



ACCOUNTING POLICY AND ITS IMPROVEMENT IN BUDGET ORGANIZATIONS

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ABSTRACT

This article critically examines the role of accounting policy in budget organizations, providing insights into current practices and proposing strategies for improvement. It addresses key components such as revenue recognition, expense allocation, and asset valuation. The essay also explores challenges and opportunities, emphasizing the importance of technological integration, regulatory compliance, and stakeholder communication in enhancing financial transparency.

Introduction: Accounting policy plays a pivotal role in shaping the financial landscape of budget organizations. This essay delves into the significance of accounting policy, its current state in budget organizations, and explores avenues for improvement. By scrutinizing key elements of accounting policy and proposing enhancements, we aim to foster greater transparency, efficiency, and financial accountability within budgetary frameworks.

In recent years, in the context of the reforms in the budget and tax policy of our country, the measures taken to reduce the funding of budget organizations from the budget show the high importance of extra-budget funds of budget organizations. Acceptance in this regard the ongoing regulatory and legal framework is a clear proof of this.

In his address to the Oliy Majlis, dedicated to the most important priority tasks of the development of our country, "the need to further improve the system of effective use of budget funds, consists of quality and quantity indicators of any program or project allocated from the budget, to the result it was emphasized that there should be directed indicators. It is known that with the reduction of tax rates or the abolition of certain taxes, the budget amount will definitely decrease. It is possible to eliminate this through effective tax administration and ensure budget stability. It is the first time to achieve this is our duty" was mentioned by Mirziyoyev.

In the process of budget implementation, accounting is established in budget organizations for continuous accounting of the formation and spending of state budget funds



and extra-budgetary funds of budget organizations, their documentation and systematic formation of information.

Reasonable and effective use of budget funds, prevention of budget deficit is one of the urgent issues. "Certainly, the state budget is not without measure, it is necessary to strictly save the funds, ensure that they are used for the specified purpose and rationally. This is an obvious and undeniable truth," said President Sh.M. Mirziyoyev in his speeches. Budget organizations are considered the main consumer of budget funds, organize the expenses of the state budget and are financed from the budget based on the cost estimate. Also, the budget organization is organized in accordance with the law on extra-budgetary funds implements expenses within the framework of estimates for extra-budgetary funds, indicating the sources and directions of use. In recent years, as part of the implementation of the state finance reform project, the final result the introduction of the principles of directed budgeting, the transition of the budget to the execution of the treasury, the promotion of the policy of determining medium-term budget prospects, the implementation of other changes in the state and budget policy, the determination of own expenses and the development of estimates in budget organizations.

Special attention is being paid to the purposeful and rational use of funds in the process of reforms in the budget system. In this regard, the study of foreign experiences of budget accounting is of particular importance in conducting scientific research. Also in improving the budget calculation and reporting. It requires in-depth study of foreign experience of budget accounting, advantages and stages of their application. Improvement of accounting and reporting in the public sector of the Republic of Uzbekistan was defined as one of the main directions of the reforms implemented in the budget system and the concept was adopted. According to the concept, the adoption of Budget accounting standards was determined. Application of international accounting standards in the public sector in the countries results in higher quality financial reports of public sector activity creates a great opportunity for evaluation, increases the transparency of information, provides a high level of integration of financial accounts and statistical reports into the Budget, enables effective management of state assets due to the increase in reliability and completeness of information, creates the possibility of comparing financial reports with financial reports of other countries, international In the context of the globalization of relations, what are the obligations of the country and how it is managed with its own resources, as well as the increase in the size of foreign investments and donor funds based on the understanding of the financial situation allows to increase.

From the above, it can be said that International Accounting Standards in the public sector are more widely used and recognized throughout the world. Even some countries are using the International Accounting Standards in the Public Sector without changes as their own standards, and some are introducing some changes based on the characteristics of the country.

DISCUSSION AND RESULTS. It is known that the concept of budget is one of the widely used concepts. Therefore, first of all, we need to clarify the Budget concept. A budget is a fund of money intended for a purpose, in which there are revenues and sources and directions of expenses are provided. In this respect, it can be a family budget, an enterprise budget, a state budget, a state fund budget, etc. Calculation is a process, quantitative description of events is qualitative reflection. Accounting can also be divided into several types, i.e. quick accounting, statistical accounting, accounting, etc. Based on account creation information is formed. This



information serves as a basis for monitoring the progress of the process, making management decisions, and drawing up current and long-term plans.

Budget accounting is a regulated system of collecting, registering and summarizing information about the state of assets and liabilities expressed in money, as well as operations that change these assets and liabilities, which are taken into account in the execution of budgets of the budget system. The budget accounting standard is a document that reflects the established requirements for budget accounting. The budget accounting standard is divided into national and international standards.

According to the "Budget Code" of the Republic of Uzbekistan, the unified methodology of budget accounting is determined in accordance with international standards of budget accounting, as well as other legal documents. International accounting standards in the public sector (ISAS) are internationally accepted rules for the preparation of financial reports in public sector organizations (except for state-owned commercial enterprises) based on high-quality international standards.

