



Research Article

PRINCIPLE OF TRANSPARENCY OF THE BUDGET OF THE REPUBLIC OF UZBEKISTAN

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Samandarova Gulmira Muzaffar kizi

Doctoral student, At the Tashkent State University of Economics, Tashkent, Republic of Uzbekistan

Eshov Mansur Pulatovich

Doctor of Economic Sciences, At the Tashkent State University of Economics Tashkent, Republic of Uzbekistan

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ABSTRACT

The article explains the essence and significance of the Budget Code of the Republic of Uzbekistan put into effect, aimed at improving the efficiency of budget expenditures. There are issues of budget legislation orderliness, permission receiving simplification, improvement of planning and reporting, increasing of public fund efficiency and resulting considered.

KEYWORDS

Budget system, budget funds, result-oriented, the principle of efficiency and effectiveness of budget use, the principle of transparency of the budget system.

INTRODUCTION

Today in Uzbekistan, much attention paid to increasing the openness and transparency of the budget process. To this end, a new procedure for the formation and execution of the State budget has been introduced.

On August 22, 2018, a resolution of the President of the Republic of Uzbekistan “On measures to ensure openness of budget data and active participation of citizens in the budget process” adopted, which provides for strengthening parliamentary and public

control over the formation and expenditure of the budget.

In order to ensure the openness of the budget process, an information portal “Open Budget” has been developed and launched, which contains detailed information on the execution of the state budget, its parameters, components and forecast indicators. The portal also provides an opportunity for citizens to determine the directions for the expenditure side of local budgets.

Along with this, on the official pages of the Ministry of Finance, on a daily and monthly basis, data are posted on the revenue and expenditure parts of the state budget, contracts concluded in the public procurement system, as well as reports on funds allocated to ministries and departments allocated under government programs in various directions, respectively.

Moreover, the practice of issuing the publication “Budget for Citizens” has been introduced, which provides information on the implementation of parliamentary and public control over the targeted direction of budget expenditures, the annual review, approval and expenditure of the State budget based on public opinion.

In addition, the main legislative act was the Law of the Republic of Uzbekistan “On the budget system” adopted in 2000. Thus, according to the Law “On the Budgetary System”, after receiving a budget request from the Ministry of Finance, the regional financial departments and budget recipients made decisions on the preparation of their budgets and initiated procedures for the preparation of budget applications at the district level.

Similar decisions made throughout the entire vertical of the budget system. At the same time, budget expenditures planned based on statutory standards and actual expenditures for the previous year. The Ministry of Finance of the Republic of Uzbekistan prepared the draft State Budget in accordance with the submitted applications of recipients of budgetary funds and draft local budgets included in the structure of the State Budget.

With this traditional approach, targeted spending achieved. However, it is difficult to determine what results have been achieved. It should be noted that almost all actions of the state should be provided with budgetary funds. Therefore, not only the fulfillment of state obligations and social guarantees, but also the achievement of the strategic goals of the country’s development depend on what principles and rules used to form and use budget funds, what priorities the budget policy implements.

METHODS, RESULTS AND DISCUSSION

Considering such an important role of budget policy, in many countries the task of increasing the efficiency of budget expenditures and their orientation towards achieving socio-economic results has become acute. In this regard, both in developed countries and in recent years and in countries with economies in transition, a conceptually new approach is being introduced, which provides for a transition to medium-term budget planning and the introduction of performance-based budgeting. Increasingly expanding practice proves the success of the new approach, which ensures an increase in the efficiency of public authorities.

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What mechanisms and tools will ensure the effectiveness of the use of budgetary funds and its administration?

Firstly, one of the basic principles of the budget system of the Republic of Uzbekistan, introduced by the Budget Code, is the principle of the effectiveness of the use of the budgets of the budget system of our country [1]. Now, in the preparation and execution of budgets of the budget system of the Republic of Uzbekistan, participants in the budget authorities should proceed from the need to achieve the best result using the amount of funds determined by the budgets of the budgetary system of our state. It is worth considering the principle of targeting and the targeted nature of the use of funds from the budgets of the budget system.

Secondly, the Budget Code, in accordance with Art. 87 - 88, it is envisaged that when preparing the budget, ministries and departments will submit, along with the budget request, a strategic plan for the development of ministries and departments, a register of spending obligations that are drawn up for the medium term [2]. These innovations link the planning of budget expenditures with the results of the activities of ministries, departments and budgetary organizations / budget recipients.

In other words, now the budget request includes:

- An analytical report on the results achieved for the previous year and the expected results of the current year, including quantitative and qualitative performance indicators related to the use of funds from the budgets of the budgetary system of the Republic of Uzbekistan;
- A register of expenditure obligations, indicating the regulatory legal acts, contracts and / or their individual provisions, which are the basis for their introduction / execution and determine the sources of funding and duration;
- A strategic plan for the development of budget managers for the next three years, agreed with the parent organization;
- Budget request for the forthcoming period, drawn up in conjunction with the strategic development plan of the manager of budgetary funds [1].

