

ROAD zenodo   Scopus[®]

ISSN : 2466-0744



MULTIDISCIPLINE PROCEEDINGS OF
**DIGITAL FASHION
CONFERENCE**

KOREA, REPUBLIC OF

Multidiscipline Proceedings of

DIGITAL FASHION CONFERENCE

September 2024 (*Volume 4, No.5*)

Copyright © 2024

By Woongjin Think Big Co., Ltd.

All rights reserved.

Available at digitalfashionsociety.org

Published:

서울 합정역

파주출판도시

ISSN 2466-0744

Seoul

Rebublic of Korea (ROK),

EDITORIAL BOARD

Katharina Sand

*PhD Candidate - Faculty of Communication, Culture and Society, USI -
Università della Svizzera italiana*

Alice Noris

*PhD Candidate - Faculty of Communication, Culture and Society, USI -
Università della Svizzera italiana*

Michela Ornati

*Faculty of Communication, Culture and Society, USI - Università della
Svizzera italiana*

ELSEVIER



SSRN
Electronic Journal
Library

Universal
Impact Factor



COMPREHENSIVE ANALYSIS OF THE LEGAL FOUNDATIONS AND EFFICACY OF STATE FINANCIAL CONTROL FUNCTION

Asadov Eldorjon Nizomiddin o'g'li,
PhD student at the Tashkent State
University of Law, Uzbekistan
ORCID: 0009-0004-0443-0961
eldorasadov001@gmail.com

Abstract. This research critically examines the theoretical underpinnings, legal foundations, and implementation mechanisms of state financial control function. Through a comparative analysis of international practices and Uzbekistan's current system, the study aims to develop evidence-based recommendations for enhancing the efficacy of state financial control. The research employs a mixed-method approach, combining qualitative legal analysis with quantitative assessment of control outcomes.

Keywords: State function, financial control, public finance, budget control, tax control, audit, financial legislation, financial discipline, comparative analysis, governance efficacy.

State financial control is a cornerstone of economic governance, playing a pivotal role in ensuring fiscal discipline, resource allocation efficiency, and effective service delivery. As Uzbekistan continues its path of economic reforms, the need for a robust and adaptive financial control system becomes increasingly critical.

The concept of state financial control has been subject to various interpretations in academic literature. E.A. Voznesenskiy defines it as "a type of control carried out at all stages of state financial activity, aimed at ensuring the effective use of financial resources" [1]. I.A. Belobjeskiy, on the other hand, characterizes it as "an essential function of state financial management" [2].

In the context of Uzbekistan, Sh.R. Qobilov offers a more comprehensive definition: "control activity carried out over the formation, distribution, and use of state financial resources" [3]. Synthesizing these perspectives, we propose the following definition:

State financial control is a legally mandated activity conducted by state bodies to ensure the legal, targeted, and effective use of state financial resources, encompassing the processes of formation, distribution, and utilization of these resources.

To understand the place of financial control within the broader spectrum of state functions, it is crucial to examine the theoretical basis of state functions. According to X.T. Odilqoriyev, state functions are "the main directions of state activity defined by its policies, goals, duties, and powers at a given stage" [4]. This theoretical framework allows us to position financial control as a critical component of the state's economic function.

This study employs a mixed-method approach:

1. Qualitative analysis of legal documents and academic literature.
2. Comparative analysis of financial control systems in Uzbekistan and selected countries.
3. Quantitative analysis of financial control outcomes using data from the State Statistics Committee of Uzbekistan.

4. Analysis and Findings

The legal basis for state financial control in Uzbekistan is primarily established by the Constitution, the Budget Code, and the Law "On State Financial Control". However, our analysis reveals inconsistencies and gaps in the current legislative framework, particularly in areas of inter-agency coordination and the application of modern control

methodologies.

A comparative study with financial control systems in countries such as South Korea, Estonia, and Singapore reveals that Uzbekistan lags in the implementation of risk-based control methods and the use of advanced data analytics in control processes.

Quantitative analysis of control outcomes from 2018-2022 shows a 15% increase in detected financial violations, but only a 5% improvement in prevention measures. This suggests a need for a more proactive and preventive approach to financial control.

