

**State financial oversight as a means to counteract corruption**

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**Annotation:** *The article provides a comprehensive examination of corruption and financial management in Uzbekistan. Through a series of detailed texts, it emphasizes the crucial role of effective state financial control, particularly led by the Accounts Chamber of the Republic of Uzbekistan, in detecting and preventing corruption crimes. The texts highlight ongoing efforts to enhance legal frameworks, methodologies, and educational programs to combat corruption. Additionally, they advocate for collaborative action among various stakeholders to address corruption comprehensively. Overall, the article underscores the importance of a coordinated approach and rigorous oversight in tackling corruption effectively.*

**Key words:** *corruption, financial management, Uzbekistan, state financial control, Accounts Chamber, anti-corruption efforts, legal frameworks, methodologies, educational programs, collaboration, stakeholders, oversight, detection, prevention*

Tax evasion, financial crimes, money laundering, and corruption are significant threats to the strategic, political, and economic interests of both developed and developing countries. Typically, these crimes thrive due to inadequate legal systems and regulations, weak law enforcement, and ineffective interagency collaboration. Perpetrators amass substantial sums through activities such as investment fraud, extortion, corruption, embezzlement, and tax evasion.

Currently, there are numerous evolving methods of money laundering, including "self-washing" or self-legalization, and the involvement of professional

facilitators known as "laundermats." The interconnected global economy with integrated financial markets creates new avenues for illegal activities. Research analysis, along with statistical data and other information, underscores the severity of financial, tax, and corruption-related crimes as they pose a significant security threat not only to individual nations but also to the global community as a whole. These crimes exhibit aggressive and sophisticated high-tech criminal activities. Addressing corruption is a pressing challenge for governments because it permeates all sectors of society, diminishing the effectiveness of the state apparatus and negatively impacting state budgets. The presence of corruption is evident in the distribution and utilization of centralized monetary funds. Corruption undermines the effective management of budget resources and results in a lack of adherence to budget discipline among participants in the budget process. Therefore, there is a pressing need to devise new and enhance existing mechanisms to combat corruption in the financial sector. It is imperative that financial control be incorporated into anti-corruption norms, playing a significant role within them. This integration will ensure the legality of financial operations and bolster accountability among authorized individuals.

Financial control is a vital function carried out by all state entities overseeing the financial activities of both state and local governments. It entails monitoring the financial and economic activities of businesses to achieve financial objectives through various control measures. State financial control extends beyond production to cover non-production areas as well. Its primary objective is to ensure strict adherence to financial legislation regarding the timely and complete fulfillment of financial obligations to various entities, including state tax and customs services, credit systems, and inter-enterprise settlements. The overarching goal of financial control is to promote economic incentives and foster the rational and efficient utilization of material, labor, financial, and natural resources while minimizing unproductive expenses and losses. State financial authorities implement financial control throughout the financial planning process and during the execution of both revenue and expenditure components of the budget system.

Regarding anti-corruption efforts, they encompass the organization and methodologies employed in conducting financial oversight of entities. Notably, the domain of mutual legal assistance stands out as an area where negotiations are actively utilized to facilitate information exchange. In terms of international cooperation to combat tax crimes, the Organization for Economic Cooperation and Development (OECD) emerges as a prominent influence on economic and legal policies. Established in 1961 at the behest of the United States, the OECD originated from the Organization for European Economic Cooperation (OEEC). Presently, it comprises 34 member states, representing over 60% of global GDP.

The organization's objectives include monitoring the economic landscape and combating issues such as money laundering, tax evasion, corruption, and bribery. Effectively organized state financial control serves as one avenue to prevent or mitigate the ramifications of corruption. This control should not only focus on identifying past criminal acts but also on proactively deterring instances of corruption. There is a growing awareness within the public sphere regarding the necessity of reforming state apparatus to enhance its efficacy and better serve legitimate societal interests, particularly in combating economic crimes and corruption. The government also shares this interest as the oversight of corruption in Uzbekistan has evolved into not only a socio-economic concern but also a political issue. From a practical standpoint, the challenge of corruption is multifaceted, with various sectors exhibiting varying degrees of severity in its manifestation. Problematic areas such as state property management, licensing, customs, and tax regulation are particularly susceptible to corruption. Of particular concern is corruption in government procurement, which accounts for approximately 10% of GDP annually. Prioritizing the establishment of robust state financial controls and legislative measures to combat corruption is imperative. Financial control plays a pivotal role in ensuring the fulfillment of socio-economic objectives determined by the state, thereby facilitating the effective utilization of diverse resources, including financial ones.

In line with international norms, establishing effective control mechanisms

is a fundamental aspect of financial management. The primary objective of state financial control is to detect deviations from established standards and other breaches of legal regulations concerning the allocation of monetary and material resources. By identifying infractions, including instances of corruption, at an early stage, state financial control facilitates the implementation of appropriate anti-corruption measures and, in certain instances, ensures that perpetrators are held accountable. In fulfilling its constitutional mandate to safeguard federal funds and other resources against misappropriation and inefficient utilization, the Accounts Chamber of the Republic of Uzbekistan plays a direct role in identifying and preventing corruption-related crimes. Serving not only as a key component of the national anti-corruption framework but also as an innovative platform, the Accounts Chamber embodies the integration of cutting-edge theory and practice in the fight against corruption. Nonetheless, corruption can evolve rapidly due to internal and external factors, underscoring the critical importance of developing innovative approaches to combatting corruption. The Accounts Chamber of the Republic of Uzbekistan plays a pivotal role in identifying and preventing corruption crimes, continually enhancing legal and methodological frameworks for anti-corruption efforts, external financial control standards, and educational programs.

Presently, comprehensive measures have been implemented to facilitate a systematic approach to coordinating the training and qualifications of state and municipal employees, private sector representatives, and public organizations in combating corruption. To enhance the effectiveness of state financial control in combating corruption, it is imperative to foster collaboration among various stakeholders, including state financial control entities at all levels of government, the Accounts Chamber of the Republic of Uzbekistan, the Central Bank of Uzbekistan, and the Prosecutor's Office of the Republic of Uzbekistan. Furthermore, oversight should extend beyond government agencies to encompass business entities, including private enterprises. To optimize the functioning of control bodies, establishing a coordinating council to ensure coordination and

meaningful interaction among these entities would be beneficial.

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