

ISSUES OF IMPROVING INTERNAL AUDIT AND FINANCIAL CONTROL IN BUDGETARY ORGANIZATIONS

Suvankulov Aliaskar Rahmonkulovich- Assistant of the Department "Budget accounting and control" the Tashkent Institute of Finance

Aliaskarov Otabek Aliaskar ugli –Master's degree in the specialty "Budget accounting and control" the Tashkent Institute of Finance

Abstract: In this article, the features of the organization of internal audit in budgetary organizations in the conditions of the digital economy, the conduct of financial control on the basis of external experience of the organization, the procedures for conducting internal audit on the basis of international standards have been developed.

Key words: budget system, state budget, internal audit, financial control, international standards, asset integrity, audit of liabilities, internal control, current assets, Fixed Assets, Control of commodity and material reserves, internal audit results.

Introduction. It is known that the state budget is a centralized fund of funds of the state, which is directed to finance the functions of the state. In the following years, the essence of the state budget in all countries is increasing, for example, the share of the state budget in relation to the gross domestic product of the country is increasing.

Improving the execution of the budget plays an important role in increasing its efficiency. In order to improve the budgetary process in economically developed countries, the following methods are used::

- 1) medium-term budgeting,
- 2) result-oriented budgeting.

In Uzbekistan, for the first time in 1999, the process of medium-term budgeting was introduced, and the state budget for 2020-2022 was adopted as a law.

Due to the increase in budgetary funds allocated to social processes, the share of budgetary expenditures in gross domestic products in many economically developed countries reached from 25 percent to 40 percent. In Uzbekistan, too, the share of the state budget is growing, and by 2022, its share in the state budget is expected to reach 24,5 percent, while in the state budget it is planned to reach almost 20 percent.

A number of practical works are being carried out by the government of our country in order to organize effective and targeted use of these funds. Including. O'zbekiston respublikasi bandlik VA mehnat munosabat kodeksi, the Ministry of Finance

of the Republic of Uzbekistan on the basis of the main Department of budget supervision and inspection of the Ministry of Finance of the Republic of Uzbekistan, the Ministry of public education of the Republic of Uzbekistan, the Ministry of Health, the Ministry of Higher and secondary special education, the Ministry of, centralized financial and accounting services in the Center for vocational education and in the extra-budgetary pension fund under the Ministry of Finance of the Republic of Uzbekistan and the subordinate institutions subordinated to them were established internal audit and financial control services.

In the IX Section of the law of the Republic of Uzbekistan "on approval of the budget Code of the Republic of Uzbekistan""called" control over the execution of budgets of the budget system", it is established that the state financial control is carried out by the state financial control bodies in order to identify, eliminate and prevent the cases of violations of the legislation.

State financial control is carried out by the relevant state bodies over all budgetary funds, that is, income and expenses.

Literature review.

In order to control the activities of budgetary organizations in the conditions of the digital economy, it is important to analyze the opinions of economists-scientists related to this area in the process of revealing the organizational basis of internal audit and financial control, the characteristics of internal audit in the budgetary system. Therefore, different opinions were studied in this matter. In this regard, the economist of Uzbekistan-scientist Ibragimov A.K., (2010), we can see that such an opinion is expressed as follows: the state financial control bodies carry out state financial control in accordance with their annual plans of control, which are approved by the state financial control bodies or the competent authority.

In some cases, there is a need for an unplanned examination in the implementation of a financial control system. In this matter, Mexmonov S.HeIt should be noted that such an opinion was expressed by (2018) that the implementation of unplanned state financial control is caused by the following factors:

1. Decisions of the president of the Republic of Uzbekistan or the Cabinet of Ministers of the Republic of Uzbekistan;
2. The State Financial Control Authority shall be allowed on the basis of decisions of the heads of state financial control bodies in cases of receipt of information on violations of the budget legislation.

The accounts of the Republic of Uzbekistan, the Ministry of Finance of the Republic of Uzbekistan and its authorized bodies are the state financial control bodies.

State financial control on the part of revenues of the state budget and state target funds budgets is carried out by the bodies of the state tax service within the framework of the powers granted.

On the basis of the legislation of the Republic of Uzbekistan on the State Budget (2019), the state financial control is carried out in the form of inspection, verification (including inspection in the control order to eliminate the cases of violations identified in the previous inspection or inspection of the budget legislation) and examination.

Types of public financial control:

1) **preliminary control** — is carried out by Treasury departments and financial authorities before the execution of financial operations;

2) **current control** — carried out by the Treasury departments, financial authorities and bodies of the state tax service in the process of execution of financial operations;

3) **final control** is controls that are carried out by the state financial control bodies after the execution of financial operations.

Analysis and results.

Practical work is being carried out in Uzbekistan on the establishment of Internal audit Service based on international standards in budgetary organizations with the aim of effective use of budgetary expenditures. For this purpose, specific measures are being taken to introduce accounting standards based on international standards in budgetary organizations, to establish training centers for the purpose of improving the skills of accountants and internal audit personnel operating in budgetary organizations, to develop programs based on relevant manuals, information technologies and to introduce them into practical processes. This, along with improving the control of budgetary revenues and expenditures in Uzbekistan, giving them the opportunity to increase their efficiency, provides an opportunity to reduce the tax burden on the economy.

