

IMPROVING OF STATUTORY REGULATION, CONCEPT OF BUDGETARY ACCOUNTING AND REPORTING IN THE REPUBLIC OF UZBEKISTAN

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Annotation.

Nowadays, are being moved up the new global challenges of accounting improving system of the state budget of the Republic of Uzbekistan. Transitional stages of the Republic of Uzbekistan to new accounting system, considering the necessity of not only formal and quantitative changes in accounting system. Based on international practice analysis for budgetary accounting system building, but taking into account traditions and positive experience of regulatory in country, it is necessary to formulate a hierarchy of regulations and adoption of Concept for budgetary accounting and reporting in the Republic of Uzbekistan.

Introduction

Policy reforms in Uzbekistan are based on diversity of forms and methods of social development, based on historical traditions, uniqueness and distinctiveness of different cultures and civilizations. In world, there are no models of social development and economic development, which would be universal and recommended for any country. However, common world practice in control mechanisms of economy can be successfully applied in Uzbekistan, with appropriate adaptation. One of such mechanism, providing rational and efficient using of public funds is Treasury system of the state budget execution.

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Until now, financial statements of public institutions were intended exclusively for submission to the superior manager and not in the public domain. At same time financial statements of institutional units, despite its publicity has been focused primarily on implementation of budget reflected results in order to monitor targets. It was impossible to make any conclusions regarding effectiveness of expenditure, trends in the volume and structure of incomes and expenses, possibility of an institutional unit to pay its debts and many other findings.

With the proclamation of independence, transition to market economy has led to necessity for more detailed budgetary accounting. Nowadays, are being moved up new global challenges of accounting improving system of the state budget of the Republic of Uzbekistan.

As noted by Islam Karimov-the First President of the Republic of Uzbekistan "Radical improvement requires quality of used legislations". Most of them were directed to make changes, clarifications, additions to already adopted legislative acts, and not of codified nature ... And the most significant drawback is in adopting of law that often lacking procedural mechanisms ensured implementation of these legislative acts, and this in turn, makes it difficult to use them, leading to non-fulfillment of the laws and legal nihilism, reducing the effectiveness of law enforcement ". [2]

Based on international practice analysis for budgetary accounting system building, but taking into account traditions and positive experience of regulatory in country, it is necessary to formulate a hierarchy of regulations and adoption of Concept for budgetary accounting and reporting in the Republic of Uzbekistan.

Procedure of reflecting for accounting objects in accounts of accounting and accountancy set by instructions for using in chart of accounts and budgetary accounting and instructions on preparation procedure and submission of budgetary reporting. In addition, provisions of Standards can be interpreted by approving rules of budgetary accounting and financial reporting guidance and clarification of other documents, including departmental regulations, authorized bodies.

Common plan for budgetary accounting accounts is to establish a common procedure for reflection of economic activity on account of budgetary accounting. This document draws up a common conceptual approach to construction of accounting systems and it is element of normative regulation of budgetary accounting system. The instructions on how to use the chart of accounts should be given only brief description of synthetic accounts: the structure and purpose of the account, the economic content reflected on facts, the order entries of the most common operations, account correspondence with other accounts. No chart of accounts or the Regulations for its application are not installed valuation rules, categories, document, balance of generalization, accounting procedures. This is area of standards for budgetary accounting and reporting.

However, unlike commercial organizations plan accounts, budgetary accounting plan accounts cannot be independently developed by institutions and other entities engaged in budgetary accounting. This is explained by fact that budgetary statements of each participant of the budget process should be consolidated. Consequently, budgetary reporting should be formed based on common methodological approach, and records must be kept by the same rules. This single methodological approach should be ensured by Plan budgetary accounting accounts approved by the Ministry of Finance of the Republic of Uzbekistan. However, for purposes of formation for additional analytical information chart of accounts can be refined by introducing analytical features.

The chart of accounts, containing of all clarifications, is working plan of entity's accounts carrying out budgetary accounting. All budget incomes, sources of budget deficit financing, budget expenditures, and transactions carried out in process of budget execution, should be subject to budgetary account that based on Unified Chart of Accounts.

Discussion

Unified accounting methodology of state budget execution based on the chart of accounts establishes the Ministry of Finance of the Republic of Uzbekistan. Unified reporting methodology of the state budget established by Government of the Republic of Uzbekistan. The

Cabinet of Ministers has submitted an annual report on state budget execution to OliyMajlis. Quarterly reports on state budget execution approved by the Cabinet of Ministers of Uzbekistan. Therefore, it establishes the necessity of budget accounting conducting. In this case, objects of budgetary accounting include budget incomes; sources of budget deficit financing; budget expenditures; operations carried out in process of budget executions.

