

Mishchenko T.M.

University of State Fiscal Service of Ukraine

IMPROVEMENT OF INTERNAL CONTROL OF A BUDGET INSTITUTION

The article investigates the international experience of increasing the efficiency and effectiveness of the internal control system in the budgetary sphere. The necessity of its introduction is substantiated in the consideration of the domestic realities: the deficit of the state financial resources, strengthening of the tendencies of increase in the number and volume of violations of the legislation regarding their use. The algorithm of implementation of financial management and strengthening of managerial accountability at the top level of the executive branch is generalized.

The modern domestic practice of internal control in executive bodies testifies to the lack of a systematic approach to its implementation that would conform to European standards. Such a situation leads to increased corruption in the budget sphere, the ineffectiveness of the use of scarce resources and, accordingly, affects the results of the activities of executive authorities – the quality of providing services to the population, which leads to social tension in society.

An important stage in the implementation of the FMC system and the strengthening of managerial accountability (liability) in public institutions is to draw up a clear timetable of activities with defined priorities for the evaluation within an institution. This stage is the most complicated because it is related to

the complexity of the system of internal control and its impact on the day-to-day operation of the institution, the implementation of operations and processes, which requires long-term changes and necessary resources. Therefore, the sequence of implementing the FMC system and strengthening of managerial accountability (liability) at the operational level require additional research.

Solving problems related to the functioning of the system of internal control in executive authorities is possible only through the introduction of new modern approaches to its organization, rethinking of control not only as a means of preserving the resources of the budget institution but as a tool for managing these resources, reducing the various risks of illegal, ineffective, and unproductive use of them. At the same time, effective changes of the internal system cannot be achieved only through the rules of law, regulating documents and instructions. Therefore, the first step in this long process should be a campaign to improve understanding of the leadership of the top-level management of the place and role of the internal control system in the proper management of public resources, awareness of the possibility of achieving positive changes only through its reformation by using the international practice of internal control services.