

FOREIGN EXPERIENCES OF PERFORMANCE AUDIT IN THE STATE SECTOR

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ABSTRACT: The experience of many foreign countries has been compared and analyzed, and its advantages have been identified based on the basic principles of performance auditing. It also describes the differences between performance audits and conventional financial audits and their economic significance, as well as the author's description of the directions and prospects for the practical application of performance audits.

KEYWORDS: Budget organization, public financial control, internal audit, efficiency audit, external audit.

INTRODUCTION

The formation of new approaches to public fiscal policy will ultimately require changes in the means of controlling the use of public funds. As a result, the issue of introducing and developing performance audits in practice arises.

Effective audit has developed rapidly and is widely used in the work of foreign Supreme Audit Institutions (SAI). Today, the performance audit plays an increasingly important role in the work of the Supreme Audit Institutions and reflects all the changes in public administration. As a result, in practice, there is a transition from financial audit to performance audit.

Preliminary information on performance audits was provided in 1977 at the IX Congress of the International Organization of Supreme Audit Institutions (INTOSAI) in Lim entitled "Lim Declaration of Audit Management Principles" (hereinafter - Lim Declaration) (Lim Declaration). reflected.

The Lim Declaration aims to increase the efficiency of public finance management and decisions taken by the responsible authorities in the targeted and efficient use of public funds. To achieve this goal, each state must have a supreme oversight body, the independence of which is guaranteed by law. Demand for such bodies is growing as the state expands its activities in the socio-economic spheres and operates outside the traditional financial sphere.

At a time of rapid socio-economic development of the world economy and the global financial and economic crisis, as well as reforms in the process of building a new Uzbekistan with limited natural resources, the existing resources require the rational use of available resources on the principles of economy and efficiency. This makes performance auditing a new type of activity in the financial control system of the country, which makes it necessary to conduct science-based research on this topic.

It is known that financial control is one of the integral functions of the state structure. The first information about the state audit, or rather its prototypes, can be found in the archives of the Court of Accounts of France in 1318, the National Audit Office of Great Britain in 1314 and the Court of Accounts of the Kingdom of the Netherlands in 1386 (Chernyadeva, 2005).

In the early stages of development, the main functions of public financial control bodies, as a rule, were to allow government agencies to issue orders for budget allocations, control the legality of public spending and the preparation of reports on budget expenditures.

Effectiveness audit as a full-fledged area of financial control began to take shape during the period of public administration reforms in Western Europe and North America, mainly in the process of decentralization of public administration and reform of effective governance. It is believed that one of the main reasons for the emergence of performance audits was the transition of states to the application of performance-oriented budgeting principles (Chernyadeva, 2005). In some studies of foreign experience, scholars cite the following law: the method of performance audit is widely used to finance expenditures to achieve a certain result, that is, in countries with a program budgeting system, rather than by financing expenditures based on cost estimates.

In particular, as a confirmation of this legislation, in 1965 the United Nations Programming and Performance-Based Budgeting Guide was published. This document states that in results-oriented budgeting within state programs, taking into account the economic feasibility of budget allocations, goals and objectives are set, and quantitative and qualitative criteria for monitoring the achievement of goals and objectives are set (Milenkiy, 2005). This document has been widely used in foreign countries, which has led to the development and implementation of new principles of the budget process.

The concept of performance audit emerged at a time when public administration in developed countries, including the state, must realize that the activities of the state on the accumulation,

distribution and use of budget funds must meet the requirements of efficiency. During this period, attitudes towards the essence of effective public administration changed. Efficiency means the ability of the state apparatus to ensure the sustainability of the development of the socio-economic and financial spheres of the state with the least expenditure of budget funds.

Under the traditional method of forming the state budget, the main goal of budget recipients in the process of state budget execution was to fully utilize the funds allocated during the fiscal year in order to avoid a reduction in funding for the next year. In the fiscal year, the main quantitative indicators for the implementation of the relevant state program in the formation of the budget in a new way were identified, and it was proposed to calculate the optimal amount of funding for the implementation of these quantitative indicators. Of course, the possibility of making changes to the indicators was envisaged, as it was planned to develop more advanced measures for the implementation of the relevant state program at the expense of less public funds.

As stated in the International Auditing Standards of the International Organization of Supreme Audit Institutions, performance audits cannot be clearly regulated. Performance auditing is a complex research process that requires flexibility, creativity, and analytical skills in its purest form. It also points out that the performance of an performance audit may be hampered by the fact that standards are overstated and that clear rules are in place.

Ultimately, the most common period of performance auditing in the world dates back to the 1970s and 1980s. The fact that this phenomenon occurs in developed western countries can be explained by a combination of the following factors:

- 1) implementation of administrative reforms in public administration and the budget process;
- 2) transition to the application of the principle of efficiency-oriented budgeting;
- 3) increase in public spending with the introduction of management of new areas in the competence of government agencies;
- 4) the need to ensure more rational use of natural resources due to their limited resources;
- 5) development of the concept of the ratio of costs, results and socio-economic efficiency;
- 6) increase the transparency of the processes of accumulation, distribution and use of budget funds and the level of responsibility of public funds management bodies due to the development of democratic institutions and the growth of legal awareness of society;

7) striving to increase the efficiency of public use by improving the system of public administration.

The events in the history of the world listed above have led to the formation of effective governance in the world and, as a result, have led to the development and prosperity of those countries. At the same time, it has led to the formation and development of performance audits of the supreme supervisory authorities of developed countries.

CONCLUSION

The study of the experience of foreign countries has shown that the use of performance audit as a tool of control indicates that it is an effective tool. The introduction and use of this type of control in our country to some extent demonstrates its positive aspects.

In the socio-economic policy pursued in the construction of a new Uzbekistan, a number of efforts are being made to reform the system of effective public administration. In particular, the Development Strategy of the Republic of Uzbekistan for 2022-2026 identifies as one of the priorities to further increase the efficiency of state budget expenditures and improve the activities of public financial control.

Taking into account all the above information and the problems that arise as a result of scientific research, in order to achieve high performance and results in the use of performance audits in the system of public financial control of the country, it is necessary to:

Creating a methodological and methodological framework for performance auditing, taking into account the specifics of our national legislation and values, using the experience of international developed countries.

Ensuring that the target indicators that our budget-funded institutions set for themselves are determined on the basis of accurate calculations and reliable data.

In conclusion, at a time when the process of integration into the world community is developing rapidly, we believe that the formation of performance audits in the system of public financial control in accordance with international standards, bringing it to a qualitatively new level will contribute to economic development and interests of our people.

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