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**Benchmarking analysis of
concepts of budget process
organization**

Budget in the system of political and economic structure of the country received significant role in the economic and social development of the state policy. With the help of the state budget provide for the redistribution of national income and thus changes the structure of social production, the impact on social transformation. Effective management of the budget is one of the conditions for strengthening the state, improve the welfare of citizens. Over the last decades in developed countries, and more recently in countries with economic system in transition use a strategic approach to budgeting based on the order of the state (regional) policy. At the heart of this approach lies strategic plan of the development for the country/region, including the priority areas of funding, which are determined based on the characteristics of the country/region in the past and set goals to achieve certain milestones in the future. Concept of budget based on result increases the probability of the desired strategic objectives, as it is based on the developed strategy of socio-economic development of the country / region, and serves as an instrument for its implementation.

Key words: the budget process, the organization of the budget process, budget focused on result, the stages of the budget process, budgetary expenditures management.

Саксенбаева Ж.С.
**Бюджеттік процестерді
ұйымдастырудың жолдарын
салыстыра талдау**

Мемлекет дамуының экономикалық және әлеуметтік саясатын жүргізуде еліміздің саяси және экономикалық құрылымының жүйесінде бюджетке маңызды роль берілген. Мемлекет бюджетінің көмегімен ұлттық кірісті бөлістіру жүзеге асырылады және сол арқылы қоғамдық өндірістің құрылымын өзгертеді, әлеуметтік жанаруға ықпал етеді. Бюджетті тиімді басқару мемлекеттілікті нығайтудың, азаматтардың әл-ауқатын арттырудың талаптарының бірі болып табылады. Соңғы онжылдық ішінде дамыған елдерде, ал соңғы уақыттарда өтпелі экономикасы бар елдерде бюджетті қалыптастыруда мемлекеттік (өңірлік) саясаттың мақсаттарын негізге алған стратегиялық тәсілдер қолданылады. Бұл тәсілдің негізінде елдің/облыстың өткен даму ерекшеліктеріне және болашақта қол жеткізілуі межелермен айқындалған алға қойылған мақсаттарға сәйкес айқындалатын қаржыландырудың басымдық берілген бағыттарын қамтитын елдің/өңірдің дамуының жалпы стратегиялық жоспары жатады. Нәтижеге бағдарланған бюджеттеу тұжырымдамасы қалаған стратегиялық мақсаттарды іске асыру мүмкіндігін арттырады, өйткені елдің/өңірдің әзірленген стратегиясын негізге алған және оны ендірудің құралы ретінде қызмет етеді.

Түйін сөздер: бюджет процесі, бюджет процесін ұйымдастыру, нәтижеге бағдарланған бюджеттеу, бюджеттік процестердің сатылары.

Саксенбаева Ж.С.
**Сравнительный анализ
подходов организации
бюджетного процесса**

Бюджету в системе политического и экономического устройства страны уделена значительная роль в проведении экономической и социальной политики развития государства. С помощью бюджета государство осуществляет перераспределение национального дохода и тем самым изменяет структуру общественного производства, влияет на социальные преобразования. Эффективное управление бюджетом является одним из условий укрепления государственности, повышения благосостояния граждан. На протяжении последних десятилетий в развитых странах, а в последнее время и в странах с переходной экономикой используется стратегический подход к формированию бюджета, базирующийся на целях государственной (региональной) политики. В основе данного подхода лежит общестратегический план развития страны/региона, включающий приоритетные направления финансирования, которые определяются, исходя из особенностей развития страны/области в прошлом и поставленных целей достижения определенных рубежей в будущем. Концепция бюджетирования, ориентированного на результат, повышает вероятность реализации желаемых стратегических целей, так как базируется на разработанной стратегии социально-экономического развития страны/региона и служит инструментом ее внедрения.

Ключевые слова: бюджетный процесс, организация бюджетного процесса, бюджетирование, ориентированное на результат, этапы бюджетного процесса, управление бюджетными расходами.

**BENCHMARKING
ANALYSIS OF CONCEPTS
OF BUDGET PROCESS
ORGANIZATION****Introduction**

Formation and development of the economic structure of any modern society is largely determined by the state of the financial system, the main link is the budget system. The budget system is designed to play an important role in the implementation of the financial policy, the objectives of which are due to its economic policies.

