

THE MAIN DIRECTIONS OF THE ACCOUNTING REFORMS IN THE STATE SECTOR IN UZBEKISTAN

Mekhmonov Sultonali Umaralievich*

Annotation. In the world of international relations, the country's commitment and the way it manages its own resources is based on the understanding of the financial position. At the same time, the preparation of financial reporting in the public sector requires the development of internationally accepted rules. This, in turn, requires the use of international accounting standards in the public sector to formulate financial reporting in the public sector. This article draws attention to the importance of scientific and methodological aspects of the use of international accounting standards for the public sector in improving the execution of the budgets of the budget system.

Key words: budget accounting, public sector, financial reporting, financial assets, liabilities, cash method, accrual method, net assets.

* **Head of the department "Budget Accounting" Tashkent Institute of Finance, professor**

Introduction. In Uzbekistan budget accounting has been approved for the execution of budgets of budgetary system. The budget is an organizational system of collecting, registering and summarizing information on the status of transactions and assets that change assets and liabilities, which are accounted for by the execution of budgets of the budgetary system (1). Improvement of budget accounting and reporting has been identified as one of the main directions of the ongoing reforms in the budgetary system.

The reasons for the need to improve the existing budgetary account are reflected in the following:

- increasing the coverage and quality of financial reporting information opportunities;
- the need to bring the account into execution of budgets of the budget system in one procedure.
- comparison of public sector financial statements with international indicators;
- applying financial reporting information in implementing reforms in public finance management.

In the public sector The Concept of Improving the Accounting and Reporting System based on International Accounting Standards has been adopted (2). This concept defines budget accounting for compliance with generally accepted international standards.

Literature review. Budget accounting of execution of budgets of the budgetary system is carried out according to the Budget Code of the Republic of Uzbekistan: financial bodies; treasury divisions; tax authorities and customs authorities; budget organizations; by the agencies that distribute the State Targeted Funds.(1)

Sheshukova TG, Razuvaeva KV, explains the connection of the budgetary budgeting with the budget execution in the budgetary organizations with the use of the budget classification (3). Also, the use of the concept of budgets and accounting has been interpreted as having some

distinctions in accountability. At the current time accounting of budget organizations is defined as budget accounting according to the national accounting legislation.

The execution of budgets of the State Budget and State Targeted Funds in Uzbekistan is set in cash (1). The reform of the budget execution of the State Budget requires a step-by-step approach to the accrual method.

Scientists, Christensen and Parker, have recognized the transition from budget accounting to accrual method as a determining element of reform. The accrual method was first introduced in 1993 in New Zealand and Australia {4}.

Comparative analysis of the use of accrual method in the reform of public sector financial management in Great Britain and New Zealand was carried out by scientists Sheyla Ellwood and Susanne Nyuberriler. They argued that the use of accrual methods allows reading and comparing financial reporting in different sectors of the economy.

Transition to the accrual method in the international practice was considered as the main direction in the reform of the budget. The introduction of standards in the public sector has been reflected in the scientific views of scientists in the field {5}.

The introduction of standards in the public sector has been reflected in the scientific views of scientists in the field. Scholars Brad Potter and Allan Barton have been approved by the public on the basis of the methodology for calculating the budget and the introduction of standards on this basis.

Research methods. The research paper used comparative and statistical analysis, structural and functional approach, grouping, comparison, generalization and other methods.

Main part. International Public Sector Accounting Standards (IPSAS) are generally accepted internationally accepted standards for public sector entities (excluding government-owned businesses) to comply with global standards of financial reporting. International accounting standards in the public sector have played an important role in reaching, coordinating and further improving the financial reporting standards globally.

The international standards of accounting in the public sector are used for the following purposes:

1. Serve as a basis for national reporting and reporting requirements in countries;
2. Use as an international standard for the individual countries developing their own accountability and reporting requirements;
3. Acceptance for full use of the account (without the change of standards).

The application of international accounting standards in the public sector allows countries to make better quality financial reports as well as evaluate public sector performance. Increasing the transparency of financial information, ensuring a high level of integration of financial statements and statistical reports into the budget, ensuring the effective management of state assets through increased reliability and completeness of information, the ability to compare financial statements with other countries' financial statements, and how international relations are the responsibilities of the country in the context of globalization. resources, how well it is based on understanding the financial situation nowadays are the increase in volume and an increase in donor funds to increase the level of financial discipline in the public sector.

