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# Methods of Analysis of Budget Income and Expenditures

**Jakhongir Zaynalov**
*professor, Samarkand Institute of Economics and Service*

**Zafar Abdurakhimov**
*graduate student, Samarkand Institute of Economics and Service*

**Abstract:** The article discusses methods for analyzing budget revenues and expenditures, notes the presence of factors that influence the analysis in the context of sources of income generation, as well as factors that impede analysis in the context of expenditure items in dynamics. Also, special attention is paid to the system of justification of income and expenditure items of the draft budget. Proposals are made to eliminate violations and deviations in the budget process, to improve the legislative and regulatory framework.

The content of the analysis of income and expenditure items of the budget is recommended to be defined as a systematic, comprehensive study of the validity of the preparation and use of the budget and generalization of the influence of individual factors on these results using various techniques and methods. Specific approaches to the choice of techniques and methods for analyzing budgetary funds are given.

**Key words:** analysis, tax collection, factors, analysis of budgetary resources, effectiveness, comparability, objectivity, unification, financing, budget execution.

## INTRODUCTION

The regulation of budget revenues and expenditures at all levels is characterized not only by serious shortcomings in budget forecasting, but also by insufficiently effective mechanisms for analyzing budget execution. The formation of budget revenues at all levels is ongoing, but often lags behind the objectively emerging needs of budgetary funds, hindering the efficiency of distribution and use of budgetary funds. In the absence of a sufficient amount of own revenues, the problem of improving the methodology and methodology for analyzing the execution of budgets at all levels is of great importance. Of course, based on scientific analysis. In this regard, attention is drawn to the desire to solve the problem on the basis of a number of sciences: analysis of economic activity, philosophy, mathematics, finance, management, statistics, etc. So, let's try to delve into the analysis of budget execution.

Budget analysis is necessary to determine one of the important elements of the process of managing and regulating budgetary resources. Without the results of the analysis of budget revenues and expenditures, their growth has no power. In this regard, we are reminded of this dialogue: "I can't lift a finger to improve growth measures, and yet 2% annual income growth will be in my pocket." "Due to what?" Due to the measures taken to regulate tax rates, benefits or taxable base. At the same time, each payment, each type of payment, each fine (even if it is negative) should bring income (benefit) to the economic entity and increase its financial potential for economic growth [3].

**Main part**

The analysis is carried out at all stages of the budget process by various financial control bodies: tax authorities, financial departments, etc. For example, the tax committee under the Ministry of Economy and Finance of the Republic of Uzbekistan analyzes: the collection of taxes to budgets of various levels, the structure of tax budgetary system, tax debts to the budgetary system, etc.

For the sake of fairness, it should be pointed out that the unlimited approach to the methods of analyzing the structure of taxes and fees in budget revenues showed their relative growth. Thus, taxes and other obligatory payments were actually credited to the republican budget for 2021 - 100.1%, in 2022 - 101.8%, for the first quarter of 2023 - 102.1%. This indicates a reduction in the use on the ground of various forms of offsets, deferrals, and other transfers of taxes and fees to budget revenues at all levels.

The analytical work of the Lower Chamber of the Oliy Majlis of the Republic of Uzbekistan is a new direction of its activity. It includes an annual examination and analysis of feasibility studies of current budget expenditures, the procedure and conditions for financing targeted programs, legislative acts, international treaties, information and analytical materials, etc. Particular attention is paid to the validity of revenue and expenditure items of the draft budget, the size of the state internal and external debt and the budget deficit. Proposals are being developed based on the results of the expert and analytical work carried out to eliminate violations and deviations in the budget process, improve the legislative and regulatory framework, etc.

The content of the analysis of income and expenditure items of the budget can be defined as a systematic, comprehensive study of the validity of the preparation and execution of the budget and generalization of the influence of individual factors on these results using various techniques and methods. An attempt to break the genetic connection between taxes and the budget, the abuse of abstract, "civilized" principles of taxation leads to a weakening of the functions of taxes and a decrease in their overall effectiveness [5].

The methodology for analyzing budgetary funds depends on the tasks facing it and is determined by its subject and content. The connection between the analysis of budget items and the analysis of the dynamics and structure of the balance of financial resources will show how the latter, in addition to budgetary resources, includes household funds, credit, non-budgetary and other financial resources [1].