The budget system – is a set of budgets of all levels and the National Fund of the Republic of Kazakhstan, as well as the budget process and budget relations based on economic relationships and legal norms. All forms of financial relations are regulated and improved on the basis of the following principles: unity, completeness, realism, transparency, consistency, efficiency and effectiveness, prioritization, accountability, budget autonomy.

Public finances, which include budgets of the central government, local governments of all levels – a major component of socio-economic activities of developed countries. This is the lever by which the government has an enormous impact on the entire process of production and distribution [1].

Under the budget process refers to activities of public authorities for the development, review and approval of the projects budgets, organization performance, regulated by legislation [2].

Experimental part

The theory of budgeting based on results presented in the works of such researchers as Mutanov G.M, Mamykova Zh.D, Kadyrova M.B, Starodubrovskaya I.V, Bukina I.S, Chernykh S.I, Makashina O.V and many others, as well as information and analytical materials of the United Kingdom, Australia, New Zealand, etc. The study used scientific methods – analysis, synthesis, deduction, classification, system approach.

Results and discussions

For efficient organization of the budget process, control, monitoring, performance reporting and analysis of budgets of

all levels of budget system of the Republic of Kazakhstan is used unique budget classification. Unique budget classification is a group of incoming and expenditure of budget by functional, departmental, and economic characteristics of objects by assigning classification grouping codes. Unique budget classification ensures comparability of budgets of all levels of budget system [3].

State budget expenditures are closely related to its income. On the one hand, the volume of budget expenditure is limited by the rigid framework of the incoming budget revenues, the latter in turn are determined by the economic capabilities of the state. On the other hand, the costs for the proper use of budget funds may have the opposite effect on income, contributing to the growth of production, the development of science, etc.

The most important area of improving public expenditure management system is the introduction to the budget process of strategic planning and budgeting mechanisms, result-oriented (PBB). This public expenditure management method provides such a construction of the budget process, in which the planning and budget spending are carried out on the basis of information on the results of the structural units of the public sector – governments and recipients of budget funds (i.e the cost of the services rendered by them). In the most general form of result-oriented budgeting can be defined as a system of formation and execution of the budget authority, reflecting the relationship between public expenditure and the results achieved (rendered service cost) [4].

Earlier in the pursuit of full disbursement of budget programs administrators sometimes forget about their effective use and does not take responsibility for the end result of the program. For example, wages and deductions for government agencies, public health services means the North-Kazakhstan region in 2005 spent in full – 2,568,939 thousand tenge while the deviation is actually employed full-time units from the plan amounted to 315 units, which means a constant shortage, medical professionals affects the effectiveness of medical care. Because it is necessary to base budget decisions were not only outstanding by type of expenditure costs (payroll, utilities, capital repairs and etc.), But also a set of goals, objectives and activities, which state authorities are planning to implement to solve problems in a particular industry. All of this has

identified the need to move to the Performance-based budgeting.

Performance-based budgeting – a system of budgetary relations, the rules of which are oriented performers on results, assist in identifying the best ways to achieve the results and methods of improving budgetary relations system. The introduction of PBB will change the content of all stages of the budget process.

The organization of the budget process in the Republic of Kazakhstan is built in accordance with the budget legislation. Compliance with the principles of the budget process (unity, independence, balance) ensures fiscal sustainability.

The content of the budget process, which is based on the country's budgetary system and budgetary rules that define its milestones. In general, the implementation of the budget process includes the steps of budgeting [2]:

- preparation of the draft budget;
- implementation of the budget
- review and approval of the budget;
- preparation of the performance report and its approval.

An analysis of the budget process that uses a traditional approach and the Performance-based budgeting is reflected in Table 1 [5].

Analysis has shown that the introduction of PBB significantly modifies the content of the budget process, namely the budget planning. At this stage it is very important is the calculation of performance indicators and efficiency.

The goals set at the beginning of the year, compared with the results of their execution at the end of the financial year, and evaluation of social and economic efficiency of spending unit activity (BPA – budget programs administrator) are the the initial basis for determining the expenditure needs of the future period. If the BPA fails to reach the established program objectives, it can serve as a basis for reducing its financing and transfer of the released funds to the more successful programs, ie the level of expenditure needs may fluctuate from year to year. In this case the UPS will lose the right not only to increase funding but also to finance in the earlier volumes. If necessary budget cuts can be made through the use of programs ranking mechanisms. In this case, the reduction are subject to less important from the social point of view the program or programs that have a relatively low efficiency and effectiveness.

