

The System of State Financial Control and its Significance

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ANNOTATION

The reliability, objectivity and completeness of the information contained in the documents on the results of the state financial control are provided by officials of the state financial control bodies. Control is one of the most important functions of the management process, since it not only identifies and eliminates shortcomings in the work, but also stimulates the continuation of activities. The article discusses the theoretical foundations of state financial control, the essence of the concept of financial control, its content and various positions. In the course of the research, the views of scientists in the field are examined, theoretical positions are discussed. The purpose of the study is to study the importance of state financial control.

KEYWORDS: *control, financial control, audit, audit, efficiency budgeting.*

Introduction. The emergence and development of financial control is closely related to the organization and development of the state financial system. The organization of financial control is considered a mandatory element of financial resources management, such management reflects responsibility to the company. Control is not considered the ultimate goal, control is an integral part of the management system and is a prerequisite for the effective functioning of the country's economy and financial system. Financial control is a structural element of state control over the management of the socio-economic development of society.

As the President of the Republic of Uzbekistan Shavkat Mirziyoyev noted: "... at the end of 2016, we tried to determine our most important goals and priorities for reforming all aspects of the life of the state and society.

We have set ourselves the issue of creating a new image of our society, building a new Uzbekistan as a strategic task.

The last five years have been a period of incomparable changes, renewal and radical reforms, which every citizen of our country deeply feels in his daily life." [2], [3].

Currently, the main purpose of financial control is to conduct an objective study of the real state of affairs present at the object under study, and to identify or prevent factors that negatively affect the adoption and execution of management decisions.

Control is a system for monitoring, comparing, verifying and analyzing the activities of a managed object in order to assess the validity and effectiveness of management decisions taken or taken as a form of a management cycle, to determine the degree of deviation (differentiation) of the implementation of these decisions from the established parameters of real results and regulatory guidelines, as well as for making management decisions [7], [8], [9].

The important role and importance of state financial control in the overall control system, which is the main element of the management system, lies in the fact that, firstly, finance itself, as an economic category, objectively performs the function of control; secondly, the role of financial relations in a market economy is increasing.

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State financial control is one of the most important functions of public administration, which includes control over legality, compliance with requirements and financial resources, as well as deviations from the adopted laws and standards of efficiency of management of other state property.

For legal science and practice in the field of finance, it is important to distinguish between the concepts of "State financial Control" and "state audit" [10], for this purpose, this study was tasked with reviewing and studying the theoretical and legal foundations of state financial control, the concept and essence of financial control.

Analysis of the literature on this topic. Russian scientist-economist I.A. Belobzhetsky defined that, "financial and economic control means an objective assessment of the economic efficiency of the activities of state and public bodies entrusted with control functions over the financial and economic activities of enterprises, associations, institutions, organizations and spheres of material production and non-production, legality, correctness and expediency of economic and financial transactions, compliance with socialist property, in order to determine the on-farm potential for increasing the efficiency of production and state budget revenues" [4].

Another Russian scientist N.D. Brovkina noted that "the task of financial control bodies should be aimed primarily at checking the legality, correctness and expediency of the execution of state laws and presidential decrees, the direction of budget funds allocated by the state, the effectiveness of the government and its bodies, efficient and economical spending of public funds at all levels management of financial and material resources. The task of control is to correctly establish the permissible standards of deviations, it is necessary to fix and eliminate all other deviations" [5].

Russian professors A.V.Vakhobov and T.S.Malikov believe that "control over the financial activities of all economic entities (state, enterprises and organizations), carried out by various levels of legislative and executive power, as well as specially created institutions, is called financial control. This control includes, first of all, compliance with financial and economic legislation in the process of formation and use of funds, assessment of the effectiveness of financial and economic operations and control over the expediency of the costs incurred. In other words, control is not limited to the fact that it contains an assessment of the occurrence of a particular financial movement, but it has its own analytical orientation" [6].

So, financial control is the activity of responsible bodies that analyze their effectiveness, ensuring the financial turnover of existing business entities within the framework of established legislation, and develop proposals for their further improvement aimed at a specific goal. The purpose of financial control is not just control, its purpose is to take measures to remedy the situation, in some cases to bring the perpetrators to justice, to compensate for the damage caused or to determine, as far as possible, deviations from the standards adopted at the initial stage in order to be able to prevent or reduce the number of such violations in the future.

Analysis and results. In the process of transition to a market economy, the goals and objectives, types and forms of financial control have changed radically. Now he performs such tasks as consulting and instructing not only for the purpose of punishment, but also to ensure that the funds necessary for the state to fulfill its duties are fully collected and purposefully effectively spent from the budget. Today, the financial control system concentrates in its structure the types, forms and methods of control along with the controlling and controlled ones [12], [13].