1. The state budget discontinuation to use international standards for accounting;
2. Forming a national accounting and reporting system based on international accounting standards in the public sector.

The second approach to the application of international accounting standards in the public sector has been identified in the reform of budget accounting in Uzbekistan. At that, the accrual method was step-by-step (through intermediate options).

At this stage, the public sector accounts and accounts using the cash-generating methods:

- Finance (treasury) bodies – cash method
- Budget organizations - accrual method

In this case:

1. Realization of accounting reforms of the public sector with the step-by-step method of keeping the current account of the current account;
2. According to international standards of accounting in the public sector, applied in the accrual method, accounting and reporting of budget organizations, as well as accounting of state assets and liabilities on the basis of adoption of budgetary accounting standards, improvement of the state targeted savings account are envisaged.

At the subsequent stages of the budgetary reform, the State Budget revenues and expenditures account, as well as the State Targeted Funds, are compliant with international accounting standards of the Public Sector Financial Reporting and, accordingly, the Public Sector Accounting and Reporting Compliance Standards.

Calculation methodologies are based on the principles of international accounting standards in the public sector (financial reporting should be computed for the purpose of achieving the goals and objectives) and the continuity of the activity (financial reporting is usually based on the assumption that the entity operates and operates).

Table 1
Features of the use of the accrual methods

Advantages	Disadvantages
Incomes, expenditures and other liabilities are registered and admitted as they have taken place	The accounting process becomes too complicated
Covers all objects of accounting	Requires much demands and responsibilities to make the accounts
Liabilities can be finished by the mutual settlements	Requires extra cost for training the staffs and improving their skills
Creates opportunity to get the whole information about the efficient regulation process in public sector	Requires high quality from the appointed specialists
Suitable for the aim of implementing to monitor public organizations' effective activities	
Can be used in regulating medium-term budget	

Above mentioned reforms should be implemented by the determination of budget accounting standards.

It should be pointed out that according to the “ Budget Code” of Uzbekistan which was taken into force in January 1, 2014 y. method of budget accounting and accounting are determined to follow the budget accounting standards.

Nowadays in public sector according to the development conception of accounting and accounting system projects are being created, based on the international accounting standards, and being discussed by the specialists.

In 2016 December 27 the budget accounting standard (№1) of “ Accounting policy” of Uzbekistan Republic was created. The aims of this standard are to establish the measurements of selections and amendments of accounting policies, also to make the budget account and financial reports by the budget organizations and to define the order of disclosure of changes in accounting policy.

Conclusion

The adoption of the budget accounting standards:

Taking into account national legislation in account proceedings;

First of all, increasing the country's rating on the basis of adapting the methodological aspects of accounting to the generally accepted norms in the international practice;

Secondly, increasing the coverage and transparency of reporting on public finances;

Thirdly, to integrate financial and statistical reporting;

Fourthly, it is aimed at increasing the volume of foreign investments and donor funds in the globalization of international relations.

REFERENCES

1. Budget code of the Republic of Uzbekistan, 2014 y.
2. The concept of improving the accounting and reporting system based on the adaptation of the International Public Sector Accounting Standards. UNDP Project "Budget System Reform in Uzbekistan", 2013 [http:// www.publicfinance.uz](http://www.publicfinance.uz);
3. Sheshukova T.G., Razuvaeva K.V. On the application of the concepts of "budget accounting" and "accounting" in budget institutions. vestnik.osu.ru/2011_5/14.pdf.

4. Christensen M., Parker L. Using Ideas to Advance Professions: Public Sector Accrual Accounting // *Financial Accountability and Management*. 2010. Vol. 26. N 3. P. 246—266;
5. Christensen M. What We Might Know (But Aren't Sure) about Public Sector Accrual Accounting // *Australian Accounting Review*. 2007. Vol. 17. N 1. P. 51-65.
6. D.Lyvova. The role of budgetary accounting in the reorganization of the public administration sector: the results of the latest reform. M. 2013., p. 131.
7. <http://www.ifac.org/publicsector>