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Mechanisms of control and audit of settlements with employees and scholarship recipients in budgetary organizations

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Abstract

This article examines the key aspects of organizing wage accounting and control in budgetary institutions. The study identifies several persistent challenges in managing payroll processes within the public sector, including deficiencies in primary accounting practices, inconsistencies between budget expenditures and their targeted purposes, and shortcomings in documentation and financial reporting. Furthermore, the research highlights issues related to the accuracy and completeness of financial statements, as well as the alignment of accounting data with tax documentation. Addressing these problems is essential for strengthening financial discipline and enhancing the efficiency of wage management in budgetary institutions.

Keywords: Budget Accounting; Budget Control; Budget Institutions; Financial Reporting; Payroll Management; Information Technologies; Public Sector; Wage Accounting; Salary Fund

1. Introduction

In the rapidly evolving economic environment, the control and audit of settlements with employees and scholarship recipients have become a central objective of budgetary accounting in public institutions. Recent reforms in Uzbekistan, particularly Presidential Decree No. PD-4359 (June 17, 2019) on higher education admissions and Cabinet of Ministers' resolutions, introduced new mechanisms for financing scholarships and contractual education. From the 2019/2020 academic year, a revised scholarship system was implemented, setting a basic amount of 400,000 soums, with an additional 15 percent allocated to students demonstrating academic excellence. The reforms also allowed greater flexibility for students studying under tuition contracts, incorporating scholarship amounts into payment structures. These initiatives built on earlier state programs, including Decree No. PD-805 (2008) "Year of Youth" and Decree No. PD-555 (1993) on incentive measures, underscoring the strategic importance of supporting talented youth through targeted financial mechanisms.

The complexity of financial and economic operations in modern universities, which combine educational services, state-funded research, and commercial activities, highlights the necessity of robust internal control and audit systems. Traditional reliance on external supervisory audits is insufficient; instead, internal control must be institutionalized as a fundamental component of governance. Internal control mechanisms ensure the completeness, reliability, and timeliness of accounting and reporting, safeguard institutional assets, and strengthen compliance with financial regulations and labor cost accounting standards.

The study emphasizes that the accounting system of budgetary institutions should be grounded in normative legal frameworks and structured around the following principles: (i) consistency of budgetary accounting policies, (ii) organizational clarity in financial reporting units, (iii) precise allocation of responsibilities, (iv) systematic preparation and retention of financial documents, (v) rigorous registration and summarization of economic operations, (vi) periodic

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financial reporting, (vii) integration of digital technologies, and (viii) identification and mitigation of risk areas in payroll and scholarship settlements. Strengthening these foundations enhances the efficiency of financial management in budgetary organizations.

Labor costs, as one of the largest expenditure categories in public institutions, require particular attention. The dynamic evolution of legislation regulating wage accounting underscores the need for continuous adaptation of accounting methodologies and control mechanisms. Effective payroll management is not only a financial issue but also a tool for motivating academic staff and supporting students, directly influencing the performance and sustainability of higher education institutions.

2. Literature review

In modern literature, in the control and audit of accounts with employees and recipients of scholarships in budget organizations. The control environment for extracurricular activities covers the management authority, position, awareness and actions and leadership of the educational organization in relation to the internal control system of extracurricular activities and its importance to the educational organization. In the process of evaluating the efficiency of the organization, the qualifications of the employees, the participation of the head of the educational organization in the process of extracurricular activities, his leadership style, and the level of responsibility of the employees are analyzed. and local normative documents related to the authority, organizational structure, personnel policy and operational activities are also analyzed for compliance with the current legislation. Information and communication are analyzed in order to form a general idea of information movement in working conditions outside the classroom.

A number of scientists have expressed their opinions on the practice of control and audit of accounts with employees and scholarship recipients in budget organizations.

In budgeted organizations, Gospel and Pendleton scholarship on funding and workplaces has been dominated by quantitative studies that reveal general trends. The results are usually interpreted as structurally determined causality, owner-trust views of corporate governance, and stakeholders as rational agents of capital. A financialized, liberal market economy in which the interests of capital prevail over the larger stakeholders [1].

In addition, American scientists also expressed their opinion Granlund and Rom. The use of the most convenient and latest technologies for accounting in budget organizations is achieved by the implementation of a new order of modern control and easy work order in most budget organizations, that is, such technology is considered an “exogenous” force of changing the accounting work order [2].

