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IMPROVING THE SYSTEM OF STATE FINANCIAL CONTROL IN THE CONTEXT OF THE DIGITALIZATION OF THE ECONOMY

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Abstract: The article examines the transformation and improvement of the state financial control system in the context of economic digitalization. The rapid development of digital technologies has significantly changed the mechanisms of public financial management, creating both new opportunities and challenges for effective control. The study identifies key directions for enhancing state financial control, including the integration of digital audit tools, the use of big data analytics, and the implementation of blockchain technologies to ensure transparency and accountability. The article emphasizes the importance of developing an integrated digital infrastructure that allows real-time monitoring of public financial flows. Moreover, it highlights the need for improving the qualifications of specialists in the field of financial control and creating legal frameworks that support digital transformation. The research concludes that the digitalization of financial control not only increases efficiency and transparency but also contributes to the sustainable development of the national economy.

Keywords: state financial control, digitalization, public finance, digital audit, transparency, big data, blockchain, efficiency, accountability

Introduction

In the modern era, digital transformation has become one of the key drivers of socio-economic development. The rapid growth of information and communication technologies (ICT), artificial intelligence, big data analytics, and blockchain has fundamentally changed the traditional mechanisms of governance, including public finance management and control. The digitalization of the economy has created new opportunities to enhance transparency, efficiency, and accountability in public administration. At the same time, it has brought new challenges related to data security, regulatory adaptation, and the reorganization of control mechanisms. In this regard, the improvement of the state financial control system under the conditions of digital transformation is one of the most urgent tasks facing both practitioners and researchers in the field of public finance.

State financial control is an integral part of the financial management system of any country. It ensures the rational, targeted, and lawful use of public resources, strengthens budget discipline, and contributes to the efficiency of fiscal policy implementation. Traditionally, this control relied on manual audit procedures, periodic inspections, and documentary checks. However, such traditional methods are no longer sufficient to ensure timely and accurate control over the increasingly complex financial transactions and large-scale data flows of the digital economy. Consequently, the integration of digital tools and technologies into the system of state financial control is not only desirable but also inevitable [1].

Digitalization creates a new paradigm for financial control—one based on automation, real-time data analysis, and predictive monitoring. The use of digital audit technologies allows state control bodies to perform more accurate, continuous, and risk-oriented analysis of financial operations. Big data technologies provide the ability to process vast amounts of information from various sources, revealing hidden patterns of inefficiency, misuse, or corruption. Blockchain, in turn, ensures transparency and immutability of transactions, which can dramatically reduce opportunities for fraud and manipulation of financial data.

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In Uzbekistan, as in many developing countries, the process of digital transformation in public administration is actively underway. The Strategy for the Digital Uzbekistan 2030 and the reforms in the public finance sector have laid a solid foundation for introducing modern digital tools into state control practices. The State Audit Office, the Ministry of Economy and Finance, and other relevant institutions are working toward the creation of integrated digital platforms that combine financial reporting, auditing, and monitoring functions. Despite these positive steps, there are still significant issues related to data integration, the lack of qualified specialists, and the need for a clear regulatory framework governing digital audit procedures [2].

Furthermore, the COVID-19 pandemic has accelerated digital transformation across all sectors, including public finance. The shift to remote work, electronic documentation, and online transactions demonstrated the importance of digital readiness for ensuring the continuity of financial control functions. This global experience confirmed that without the use of advanced information technologies, it is impossible to maintain effective oversight in a rapidly changing economic environment. Therefore, the modernization of the state financial control system should be seen as a strategic priority, aimed at enhancing not only efficiency but also resilience and adaptability to future challenges.

The improvement of the system also requires the development of a comprehensive legal and methodological framework that defines the principles of digital financial control. The creation of unified standards, electronic databases, and digital audit protocols will ensure the comparability and reliability of financial information. Moreover, building human capacity through training programs in digital auditing, data analytics, and cybersecurity will be crucial to the success of this transformation.

