



IMPROVING LABOR AUDIT IN NON-STATE NON-PROFIT ORGANIZATIONS (NSNPOs) IN UZBEKISTAN

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Article history:		Abstract:
Received:	6 th December 2025	Nowadays, the activities of non-state non-profit organizations (NSNPOs) in Uzbekistan are primarily aimed at alleviating the social costs of implementing the reform program by creating conditions for protecting the poor, elderly and disabled members of society, expanding employment and professional reorientation of the population, promoting reforms in rural areas and small towns, stimulating development of small and medium-sized businesses. Therefore, this article discusses the solution to the problems of remuneration audit in non-state non-profit organizations (NSNPOs) in Uzbekistan. And also, the procedure for auditing the accounting of labor remuneration in non-governmental non-profit organizations is recommended.
Accepted:	4 th February 2026	

Keywords: non-state non-profit organizations (NSNPOs), audit, audit planning, plan of accounts, civil contract, average duration, part-time work, grants, humanitarian assistance, financial support

INTRODUCTION

The legal development of the country is based on the Constitution of Republic of Uzbekistan, in which basic rights and freedoms of citizens are regulated, the most important among which is their right to unite. Depending on the type of constitutional laws being implemented, the goal of creating an association also follows. The most important priority of Uzbekistan was the implementation of the State program «A Year of Dialogue with the People and the Interests of the Man», the subsequent implementation of the great that says: «The interests of the person are above all». Particularly, these key task should become a starting point for the serious introduction correctives into the basic directions and priorities of deepening economic reforms [1]. Depending on the type of constitutional laws being implemented, the goal of creating an association also follows.

According to this, based on the experience of developed countries, it can be concluded that support from the state of non-state non-profit organizations and the improvement of accounting in them takes an important place in the implementation of socio-economic programs of the state. Issues of audit of the organization's salaries and improvement of accounting in NSNPOs during the period of further development of economic reforms and fundamental changes in the social sphere, as well as increasing the authority of

financial activities to world standards determine the relevance of the topic of scientific research.

LITERATURE REVIEW

The organizational and legal aspects of auditing in NSNPOs have been studied by some foreign scientists and economists. Among the scientists of the CIS countries, certain issues of organizing and keeping records of wages in non-governmental non-profit organizations are disclosed in the works of Ya.V. Sokolova, G.Yu. Kasyanova «Accounting as the sum of the facts of economic life», T.V. Yurieva, L.V. Egorova «Accounting and audit in non-profit organizations: theory, methodology and practice» and L.V. Gusarova «The concept of accounting, audit and analysis in non-profit organizations» and others [10].

Questions of the theory of general auditing for wages and its organization, as well as methodological aspects, including some general properties of accounting in non-state non-profit organizations, were investigated in the scientific works of A.S. Sotvoldieva «Modern accounting», A.A. Karimova «Accounting», N.Yu. Djuraeva «Financial and management accounting», S.U. Mekhmonov «Improving the methodology of accounting and internal audit in budgetary organizations», Sh.U. Khaydarov «Methodological manual of accounting» and others [10].

Due to the underdevelopment of a special



system for accounting for labor remuneration in non-state non-profit organizations (NSNPOs), general regulatory and legal documents of accounting are used. Therefore, it is necessary to develop and improve documentation for keeping records of wages and reporting.

ANALYSIS AND RESULTS

It would be a mistake to think that if a non-state non-profit organizations does not carry out commercial activities and, therefore, does not pay taxes, then there is no point in checking their compliance with tax discipline, and if it does not use state grants and subsidies, then other state bodies should not check NSNPOs.

Whether there is no real commercial activity, how the funds received by NSNPOs from legal entities and individuals are spent, whether violations of the law are allowed in the implementation of both statutory and general economic activities, are the assets of NSNPOs protected from abuse - these are the range of questions that cannot but interest any the state on whose territory the Non-State Non-profit Organization operates. Therefore, the activities of Non-State Non-profit Organizations, like any legal entity, are subject to control by state bodies on the grounds and in the manner prescribed by law.

Based on the specifics of the legal status of non-state non-profit organizations (NSNPO), which determines the conditions of its target (special) legal capacity, the legislation (part 5 of article 21 of the Law on NSNPOs, part 3 of article 20 of the Law on NSNPOs, article 35 of the Law on the Public Foundation) gives the registration authorities the right to exercise control over the compliance of its activities with the statutory goals and the legislation of the Republic of Uzbekistan.

