CONDUCTING AND IMPROVING PERFORMANCE AUDIT IN BUDGETARY ORGANIZATIONS

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ABSTRACT

This thesis analyzes the theoretical and practical aspects of organizing performance audits in budgetary organizations. The research examines the role of performance auditing in the system of public financial control, its relationship with the internal control system, and the experience of developed countries. In addition, the practice of organizing performance auditing in the United States, the United Kingdom, and Canada is analyzed, and the possibilities of applying this experience in the conditions of Uzbekistan are substantiated. As a result of the research, scientific and practical proposals for developing performance auditing in budgetary organizations have been developed.

Main Part

In the modern public administration system, efficient use of public finances, ensuring the effectiveness of government programs, and strengthening transparency and accountability in the public sector are considered one of the important tasks. Under conditions where the volume of state budget funds is increasing, the number of government programs is growing, and the demand for public services is rising, the need to improve the public financial control system is becoming even greater.

One of the important instruments of the public financial control system is performance auditing. Performance auditing is a type of audit aimed at evaluating the economy, efficiency, and effectiveness of the activities of government programs, projects, and organizations. Through this audit, the efficiency of the use of public funds is determined and the real results of government programs are evaluated.

In international audit practice, performance auditing is carried out based on the **3E model**. This model includes the following criteria:

Economy – the use of resources with minimum cost;

Efficiency – achieving maximum results with available resources;

Effectiveness – the degree of achieving established goals and objectives.

Audits conducted based on these criteria make it possible to evaluate the effectiveness of government programs and determine the efficiency of resource utilization.

The internal control system plays an important role in the effective organization of performance auditing. The internal control system is a management mechanism aimed at ensuring the legality of organizational activities, the targeted use of financial resources, and risk management.

In international practice, the internal control system is organized based on the **COSO model**. This model consists of the following components:

control environment;

risk assessment;

control activities;

information and communication;

monitoring.

These components serve as an important methodological basis for the effective management of organizational activities and the organization of the audit process.

The experience of developed countries shows that performance auditing is an important component of the public administration system. For example, in the United States, performance auditing is carried out by the **Government Accountability Office (GAO)**. This organization evaluates the efficiency of the use of federal budget funds and determines the effectiveness of government programs.

In the United Kingdom, performance auditing is conducted by the **National Audit Office (NAO)**. The audits conducted by NAO are organized based on the **"Value for Money"** concept. This concept provides a comprehensive evaluation of the economy, efficiency, and effectiveness of the use of public funds.

In Canada, performance auditing is conducted by the **Office of the Auditor General of Canada**. This organization evaluates the activities of government organizations and determines the effectiveness of government programs.

The experience of these countries shows that performance auditing plays an important role in the public administration system not only as a control tool but also as a strategic management instrument.

In Uzbekistan, large-scale reforms are also being implemented to improve the public financial control system and increase the efficiency of the use of budget funds. Nevertheless, several problems exist in organizing performance auditing in budgetary organizations.

In particular:

the methodological foundations of performance auditing are not sufficiently developed;

the level of use of modern information technologies in the audit process is low;

the professional qualifications of auditors are insufficient;

the system for monitoring audit recommendations is not sufficiently developed.

Eliminating these problems is an important condition for the development of performance auditing in budgetary organizations.

Conclusion

The results of the research show that performance auditing is an important instrument of the public financial management system. This audit makes it possible to evaluate the efficiency of the use of public funds and determine the effectiveness of government programs.

Improving the internal control system contributes to increasing the effectiveness of performance auditing. Therefore, the development of performance auditing in budgetary organizations plays an important role in improving the public financial control system.

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