

## Theoretical and Methodological Basis of Financial Control in Higher Education Institutions

*Artikov Kurbonazar Amanovich*  
*Tashkent Institute of Finance, Independent Researcher*  
*buxmin@edu.uz*

**Abstract:** The article examines the specific aspects of the theoretical and methodological foundations of financial control in higher education institutions.

**Keywords:** budget organization, higher education institution, funding sources, financial control, income structure.

### Enter

One of the main global trends in the development of higher education is commercialization, which requires the formation of a new management paradigm based on corporatization. In our scientific research, attention is also paid to the issues of introducing corporate management to university activities, forming appropriate intellectual capital, and creating the necessary conditions for increasing competitiveness through the sale of new knowledge and scientific developments.

Due to the fact that the traditional methods of higher education institution management have lost their relevance and do not fully help to solve the general economic problems of their development, it is necessary to form a new management paradigm of modern management technologies, based on corporatization, aimed at ensuring innovative development.

Therefore, it is safe to say that granting academic and financial independence to state higher education institutions is one of the necessary steps in the reform of the higher education system today.

The emergence and development of financial control is closely related to the organization and development of the state financial system. Organization of financial control is a mandatory element of financial resources management, such management reflects responsibility to institutions. Control is not the final goal, control is a component of the management system and is a necessary condition for the effective functioning of the country's economy and financial system.

State financial control — study, analysis and comparison of accounting, finance, statistics, bank documents and other documents of state financial control objects in order to control the execution of budget legislation.

Currently, the main goal of financial control is to objectively study the actual state of affairs in the object being studied and to identify or prevent factors that have a negative impact on the adoption and implementation of management decisions. It consists of comparing, checking and analyzing the activity of the managed object, evaluating the validity and effectiveness of the management decisions made or adopted as a form of the management cycle.

|     |  |
|-----|--|
| 152 | ISSN 2576-5973 (online), Published by "Global Research Network LLC"<br>under Volume: 6 Issue: 7 in Jul-2023 <a href="https://globalresearchnetwork.us/index.php/ajebm">https://globalresearchnetwork.us/index.php/ajebm</a>  |
|     | Copyright (c) 2023 Author (s). This is an open-access article distributed under the terms of<br>Creative Commons Attribution License (CC BY). To view a copy of this license,<br>visit <a href="https://creativecommons.org/licenses/by/4.0/">https://creativecommons.org/licenses/by/4.0/</a> |

### Analysis of literature on the topic

A.V.Vahobov and T.S. Malikov called "control over the financial activities of all economic entities" (state, enterprises and organizations) financial control carried out by legislative and executive authorities at various levels and specially established institutions they think. This control includes, first of all, compliance with financial and economic legislation in the process of formation and use of funds, assessment of the effectiveness of financial and economic operations, and control of appropriateness of expenses.

Among the leading foreign economists, R. Adame, D. Irvin, R. Mann, E. Mayer, and D. Khan [6] have studied the issues of state financial control.

According to L.N. Ovsyannikov [7], a researcher of the essence and tasks of state financial control, state financial control is an activity that protects the financial interests of the state and the financial rights of citizens through the means of laws, organization, management, and legal protection.

V.D. Larichev [8] states that the purpose of state financial control is to prevent violations of laws that occur in the process of using material resources, i.e. violations of legal requirements, illegal spending of budget funds, as well as to recover damages caused to the state from persons who caused violations and to take legal action against them. taking measures, as well as developing measures aimed at preventing such violations in the future.

Researcher E.A. Voznesensky [9] notes that the purpose of state financial control is to obtain quick information about financial expenses at the micro and macro level, to prevent violations, to make decisions that ensure the management of financial resources, and to set new tasks.

Thus, most economists positively assessed state financial control bodies' activity. If these ideas have studied certain aspects and elements of state financial control, some scientists admit that it has a wide range of possibilities. In the scientific literature published so far, no single opinion has been formed about the methods of state financial control.

In the conditions of the deepening of economic reforms in Uzbekistan, the legal foundations of the organization of state financial control, the tasks of the current period of development, the content of the work, and the results have been studied to a certain extent. Due to the fact that there is no unified methodology on the tasks and essence of state financial control, there are various controversial opinions among economists. Most importantly, approaches that do not have a single scientific basis are also found in practice. Such a situation suggests the need for a generalized approach in the implementation of state financial control and the need for such an approach to be defined in state-level documents.

