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THE ROLE OF STATE FINANCIAL CONTROL IN A MARKET ECONOMY

Control is a prerequisite for the existence of a democratic state, an important factor in making managerial decisions. It is a means of identifying disadvantages in the activities of budget institutions, organizations, economic entities and identifying the causes of their generation. Control strengthens the discipline of the staff of the management apparatus, makes it possible to objectively assess the level of their competence and responsibility. In the conditions of the development of market relations in Ukraine, the state financial control over the process of formation and use of budgetary resources acquires special significance.

State financial control is the realization of actions and operations by state authorities, as well as specially created by them bodies, using the forms and methods of its organization, in compliance with the compliance of economic entities and authorities with the norms of law in order to ensure the lawfulness, expediency of distribution, effectiveness of the use of financial resources State financial control is an integral and important component of state regulation of the economy, since it is intended to provide this process with reliable information about the use of financial resources by economic entities, the presence of deviations from the established norms that impede the formation, targeted and effective use of state financial resources, and also makes it possible take the necessary measures to block negative phenomena and prevent them from happening in the future.

Public financial control covers not only the state sector of the economy, but also extends to economic entities of all forms of ownership, mainly through verification of their compliance with tax laws, the targeted use of subsidies, grants, budget loans, as well as execution of state and municipal orders, the effectiveness of providing and the legality of using tax breaks.

The main purpose of the state financial control is to ensure legality, expediency and efficiency in the process of formation, distribution and use of financial resources of the state on the macro and microeconomic levels. The main tasks of the state financial control at the macro and microeconomic levels are shown in

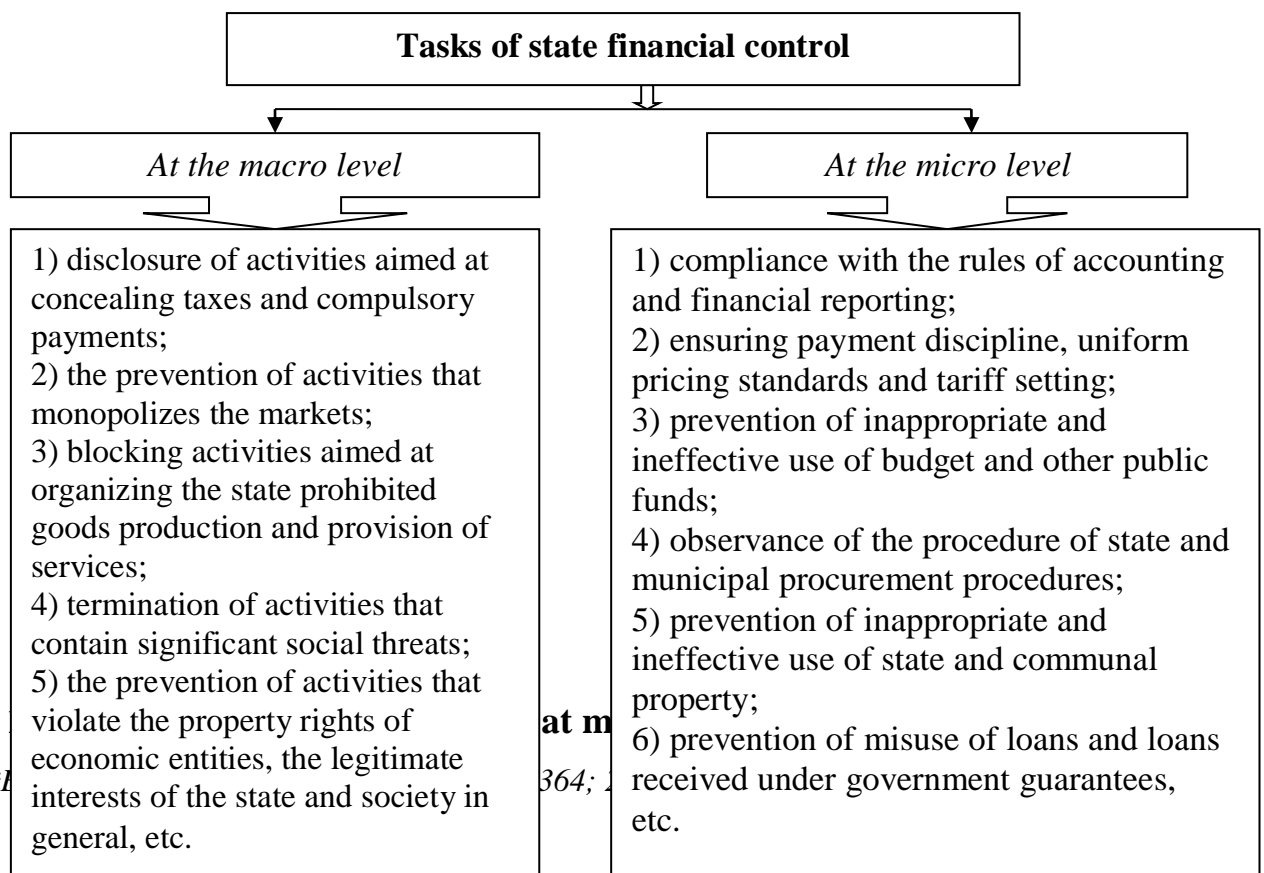


Fig. 1.

Fig.

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1) disclosure of activities aimed at concealing taxes and compulsory payments;
2) the prevention of activities that monopolizes the markets;
3) blocking activities aimed at organizing the state prohibited goods production and provision of services;
4) termination of activities that contain significant social threats;
5) the prevention of activities that violate the property rights of economic entities, the legitimate interests of the state and society in general, etc.

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1) compliance with the rules of accounting and financial reporting;
2) ensuring payment discipline, uniform pricing standards and tariff setting;
3) prevention of inappropriate and ineffective use of budget and other public funds;
4) observance of the procedure of state and municipal procurement procedures;
5) prevention of inappropriate and ineffective use of state and communal property;
6) prevention of misuse of loans and loans received under government guarantees, etc.

These items are, in fact, the only complex task. Failure of any of them weakens or even nullifies all other measures of state financial control and renders inaccessible its purpose. Therefore, only consistent fulfillment of each task enables to ensure the legality, efficiency, financial discipline and rationality in the process of formation, distribution, ownership, use and alienation of assets owned by the state.

State financial control is a prerequisite for identifying and eliminating shortcomings in the activities of economic entities with different forms of ownership

and the causes that generate them, promotes the dissemination of positive practices and ensuring the validity of decisions and their timely implementation [3, p. 112]. Its purpose is to ensure the legality and effectiveness of the use of state financial and material resources, state property.

Thus, state financial control occupies an important place in the management of the state, the main purpose of which is to strengthen the fiscal discipline and to prevent abuse in the flow of funds from various state centralized and decentralized funds, financial institutions and business structures.

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