

ACCOUNTING AND ANALYTICAL PROCUREMENT AND RESULTS OF STATE FINANCIAL CONTROL FOR THE PURPOSE OF IMPROVEMENT OF THE EFFICIENCY OF BUDGET FUNDS UTILIZATION

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ABSTRACT

It is proved that increasing the efficiency of budget funds utilization, which is crucial for the economic development of Ukraine, can be achieved, in particular, by systematically improving the system of state financial control. It has been determined that public financial control is an important tool in the system of control over budgetary funds, which allows to achieve the fulfillment of these tasks and to reduce the number of problematic issues.

The analysis of the activity of the State Auditor Services of Ukraine has been carried out, based on the results of which the financial impropriety and state of its elimination for 2016 have been described.

The analysis has revealed an increased attention to the organization of an effective system of financial control of budgetary institutions, the continuous improvement of the mechanisms of management and control over budgetary funds.

Keywords: Budgetary Institution, Budgetary Funds, State Financial Control, State Auditor Services of Ukraine, Taxes.

INTRODUCTION

One of the main problems that governments across the world are likely to face is the lack of budget resources for the state to fully fulfill its functions and to ensure the provision of constitutionally mandated civil rights. This sets a task before all the state structures, which involved in the budget process: ensuring the targeted and efficient allocation of budget funds.

The strengthening of financial control from the state for rational and efficient use of financial and material resources by budget institutions is becoming a top priority in recent years, as the number of violations in the budget sphere remains so significant that it requires continuous monitoring of the budget funds management efficiency.

MATERIAL AND METHODS

To achieve a defined goal, a complex of general scientific and special methods has been used: the method of system analysis and complex structures formalization; generalization and scientific abstraction; statistical method of data processing, grouping method.

RESULTS AND DISCUSSION

The main tasks of the state financial control body are: implementation of state financial control over the use and protection of the state financial resources, non-current and other assets, accuracy of demand determination in budgetary funds and liabilities incurrence, effective use of funds and property, the state and reliability of accounting and financial accountability in government departments and other executive bodies, state funds, funds of statutory state social insurance, budgetary authorities and economic entities of the public sector of the economy as well as enterprises, institutions and organizations receiving (received during the period audited) funds from budgets of all levels, state funds and funds of compulsory state social insurance, or use (used in the period audited) public or communal property, in compliance with budget laws, statutory compliance on public procurement, economic entities activities, irrespective of forms of ownership, which are not assigned by law to the controlled institutions, according to judicial decisions, adopted in criminal proceedings.

In accordance with the Law of Ukraine of 26.01.1993 No. 2939-XII On the Basic Principles of the State Financial Control Implementation in Ukraine (as amended) and the Regulation on the State Auditor Services of Ukraine, approved by the Resolution of the Cabinet of Ministers of Ukraine from February 3, 2016 No. 43, *“the main tasks of the bodies of the State Auditor Services of Ukraine are the implementation of state financial control aimed at assessing the effective, lawful, targeted, efficient use and preservation of public financial resources and budget savings achievement”*.

During the implementation of the state financial control measures, there are a number of cases of excessive need for budget funds, implementation of budget expenditures, which with the Budget Code and the Law on the State Budget are assigned to other levels of the budget (nontransferable proper authorisation), financing without approved budgets, etc. The implementation of such operations leads to excessive allocation of funds from budgets of all levels and, as a result, causes significant budget losses.

Thus, in the course of the state financial control implementation, the facts are established as for the overstatement the demand for budgetary funds, conducting expenditures out of public funds, which by Budget Code and the State Budget Law was taken to the budgets of another level (without the transfer of respective powers), financing without approved estimates, etc. The implementation of such operations leads to an unnecessary allocation of funds from budgets of all levels and, as a result, results in significant budget losses.

According to the Lima Declaration of Guidelines on Auditing Precepts, *“the tasks of the supreme financial control bodies are not only checking the legality and compliance of the allocation of financial resources and accounts maintenance but also monitoring the effectiveness and economy of their use”*. This type of audit is an important tool through which all interested parties can from within oversee the implementation of the Government's functions and the effectiveness of this activity.

During the performance of audits in international practice, the supreme financial control bodies use the guidelines developed by the International Organization of Supreme Audit Institutions (INTOSAI), within the framework of the International Standards of Supreme Audit Institutions (ISSAI),:

1. ISSAI 3000 *“Standards and guidelines for the performance of audit based on practical experience and INTOSAI standards”*.
2. ISSAI 3100 *“Guidelines for the performance of audits”*.