Z.Kh.Sirojiddinova [10], one of the economists from Uzbekistan, in her scientific work, focused on the connection of the further development of the state financial control system with the current economic reforms.

D. Pulatov [11] tried to summarize the tasks related to the further improvement of the activities of state financial control bodies in our country. In the work of researchers A.K.Ibragimov, and R.M.Abdualimov, problems of further improvement of state financial control at the new stage of development were analyzed. The theoretical and methodological foundations of the organization of state financial control in Uzbekistan, organizational and methodological aspects in the conditions of the market economy, and issues of its improvement were studied in the dissertation of the economist M. Tulakhodjaeva [12].

### Research Methodology

This article used the methods of analysis and synthesis, induction and deduction, systematic approach, statistics, grouping, comparison, and factor analysis of scientific knowledge. Because every metric, number, control, and forecast used for benchmarking is meaningful only when compared to a similar

|     |   |
|-----|---|
| 153 | ISSN 2576-5973 (online), Published by "Global Research Network LLC"<br>under Volume: 6 Issue: 7 in Jul-2023 <a href="https://globalresearchnetwork.us/index.php/ajebm">https://globalresearchnetwork.us/index.php/ajebm</a>   |
|     | Copyright (c) 2023 Author (s). This is an open-access article distributed under the terms of<br>Creative Commons Attribution License (CC BY).To view a copy of this license,<br><a href="https://creativecommons.org/licenses/by/4.0/">visit https://creativecommons.org/licenses/by/4.0/</a> |

metric. As a result of the comparison, it becomes possible to systematically control production costs and comprehensively evaluate them.

### Analysis and results

Financial control is to increase the effectiveness of the activities of the responsible bodies analyzing their activities, to ensure the financial turnover of the operating institutions within the framework of the legislation, and to develop specific proposals for their further improvement.

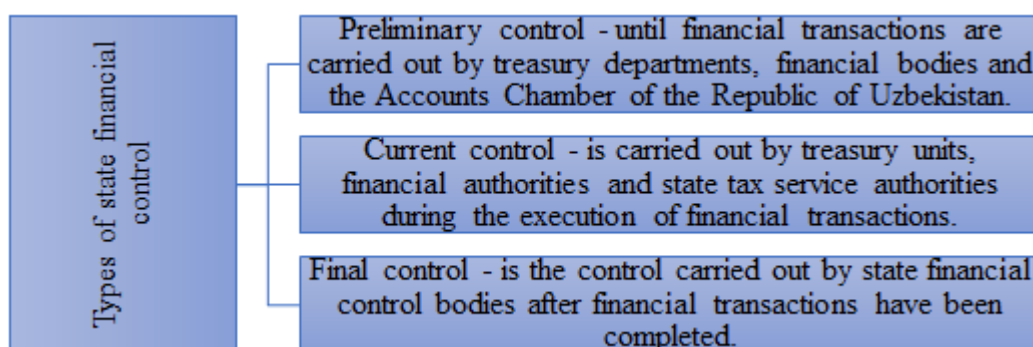
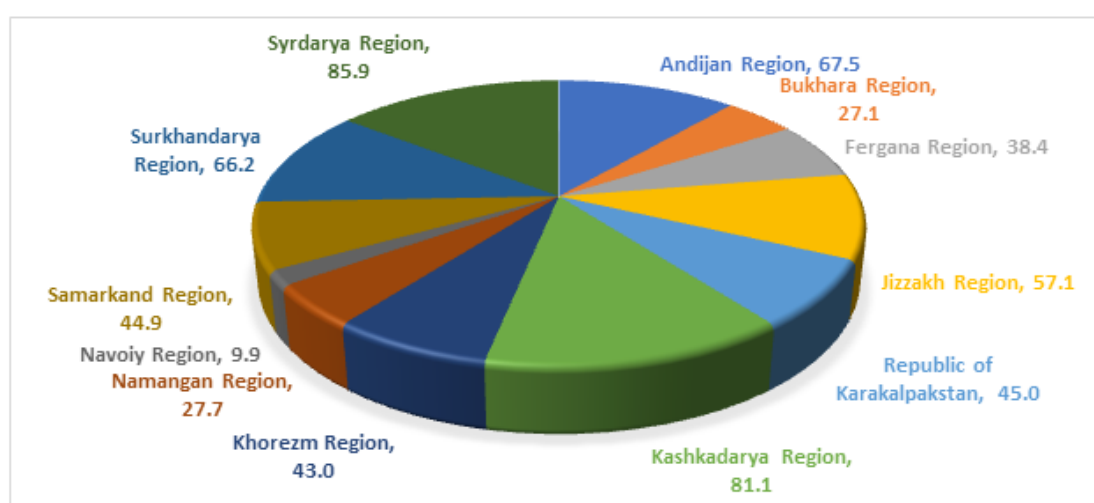