The only requirement for budget accounting is a regulated system of collecting, registering and summarizing information about the status of assets and liabilities, as well as operations that change these assets and liabilities during the execution of the budget. determines the accounting standards.

In particular, it determines the requirements for the formation of accounting policies in budget organizations, the criteria for recognition of accounting objects (fixed assets, reserves, etc.), evaluation, and reporting standards.

The sections of the budget accounting standards are as follows:

- Account object - Definition of the account object, general concepts; Account object recognition;
- Transfer of account object to report elements procedures;
- Evaluation of the account object - Recommendations and requirements for the application of methods of evaluation of the account object;
- Reflection in the financial report - The procedure for disclosing and reflecting information about the account object in the financial report.

The state body that regulates the budget accounting and reporting system is the Ministry of Finance of the Republic of Uzbekistan and approves the budget accounting standards. Improvement of accounting and reporting in the public sector of the Republic of Uzbekistan was defined as one of the main directions of the reforms implemented in the budget system and the concept was adopted. According to the concept, the adoption of Budget accounting standards was determined.

International standards of accounting in the public sector are developed by the Council of International Standards of Accounting in the Public Sector within the International Association of Accountants. The members of the Council of International Accounting Standards in the Public Sector are appointed by the International Association of Accountants. There are 18 members in total, 15 of whom are recommended by the International Association of Accountants, and 3 of whom are recommended by the public. Public members of the council can be recommended from any person or organization. In addition, the Board of International Accounting Standards in the Public Sector has a limited amount of government.



In the financial reporting sector, observers from the bodies interested in financial reporting are appointed and they have the right to express their opinion at the meeting, but do not have the right to vote. An advisory group is established by the International Accounting Standards Board in the Public Sector and does not exercise the right to vote as a working group. He is the head of the advisory group and is the chairman of the Council.

The Board of International Accounting Standards in the Public Sector develops:

international standards of financial reporting in the public sector used in the calculation method;

international standards of financial reporting in the public sector using the cash method.

International accounting standards in the public sector have played an important role in the convergence, agreement and further improvement of financial reporting standards around the world. They are used for the following purposes.

- serve as the basis for national accounting and reporting requirements in most countries;
- individually developing their own requirements for accounts and reports
- used as an international benchmark for countries;
- acceptance for full use in accounting (from standards use without modification).

In world practice, there is a cash method of accounting for the public sector, a modified cash method, a modified calculation method, and a calculation method.

Cash method of accounting for the public sector. In this method, it is envisaged to record all events according to the movement of funds. In this case, many events related to assets and liabilities are not taken into account within the framework of accounting. Under the conditions of this method, the purchased fixed assets are added to one-time expenses after purchase.

Modified cash method of accounting for the public sector. In this method, all events that occurred in the first month of the next year after the end of the reporting year, and all the events related to the previous reporting year are considered to belong to the completed reporting year, during this period, the state will pay all the obligations accepted in the previous reporting year, and the state budget will cover the previous reporting year. in the reporting year he gets the income he should get. This procedure also fails when the reports are drawn up according to the calculation method of accounting for the public sector. This makes it possible to measure assets and liabilities to some extent. Even under the conditions of this method, after the purchase of the purchased fixed assets, the order of adding them to the costs is preserved. Modified calculation method of accounting for the public sector. With the occurrence of all the events that happened in this method revenues are recognized as income, expenses are recognized as expenses, and certain assets and liabilities are also recognized when incurred. In the conditions of this method, as in the case of the cash method, after the purchase of the purchased fixed assets, the order of adding them to the costs is preserved. This makes it easier to calculate and makes it much easier to switch to the calculation method of accounting for the public sector.

Calculation method of accounting for the public sector. In this method, all events are recognized when they occur. When this method is used, the procedure of adding to costs once after the purchase of fixed assets does not apply. The value of all assets over their useful life in proportion to their useful life

Depreciation is calculated, and this amount of depreciation is added to the costs as amortization. As can be seen from the above, if cash receipts or cash receipts are recognized at



the time of receipt of cash based on events that occurred when accounting based on the cash method is conducted in the public sector, accounting based on the accrual method in the public sector and when it is maintained, the events that occurred are recognized when the value of assets and the amount of liabilities appear or their economic value changes.

In the calculation method of accounting for the public sector, events that increase the net value of assets are recognized as income, and events that decrease the net value of assets are recognized as expenses. The net value of the assets of the public administration sector and the results of their activities is the difference between the value of the assets of the public administration sector and the sum of its liabilities.

Accounting method - accounting method in which all transactions and other events that occur in accounting are recorded at the time of their occurrence (before cash and its equivalent are received or paid). The method of calculation should be made according to the method of calculation so that financial statements fulfill the goals and tasks set before them. According to this method, events should be recognized as soon as they occur (not when money is paid or received) and reflected in the financial statements in the period in which they occur. The report prepared according to the calculation principle is not only past events, rather, it provides information about the organization's obligations and economic resources it must receive. Thus, there is an opportunity to provide important information for users to make economic decisions.

