



REGULATORY AND LEGAL REGULATION OF ACCOUNTING IN BUDGETARY INSTITUTIONS

Kuliboyev Azamat Shonazarovich

Doctor of Philosophy in Economic Sciences (PhD), Tashkent Institute of Finance, Tashkent, Uzbekistan

ABSTRACT

This article explores the distinct elements and characteristics of the legal framework governing accounting practices in budgetary organizations. The regulation of accounting in such organizations encompasses various levels, including legal, regulatory, methodological, and technical aspects, all rooted in scientific and methodological foundations. As per the prevailing budgetary legislation, budgetary organizations are required to establish an accounting policy, define its structure, and acknowledge its significance in upholding an effective internal control system.

KEYWORDS: *accounting, budget, budget account, budget accounting standard, budget organization, state budget, public sector, internal control, accounting policy, legal document.*

INTRODUCTION

Rapid development of the national economy in our country and ensuring high growth rates is the third priority of the new development strategy of Uzbekistan for 2022-2026, approved by the Decree of the President of the Republic of Uzbekistan dated January 28, 2022 "On the development strategy of the new Uzbekistan for 2022-2026" No. PF-60 is considered. In this priority direction, it is indicated to reduce the deficit of the state budget, to ensure that it does not exceed 3% of the gross domestic product from 2023, and to organize the spending of at least 5% of the budget of each district to solve the most urgent problems based on the proposals of the population within the framework of the "Citizens' Budget" program.

In order to reduce the deficit of the state budget, it is necessary to have a clear accounting book of funds allocated from the budget and to be based on a strict legal system to control its intended use. One of the urgent issues of the day is the accounting of the effective use of the budget funds received by the budget organizations and the recipients of funds from the budget in compliance with the normative and legal documents.

It is known that the purposeful and effective spending of budget organizations' funds, as well as making appropriate decisions on assets and liabilities, is based on accounting information. Accounting and financial information is formed in an appropriate manner based on the results of the execution of funds and their sources of organization in the process of execution of income and expenditure estimates by organizing and maintaining accounting in budget organizations.

Today, in the process of reforms implemented in the budget system, the role and importance of accounting in budget organizations is increasing. 14 budget accounting standards have been developed and are being put into practice to align with international accounting standards in the public sector.

In order to further increase the openness and transparency of budget information, to strengthen parliamentary and public control over the formation and spending of budget funds, the President of the Republic of Uzbekistan on August 22, 2018 "On measures to ensure the openness of budget information and active participation of citizens in the budget process" PD-3917 - No. accepted. With the decision, the "Open budget" information portal was launched and its operation was ensured. The issue of providing feedback to citizens, including the possibility of making proposals for improving the budget process and informing about cases of violations of the budget legislation, is specifically noted on the portal. Also, it is important to be based on regulatory and legal documents in the preparation of accounting and financial reports in budget organizations.

LITERATURE REVIEW

Within the framework of the research topic, the scientific works of national and foreign economists were studied. In the studies of foreign economists I.Vorobeva, A.Spesivtseva and G.Barysheva, the procedures and



rules of accounting for budget, treasury and budget-financed institutions are shown. The organization of accounting in these state institutions, the basic rules and principles of accounting, and the legal basis for the formation of accounting policy are explained in detail [Vorobeva I.P., Spesivtseva A.L., Barysheva G.A., 2012].

The foundations of the organization of accounting in the public sector are covered in detail in the scientific research of S.Solodova and A.Glushchenko. The content and importance of each law and code, their application and interdependence in the normative-legal regulation of accounting in the public sector are methodologically based [Solodova S.V., Glushchenko A.V., 2022].

In the research works of O.Kachkova, T.Krishtaleva and M.Ovsiychuk, the issues of organization of accounting in budget institutions occupy the main place. In this, the basic rules of accounting in budgetary institutions, the organizational, methodological and technical aspects of the formation of the internal control system and accounting policy are explained in detail [Kachkova O.E., Krishtaleva T.I., Ovsiychuk M.F., 2022].

Among the economists of our country, M.Ostonakulov, S.Mehmonov, A.Tuychiev, A.Ostonokulov, K.Ibragimov and A.Tursunov conducted studies on the theoretical, methodological and legal aspects of accounting organization in budget organizations.

