

# THE IMPORTANCE OF THE TREASURY IN THE MANAGEMENT OF PUBLIC FINANCES

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**Annotation.** *The text outlines significant institutional reforms in Uzbekistan's public finance management, focusing on the implementation and benefits of the treasury system for state budget management.*

**Key words:** *Public finance management, fiscal accountability, state budget execution, financial control, financial security.*

Institutional reforms being implemented. Practice initially on the basis of increasing reforms in the world experience of the implementation of the state budget tested, effective from budget funds treasury that provides use system was introduced. Treasury systems to governments preparation of financial plans, annual implementation of budgets, money management of funds, provision of fiscal calculations, control and ensures accountability. The design of these systems is different varies considerably between countries, these are priorities, country opportunities and reflect differences in political traditions makes.

Uzbekistan President of the Republic Sh.M. Mirziyoyev in the works of State budget implementation use of the treasury system, the statein financial management reforms increasing the importance of the treasury system, strict adherence to budget discipline and in the process of state financial control improvement of treasury control the ways are shown.<sup>1</sup>

Despite the fact that the treasury system is a young financial structure, its level of development is very high. The tasks and functions assigned to treasury bodies in managing the state budget are improving year by year. The Treasury Institute enables proper planning and execution of budget revenues and expenses

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<sup>1</sup>Kasimova G, Abdurasulov M. Maqola / "G'aznachilikda kassali rejalashtirish va byudjet tashkilotlari xarajatlarini to'lash tartibi" 2021 yil

To date, many changes have been made in the implementation of the state budget.

- regulation of the calculation of state budget revenues in the budget system;
- calculation of local taxes and levies, taxable and non-taxable income of the republic;
- cash execution of state and local budgets;
- phased financing of sub-budgets was stopped;
- control over the targeted use of budget funds was strengthened;
- the period of preparation of the report on the execution of the local budget was reduced and its quality was further improved.

Internal control and audit established in the field of public finance management in accordance with world standards is considered a necessary tool for achieving a developed society. It is necessary to control the use of the funds of the centralized budget for the specified purpose, to improve the procedure of control over the expenses directed to investments and capital investments in the implementation of local budgets. Also, the use of budget funds allocated for socio-cultural activities requires a clear list based on the program, simplification of the financing mechanism of budget recipients, and provision of strong financial control in accounting for the use of budget funds.

From January 1, 2023 of the President of December 21, 2022 PF-269 "New Uzbekistan Administrative measures to implement reforms on" decree and 25 of 2023 January PF-14 "Executive Republic activities of the authorities the first to be effectively launch next organizational measure on" execution of Decree Republic of Uzbekistan on provision 2023 of the Ministry of Economy and Finance According to order No. 13 of February 7 Under the Ministry of Economy and Finance Treasury service committee and regional temporary state unit of divisions confirmed. According to him, the Treasury the central apparatus of the service committee is 94, Republic of Karakalpakstan, regions and Tashkent City Treasury Service 244

departments, district (city) There are 1006 departments of the treasury service phrase from the state unit.

At the stage of development of the national economy, we need to form the most optimal mechanism for rational spending of extra-budgetary funds. Therefore, in the future, it is important to implement measures that will ensure the improvement of the activities of the state's target money funds within the State budget. In a number of developed countries, in order to use more effective methods in the process of budget development, a new "objective-programmatic planning method" or "performance-oriented budgeting" method is used. One of the important directions of the budget reform is the introduction of performance-oriented budgeting. Performance-oriented budgeting (NYB) - aims to increase the clarity, control and efficiency of the allocation and use of financial resources. In this case, limited financial resources are distributed depending on the achievement of the specific goal envisaged in the society and in accordance with the priorities of the state budget policy. When we use efficiency-oriented budgeting, the budget for individual items of expenses is transferred to the fulfillment of target socio-economic indicators in the execution of the treasury. In the program-objective style, planning is carried out on the basis of long-term assessment, and the allocation of budget expenditures is carried out on the basis of goals and programs. In this case, the budget is developed not only with the help of "traditional" types of classification of expenses, but also according to specific programs. Costs for each event within the program are shown separately. They reflect the status of the facility or service being financed within the framework of this program and the status that is planned to be achieved at the end of the program.

The NYB method allows solving the following tasks in the treasury: □ providing services that meet the needs of the population; □ to determine not only the cost, but also the social effectiveness of the expenses; □ increasing the validity and clarity of budget expenditures; □ distribution of resources according to budget classification, not according to types of expenses, but according to strategic goals. In order to improve the management of the state budget of the Republic of

Uzbekistan, to systematize the budget process, to improve the theoretical developments and practical foundations of the budget classification, it is necessary to develop specific recommendations and suggestions on the budget classification. In the conditions of modernization of the economy, effective management of budget processes in ensuring the financial security of the state becomes more complicated. This requires the need to improve the mechanism of budget funds management and their distribution between the budget system links. The problem of effective management of budget execution in ensuring the financial security of the state remains urgent. Among the activities carried out in our republic, the issue of strengthening the banking, finance, budget, treasury system is focused on. In such conditions, the effective use of the State budget will have a positive effect on the development of the national economy and ensure social and economic stability in the country.

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