Therefore, budget accounting framework under current rules of budget accounting does not include assets and liabilities of the Republic of Uzbekistan, its territorial subdivisions.

Issued of reporting formation, representing information as a person of activity and its property status, are subject to regulation by the Law "On Accounting". However, it is not provided by the presence of such accounting subjects as the Republic of Uzbekistan and its jurisdiction.

It is necessary legislatively establish the rights and obligations of responsible persons for organization and budgetary accounting conducting, presentation of budget reporting for determination of legal basis, budgetary accounting and reporting. To do this, you must define at least:

- Responsible persons of management for budget accounting;
- Responsible persons for organization of budget accounting;
- The order of regulation for budgetary accounting;
- Budgetary accounting objects;
- The order of presentation for budgetary reporting.

These issues are partly regulated in the Budget Code of the Republic of Uzbekistan.

Law "On Accounting" is not set, for the meaning of accounting. Its regulations that applicable to all organizations in territory of the Republic of Uzbekistan. Therefore, the Law "On Accounting" is regulated for accounting in organizations. In common usage, understanding of term "organization" is not subject to institutional units. It is necessary to make appropriate changes to the law.

Consequently, the Law "On Accounting" regarding the accounting of public institutions number of issues (part of financial statements, financial reporting rules) are directly related to the competence of the Ministry of Finance of the Republic of Uzbekistan. Therefore, this regulatory budgetary accounting system can be created under the current Act with few changes.

In addition, instructions and other provisions in the field of organization and management of budgetary accounting may contain other provisions not related to the methodology and techniques of accounting, for example, the procedure for determining the market price, workflow rules, and inventory procedure.

Rules are attached by content of budgetary reporting forms and order of accounting process. These terms are not installed (and not be established) methodological principles of accountability, assignment of reporting, in accordance with proposed regulatory system of budgetary accounting are subjects of Standards. Therefore, budgetary reporting (except for summary and consolidated) is prepared on basis of general ledger data. Verification of turnovers and balances in analytical accounting registers with turnovers and balances of budgetary accounting are carried out before drawing up of budgetary reporting. If, in accordance with the normative legal documents on budgetary accounting indicator has a negative value, the figure is reflected in budgetary reporting with the sign "minus". Consequently, Regulation established a technique of budgetary reporting, but not the methodology. On this basis, it can be argued that rules developed in logic of proposed regulatory system and changes in connection with adoption of concepts and standards will not undergo.

Based on logic for proposed regulatory budgetary accounting system, these rules should be laid down in standards. From Rules and Regulations, these provisions should be deleted in order to avoid duplication and, more importantly, to avoid conflicts between Regulations and Standards. Instructions and Regulations on Budget Accounting contain rules - common to all participants in budget process, exercising budgetary accounting and reporting components of budget. However, issues such as accounting of certain types of weapons, medicines, jewelry, strategic reserves, cannot be solved without taking into account specifics of their use in defined sectors of public sector, and without taking into account specifics of most economic activity in these areas.

Therefore, these issues must be regulated by relevant authority in the Ministry of departmental instructions on budgetary accounting of separate assets, liabilities, operations. Using of these instructions must be by all participants of budget process, in which activities considered specific accounting objects or specific conditions of economic activity.

These instructions must not be contrary to the Law "On Accounting", concepts, standards, and instructions on budgetary accounting and reporting, approved by the Ministry of Finance; therefore necessary to provide approval for their mandatory.

Recently has been done big scope of work on methodical support for accountants of public sector in consulting materials, professional journals, professional literature, education programs, etc. However, in our view, the interpretation of rules in field of budgetary accounting legislation, especially with regard to controversial, complex and controversial issues, should not be chaotic. Therefore, it is necessary publication for clarification of separate issues of budgetary accounting in form of letters or reports in specialized bulletin by the Ministry of Finance of the Republic of Uzbekistan. Moreover, such letter should not contain new rules and requirements for budgetary accounting. These regulations should clarify rules of budgetary accounting and budgetary reporting form with obligatory reference to provisions of the Law "On Accounting", concepts, standards, instructions on budgetary accounting and budgetary reporting, departmental instructions.

Otherwise, requirements in letters and reviews not covered by regulations of the higher level or contrary to them would violate the regulatory logic of system for budgetary accounting and reporting systems.

In international practice, there examples where the concept of budgetary accounting and reporting is a kind of meditation on the accounting principles, differences of state activity from activity of commercial companies and, as a result of the difference between budgetary accounting from accounting in commercial organizations, etc. This approach seems reasonable enough.