Representatives of the Russian school of management also expressed their opinions about budget organizations. Orlova O.E Internal control of educational institutions has many common features with internal control of budget enterprises, especially in terms of methodology and methodology. In modern literature, there are many studies devoted to the problems of internal control of budget organizations. However, in particular, opinions were put forward that insufficient attention is paid to the organization and methodology of internal control in state educational institutions [4].

Tyuleneva T.A points out similar points, the role of internal control in budget organizations is often underestimated, because it has nothing to do with the financial and economic activity of the educational budget organization. At the same time, extracurricular activities help to monitor the processes of awarding and paying all kinds of scholarships and regulate the payment procedure for the services provided by the educational organization [5].

Budget organizations are also defined by some authors. One of the American economists Reviglio and Carlitz Budget transparency, that is, the correctness of budget procedures and the elimination of tricks to get rid of fiscal constraints – by improving its management and eliminating tricks that bypass fiscal constraints may affect public spending [3].

Strengthening of budget procedures serves to improve management activities and the implementation of legislation. These improvements will increase accountability and budget transparency. Better cost management can help drive strong policy decisions. This may force governments to take cost–cutting measures.

For example, Gadzhiev N.G., Akhmedova L.A. In the context of the active development of the competitive environment in the economic sphere, the results of the audit and study of the activities of the budget institution are considered as an integral element of operational management that ensures maximum protection from possible violations of financial discipline should be reviewed, and various forgeries and financial abuses should be avoided and budget control should be properly implemented. The issue of monitoring compliance with the Labor Law in budget organizations is determined first of all [6].

The control method in budget organizations is a set of specific methods and methods for studying the legality, reliability, expediency and economic efficiency of business, financial operations and processes based on the use of planning, accounting, reporting and other information control.

3. Research methodology

The methodology used in this study was to study the issues of improving the control and audit system among employees and scholarship recipients in budget organizations, using analysis, synthesis, and abstract-logical and critical thinking, as well as generalized methods.

4. Analysis and results

In the internal control of a budgetary institution, the following are widely used as the main procedures

- Arithmetic verification in budget organizations;
- Checking the correctness of accounting in budget institutions;
- Performing comparison of calculations;
- Checking the correctness of document circulation and the availability of permits, personal accounts of management staff;
- Implementation of periodic plans in budget organizations in the prescribed manner;
- A new and sudden inventory of funds, fixed reporting forms, securities and inventory items to determine their suitability;
- Compliance with the actual availability of accounting information;
- Use of information obtained from sources outside this budget institution for control purposes;
- Implementation of measures aimed at physical restriction of access;
- The relevant persons to the assets of the institution, to the system of keeping documents and records on accounting;
- Studying the dynamics of financial and economic indicators, comparing planned and estimated indicators with actual data to identify contradictions.

