

THE IMPORTANCE OF FINANCIAL CONTROL IN THE FINANCING OF SECONDARY SCHOOLS

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ANNOTATION

This article highlights the need for financing of general education institutions by the state, as well as various sources of financing of the education system and ways of their targeted use. At the same time, the emphasis is placed on the share of expenditures allocated to education in GDP, and on increasing the importance of financial control in the effective use of budget funds.

Keywords: education system, sources of financing, share of education expenditures in GDP, financial control, illegal use of funds, effective use of funds.

INTRODUCTION

A special place in the socio-economic development of the country is occupied by the personnel issue. It is important for the country what is the state of the education system in the country, especially the public education system, and what personnel will be trained in the future [1].

One of the priority directions of education development adopted in Uzbekistan "Strategy for the Development of New Uzbekistan for 2022-2026" identified as one of the goals to create an additional 1.2 million student places in the public education system through the implementation of the National School Development Program, in particular:

- ❖ development and implementation of a national program providing for the construction of new schools, increasing the number of private schools, and improving the quality of education.
- ❖ bringing the number of student places to 6.4 million by the end of 2026.
- ❖ increasing the share of organizations providing non-state educational services by 8 percent in 2026, including a 3 percent increase in 2022 by expanding conditions and opportunities for them.
- ❖ implementation of the program to develop 217 children's schools "Barkamol Avlod" in 2022 - 2026.
- ❖ establishment of more than 100 thousand free clubs with all the necessary equipment to introduce young people to the world of art, knowledge and skills in the field of computer and IT technologies. [2].

THEORETICAL APPROCHES

In many countries, school education is funded by the state budget. There are a number of controversial aspects regarding the main source of funding for the public education system, and various approaches in research in this area have been reviewed based on Table 1.

Table 1 Sources of financing the education system

S.A. Belyakov [3]	B. Nurmukhamedova, Z. Srojiddinova, B. Sugirbaev [4]	Author's Approach
<ul style="list-style-type: none"> ➤ state budget; ➤ revenues from paid educational services; ➤ commercial sales of scientific and technical activities of educational institutions and their results; ➤ entrepreneurial activity of educational institutions, not related to educational and scientific-technical activity; ➤ entrepreneurial activity of educational institutions not related to educational and scientific and technical activity 	<p>State sources of funding:</p> <ul style="list-style-type: none"> ➤ State (national and local) budget. ➤ State trust funds. <p>Non-state sources of funding:</p> <ul style="list-style-type: none"> ➤ Funds from tuition-based education. ➤ Income from entrepreneurial activities of educational institutions. ➤ Foreign loans and grants. ➤ Parent fees. ➤ Community assistance. ➤ Other private sources (sponsorship funds of entrepreneurs, charitable organizations and interested persons). 	<p>Public funds:</p> <p>State budget, trust funds, investments, financial aid loans of International Financial Organizations.</p> <p>Funds of the employer (enterprises and organizations): from entrepreneurial activities, sponsorship and charity funds.</p> <p>The means of the population: Income received from wages, entrepreneurial activity, social transfers.</p>

According to the conclusions of scientific research, it is necessary to group the sources of financing the education system as "state funds", "employer (enterprises and organizations) funds" and "population funds" and interpret in this context. The activity of the state education system consists in strengthening the legal basis for improving the quality and funding of this system, the main purpose of adopting these regulations is to educate young professionals in the country, who are able to meet the requirements of the time, compete in the international labor market, use technology and technology, have a perfect command of foreign languages, have independent thinking.

ANALYTICAL PART

In world practice, in financing educational institutions, as a rule, two sources are used, namely budgetary funds and extra-budgetary funds. Figure 1 shows the sources of financing the education system in foreign countries.