M. Ostonakulov's studies are devoted to the issues of organization of accounting in budget organizations, theoretical, methodological and legal aspects of organization of accounting in organizations are highlighted. Methodical aspects of accounting, inventory transfer and reporting in budget organizations are also shown [Ostonakulov M., 2009].

The organization of accounting in budget organizations, its theoretical and methodological foundations were studied in the research works of S. Mehmanov. The purpose, tasks, special features of accounting organization in budget organizations, classification of accounting accounts and the basis of financial statements are explained [Mehmonov S., 2012].

In the research conducted by A. Tuychiev, A. Ostonokulov, K. Ibragimov and A. Tursunov, the current issues of budget accounting and the organization of accounting in budget organizations, organizational and methodological foundations of accounting are highlighted. The practical aspects of their analytical and synthetic calculation of account objects are shown [Tuychiev A., Ostonokulov A., Ibragimov K., Tursunov A., 2018].

When we studied the research of the above foreign and our country's economists, the research works carried out by them were mainly devoted to the theoretical, methodological and organizational aspects of accounting management and organization in budget organizations. Although the legal basis of accounting in budget organizations has been partially covered by scientists, it has not been fully researched. Therefore, in our opinion, regulatory and legal regulation of accounting in budget instruments, development of accounting policy and organization of internal control system are important for the purposeful and effective use of budget funds.

RESEARCH METHODOLOGY

Systematic analysis, analysis, synthesis, comparison, and other similar research methods were used taking into account the specific aspects and features of the regulatory and legal regulation of accounting in budget organizations.

RESULTS AND DISCUSSIONS

It is known that accounting reflects the system of collecting, registering and summarizing information about the state of accounting objects and their movement, as well as drawing up financial and other reports based on them.

Accounting in budget organizations, in general, is a part of accounting and the budget process, providing users with the necessary financial information about the execution of the state budget.

The specific characteristics of the activities of budget organizations determine the characteristics of accounting and reporting (Figure 1).

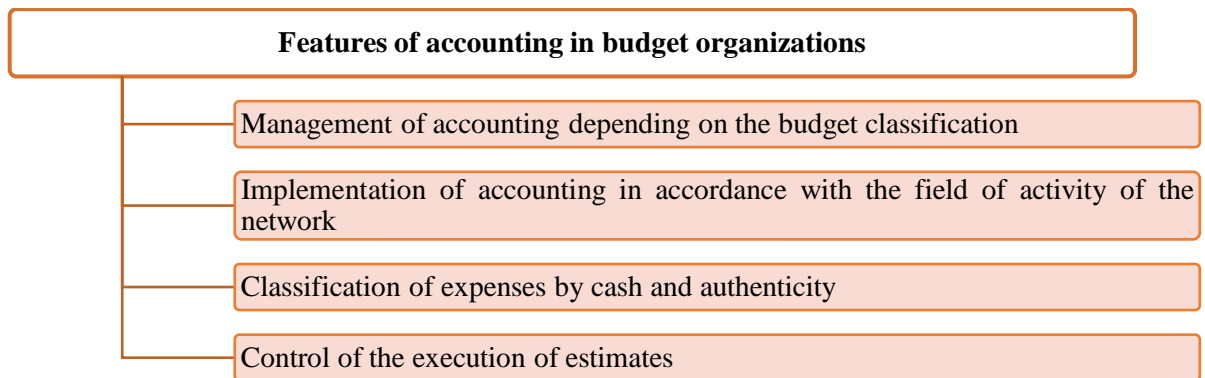


Figure 1. Features of Accounting in budget organizations

Source: Developed by the author as a result of scientific research

As can be seen from the features of accounting in budget organizations, accounting in public sector organizations is based on strict legislation. In particular, the funds allocated from the state budget are reflected in four groups of cost items of budget organizations' cost estimates. Here, the budget classification is used. The amounts planned for the four groups of the estimate are also calculated according to the standards specified in the current regulatory and legal documents. This is strict planning.

We believe that it is appropriate to divide these documents into the following four levels in the normative-legal regulation of accounting in budget organizations (Figure 2).