It is important to emphasize that the Budget Code was developed not only for financial authorities, the Treasury or other bodies controlling the budget process, but also for direct consumers of budgetary funds, that is, for budgetary organizations and recipients of budgetary funds. In this regard, control over the execution of budgets of the budget system is one of the main points of the budget process. In the previous legislation, one article of the Law "On the Budget System" and a few provisions of other by-laws regulated control over the execution of the budget.

In the adopted Budget Code:

- The system of bodies exercising state financial control specifically defined;
- Reflects the principles, forms and methods of state financial control;
- Types and types of state financial control are classified;



- Powers of control bodies, their rights, duties and responsibilities of officials of state financial control bodies are defined [2].

It should be noted that the Budget Code includes new norms for mandatory coordination with the authorized body of control plans for budgetary organizations and recipients of budgetary funds, and also determines the frequency of inspections – no more than once a year. At the same time, the terms of inspections should not exceed 30 calendar days.

The bodies of state financial control are the Accounts Chamber of the Republic of Uzbekistan and the Ministry of Finance of the Republic of Uzbekistan and its authorized subordinate organizations. In cases provided for by law, state financial control exercised by the prosecutor's office.

State financial control in terms of revenues of the State budget of the Republic of Uzbekistan and the budgets of state trust funds, within the limits of the powers granted, carried out by the bodies of the state tax service.

The adopted Budget Code will be tested over the next two years in order to improve and supplement it. In this regard, in our opinion, it is necessary to clarify the role of each of the two chambers of the Oliy Majlis of the Republic of Uzbekistan in the Budget Code.

Thus, the analysis of foreign experience showed that the financial commissions of the National Assembly and the Senate of France monitor and control the implementation of the law on the state budget, and consider issues related to public finances. This duty assigned to the chairperson of the commission, the general rapporteur, as well as special rapporteurs, taking into account their specialization. To this end, the commissions conduct documentary checks and on-site

controls, as well as the necessary hearings. The commissions provided with all information and documents of a financial and administrative nature required by them. Reports of bodies and services exercising control of administrative bodies in compliance with the relevant conditions regarding secret issues related to national defense, external and internal security of the state, as well as in compliance with the secrecy of the investigation and medical secrecy.

The President himself in accordance with the Constitution of the Republic of Belarus and legislative acts carries out control over compliance with the budgetary legislation of the Republic of Belarus. Chambers of the Parliament of the Republic of Belarus; the Government of the Republic of Belarus; State Control Committee of the Republic of Belarus; Ministry of Finance and its territorial bodies. The Budget Code, on the one hand, forms a transparent system for parliamentary control at all stages of the budget process, on the other hand, it is able to provide a sustainable and effective mechanism for redistributing resources and strengthening the revenue potential of the country's regions. For budgetary organizations, these are clear and precise rules for the preparation and execution of budgets and the fulfillment of the tasks assigned to them.

As part of the priorities for the implementation of a strong social policy, in Uzbekistan, the main attention paid to financing the social sphere, including the further development of education, healthcare and others. Therefore, when analyzing the Budget Code, it is necessary to pay attention to the importance of further strengthening control over the observance of financial discipline in the social sphere. Thus, in the work of ministries and departments on the implementation of budget parameters, there are still



issues that require revision or further improvement. In this regard, it is necessary to support the development and implementation of nationwide indicative economic programs for the medium and long term, to continue to maintain strong state support for socially oriented economic projects and programs.

An important element in improving the budget process is detail of budget accounting and reporting of all participants in the budget process. In the Law “On the Budgetary System”, the procedure for preparing and submitting reports reflected only in Article 39, which defined only procedural issues. The main requirements for accounting in the public sector and reports, the procedure for their consideration practically not regulated in the laws in force. There were also no rules for the preparation and submission of reports on the execution of state trust funds.

At the same time, the provision of reports on budget execution, their consideration and approval is no less important part of the budget process than the rest. In this regard, the Budget Code covers accounting and reporting of the entire system of public finances, including state trust funds and extra-budgetary funds of budgetary organizations. In the adopted Code, the basics of budget accounting, forms of budget reporting, as well as issues of external audit of the budget execution report are more detailed. The prerequisites for the introduction of the National Accounting Standards in the public sector are given.

In the Budget Code, another innovation was a separate norm of mandatory publication of budget parameters and a report on the execution of the State budget and state trust funds in the media. This makes another contribution to ensuring the transparency of the activities of state authorities and administration, informing the public about the progress of economic and social reforms being carried out in Uzbekistan, and

putting into practice the principles of public accessibility, openness and reliability of information. This norm complies with the principle of transparency of the budget system and international standards for the publication of budget data, and fully complies with the principle of building a strong civil society.

CONCLUSION

The implementation of the Budget Code, in conjunction with the current Tax Code, makes it possible to form a single unified legal framework for public finance that meets international standards. The implementation of the norms and provisions provided for in the Code will ensure the effective application of uniform legal norms and approaches at all stages and levels of the budget process and will simplify the interconnected work of all participants in the budget process.

In our opinion, the policy pursued by the state to enhance the activities of local authorities and the above measures will have a positive impact on strengthening the capacity of local authorities and will contribute to improving the quality and transparency of the financial management system of local authorities.

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