Figure 1. Types of state financial control

" The legality and independence of state financial control, as well as the reliability and impartiality of the results of state financial control, are the principles of state financial control"[5].

In conclusion, it can be said that the state financial control is the responsible body that analyzes the effectiveness of the financial operations of budget organizations, recipients of funds from the budget and the budget of state trust funds, including higher education institutions, to ensure their implementation within the framework of the established legislation, and develop proposals for their further improvement. is a clearly targeted activity. The purpose of financial control is not just to control, its purpose is to eliminate the situation, in some cases to hold the culprits accountable, to recover damages or to take measures to prevent or reduce such violations in the future. At the initial stage, it consists in determining the costs of increasing and saving in order to prevent deviations from accepted norms and violations of legal norms, to increase the efficiency of the use of material resources, and thus to increase efficiency.

Dynamics of cases of law violations and other errors and deficiencies in the region during the reporting period (billion soums)



The importance of financial control lies in the fact that, firstly, it is used by state and public organizations, institutions, and organizations to control compliance with the rule of law in their financial activities, and secondly, it checks the economic efficiency of the implemented financial actions and the compliance of these actions with the tasks facing the state.

Thus, financial control serves as an important means of ensuring compliance with legal documents and the appropriateness of financial activities.

Expanding the independence of higher education institutions, sharply reducing state administrative management in their activities, and thereby forming state higher education institutions that prepare highly qualified personnel who can meet the requirements of the changing labor market, as well as increasing the effectiveness of reforms, ensuring the financial stability of state higher education institutions, material and technical Financial independence was granted to 35 state higher education institutions in order to independently solve the issues of strengthening the base and to develop competition among higher education institutions.

Institutions granted financial independence were given additional powers in the field of academic and organizational-management independence.

The peculiarity of the introduction of corporate management in higher education institutions as a component of the process of corporatization is that one of the most important components of their activity is the use of the market strategy of development. In this, consumers of educational services are treated as customers.

It should be noted that the activities of state financial control bodies are regulated in accordance with the Budget Code and the decision of the President of the Republic of Uzbekistan No. 128, and this law and decision are the normative legal basis of the research topic.

the Accounts Chamber of the Republic of Uzbekistan, and the Ministry of Economy and Finance are state financial control bodies.

The state financial control over the income part of the state budget and the budgets of state special funds is carried out by the state tax service authorities.

Ensuring the stable development of higher education institutions, creating a healthy competitive environment in the higher education system, and increasing the efficiency of resources spent in the field of higher education are directly related to their academic and financial independence. World experience also shows the importance of this aspect. In Uzbekistan, almost all state higher education institutions are characterized by high centralization, and the policy of gradually introducing elements of decentralization into them began to be implemented. In particular, Decree No. 5635 of the President of the Republic of Uzbekistan dated January 17, 2019[1], Decision No. 4391 of the President of the Republic of Uzbekistan dated July 11, 2019[2], Decision No. 967 of the Cabinet of Ministers of the Republic of Uzbekistan dated December 3, 2019[3] ] and the decision of the President of the Republic of Uzbekistan No. 61 of December 24, 2021[4], the procedure for gradually transferring state higher education institutions to the self-financing system is being implemented:

