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FEATURES OF BUDGET FUNDS ACCOUNTING ACCORDING TO NATIONAL AND INTERNATIONAL BUDGET ACCOUNTING STANDARDS

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In the context of the reforms being carried out in the country's budget and tax policy in recent years, the measures being taken to reduce the financial support of budget organizations from the budget demonstrate the high importance of extra-budgetary funds of budget organizations. The ongoing work on the adoption of regulatory and legal frameworks serves as clear evidence of this. President of the Republic of Uzbekistan Sh. At Mirziyoyev's meeting on October 20, 2023, he specifically addressed the main directions of the 2024 budget, stating that "the existing reserves and opportunities for increasing state budget revenues and optimizing expenditures were thoroughly analyzed by sector, industry, and region."

First of all, specific tasks have been set to reduce costs in large industrial sectors by reducing costs. For example, it is estimated that in the fourth quarter of this year alone, expenses at 349 large industrial enterprises could be reduced by 2.1 trillion soums. To systematically continue these efforts, the government was instructed to develop programs to reduce costs in large sectors by 15-20% next year. The issue of expanding the revenue base of the regions was addressed. In particular, measures have been identified to support low-capacity enterprises and bring them to full capacity. The necessity of developing entrepreneurship, expanding the tax base, and reducing the shadow economy by providing benefits was emphasized. As is known, with the reduction of tax rates or the abolition of certain taxes, the amount of funds received by the budget will inevitably decrease. This can be addressed through effective tax administration and budget stability can be ensured. In the process of budget execution, accounting has been established in budget organizations for the continuous accounting of the formation and expenditure of State budget funds and extra-budgetary funds of budget organizations, their documentation, and the systematic formation of information. The targeted and effective use of budget funds and preventing budget deficits are among the pressing issues. "Of course, the State budget is not immeasurable; it is necessary to ensure substantial savings in funds and their targeted and rational use. "This is a clear and undeniable truth," says President Sh. M. Mirziyoyev in his speech.

Budgetary organizations are the main source of budget funds, forming state budget expenditures and financing them from the budget based on the expenditure estimate. At the same time, in accordance with the legislation, the budget organization carries out expenditures within the framework of extra-budgetary funds estimates, indicating the sources and directions of use of extra-budgetary funds. Improving accounting and reporting in the public sector of the Republic of Uzbekistan has been designated as one of the main directions of the reforms being implemented in the budget system, and a concept has been adopted. According to the Concept, the adoption of Budget Accounting Standards has been established. The application of international accounting standards in the public sector, along with high-quality financial statements, creates significant opportunities for evaluating the performance of the public sector, increases information transparency, ensures high-level integration of financial reporting and statistical reporting into the budget, enables effective management of state assets due to the reliability and completeness of information, creates the possibility of comparing financial statements with the financial statements of other countries, and, in the context of the globalization of international relations, increases the volume of foreign and international investments and donor funds based on an understanding of the state's obligations and how it manages it with its own resources, as well as its financial condition.
International Accounting Standards in the public sector are being widely used and recognized worldwide. Even a few countries are using International Accounting Standards in their public sector without changes, while others are making changes based on the specifics of the country.

Budget accounting is a regulated system for collecting, registering, and summarizing information on the state of monetary assets and liabilities, as well as transactions that modify these assets and liabilities. The budget accounting standard is a document reflecting the established requirements for maintaining budget accounting. The budget accounting standard is divided into national and international standards. In accordance with the Budget Code of the Republic of Uzbekistan, the unified form of budget accounting is established in accordance with International Standards on Budget Accounting, as well as other legislative acts. International Accounting Standards in the Public Sector (IASB) are internationally accepted rules for preparing high-quality financial statements based on international standards in public sector organizations (excluding state-owned commercial enterprises). The unified requirement for budget accounting, which is a regulated system for collecting, registering, and summarizing information on the state of assets and liabilities, as well as transactions that modify these assets and liabilities, during the budget execution process, is established by budget accounting standards.

Specifically, it defines the requirements for the formation of accounting policies in budget organizations, the recognition standards for accounting objects (fixed assets, reserves, etc.), and the criteria for their reflection in assessments and reports. The sections of budget accounting standards are as follows:

- Accounting Object - Defining the accounting object, general concepts;
- Recognition of accounting objects - Procedures for transferring accounting objects to report items;
- Accounting Object Valuation - Recommendations and requirements for the application of accounting object valuation methods;
- Reflection in the financial statements
- The procedure for disclosing and reflecting information about the accounting object in the financial statements.

