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DEVELOPMENT OF STATE FINANCIAL AND ECONOMIC AUDIT IN UKRAINE

Abstract *The work is devoted to the study of the origin and development of the state financial and economic audit. The purpose of article was to study the occurrence of the state financial and economic audit and its role and impact on the enterprises of public sector of economy.*

The author examines the experience of state financial control in democratic countries, namely the scope of control; especially the organization of control; principles of financial control system; basic principles of the independence and accountability of higher authorities and their powers.

Keywords Audit, state financial control, state audit, state financial audit, state finance and economic audit.

1. Introduction Further development of market relations in Ukraine requires reorganization of the control system - functioning and adequate forms of control subjects. Becoming non-state enterprises require the introduction of new forms of control - audit.

Audit - a checking of public accounting reporting, of accounting, of primary documents and other information on financial and economic activity of the entity to determine the reliability of reporting, accounting, its completeness and compliance with applicable laws and established standards.

The next stage of the audit in Ukraine is characterized by studying the possibilities of using audit in the public sector.

2. Formulation of the problem The purpose of the article - to examine the emergence of state financial and economic audit and its role and impact on state sector enterprises, and compare with the state financial control and independent audit.

3. Results Resolution of the Cabinet of Ministers of 31.12.2004., № 1777 approved the procedure for the bodies of the state control and audit of financial and economic activity of budgetary institutions.

For the first time in our legislation the term "audit" in the context of public finance was used in the Budget Code of Ukraine. According to which, namely art. 26 external control audit of financial and economic activity of budgetary institutions by the Accounting Chamber (regarding audit the state budget) and State Financial Inspection in accordance with the powers defined by applicable law. Thus, the Budget Code requires public bodies and spending money auditing. But the said audit is not the audit conducted in accordance with the Law of Ukraine "On Auditing", according to art. 3 of which audit - checking of accounting and financial reporting indicators entity so as to express an independent audit opinion on its reliability in all material respects and compliance with the laws of Ukraine and regulations (standards) accounting or other rules (internal regulations subject of entity objects) according to the requirements of users. An audit carried out by independent persons (auditors), audit firms authorized entities to conduct it.

According to the order of, state financial inspection, audit of financial and economic activity of budgetary institutions (financial and economic audit) - a form of financial control, which is aimed at preventing financial violations, promotes the effective use of state and municipal property, accuracy of accounting and reliable financial reporting. As a result of the state audit is not imposed administrative penalties, and issued a report which provided concrete proposals for improving financial discipline of enterprises.

The main task of the financial and economic audit is to help public institutions to ensure the correctness of accounting, law of budgetary funds, state and municipal property, the preparation of reliable financial statements and organizing effective internal financial control.

State financial and economic audit includes:

- In the year of monitoring budget entity of financial statements, including the use of databases of the State Treasury;
- conducting in the case of detection the monitored of financial reporting of budgetary institutions risky operations, audit of budget funds of state and municipal property, accuracy of accounting, preparation of reliable financial statements;
- the study system of internal financial controls, including the quality of its organization;
- leadership preparation of budget entity of proposals to address identified deficiencies and violations of the monitored its of financial reporting and / or inspection;
- the tracking removal budget entity the leadership shortcomings and violations detected by the monitoring results of its of financial reporting and / or inspection;
- to express an opinion on the level of reliability of financial reporting budgetary institutions, the degree of compliance with its law officials on financial questions and complete consideration of the proposals made in the course of financial and economic audit.

The financial and economic audit conducted by state financial inspection plans are drawn up and approved in accordance with the law.

In budgetary institutions, where the financial and economic audit, audits and inspections at the initiative of public of financial service are not planned.

After analysis of the publications of the subject, we can make the following comparison chart performance audit, audit and state financial and economic audit.

Table 1 Comparison of revision, audit and state financial and economic audit

Characteristics	Revision	Audit	State financial and economic audit

The purpose	Elimination of shortcomings	Reduction of flaws	Establishing legitimacy and effectiveness of state or municipal of funds and property of the legality of the financial management and operation of the internal control system
	Liquidation of abuse	Restrictions of abuse	
		The elucidation of the true causes of flaws	
	Providing the maximum accuracy of the data	The approximate accuracy of the data	
Task	Determination of the appropriateness and legality of ongoing business operations and their recording and reporting	Evaluation of accounting and internal control, definition of the credibility and legitimacy of accounting and reporting	Promoting public institutions to ensure the correctness of accounting, law of budgetary funds, state and municipal property, the preparation of reliable financial statements and organizing effective internal financial control.
Person	The inspectors of government financial inspections	Audit firms (auditors) that are registered in the APU	Produced by public financial inspection
Object	State of accounting and reporting, storage of property	Accounting system and internal control business entity	The activities and functions of public authorities, budgetary institutions and organizations - recipients of public funds, state or municipal property and entities in the public sector, etc
The initiators	Appointed subjects of administrative law	Auditor client chooses itself	Appointed subjects of administrative law
Sources of finance	Implemented by the subject of administrative law	At the expense of the audited entity	Implemented by the subject of administrative law
The time factor	Revision has always existed	Аудит є продуктом розвитку ревізії в особливих економічних	Форма державного фінансового контролю
Registration results	The act of revision	Auditor's Report	Recognized in the statement

