ISSUES OF IMPROVING THE PROCEDURE FOR CONTROLLING BUDGET EXPENDITURES

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The centralized funds in the state budget form the financial foundation of state government bodies and local self-governing authorities, ensuring the fulfillment of their respective functions and responsibilities. The stability of the state budget is one of the most important indicators characterizing the condition of the national economy, and above all, its social sphere. Building a modern budget takes place under conditions of profound economic transformations, which in turn define the primary tasks faced by the budget.

Despite the complex and uncertain global environment and the slowdown in world economic growth, Uzbekistan continues to maintain stable economic growth rates. According to the projected revenues and expenditures of the 2024 State Budget, the economic growth rate is expected to reach 5.6–5.8 percent. For 2025–2026, these rates are forecasted to rise to 6.2 percent and 6.4 percent, respectively. The 2024 State Budget revenues, expenditures, and deficit forecast indicate that expenditures are planned at 312.921 trillion UZS, of which 48.4 percent is allocated to financing social spending. In addition to the main directions of budget spending, expenditures related to development programs, the implementation of national sustainable development goals, and climate change-related measures are also included. To ensure fiscal sustainability, reducing the budget deficit remains one of the medium-term objectives of fiscal policy. For 2024, the consolidated budget deficit is forecasted at 52.6 trillion UZS, or 4 percent of GDP, with plans to reduce it to 3 percent of GDP in the next two years.

State financial control has a rather complex structure. The main subjects of state control authorized to conduct financial oversight include the Accounts Chamber, the Ministry of Finance, the State Tax Committee, the Central Bank, and others. The objects of control are enterprises and organizations regardless of the form of ownership.

The management of Uzbekistan's state budget and financial resources is one of the key factors driving the country's economic development. According to statistical data for 2022–2023, the need to improve the system of state expenditure control is evident. In 2022, the state budget amounted to 236.7 trillion UZS, and by 2023 this figure had reached 281.1 trillion UZS. This growth reflects the increase in government spending and the creation of additional opportunities for economic development. The expansion of the budget is particularly important for financing social and economic projects.

State target funds amounted to 38.3 trillion UZS in 2022 and rose to 42.9 trillion UZS in 2023. This increase highlights the government’s commitment to special projects and targeted investments. However, strengthening expenditure control mechanisms is necessary to ensure their efficiency.

The Reconstruction and Development Fund of Uzbekistan grew from 7.4 trillion UZS in 2022 to 16.2 trillion UZS in 2023. This reflects a strong strategy aimed at economic growth, yet it also requires robust monitoring mechanisms to ensure effective management of financial resources.

In addition, to improve the use of budget funds, a seminar was organized for internal audit and compliance service staff of ministries and agencies, focusing on the effective and targeted utilization of state budget funds. As emphasized, starting from January 1, 2025, to prevent financial and other risks, collegial "Risk Management" committees will be established under the leadership of top executives in the Council of Ministers of the Republic of Karakalpakstan, regional and Tashkent city administrations, ministries and agencies, as well as in large enterprises with state ownership exceeding 50 percent. In these organizations, internal audit services will also function as the working body of these committees.

The extra-budgetary funds of budget organizations amounted to 33.6 trillion UZS in 2022 but declined to 30.5 trillion UZS in 2023. This trend may indicate a more efficient use of resources and an increase in government spending. However, monitoring and oversight of this process remain crucial.

Expenditures financed through external debt increased from 5.7 trillion UZS in 2022 to 9.3 trillion UZS in 2023. Consequently, this highlights the growing reliance on external borrowing. Therefore, it is essential to increase the use of domestic resources and investments in financing state programs.

Enhancing the system of budget expenditure control in Uzbekistan plays a vital role in ensuring the country’s economic stability. Changes in the state budget and funds, as well as the growth of external debt, require more prudent management. The effective implementation of these processes in the future will contribute to sustainable growth and development of Uzbekistan’s economy.

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