

IMPROVEMENT OF BUDGET ORGANIZATIONS' ACCOUNTING AND REPORTING ON THE BASIS OF INTERNATIONAL STANDARDS

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Ermatova S

Assistant of Department of Accounting and Banking,., Andijan Institute of Economics and Construction

Annotation

Improving the accounting and reporting system in the public sector on the basis of international accounting standards, increasing the country's rating based on the adaptation of methodical aspects of accounting to names commonly used in international practice, increasing information coverage and transparency of reports in public finance management, ensuring the integration of financial and statistical reports, and increasing the volume of foreign investment.

Keywords

Budget, budget organization, IAS, public sector, fiscal year, passive account, active account, financial performance, contract.

In recent years, as our country's budget and tax policies have been reformed, initiatives to cut budget organization support from the budget have highlighted the necessity of extra-budget revenues for budget organizations. The established regulatory and legal structures are obvious evidence of this.

In the Address of the President of the Republic of Uzbekistan, Sh. Mirziyoyev, to the Oliy Majlis dedicated to the most important priority tasks of our country's development in 2019, "the need to further improve the system of effective use of budget funds, the quality and quantity of any program or project allocated from the budget, it was emphasized that there should be result-oriented indicators consisting of indicators," it was emphasized that there should be result-oriented indicators consisting of indicators. It is well known that lowering tax rates or eliminating specific taxes would result in a reduction in the budget amount. It is feasible to remove this through efficient tax administration while maintaining fiscal stability. This is our first responsibility," President Sh. Mirziyoyev stated.

Budgeting is one of the most often utilized ideas. As a result, we must first establish the budget notion. The budget is a pool of money set aside for a certain purpose that contains the sources and directions of revenue and spending. In this

regard, it can be a family budget, a business budget, a state budget, a state fund budget, and so on. Calculation is a process; a quantitative representation of events is a qualitative reflection. Accounting may also be classified into numerous sorts, such as rapid accounting, statistical accounting, accounting, and so on. Account creation generates data. This data is used to track the progress of the process, make management choices, and develop short- and long-term strategies.

Budget accounting is a controlled system for collecting, registering, and summarizing information regarding the condition of assets and liabilities represented in money, as well as actions that modify these assets and liabilities and are considered in budget execution.

The budget accounting standard is a document that represents the specified budget accounting rules.

There are two types of budget accounting standards: national and international.

The "Budget Code" of the Republic of Uzbekistan establishes the unified technique of budget accounting in compliance with worldwide budget accounting standards as well as other legislative laws.

International accounting standards in the public sector (ISAS) are globally acknowledged regulations for the compilation of financial reports in the public sector (save for state-owned commercial businesses) that are based on high-quality international standards.

Budget accounting requires just a controlled system for collecting, registering, and summarizing information regarding the state of assets and liabilities, as well as actions that modify these assets and liabilities throughout budget execution. Accounting standards are determined by the accounting standards committee.

It defines the requirements for the establishment of accounting policies in budget organizations, the criteria for the identification of accounting items (fixed assets, reserves, etc.), assessment, and reporting standards, among other things.

The following are the sections of the budget accounting standards:

- Account object: account object definition, broad principles;
- Processes for transferring the account object to reporting components are known as account object recognition processes;
- Account object evaluation: guidelines and conditions for the adoption of account object evaluation methodologies;
- The technique for exposing and reflecting information about the account object in the financial report is known as reflection in the financial report.

The International Accounting Standards Board establishes an advisory group in the public sector that does not have the same voting rights as a working group. He is the chairman of the Council and the leader of the advisory group.

The International Accounting Standards Board for the Public Sector creates:

- In the calculating procedure, worldwide standards of financial reporting in the public sector were applied;
- International financial reporting guidelines for the public sector utilizing the cash method.

International accounting standards in the public sector have played a significant role in the global convergence, agreement, and improvement of financial reporting standards. They provide the following functions:

- Serve as the foundation for most countries' national accounting and reporting regulations;
- To serve as a worldwide baseline for various nations adopting their own accounting and reporting procedures;
- Acceptance for full use in accounting (no modifications to standards).

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

The cash method of accounting is used in the public sector. This technique intends to record all occurrences based on the transfer of finances. Many events relating to assets and liabilities are not taken into account under the accounting system in this situation. The bought fixed assets are added to one-time expenditures following purchase under the terms of this technique.

The cash method of accounting has been modified for the public sector. All events that happened in the first month of the following year following the conclusion of the reporting year, as well as all occurrences connected to the previous reporting year, are regarded to belong to the completed reporting year under this technique. During this time, the state pays all of the commitments accepted in the previous fiscal year, and the state budget is spent for the previous fiscal year. receives the money that should have been received throughout the fiscal year. This approach also fails when the reports are created using the public sector accounting calculation method. To some extent, this allows for the measurement of assets and liabilities. Even under these situations, the sequence of adding the bought fixed assets to the expenses remains kept after the acquisition.