The concept of budgetary accounting, reporting standards, budgetary accounting and reporting system should befix components of regulatory budgetary accounting and budgetary accounting methodology. This concept should be established general principles of budgetary accounting and budgetary reporting, and Standards - accounting principles applied to each account object. Availability of Concepts and Standards in the regulatory system of budgetary accounting and reporting is fully consistent with national practice and international accounting regulation.

Conclusion

In our opinion, the concept should be adopted in the form of regulatory document that proposed in the scientific novelty of thesis. It involves logical approach to International Financial Reporting Standards in public sector (IFRSPS), but several new national practices for approach to assignment of financial statements.

Widening the circle of users and tasks of financial reporting and wider range of information presented in financial statements. The concept should consider two criteria that will determine assets and liabilities subject to budgetary accounting:

- 1- Possibility of property using in economic activity;
- 2- Possibility of assets and liabilities valuation.

Despite simplicity of this account objects definition, question of whether to take into account on the balance of this or that kind of property (and when you consider that at what cost) is debatable. Criteria for the recognition of assets and liabilities of accounting objects must be elaborated standards of budgetary accounting for each type of assets and liabilities.

The concept establishes generalstart of budgetary accounting and reporting, as reflected in Figure 1. It should contain the fundamental norms, which are disclosed in regulatory acts of the lower level. All financial reports are to be understood by users of the financial information based on rules of budgetary accounting and financial reporting set out in the concepts and standards.

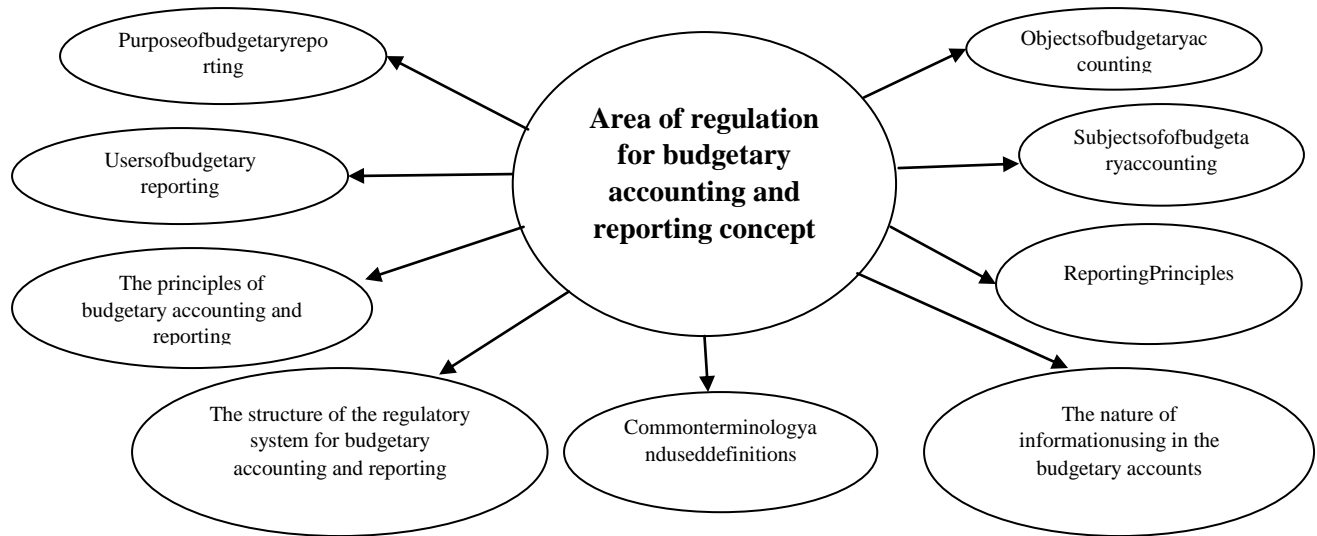


Fig.1. Area of regulation for budgetary accounting and reporting concept

An important place in Concept should be given to audit of financial statements. This follows from fact that financial statements in public sector is becoming more open to external users. An external user is different from the internal, not only because it does not have the right to demand submission of his statements, but are not entitled to verify its authenticity. Therefore, conclusion on reliability of degree should make an independent auditor.

Universally recognized principles of financial statements laid down in the International Financial Reporting Standards (IFRS). IFRSPS based on IFRS and fully comply with the latest. IFRSPS as much as possible consistent with IFRSs in the part in which the IFRS applicable to regulate the formation and presentation of financial statements in the public sector. The need for financial reporting government organizations and institutional units in accordance with international standards stems from the need to integrate the Republic of Uzbekistan in the world economic space.