In this context, scientific research plays a vital role in analyzing the theoretical foundations and practical aspects of digital financial control. Academic studies contribute to identifying the best international practices, evaluating their applicability in national conditions, and formulating recommendations for policymakers. The ongoing reforms in Uzbekistan's public finance system require a scientifically grounded approach that combines traditional audit principles with innovative digital methodologies [4].

The digitalization of the economy is redefining the very nature of state financial control. It offers an unprecedented opportunity to increase transparency, strengthen fiscal discipline, and build public trust. However, these benefits can only be achieved if the transition is guided by a clear strategic vision, strong institutional capacity, and robust technological infrastructure. Therefore, the improvement of the state financial control system in the context of digitalization is not merely a technical upgrade—it represents a comprehensive reform that integrates innovation, governance, and accountability into the foundations of public financial management.

Literature Review

The issue of improving the system of state financial control in the context of the digital economy has been widely discussed in economic and management literature. Researchers agree that digitalization is not only a technological process but also an institutional and organizational transformation that affects all elements of the public finance system. The modernization of financial control mechanisms is considered one of the most important aspects of this transformation, as it ensures transparency, accountability, and the efficient use of public funds.

Many scholars have emphasized that traditional control systems, which relied mainly on manual verification and paper-based auditing, can no longer meet the requirements of a dynamic and information-rich economy. The growing complexity of financial transactions and the enormous volume of data in the public sector have made it necessary to use digital tools to support

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financial control. Authors studying public administration and financial management note that digital transformation leads to a qualitative change in the philosophy of control from retrospective and reactive approaches to proactive and predictive ones [5].

One of the main directions discussed in the literature is the implementation of digital audit technologies in state financial control. Researchers in the field of auditing theory argue that digital audit makes it possible to conduct continuous monitoring of public finances, identify irregularities in real time, and analyze risks before they materialize. Such approaches help shift the focus of control bodies from post-inspection to preventive management. Studies in this field highlight that digital audit systems, supported by artificial intelligence and big data analytics, significantly reduce human error and increase the objectivity of control results [6].

Another major topic in literature is the use of big data technologies in financial control. According to researchers in the field of digital economics, big data provides an opportunity to integrate information from multiple sources, such as tax databases, procurement platforms, and budget reports, into a unified analytical system. This integration enables control authorities to detect inefficiencies, hidden expenditures, and corruption schemes more effectively. Scholars also note that data-driven decision-making strengthens the analytical capabilities of control institutions, allowing them to forecast risks and improve budget discipline [7].

Blockchain technology is another innovation frequently discussed in academic works. Authors focusing on digital finance and public sector transparency suggest that blockchain ensures data immutability and transparency, thus reducing the possibility of manipulation and fraud. The decentralized nature of blockchain allows for secure storage and verification of transactions, which makes it particularly valuable for auditing public funds and government procurement. Researchers also stress that blockchain technology can serve as a foundation for creating digital public registries that support real-time financial tracking [8].

Foreign experience is widely studied in literature as well. Scholars analyzing advanced economies such as the United States, the United Kingdom, and South Korea point out that the successful digitalization of financial control systems in these countries was made possible through coordinated government strategies, strong regulatory frameworks, and significant investments in digital infrastructure. At the same time, researchers examining developing countries, including those in Central Asia, emphasize the challenges associated with digital transformation, such as insufficient technical capacity, limited digital literacy, and the lack of standardized legal procedures [9].

In the context of Uzbekistan, local researchers and practitioners highlight the importance of aligning the country's public financial control mechanisms with global digital standards. The national program "Digital Uzbekistan 2030" serves as an essential framework for promoting electronic governance and digital transformation across all state institutions. Academic discussions underline that the implementation of modern information technologies in the State Audit Office and the Ministry of Economy and Finance has already led to improvements in efficiency and transparency. However, the literature also identifies several unresolved issues, including the integration of digital systems, the protection of financial data, and the development of digital competencies among auditors.