It is impossible to describe all approaches, methods and models that use the supreme financial control bodies of foreign countries for the performance of audits. However, it is necessary to highlight a number of methodological documents that are as accessible as possible, responding to international best practices, present the process and the specifics of auditing the effectiveness, in particular:

1. Guidelines for auditing the effectiveness of the Swedish National Audit Office.
2. Guidelines for auditing the effectiveness of the Office of the Auditor General of Norway.

International audit standards and experience in international control point out two principal provisions.

First, the issue of financial resources is the competence of financial audit, for auditing the effectiveness the main is how much the services cost, to which these funds are allocated.

Secondly, according to ISSAI 100, each effectiveness audit should have the task of examining one or more of these three aspects: economic efficiency in accordance with the principles, practices and management strategies based on rational decisions;

1. The effectiveness of the use of human, financial and other resources, including the study of information systems, performance indicators and organization of monitoring and procedures, which are followed by an audit object with a view to correcting certain deficiencies.
2. The effectiveness of activities in relation to the achievement of objectives set at the level of the object of the audit, and the actual impact from the activities compared with the planned impact.

By providing state control over the use of budget funds, with the state safe of public and municipal property maintenance, the State Auditor Services, within the limits of the powers granted by the legislation, during 2016 studied the main trends in the state property management and implemented transactions with state property and funds.

This control covers such important areas for society as education, health care and social protection of the population, science and culture, housing and communal services, fuel and energy and agro-industrial complexes, transport, defense, etc. Control measures during the year have been carried out in accordance with quarterly work plans.

In addition, the State Auditor Service's bodies conducted a number of control measures to fulfill the instructions of the Cabinet of Ministers of Ukraine, as well as at the request of law enforcement agencies.

The topics under which control measures have been carried out in most ministries, other central executive bodies, large enterprises of the state and municipal sectors of the economy, local self-government bodies, etc., Have been determined taking into account their relevance, social value, volumes of funds from the state and local budgets aimed at financing the budget programs and taking into account the risks of committing financial irregularities.

In total during the reporting year, the bodies of the State Audit Service of Ukraine conducted almost 2,700 control activities at more than 2,400 enterprises, institutions and organizations. With a view to 1 checked object, the volume of financial and material resources covered by the control in 2016 amounted to UAH 193 300 000. According to the results of audits and inspections more than 2.6 billion UAH losses of financial material resources revealed. In particular, budgets of all levels, budget institutions and organizations, enterprises lost the opportunity to receive revenues that they owe, in the amount of almost 1.3 billion UAH, including budgets of all levels more than 440,2 million UAH. At more than 1900 enterprises, institutions and organizations were found more than 1.3 million UAH of illegal expenses and

shortages of material financial resources, not spent for their intended purpose, including almost 780.4 million UAH for operations with budgetary funds.

As part of the systemic control over the elimination of deficiencies and violations that were identified by control measures, the following measures were taken to comply with the requirements of the State Audit Service in terms of recovering identified losses and ensuring personal responsibility of officials for violating financial and budgetary discipline:

1. more than 1,400 audit materials were transferred to law enforcement bodies; based on the results of the consideration of materials, law enforcement bodies began 669 pre-trial investigations, while the percentage of the number of pre-trial investigations initiated by the number of audit materials transferred to law enforcement bodies is 46.1%.
2. provided compensation for losses of financial material resources for a total of more than 611,5 million UAH (budgets, budget institutions, organizations and enterprises received almost 141,3 million UAH, as well as reimbursement of the resumption of illegal, non-earmarked expenditures and the shortage of resources for a total of more than 470,2 million UAH).
3. provided compensation for losses of financial material resources for a total of more than 611,5 million UAH (budgets, budget institutions, organizations and enterprises received almost 141,3 million UAH, as well as reimbursement of the resumption of illegal, non-earmarked expenditures and the shortage of resources for a total of more than 470,2 million UAH).
4. according to the analysis of public procurement (without access to the object of control by requesting documents) in the field of public procurement, violations were reported for a total of 4,7 billion UAH, of them canceled competitive bidding for a total amount of 3,8 billion UAH and terminated the concluded contracts amounting to 889,9 billion UAH.
5. within the framework of the state financial audit of certain business transactions (operational audit) of economic entities of the public sector of the economy as a result of the proper response of control objects to warnings of state auditors, illegal and inefficient spending of 275,9 million UAH of public resources was prevented.