In developing concepts and standards, need to be borne in mind that, by virtue of paragraph 26 of IFRSPS 1 Financial Statements cannot be regarded as complying with IFRSPS, if it does not meet all requirements of each applicable International Standard. From this, it follows that the Budget Accounting Standards should be as accurate as possible and fully play the IFRSPS standards.

At the same time, we cannot say that IFRSPS secured all the necessary rules of formation and presentation of financial statements. IFRSPS may not take into account the specificities of national traditions accounting, peculiarities of legislation and the budget process. Therefore, in some cases, IFRSPS no set rules for the financial statements, but only limited to the extent that these rules must be accepted. In addition, IFRS and IFRSPS are constantly evolving as she developed and economic activity.

Therefore, there is always possibility that rules reflect a particular business transaction (assets and liabilities) are not regulated by international standards. It is impossible not to draw attention to the fact that IFRS, and after them, and IFRSPS, are the result of historical development. They were created gradually over the years, often replaced by standards. In this connection, so their structure is not optimum, as might be desired. Therefore, the development of concepts and standards of budgetary accounting and reporting makes sense to base the structure of IFRSPS. Where this structure does not correspond to the optimum method of presentation of the material, it can be changed.

Principles of accounting and reporting inherent in each IFRSPS standard should be reflected in the Standards. However, the standards should be fixed rules necessary in terms of objectivity and reliability of the financial statements, but not incorporated in the IFRSPS. If the relevant rules contained in the IFRS, the standards should be built on the basis of IFRS. If in the future, the relevant rules are set IPSAS and would be contrary to IFRS standards will be subject to revision in accordance with the requirements of IFRSPS.

However, budgetary accounting and formation of financial reporting in the country should be carried out on the basis of concepts and standards, rather than or IFRS. This is due, primarily, the national feature of accounting regulation. The republic legal accounting standards traditionally established authorities rather than self-regulatory organizations. Current legislation expressly provided legal regulation of accounting. Thus, according to Article 1 of the Law "On Accounting" legislation of the Republic of Uzbekistan on accounting consists of this Law, which establishes uniform legal and methodological bases of the organization and accounting in the

Republic of other laws, decrees of the President of the Republic of Uzbekistan and resolutions of the Government.

As shown by previous analysis, in accordance with applicable law concept and standards, it must be approved by the Ministry of Finance of the Republic of Uzbekistan. In addition, the IFRSPS are developed in English, which does not get even in the official translation of IFRSPS compliance terminology and forms of presentation of the characteristics that are set by the current legislation and follow national traditions.

It should be borne in mind that the Concept should reflect only those terms that are essential for the understanding of the standards as a whole. The terms and definitions that are required for understanding the individual standards should be established in the relevant standards. However, accounting operates a significant number of terms. Therefore, the most important task of the Concept will be the introduction of a set of rules that allow the user to set the terms, if they are not fixed in the Standards. The terminology used in the concepts and standards must be based on the following:

- The terms set by law, should be applied in sense of which they are fixed in specified legislation;
- Concepts and Standards in professional, scientific and well-established terminology should be taken into account;
- Regulation of common terms is superfluous.

The logic of building a new regulatory budgetary accounting system involves the formulation of accounting principles, which are then transformed into accounting rules. Have accounting principles makes it possible to interpret them in order to develop the rules, if they are not set for any kind of surgery or any other accounting entity.

As stated, the international practice based on the need of an independent audit of the budgetary accounts. Since the budget reporting more and more focused on the external user, he must be

sure of its authenticity. However, this confidence is inconceivable without confirming statements by an independent auditor.

Therefore, we can conclude that the concept can be used for:

- Development of rules for budgetary accounting by authors of these rules;
- Understanding of rules for budgetary accounting by entities, auditors and other inspectors;
- Understanding of rules for budgetary accounting by users of financial statements.

The international practice of financial reporting can be source in progressive accounting methods and rules of formation and presentation for budgetary reporting in the Republic of Uzbekistan.

The concept is designed to provide single methodological approach to accounting and financial reporting for institutional units and organizations in the public sector.

Therefore, it appears that there are following ways to improve the regulatory framework of budgetary accounting and reporting in the Republic of Uzbekistan:

- In general, most regulatory structure of system;
- The legal framework of budgetary accounting;
- Methodology and budgetary accounting principles;
- Technical problems of accounting in the form of manuals and charts of accounts;
- Recommendations and guidelines institutional nature;
- Clarification of current rules and organization of budgetary accounting.

Furthermore, the concept must be limits and conditions for the rulemaking in the field of budgetary accounting and financial reporting of various competent authorities.

In connection with above, at the present stage to solve problem to make an integrated accounting system, which would unite all full range of assets and liabilities. An analysis of existing legislation suggests possibility of constructing regulatory system.

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