

FEATURES OF THE TREASURY CONTROL OVER THE USE OF BUDGET FUNDS

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The State Treasury Service of Ukraine is an important body whose actions are aimed at ensuring financial and budgetary discipline. It is the only executive body whose task is to carry out preliminary and ongoing control over observance of financial and budgetary discipline in the process of budget execution at different levels.

Preliminary control is implemented in the process of regulating the incomes of the budget system, which enter the accounts of the State Treasury. To this type of control belongs the issue by treasury authorities of the permission for budget organizations to open accounts for the accounting of receipts, as well as the implementation of accounting for the obligations of budget funds managers. These bodies control the lawfulness of receiving budget and extrabudgetary funds for personal accounts of recipients and their spending for different purposes. In this way, the state monitors the volume of obligations of budget recipients and their financial status, so they can receive information about those institutions and organizations that need budget support.

Current treasury control is carried out in the budget execution process by analyzing operational data and reporting. This type of control involves verification of the activities of budget funds managers concerning observing financial discipline, in particular the correct use of norms, the accuracy of financial and monetary settlements, as well as the targeted use of budget funds. In particular, the last type of violations can be manifested in the form of using budget funds for the purposes that are not provided: by the state budget and the budget commitments for the relevant fiscal year, approved estimates of incomes and expenditures for the relevant fiscal year, etc.

Misuse of budget funds is a fairly widespread phenomenon in the budgetary practice of Ukraine. It negatively affects the development not only of certain branches of the economy, but also of the social sphere, which leads to a decrease in the level of social protection of the population, an increase in the number of unfinished construction objects, etc. [1, p. 7]. This problem requires an immediate solution by ensuring full, targeted use of budget funds in

accordance with approved budget financing targets and budget parameters, which will contribute to the gradual, dynamic development of the country's social and economic sphere.

In case of revealing facts of misuse of budget funds and other violations, the State Treasury has the right to suspend expenditure operations on accounts of managers and recipients of budget funds, to demand observing budget legislation directly or in conjunction with other executive authorities. In addition, in order to strengthen the financial and budgetary discipline, this controlling body has the right:

- to carry out in the ministries, departments, enterprises, institutions and organizations, banks and other financial and credit institutions checks of monetary documents, accounting registers, reports, estimates and other documents related to the enrollment, transfer and use of budget funds of various levels;

- to remove in an unconditional manner budgetary and extrabudgetary funds received by enterprises, institutions and organizations, in case of their use not for the purpose of imposing penalties;

- on the basis of a written proxy of an official of the treasury body to confiscate documents proving violations of financial discipline;

- require from managers of inspection objects to eliminate identified violations and disadvantages during budget execution, etc. [2].

However, in the area of public finances, there is still no clear system of effective measures to prevent opaque and ineffective procedures for using public funds. Despite the fact that the purpose of treasury control is to reduce the number and volume of violations of fiscal legislation and to prevent the use of budgetary funds for purposes other than the appointment and appropriation of budgetary funds by the budget administrators over the amount of allocated budget allocations [2], this does not allow to provide a mode of economy, increase the effectiveness of the use of budget resources, as well as preventing abuses and violations of budget discipline. Thus, the statistics of the bodies of the State Treasury of Ukraine, as shown in the table, testify to the violation of financial and budgetary discipline 1.

Table 1

The volume of prevented violations of budget legislation in the implementation of preliminary and ongoing control by the bodies of the State Treasury of Ukraine for 2014-2017*

millions of hryvnias

Years	Prevention of violations of budget legislation. Total, including:	including:			
		While performing the state budget:		While performing local budgets:	
		in the process of registration of liabilities and / or financial	in the process of execution of payment receipt	in the process of registration of liabilities and / or financial	in the process of execution of payment receipt

		obligations		obligations	
2014	2396,6	1103,5	86,9	1181,7	24,5
2015	3679,5	1992,9	105,6	1552,4	28,6
2016	5114,5	1612,9	107,2	3330,7	63,7
2017	8703,1	3554,8	35,3	4902,8	210,2

** Prepared by the author based on the source [3].*

The reasons for the revealed violations are the lack of: unified approaches to the procedures for monitoring the allocation of budget funds at the stage of registration of obligations of spending units in the treasury bodies; typical requirements to the spending units at the conclusion of contracts; terms of consideration of obligations of spending units from the moment of registration in the system of treasury bodies until their repayment. The availability of these requirements would be conducive to compliance with the fiscal discipline, both by budget funds and treasury bodies (payments would be made taking into account the priority of expenditures and in due time), as well as would be able to predict the status of the Unified Treasury Account and make operational management decisions in parts of the attraction and use of temporarily free balances of budget funds.

References:

1. Boyko A. S., Shevchenko M. V. Problems of inefficient use of budgetary funds. *Culture of the peoples of the Black Sea region*. 2014. № 273. P. 7-10.
2. On Approval of the Regulation on the State Treasury of Ukraine: Resolution of the Cabinet of Ministers of Ukraine dated April 15, 2015 №. 2015. URL: <http://zakon2.rada.gov.ua/laws/show/215-2015-%D0%BF>.
3. Reports of the State Treasury Service of Ukraine for 2014-2017 URL: <http://www.treasury.gov.ua/main/uk/publish/category/77170>.