State registration of NSNPOs is carried out by the judicial authorities (part 1 of article 21 of the Law on NSNPOs). The forms of control are determined by the Law on Non-State Non-profit Organizations: - by submitting reports on the results of their activities (Articles 8, 33 of the Non-State Non-profit Organization Law of Republic of Uzbekistan).

There are no approved reporting forms in accordance with the regulatory legal act. These reports must be submitted to the registering authority in the form established by it. Reports are submitted quarterly by the 10th day of the month following the reporting

period (quarter). The annual report is submitted by February 1 of the year following the reporting year. This deadline is established by clause 17 of the Rules for considering applications for registration of charters approved by the Resolution of the Cabinet of Ministers of Republic of Uzbekistan No. 132 of 12.03.1993 - agreeing on ongoing events and providing access to them (article 8 of the Law on Non-State Non-profit Organizations, article 239 RUz).

According to the article 21 of the Law on Non-State Non-profit Organizations, the justice body that registered the Non-State Non-profit Organizations has the right to send its representatives to participate in the events held by the Non-State Non-profit Organizations conducting inspections of statutory activities [3].

Violations by Non-State Non-profit Organizations of the Constitution and the legislation of Republic of Uzbekistan may serve as grounds for suspending its activities (part 1 of article 34 of the Law on Non-State Non-profit Organizations). If, within the period established by the court for the suspension of the activities of a non-governmental non-profit organization, it eliminates the violations that served as the basis for the suspension of its activities, then after the expiration of this period, the non-governmental non-profit organization may resume its activities. If it fails to remedy the said violation, the body that has submitted a petition to the court to suspend the activities of this non-governmental non-profit organization may submit to the court a petition for its liquidation. State control over the payment of taxes, fees and other compulsory payments by Non-State Non-profit Organizations is carried out by the state tax authorities in accordance with the legislation. Grantors also carry out external control: the reporting set to the grantor must include the primary documents on the basis of which the report is drawn up.

The grantor also has the right to control the intended use of the grant allocated by the NSNPO, for example, to check on the spot whether the computer equipment acquired under the grant actually exists and is used for its intended purpose. Philanthropists who transfer property, including money, to a charitable organization have the right to demand from it a report on the intended use of this property. The charitable organization provides access to its annual reports.

NSNPOs have two main differences from

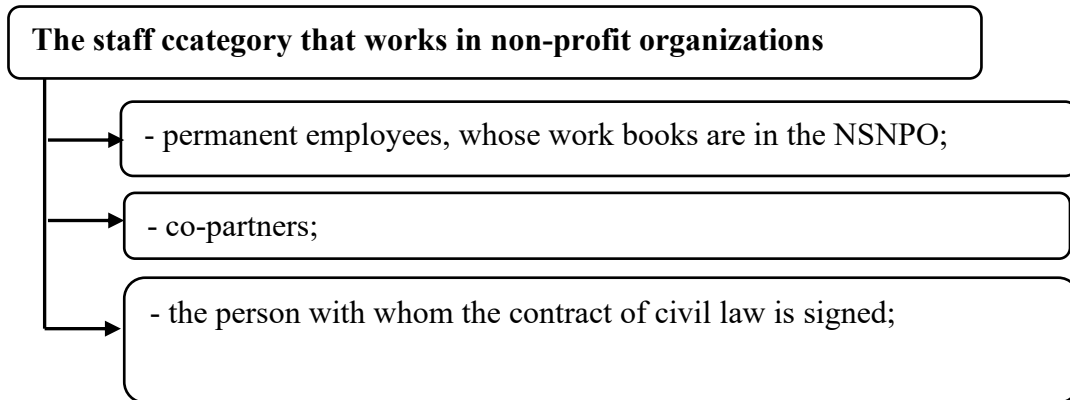


commercial enterprises:

1. Clearly formulated purpose (mission) of creation;
2. It is forbidden to distribute the funds received for the benefit of the founders (members, participants)

of the organization.

The basic criterion of classification is the purpose of the activity: is the activity directed to receive profit or not [4].



Bar chart№ 1. The categories of staff working in non-profit organizations¹

¹ Author's development.



In non-profit organizations, several categories of persons can work. In addition to this, volunteers (volunteers) can work in the NSNPO.

Volunteers are individuals who carry out charity in the form of non-repayable performance of work, provision of services in the interests of Non-State Non-profit Organizations.

Reception of workers for work must be formalized with the appropriate order (arrangement), with which the outside of the employed worker must be familiar with painting.