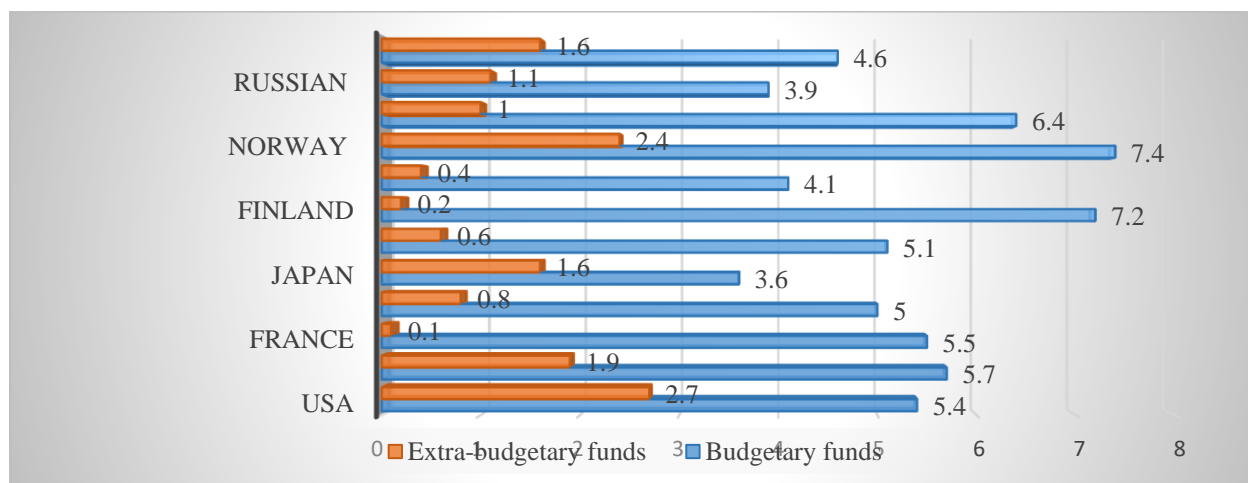


Fig.1. Sources of financing of the education system (in foreign countries (as a percentage of GDP, 2018)[5]

As can be seen from the figure the share of budget financing of the education system in Finland and Norway and is more than 7 percent compared to GDP. In the countries of New Zealand, Switzerland, the United States, Great Britain, France, Germany, and Japan the figure was more than 5 percent.

In the Republic of Uzbekistan the share of budget expenses in GDP increased by 7.6% in 2020-22 in comparison with 2015, and the share of education expenses in GDP decreased by 0.9% and amounted to 5.2% in 2022.

This situation indicates an increase in extra-budgetary sources of funding for education.

