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DEVELOPMENT OF THE STATE AUDIT IN UKRAINE

РОЗВИТОК ДЕРЖАВНОГО АУДИТУ В УКРАЇНІ

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Balan A.A., Dombrovska V.M. Розвиток державного аудиту в Україні. Оглядова стаття.

Україна, як і більшість країн світу, постійно стикається з проблемами корупції, відсутності ефективного управління та недостатньою прозорістю діяльності державних структур. Державний аудит є важливим інструментом, який дозволяє виявляти порушення законодавства та ризики, пов'язані з недбалістю чиновників та недостатньою ефективністю системи управління державою. Метою роботи є дослідження і аналіз процесу розвитку системи державного аудиту в Україні, визначення факторів, що впливають на його ефективність, та розгляд можливостей подальшого удосконалення даної системи. Об'єктом дослідження є система державного аудиту в Україні, яка включає в себе правову базу, органи державного аудиту та процедури проведення державного аудиту. Система державного аудиту в Україні розвивалась протягом останніх 30 років, відповідно до змін в економічній, соціальній та політичній сферах країни. Перші кроки в створенні системи державного аудиту були зроблені в 1991 році, коли Україна стала незалежною державою.

Ключові слова: державний аудит в Україні, державний фінансовий контроль, незалежний аудит, внутрішній аудит, Державна аудиторська служба України

Balan A.A., Dombrovska V.M. Development of the State Audit in Ukraine. Review article.

Ukraine, like most countries of the world, constantly faces the problems of corruption, lack of effective governance and lack of transparency in the activities of state structures. State audit is an important tool to identify violations of the law and the risks associated with the negligence of officials and the lack of efficiency of the state administration system. The purpose of the work is to study and analyze the process of development of the state audit system in Ukraine, to identify the factors affecting its effectiveness and to consider the possibilities for further improvement of this system. The object of the study is the system of state audit in Ukraine, which includes the legal framework, state audit bodies and procedures for conducting state audit. The system of public audit in Ukraine has evolved over the past 30 years in accordance with changes in the economic, social and political spheres of the country. The first steps to create a state audit system were taken in 1991, when Ukraine became an independent state.

Keywords: state audit, state financial control, independent audit, internal audit, State Audit Service of Ukraine

The relevance of the topic of the article lies in the fact that state audit is an important component of the system of control over the activities of state bodies and enterprises, as well as a factor of effective state management as a whole.

Ukraine, like most countries of the world, constantly faces the problems of corruption, lack of effective management and insufficient transparency of the activities of state structures. State audit is an important tool that allows you to identify violations of legislation and risks associated with the negligence of officials and insufficient efficiency of the state management system.

Analysis of recent researches and publications

Scientific development of this question was carried out by: M. Bilukha, A. Arsens, J. Lobbek, L. Budnyk, I. Golyash, S. Stolyarova, V. Galkin, V. Zhuk, S. Golov, L. Dikan, Y. Slobodanyk, K. Melnyk, N. Zdyrko and others.

The aim of the article is research and analysis of the process of development of the state audit system in Ukraine, identification of factors affecting its effectiveness, and examination of the possibilities of further improvement of this system.

The main part

The object of the research is the state audit system in Ukraine, which includes the legal framework, state audit bodies and state audit procedures.

The state audit system in Ukraine has developed over the past 30 years, in accordance with changes in the country's economic, social and political spheres. The first steps in creating a state audit system were made in 1991, when Ukraine became an independent state.

In 1992, the first version of the Law of Ukraine "On State Control in Ukraine" was adopted, which established the legal basis for conducting state audits in the country. Beginning in 1993, work began on the

creation of the National Audit Service, which became the main state audit body in Ukraine.

During the 1990s, the state audit system developed rather slowly, as Ukraine was in the stage of forming a market economy and a democratic legal state

system. However, since the 2000s, the development of state audit has become more active, when new laws and provisions regulating state audit were adopted, in particular the Law of Ukraine "On State Audit" and "On Auditing Activities" [3].