Users information	Management of labor groups, parent organizations	The owners (shareholders, investors, private individuals); administration; public bodies (Tax Administration, the State Property Fund of Ukraine); banks, etc	Financial institutions and State Treasury
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After analyzing the table, we can conclude that from tight control in the form of audits and inspections of the state is trying to move not fiscal forms of control aimed at not only are violations as preventive and efficiency of management in the public sector.

Thus the state of financial and economic audit (state audit) - a specific kind of state financial control, implemented by the financial-economic activity of a business entity to determine the accuracy of its accounting and financial reporting reliability indices.

Different countries use quite different approaches to the organization and functioning of financial and administrative control in the public sector. This is due to factors such as historically adopted country government, form of government, especially the division of functions between the branches of government and the degree of democratic society.

In 1977, at the IX Congress of the International Organization of Supreme Audit Institutions, which was established in 1953. (INTOSAI), adopted the Lima Declaration on the Guiding Principles of financial control, which in terms of international law is not required for use. In her declared position of State Financial Control in democracies, in particular: scope of control; features of control; principles of financial controls; principles of independence and accountability of Supreme Audit Institutions and their powers.

INTOSAI Standards governing principles and principles of state audit at the global level and conditional consist of the following components:

- Basic principles: the degree of utilization standards of Supreme Audit Institutions; form their own views of the different situations of the audit; mandatory

reporting procedure; methodological approaches for the audit; efficiency technology verification.

- General standards: the level of qualification of the auditor; requirements for personnel policy; development and compliance procedures necessary to implement this policy; opportunity and reason to attract experts from outside; order of the auditors of information systems; professional ethics.

- Standards of the Auditing - dedicated to the most important issues of audit methodology: planning; order of supervision over the management audit; sequence of analysis; evaluation of the effectiveness of internal controls; assessment of the legality of financial transactions; adequacy requirements and compliance with evidence; Finn procedure for analyzing reports.

- Rules of reporting. INTOSAI standards also define the content and types of audit reports and audit reports.

According to the specified standard full extent of state audit implemented two types of control: financial audit accuracy and compliance audit and administration.

The Regional INTOSAI Working Group exercise professional support public sector auditing by exchanging experiences and ideas, and creating professional standards, guidelines, methodological and other guidance materials on financial and administrative audits.

4. The conclusions Since Ukraine is still under development of market relations, public financial control plays an important role in ensuring financial discipline. It's one of the ways the state budget, a tool to combat crimes in the area of financial relations, a way to preserve state property and funds. In addition, the efficiency of the control functions promotes the State's international community. These requirements are met by this latest form of control as " State audit".

The current state financial audit - a complex process, covering various areas of management. It starts with obtaining the necessary information about the state agency (institution or organization), its activities, the main functions of leadership ability to do their job.

The main criteria for state financial audit is profitability, productivity and efficiency. These criteria are not accidentally closed it at last - efficiency.

The concept of efficiency as it is interpreted by foreign scientists is how to effectively and efficiently ministry, department or agency spends resources to achieve their goals.

Thus, at the present stage of development of the state financial control is becoming more state financial and economic audit.

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АНОТАЦІЯ

Стаття присвячена вивченню питань виникнення та розвитку державного фінансово-господарського аудиту. Метою статті стало вивчення виникнення державного фінансово-господарського аудиту та його роль і вплив на підприємства державного сектора економіки.

Автором досліджується досвід розвитку державного фінансового контролю у демократичних країнах, а саме: сфера застосування контролю; особливості організації контролю; принципи побудови системи фінансового контролю; засади незалежності та підзвітності вищих органів та їх повноваження.

Ключові слова: аудит, державний фінансовий контроль, державний аудит, державний фінансовий аудит, державний фінансово-господарський аудит.

АНОТАЦИЯ

Статья посвящена изучению вопросов возникновения и развития государственного финансово-хозяйственного аудита. Целью статьи стало изучение возникновения государственного финансово-хозяйственного аудита и его роль и влияние на предприятия государственного сектора экономики.

Автором изучается опыт развития государственного финансового контроля в демократических странах, а именно: сфера применения контроля; особенности организации контроля; принципы построения системы

финансового контроля; основы независимости и подотчетности высших органов и их полномочия.

Ключевые слова: аудит, государственный финансовый контроль, государственный аудит, государственный финансовый аудит, государственный финансово-хозяйственный аудит.

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