

## STREAMLINING THE BUDGETING SYSTEM THROUGH RESULT-ORIENTED BUDGETING

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**Abstract:** *This thesis analyzes the main differences between result-oriented budgeting and cost-oriented budgeting, as well as existing problems in the system. Relevant conclusions and suggestions are also given.*

**Keywords:** *result-oriented budgeting, cost-oriented budgeting, financial goal, result, forecast.*

Result-oriented budgeting is spending financial resources towards a single goal. Basically, in this method, the funds needed for each purpose are directed to the financial goals of the enterprise or organization. If you understand the difference with the cost method, everything is easy and simple in the cost method, in this method, it focuses on average costs, that is, if resources are scarce in any department, then the costs are not for the goals, but rather for the general financial department. divided into all parts

Budgeting from infrastructure institutions of public administration, which is one alternative to results-based budgeting or programmatic targeting method of financing public expenditures. In accordance with the principles of budget formation, budget formation is based on ensuring a direct relationship between socially significant final results and budget funds, with their help, the programmatic activities of budget planning entities are financed. There are three types of budget management systems: [1]

1. Strategic planning based on the ex-ante distribution of limited budget resources among different sectors, using them in accordance with established priorities;
2. Focus on reporting on results rather than on compliance with spending procedures (including timing).
3. Management of budget planning subjects with their coordination in solving interdepartmental problems.

Planned budgeting increases the independence of budget planning entities within the framework of the implementation of approved budgets in comparison with budget planning, establishing strict control over the structure of expenses allocated for the implementation of this or that activity (problem solving by ministries and agencies). [2] At the same time, PB implies stricter responsibilities, the results obtained (more precisely, the values of the target indicators) and the resources spent. In turn, such a change of emphasis in the work, budget planning entities have much higher requirements for the reliability of obligations by entities that ensure the effectiveness of both the enforcement mechanism and the mechanism for resolving controversial issues at



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different stages of the budget process.[3] Within the framework of the PB system, direct regulation of actions is carried out ex ante, that is, the prevention of possible harm is not by punishing mistakes that have already been made, but by preventing them. The use of results-based budgeting methods is one of the central directions of the reform of the budget process, which began in 2004 and is aimed at increasing the efficiency of budget expenditures. Currently, a large amount of federal budget spending is carried out in the form of federal targeted programs and departmental targeted programs directly related to PB. However, in the development of BB methods, including many unsolved problems in the field of science and innovation, where the allocation of budget funds is carried out by several budget planning entities and about twenty main heads of budget funds subordinate to them is increased. Internal interdependence of policy goals and objectives in this area; there are shortcomings in the system of indicators and their information security, there are problems in the organization of budget processes, there is planning and management.

In conclusion, we can say that if we compare the results-oriented budget and the cost method, they are very different from each other, because in result oriented budgeting, the costs are used with a common goal, that is, they are focused on the general goal of the organization and allocations are allocated. In the cost method, costs are focused on average costs. Costs are divided into all parts of the financial system or organization, rather than targets.

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2. Public Finance and Public Policy: The Responsibilities and Limitations of Government by Aryeh L. Hillman.
3. The Economics of Public Finance: Theory and Empirical Evidence by Carl S. Shoup.