The state body regulating the budget accounting and reporting system is the Ministry of Finance of the Republic of Uzbekistan, which approves the Budget Accounting Standards. Improving accounting and reporting in the public sector of the Republic of Uzbekistan has been designated as one of the priority areas of reforms being implemented in the budget system, and a concept has been adopted. According to the concept, the adoption of budget accounting standards has been established. International Accounting Standards in the Public Sector are developed by the Council for International Accounting Standards in the Public Sector within the International Union of Accountants. Members of the Council on International Accounting Standards in the public sector are appointed by the International Union of Accountants. A total of 18 members, 15 of whom are nominated by the International Accountants Association, and 3 by the public. Public members of the Council may be nominated from any person or organization. In addition, the Council of International Accounting Standards in the public sector appoints a limited number of observers from the bodies involved in the public sector's financial reporting, and they have the right to comment at the meeting, but do not have the right to vote. In the public sector, an advisory group is established by the Council of International Accounting Standards, which is a working group and does not exercise the right to vote.

International accounting standards in the public sector played a vital role in the convergence, alignment, and further improvement of financial reporting standards worldwide. They are used for the following purposes: to serve as a basis for national requirements for accounting and reporting in most countries; to be used as an international standard for individual countries developing their own requirements for accounting and reporting; to be accepted for full use in accounting (use of standards without changes) [6].In global practice, the cash method, the modified cash method, and the modified accounting and settlement method are used for the public sector.

For the public sector, the cash method of accounting involves recording all events according to the movement of funds. In this case, many events related to assets and liabilities are not accounted for within the scope of accounting. Under this method, the purchased fixed assets are added to the expenses after delivery. All events that occurred in the first month of the following year after the end of the reporting year and related to the previous reporting year are considered related to the reporting year. During this period, the state fully transfers all obligations assumed in the previous reporting year and receives the revenues that the state was supposed to receive to the budget in the previous reporting year.

Reports in this manner will be retained even when prepared according to the accounting method for the public sector. This, in turn, allows for the evaluation of assets and liabilities to some extent. This allows for simplification of accounting and significantly facilitates the transition to the accounting method for the public sector.

All events occurring in the accounting method for the public sector are recognized at the time of their occurrence. When using this method, the procedure for including in expenses after the purchase of fixed assets is not applied.

The value of all assets is calculated as depreciation proportionally to their service life during the period of use, and this depreciation amount is added to expenses as depreciation.

As can be seen from the above, while cash flows are recognized at the time of receipt or payment of funds for events that occurred during cash-based accounting in the public sector, events that occurred during cash-based accounting in the public sector are recognized at the time when the value of assets and the amount of liabilities arose or their economic significance changed. In the accounting method for the public sector, events that increase the net value of assets are recognized as income, and events that decrease the net value of assets are recognized as expenses. The net value of the assets of the public administration sector and the results of their activities are the difference between the value of the assets of the public administration sector and the amount of liabilities. The calculation method should be structured according to the calculation method so that financial statements fulfill the goals and objectives set for them. According to this method, events and phenomena must be recognized as they occurred (not when money is given or received) and reflected in the financial statements during the period in which they occurred. A calculation-based report provides information not only about past events but also about the organization's obligations to pay and economic resources to receive. Thus, users will be able to provide the necessary information for making economic decisions.

Accounting in the public sector is based on the principles of international accounting standards (financial reports should be structured according to the accounting method in order to fulfill the goals and objectives set for them) and continuity of activity (financial reporting is usually compiled based on the assumption that the organization is operating and will continue operating). Composition of financial statements based on the calculation method:
- Financial Statement;
- Report on the financial results of activities;
- Report on changes in net assets/capital
- Statement of cash flows;
- Approved Budget.

The information provided in the financial statement consists of fixed assets, investment movable property, intangible assets, financial assets, investments, reserves, proceeds from non-currency transactions (taxes and transfers), foreign exchange earnings, cash and cash equivalents, taxes and transfers payable, foreign exchange payments, and reserves.
- Information provided in the report on the financial results of the business
- income consists of expenses for financial support, the share of union organizations in the surplus or deficit accounted for by the share method, profit and loss before tax on the disposal of assets or the completion of liabilities, surplus or deficit.

