

IMPROVING FINANCIAL SECURITY IN BUSINESS ENTITIES**To'lanov Abdushukur Abduxalim ugli**

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Annotation

This article examines the improvement of financial security in business entities under modern economic conditions. It analyzes internal and external factors affecting financial stability, the role of risk management systems, internal control, and auditing. Special attention is given to digital transformation and strategic management as key tools for strengthening financial security. The study concludes that an integrated approach, transparency, and the use of modern information technologies are essential for ensuring sustainable financial performance.

Keywords

financial security, risk management, internal audit, financial stability, digital technologies, control system.

INTRODUCTION

The stable operation of business entities in the conditions of the modern market economy largely depends on their level of financial security. Financial security is the ability of an enterprise or organization to effectively manage its financial resources, withstand external and internal threats, and ensure long-term development. Global economic changes, increased market competition, inflation, currency fluctuations, and technological transformations make the issue of ensuring financial security even more urgent. Therefore, improving financial security in business entities is important not only for the interests of the enterprise itself, but also for overall economic stability.

The essence and main tasks of financial security

Financial security is a state of ensuring sustainable development through the sufficiency of financial resources of the enterprise, their effective distribution, maintaining liquidity, and controlling risks.

The main tasks of financial security are:

Ensuring financial stability;

Maintaining solvency and liquidity;

Identifying and reducing financial risks;

Effective management of assets and capital;

Prevention of fraud and financial losses;

Increasing investment attractiveness.

Factors affecting financial security

Internal factors; improper financial planning;

Weakness of the control system;

Increased debt burden;

Lack of qualified personnel;

Incorrect investment policy.

External factors: economic crises;

Changes in market conditions;

Fluctuations in exchange rates;

Changes in tax policy;

Increased competition.

Mechanisms for ensuring financial security



1. Risk management system; Enterprises need to introduce a systematic approach to identifying, assessing and reducing financial risks. Diversification, insurance and monitoring of risks are important tools.

2. Internal control and audit; The internal audit system ensures the transparency of financial transactions, prevents violations and increases the effectiveness of management decisions.

3. Strategic financial planning; Long-term financial strategy ensures the sustainable development of the enterprise. Budgeting, forecasting, and investment analysis are essential.

4. Introduction of digital technologies; Automated accounting systems, financial monitoring programs, and data analysis tools allow for rapid identification of financial risks.

Directions for improving financial security

Strengthening the corporate governance system.

Increasing financial transparency.

Introducing modern audit standards.

Widespread use of digital financial management systems.

Improving financial literacy and staff skills.

Continuous implementation of financial monitoring and analysis.

However, like any other industry, fintech faces its own difficulties and problems.

The main goal of financial technologies:

Increasing the availability, quality and variety of financial services;

Reducing risks and costs in the financial sector, as well as the cost of services for consumers;

Supporting the development of competition in the financial market.

Ensuring the safety and stability of banking processes.

In addressing risks through financial technologies, approaches such as integrated and innovative approaches, focusing on cybersecurity, data analytics, and automated processes are of great importance. With these methods, financial institutions are successful in identifying, analyzing, and minimizing risks.

These technologies can help reduce financial risks in the financial sector and perform financial transactions reliably and efficiently. The use of new technologies also requires the implementation of security measures adapted to the innovations.

Financial technologies are needed to implement innovations in the financial sector, improve services and operations, develop data analytics, and other financial processes. There is a need for financial technologies for the following reasons:

The first reason is automation and automation. Financial technologies facilitate work by automating or automating financial transactions. The automation of these processes helps financial institutions save time and resources.

The second reason is data analytics. In the financial sector, sufficient data is available and helps in analyzing it, identifying trends, preventing risks and making strategic decisions.

The third reason is security. Financial technologies offer innovations in the field of security and ensure a high level of confidentiality of financial transactions.

The fourth reason is financial innovation. Financial technologies help develop and offer new services and products. This helps the financial sector develop and provides convenience to consumers.

The fifth reason is reliability and secure settlement. Financial technologies help to securely execute financial transactions, analyze financial risks and increase reliability.

The sixth reason is mobile applications. Financial technologies allow customers to offer financial services faster and more conveniently through mobile applications.

No matter how effective the use of fintechs is, various problems can be encountered when using them.

First, regulatory issues. Fintech companies often operate in a highly regulated environment, which can vary significantly from country to country. Complying with and adhering to these



regulations can be a major challenge for fintech startups, especially as they expand internationally.

Second, cybersecurity risks. Fintech companies handle sensitive financial data, making them attractive targets for cybercriminals. Ensuring robust cybersecurity measures are in place to protect customer data and transactions is critical, but it can be a constant battle to keep up with ever-evolving cyber threats.

Third, customer trust and adoption. Trust is essential in the financial industry, and fintech companies often struggle to build trust with customers who may be wary of new, unfamiliar financial services. Overcoming this distrust and encouraging widespread adoption of fintech products and services can be a significant hurdle.

Fourth, legacy system integration. Many traditional financial institutions operate on legacy systems that cannot easily integrate with modern fintech solutions. Fintech companies may struggle to partner with or service these institutions, requiring them to find innovative ways to bridge the gap.

Fifth, Fintech startups often face the challenge of scaling their operations and ensuring sustainable growth over time. Managing rapid expansion while ensuring financial stability and profitability can be a delicate balancing act for fintech companies.

Sixth, on data privacy and ethics, fintech companies must consider complex data privacy regulations and ethical considerations as they collect and analyze large amounts of customer data to provide personalized services. Ensuring that data is handled responsibly and ethically is critical to maintaining customer trust and regulatory compliance.

Seventh, competition and market saturation. The fintech industry is highly competitive, with new startups entering the market regularly. Fintech companies must differentiate themselves from their competitors and continuously innovate to stay relevant and capture market share.

Addressing these challenges requires regulatory compliance, innovative technology solutions, strong cybersecurity measures, effective risk management, and a customer-centric approach. Fintech companies that can successfully address these challenges will help disrupt the financial industry and meaningfully change the way financial services are delivered and consumed.

Financial technology (FinTech) offers innovative solutions in the financial sector and facilitates financial services. Through these technologies, it improves services in financial systems, increases the ability to manage financial processes using technical technologies and data analytics, and develops the financial sector

CONCLUSIONS AND RECOMMENDATIONS

Ensuring financial security in business entities is an important condition for the stability of the enterprise and economic development. To effectively ensure financial security, an integrated approach, risk management, internal control, strategic planning, and the introduction of digital technologies are necessary. Strengthening financial security in modern economic conditions ensures increased competitiveness and long-term development of enterprises.

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