In order to increase the level of management of local budget resources, optimize the expenditures of local budgets and strengthen their revenue, and within the framework of strengthening control over the implementation of local budgets, by 2016, the State Auditor Services provided 39 control measures on the implementation of local budgets of different levels, among which 22 are revisions and 17 audits. With the help of these control measures it has been revealed a number of problems and disadvantages in the state resources management, numerous cases of illegal and inefficient spending of budget funds, as well as the existence of substantial reserves for filling the revenue base of local budgets have been identified.

Detailed information regarding volumes of revealed and refund of such violations according to regions are presented in Table 1.

No	Region	Number of objects where irregularities have been detected when budgetary funds appropriation	The amount of detected violations when budgetary funds appropriation, (thous. UAH)		Amount of compensated violations when budgetary funds appropriation, (thous. UAH)	
			with state budget funds	with local budgets funds	with state budget funds	with local budgets funds
1	Vinnitsia oblast	1	42.84	0.00	0.00	0.00

2	Volyn oblast	5	1 720.58	3 092.30	0.00	0.00
3	Dnipropetrovsk oblast	1	4 728.80	0.00	0.00	0.00
4	Donetsk oblast	1	0.00	1 258.72	0.00	511.98
5	Zhytomyr oblast	3	823.15	52.27	823.15	0.00
6	Zakarpattia oblast	2	750.52	181.32	750.52	181.32
7	Zaporizhia oblast	3	1 389.05	284.58	0.00	0.00
8	Ivano-Frankivsk oblast	0	0.00	0.00	0.00	0.00
9	Kirovohrad oblast	1	0.00	1 406.28	0.00	0.00
10	Luhansk oblast	0	0.00	0.00	0.00	0.00
11	Lviv oblast	8	8 201.04	1 123.90	419.28	636.30
12	Mykolaiv oblast	1	0.00	63.69	0.00	0.00
13	Odessa oblast	1	60.16	0.00	0.00	0.00
14	Poltava oblast	0	0.00	0.00	0.00	0.00
15	Rivne oblast	4	188.12	0.00	166.82	0.00
16	Sumy oblast	5	2495.17	0.00	24.56	0.00
17	Ternopil oblast	7	203.16	402.92	19.30	30.00
18	Kharkiv oblast	1	66.65	0.00	66.65	0.00
19	Kherson oblast	3	37.12	8 131.45	37.12	925.60
20	Khmelnyskyi oblast	5	781.32	91.20	629.49	91.20
21	Cherkasy oblast	5	2 752.30	369.61	0.00	369.61
22	Chernivtsi oblast	3	19.20	672.68	19.20	0.00
23	Chernihiv oblast	5	457.59	284.71	457.59	142.97
24	Kiev oblast/ Kiev city	2	1 436.26	0.00	0.00	0.00
	In totality	67	26 153.03	17 415.63	3 413.68	2 888.98
	apparat SASU	0	0.00	0.00	0.00	0.00
	TOTAL:	67	26 153.03	17 415.63	3 413.68	2 888.98

The widespread financial infringements, which resulted in the loss of resources, are considered: conducting business operations on the sale of goods, works and services at discounted prices or free of charge; evasion of state and municipal enterprises from the accrual and transfer of part of the profits to the budget; expenses to inappropriate purpose; excess illegal (fictitious) payments on wages; shortages of tangible assets (valuables) and cash; failure to take measures to accrue or recover penalties provided for by the terms of the current agreement; alienation of property by illegal means; illegal remission of accounts receivable, which leads to loss of income; write-offs for the recording of tangible assets more effective standards or such that are generally not available; shortage of business income (takings) for property that is transferred to temporary use, rent; implementation, more specific volumes, of irrevocable assistance for charity, sponsorship, or exceeding the maximum size, etc.

During 2016, 3 state financial audits of business entities and state financial audit of the implementation of the city's targeted program for the provision of social services and other types of assistance to vulnerable groups of the population were conducted, following the results of which 24 proposals were submitted.

According to the results of the activities of the state financial audits, 52 proposals and recommendations have been taken into account (taking into account 23 provided in previous years), as a result of the introduction of which the economic effect of more than 3 million USD was received.

Within the limits of the rights and powers granted, appropriate measures were taken, as a result of which, during 2016, illegal, non-earmarked expenditures and the shortage of resources were reimbursed and resumed for a total of 23 million UAH.