As can be seen from Table 1 below, the share of the state budget in gross domestic product (GDP) in the budget years 2020-2022 is expected to increase in Uzbekistan.

Table 1.**Analysis of the state budget of the Republic of Uzbekistan for 2020**

O/n	Indicators	forecast for the 2020year	Intended purpose	
			2021 year	2022 year
1.	Gross domestic product, mlrd.sum	653 546	786 227	923 076
2.	The growth rate of gross domestic product, in percentage terms	5,5	5,8	6,2
I.	Consolidated budget revenues	158 960,1	191 781,6	226 318,5
II.	Consolidated budget costs	162 385,0	192 957,0	223 854,7
Share of budget revenues compared toGDP, in%:		24,3	24,4	24,5
IV.	Consolidated budget balance (surplus +, deficit -)	-3 424,9	-1 175,4	2 463,8
V.	Costs for state programs from an external debt account	14 394,1	15 724,5	16 615,4
VI.	Total fiscal balance (surplus +, deficit -)	-17 819,0	-16 899,9	-14 151,6
VII.	Repayment of public debts.	3 289,9	4 221,8	4 988,4

At the same time, the budget deficit in 2020 is 3,4 trillion. in 2021, the surplus of the state budget is planned to decrease to 1.2 trillion soums and in 2022. This has resulted in a deficit of 3,7 trillion trln by directing positive budgetary funds to stabilize the overall fiscal balance. the sojourn is almost 5,0 trillion to reduce and repay the state's debts. provides the possibility of close financing of the loan. This gives the opportunity to reduce the external debt of the state. In order to ensure transparency of the budget process, in accordance with the law of the Republic of Uzbekistan "on the state budget of the Republic of Uzbekistan for 2020", the allocators of budget funds of the first level, state target funds, the fund for reconstruction and development of the Republic of Uzbekistan shall submit to their official websites until the end of:

- distribution of funds in the cross-section of budgetary organizations under its jurisdiction;
- financial reports;
- implementation of projects carried out from the account of capital investments;
- the placement of relevant information on the conducted competition (tenders) trade and public procurement is defined as".

Table 2.

Republic of Uzbekistan for 2020 the amount of funds allocated from the budget to some ministries *

O/n	Indicators	mln. so' m Cumma
	Funds allocated from the budget of the Republic, total:	100 830 566,4
1.	Ministry of public education of the Republic of Uzbekistan	18 616 652,2
	compared to the total deductions in %	18,4
2.	Ministry of pre-school education of the Republic of Uzbekistan	5 178 570,5
	compared to the total deductions in %	5,1
3.	Ministry of Higher and secondary special education of the Republic of Uzbekistan	3 314 709,3
	compared to the total deductions in %	3,3
4.	Ministry of health of the Republic of Uzbekistan	3 070 202,4
	compared to the total deductions in %	3,05

Constant control over the financing of these activities is established, constant monitoring of the effective use of budgetary funds is established.

Organizational issues are planned in order to control the effective and correct use of budgetary funds in budget organizations, ensuring its openness, and the appropriate legal framework is being created in order to ensure that the most funds from the state budget are spent.

Conclusion

In particular, according to the decision of the president of the Republic of Uzbekistan "on further improvement of the financing of educational and medical institutions and the system of state financial control" further increase the transparency of the budget process in educational and medical institutions and increase public control over it, improvement of budget financing, accounting and reporting, increasing the responsibility of ministries, in order to radically revise the role of state financial control aimed at preventing and profiling cases of violation of the budget legislation through the introduction of modern information technologies and internationally recognized financial control standards, and since September 1, 2017, the Ministry of Public Education, the Ministry of Health, the Ministry of Higher and secondary special education, the Ministry of Higher and, the Center for vocational education and accounting services in the extra-budgetary pension fund under the Ministry of Finance of the Republic of Uzbekistan and the subordinate institutions subordinated to them have been liquidated, centralized

* December 9, 2019 of the Republic of Uzbekistan 2019 year 9 December URQ-589 "for 2020 Law of the Republic of Uzbekistan "on the state budget"

financial and accounting services in the district (city) departments of public education and medical associations have been established internal audit and financial control services.

The main functions of the services are as follows::

1) centralized financial and accounting services — to ensure the structure and execution of cost estimates of subordinate institutions in centralized order, calculation and payment of wages, procurement of goods, work and services, accounting of budget and non-budgetary funds, as well as, monitoring of revenues from the realization of goods (works, services) on the profile of their activities;

2) provision and Prevention of the following profiles of the Republic — level and regional internal audit and financial control services-cases of illegal expenditure and extortion of budgetary funds:

- planning and implementation of cost estimates in lower institutions, budget accounting, tender (selection) sales and monitoring of contracts;

- to prepare recommendations to the heads of lower institutions and centralized financial and accounting services on improving the system of Budget Accounting and reporting, avoiding unreasonable debtors and creditors, strengthening the budget discipline, increasing the effectiveness of the use of budgetary funds, including the purchase of goods, work and services, as well as strengthening the staff structure of centralized financial and accounting services;

- on the elimination of cases of violation of the law, the reasons and conditions that create an opportunity to commit them, it was established that the lower institutions should include submissions that are mandatory for their implementation.

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