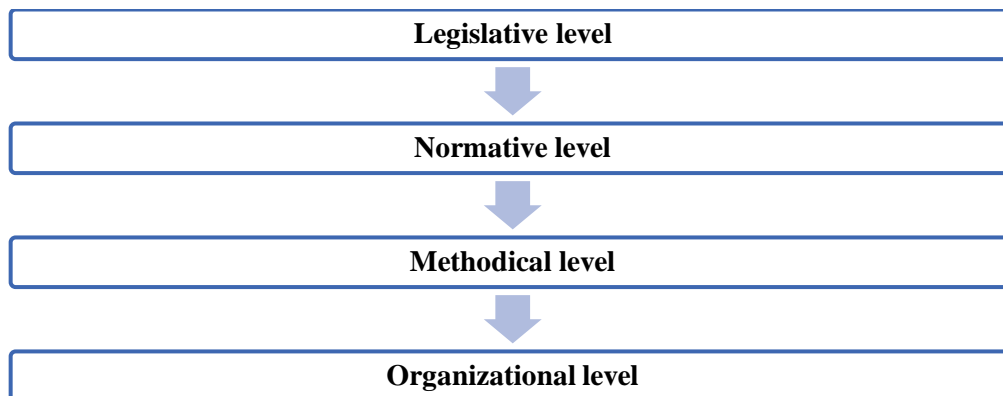


Figure 2. Levels of legal regulation of accounting in budget organizations

Source: Developed by the author as a result of scientific research

The legislative level of legal regulation of accounting in budget organizations includes the Budget Code of the Republic of Uzbekistan and the Law on Accounting, Decrees and Decisions of the President of the Republic of Uzbekistan, which are considered the legal basis for the organization of accounting.

The Law of the Republic of Uzbekistan on Accounting defines the concept of "budget legislation" and lists them, including regulation of accounting and financial reporting in budget organizations based on budget accounting standards.

The budget accounting and reporting procedure in our country is carried out based on the Budget Code. The uniform methodology of budget accounting and budget reporting is determined by the Ministry of Economy and Finance of the Republic of Uzbekistan in accordance with the Budget Code, standards of budget accounting, as well as other legal documents. In budget organizations, internal departmental documents are used, which ensure the detailed accounting in accordance with the uniform methodology of budget accounting and reporting. An example of this is the accounting policy of a budget organization.

Decisions of the Cabinet of Ministers of the Republic of Uzbekistan, standards of budget accounting, guidelines, regulations, legal documents related to the preparation of cost estimates and staff tables in budget

organizations, and which are used to determine the rate of expenses spent during one year to maintain the organization are considered normative documents.

Methodological instructions and explanatory letters of the Ministry of Economy and Finance of the Republic of Uzbekistan are methodological-level documents. Methodological-level documents include:

- methodological recommendations for filling out payment documents for paying taxes, other mandatory payments, administrative fines and financial sanctions to the revenues of budgets of the budget system;
- explanations regarding the correspondence of sub-accounts according to the chart of accounts of accounting in budgetary organizations;
- explanations on the accounting and reporting of accounting and reporting operations for the end of the reporting year in budget organizations.

The purpose of organizational level documents is to determine the procedure for accounting in budget organizations. The organizational level includes documents developed by budget organizations and defining the accounting of certain types of property, liabilities, economic operations, etc. It is also possible to include documents intended for internal use approved by the head of the organization. The main regulatory document at this level is the accounting policy of the organization. In accordance with the current legislation, the structural structure of the accounting policy in budget organizations should be as follows (Figure 3).