Table 1. Stages of formation and development of state audit in Ukraine

Stage	Description	The results
Stage 1: Beginning of the reform of the state audit system (1991-1997)	Adoption of the Law "On the State Audit Service of Ukraine" Establishing the basic principles of state audit Creation of the State Audit Service of Ukraine (SASU) Training of auditors and development of professional standards has begun.	Creation of the legal framework and institutional structure of state audit. Beginning of the process of training professional auditors. Establishing the basic principles and standards of state audit.
Stage 2: Strengthening and development of the state audit system (1998-2010)	Implementation of international standards of state audit Expanding the powers of the State Audit Office and increasing its autonomy Strengthening control over compliance with professional standards Development of mechanisms for involving audit organizations in state audit.	Increasing the role of international standards and improving the quality of state audits Strengthening the autonomy and powers of the State Audit Office Improving the professional level of auditors and involving audit organizations in conducting state audits.
Stage 3: Implementation of innovations and international cooperation (2011-present)	Introduction of electronic document flow and electronic reporting. Development of analytical software and use of big data in state audit. Strengthening of international cooperation in the field of state audit. Application of modern technologies and audit methods.	Improving the process of collecting and processing audit information Ensuring fast and effective audit with the help of analytical software Expanding international cooperation and implementing the best practices of state audit Using advanced technologies and audit methods to improve efficiency and quality of work.

Source: authors' own elaboration

The state audit system in Ukraine has gone through several stages of development, which contributed to its gradual formation and strengthening.

The first stage (1991-1997) was aimed at establishing the legal basis and institutional structure of the state audit, as well as at the training of auditors and the development of professional standards.

The second stage (1998-2010) was characterized by the strengthening of the state audit system through the introduction of international standards, the expansion of the powers of the State Audit Service of Ukraine (SASU) and the enhancement of the role of audit organizations [4].

The third stage (2011-present) covers innovative changes in the state audit system, such as the introduction of electronic reporting and the use of modern technologies and audit methods. The importance of international cooperation to share best practices is also emphasized.

In general, the development of state audit in Ukraine includes the creation of a legal framework, strengthening of the institutional structure, raising the professional level of auditors and the use of advanced technologies. This process contributes to improving the efficiency and quality of state audit in the country.

The mission of the public audit is to inform society about the results of an independent professional assessment of the activities of state authorities and local self-government bodies and to develop recommendations for the modernization of public administration and financial control. The purpose of public audit is to increase the transparency,

efficiency and effectiveness of management decisions in the public sphere, responsibility and accountability of public authorities to society.

The process of implementing a public audit is accompanied not only by difficulties, but also by certain advantages. In particular, among the advantages of the implementation of public audit, it is possible to note not only the possibility of increasing the efficiency of the work of authorities, but also ensuring public examination at a high level, reducing the level of corruption and abuse by officials, increasing the effectiveness of the implementation of democratic principles and the effectiveness of public administration in general. In addition, the introduction of public audit contributes to increasing the level of public trust in authorities [8].

The problem of insufficient independence of the regulatory bodies is the most critical. To overcome this problem, it is necessary to ensure the autonomy and independence of regulatory bodies through legislative changes and the introduction of control over external influence on their work.

The insufficient effectiveness of financial control requires the improvement of the qualifications of employees of control bodies, the introduction of modern information technologies and the development of effective control methods [3].

Transparency and openness of financial control require the establishment of requirements for public availability of information, the development of public monitoring mechanisms and the provision of access to control results.

Table 2. Catalog of problems of the development of state financial control and directions for their solution

Problem	The task of overcoming it	Performance analysis
Insufficient independence of control bodies	Ensuring the autonomy and independence of supervisory bodies Strengthening legislative guarantees of the independence of supervisory bodies Development and implementation of control mechanisms for the influence of external factors on the work of supervisory bodies	High
Insufficient efficiency of financial control	Improving the qualifications of employees of controlling bodies Introduction of modern information technologies into the process of financial control Development and implementation of effective control methods and standards	Average
Insufficient transparency and openness of financial control	Establishing requirements for public availability of information on financial control Development and implementation of mechanisms for public monitoring of financial control Ensuring access to information on the results of financial control	Average
Insufficient coordination between regulatory bodies	Establishment of mechanisms for interdepartmental coordination and cooperation between control bodies Creation of a platform for information exchange and coordination of control measures Development of joint strategies and action plans between control bodies	Average

Source: authors' own elaboration

Insufficient coordination between regulatory bodies requires the establishment of interdepartmental coordination mechanisms, the creation of a platform for information exchange and a joint action plan.

