

WAYS TO IMPROVE CONTROL OVER THE EXPENDITURE OF BUDGET FUNDS

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Annotation

This article examines the theoretical and practical aspects of improving financial control over the expenditure of budget funds in Uzbekistan. It highlights the importance of financial control in ensuring economic stability, efficient public finance management, and increasing public trust in the state. The study analyzes existing shortcomings in the national system, such as insufficient development of internal audit, duplication in the activities of control bodies, and limited transparency. International practices, including digital audit, risk-based control, and civil society participation, are reviewed with a focus on their applicability to Uzbekistan's context. The article proposes key measures such as adopting a unified law on state financial control, strengthening internal audit systems, introducing digital technologies (including blockchain), and enhancing public oversight through platforms like the "Open Budget" portal.

Keywords

Budget funds, financial control, internal audit, digital audit, transparency, public finance management, Open Budget portal, risk-based control, international experience, Uzbekistan.

Introduction

In a market economy, the state budget serves as the main component of the country's financial system, playing an important role in ensuring economic stability, developing the social sphere, and fulfilling the state's priority tasks. The efficient and targeted use of budget funds, first and foremost, determines the successful implementation of the state's financial policy. At the same time, strengthening

financial discipline, ensuring the rational use of public resources, and preventing corruption and misuse directly depend on how effectively the system of financial control is organized.

In recent years, a number of reforms have been carried out in Uzbekistan to improve the management of public finances and strengthen control over the use of budget funds. In particular, the introduction of the single treasury account system, the involvement of the population in budgetary processes through the “Open Budget” portal, and the widespread use of digital technologies have become important steps toward increasing transparency. However, in practice, a number of problems remain, such as the misuse of budget funds, the incomplete formation of the internal audit system, as well as duplication and low efficiency in the activities of control bodies.

Results

Therefore, studying the theoretical and practical aspects of improving financial control over budget expenditures and developing effective mechanisms for its organization is one of the urgent scientific and practical issues today.

The issue of strengthening control over the expenditure of budget funds is of great importance in the context of ongoing economic reforms. In Uzbekistan, budget funds are mainly directed to social sectors such as education, healthcare, social protection, and infrastructure projects. Hence, their efficient and rational use directly affects not only the economic stability of the state but also the well-being of the population. For this reason, improving the system of financial control plays a crucial role in the management of public finances.

Although the legal and institutional foundations of financial control have already been established in our country, a number of shortcomings still remain in practice. In particular, internal audit systems in budget organizations are not yet fully developed; in some cases, funds are misused; transparency in financial reporting is not sufficiently ensured; and the activities of control bodies are characterized by duplication and lack of efficiency. Such shortcomings reduce the effectiveness of budget spending and hinder the full implementation of the objectives set in the state’s financial policy.

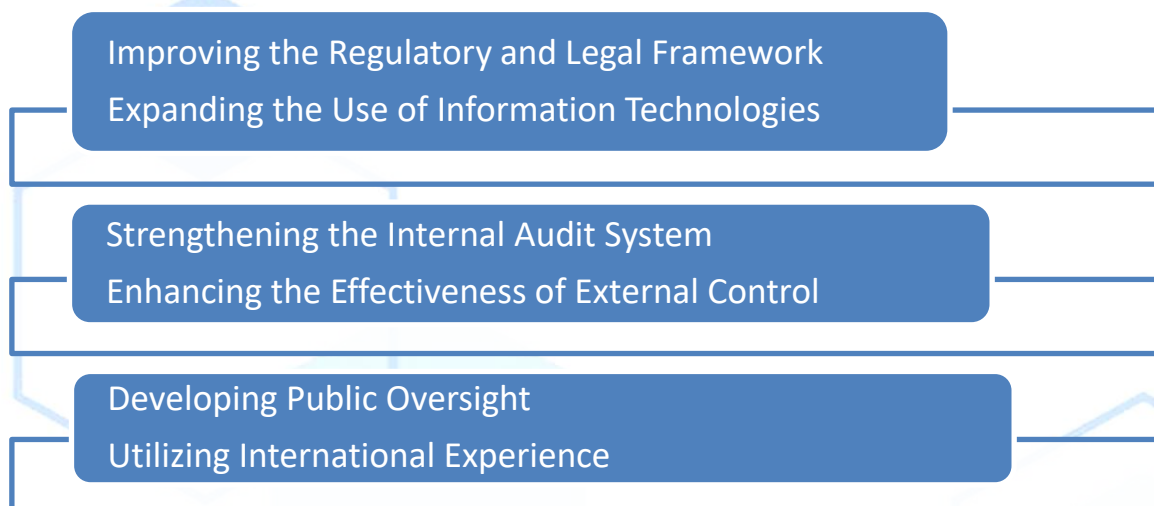


Figure 1. Ways to Improve Financial Control over Budget Expenditures¹

International practice shows that in developed countries, mechanisms such as digital audit, risk-based control, and public participation in the financial oversight system produce effective results. For example, in Estonia and the Republic of Korea, digital audit systems that allow real-time monitoring of public expenditures have significantly increased financial transparency. In OECD countries, a risk-based control system is applied, giving priority to sectors with a high risk of corruption. In the United States and the United Kingdom, the active participation of civil society institutions helps make the budget process more transparent and improves efficiency. These experiences can serve as an important source for shaping effective oversight mechanisms in the context of Uzbekistan as well.

Therefore, improving control over the expenditure of budget funds should be carried out in several key directions. First of all, it is necessary to adopt a unified law on state financial control and clearly define the powers of internal and external control bodies within it. In addition, it is of great importance to widely introduce digital technologies in the process of budget expenditure, including the use of electronic monitoring and blockchain systems. Strengthening the internal audit system,

¹ Compiled by the author

establishing audit departments in budget organizations, and aligning their activities with international standards are also effective measures to improve financial discipline. Moreover, expanding the opportunities of the “Open Budget” portal to enhance public oversight, modernizing the activities of the Accounts Chamber, and improving inspection methodologies based on international experience are among the important tasks.

In recent years, a number of reforms have been implemented in Uzbekistan to strengthen oversight of budget funds. In particular, the single treasury account has been introduced, the expenditures of budget organizations are being monitored online, and opportunities have been created for the public to actively participate in the budget process through the “Open Budget” portal.

Thus, improving financial control over the expenditure of budget funds is of great importance in consolidating the stability of public financial management, ensuring the successful implementation of economic reforms, and further enhancing public confidence in the state.

Overall, improving financial control over the expenditure of budget funds plays a crucial role in strengthening the stability of public financial management, accelerating economic growth, and increasing public trust in the state. In this process, the effective use of modern technologies, legal mechanisms, and international experience serves as a decisive factor

Conclusion

In conclusion, strengthening financial control over the expenditure of budget funds is a critical factor in consolidating economic reforms, ensuring transparency, and enhancing public trust in Uzbekistan. Despite recent progress, including the introduction of the single treasury account and online monitoring of expenditures, significant challenges remain in internal audit, reporting transparency, and efficiency of control bodies. International experience demonstrates that digital audit, risk-based approaches, and public participation can significantly improve financial oversight. Therefore, adopting a comprehensive legal framework, modernizing audit practices in

line with international standards, and expanding digital technologies will be decisive in increasing the effectiveness of public financial management and ensuring the rational use of budget resources.

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