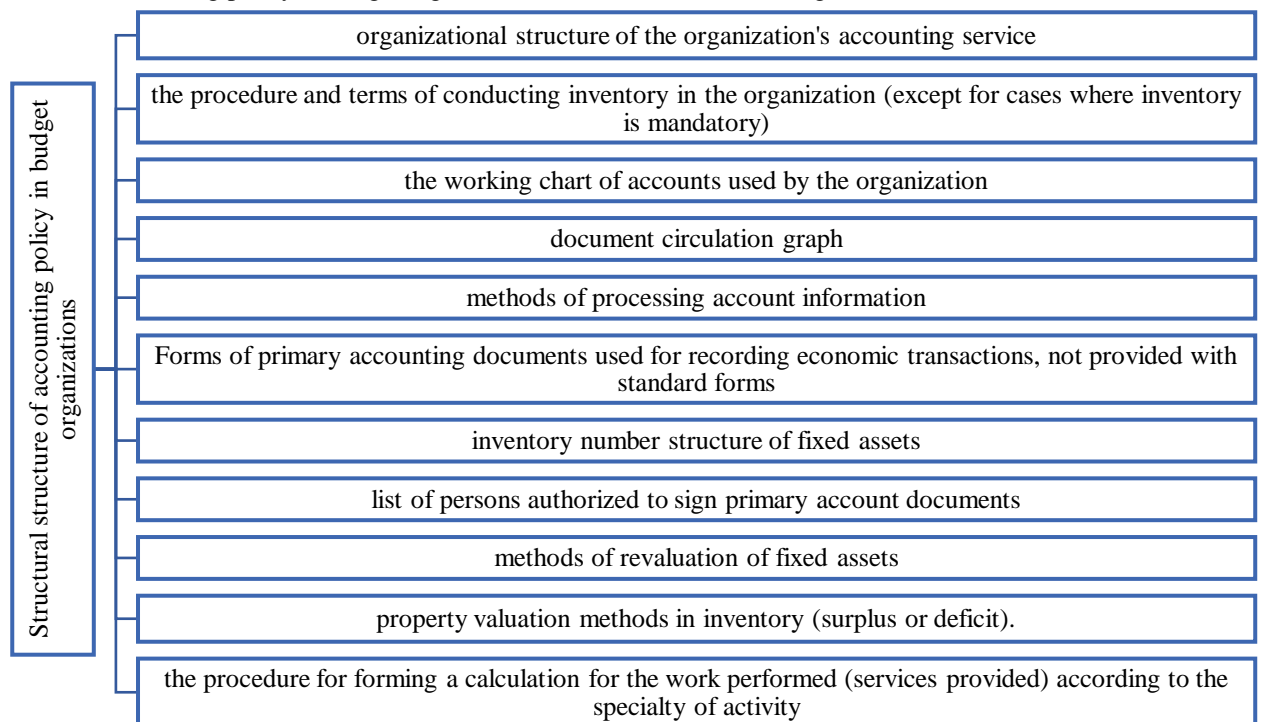


Figure 3. Structural structure of accounting policy in budget organizations

Source: Developed by the author as a result of scientific research

It is appropriate to develop the accounting policy taking into account the activity, specialization and structural structure of budget organizations. Based on this, it is checked that budget organizations maintain accounting in accordance with the approved accounting policy based on the order of the head, implement internal financial control to prevent financial assets from being looted, and prepare and submit financial, statistical and tax reports within the specified period.

Organization of the internal control system in the formation of the accounting policy in budget organizations is one of the urgent issues of today. The procedure for organizing internal control is considered depending on the size and nature of the activities of budget organizations, as well as their management system.

There are both direct and inverse relationships between accounting policy and internal control. Improvement of various methods of reflecting the facts of economic life, as well as their economic necessity and expediency in the formulation of accounting policy can be achieved by creating an internal control system of budget organizations.



The accounting policy is formed on the basis of regulatory and legal documents on the regulation of accounting at all levels in budget organizations, and in the process of accounting in organizations, the implementation of the above documents is applied to the accounting system.

CONCLUSION

As a result of the conducted research, we would like to emphasize the following. In order to improve the regulatory and legal basis of accounting in budget organizations, **first of all**, it is necessary to compare and study the current state of accounting with the legislation on the budget. Because here it is determined to what extent the standards set by the legislation are being fulfilled and observed.

Secondly, we consider it appropriate to conduct a comparative analysis of budget accounting standards adopted in our country with international accounting standards in the public sector. In this, it is considered to what extent budget accounting standards are harmonized with international accounting standards in the public sector.

The accounting policy is the main document used in the organization of accounting, regulation of the accounting process and implementation of the internal control system in budget organizations. The accounting policy of budget organizations is developed on the basis of the laws of the Republic of Uzbekistan, presidential decrees, decisions of the Cabinet of Ministers, budget accounting standards and regulations related to industry sectors.

Analyzing from a scientific, theoretical and methodological point of view, the accounting policy formed in connection with the practice of accounting is one of the necessary tools for effective management of the financial activities of budget organizations, and directly affects the effectiveness of the organizations in all existing areas.

Correctly developed and structured accounting policies and full disclosure of accounting information directly affect the effectiveness of budget organizations. It is also the basis for the timely performance of control, information and analytical functions in accounting in budget organizations. The accounting policy defines the single procedure for creating, receiving, storing and recording documents in the organization's accounting, as well as the circulation of documents.

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