At the same time, in accordance with the requirements of Article 74 of the Labor Code, a labor agreement is included in the written form, which allows the employee and the employer to fix the conditions of the confirmed contact. (keys, 2)

Recommendations for the signing of an employment contract (contract) in written form «and the Approximate form of a labor contract (contract) are approved by Resolution No. 133.1 of the Cabinet of Republic of Uzbekistan №11.

It is necessary to pay attention to the fact that the labor contract is included in the written form and when the employee starts to work under the partnership. Here it is necessary to cite the differences between the basic concepts of the labor contract and the contract of the civil law character.

The main criteria of the labor contract, in accordance with article 72 of the Labor Code of Republic of Uzbekistan [2] are:

- fulfillment by an employee of a specific work function, that is, work on a specific specialty, qualification or position;
- the subordination of the employee to the rules of the internal work order;
- his inclusion in the workforce of the organization where he works.

If, however, an agreement is reached with an individual on the performance of any task (for the performance of a certain amount of work, consultations, etc.), then there is a place of rest.

According to the contract of civil law, the performer is not a member of the collective, does not obey the order established by the NSNPO and independently organizes the work [4]. Audit of the

payment of his work is carried out only for the final result of the work and is formalized with an appropriate document (an act of work performed or other document).

The performance of one-time work under civil law contracts is carried out without presenting a work book and is not included in the work record.

Employment contracts are concluded with all employees who are accepted for positions stipulated by the staffing table, which are stored in the personal file of each employee along with other personnel documents and, on the basis of this, orders (instructions) for employment are drawn up. Contracts (labor agreements) of a civil law character, signed by both parties (the employer and the executor) are transferred to the accounting department without the order of the NSNPOs to be issued for subsequent execution.

Audit accounting of working time in the organization is kept in the tables of the use of working time. The table is a personal list of employees of the organization, which is used for:

- control over the observance by workers of the organization of the working hours;
- to receive data on the worked time;
- for the calculation of the salary;
- for the preparation of financial and statistical reporting.

The NSNPOs can independently select the shape of the cable. As a rule, the organizations use the form of the report card No. RC-13. This form reflects only the accounting of working time.

Work hour is the time during which the employee, in accordance with the schedule or schedule of work, or under the conditions of a labor contract, must fulfill the difficult needs of the trouble. The current legislation provides for a different length of working time.

Normal work hour cannot exceed 40 hours per week [2]. It is established as the baseline norm of employees of all enterprises and organizations, regardless of the form of ownership.

Part-time work hour may be established between the employee and the employer under an employment contract. This applies in the main to the



employees accepted in the organization under the joint management. The duration of the work under the partnership cannot exceed four hours a day. The total duration of work under co-operation within a month should not exceed half of the monthly norm of working time established for this category of workers [8].

During the audit, the auditor must first be sufficiently sure that there are no material errors in the

reported figures. In this case, an information base formed from various sources is used to collect evidence. Also, in order to eliminate the problems to be solved in Table 1 during the audit of payroll calculations, it is proposed to collect the regulatory document package, synthetic and analytical accounting registers and primary documents necessary for the audit of internal calculations before starting the audit.

Table 1.

Problems to be solved in the calculation of labor wages in NSNPOs ²

№	The content of the problem	Tasks to be solved in the account
1	Assessment of the state of compliance with legal and regulatory documents on labor legislation and the effectiveness of internal control	1.1. Availability and analysis of legal and regulatory documents determining the payment of wages; 1.2. Availability of collective labor agreements, regulations on rewarding and motivating employees; 1.3. Study of the organization of documentation of accounting for personnel, working hours and manufactured products (work, services); 1.4. Availability of a classifier (classifier) of types of payments and amounts withheld from wages; 1.5. Study of the availability and condition of the control system over the wage fund; 1.6. Check the compliance of reporting indicators with the data of synthetic and analytical accounting registers.
2	Checking the reliability of accounts and reporting data on payroll calculations	2.1. Checking the correctness of the execution of primary accounting documents; 2.2. Studying the correctness of the calculation of wages by types of wages (non-working, non-time, etc.); 2.3. Checking the calculation of average wages for various purposes (labor leave, etc.); 2.4. The correctness of the amounts deducted from wages; 2.5. Including wage costs in the cost structure; 2.6. Reflecting the amounts deducted from wages in the accounting registers; 2.7. The correctness of the application of benefits in taxation and the calculation of total income;
3	Correctness of calculations on off-budget funds, social tax payment	3.1. Social tax calculation basis and study accuracy of calculations; 3.2. Confirmation of correctness of reflection of social tax calculations in accounts and reports;

² Compiled on the basis of the author's scientific research, 2026.



