

PROBLEMI FINANSIJSKE KONTROLE LOKALNE VLASTI

ACTUAL PROBLEMS OF FINANCIAL CONTROL OF LOCAL GOVERNMENT

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Summary

The organization of system of financial control in Ukraine there are a number of problems that reduce the level of fiscal discipline in the region. Scope of the audit of local finance is the most complex in the development of local government.

Implementation of effective state government financial control over the receipt , allocation and expenditure of state resources is an integral and important function of public administration. Modern financial relationships require highly skilled management by state and local authorities , who have to ensure the effective and efficient management of public finances , both at national and local levels. The relevance of this issue is related to the existence of problem areas in the system of financial control at the regional and local levels. An inadequate legal framework , the lack of an integrated system that provides control order ineffective reporting on Auditing activities. lack of systematic monitoring, use of outdated methods of retrospective and poor control of the system of local finance departments became the basis for the spread of abuse and manipulation of financial and material resources . Therefore, strengthening financial control by the state over the management and effective use of finances by local financial authorities recently becomes paramount as the number of violations for the implementation of local budgets are so high that requires continuous monitoring of the effectiveness of budget management .The Law of Ukraine "On Local Self-Government" determined that the state financial control over the activities of agencies and officials of local self-government can only be made on the basis and within the limits and in the manner specified by the Constitution of Ukraine and laws of Ukraine , and should not lead to interference by government or their officials in the implementation of local self-government granted them their powers .

However, in the government's concept of public internal financial control , local authorities referred to the public sector. A Law of Ukraine "On Local Self-Government" in no way considers the functions and powers of local government in the state sector. All this gives reason to talk about deregulation and legislative framework discrepancy legal acts concerning state financial control at the regional and local levels. After analyzing the system of state financial control at the local level, we concluded that the lack of effectiveness of existing financial controls , including financial control of local authorities. The primary need is to improve legislation on financial control at the local level. We agree with the views of leading scientists that one of the ways of improvement of financial control is to increase the effectiveness of preventive control on the part of the Treasury , in coordination with the executive power and the State Tax Administration .

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However, we propose to enable the local financial authorities also independently control the financial activities of local governments. It is advisable to enable local governments to create the structure of their financial departments to monitor the collection of local taxes and fees. Necessary to improve the methods of control procedures, replace outdated methods of retrospective control by modern methods that are not aimed at detecting violations and prevent them in the future.

Based on the priority of the state policy of Ukraine's accession to the EU, an important aspect in this process is the adaptation of the system of state financial control to EU requirements. This is a fulfillment of Ukraine requirements of Chapter 28, "Financial Control" document "Acquis communautaire" and the provisions of the Lima Declaration of Guidelines on control. Necessary in the context of public administration reform, which started in Ukraine in general change approaches to the concept of "control" and bring it closer to the European interpretation. The monitoring system should be aimed at correcting violations and preventing them in the future. The system of financial control at the local level should be permanent. To build an effective system of financial control in Ukraine that provides a stable state of fiscal discipline in the region is possible only in the presence of effective internal control system in local authorities at all levels, ie, system of municipal financial control. For this purpose it is necessary to develop and approve in law present an updated model of the system of financial control in Ukraine.

All this will improve the activity of control subjects, their interaction will facilitate the coordination of financial control at the local level, and will ensure that local budgets and adherence to fiscal discipline.

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