## Conclusions and suggestions

Based on the analyzes carried out, the following conclusions can be made regarding the specific aspects of the organization and control of higher education institutions in Uzbekistan:

|     |   |
|-----|---|
| 155 | ISSN 2576-5973 (online), Published by "Global Research Network LLC"<br>under Volume: 6 Issue: 7 in Jul-2023 <a href="https://globalresearchnetwork.us/index.php/ajebm">https://globalresearchnetwork.us/index.php/ajebm</a>   |
|     | Copyright (c) 2023 Author (s). This is an open-access article distributed under the terms of<br>Creative Commons Attribution License (CC BY).To view a copy of this license,<br>visit <a href="https://creativecommons.org/licenses/by/4.0/">https://creativecommons.org/licenses/by/4.0/</a> |

- 1) According to the state program, the development of public-private partnerships in the field of higher education, the establishment of state and non-state higher education institutions in the regions, the increase of coverage with higher education, and the creation of healthy competition are defined as priority tasks.
- 2) According to the Law "On Education", the legal basis for the organization, regulation and control of state and non-state higher education institutions is defined.
- 3) It can be observed that the organizational and legal conditions for the establishment of non-state higher education institutions in the country have changed radically. According to the new strategy of Uzbekistan, the number of private higher education institutions is set to increase by 2026.

In this, the practice of granting privileges to non-state institutions of higher education, including preferences, student support programs (tax benefits, educational loans, etc.), applying the state order to non-state institutions of higher education, tax and mandatory payments to them activities such as the benefits given can be highlighted.

- 4) Reforms to provide academic and financial independence to existing higher education institutions in the country, it is put on the agenda as the most urgent task for them.

Based on the conclusions obtained as a result of the analysis, it can be concluded that higher education institutions should be set up based on the characteristics of the organization of financial activities, their organizational and legal form, ownership, and commercial or non-commercial purposes.

#### List of used literature

1. Decree No. 5635 dated January 17, 2019, of the President of the Republic of Uzbekistan "On the State Program for the Implementation of the Action Strategy for the Five Priority Areas of Development of the Republic of Uzbekistan in the Year of Active Investments and Social Development in 2017-2021";
2. Decision No. 4391 dated July 11, 2019, of the President of the Republic of Uzbekistan "On measures to introduce new management principles into the system of higher and secondary special education";
3. Decision No. 967 of December 3, 2019, of the Cabinet of Ministers of the Republic of Uzbekistan "On the procedure for gradually transferring higher education institutions to the self-financing system";
4. Decision No. 61 of December 24, 2021, of the President of the Republic of Uzbekistan "On measures to provide financial independence to state higher education institutions".
5. Section IX of the Budget Code of the Republic of Uzbekistan. Controlling the execution of budgets of the budget system Chapter 26. State financial control (Article 172).
6. Morunova G.V., Kotova P.V. Improving methods for assessing the effectiveness of state and municipal financial control.
7. Ovsyannikov Lev Nikolaevich. The nature of financial control. Research paper on the speciality "Economics and business".
8. Larichev V.D. Problems and approaches to the prevention of crimes in the sphere of economic activity. - M. : Yurlitinform, 2015. - 166 p.
9. Voznesensky, E. A. Methodological aspects of the analysis of the essence of finance / E. A. Voznesensky. - M., 1974. - P.43.
10. Sirojiddinova Z.Kh. Actual aspects of the development of state financial control at the present stage of reforms in the Republic of Uzbekistan. Information technologies in management, training, and law

|     |  |
|-----|--|
| 156 | ISSN 2576-5973 (online), Published by "Global Research Network LLC"<br>under Volume: 6 Issue: 7 in Jul-2023 <a href="https://globalresearchnetwork.us/index.php/ajebm">https://globalresearchnetwork.us/index.php/ajebm</a>  |
|     | Copyright (c) 2023 Author (s). This is an open-access article distributed under the terms of<br>Creative Commons Attribution License (CC BY). To view a copy of this license,<br>visit <a href="https://creativecommons.org/licenses/by/4.0/">https://creativecommons.org/licenses/by/4.0/</a> |

enforcement. collection of materials for the V International electronic scientific conference. Tashkent, 2019. pp. 132-136.

11. Pulatov D. Issues of improving the state financial control in Uzbekistan. Perspectives of Innovations, Economics and Business. 2009. V. 2. No. 2. S. 49-50.
12. Tulahodjaeva M. Organization and methods of financial control in the Republic of Uzbekistan. Thesis for the degree of Doctor of Economics / Moscow, 1998.