The total amount of financial resources, which as a result of control actions were additionally received in budgets, budget institutions, organizations and enterprises, amounts to 7.4 million UAH.

The most large-scaled and widespread financial violations that resulted in the loss of resources are:

1. The sale of goods, works or services by economic entities (except for use, rent) free of charge or at bargain price - almost 351.8 Million USD.
2. Illegal expenses due to the payment of inflated value of performed work and/or provided services and overstatement of the number and cost of purchased goods 264.6 Million
3. Non-charging and failure to deliver (incomplete transfer) of receipts to the general and special (except for the slush fund of budgetary establishment) funds of the budget - almost 206.6 Million UAH.
4. Non-charging and failure to deliver by the state and municipal enterprises of the part of the profit to the budget - more than 156.9 Million UAH.
5. Illegal payments to individuals (compensation, benefits, privileges and subsidies, pensions, scholarships), including those who did not have the right to receive them or in excessive amounts - more than UAH 148.9 Million
6. Inappropriate expenses - almost 140.1 Million UAH.
7. Writing-off the funds for costs / expenses without the receipt of goods, works or services or in volumes higher than their actual value - more than 138.6 Million UAH.
8. Carrying out illegal (extra) wage payments - more than 111.7 Million UAH.
9. Lack of funds and property values - 80.1 Million UAH.
10. Non-payment and / or non-application of measures on recovery of amounts of penalties provided for by the terms of the agreement - 71.3 Million UAH.
11. Illicit alienation of property - 68.3 Million UAH.
12. Unreasonable covering of expenses of individuals or legal entities, including at the absence of accounts receivable - more than 58.6 Million UAH.
13. Loss of income due to write-off of accounts receivable - almost 55.4 Million UAH.
14. Excessive allocation (receipt) of budget funds to legal entities, beneficiaries owing to overstatement of the relevant calculations or who did not have the right to receive them - 51.4 Million UAH.
15. Liquidation (destruction, disassembly) of property, conducted contrary to the legislation - more than 51.3 Million UAH.
16. Coverage of the estimated cost of the special fund at the expense of the general fund (without the restoration of cash fund expenditures of the general fund) - almost 46.0 Million UAH.
17. Payment of contributions to state target funds for illegal sums for remuneration of labor or for an overcharge charge rate of almost 42.7 Million UAH.
18. Underpayment of income from the sale of free-of-charge goods, services from business entities by budget institutions - over 29.0 Million UAH.

19. Overdue write-off for accounting of intangible assets that are not available - 23.4 Million UAH.
20. Insufficient payment, from the side of business entities, thr appropriate income for property, granted for use, rent - 22.7 Million UAH.
21. Expenditures on charitable, sponsorship and other non-refundable assistance exceeding specified volumes or exceeding the maximum amount - 22.6 Million UAH.
22. Implementation at the expense of the budget of one level of expenditures, which in accordance with the budget law should be implemented from the budget of another level - 22.4 Million UAH, etc.

The main reasons of such violations are low quality of internal control and irresponsible attitude by many budget managers and managers of enterprises, institutions and organizations.

State Auditor Services provides systemic control over the elimination of deficiencies and violations detected by control measures and completeness of requirements fulfillment of the State Service. So, in order to properly respond to violations of law enforcement authorities in 2016, over 1,4 thousand revision materials have been handed over.

Based on the results of control measures consideration during the reporting year, 669 pre-trial investigations have been initiated.

The provided data indicate the need for increased attention to the organization of an effective system of financial control of budgetary institutions, continuous improvement of the mechanisms of management and control of budgetary funds.

State financial control over compliance with budget legislation in budgetary institutions is aimed at ensuring effective and efficient management of budget funds and is carried out at all stages of the budget process by its participants in accordance with the Budget Code and other legislation, and provides:

1. Budget funds management assessment (including conducting state financial audit).
2. Correctness of accounting and reliability of financial and budget reporting.
3. Achieving the savings in budget funds, their target use, efficiency and effectiveness in the activities of budget funds managers by adopting sound managerial decisions.
4. Conducting the analysis and evaluation of the state of financial and economic activity of budget funds managers.
5. Preventing violations of budget legislation and ensuring the interests of the state in the process of managing state-owned objects.
6. Substantiation of the planning of budget revenues and expenditures.

In the course of preparation for revision, a program of audit is compile in duplicate in which the name of the object of control by the specialists of the State Auditing Services of Ukraine; the subject, period and issues subject to audit in accordance with the competence of the service are determined.

