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### **ORGANIZATION OF INTERNAL AUDIT AND CONTROL OF EXTRA-BUDGET FUNDS IN HIGHER EDUCATION INSTITUTIONS**

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#### **Abstract**

In international practice, special attention is paid to organizing the activities of higher education institutions in accordance with the laws of market relations, on the basis of their financial, organizational management and academic independence. On the other hand, the quality of personnel trained through the formation of competition among HEIs plays an important role in the attraction of extra-budgetary financial resources by providing additional paid services based on the scientific potential and material and technical base of the institution.

Due to the effective use of extra-budgetary funds attracted by educational institutions through their existing material, technical and scientific potential, it serves to ensure the quality of education and the efficiency of the services provided in universities, and to create an environment of mutual competition. In this case, it is necessary to use every soum of funds earned or attracted by OTMs wisely. Also, in higher education institutions, through the internal audit and financial control system, control of budget and extra-budgetary funds, providing unbiased, reliable and independent information for the university management, and wide use of advanced foreign experiences, as well as researching the theoretical and methodological aspects of researching these processes requires reaching. Therefore, it is important to develop recommendations and proposals for their elimination based on the identification of existing problems in the organization of internal audit and control of extra-budgetary funds.

In organizing the management of educational institutions, it is important to provide them with reliable information, and this applies to all its activities, as well as financial analytical activities. The basis of financial analytical information is the financial activity of higher education institutions, the analysis of the effectiveness of all stages in the educational process, and the internal audit system. Funding from the budget and ensuring its implementation based on the estimate are organized on the basis of accounting, internal audit and analysis work within the framework of the approved estimate.



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Currently, among the problems related to this field in the activities of educational institutions:

- keeping accounts for separate assets;
- it is evident in the organization of accounting and internal audit of the extra-budgetary funds in the areas of business activities carried out on the basis of scientific potential and material and technical base.

The following is the internal environment of a promising HEI:

- systematic management of the quality of educational services;
- internal audit and financial control;
- management of the quality of organizational activity;
- describes such processes as the systematic implementation of management accounting, financial accounting and economic analysis:

For this reason, the organization of internal audit has a special place in the improvement of management mechanisms in HEIs. This work is even more important for higher education institutions that have achieved self-financing and financial independence. Because today, in higher education institutions that have achieved financial independence, evaluating the effectiveness of the funds spent as "feedback", the correct organization of accounting and financial control work, in turn, implies the prevention of excessive expenses and the effective use of every soum. It is necessary to effectively organize separate internal audit and financial control work in these entities. It closely helps to study various activities of higher education institutions and obtain reliable and transparent information based on them.

Higher education institutions as a budget organization provide educational services and are considered equal competitive subjects of the market. This, in turn, is required to be implemented based on the actual costs of higher education institutions based on the current regulatory legal documents in determining the price of quality services provided by their operation on the basis of market mechanisms, existing demand and supply. This, in turn, makes it necessary to develop methods for determining the market value of educational services, that is, to determine the real amounts of expenses for 1 student. Because "On the basis of the Decision of the President of the Republic of Uzbekistan dated June 22, 2021 No. PQ-5157 "On the parameters of the state order for admission to higher education institutions of the Republic of Uzbekistan in the 2021/2022 academic year", the expenses related to the payment contract made to students today are the

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real costs of the higher education institution to be carried out on the basis of expenses<sup>1</sup>"

Conclusions and proposals were developed on the basis of the research conducted on the methodological issues of the organization of internal audit and control of extra-budgetary funds in educational institutions:

1. It is important to develop internal audit and financial control in educational institutions. The study of specific features of internal audit and financial control is considered an important tool for the leaders of the educational institution in organizing the effective management of the activities of not only the state institution, but also the educational organizations that have achieved financial independence.
2. In international and national practice, the activities of educational institutions in the environment of fierce competition, first of all, attention is paid to the quality of education, as well as to the full satisfaction of the needs of its consumers. It is necessary to implement internal institutional changes in the internal audit and financial control service in these educational institutions, to use the suggestions and recommendations given on the solutions of the problems identified above.
3. According to the order of the Ministry "On approval of the guidelines for the duties of the chief auditor of the higher educational institutions" the directions developed in addition to the duties of the chief auditor and direct strengthening of the internal financial control are required.

### List of used literature:

1. Decision of the President of the Republic of Uzbekistan dated June 22, 2021 No. PQ-5157 "On the parameters of the state order for admission to higher education institutions of the Republic of Uzbekistan in the 2021/2022 academic year", <https://lex.uz/docs/5472291>
2. <https://www.edu.uz/uz> - compiled by the author based on the information of the Ministry of Higher Education, Science and Innovation of the Republic of Uzbekistan.
3. <https://stat.edu.uz/Univer-list.php>

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<sup>1</sup> Decision of the President of the Republic of Uzbekistan dated June 22, 2021 No. PQ-5157 "On the parameters of the state order for admission to higher education institutions of the Republic of Uzbekistan in the 2021/2022 academic year", <https://lex.uz/docs/5472291>