Successful and effective financial control depends on the level of its organization and types, forms of control and methods of its implementation.

According to the entities exercising financial control, the following types are distinguished::

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- national financial control;
- departmental financial control;
- on-farm financial control;
- public financial control;
- independent financial control.

This can be expressed in the form of Figure 1.1 below:

National financial control is carried out by state authorities (Oliy Majlis, Accounting Chamber, Ministry of Finance, State Tax Committee, State Customs Committee, etc.) [14]. The main purpose of this type of financial control is to ensure the interests of the state and society in relation to the receipt of income and the expenditure of public expenditures.

Departmental financial control is carried out by the departments of State Financial Control and other structures of ministries covering the activities of enterprises, organizations and institutions subordinate to this department.

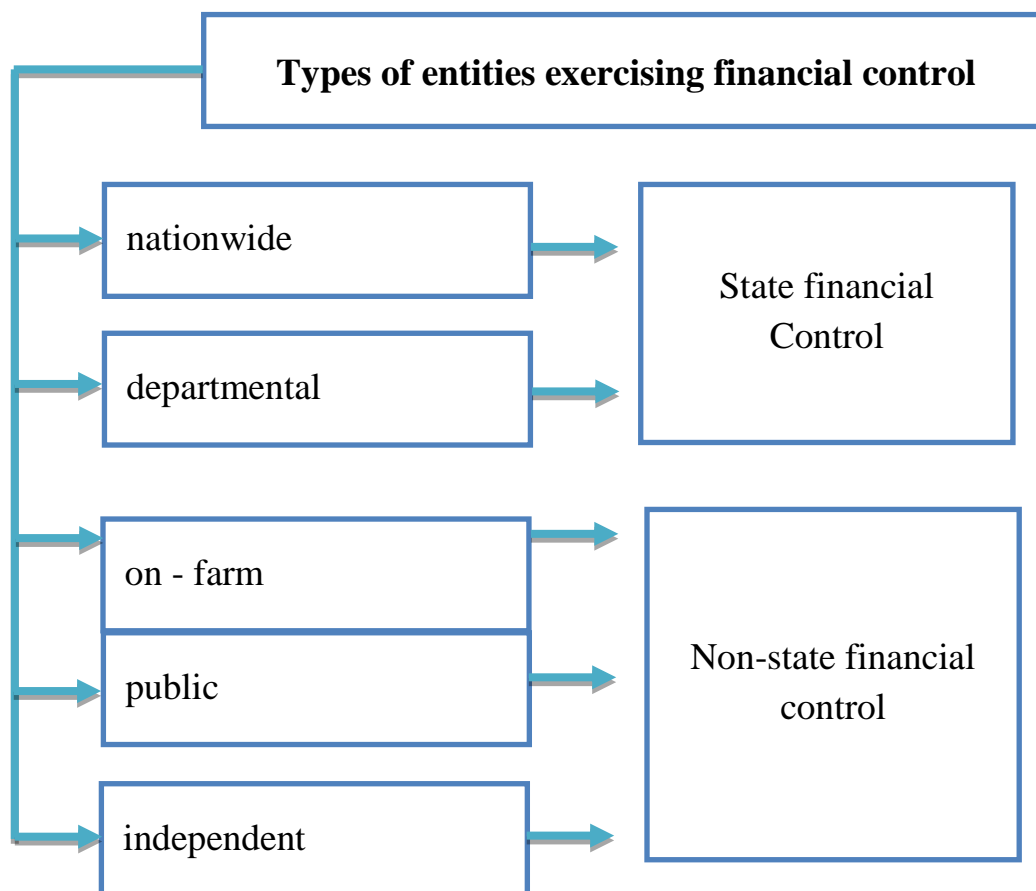


Figure 1.1. Types of entities exercising financial control.

On-farm financial control is carried out by economic and financial services of enterprises and organizations. Here, the economic and financial activities of enterprises, organizations and institutions act as an object of financial control [15], [16].

Public financial control is carried out by non-governmental organizations. The object of control is determined in accordance with the tasks assigned to it.

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Independent financial control is carried out by special bodies: audit firms and other services.

Financial control by scope is divided into state and non-state financial control.

State financial control is a complex and purposeful system of economic and legal movement of authorities and management, based on the basic laws of the state. The country's constitution plays a crucial role in the organization of financial control. Its legal regulation depends on the type of state, its socio-political orientation, the level of economic development, the ratio of ownership forms [17]. State financial control is aimed at observing the cost proportions of the distribution of GDP. This control applies to all channels of movement (distribution) of monetary resources related to the formation of state financial resources, their full and timely receipt and targeted use. This means, first of all, the development, discussion, approval and execution of budgets and extra-budgetary funds at all levels, control over the financial activities of enterprises and organizations, banks and financial corporations.

