ORGANIZATION OF ACCOUNTING FOR REVENUES AND EXPENDITURES OF BUDGET ORGANIZATIONS, INTERNAL AUDIT AND ITS SIGNIFICANCE

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ИНФОРМАЦИЯ О СТАТЬЕ

ИСТОРИЯ СТАТЬИ:

Received:25.09.2026
Revised: 26.09.2026
Accepted:27.09.2026

КЛЮЧЕВЫЕ СЛОВА:

Budget organizations, budget revenues, budget expenditures, accounting, internal audit, public funds, budget execution, financial control, budget planning, financial management, transparency, risk management...

АННОТАЦИЯ:

This article examines the organization of accounting for revenues and expenditures in budget organizations and the role and significance of internal audit in ensuring the efficient, targeted, and transparent use of public funds. The study considers the economic nature and main sources of budget revenues, including tax and non-tax revenues, as well as the classification and structure of public expenditures, particularly capital and current expenditures. Special attention is paid to the importance of accurate accounting and effective control over the formation and utilization of budgetary resources. The article also analyzes the role of internal audit in budget planning, execution, monitoring, risk management, fraud prevention, and compliance with financial and regulatory requirements. Based on the reviewed literature and existing practices, the study identifies several problems related to the inefficient and untargeted use of budget funds, delays in revenue collection, weaknesses in expenditure planning, and insufficient financial control. The article emphasizes the need to improve accounting procedures, strengthen internal audit mechanisms, increase the transparency of budget execution, and ensure the targeted allocation of public funds. The effective organization of accounting and internal audit is considered an important condition for improving financial discipline, strengthening public financial management, and supporting the sustainable economic and social development of the state.

Introduction

Exactly in today's era of developed technologies, the term "budget" is considered one of the most important institutions in the quality of economic growth and social welfare of every country. The effective and sustainable operation of the budget is, first of all, one of the indicators that shows the state of the economic and social spheres of countries. The state budget primarily lies under two concepts: the first is to collect a large part of the state's revenues, and the second is to direct that budget to the development of various sectors of the state, namely education, healthcare, culture, sports and science, social security, and others. Exactly for this reason, today, special importance is being given to the issues of effective and targeted use of state budget funds. The economic growth and social welfare of the state and the stability of state finances are connected with the correct planning of the estimate of revenues and expenditures in state budget organizations. In the Ministry of Justice of the Republic of Uzbekistan the "Instruction on Accounting in Budget Organizations" was registered under number 2169 on 22th December in 2010, according to which, control is required in the matters of revenues and expenditures of budget organizations.

According to their meaning and essence, budget revenues are centralized financial resources that arise in the process of forming centralized funds of monetary means, expressing the social, economic, and defense functions of the state, and which come into the disposal of government authorities at various levels. The monetary resources received by budget organizations are classified according to the social economic character of the organization, its sources, the form of ownership, the type of tax and payment, the methods of collecting funds into the budget, and the criteria for the receipt of revenues. First of all, budget revenues consist of 3 main parts according to their sources: these are tax revenues, non-tax revenues, and monetary funds transferred in a non-refundable manner. Exactly through these budget sources, it becomes possible to determine the economic content of state receipts and reflect them correctly in accounting. One of the first sources, tax receipts, namely, constitutes the main part of the revenues of state organizations, and the stability of state taxes and non-tax receipts is considered an important factor that shows the state of the economic and social spheres of the state.

According to the meaning and essence of the phrase "state expenditures," it is a complex of expenses using budget funds for the purposes of implementing the state's functions, financing social economic programs, satisfying public needs, and ensuring state administration from the centralized monetary resources of the state. At the same time, the state budget is connected with the formation of the state's centralized monetary fund resources and their use according to correct directions. This use of state expenditures according to correct directions is the state's main financial tool for influencing the economy and plays an important role in the process of expanded reproduction. First of all, the structure of capital expenditures mainly includes funds directed toward the innovative and investment activities of the state, provided to legal entities as budget credits for investment purposes, and additionally, expenses that lead to the repair, expansion, and modernization of state property related to expanded reproduction. One of the second expenditures is current expenditures, which are expenditures aimed at ensuring the daily activities of budget organizations and self-governance bodies, namely, the maintenance of social economic infrastructure, financing the current needs of state institutions, expenses for purchasing goods and services, current subsidies and subventions, and transfers paid to the population are also included in the structure of this group. To put it briefly, while capital expenditures contribute to the strategic development of the state, current expenditures deal with ensuring the daily expenses and obligations of the state. For this reason, the correct, effective, and targeted planning of state budget expenditures ensures the financial stability of the state.

In public sector enterprises, internal auditing is essential for guaranteeing efficient budget administration, encouraging responsibility, and bolstering financial control. The role of internal audit in enhancing budget planning, execution, and overall financial performance in government organizations has been the subject of several studies. In this regard, Harelimana (2018) explored the function of internal audit in budget management within the Rwandan government. The study discovered that excellent human resource management, good asset management, and strong management control procedures greatly increase the efficiency of budgeting and execution at the local government level. It also underlined that the primary steps of the budgeting cycle budget preparation, proposal and approval, monitoring, modification, administration, and reporting form the basis for good budget management and implementation. The results also showed a strong correlation between good budget implementation, the budgeting process, and internal audit procedures. In order to lessen reliance on government transfers and increase the efficiency of budget execution, the study suggested that local governments diversify their sources of income. Internal audit makes suggestions for bettering budgeting procedures, suggests ways to improve the budget, and guarantees that budgeting procedures are followed in accordance with relevant legal and regulatory criteria. Additionally, internal audit helps avoid possible risks and fraudulent actions related to the budgeting process, detects and evaluates risks that may impact budget efficiency, and keeps an eye on whether audit goals and scope are carried out in accordance with the defined audit plan.

Until the present time, there have been a number of deficiencies and flaws in the sphere of state budget revenues and expenditures. First of all, the indicator of effective use of budget funds is relatively quite low, and monetary resources are being spent on sectors that are not economically justified or on directions that yield little efficiency; cases of purposeless use of budget funds are frequently encountered. At the same time, cases are also observed where state budget revenues are not collected on time according to the plan, but financing occurs in certain expenditure directions. Also, state expenditures are not able to fully solve the problems regarding the support of the layers of the population in need of protection. To eliminate the deficiencies and flaws in the field of budget revenues and expenditures, it is required to define the main tasks and implement them on time. First of all, it is necessary to spend budget monetary funds on effective and socially significant projects, it is of importance to ensure the stability of funds being directed to directions that yield efficiency, it is necessary to direct and expand state investments into the priority sectors of the economy and developing state-private partnership mechanisms is also considered one of the important tasks. Furthermore, it is necessary to revise the expenditure estimates for the state's targeted programs and direct budget funds to the most correct and effective directions. Most importantly, the passage of budget funds through the treasury further ensures the transparency of budget execution and strengthens control and internal audit over budget funds. The correctness, efficiency, and transparency of the accounting of revenues and expenditures of state budget organizations also have a great impact on ensuring the economic and political development of the state; therefore, the effective distribution of budget funds, their use in social directions, and the strengthening of financial control are counted as one of the main tasks.

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