In general, solving these problems requires a systematic approach and joint efforts by all interested parties in order to improve the development of state financial control in Ukraine.

Table 3. Directions of digitalization of state audit in Ukraine

The direction of digitization	The goal of digitization	Task	The degree of resolution of the task
Introduction of electronic document flow	To ensure fast and secure exchange of information	Development and implementation of electronic documents and reporting forms Installation of electronic signature and authentication system Creation of a centralized electronic document exchange system between audit organizations and state bodies;	High
Development of electronic storage of information	Ensure effective storage and access to audit information	Development of a centralized electronic database for storage of audit documents Development of a document search and archiving system Ensuring security and confidentiality of stored data;	Average
Introduction of analytical software	To improve the effectiveness of audit activities and audit quality	Development and implementation of software for the analysis of large volumes of data Creation of automated analytical tools to identify unreliable reporting and audit risks Training auditors in the use of analytical tools.	Low
Implementation of electronic reports and monitoring	Provide operational reporting and control over the performance of audit tasks	Development and implementation of electronic reports and templates for audit reporting Creation of a system of monitoring and control over the performance of audit tasks Ensuring the exchange of information between audit organizations and state bodies.	Average

Source: authors' own elaboration

The specified degree of resolution of the task is an assessment based on the level of implementation and progress of the relevant tasks in the direction of digitization of the state audit in Ukraine [5].

The audit committee of an enterprise of public interest or a body (subdivision) entrusted with supervisory functions must ensure:

— informing the general meeting of shareholders (participants) or other higher management body in

accordance with the legislation, the management body or the supervisory body of the enterprise about the results of the mandatory audit of financial statements;

- monitoring the process of drawing up financial statements and providing recommendations and proposals to ensure the reliability of information;
- assessment of the effectiveness of internal control systems (internal audit in accordance with international standards of professional practice of internal audit) and enterprise risk management;
- monitoring the performance of mandatory audit of financial statements;
- assessment of the independence of audit entities that provide statutory audit services;
- conducting a transparent competition for the selection of subjects of audit activity and substantiating recommendations based on its results [9].

The actual situation in a number of regions shows the problems in solving this issue: the lack of understanding by the deputies of local councils and their leaders of the role of supervisory boards, a formal approach to their formation at the level of local self-government bodies, and as a result - conducting a formal audit or not conducting an audit of financial statements at all.

These bodies make all decisions regarding the use of community property, its accounting, control and audit independently, based on the principles of autonomy.

Currently, the Government of Ukraine has adopted the Procedure for the publication of information on the activities of state unitary enterprises and economic associations [9]. At the time of development and approval of the criteria for classifying state and communal unitary enterprises as those whose financial statements are subject to mandatory audit.

The implementation of electronic document management in the state audit in Ukraine has a high level of task resolution. Thanks to the development of electronic documents and reporting forms, the installation of an electronic signature and authentication system, as well as the creation of a centralized electronic document exchange system, a quick and secure exchange of information between audit organizations and state bodies is ensured.

The development of electronic storage of information in the state audit has an average level of resolution of the task. Although a centralized electronic database for the storage of audit documents and a system for searching and archiving documents have already been developed, it is still necessary to ensure the security and confidentiality of the stored data.

Implementation of analytical software in the state audit has a low level of resolution of the task. Although there is a need for the development and implementation of software for the analysis of large volumes of data and automated analytical tools, this

direction needs more attention and effort to achieve the set goals [3].

Implementation of electronic reports and monitoring in the state audit has an average level of task resolution. The development of electronic reports and templates, the creation of a monitoring and control system, as well as the exchange of information between audit organizations and state bodies have already begun, but still require further development and improvement.

In general, it can be concluded that the digitization of the state audit in Ukraine is moving forward, in particular in the direction of electronic document circulation and information storage. However, there is a need to intensify the development of analytical software and electronic reports, as well as to ensure complete resolution of tasks in all directions to achieve the goal of effective and modern state audit.