International standards of accounting in the public sector in the accrual method are accrual (financial statements must be prepared according to the accrual method in order to fulfill the goals and tasks set for them) and continuity of activity (financial statements are usually the organization's activities and operational activities based on the assumption that it will continue in the future) based on the principles.

Composition of financial statements based on the calculation method:

- financial statement;
- report on the financial results of the activity;
- report on changes in net assets/equity;
- cash flow report;
- approved budget.

Information provided in the report on the financial situation - fixed assets, investment real estate, intangible assets, financial assets, investments, reserves, income from non-exchange transactions (taxes and transfers), income from currency exchange transactions, cash and cash equivalents,

consists of payable taxes and transfers, payments for currency exchange transactions, reserves.

Information presented in the report on the financial results of the activity consists of income, financing expenses, profit and loss, surplus or deficit before tax on the surplus or deficit of association organizations accounted for by the percentage method, outflow of assets or liquidation of liabilities.

The information presented in the report on net asset/capital changes consists of a summary of the surplus or deficit of the reporting period, income and expenses. In accordance with the current legislation, accounting in budget organizations is provided in the calculation method.



Today, projects of budget accounting standards are being developed in our country in accordance with the concept of improving the accounting and reporting system on the basis of international accounting standards in the public sector, and discussions are being held with the participation of experts in the relevant field.

Adoption of budget accounting standards today:

- Taking into account the requirements of the national legislation on accounting;
- Organization of training and education of accounting and financial staff without additional costs;
- Using the current automated accounting program (UzASBO) with some minor changes and additions;
- Facilitates the organization of the new change process.

Budget accounting standards No. 1 "Accounting policy" and No. 2 "Unitary plan of accounts" were approved by the Ministry of Justice of the Republic of Uzbekistan.

Budget accounting standard No. 1 "Accounting policy".

The purpose of this Standard is to disclose the criteria for choosing and making changes to the accounting policy, as well as the preparation of budget accounting and financial reporting by budget organizations, and information about changes in accounting policy is to determine the procedure. The degree of reliability of financial statements of standard budget organizations and the level of comparison of financial statements of certain periodicities, as well as financial statements of other budget organizations intended to increase.

Accounting policies are drawn up by budget organizations in order to choose one of several mutually exclusive accounting methods available in budget legislation.

This Standard should be used in the selection and application of accounting policy in budget organizations, accounting for changes to accounting policy, and preparation of financial reports.

Budget accounting standard No. 2 "Uniform chart of accounts".

This Standard is applied to treasury units, financial institutions, bodies that distribute state and other special purpose funds, and all budget organizations. A single chart of accounts is in accordance with the elements of financial reporting includes grouped assets, liabilities, income, expenses, capital and financial result. Treasury departments, bodies that distribute state special funds keep budget accounts of budgets of the budget system of the Republic of Uzbekistan and other extra-budgetary funds and financial and economic activities of budget organizations in accordance with the single plan of accounts presented in Appendix 1 of this Standard.

Treasury departments, financial bodies, bodies that distribute state special purpose funds in accordance with the procedure for applying the unified plan of accounts in the budget accounting of budgets of the budget system of the Republic of Uzbekistan and other extra-budgetary funds specified in this Standard. The budget system of the Republic keeps budget accounts of budgets and other extra-budgetary funds.

Budget organizations prepare a budget account in accordance with the procedure for applying the single plan of accounts in the budget account of budget organizations specified in this Standard. Accounting reform in the public sector in Uzbekistan is being harmonized with internationally accepted norms based on a gradual approach.



In the reform of budget accounting in our country, the second approach of applying international accounting standards in the public sector was determined. In this case, a step-by-step (based on intermediate options) transition to the calculation method was defined. At this stage, accounting and reporting in the public sector is a method of calculating the cash register is carried out using the following elements:

- Financial (treasury) bodies - cash register
- Budget organizations - in the calculation method

In this:

1. Implementation of reforms in public sector accounting, step by step, while keeping the current budget accounting method using the cash method;

2. It is envisaged to improve financial accounting and reporting in budget organizations, as well as the accounting of state assets and liabilities, and the accounting of state special funds based on the method of calculation in the international standards of accounting in the public sector.

In the next stages of budget accounting reform, the accounting of State budget revenues and expenses, as well as the accounting of State trust funds, will be adapted to the international standards of public sector financial reporting in the cash method and, on this basis, to the international accounting standards in the public sector in the calculation method of the public sector accounting and reporting system.

It was determined that the above-mentioned reforms will be implemented based on the adoption of budget accounting standards. It should be noted that in the "Budget Code" implemented from January 1, 2014, the methodology of budget accounting and reporting is determined in accordance with the standards of budget accounting.

Today, projects of budget accounting standards are being developed in accordance with the concept of improving the accounting and reporting system on the basis of international accounting standards in the public sector, and the related field discussions are being held with the participation of experts.

Conclusion: In conclusion, accounting policy serves as the cornerstone of financial management in budget organizations. By recognizing its pivotal role, this essay navigates through the current landscape, identifies key components, and proposes strategies for improvement. Through continuous evolution and a commitment to transparency, budget organizations can enhance their financial resilience and accountability.

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