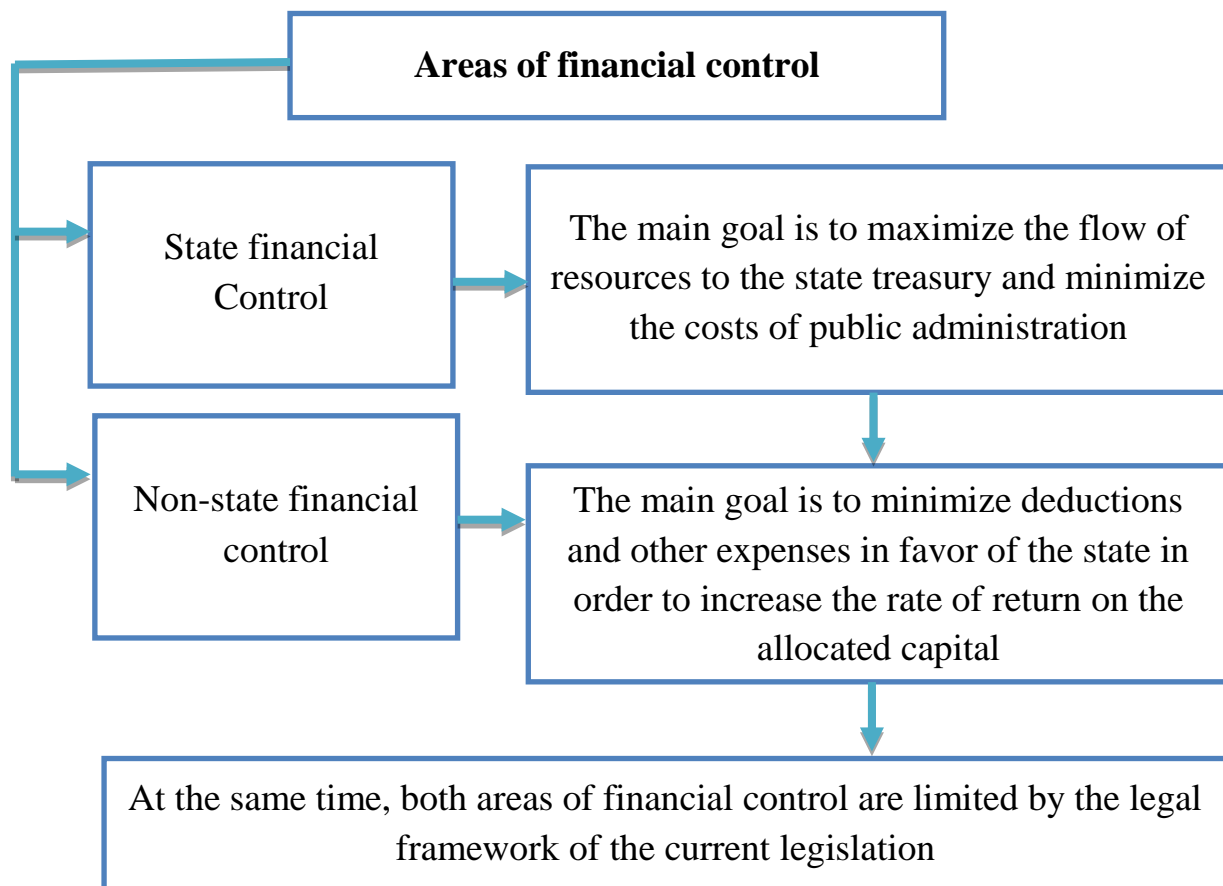


Figure 1.2. Areas of financial control

Financial control by scope is divided into state and non-state financial control.

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corporations.

State financial supervisors also have the right to conduct audits and inspections in the public sector, as well as in the private and corporate business sector, if they are determined by national economic interests. However, the financial control carried out by the state in the non-state sector of the economy should be carried out exclusively for compliance with the expediency and legality of spending monetary obligations to the state, budget subsidies and loans allocated for them, including taxes and other mandatory payments, as well as for compliance with the norms of organization of monetary settlements, accounting and reporting established (established) by the government. covers compliance with the rules of conduct.

It is customary to classify forms of financial control according to the rules of implementation, by the timing of implementation, by subjects of control and by objects of control.

