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TRANSFORMING BUDGET CONTROL INTO A RESULT-ORIENTED PUBLIC FINANCIAL MANAGEMENT MECHANISM

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Abstract: This thesis examines the transformation of budget control from a traditional inspection-based function into a result-oriented public financial management mechanism. In modern governance, the effectiveness of budget control should not be measured only by the number of detected violations or recovered funds. Instead, it should be evaluated through its ability to prevent fiscal risks, improve expenditure efficiency, ensure transparency, and strengthen public accountability. The study argues that budget control must be integrated with performance audit, digital monitoring, risk-based analysis, and public oversight. The case of Uzbekistan demonstrates that recent reforms in state financial control create an institutional basis for moving toward a more analytical and result-oriented model of budget oversight. The thesis concludes that the modernization of budget control requires not only legal reforms but also methodological, technological, and institutional transformation.

Keywords: budget control, public financial management, performance audit, fiscal discipline, digital monitoring, public expenditure, risk-based control.

Introduction

Budget control is one of the central elements of public financial management. It ensures that public resources are allocated and used in accordance with legal requirements, approved budget plans, and national development priorities. Traditionally, budget control has been understood mainly as a mechanism for identifying financial violations, misuse of public funds, and non-compliance with established procedures. However, such an approach is no longer sufficient in the context of modern public administration.

Today, governments are expected not only to spend budget funds legally but also to ensure that public expenditures produce measurable socio-economic results. This means that the concept of budget control should be transformed from a narrow compliance-oriented function into a broader result-oriented management mechanism. In this regard, budget control should answer not only the question “Were the funds spent legally?” but also “Were the funds spent efficiently, effectively, and in line with public needs?”

The relevance of this issue is especially high for developing economies, where public resources are limited and the demand for social and infrastructure expenditures is constantly increasing. In such conditions, each unit of budget expenditure must generate maximum public value. Therefore, the modernization of budget control is directly linked to fiscal sustainability, transparency, anti-corruption policy, and the quality of public services.

In Uzbekistan, reforms in the field of state financial control show a gradual transition toward modern audit-based approaches. The introduction of financial audit, compliance audit, and performance audit reflects the need to evaluate not only the legality



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of expenditures but also their efficiency and final outcomes. This thesis focuses on the conceptual and practical directions of transforming budget control into a result-oriented public financial management mechanism.

Materials and Methods

The research is based on qualitative analysis, institutional analysis, and comparative assessment. The methodological basis of the thesis includes the analysis of public financial management concepts, state financial control reforms, and international audit principles.

The study uses the following methods:

First, systematic analysis is applied to examine budget control as an integrated component of public financial management. This approach makes it possible to identify the relationship between budget planning, execution, monitoring, audit, and accountability.

Second, comparative analysis is used to distinguish between traditional inspection-based control and modern result-oriented budget control. The comparison helps to explain why public financial control should move beyond the detection of violations.

Third, institutional analysis is applied to assess the role of financial control bodies, treasury systems, audit institutions, and public oversight mechanisms in strengthening budget discipline.

Fourth, expert assessment is used to present expected improvements in key areas of budget control transformation. The assessment is based on a five-point scale, where 1 indicates a very low level and 5 indicates a very high level of development.

Results and Discussion

The analysis shows that the transformation of budget control into a result-oriented public financial management mechanism requires several interrelated changes.

The first direction is the transition from formal compliance control to performance-based evaluation. In many cases, budget funds may be used in accordance with formal procedures, but the actual results may remain weak. For example, funds allocated for infrastructure, education, or healthcare may be fully spent, but if the quality of services does not improve, the expenditure cannot be considered fully effective. Therefore, performance audit should become an essential part of budget control.

The second direction is the development of risk-based budget control. Traditional control often applies similar inspection procedures to all institutions, regardless of their risk level. This may lead to inefficient use of control resources. A risk-based approach allows control bodies to focus on sectors, programs, and institutions with a higher probability of financial violations, inefficient spending, or weak performance. Such an approach increases the preventive role of budget control.

