



БУХГАЛТЕРСЬКИЙ ОБЛІК В УПРАВЛІННІ СТРАТЕГІЯМИ ДІЯЛЬНОСТІ ТА КОНКУРЕНТНОМУ СЕРЕДОВИЩІ: ВІТЧИЗНЯНИЙ ДОСВІД ТА СВІТОВА ПРАКТИКА

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ANALYSIS, CONTROL AND AUDIT OF PUBLIC PROCUREMENTS IN UKRAINE

In order to ensure sustainable development of the country, budget funds should be spent rationally. In this connection, there is a need to increase attention to the reasonableness and effectiveness of state control of the national economy. Transparent, effective and fair public procurement is the engine of economic growth that creates new opportunities and jobs for the public.

The main task of public procurement reform is to implement an effective procurement system in accordance with the principles and approaches applied by the European countries and a powerful regulatory framework that should ensure the efficiency and transparency of the procurement procedure. The question of the effectiveness of public procurement remains a very topical issue, since the state usually does not act on the market as a rational consumer, focusing on the best offer of price-to-quality ratio.

Public procurement is aimed at satisfying needs through the provision of public services. In each country around the world, public procurement accounts for a significant share of GDP (from 8% to 35%), and therefore public procurement is a powerful tool for influencing the market both from production and from consumption. Effective functioning of this sector is a prerequisite for the formation of a stable and efficient economic system in general [1].

In a modern market economy, the main function of public procurement (material provision of social needs) is achieved through the creation of a competitive environment, and important aspects are preventing corruption, ensuring transparency and efficient use of funds.

Public (public) procurement constitutes a significant part of government expenditures, the size of which depends on the normalized cases of mandatory procurement in accordance with tender procedures. The volume of public procurement in the EU is from 34.8% to 20.3% of GDP per year.

With the entry into force of the Law of Ukraine "On Public Procurement", all processes of public procurement were transferred to the electronic procurement system, and the number of public procurement procedures was reduced to three: open tendering, competitive dialogue, negotiation procedure.

The total number of consolidated procedures in the Prozorro system is 2.48 million, and in 2018, as of 09.11.18, it is 996.79 thousand.

Each year, the number of procedures, participants and customers increases, as the electronic procurement system facilitates access to bidding for participants and accelerates the procurement process itself [2].

Control measures are an integral part of the management process and are carried out by all structural subdivisions of budget institutions in order to control the work of the subordinate bodies for compliance with the norms and rules established by the legislation and internal regulations,



ensuring the reliability of financial, statistical and managerial reporting and other information on the basis of which it is compiled, the proper preservation of assets and the protection of information, the prevention of potential events that adversely affect the achievement of results.

Monitoring of public procurement is carried out in several ways, namely: internal control (internal audit), external control by public authorities on the one hand and public organizations on the other hand.

Despite major shifts in public procurement thanks to the ProZorro system, there are still many obstacles to trade between the business and the state. To minimize their impact, system creators and connected platforms are constantly creating additional tools for participants.

The monitoring portal DoZorro is a platform where each participant in the system (supplier, customer, controlling authority, citizen) can provide feedback to the government customer or supplier, discuss and evaluate the terms of a specific procurement, analyze purchases of a particular government body or institution, prepare and submit official appeal to regulatory authorities and much more.

Public organizations conduct daily monitoring of public procurements. On the Dozorro site there is a complete list of these organizations. On the site, you can see how many violations they discovered, what measures they took and what answers they received. All GOs in the system are open so that other users of the portal can monitor the professionalism and independence of monitoring, and, if necessary, report on the manipulation or lack of competence of organizations to Dozorro's representatives.

Procurement will be automatically checked for 35 risk indicators that will be met and sent to the DASU. The monitoring process will last up to 15 working days. All of the auditors' actions will be public and displayed on the system.

The decision to start monitoring should be published in ProZorro within two working days from the start of its initiation. After completing the audit, the auditors upload their findings to the system. The customer has three business days to eliminate the violations found. If he does not agree with the decision of the State Audit Office of Ukraine, the customer may publish his disagreement and apply to the court. The law obliged the purchasers to respond to the recommendations and comments in a compulsory manner. If the customer does not respond to the instructions, public auditors will carry out audits or impose a fine [3].

On November 1, 2018, on the anniversary of the DOZORRO project, Transparency International Ukraine presented a beta version of ProZorro's new public oversight system for public procurements. It is based on a special program that learns to record purchases with corruption risks. The artificial intelligence DOZORRO significantly differs from the risk indicators of the State Audit Office of Ukraine.

On October 30, 2018, the State Audit Office of Ukraine began the automatic screening of tenders in ProZorro for 35 risk indicators. The more indicators worked, the more likely that the tender will be audited to auditors. Instead, DOZORRO is more flexible and does not have a clear list of indicators.

The system is already independently determining the probability of corruption risks in purchases and sends it to the DOZORRO community organizations. If the violation is confirmed - the program remembers your choice, if not - forgets. So the algorithm of artificial intelligence learns to more accurately determine risky purchases. Developers are hoping to reach 90% accuracy of the definition of problematic purchases. Developers say that no program can detect a violation in procurement better than experts. But algorithms of artificial intelligence will help to substantially improve the efficiency of their work.

With the artificial intelligence of DOZORRO, civic activists will be able to detect problem areas in purchases much more quickly and turn to controllers and law enforcement agencies [4].



About 94.1% of all budget expenditures in the country are spent by customers due to opaque public procurement procedures. Thus, the state-of-the-art financial control and audit models do not ensure openness, transparency of public procurement procedures, and require further improvement.

As a conclusion it is worthy to say that after analysis of the financial control over the usage of public funds aimed at procurement of goods, works and services, it is seen that the number of procurement procedures increases year by year. In general, in recent years NGOs have been actively involved in reforming the procurement system through participation in working groups to develop changes to procurement legislation, monitoring procurement, conducting educational activities, etc. Despite major shifts in public procurement, there are still many obstacles to minimize; hopefully system developers are constantly creating additional tools for participants.

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BANKRUPTCY IN THE MODERN ECONOMY

The global economy has become more balanced in the past year, with fewer obvious discrepancies between emerging markets and developed countries, as well as less variation within those groups. Growth in the large mainland European economies is picking up pace, as is the recovery in Japan, at the same time as momentum in the US – previously a global growth engine – appears to be flagging slightly. Against the background of the partial monetary policy normalization in developed economies, capital flows to emerging economies look set to moderate, with dampening effects on the stock and real estate markets in countries that have benefitted the most from the previous years' abundant international capital.