Table 2				
Program of audit of financial and economic activity for the period from __ to __				
№	Auditing objectives		Lead time	Executor
1	2		3	5

Also, before the beginning of each audit, involving more than two persons (auditors, specialists involved), a working plan of the audit is drawn up.

The work plan is drawn up and signed by the head of the audit team and approved by the head of the relevant independent structural unit of the State Auditing Services of Ukraine or by the head or specialists substituting him.

Before the beginning of the audit, the head of the audit team provides an overview of the work plan (under the painting) of all members of the audit team.

Thanks to the measures taken during 2016, the State Auditor Services and its territorial bodies have provided compensation for losses of financial and material resources for a total amount of more than 611.5 Million UAH. So, budgets and budget institutions, organizations and enterprises received almost 141.3 Million UAH, as well as reimbursement and renewal of illegal, misplaced expenditures and a shortage of resources for the total amount of more than 470.2 mln. UAH.

In particular:

1. Held by the executors of additional works, provided services or delivered goods more than on 77.0 Million UAH.
2. Carried out netting of costs and adjustments of settlements totaling 33.1 Million UAH.
3. Offset by a special fund the illegal expenditures made from the general fund estimates institution, organization (was to be made in special fund) - with over 18.0 Million UAH.
4. Reduced budget allocations / allocations to budget funds administrators (including independently by the control bodies of control objects during the audit) for violations of excessive allocation of budget funds - in the amount of almost 30.5 Million UAH and for violations of misuse of budget funds - over 45.1 Million UAH.
5. Adjusted payments with state social insurance funds (including credited to future payments) - by 19.3 Million UAH.
6. Returned funds to the accounts of the enterprise, institution or organization of state and communal ownership - more than 31.6 Million UAH.
7. Funds have been returned to local budgets (except for the special fund of budgetary institutions) - 68.3 Million UAH, as well as returned to the state budget (except for the special fund of budget institutions) - 25.2 Million UAH.
8. Excessively paid salaries from persons who received them unreasonably (superfluously) on their applications were kept - almost 17.6 Million UAH.
9. Returned illegally alienated property of state and communal property - by almost 6.0 Million UAH.
10. Recovered funds from the guilty persons (including overdue paychecks) were collected almost 14.1 Million UAH.
11. Returned material assets (in the amount of shortage) - almost 6.8 Million UAH.
12. Received additional revenues to local budgets (except for the special fund of budget institutions) for the amount of more than 62.7 Million UAH.
13. Received incomes to the accounts of enterprises (institutions, organizations) of the state form of ownership - almost 24.3 Million UAH and communal ownership - more than 6.2 Million UAH.
14. Received incomes to the special fund of budgetary institutions and organizations financed from the state budget - more than 5.1 Million UAH, and also financed from local budgets - almost 8.4 Million UAH.
15. Received revenues to the state budget (except for the special fund of budget institutions) - 16.2 Million UAH and so on.

In particular, during January-December 2016, the State Auditor Services provided state and local budgets with the funds set forth in the Resolution of the Cabinet of Ministers of Ukraine dated February 16, 2011 No. 106 "*Some Issues for Taxes, Duties, Payments and Other*

Budget Revenues Accounting" (with amendments) by codes of budget classification in the aggregate in the amount of more than 87.5 Million UAH, which is 9.3% higher than the corresponding data for 2015.

In its turn, filling the state and local budgets according to the results of control measures of the State Auditor Services for the codes of the budget classification of incomes, the control over the proceeds for which have not been fixed for the State Auditor Services in accordance with the Resolution number 106, in 2016 amounted to a total of more than 41.9 Million UAH, the share of which or more than 95% - revenues to local budgets.

In addition to this, the State Auditor Services bodies are taking other measures in the part of the materials of control measures implementation.

Thus, according to the results of the analysis of public procurement (without access to the object of control by means of a request for documents), the bodies of the State Auditor Services for the reporting period prevented violations in the field of public procurement for a total amount of 4.7 bln. UAH, of which abolished competitive bidding for a total of 3.8 bln. UAH and contracts concluded amounting to 889.9 Million UAH have been canceled.

Also, within the framework of carrying out an operational audit of economic entities of the state sector of the economy, as a result of the proper response of control objects to reservations of state auditors during January-December 2016, illegal and inefficient spending of state resources was forbidden against the total amount of 275.9 Million UAH.

The authorities of State Auditor Services pay the considerable attention to personal responsibility of officials who violate the financial-budgetary discipline.