Complexity, effectiveness, efficiency, specificity, consistency, objectivity, thematic nature, comparability, validity, reliability, interconnection, sufficiency, effectiveness, etc., because an analysis based on the study of a wide range of indicators makes it possible to identify factors that affect the effectiveness of budget resource management , are the most important requirements for budget analysis when conducting control and analytical work at any level of the budget system. These requirements for analysis, as well as its efficiency, are fundamental in the audit of budget items of income and expenditure, since they allow us to establish the extent of the impact of certain undesirable phenomena on the results of the budget process and develop specific proposals to eliminate them.

Consequently, the objectivity and documentary validity of the analysis of income and expenditure items of the budget is largely achieved through the audit of budget items, checking their reliability and interconnection at all stages.

It should be noted that the analysis of the execution of local budgets has its own specifics, due to the features and main tasks facing it. The provision of capacities of social infrastructure

institutions of a number of subjects, i.e. consumers of budgetary funds, indicates a downward trend in recent years.

The analysis of budget items provides for a systematic study of the factors influencing them. There are no uniform criteria for classifying the analysis of budget groups by their types, since this issue seems to be basic in determining the sufficient and necessary amount of information and effectiveness, objectivity of analysis data and audit of budget items.

An analysis of budget items and their impact on the effectiveness of financial resource management can also be carried out. Detailed analysis of states, contingents, etc. carried out within the framework of departmental analysis. Differences in the tasks, objects and forms of control carried out by employees of the NC under the Ministry of Economy and Finance suggest their systematization in order to ensure the reliability, interconnectedness, objectivity, and validity of the analysis of budget items.

When forming budget forecasts, depending on the stages of the budget process, an analysis of the expected results of budget execution for the reporting and previous periods is carried out, which makes it possible to identify deviations in analytical indicators and provide for their change when approving the draft budget for the forecast year [6].

So, a comprehensive analysis covers all sources of income and spending areas, their distribution between budgetary levels allows us to determine the impact of various factors (organizational, legal, financial, economic, socially significant) on the level of budget execution.

A comprehensive analysis in one group is thematic analysis, which is widely used in tax and financial authorities, since it allows you to study the issues of the completeness of the formation and execution of income sources, targeted use of funds, compliance with norms, etc. [2].

For the purpose of the analysis of budget items in the system of managing budgetary resources, the classification of types of analysis, based on its goals, objectives, institutional organization, stages of the budget process, made it possible to argue the need to unify the system of analytical tables for budgets of all levels.

**Conclusion**

The process of improving the management of budgetary resources involves:

- fixing the legislative acts of the Budget Code, the Tax Code for financial institutions, the mandatory analysis of budget items according to the system of unified analytical tables, the establishment of strict deadlines for the analysis;
- systematization of the types of analysis of budget items both in total and in dynamics;
- analysis of budget items along with their external audit.

Conducting an analysis of budget execution for the reporting period may include a description of:

- fulfillment of budget indicators in terms of revenues and expenditures, as well as the reasons that influenced the deficit and surplus, underfunding of expenses and arrears;
- deficit and the reasons for its occurrence, the impact of underfinancing of expenditures and income growth on the size of the deficit;
- the reasons for the increase (decrease) in revenues to budget revenues, determining the influence of various factors;
- the reasons that did not allow directing the additional income received to pay off obligations on the public debt;
- financing of protected budget expenditure items;

- increase or decrease in receipts of license and registration fees and the procedure for their transfer to budget revenues;

- implementation of legislation regarding the financing of protected budget items;

- the volume of investments directed to fixed assets (development budget) and the rate of its growth (decrease) in comparison with the forecast ones;

- debts of local budgets on loans from the republican budget; debts of the republican and local budgets on credits from commercial banks;

- expenses for servicing the public debt and determining its share in the total volume of expenses, in the volume of expenses, excluding extra-budgetary trust funds;

- compliance with the limit on the provision of guarantees by the governing bodies of the subjects of the Republic of Uzbekistan, etc.

Consequently, only with a comprehensive, operational, effective analysis of budget items can real, qualitatively new changes be achieved both in the structure and in the order of their formation and use, and the development of priorities for the efficiency of resource management by a flock of budgets of all levels.

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