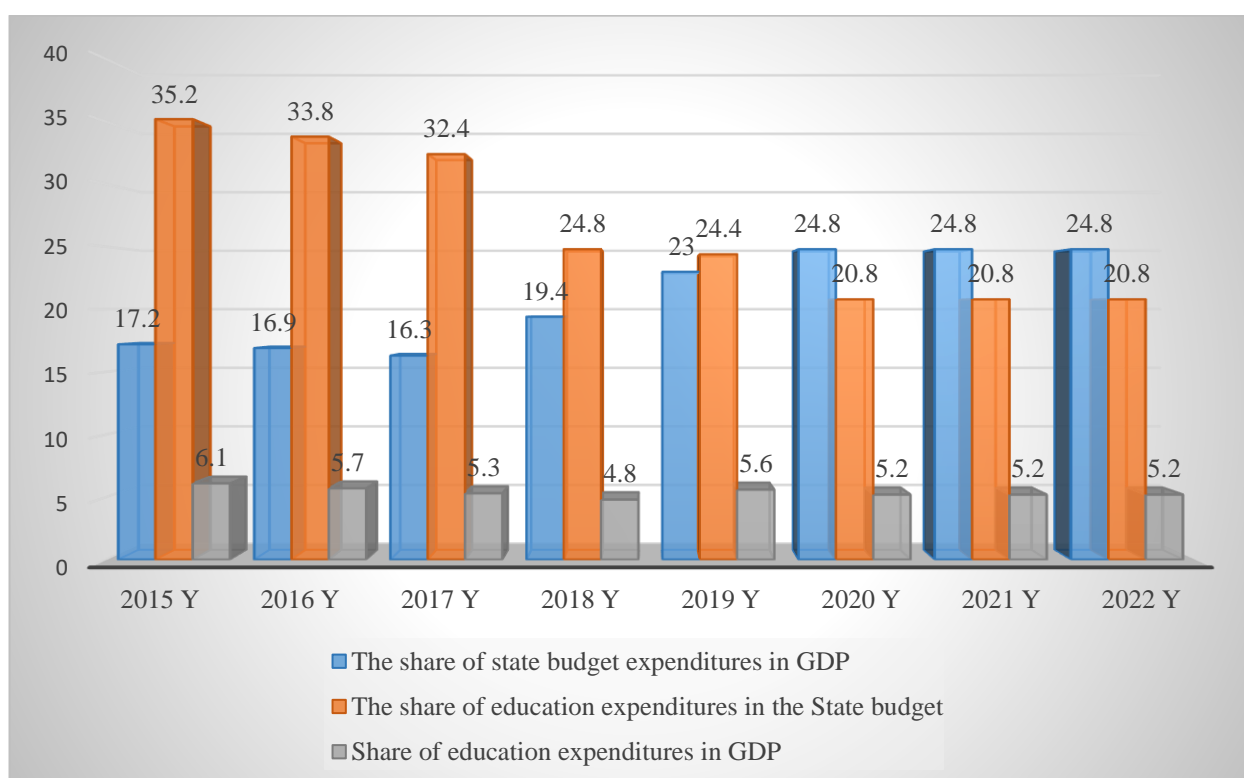


Fig.2. Changes in the share of education expenditures in GDP, the state budget[6]

In the structure of expenditures of state educational institutions financed from the state budget, the main place is occupied by labor costs. Wages and salaries and similar expenditures in the years analyzed make up almost $\frac{3}{4}$ of total expenditures.

At the stage of economic reform, effective and targeted use of budget funds, expansion of economic independence and responsibility of heads of budget organizations in order to strengthen budget discipline, simplification of the financing mechanism of a budget organization and promotion of rational allocation of available funds in the development of budget funds, remuneration for the services of personnel of a budget organization, increasing their productivity and reducing the turnover rate should be the main directions. Financial control plays a significant role in the effective use of budgetary funds[7].

In order to prevent existing financial problems and to ensure preventive work in the system of public education, as well as to fundamentally revise the role of state financial control, the Presidential Decree of August 21, 2017 "On further improvement of the funding mechanism of educational and medical institutions and the system of state financial control" was adopted. [8].

This decree terminated the activity of accounting services of general secondary educational institutions and established centralized financial and accounting services. Along with this, the Internal Audit and Financial Control Services were created in the Ministry of Public Education[9] and its subordinate departments. Despite the fact that five years have passed since the introduction of this control system, there are still cases of illegal use of budgetary funds in the school system.

In 2018-2019, the frequency of non-use of funds in public education institutions remains high, including financial errors and deficiencies amounting to 192.2 billion soums, and financial errors and deficiencies amounting to 27.1 billion soums or 14.1 percent were detected during the study. The funds allocated to the monthly salaries of service workers in the national education system made up 27.3 percent of total expenses (52.5 billion soums). There were revealed misappropriation of funds as a result of ungrounded accrual of salaries to people who do not work, as well as on fake certificates of qualification categories and payment of excessive allowances and bonuses [10].

In 2020, as a result of measures taken by the Internal Audit Service, a number of cases of illegal use of budgetary funds in general education institutions were revealed.

