
Ways to Strengthen Financial Control in the Utilization of State Budget Funds

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Abstract: In this article, the effective use of state budget funds and the ways to strengthen financial control are shown in a large scale. Mainly, it is stated on the basis of clear facts that the purposeful allocation of income to expenses is carried out through financial control or vice versa.

Key words: control, financial control, budget, budget process, financing from the budget, budget organization, state financial control, subjects of financial control, objects of financial control, principles of financial control.

Introduction

In the conditions of economic modernization, the effective functioning of the country's economy and financial system is a necessary requirement, and financial control services fulfill this condition. Financial control ensures the comprehensive development of social and private sectors, continuous improvement processes, and the acceleration of scientific and technical progress, aiming to enhance quality indicators across all economic fields.

It is a crucial condition for the successful operation of the state's economy and financial system during economic modernization, and financial control services play a crucial role in fulfilling this condition. The continuous development of the social and private sectors, the rapid advancement of scientific and technical progress, and the improvement of quality indicators in all areas of the economy are prioritized.

Efficient control over the utilization of funds allocated to sectors through the state budget is considered one of the contemporary issues. Enhancing financial control for the efficient use of budget funds is crucial in addressing current challenges. However, achieving effective financial control over the judicious utilization of budget funds is unattainable without establishing a systematic control mechanism. Notably, one of the key stages of budget execution involves the state's financial oversight, which is considered an integral part of the control activities carried out in our country.

The financial oversight practiced in our country is an integral part of the control activities being implemented, particularly at the primary stages of the budget process.

The insufficient adherence to financial discipline, budgetary control, and tax regulations, as well as the prevalence of numerous cases of misappropriation of budget funds, underscores the necessity to strengthen state financial oversight in all countries. The existence of multiple instances of errors and deficiencies in budget fund allocation emphasizes the responsibility of financial and control inspection offices and their personnel to fulfill their primary duty—to ensure adherence to budget discipline.

Financial oversight, known as the control carried out by legal and executive authority bodies of various levels, including specially established institutions, over the financial activities of all economic entities (state, enterprises, and organizations), is conducted in terms of legal and

regulatory compliance. This oversight, first and foremost, involves ensuring compliance with financial and economic legislation in the formation and utilization of monetary funds, evaluating the efficiency of financial-economic operations, and overseeing the purposeful nature of incurred expenses. In other words, financial oversight is not limited to assessing the occurrence of financial transactions but extends to its analytical direction.

When it comes to effective state oversight in the utilization of budget funds, it is of paramount importance to enhance the activities of financial oversight organs. The system of financial oversight organizations plays a crucial role in establishing efficient control in the utilization of budget funds. The broadening of the information exchange system among organizations participating in budget relations is vital. In this regard, the improvement of information exchange connections between budget organizations and financial entities such as commercial banks, tax and customs authorities, commodity exchanges, and their trading platforms contributes to the judicious and purposeful utilization of budget funds.

Literary Analysis: The Historical Development of the State Financial System and Budget's Economic Essence

The state financial system and the economic nature of the budget have been studied by economists since ancient times. For instance, Western scholars, the founders of classical economic theory—U. Petty, A. Smith, and D. Ricardo—clarified the role and duties of the tax system in the formation of state budget income. They were proponents of minimal state intervention in the economy, highlighting the state's main duties as defense and social issues. Market relations, according to their theories, should align with demand and supply laws for economic development. A. Marshall, in his work analysis, emphasized the first-time issues of state intervention in the economy, including budget stabilization. This theme was further explored in the research of J.M. Keynes.

Eastern scholars, like Ibn Haldun and Al-Farabi, addressed state expenses and their essence in their works. Professors T.S. Malikov and N.X. Haydarov expressed their thoughts on budget funds' formation: "In the process of forming money funds, economic (financial) relations are expressed, various degrees of authority come into play, and one part of the state's centralized financial resources is called budget income" [3].

Research Methodology: The research process incorporates statistical, analytical, comparative, observational, economic analysis, and other methods.