Uzbekistan has chosen its own path of implementing and developing large-scale comprehensive reforms aimed at building a democratic legal state with a socially oriented market economy in all aspects of NSNPOs. Therefore, the purpose of conducting audits on social support and protection of employees in the field of labor remuneration is to monitor compliance with the legislation on labor relations, the correct calculation of wages and various additional payments and bonuses, as well as taxes and social security payments from wages. The set of regulatory documents regulating the accounting and taxation of labor settlement transactions should be formed taking into account the characteristics of the NSNPO's activity as a client.

As a result, the income of each employee depends on his contribution to the activities of the NSNPOs and the final result of the institution's

activities. In this situation, the types of additional income are not limited in regulatory documents by the maximum level of income for full-time professors, but are regulated by the level of tax rates. The minimum level of wages for full-time and other employees of NSNPOs is regulated in accordance with relevant legislation.

Other norms of duration of work hour, determined by the law, are detailed in article 116-118 in the Labor Code of Republic of Uzbekistan. The salary of labor in the NSNPO for the personnel is established, as a rule, in hard crumbs, in accordance with the standard schedule. Payment under the contracts of civil law character.

It is recommended to audit the reflection of operations on the accrual of salaries on the basis of the main activities of the NSNPOs, which is drawn up by the following accounting records (Table No. 2.).

Table 2

The reflection checking of operations on the accrual of salaries for the basic activities of the NSNPOs³

№	Content of business transactions	
<i>1.</i>	<i>At the expense of targeted financing</i>	
	Dt 8800	Accounts of target incomes
	Kt 6710	Settlements with staff for labor remuneration
<i>2.</i>	<i>Or, if the work plan of the accounts of the NSNPO provides for auxiliary accounts for accounting for expenses by programs:</i>	
	Dt 2200	Accounts for accounting of expenses on programs
	Kt 6710	Settlements with staff for labor remuneration
<i>3.</i>	<i>When carrying out entrepreneurial activities</i>	
	Dt 2010	Main production or
	Dt 9400	Period expense accounts
	Kt 6710	Settlements with staff for labor remuneration
<i>4.</i>	<i>Withholding of income tax:</i>	
	Dt 6710	Settlements with staff for labor remuneration
	Kt 6410	Arrears on payments to the budget
<i>5.</i>	<i>The simultaneously made the following accounting record</i>	
	Dt 6410	Arrears on payments to the budget
	Kt 6530	Payments to individual savings accounts

³ Author development



The given transaction is drawn up in accordance with the Regulation «On the procedure for the accrual and payment of compulsory contributions by employers for individual accumulated pension accounts of citizens» [6].

The organization calculates contributions to the IFRS in the amount of 0.1 percent of the taxable amount of the accrued wages of the employee, with the corresponding amount deducted from individuals from 6 of this.

Audit and information on contributions to the state social insurance, retirement benefits for employees of organizations and similar expenses is carried out by NSNPOs: 6510 «Insurance payments»; 6520 - «Payments to state target funds»;

For analytical accounting of similar payments, it is recommended to open additional accounts, for example:

6521 - «Single social payment to the Pension Fund».

Table 3.

Audit of payments accrual by NSNPOs on insurance is reflected in the following way⁴:

№	Content of business transactions	
1.	«Single social payment to the Pension Fund	
	Dt 8800	Accounts for accounting of target incomes, or
	Dt 2010	Primary production
	Dt 9410	Implementation costs
	Dt 9420	Administrative expenses
	<i>when it is necessary</i>	
	Dt 2200	Accounts for accounting of expenses on programs
	Kt 6521	«Settlements with the staff for the payment of labor»

⁴ Author development.



CONCLUSION

As a result of the study on the peculiarities of the audit of remuneration in non-governmental non-profit organizations, the following recommendations and proposals were made:

1. It is recommended to check the reflection of operations on the accrual of salaries on the basis of the main activity of the NSNPOs is drawn up by accounting records according to the first table of the article.

2. We will offer a reflection of information about deductions to the state social insurance of the NSNPO is drawn up by accounting records according to the second table article.

It should be noted that the conclusion of labor or civil law contracts. At the same time, organizations must have an appropriate plan (estimate, budget, etc.) for financing targeted activities, whether it be remuneration of employees, the purchase of new equipment, materials or financing of measures to implement the localization program, and others.

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