Accounting computation procedure for the public sector has been modified. In this system, income is recognized as income when all events occur, costs are recorded as expenses, and some assets and liabilities are also recognized as they

occur. The sequence of adding the acquired fixed assets to the expenses is retained in the circumstances of this technique, as in the case of the cash method. This simplifies calculations and makes the transition to the public sector accounting calculation approach considerably easier.

Accounting calculation approach for the public sector. All events are identified when they occur using this manner. The practice of adding to expenses once after the purchase of fixed assets does not apply when using this method. Depreciation is applied to all assets during their useful lifetimes, and the amount depreciated is added to costs as amortization.

As seen above, when cash accounting is used in the public sector, cash revenues or payments are recorded at the time of the occurrence, whereas accounting in the public sector is based on the accrual approach. When the number of assets and liabilities changes or their economic worth changes, events are recognized.

Events that enhance the net value of assets are recognized as income under the public sector calculation approach, whereas events that lower the net value of assets are recorded as costs.

The net worth of the public administration sector's assets and the outcomes of their operations is the difference between the value of the public administration sector's assets and the sum of its liabilities.

Accounting technique: an accounting method in which all transactions and other events in accounting are documented at the moment they occur (before cash or its equivalent is received or paid).

The technique of computation should be followed so that financial statements meet the goals and responsibilities that have been assigned to them. This technique requires that events be recognized as soon as they occur (rather than when money is paid or received) and represented in the financial statements for the period in which they occur. The calculation-based report gives information not only about historical occurrences, but also about the responsibilities that the organization must pay and the economic resources that it must obtain. As a result, there is a chance to deliver vital information to users in order for them to make economic judgments.

International accounting standards in the accrual-based public sector are accrual (financial statements must be prepared using the accrual method in order to meet the goals and tasks assigned to them) and continuity of activity (financial reporting is usually the organization operating and will continue its operational activities in the future based on the assumption that).

The requirements established in international accounting standards for the public sector, international standards of financial reporting in the public sector in the accrual method (financial reports must be prepared using the accrual method in order to meet the goals and tasks set for them), and continuity of operations (financial reports are usually an organization's activity that is established and based on the assumption that it will continue its operations).

Australia, Latvia, Finland, the United Kingdom, New Zealand, France, Canada, Singapore, Chile, Colombia, the United States, and Sweden are among the countries that have adopted an internal standard based on international accounting standards in the public sector.

National accounting standards in these nations have been developed in response to the requirements of international accounting standards in the public sector. Uzbekistan can be added to the list of nations that have adopted internal accounting standards based on international accounting standards in the public sector.

Accounting reform in the public sector in Uzbekistan is being implemented in stages in accordance with internationally accepted standards.

The second way of implementing international accounting standards in the public sector was decided during our country's budget accounting reform. A step-by-step (depending on intermediate alternatives) transition to the calculating technique was established in this scenario.

At this point, accounting and reporting in the public sector are carried out utilizing cash calculation technique elements:

- The cash approach is used by financial (treasury) bodies.
- Budget organizations: in the process of calculation.

In this case:

1. Step-by-step implementation of public sector accounting changes while maintaining the present budget accounting technique utilizing the cash method;
2. It is intended to enhance financial accounting and reporting in budget organizations, as well as the accounting of state assets and liabilities and the accounting of state special funds using the technique of calculation in international public-sector accounting standards.

The accounting of state budget revenues and expenses, as well as the accounting of state trust funds, will be adapted to international standards of public sector financial reporting in the cash method and, on that basis, to international accounting standards in the public sector in the calculation method of the public

sector accounting and reporting system in the following stages of budget accounting reform.

The above-mentioned reforms were determined to be executed based on the adoption of budget accounting standards. It should be mentioned that the technique of budget accounting and reporting is set in line with budget accounting rules in the "Budget Code" that went into effect on January 1, 2014.

Budget accounting standards projects are now being created in accordance with the concept of strengthening the accounting and reporting system in the public sector based on international accounting standards, and talks are taking place with the participation of specialists in the relevant field.

Budget accounting rules are being adopted today:

- Taking into account the requirements of national accounting regulation;
- Accounting and finance personnel training and education without additional expenditures;
- Using the present automated accounting application (UzASBO) with minimal modifications and additions;
- Facilitates the new transition process's structure.

The application of international accounting standards in the public sector in countries provides a great opportunity to compile more high-quality financial statements as well as assess the results of public sector activities, increases information transparency, ensures a high integration of financial statements and statistical reports into the budget, and allows effective management of state assets due to increased information reliability and completeness. What are the country's duties in the context of globalization of international relations, and how does it manage them with its resources? Because of the decrease in financial volatility, it is also feasible to raise the quantity of foreign investment and the level of financial discipline in the public sector.

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