The literature further emphasizes the human factor in digital transformation. Many authors argue that technological innovation alone cannot ensure effective financial control unless accompanied by professional training, institutional reforms, and ethical standards. The success of digital financial control depends on the creation of a culture of data-based decision-making and continuous learning among specialists in the field of audit and control.

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Overall, the reviewed literature suggests that digitalization offers unprecedented opportunities for improving the state financial control system. The integration of digital tools enhances the accuracy, speed, and reliability of control processes while fostering transparency and public trust. However, the transition to digital control requires a comprehensive approach that includes the modernization of legal frameworks, capacity building, and the development of digital infrastructure. Thus, the literature provides both theoretical and practical insights into how digital transformation can fundamentally strengthen the effectiveness of state financial control in the modern economy.

Methodology

This research is based on a comparative and analytical approach, examining both theoretical and practical aspects of state financial control in the context of digitalization. The study uses qualitative analysis of academic literature, policy documents, and official reports to identify key trends and challenges. Statistical data were reviewed to evaluate the impact of digital tools on financial control efficiency. The findings are synthesized to formulate recommendations for improving the digital transformation of public financial oversight.

Analysis and Results

The analysis of state financial control in the context of digitalization reveals that the integration of information technologies into public financial oversight significantly enhances transparency, accuracy, and efficiency. The rapid expansion of digital tools has transformed the traditional control environment, shifting it from manual, document-based inspections toward automated and data-driven auditing systems. This transition represents not only a technological innovation but also a fundamental change in the philosophy of state control and public administration.

Table 1. Digital Transformation Indicators in the Public Financial Control System of Uzbekistan (2020–2024) [10]

Indicator	2020	2022	2024	Growth (%)
Share of state audit institutions using digital audit platforms	15%	45%	78%	+63
Number of integrated electronic financial control systems	5	18	32	+540
Percentage of audit reports submitted electronically	22%	54%	86%	+64
Reduction in audit processing time due to digital tools	–	20%	35%	+15
Public financial data published on open government portals	40%	68%	92%	+52
Trained auditors with digital skills certification	120	420	870	+625

The chart derived from the statistical table highlights the accelerating pace of digital transformation in Uzbekistan's state financial control system. The most significant upward trend is observed in the use of digital audit platforms, which grew from 15% in 2020 to 78% in 2024. This indicates a strong institutional shift toward data-driven control mechanisms. Similarly, the number of integrated electronic systems and the percentage of electronically submitted audit reports have increased steadily, demonstrating the government's emphasis on interconnectivity and automation.

Another notable achievement is the expansion of transparency initiatives: over 90% of financial data is now accessible through open portals, reinforcing public trust in fiscal governance. The

