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DEVELOPMENT OF THE SYSTEM OF STATE FINANCIAL CONTROL IN UKRAINE

The effectiveness of public authorities and local self-government depends on the effectiveness of control measures, including compliance with budget norms, principles, decrees of the President of Ukraine, orders, resolutions of the Cabinet of Ministers of Ukraine, the Verkhovna Rada of Ukraine, orders, methods, instructions of the Ministry of Finance, other line ministries, etc.

Weakening of the control system, instability of its organizational and legal regulation poses a threat not only to the economy, social sphere, but also to the national interests of the state.

The state can't fully function and develop without a clearly organized system of control, because control is an integral part of the superstructure of society and undergoes major changes in the development of the political system, legislative and executive bodies, economic management.

The financial and economic literature states that "control" is an element of management of economic objects and processes and its

task is to monitor objects (process) in order to verify compliance with the actual state of the institution / organization regulations and instructional documents.

Some scientists divide control into its varieties. Analysis of the conceptual apparatus and terminological definitions showed that despite the change in the socio-economic structure of the state and the long time of transformation of the system of public financial control, scientists still identify the concepts of “control”, “financial control”, “public financial control”. Perception and interpretation. Instead, only a few researchers use new concepts in circulation, in particular “audit”, which in our opinion reflects the evolution of control as an activity and as a scientific concept and is a more modern term at this stage of social development.

State financial control (audit) is essentially a statutory activity of relevant bodies / institutions aimed at preventing business entities from abuses, violations, shortcomings in the management and use of financial resources, property, other values and assets of the state, municipality.

Control (audit) is a key function of management in the field of finance. In its economic essence, it provides for the supervision of the business entity, assessment of the validity of its management decisions and their further impact on the efficiency and effectiveness of the tasks.

Financial control is a kind of universal phenomenon that is used in various spheres of public life from political to socio-economic, scientific and other fields.

The essence of control is revealed in the relationship between the application and functioning of finance. That is, control is where there are financial resources. The formation and use of money as financial resources is carried out under the influence of various factors, which determines the implementation of financial control as a special area of financial activity, a tool to ensure the development of socio-economic processes.

Regardless of the forms of control (audit), its main task is to form a system that could respond to the many problems of a market economy,

help the management vertical in implementing state economic policy, fully meet its socio-economic essence, ensure unity and stability of organizational economic relations, covering all economic activities, would be holistic, formed on a single organizational and methodological principles, ensure the effectiveness of management and use of budget funds.

Our analysis of the legislation in the field of public financial control shows that in Ukraine there is no law “On the system of public financial control”, which would regulate complex issues of the status of each controlling body in the system of public financial control with clear functions of audits, inspections, audits, expert and other control and analytical measures. For example, Article 1 of the Latvian Law on State Control states that: “The State Audit Office shall be the independent, collegial supreme audit institution in the Republic of Latvia”. The institution conducts audits in accordance with international public sector auditing standards approved by the INTOSAI Congress and recognized in Latvia by the Auditor General [1].

In Ukraine, the status of the state financial control bodies is not clearly regulated, although some scholars emphasize that the Accounting Chamber of Ukraine is the highest audit body in the country, but this statement is most likely based on the fact that the Accounting Chamber is a member of INTOSAI. “On the Accounting Chamber” this status is not clearly established, in particular in Article 1 (paragraph 3) it is stated that the Accounting Chamber is a state collegial body [2].

In our opinion, the adoption of the above law would regulate the legal status of regulatory authorities, would avoid duplication of functions, budget savings, their rational distribution, increase the effectiveness of control (audit) measures, the formation of a transparent environment in the budget system [3, p. 28].

All audits conducted in the country must ensure the effectiveness of public administration, if this does not happen, it means that control measures are carried out in vain and, accordingly, the funds are used inefficiently.

The peculiarity of the system of public financial control in Ukraine is that the control bodies in the implementation of control and analytical measures state the fact of budget violation, when it is almost impossible to correct, correct or change something, thus losing the regulatory function of the control system to prevent violations and timely termination. Losses and losses to the state. In modern conditions, there is a need to change the paradigm of control, so that the system of public financial control prevents the occurrence of budget violations, and not state the fact of its implementation. Public financial control, as an integral part of the system of regulation of socio-economic processes, must be effective and efficient.

In modern conditions it is very important to learn how to effectively manage budget funds, because it allows for sustainable, dynamic socio-economic development of the country, achieving the planned strategic goals, providing an appropriate level of social services, improving the welfare of the population.

Currently, there is no transparent “economic field” in Ukraine, which would prevent corruption, fraud, budget violations. This requires the improvement of the legislative and regulatory framework, the definition by the state of clear rules for conducting economic activity, the search for reliable economic levers, methods and techniques to combat inefficient management of budget funds. Of course, this requires the improvement of existing mechanisms and methods of conducting audits and a general overhaul of the system of public financial control.

In Ukraine, the basic principles of the theory and practice of public financial control have not yet been formed, there are differences in definitions, interpretation of a term in various legislative acts, which slows down the process of modernizing the system of public financial control. Thus, a situation has been created which, in our opinion, does not allow to form an effective system of state financial control, to fight corruption, fraud, budget violations. Each of the controlling bodies acts within its powers and does not bear full responsibility for the quality implementation of the budget process, effective management of budget funds, objects of state and communal property.

There is no comprehensive approach to solving the problem of effective management and use of budget funds. There is no analysis of the reasons for non-compliance by participants in the budget process with norms, rules, principles of budget legislation, and therefore not sufficient measures are taken to correct the situation and prevent budget violations in the future.

Neither clarity nor clarity of the written legislation, lack of the effective mechanism of realization of budgetary principles constrain dynamics of social and economic development of the country, influence the decision of actual questions, including, increase of a standard of living and well-being of citizens.

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