In 2016 for breach of financial discipline for administrative responsibility (articles 164-2, 166-6, 164-12 and 164-14) as a whole were attracted more than 5.4 million public officials for the total amount of administrative fines of more than 1.8 Million UAH.

To disciplinary action in the reporting period have been attracted 1081 officials, of which 134 is dismissed, to the material 771 persons.

In order to induce control objects to fulfill the requirements for compensation of identified losses of financial and material resources, the State Auditor Services has brought to court in the interests of the state 143 lawsuits in the amount of more than 62.2 Million UAH. In addition, 376 civil actions were initiated before the prosecutor's office, the object of control or its governing body, and another state body.

During 2016, the State Auditor Services provided almost 1.7 thousand opinions and suggestions on the application of financial sanctions. In whole, according to the results of the control measures, in 139 cases budget allocations were suspended, in 1194 - operations with budget funds were stopped and 114 budget administrators were reduced budget allocations for almost 30.3 Million UAH.

The proper interaction between the bodies of the State Auditor Services and the bodies of the State Financial Inspectorate is one of the factors on which the effectiveness of the tasks and functions entrusted to the bodies of the State Auditor Services on the provision of an adequate level of fiscal discipline in the context of taxes payment in the state.

Taking into account the above mentioned facts, the issue of its improvement is under constant control of the State Service. Representatives of the SASU bodies are constantly involved in conducting joint actions with the bodies of the State Financial Inspection aimed at identifying and stopping abuses and violations in the financial and economic sphere of the state, including the budgetary field.

CONCLUSIONS

Consequently, the state financial control over accounting in budgetary institutions should be considered as a multi-faceted and complex system of checking the legality, timeliness and completeness of the formation of items of income and expenditure, the targeted use of budget funds for the relevant items of expenditure, as well as the analysis of rational and their effective use.

In particular the state financial control that should ensure proper (economic, effective, efficient and transparent) public finance management.

That is, state financial control is an integral part of budget institutions stimulus spending and is intended to ensure the process of creating reliable information on the state of accumulation and use of budgetary funds, as well as the effectiveness of fiscal regulation to take timely and appropriate measures.

As a result of the conducted research, we believe that to improve state financial control, an increase in the level of its implementation efficiency must be ensured:

1. Development of common conceptual bases for the organization of state financial control, standardization of forms and methods of control activity.
2. Adoption of standards for the implementation of state financial control to create an effective mechanism to counteract violations of law and abuse in the sphere of use of budgetary funds, state and municipal property.
3. Optimization of the organizational structure, clarification and delineation of the functions of the state financial control authorities; adherence to international principles of financial control at the state and regional levels, adaptation of the system of state financial control to European requirements.
4. Introduction of preventive forms of state control in the work of controlling entities.
5. Strengthening the responsibility of managers at all levels of government and clearly establishing its boundaries in legislation.
6. Creation of a single automated information and analytical base in the sphere of state financial control with the possibility of using it at the local level.
7. The use of a risk-oriented approach in the selection of inspection objects among budget enterprises, institutions, organizations and enterprises using budgetary financial resources or state property.

To date, in Ukraine, the following types of state financial control of budgetary institutions are used: financial and economic audit, state purchases and inspections inspection. The introduction of these types of financial control, taking into account the Standards for State Audit of Public Finances, contributed to increasing the efficiency of using budget funds. However, this analysis allowed revealing the main problems in the field of state financial control of budgetary institutions, which are the reason for a rather high level of violations of legislation. In order to increase the effectiveness of the state financial control of budgetary institutions, it is necessary, first of all, at the legislative level: to unite in a single system financial audit, checking the state purchases and budget institutions inspection; to develop a methodology for the above control measures implementation; to develop and implement a methodology for determining and assessing the risks of financial and economic activity of budgetary institutions in accordance with the fields of activity. Solving these issues will reduce violations in the financial and budgetary sphere, improve the management of financial, material and labor resources of budget institutions, as well as fulfill their functions and tasks to achieve socially important goals for society.

An important requirement for the construction of a modern system of state financial control at all levels of management is the monitoring on the basis of ensuring a clear interaction and coordination of efforts of all participants in financial and budgetary relations for solving the tasks of state financial control. The modern system of state financial control should be designed in such a way that it can be quickly and efficiently adjusted to meet new issues and challenges.

Thus, only a comprehensive implementation of the above activities will ensure the best effect from their implementation.

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