The third direction is the expansion of digital monitoring systems. Digital technologies allow real-time tracking of public expenditures, automatic identification of suspicious transactions, and integration of data from treasury, procurement, accounting, and audit systems. As a result, budget control becomes faster, more transparent, and more evidence-based.

The fourth direction is the strengthening of public accountability and open budget data. Public financial management cannot be fully effective without transparency. Citizens,



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civil society institutions, researchers, and the media should have access to understandable and reliable information about budget expenditures. Public oversight increases trust in government institutions and reduces the risk of misuse of public funds.

The fifth direction is the improvement of institutional coordination. Budget control involves several institutions, including ministries of finance, treasury bodies, internal audit units, external audit institutions, and anti-corruption bodies. If their functions are not clearly coordinated, duplication of inspections or gaps in control may occur. Therefore, a result-oriented model requires a clear division of responsibilities and integrated information exchange.

Table 1

Assessment of Key Directions in Transforming Budget Control

Direction of transformation	Current level, score	Target level, score	Expected improvement, %
Risk-based budget control	2.8	4.5	60.7
Digital monitoring of expenditures	2.5	4.6	84.0
Performance audit	2.3	4.4	91.3
Public oversight and open data	2.1	4.0	90.5
Institutional coordination	2.7	4.3	59.3

Source: Developed by the author based on expert assessment approach.

The table shows that the highest expected improvement can be achieved through the development of performance audit, public oversight, and digital monitoring. Performance audit demonstrates a potential improvement of 91.3 percent. This means that the evaluation of budget expenditures should focus not only on whether funds were spent correctly, but also on whether they produced real and measurable results.

Public oversight also has a high improvement potential, reaching 90.5 percent. This indicates that transparency and citizen participation can significantly increase the accountability of budget spending. Digital monitoring, with an expected improvement of 84.0 percent, is another important factor because it creates a technological basis for real-time control.

The data demonstrate that the transformation of budget control should be based on a combination of analytical, digital, and participatory mechanisms. If these mechanisms are implemented separately, their impact may be limited. However, if they are integrated into a unified public financial management system, they can significantly improve fiscal discipline and expenditure efficiency.

A result-oriented budget control model can be represented through the following logical sequence:

Budget allocation → digital monitoring → risk analysis → audit evaluation → performance assessment → public accountability → improved expenditure efficiency.



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This sequence shows that budget control should not begin only after the expenditure has been completed. It should operate throughout the entire budget cycle, from planning and allocation to implementation, evaluation, and reporting.

Scientific and Practical Significance

The scientific significance of the thesis lies in the conceptual interpretation of budget control as a result-oriented public financial management mechanism. This approach expands the traditional understanding of financial control and links it with efficiency, transparency, and performance measurement.

The practical significance of the thesis is reflected in the proposed directions for improving budget oversight. These include:

1. introducing performance audit methods in all major budget programs;
2. developing integrated digital platforms for expenditure monitoring;
3. applying risk-based criteria in selecting objects for control;
4. expanding open budget data and citizen feedback systems;
5. improving coordination between internal and external financial control

institutions.

These measures can help reduce ineffective spending, prevent financial violations, and increase the quality of public services.

Conclusion

In conclusion, transforming budget control into a result-oriented public financial management mechanism is an important condition for improving the efficiency and transparency of public expenditures. Traditional budget control, which mainly focuses on legal compliance and detection of violations, should be modernized in accordance with the requirements of contemporary governance.

The study shows that the most promising directions of transformation are performance audit, digital monitoring, public oversight, risk-based control, and institutional coordination. Among these areas, performance audit has the highest potential because it directly links budget spending with measurable socio-economic results.

For Uzbekistan and other developing economies, this transformation is especially important because budget resources are limited and public demand for effective government spending is increasing. Therefore, budget control should become not only a supervisory tool but also a strategic mechanism for improving the quality of public financial management.

The main conclusion is that effective budget control must ensure three interrelated outcomes: legality, efficiency, and public value. Only in this case can public financial management serve as a real instrument for sustainable socio-economic development.

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