a procedural nature.

Requirements for state financial control must be determined by the standards of state financial control developed by the Accounting Chamber, as well as the classifier of violations.

In our opinion, the creation of an effective system of state financial control is accompanied by the issue of its measurement. The technology of economic measurement itself is very interesting and these issues are related by indicators of financial control.

It should be emphasized that a good measurement system in the first place puts the effect, the criterion of which is the indicator of labor productivity. Measuring labor productivity in the service sector has specific features in comparison with the manufacturing sector. Finance and accounting are related to the service sector and the measurement of the productivity of auditors can be approached as follows:

Services - full audit of the company's operations. It should provide useful results at a reasonable cost. The level of detail for each audit should be commensurate with the size and potential risk associated with the respective control systems.

Objectives - to complete the audit at the specified time and improve its quality.

Action - 1. Audit hours / Audit hours.
          2. The results of the control check on the quality of the audit.
In the end, a statistical indicator is one of the auxiliary tools and it is more expedient to evaluate the activities of regulatory bodies with a set of indicators, such as:

- efficiency;
- economic efficiency;
- effectiveness;
- materiality;
- perspectivity.

Figure №1. Principles of financial control

2. LITERATURE REVIEW

The considered problematic raises questions in terms of the control mechanism, its techniques and methods, which are devoted to the research of domestic and foreign economists. The theoretical and practical aspects of financial control were studied in the works of such authors as: N. D. Brovkina [3], V.I. Shleinikova, V.P. Suytysa, I.A. Belobzhetsky, Yu.A. Danilevsky[4], L.S. Stukova, V.E. Khrutsky, A.A. Vishnevsky, V.S. Goltsova, I. V. Sautkina, V.V. Bocharova[5], A.G. Gryaznova, V.I. Shleinikova, A.V. Rumyantseva, L.A. Khankevich, A.D. Sheremet[6], E.A. Voznesensky, O.A. Grishanova[7], E.I. Shokhin and others.

3. ANALYSIS

The need for state financial control is confirmed by the data. The State Financial Control under the Ministry of Finance for the first quarter revealed unjustified expenditures of budget funds for 211.2 billion soums, which is almost 6 times more than in the same period last year. Most of the violations of budget discipline occur in the systems of public education, health care and preschool education.

1 Compiled by the author
Control measures for the targeted spending of local budgets revealed violations and other shortcomings totaling 189.1 billion soums, including in Syrdarya (40.2 billion, in the first quarter of last year it was 1.5 billion), Jizzakh (23 billion, was 1.9 billion), Andijan (19.8 billion), Tashkent (12.1 billion), Kashkadarya (11.4 billion), Surkhandarya (8.9 billion), Fergana (8.1 billion), Samarkand (7.9 billion), Khorezm (6.4 billion), Bukhara (6 billion), Namangan (5.2 billion), Navoi (1.4 billion) regions, as well as in Tashkent (16.5 billion) and Karakalpakstan (21.9 billion).

At the same time, the department managed to prevent unjustified spending of budgetary funds totaling 5.3 billion soums by reducing unnecessarily planned funds in the cost estimates and staffing tables of budgetary institutions, eliminating other illegal expenses.

State financial control in modern Uzbekistan is characterized by a state of reform. The country needs an integral and effective system of state financial control, but so far such a system has not fully developed, although there has been a positive trend and the implementation of specific measures to build an effective system of state financial control, which can be systematized as follows.

Structural legal issues:
- Creation of a financial control system based on a unified concept for the implementation of state budgetary and financial control and internal audit;
- Improvement of the legal framework through the adoption of the Law "On State Financial Control"
- Development and implementation of common standards for the implementation of control measures, completion of the standardization process;
- Creation of a unified information system for public finance management;
- ensuring international exchange of ideas and experience within the professional community of government auditors and professional associations of accountants and auditors;
- non-observance of the principle of consistency, lack of organization of an effective system of state financial control;
- the imperfect system of the regulatory and legal framework for the organization of state financial control;
- unoptimized financial control system, duplication in the work of state financial control bodies, weak interaction between regulatory bodies.

Methodological:
- lack of uniform standards and methodologies for conducting control activities;
- the presence of an arbitrary nature of control;
- the methodological approaches of the micro-level control system have not been determined.

Information
- lack of a unified information base on the violations detected;
- low level of interaction with international bodies in order to exchange experience;
- insufficiency of specialists with deep knowledge in the field of information and communication systems of accounting and auditing.

4. SOLUTION AND PROPOSAL

To solve organizational problems of state financial control, it is necessary:
- to develop the concept of state financial control, which will be the basis for the formation and improvement of the legislative base of control activities and the foundation for the development and adoption of the Law "On State Financial Control".
- on the basis of the concept of state financial control, adopt a general strategy for the development of state financial control for the short and medium term;
- optimize the system of budgetary and financial control, coordinate interaction between regulatory bodies;
- to develop standards for state financial control, by adopting a common postulate, working and internal standards. The need for standardization is objective also because it exists both for the subject of control and for its object.
- to create a unified information base of control bodies, regardless of their departmental affiliation;
- proceeding from the division into external and internal state financial control, it is necessary to separate control powers, functions of internal state audit and expert and analytical activities on the basis of uniform principles, rules and procedures for their implementation, which should be reflected in the standards;
- to differentiate the functions of state financial control bodies in accordance with the structure of state power;
- exclude duplication of control measures by agreeing work plans before the beginning of the calendar year;
- strengthening the interaction of state financial control authorities with law enforcement agencies;
- to improve the staffing of state financial control through training, advanced training and professionalism of specialists who carry out control work;
- to strengthen international cooperation, within the framework of which the exchange of ideas and experience will take place.

5. CONCLUSION
The implementation of the proposed directions for improving state financial control will ensure the functioning of state financial control in the Republic of Uzbekistan as an integral system and raise the management of state financial resources to a new qualitative level, as well as strengthen the role of state financial control in ensuring financial security.

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