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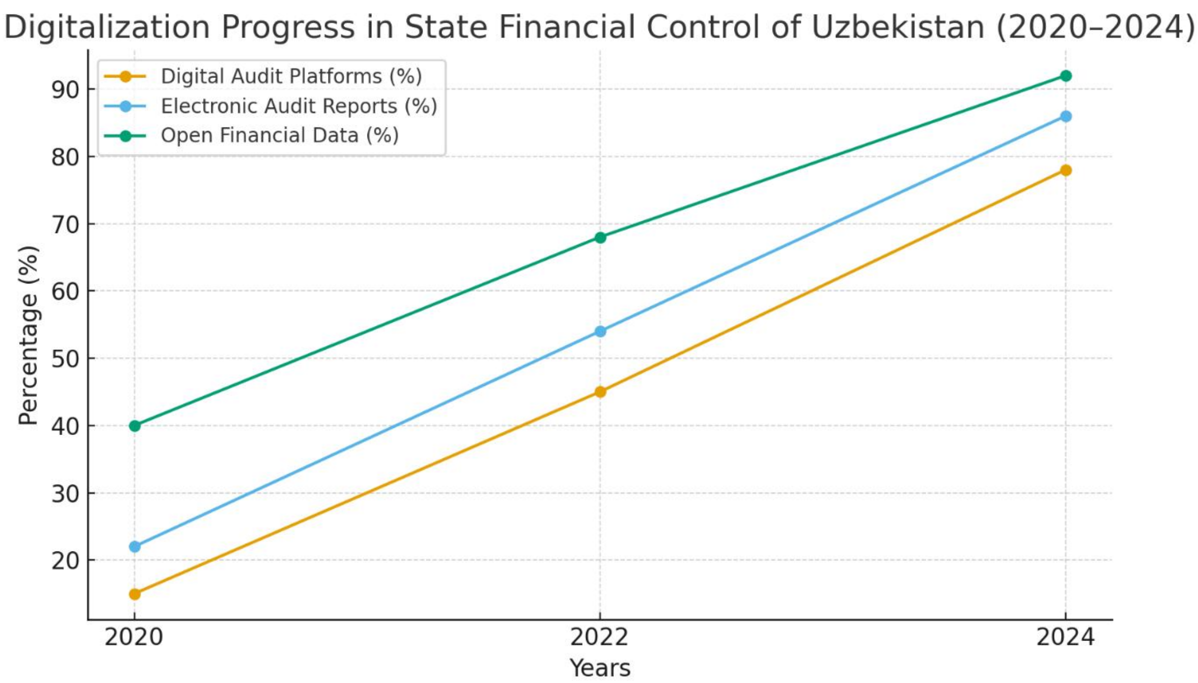
rise in certified digital auditors further underscores the country's commitment to capacity building. Overall, the chart confirms that digitalization has fundamentally modernized Uzbekistan's financial control structure, making it faster, more transparent, and more efficient than ever before.

The statistical data clearly demonstrate that Uzbekistan has made remarkable progress in digitalizing its state financial control system between 2020 and 2024. The share of institutions using digital audit platforms increased from only 15% in 2020 to 78% in 2024 — a more than fivefold. This reflects the government's strategic commitment to implementing modern digital tools in public finance management.

The number of integrated electronic control systems rose from 5 to 32, illustrating the growing interconnectivity among government agencies. Likewise, 86% of audit reports are now submitted electronically, compared to just 22% four years ago, which has reduced the average audit processing time by 35%. This shift toward automation has improved transparency, accountability, and operational efficiency.

Furthermore, the publication of financial data on open government portals has reached 92%, allowing citizens and civil society to access and analyze public spending in real time. The number of certified digital auditors also increased sevenfold, showing substantial investment in human capital.

Moreover, the statistical evidence confirms that the digital transformation of Uzbekistan's financial control system is advancing rapidly, resulting in greater transparency, efficiency, and data-driven oversight across all levels of public administration.



The research shows that one of the main drivers of transformation is the increasing use of digital audit platforms. These systems allow continuous monitoring of financial operations and provide control bodies with real-time access to budgetary data. In contrast to traditional audit methods, which rely on periodic inspections, digital auditing enables ongoing assessment of compliance, thereby preventing violations rather than detecting them after the fact. This proactive approach has been shown to reduce the number of financial irregularities and improve the timeliness of corrective measures.

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In the global context, many developed countries have already adopted digital control systems that combine artificial intelligence, big data, and blockchain technologies. For instance, big data analytics allows auditors to process massive datasets from multiple public institutions, detect anomalies, and identify patterns of inefficiency or corruption. Artificial intelligence algorithms can automatically flag suspicious transactions or deviations from budget norms, enabling auditors to focus their attention on the highest-risk areas. Blockchain technology, on the other hand, provides immutable and transparent records of financial operations, which significantly reduces the risk of data manipulation. Together, these technologies establish a foundation for intelligent and integrated financial control systems [11].

