

Analysis of the Current State of Medium-Term Planning of Local Budgets

Jo'raev Farrux

Student of Termez State University

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1. INTRODUCTION

While each country sets its own path of development in ensuring macroeconomic stability, it strives to ensure the smooth (balanced) development of the state's territorial (regional), institutions and organizations, as well as the implementation of the strategic goals of the state. One of the main criteria for achieving these goals is to ensure the continuous improvement of their financial efficiency by managing the results of activities and using them as a basis for consolidation.

2. MAIN PART

Therefore, today a new "results-oriented budget" for the development of the medium-term budget framework and the formation of the annual budget in order to implement a strategic approach to fiscal policy in the context of strengthening the powers and accountability of budget allocators and local authorities in the budget system is being introduced.

In order to support the medium and long-term goals of public policy and create an effective system of public financial management that meets the requirements for achieving them, Measures are being taken to introduce a strategic approach to fiscal policy and address the existing challenges: The state budget includes an assessment of key macroeconomic forecasts for the next fiscal year and targets for the next two years, but unforeseen circumstances that may arise in their development. does not contain. This makes it difficult to assess the reliability of myammal forecasts related to the quality of macroeconomic statistics.

The lack of a strategic approach in the current system of budget planning limits the allocation of budget funds based on the priorities of fiscal policy and the financial capacity of the state budget, which leads to an irrational increase in budget commitments and lack of control over the effective use of budget funds.

In order to improve the budget process, the main directions of fiscal policy and performance indicators of the public administration sector should be evaluated for a full transition to medium-term budget planning. At the same time, it is necessary to take measures to introduce a mechanism for developing a fiscal strategy with clear goals and deadlines

that define the preparation of the state budget for the medium term.

At the same time, measures should be taken to increase the reliability of medium-term macroeconomic forecasts and contingencies used by public authorities in the preparation of fiscal forecasts, and these data should be evaluated by an independent body.

It should be noted that the stages of the budget process (preparation, review, adoption and approval of budgets of the budget system of the Republic of Uzbekistan) to the medium-term budget planning system, as well as control functions of the Oliy Majlis, the Ministry of Finance and other ministries) will be reconsidered in connection with the redistribution of roles and functional responsibilities.

The first is the development of the Medium-Term Budget Framework (MTBF). The development of tax policy and strengthening the strategic focus of activities to strengthen the budget process should be accompanied by strengthening measures related to the introduction of medium-term budget planning in the budget legislation. Fiscal rules to develop the methodological and regulatory framework for medium-term budget planning, including the structure of budget allocations based on the current national functional budget classification and redistribution of budgetary powers of participants in the budget process, as well as long-term sustainability of public finances (long-term fiscal indicators)) should be considered.

The second is to increase the focus on efficiency and effectiveness of the budget. As you improve your medium-term budget planning, you will be able to identify available financial resources in the medium term.

The introduction of a mechanism for budget allocation and expansion of budget powers among budget recipients will increase the ability of ministries and agencies to set their own goals and plan activities accordingly.

Thus, the focus of the entire budget process on improving the efficiency of the use of allocated budget funds will increase, which in turn will be the basis for planning the expenditures of the public administration system.

In this regard, it is necessary to take appropriate measures to expand the indicators for assessing the effectiveness and efficiency of the use of allocated budget funds.

Third - Improving the efficiency of public investment

So far, the parameters of the State Budget show the funds allocated by the State for capital investments in one line, and the budget and the draft budget do not provide detailed information on investment projects implemented by the State.

In the framework of the above tasks:

Reforms to improve public investment spending are being carried out in parallel, but to achieve the most optimal results, it will be necessary to ensure further integration of the public investment decision-making process with the budget process.

Unification of public sector budget accounting standards, ie proper implementation of the public sector budget accounting and financial reporting system, will provide local governments with transparent, reliable and comprehensive information on public finances so that they can make decisions on the main directions of fiscal policy. .

In this regard, it is a priority to implement measures to unify budget accounting standards in the public sector, which provides for the gradual harmonization of budget accounting standards and financial reporting in budget organizations with the International Public Sector Accounting Standards (IPSAS).

Looking at our next analysis, it is necessary to improve the system of internal control and internal audit, to introduce internal control and audit services in accordance with international standards, as well as the necessary level of financial control in order to increase the efficiency and effectiveness of financial resources.

Within the framework of these measures, it is necessary to focus primarily on increasing the responsibility and accountability of budget allocators (recipients), including their leaders.

The quality of financial management in the public sector will be improved through the gradual introduction of a procedure for assessing the efficiency and effectiveness of the use of budget funds.

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In the medium term, it is planned to introduce an internal audit service in all ministries and departments - distributors (recipients) of budget funds.

It is necessary to strengthen external control over public finances, harmonize the functions of external audit with international standards to improve transparency, control and quality of budget accounting, as well as strengthen parliamentary control through the approval of budget funds by specific ministries and departments.

As part of strengthening external control over public finances, the powers of the chambers of the Oliy Majlis of the Republic of Uzbekistan to review and approve the parameters of the State Budget in terms of administrative units and monitor its implementation will be reconsidered.

Also, the order of cooperation between the newly established Budget Department and the executive authorities under the Legislative Chamber of the Oliy Majlis of the Republic of Uzbekistan will be developed.

Ensuring public participation in the budget process ensures that the objectives of the current fiscal policy meet the needs of citizens and the government is accountable.

Within the framework of these tasks, measures will be taken to further expand public involvement in budget information, as well as to support the active participation of citizens in the budget process, mechanisms to ensure citizen participation in discussing priorities and main directions of fiscal policy in the medium term. in the direction of).

3. CONCLUSION

In short, one of the important directions of the strategy is to increase the institutional capacity of public authorities to implement reforms in the public financial management system and strengthen their results.

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