In accordance with the Budget Code of the Republic of Uzbekistan, methods of financial control [1]:

- a) depending on the scope of verification of documents:
 - turnover control-control over all accounting, financial, statistical, banking and other documents for the period under review;
 - selective control-verification of individual parts of accounting, financial, statistical, banking and other documentation for a certain period;
- b) depending on the target orientation and the subject of control:
 - comprehensive control-verification of all areas of financial and economic activity of the object of financial control for a certain period;
 - subject control-verification of the activities of the object of financial control on certain issues for a certain period;
 - alternative control-verification, which includes reconciliation of documents related to each other by the unity of operations and standing at different objects of financial control.

Verification means checking the status of individual control procedures for individual areas of activity by comparing them with the data reflected in documents (tax, accounting, balance sheet, expenditure) and registers [18] [19]. During the audit, individual violations of financial discipline, errors in accounting (financial) accounting, misrepresentations of accounting (financial) reporting data are revealed.

Depending on the place of control, inspections conducted by tax and customs authorities, financial control carried out by state and social extra-budgetary funds and other bodies are divided into desk and field inspections.

In addition to the above types of inspections, the following types of inspections should be noted [11]:

- short-term control-inspection carried out by regulatory authorities within one working day, not related to the financial and economic activities of economic entities;
- planned control-inspection carried out by regulatory authorities on the basis of a schedule;
- unscheduled control-inspection carried out by regulatory authorities in cases stipulated by law, without inclusion in the annual (quarterly) schedule (including short-term inspection);
- a counter check is a check that consists in comparing documents related to the same operation, located in different business entities or in different divisions of the same business entity.

Recognizing all types of audits as effective methods of financial control, without detracting from their significance, it should be noted that the audit is of particular importance. This method of

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financial control is the most important both in terms of its goals and objects, and in terms of the ability to effectively ensure financial discipline [20], [21].

Research - covers certain aspects of the activities of enterprises and organizations [23]. The volumes of work performed, materials, fuel and energy in the course of the study are measured by a control method. This can also be done through research, questioning, observation and inspection.

Management control (supervision) refers to the control exercised by the supervisory authorities over economic entities that have received a license for a certain type of financial activity (for example, insurance, investment, banking and other activities). It provides for monitoring compliance with the established (established) rules and regulations, violation of which entails revocation of the license.

In the method of financial condition analysis, a detailed study, analysis of periodic or annual financial and accounting statements is carried out for the purpose of a general assessment of the results of economic activity, the state of financial condition [24].

Audit is a fairly common method of financial control and is an interconnected set of inspections of financial and economic activities of enterprises, organizations and institutions carried out using factual and documentary methods of control [25]. The audit is carried out in order to identify deficiencies and violations in the activities of the surveyed object, i.e. to determine the expediency, validity, economic efficiency of the business operations performed, compliance with financial discipline, reliability of accounting and reporting data.

Audit is a subsequent control method that includes a system of mandatory control actions to verify the legality, expediency and effectiveness of economic and financial transactions performed in the audited period, their legality and correctness of the actions of an official to manage the object of control in the audited period.

During the audit, all operations of the business entity are checked, starting with the availability of documents of the audited organization, using all necessary methods and techniques, and ending with counter statements. Audit as a method of financial and economic control has become widespread in the practice of regulatory authorities. An audit to identify financial irregularities is of paramount importance, since it forms the organizational and legal basis of its financial and economic content and the design of the results.

Conclusions. Summing up, we can say that financial control is a specifically targeted activity of responsible bodies that analyze the effectiveness of financial transactions of economic entities, ensure their implementation within the framework of established legislation and develop proposals for their further improvement. The purpose of financial control is not just control, its purpose is to take measures to remedy the situation, in some cases to bring the perpetrators to justice, to recover compensation for the damage caused or to prevent or reduce such violations in the future, whenever possible, deviations from the standards adopted at the initial stage, and the law to prevent violations of the rules, to increase the efficiency of using material resources and thus increase efficiency consists in determining the costs of increasing and saving.

The importance of financial control lies in the fact that, firstly, it is used to monitor compliance with the rule of law by state and public organizations, enterprises, institutions, organizations, citizens in their financial activities; secondly, it checks the economic validity and effectiveness of financial actions carried out, compliance of these actions with the tasks facing the state.. Thus, financial control serves as an important tool to ensure compliance with legislation in the implementation of financial activities, the expediency of actions.

State financial control is the purposeful activity of state authorities and local self-government bodies regulated by the norms of financial law to control the formation, distribution, targeted and effective use of state financial resources, as well as the legitimate use of state and local property. The main

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purpose of this activity is not only to identify shortcomings in the activities of controlled facilities and punish officials, but also to prevent, prevent, and prevent these shortcomings.

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