

# TREASURY SYSTEM IN ORGANIZING STATE BUDGET CONTROL

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**Annotation.** This article highlights the role of the treasury system in ensuring the targeted use of state budget funds in the Republic of Uzbekistan, its control mechanisms, and its practical importance. The study analyzes control measures implemented through the treasury system in public financial management, expenditure monitoring, and ways to strengthen budget discipline. Moreover, the article discusses recent digitalization processes in budget execution, the functioning of treasury information systems, and their efficiency in enhancing fiscal transparency.

**Keywords:** treasury system, budget control, public finance, budget execution, digital management, financial discipline.

## Introduction

Efficient organization and continuous monitoring of the state budget execution are among the most crucial directions of public financial policy. The treasury system plays a special role in ensuring the rational use of financial resources, strengthening budget discipline, and maintaining the purposefulness of expenditures in the country's economy. The treasury system of Uzbekistan has developed since the early 2000s and has now become a modern institutional structure in the management of public finance.

According to the "Regulation on the Treasury" and relevant normative documents of the Ministry of Finance of the Republic of Uzbekistan, each expenditure of budget funds is carried out through the treasury bodies. The purpose of this study is to examine the role of the treasury system in organizing state budget control, to analyze its practical effectiveness, and to identify ways to overcome existing challenges. The relevance of this study lies in the fact that strengthening accountability for every unit of budget spending, reducing corruption risks, and ensuring transparency in public expenditure management have become priority areas of current economic reforms.

## Review of the Literature

In scientific research devoted to financial control and the treasury system, the necessity of introducing effective budget control mechanisms has been repeatedly emphasized. According to experts of the International Monetary Fund (IMF) and the World Bank, centralized financial control through the treasury system increases budget transparency and ensures efficient use of public resources.

Uzbek scholars such as Tashmuxeimedova D.A. ("Foundations of Treasury", 2018) and E.T. Abramotov ("Developing the Treasury System and Increasing the Efficiency of Budget Funds in Uzbekistan", 2025) have noted that the treasury system is vital for managing public finance through centralized control, monitoring budget execution in real time, and ensuring the legality of expenditures. Moreover, digitalization of budgetary processes, implementation of a unified treasury information system, and electronic integration of budget organizations contribute to strengthening financial discipline.

## Research Results and Discussion

In recent years, deep reforms have been carried out in the state budget management system of Uzbekistan. The mechanism for real-time monitoring of budget execution through treasury bodies has been implemented. The following table analyzes the growth of state budget execution indicators and payments processed through the treasury during 2018–2024.

**Table 1.**

### **Indicators of State Budget Execution (2018–2024, in trillion UZS)**

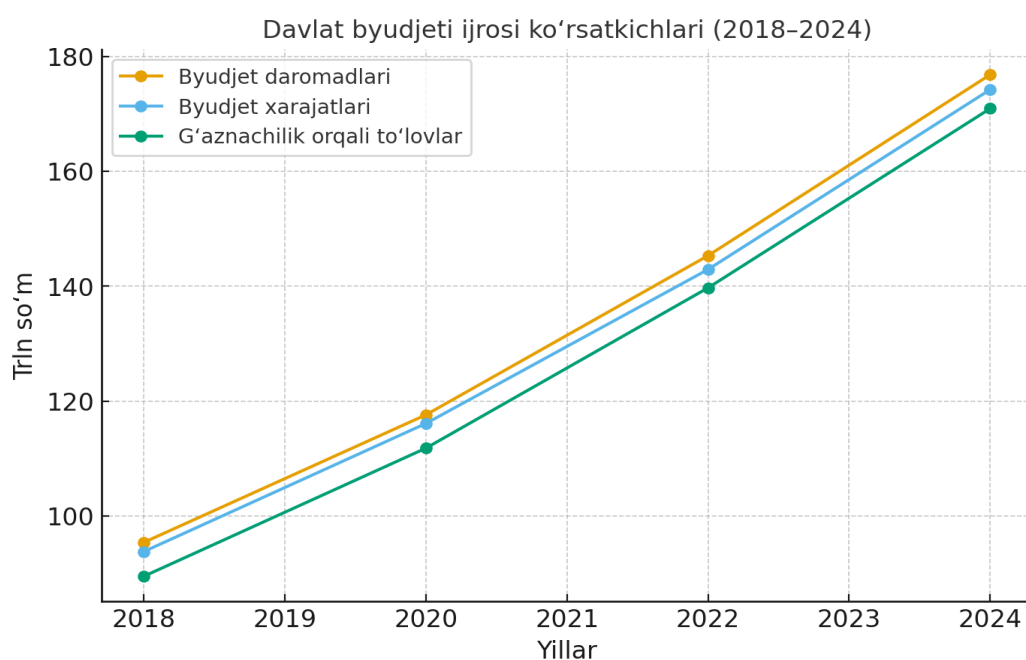
Years	State budget revenues	Expenditures	Payments through treasury	Number of control inspections
2018	95,4	93,8	89,5	2 140
2020	117,6	116,1	111,8	2 560
2022	145,3	142,9	139,7	2 940
2024	176,8	174,2	170,9	3 310