In general, state audit is an important tool for controlling the use of state resources and ensuring compliance with legislation in the sphere of finance, economy and other spheres of state activity. Beginning of formEnd of form.In order to improve the state audit system in Ukraine, it is necessary to solve such problems as insufficient qualification of auditors, lack of adequate funding and lack of sufficient independence of auditors from authorities. However, there are some prospects for the development of state audit in Ukraine, namely:

The introduction of new technologies – the use of modern information technologies and software can significantly facilitate the process of conducting an audit and collecting information.

Improving the qualifications of auditors – to ensure the high quality of state audit, it is necessary to improve the qualifications of auditors and ensure their professional growth.

Ensuring the independence of auditors – it is necessary to ensure sufficient independence of auditors from state bodies, which will ensure a more objective result of the conducted audit [4].

Improving the effectiveness of state audit – it is important to ensure the effectiveness of state audit by improving the legal framework and organizational aspects.

Conclusions

Thus, the state audit in Ukraine is an important tool for controlling the use of state resources, the effectiveness of state bodies and ensuring the transparency of management. The development of state audit requires the improvement of auditors' qualifications, the use of new technologies and software, ensuring the independence of auditors from state bodies, and the development of international cooperation. These measures will help ensure the high quality of state audit and increase public trust in the activities of state bodies. Therefore, the development of state audit in Ukraine is important for ensuring the sustainable development of the country and increasing its competitiveness at the international level.

Abstract

The digitalization of public audit in Ukraine is an essential step towards enhancing the efficiency and effectiveness of monitoring the use of public resources. It involves the integration of technology and digital tools into the audit process to streamline operations, improve data analysis, and ensure transparency and accountability.

One key aspect of digitalization is the implementation of electronic reporting systems and data management platforms. These systems allow audited entities to submit their financial and operational data electronically, reducing paperwork, minimizing errors, and facilitating data analysis. Additionally, digital platforms enable auditors to access and analyze large volumes of data more efficiently, enabling them to identify irregularities and potential risks effectively.

Another critical element of digitalization is the establishment of robust cybersecurity measures to protect sensitive information and ensure data integrity. As digital systems handle vast amounts of confidential data, including financial records and personal information, it is crucial to have strong security protocols in place to prevent unauthorized access and data breaches. This necessitates the implementation of encryption, firewalls, access controls, and regular security audits.

Furthermore, the adoption of cloud computing technologies can significantly enhance the storage and accessibility of audit data. Cloud-based solutions provide a secure and centralized platform for storing and managing audit-related information, allowing authorized users to access data from anywhere at any time. This promotes collaboration among auditors and improves the overall efficiency of the audit process.

To effectively implement digitalization in public audit, adequate infrastructure and technological resources must be in place. This includes the provision of high-speed internet connectivity, hardware, and software systems capable of handling large datasets and performing complex data analysis tasks. Additionally, ongoing training and capacity-building programs should be provided to auditors to ensure they possess the necessary skills and knowledge to leverage digital tools effectively.

While digitalization offers numerous benefits, there are also challenges that need to be addressed. One such challenge is the need to establish robust data backup and recovery systems to safeguard against data loss or system failures. It is essential to regularly back up audit data and develop effective contingency plans to minimize disruptions in case of technical issues.

Analytical software plays a crucial role in conducting effective audits. By automating data analysis processes and identifying deviations and risks efficiently, it enhances auditors' productivity and effectiveness. However, adequate training and continuous updating of the software are necessary to keep up with changes in legislation and auditing standards.

The implementation of electronic reporting and monitoring is a significant direction in the development of public audit. It ensures effective control over the use of public resources, prevents corruption and fraud, and simplifies reporting procedures for audited entities. However, standardization and compatibility issues need to be addressed, along with ensuring robust cybersecurity measures to protect data.

In conclusion, the digitalization of public audit in Ukraine has the potential to significantly improve the efficiency and quality of monitoring the use of public resources. However, it requires active efforts in infrastructure development, auditor training, and addressing information security and confidentiality requirements. Only through a comprehensive approach can a fair, efficient, and modern public audit system be achieved.

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