The information presented in the report on changes in net assets/capital consists of a complex of elements of the reporting period's surplus or deficit, revenues, and expenses. According to current legislation, accounting in budget organizations is maintained using the accrual method. Currently, draft budget accounting standards are being developed in our country in accordance with the Concept for Improving the Accounting and Reporting System in the Public Sector, based on international accounting standards, and are being discussed with the participation of specialists in the relevant field. Currently, for the adoption of Budget Accounting Standards, the following should be considered:
- Taking into account the requirements of national legislation on accounting;
- Organizing training and training of accounting and financial personnel without unnecessary expenses;
- Using the current Automated Accounting Program (UzASBO) with multiple changes and additions;
- It will facilitate the organization of the process of new transformations.

Budget accounting standards No. 1 "Accounting Policy" and No. 2 "Unified Accounts Plan" have been registered with the Ministry of Justice of the Republic of Uzbekistan. Budget Accounting Standard No. 1 "Accounting Policy" The purpose of this Standard is to disclose the criteria for selecting and amending accounting policies, as well as the preparation of budget reports and financial statements by budget organizations, and information on changes in accounting policies. The standard is designed to increase the level of reliability of financial statements of budget organizations and the level of comparability of regularly repeated financial statements, as well as financial statements of other budget organizations.

The selection and application of accounting policies in budget organizations should be applied in accounting for changes in accounting policies and in preparing financial statements. The Budget Accounting Standard No. 2 "Unified Accounts Plan" is applied to treasury departments, financial institutions, state and other targeted fund organizations, and all budget organizations. The single chart of accounts includes assets, liabilities, income,

expenses, capital, and financial result, grouped according to the elements of the financial statements. Treasury departments, state targeted funds, and other bodies maintain budgetary records of the budgets and other extra-budgetary funds of the budget system of the Republic of Uzbekistan, as well as the financial and economic activities of budget organizations, in accordance with a unified chart of accounts.
Accounting in the public sector consists of international accounting standards applied in accounting (39) and in cash accounting.

1-Table
International accounting standards in the public sector

1	Presentation of Financial Statements
2	Cash Flow Statements
3	Accounting Policies, Shańes ın Accounting Estimates and Errors
4	The Effects of changes ın Foreign Exchange Rates
5	Barrowing Costs
6	Consolidated and Separate Financial Statements
7	Investments ın Associates
8	Interests ın Joint ventures
9	Revenue from Exchange Transactions
10	Financial Reporting ın Hyper inflationary Economies
11	Construction Contracts
12	Inventories
13	Leases
14	Events after the Reporting Date
15	Financial Instruments: Disclosure and Presentation
16	Investment Property
17	Property, Plant and Equipment
18	Segment Reporting
19	Provisions, Contingent Liabilities and Contingent Assets
20	Related Party Disclosures
21	Impairment of assets in non-current funds
22	Disclosure of information about the General Government Sector
23	Revenue from Nan-Exchange Transactions (Taxes and Transfers)
24	Presentation of Budget Information ın Financial Statements
25	Employee Benefit
26	Impairment of Cash-Generating Assets
27	Agriculture
28	Financial Instruments: Presentation
29	Financial Instruments: Recognition and Measurement
30	Financial Instruments: Disclosures
31	Intangible Assets

Countries that have adopted internal accounting standards based on international standards in the public sector include Australia, Latvia, Finland, the United Kingdom, New Zealand, France, Canada, Singapore, Chile, Colombia, the USA, and Sweden. In these countries, national accounting standards have been established in the public sector based on the requirements of international accounting standards. Among the countries mentioned above, Uzbekistan can be considered one of the countries adopting internal accounting standards in the public sector based on international standards. In Uzbekistan, the reform of accounting in the public sector is being gradually aligned with internationally accepted standards. At this stage, accounting and reporting in the public sector are maintained using elements of the cash method:
- Financial (treasury) organizations - cash-based
- Budgetary organizations - by calculation method
Here:
1. Gradually implement reforms in the accounting of the public sector while maintaining the current cash method of budget accounting.

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2. In the public sector, based on the accounting methodology of international accounting standards and the adoption of budget accounting standards, it is envisaged to improve financial accounting and reporting in budget organizations, as well as the accounting of state assets and liabilities, and the accounting of state target funds.

It should be noted that the Budget Code, enacted on January 1, 2014, specifically stipulates that the method of budget accounting and reporting is determined in accordance with budget accounting standards. Currently, draft budget accounting standards are being developed in the public sector in accordance with the concept of improving the accounting and reporting system based on international accounting standards and are being discussed with the participation of specialists in the relevant field.

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