*Source: Author's analysis based on data from the Ministry of Economy and Finance of the Republic of Uzbekistan.*

According to Table 1, during 2018–2024, state budget revenues, expenditures, and payments processed through the treasury system have shown a steady growth trend.

-Budget revenues increased from 95.4 trillion UZS in 2018 to 176.8 trillion UZS in 2024 — an 85% growth. This was mainly driven by the expansion of the tax base, the introduction of digital tax administration, and higher economic activity.

-Expenditures also rose proportionally — from 93.8 to 174.2 trillion UZS. This indicates that the government has expanded its spending on social sectors, infrastructure, and investment projects.



**Figure 1. Indicators of State Budget Execution (2018–2024)**

The figure above illustrates the growth of key indicators of state budget execution — revenues, expenditures, and payments processed through the treasury between 2018 and 2024. The data reveal a consistent upward trend across all indicators.

- Budget revenues grew by nearly 85%, reaching 176.8 trillion UZS in 2024.
- Expenditures followed a similar trend, increasing by about 86%.

- Payments through the treasury rose from 89.5 trillion UZS in 2018 to 170.9 trillion UZS in 2024, reflecting the full integration of financial operations into the treasury system and improved fiscal transparency.

The figure confirms that the treasury system has made the execution of the state budget more efficient and accountable, enhancing transparency and fiscal discipline in public finance management.

**Table 2.**

**Results of Digital Reforms in the Treasury System (2020–2024)**

Indicators	2020	2021	2022	2023	2024
Share of electronic payment systems (%)	62	75	83	90	96
Online control inspections (%)	40	58	71	85	92
Share of paper documents (%)	48	35	24	15	8
Digital integration of budget organizations (%)	65	78	86	93	98

*Source: Author's analysis based on data from the Ministry of Economy and Finance of the Republic of Uzbekistan.*

As shown in Table 2, significant progress has been achieved in digital reforms of the treasury system.

- The share of electronic payment systems increased from 62% in 2020 to 96% in 2024, indicating a nearly complete transition to a digital financial environment.
- Online control inspections grew from 40% to 92%, ensuring faster, human-error-free, and transparent control operations.
- The share of paper documents dropped sharply from 48% to 8%, showing a full shift to electronic document management.
- Digital integration of budget organizations reached 98% in 2024, enabling real-time data exchange and automated oversight of budget execution.

These digital transformations have improved the efficiency of budget control, reduced corruption risks, and strengthened fiscal transparency.

## **Conclusion**

In Uzbekistan, the treasury system plays a crucial role in strengthening financial discipline, transparency, and efficiency in the use of state budget funds. Its centralized structure ensures that all public financial operations are conducted through a unified treasury account, which enables real-time tracking of budget revenues and expenditures. The treasury system also minimizes corruption risks by implementing automated control tools and digital reporting platforms, which have significantly improved the efficiency of fiscal management.

To enhance the effectiveness of the treasury system further, it is essential to harmonize national financial control mechanisms with international standards and best practices. Expanding digital transformation within public financial management, developing professional skills of treasury specialists, and ensuring the integration of the treasury database with open data systems will help strengthen fiscal transparency and public trust. These reforms will enable the treasury system of Uzbekistan to evolve into a modern, technology-driven institution that supports sustainable and responsible financial governance.

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