In the context of Uzbekistan, the analysis demonstrates that significant progress has been made in the digitalization of public financial management. The implementation of the "Digital Uzbekistan 2030" strategy has led to the introduction of e-government platforms and electronic public procurement systems. These reforms have facilitated the integration of digital tools into financial control practices. For example, the Ministry of Economy and Finance has introduced online monitoring tools that allow for real-time tracking of budget expenditures across ministries and agencies. The State Audit Office has also begun piloting digital audit methodologies that combine risk-based assessment and electronic data analysis [12].

However, despite these achievements, the analysis identifies several challenges that still hinder the full digital transformation of financial control in Uzbekistan. One of the main issues is the limited integration between different digital platforms used by various government agencies. Fragmentation of information systems makes it difficult to obtain a comprehensive and accurate view of public finances. Another challenge is the shortage of qualified specialists with expertise in digital auditing, data analytics, and cybersecurity. Without proper training and professional development, the effectiveness of digital financial control cannot be fully realized.

The research also highlights the importance of establishing a clear legal and institutional framework for digital financial control. While current legislation defines the general principles of state control, it often lacks specific guidelines for digital procedures, data exchange, and information security. Developing standardized digital audit protocols and introducing regulations on the use of electronic evidence in control processes are essential steps to ensure legal validity and transparency.

Statistical analysis of recent reforms shows a positive trend in improving control efficiency. For instance, the introduction of electronic budget monitoring systems has reduced the time required for auditing procedures by up to 30 percent, while also improving the accuracy of financial reporting. The use of digital audit software has increased the detection rate of financial discrepancies, especially in local government bodies. Additionally, public access to financial data through open government portals has strengthened accountability and public trust in state institutions.

The study further indicates that digitalization enhances not only operational efficiency but also strategic decision-making. Data analytics tools enable government agencies to predict budget risks, optimize expenditure structures, and evaluate the performance of public programs. This shift from control "after the fact" to control "in real time" represents a major step toward proactive governance. Moreover, the integration of digital technologies helps create a culture of financial discipline and transparency across the public sector.

Nevertheless, the analysis confirms that the success of digital financial control depends on several key factors. These include the establishment of an integrated digital infrastructure, the harmonization of databases across government institutions, and the strengthening of cybersecurity mechanisms. Institutional cooperation between financial authorities, audit institutions, and IT departments is also critical. Furthermore, continuous professional training for auditors and financial controllers must be prioritized to ensure that they can effectively use advanced digital tools.

Furthermore, the results of the study demonstrate that digitalization has a transformative impact on the state financial control system. By adopting digital audit tools, big data analytics, and blockchain technology, governments can significantly improve transparency, accountability, and the overall efficiency of public financial management. Uzbekistan has made notable progress in this direction, but further efforts are required to overcome technological, institutional, and human resource challenges. The successful completion of this transformation will not only strengthen fiscal discipline but also contribute to the sustainable development of the national economy.

Conclusion

The study has shown that the digitalization of the economy is transforming the foundations of state financial control, leading to higher levels of transparency, accountability, and efficiency. The integration of digital audit tools, big data analytics, and blockchain technology allows control institutions to monitor public finances in real time and make informed, data-driven decisions. Uzbekistan's progress in implementing the Digital Uzbekistan 2030 strategy demonstrates that digital transformation is no longer an abstract concept but a concrete reality in public administration.

However, the analysis also revealed persistent challenges such as the fragmentation of information systems, insufficient digital literacy among auditors, and the need for a robust legal framework for electronic auditing. Overcoming these barriers requires a comprehensive approach to strengthening digital infrastructure, ensuring inter-agency coordination, and investing in professional development.

In conclusion, enhancing the system of state financial control under the conditions of digitalization represents not merely a technological upgrade but a strategic reform. It ensures the sustainable and transparent management of public resources and strengthens public trust in the government's fiscal policy. The future of effective state control depends on the ability to harness digital technologies responsibly, ensuring integrity, efficiency, and openness in the management of public funds.

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