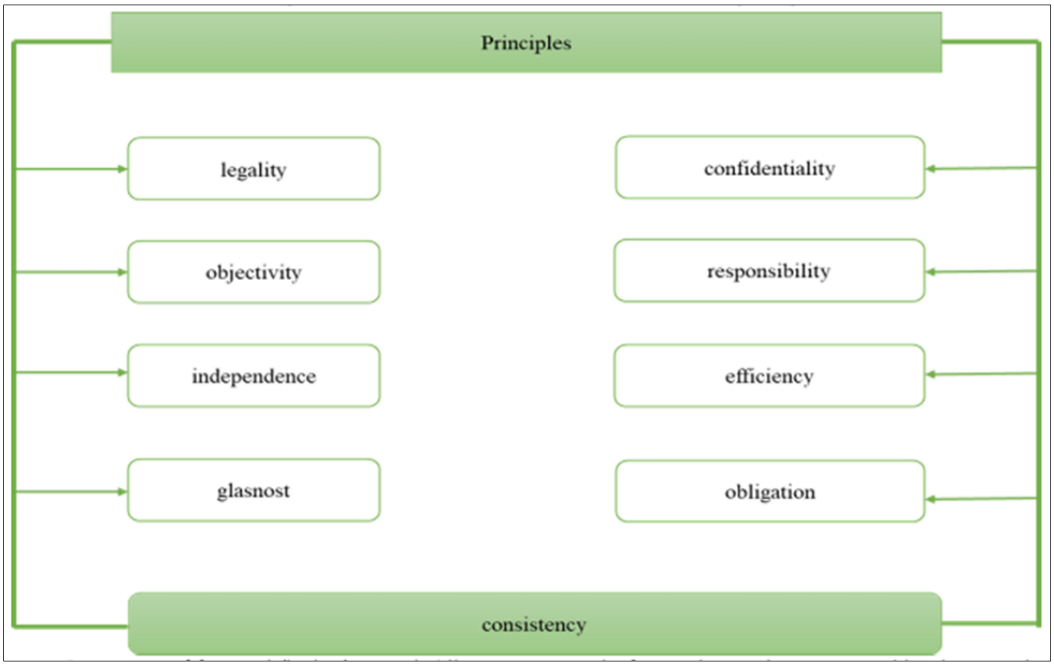

Figure 1 Classification of control principles in budget organizations

Legitimacy of financial (budget) control. All participants in the financial control process are obliged to comply with the norms of legal documents that regulate public relations related to the formation, distribution and use of funds. Control actions in any budgetary organizations should be authorized and within the framework of the law.

The objectivity of budget control is the absence of personal interests, dependence, dependence and other similar relationships in the implementation of control and its reliability.

Independence of budget control – officials performing control actions should not be dependent on the audited persons for organizational, financial or other reasons. Transparency of budget control – the real budget situation of controlled objects is a central element of management and economic relations. The results of financial control should be available not only to a limited number of participants of the budget control process, but also to a wide range of users.

Responsibility of the participants of the budget control process–all participants of the financial (budget) control process are responsible for the incompetence shown in its implementation.

For example, in the implementation of financial control, officials are subject to disciplinary liability, and citizens are subject to administrative and criminal liability when an unqualified inspection is carried out, and then damages are caused to the inspected person. Effectiveness (profitability) of budget control. In budgetary organizations, Control is capable of generating financial results and can be calculated by comparing control costs with estimated revenues determined on the basis of control results.

Table 1 Classification of the organization of internal control of the salary fund in budget institutions

Type of control in budget organizations	Orientation
Monitoring compliance with the rules in budget organizations	content of employment contracts; accuracy of personnel documents
Control of accuracy in budget organizations with accounting calculations and payroll	availability and accuracy of primary accounting salary calculation documents; correctness and reasonableness of salary calculations and other payments; reasonableness and correctness of calculation of additional payments, contributions, etc
In Budget Organizations Account control, storage and transmission taxes and payroll	the correctness of determining incomes, discounts, rates in budget organizations purposes of calculating taxes and income calculations, in accordance with the current legislation
In Budget Organizations Check for correctness formation of financial balance in connection with the calculation of wages in the budget institutions	compatibility of synthetic and analytical accounting data with financial data; compliance of the calculated and information with the accounting information transferred sums of taxes, tax declaration; disclosure of information about related parties in financial statements

The results of control activities in budget organizations should identify deficiencies and provide timely recommendations to employees on their elimination.

In order to systematically ensure wage control in the budget institution, it is advisable to develop a control program with detailed control measures for at least one year.

It is recommended to constantly evaluate the effectiveness of the internal control system for improvement and obtaining the expected effect. budget organizations have systematic control – budget, tax, customs, banking, insurance, audit, internal and other control systems operating at different levels of economic management. In general, they carry out financial affairs and control, entrepreneurship, activity, which represent different branches and levels of management, are the constituent elements of the system and comply with the law in a timely manner.

5. Conclusion

Based on the above analysis, we summarize the conclusions and the achieved results: Firstly The result of research in budget organizations is the effectiveness of the elements of the internal control system of extracurricular activities of higher education institutions practical recommendations for improvement were considered, and in the results of the research, the budget organizations to overcome the existing problems in the organization of accounting in the practice of control and audit of accounts with employees and recipients of scholarships.

Secondly Control environment in budget organizations in theory and practice, supervision and inspection on creation and support of the internal control system of the management of the budget institution. Management style and basic principles of the budget institution consist of the following:

- Organizational structure of the budget institution;
- Distribution of responsibilities and powers;
- Implemented personnel policy;
- Procedure for preparation of financial statements for external users;
- Procedure for internal accounting and preparation of reports for internal purposes;

Thirdly For the wage fund in budgetary institutions: primary accounting, compliance of budget expenditures with target requirements, documents, declarations and tax documents with compliance of primary accounting with financial. In addition, there are problems with calculating and paying bonuses, payments, sick leave, vacation. The study showed the ongoing deep reforms in the internal accounting system in budget institutions. Taking this into account, it is reasonable to improve the organization of control over the payment of labor in the necessary budgetary institutions.

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