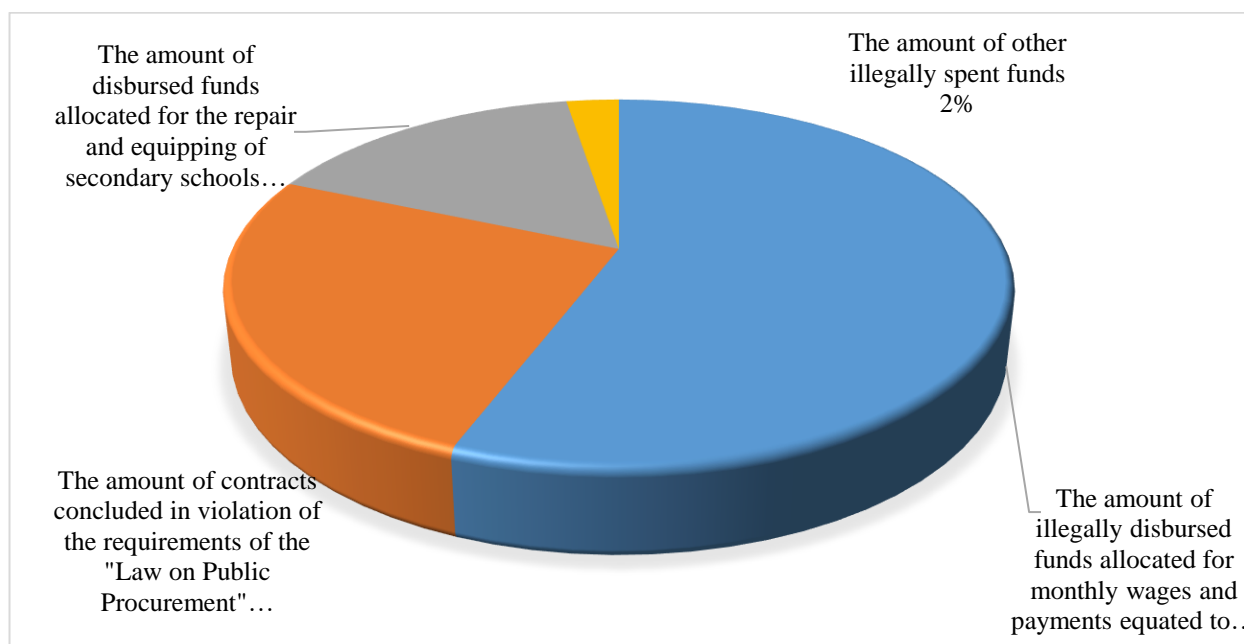


Fig. 4. The result of illegal use of budgetary funds in general education institutions in 2020 [11]

The activity of the internal audit service focuses on preventive measures to prevent financial errors and deficiencies. In 2021, for 9 months of activity of the internal audit service, prevention and elimination of financial errors and deficiencies in the amount of 194.7 billion was achieved. Specifically:

❖ of the funds planned for the current year in educational institutions in accordance with cost estimates and staffing schedules, 106.1 billion soums were optimized. These funds were used to comprehensively create and publish a new generation of textbooks for general education schools based on the national curriculum.

❖ as a result of the correction of improperly set wages and equated payments to employees, savings of 12 billion soums were achieved.

❖ as a result of conducting the inventory of fixed assets and other equipment at general educational institutions the cases of excessive preservation of inventories to the amount of 26.3 billion soums were revealed and eliminated in accordance with established procedure.

In order to overcome the illegal use of budgetary funds, it is necessary to distribute and use funds based on the effective and transparent system of financing this system.

CONCLUSION

One of the main human rights in Uzbekistan is education. The implementation of these responsible tasks entails reforming the educational process in schools, including the strengthening of the material and technical base of educational institutions, the computerization of education, and the introduction of advanced pedagogical technologies into the educational process.

It should be noted that weak control by financial control bodies and heads of organizations were the main cause of the above-mentioned financial offenses, problems and shortcomings. Taking into account all the facts and data discussed above, the following recommendations could be made to mitigate these shortcomings:

❖ Provide educational organizations with ample opportunities to increase their own funds and transfer them to organizations that maximize funding, as well as improve the provision of paid services in organizations operating in the socio-cultural sector.

❖ To make changes to the system of punishment of civil servants for the inefficient use of budgetary funds as a result of the commission of deficiencies by violating budget discipline and to increase its sensitivity. Because the existing penalties are very light.

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