Based on our findings, we propose the following recommendations:

1. Legislative reforms to clarify the mandate and enhance coordination among control bodies.

2. Implementation of a risk-based control methodology, supported by advanced data analytics.

3. Capacity building programs for financial control personnel, focusing on modern audit techniques and IT skills.

4. Establishment of a centralized database for real-time monitoring of state financial transactions.

5. Introduction of performance-based auditing to assess the efficiency and effectiveness of public spending.

This comprehensive analysis of the state financial control function in Uzbekistan reveals both significant progress and persistent challenges in ensuring effective management of public finances. Our research highlights several key findings:

Legislative Framework: While Uzbekistan has established a foundational legal basis for state financial control, there remain inconsistencies and gaps, particularly in inter-agency coordination and the application of modern control methodologies. This underscores the need for legislative reforms to enhance the clarity and effectiveness of the control mandate.

Comparative Performance: The comparative analysis with countries like South Korea, Estonia, and Singapore demonstrates that Uzbekistan lags in implementing risk-based control methods and leveraging advanced data analytics. This gap presents both a challenge and an opportunity for significant improvements in control efficacy.

Efficacy Metrics: The quantitative analysis of control outcomes from 2018-2022 shows a discrepancy between the increase in detected violations (15%) and the improvement in prevention measures (5%). This disparity emphasizes the need for a shift towards more proactive and preventive control strategies.

Capacity and Technology: Our findings indicate a clear need for enhanced capacity building among financial control personnel and increased adoption of advanced technologies in control processes.

The enhancement of the state financial control function is not merely a technical exercise but a crucial component of Uzbekistan's broader economic development and governance strategy. Effective financial control contributes to fiscal discipline, reduces corruption, enhances public trust, and ultimately supports sustainable economic growth.

To address the identified challenges, we propose a multi-faceted approach:

Implement comprehensive legislative reforms to clarify mandates and enhance coordination.

Adopt risk-based methodologies and advanced analytics to improve control efficiency.

Invest in capacity building and technological infrastructure.

Shift focus from detection to prevention through real-time monitoring and performance-based auditing.

These recommendations, if implemented, have the potential to significantly elevate the effectiveness of state financial control in Uzbekistan, aligning it more closely with

international best practices.

Future research should focus on:

Evaluating the impact of proposed reforms on control outcomes.

Exploring the potential of emerging technologies like artificial intelligence and blockchain in enhancing financial control.

Investigating the relationship between improved financial control and broader economic indicators.

In conclusion, while challenges persist, the potential for improvement in Uzbekistan's state financial control function is substantial. By addressing current gaps and leveraging international best practices, Uzbekistan can enhance its financial governance, contributing to overall economic stability, improved public service delivery, and increased investor confidence. This transformation of the financial control function will play a pivotal role in Uzbekistan's journey towards becoming a more prosperous and efficiently governed nation.

References:

- 1.Voznesenskiy, E.A. (2008). Financial Control in the Socialist Society. Moscow: Economics Press.
- 2.Belobjeskiy, I.A. (2010). State Financial Control: Theory and Practice. St. Petersburg: Finance and Statistics.
- 3.Qobilov, Sh.R. (2019). Fundamentals of State Financial Control in Uzbekistan. Tashkent: Adolat.
- 4.Odilqoriyev, X.T. (2018). Theory of State and Law. Tashkent: Adolat.
- 5.Xojiyev, E. (2017). Legal Foundations of State and Society Management. Tashkent: New Book.
- 6.Najimov, M., & Saydullayev, Sh. (2004). State Functions. Tashkent.
- 7.Adik Lee. (2021). Financial and Banking Law. Tashkent: TGYuU.
- 8.Hamidov, A.M. (2009). Financial Activity of the State. Tashkent: TDYuI.
- 9.Collective authors. (2022). Financial Law of the Republic of Uzbekistan. Tashkent: Niso Polygraph.
- 10.State Statistics Committee of Uzbekistan. (2022). Annual Report on Financial Control Outcomes 2018-2022. Tashkent.