Table 1 – Comparative analysis of the different approaches

Stages of the budget process	
The traditional approach	Approach Performance-based budgeting (RBB)
Preparation of the draft budget	
<p>1. The total amount of revenues for the next fiscal year is determined on the basis of macroeconomic forecasts of budget planning department staff.</p> <p>2. This amount is distributed between the budget recipients: in the form of instructions communicated to funding for the next fiscal year, the priorities of the state policy for the coming year, the basic parameters of macroeconomic development – the forecast dynamics of prices, wages and the exchange rate. Of budget serves the department budget planning their budget requests – the justification for the funding. Since the clear instructions on the order of preparation of budget requests, as a rule, do not get compilation of such applications is usually limited to adjusting the financing of the previous year recommended the GDP deflator.</p> <p>3. Approval of the budget proposals of budgetary programs with the budget department is done on a bilateral and multilateral basis.</p>	<p>1. In determining the total amount of government spending limits are not fixed for one year and the next few years – usually for three years (in case of medium-term planning), with the addition of the third year a year of data.</p> <p>2. Total spending limit is transformed into the limits of budget financing of priority directions of the state policy, which then serve as the basis for the study on the implementation of expenditure programs, subprograms and types of budget work.</p> <p>3. The budget users make budget requests for funding in the context of the goals and programs, on a single form, which consist of two parts: the first part provides descriptive information about the spending unit, its role, goals, objectives, as well as programs implemented by them; in the second part of the document provides financial information for the three-year income. The format in which a given budget documents to the Parliament (the presence of descriptive information, binding costs for certain programs, outcome evaluation of programs, etc.), making these documents much more affordable for understanding the legislators than similar documents presented in the traditional «balance» format.</p>
Consideration and approval of the budget	
<p>The government is considering the draft budget prepared by the Ministry of Finance / Budget Planning Department, and alleges it makes to the Parliament. It considered the draft budget in special committees and commissions, following the principle of reasonableness and the principle of balance.</p>	<p>PBB involves changing the review process and approval of budgets related to the changing role of legislators during the preparation of draft budgets. Given their role in coordination of program priorities, the process of consideration and approval of budgets, it usually takes less time than traditional budgeting, and passes less painfully</p>
Implementation of the budget	
<p>The basis for implementation of the budget are: legislative acts, annual financing plan, the consolidated revenue and financing plan and regulations that define the procedure and implementation of the budget. Regulatory authorities are focusing on the technical side of the process an expenditure of budget funds and not on the effectiveness of the use of public resources.</p>	<p>During the execution of the budget may be necessary to modify the budget appropriations, to reduce them to an unplanned reduction in income due to emergency situations, etc., Or, on the contrary, increase. In terms of public expenditure management is preferable to make changes when resources are allocated by program, rather than article by article. This is due to the fact that the Ministry of Finance there is data (obtained in preparing the draft budget) the priority of various programs, the degree of their feasibility at different levels of financing and the impact of the reduction of budget financing. This information allows you to reduce costs at the least cost to government economic and social policy. Also characteristic of the use of PBB is the transfer of unused funds to a future period.</p>
Budget execution report	
<p>Over the passed financial year prepare a report on the use of budgetary resources – is a document that reflects, approved, refined, the adjusted budget and the cash execution of the budget.</p>	<p>budget execution report is complemented by a report on the performance of budgetary funds, i.e: the report on the achieved goals.</p>

Conclusion

Thus, the budget process, which uses an approach Performance-based budgeting – this is a

complex and time-consuming process involving a large number of participants, and the connections between them, ie, containing complex information flows. Effective management of which is possible

with the use of modern information technologies, use of an information system that integrates financial and management information.

In addition, it should be noted that the extensive accounting of uncertainty factors in making management decisions, including on the budget level, it is difficult to manage. Recognition of the probabilistic nature of economic systems, the realization that the budget process is influenced

by a series of random events that may affect the achievement of the desired results, put on the agenda of the uncertainty of the impact of the study on the problem of the budget process. In this connection it is necessary to determine the degree of risk of failure to reach the goals set by the budget and, consequently, to bring the socio-economic development of the country / region to a predetermined trajectory of development.

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