Analysis and Results: When forming the state budget, designating both its revenue and expenditure portions is crucial. Errors in the allocation and utilization of budget funds can lead to undesirable consequences. The primary direction of budget policy is to enhance the efficiency of using financial resources, reallocate financial system fields, and stabilize the socio-economic development of our republic. Ensuring the concentration of state economic resources and their purposeful utilization are key tasks in this regard.

Within the parameters defined for budget execution in our republic, achieving improvement, efficient use of funds, and ensuring adherence to budget discipline are vital tasks. The execution of the state budget involves determining its revenue and expenditure, with a focus on improving the overall effectiveness of financial resources.

The process of liberating the economy, improving market mechanisms, and deepening reforms necessitates a thorough analysis of each economic process. The budget process is legislatively based, focusing on defined parameters for budget performance during execution. Achieving improvement, efficient use of funds, and ensuring budget discipline are essential tasks within the budget.

Table 1. The consolidated budget parameters for the Republic of Uzbekistan for the year 2023 and the budget targets for the years 2024-2025 are outlined [4].

№	Indicators	"Prognosis for 2023"	Targetted plans	
			2024-yil	2025-yil
1	Gross domestic product, billion soums.	1 068 044	1 235 398	1 411 965
2	The growth rate of gross domestic product, in percentage.	5.3	5.6	6
3	The consumer price index relative to the previous year's December, in percentage.	9,5	5,6	5
4	The growth rate of industrial products, in percentage.	5,1 - 6,9	6	7,2
5	The growth rate of production in agriculture, forestry, and fisheries, in percentage.	3,5	3,7	3,9
6	The growth rate of services provision, in percentage.	6,7	6,2	6

Looking at this table, it is possible to observe a 0.3 percent growth concerning indicators 1-4-5. However, indicators 3-6 indicate the opposite.

Table 2 The main macroeconomic indicators forecast for the development of the Republic of Uzbekistan for the year 2023 and the targeted goals for the years 2024-2025 [5].

№	Indicators	Prognosis for 2023	Targetted plans	
			2024-yil	2025-yil
I	Consolidated budget revenues	310 677,90	353 697,70	397 219,40
1.	State budget profits	232 107,10	269 965,60	309 829,90
2.	State targeted budget revenues	41 250,70	46 793,80	50 609,20
3.	Revenues to the Fund for Reconstruction and Development of the Republic of Uzbekistan	11 712,00	11 394,20	9 959,00
4.	Revenues from budget organizations to funds outside the budget	25 608,10	25 544,10	26 821,30
II	Consolidated state expenses	343 212,60	387 197,10	428 363,70
1	State budget expenses	227 866,60	255 324,10	285 570,50
2	State targeted fund expenditures	70 212,90	77 565,20	85 342,80
3	Expenditure of funds from the Fund for Reconstruction and Development of the Republic of Uzbekistan	11 712,00	17 474,60	17 765,50
4	Expenditure of funds from budget organizations outside the budget	25 608,10	25 033,20	26 284,90
5	Expenses for state programs from external debt	7 813,00	11 800,00	13 400,00
III	Transfers to state targeted funds	29 867,60	34 341,70	37 775,50
IV	Consolidated budget balance (surplus +, deficit -)	-32 534,70	-33 499,40	-31 144,30
V	Consolidated budget balance (surplus +, deficit -)	-24 721,70	-16 129,90	-10 474,20
VI	Repayment of state debts	19 173,70	31 498,80	26 657,50

In this table, the highest indicator, namely the state budget income for 2025, amounts to 309,829.90 billion soums. The difference between the 1st and 2nd years is 43,019.8 billion soums. As for state budget expenses, they amount to 285,570.50 billion soums, with a difference between the 1st and 2nd years being 27,457.5 billion soums.

Conclusion: To ensure the efficiency of control in Uzbekistan and enhance effective financial control from the use of budget funds, the following main conclusions, recommendations, and suggestions are highlighted:

- Reform the financial control system in line with state policies.
- Ensure that financial control contributes to achieving set goals.

- Enhance the effective activities of financial control bodies in optimizing budget expenses.
- Promote research activities in the field of financial control.
- Strengthen and improve the legal foundations of the activities of financial control system organs.
- Improve the information exchange system between the control system and various organizations.
- Implement mechanisms for enhancing control over the use of budget funds in foreign states and incorporate positive experiences into our national financial control system.

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