

The IS auditor should obtain sufficient and appropriate audit evidence to draw reasonable conclusions on which to base the audit results.

The IS auditor should evaluate the sufficiency of audit evidence obtained during the audit.

#### Standard 13. IT Controls

The IS auditor should evaluate and monitor IT controls that are an integral part of the internal control environment of the organization.

The IS auditor should assist management by providing advice regarding the design, implementation, operation and improvement of IT controls.

In cause of implementation of IT Audit Standards in few years Ukraine will receive a modern and effective public internal control system.

### **Literature**

1. Robert R. Moeller. Executive's Guide to COSO Internal Controls. Understanding and Implementing the New Framework. Hoboken, New Jersey: Wiley&Sons, Inc., 2014, P. 181-184.
2. IT Standards, Guidelines, and Tools and Techniques for Audit and Assurance and Control Professionals. URL: <https://www.isaca.org/knowledge-center/standards/documents/it-audit-assurance-guidance-1march2010.pdf>.

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## **DIRECTIONS OF IMPROVEMENT OF INTER-BUDGETARY RELATIONS IN THE CONTEXT OF FINANCIAL ALIGNMENT OF TERRITORIES**

In the conditions of economic instability, modernization of social political and economic relations, the issues of formation of effective mechanisms of state stimulation and regulation of economic activity in the region, aimed at counteracting the destructive influence of factors of internal and external environment and creating favorable conditions for ensuring economic growth in the country, are significantly relevant. In recent years, the system of intergovernmental budgetary relations in Ukraine has undergone significant transformations - from the traditional unsystematic and unreasonable mechanism of intergovernmental budgetary reallocation of resources to the establishment of a market-based system of budgetary regulation based on effective methods and instruments. The main tool for implementing the system of financial relations between local and central government is intergovernmental relations. Their effective implementation is an effective factor in the economic and political development of Ukraine. That is why they are constantly in the process of improvement, which is aimed at solving the

problems of ensuring the socio-economic growth of individual administrative and territorial units, as well as the entire state, eliminating differences in the levels of regional development and strengthening the financial support of local self-government. In these circumstances, intergovernmental relations are one of the few instruments that, through the combination of forms, models, methods, tools, exert a state influence on the regions in order to stabilize and stimulate their development.

One of the positive aspects of the functioning of local budgets in the context of the development of democratic principles of society was a slight decrease in the share of official transfers in the structure of local budget revenues.

The formation of local budgets' own revenues is an important issue in the context of the decentralization of the budgetary system, since the budgets of the local self-government are the basic link of the budgetary system and, on the other hand, they are its foundation, which needs to be strengthened in accordance with the functions of the relevant level of government. Effective financing of expenditures from local budgets requires a substantial level of revenue and, according to the results of the analysis, local governments do not have sufficient resources, which leads to a high share of subsidies and subsidies.

Thus, there is a need to create conditions for increasing the interest of local governments in increasing their budget resources. We consider it expedient to expand the powers of local self-government bodies with regard to local taxation in order to stimulate the socio-economic development of the respective territories. The considerable autonomy of local authorities and management will ensure, above all, that the decisions and actions of local authorities are consistent with the interests of the inhabitants of these territories; a higher level of income, since the local population will pay taxes and other mandatory payments while understanding the real connection between the payments made and the amount and quality of services received; more responsible approach by local authorities to the management of budgetary resources in their respective territories [1].

As a practical recommendation to local governments to optimize their financial base in the conditions of unstable economic development, a number of directions are proposed to improve fiscal policy in terms of filling the revenue part of local budgets:

- daily monitoring of local budget revenues in the context of basic taxes;
- analysis of taxpayers and tax objects in the field of local taxes;
- inventory of communal land and property in order to use them effectively;
- individual work with unscrupulous taxpayers to activate arrears of taxes and fees, as well as arrears of penalties and penalties.

One of the priority tasks of economic transformation in Ukraine is reforming the financial relations of the state and local self-government, which envisage the extension of the functions and powers of local self-government bodies in the field of development and implementation of local and regional development policy. Undoubtedly, much depends on the efforts of local self-government bodies, their awareness of the need for innovative development of existing socio-economic potential and infrastructure in the conditions of industrial economy and scientific and technological progress.

Important aspects in strengthening the local budgets' own revenue base will be a stable legal framework for the organization of intergovernmental budgetary relations towards adherence to common principles in the process of determining the amounts of subsidies and subsidies (economic efficiency, social justice, political stability) and using a simple and clear methodology.

The system of intergovernmental budgetary relations in Ukraine in the conditions of formation of an independent budgetary system, built on the principles of decentralism, is not always formed consistently and rationally, which causes discussions about its improvement at all levels of government.

One of the major drawbacks of a decentralized model of intergovernmental fiscal relations is the difficulty of coordinating government action to achieve macroeconomic goals and to balance the country's financial capacity.

Economic factors governing intergovernmental budgetary relations relate to the principles of determining the organizational basis for the relationship between state and local governments regarding the distribution of revenues and expenditures by levels of the budgetary system. It should be noted that the current practice of regulation of intergovernmental budgetary relations in Ukraine does not meet the needs of local authorities in financial resources, given their obligations; not based on local financial needs; increases the dependence of local authorities on the volume of intergovernmental transfers from the State Budget. The above shows the complexity and contradiction of the organization of intergovernmental relations in Ukraine. At present, it is thought that the constitutional model of the organization of intergovernmental budgetary relations in Ukraine may also need to be improved.

The need to achieve financial stabilization in Ukraine sets new tasks in the field of regulation of intergovernmental relations, the optimization and streamlining of which should contribute to solving many financial, economic and even political problems in the country. Further reform of intergovernmental budgetary relations should ensure their balance and transparency, as well as form the basis for implementing national regional policy and stimulating local governments to increase local budget revenues.

We believe that the search for modern approaches to solving problems of optimization of the system of intergovernmental transfers in the conditions of

expansion of budgetary rights of local self-government bodies should be based on the following basic provisions:

– There is no need to aim for full budgetary equilibrium in the process of balancing budgets, since this reduces the incentives for local authorities to improve their financial position. On the contrary, in the context of a transitive economy, the incentive function of intergovernmental transfers should be implemented to a greater extent than in countries with developed, stable economies;

– equalization transfers should be distributed using a formulaic approach. In this case, it is advisable to ensure the stability of the formulaic calculation over a long period of time, which will improve the transparency of intergovernmental budgetary relations and increase their efficiency. If it is necessary to clarify the algorithm of calculations, it would be more expedient to use targeted subsidies rather than to make changes to the established formula;

– It is advisable to introduce direct calculations for intergovernmental transfers between the state budget and the budgets of territorial communities of all levels. However, this measure should be preceded by a reform of the administrative and territorial system in our country and optimization of the functioning of the domestic treasury system;

– needs improvement of the order of intergovernmental relations at the level of village, settlement, city of district subordination and administrative district. The main attention should be paid not only to the problems of improving the procedures for calculating the amount of transfer payments, but also to improving the legal regulation of the main aspects of the relations between the participants of the process of transferring intergovernmental transfers at the local level.

Thus, understanding the nature of intergovernmental relations is of great practical importance, it allows us to improve not only policy in this field, but also practical tools for its implementation. The problems of improving intergovernmental budgetary relations in Ukraine cannot be solved without guaranteeing, financial independence of local self-government bodies, without studying the progressive experience of developed countries, which will allow to justify the bases for their further reform.

As noted by O. Poleva and M. Mironenko, only budgetary regulation as a mechanism of intergovernmental relations should adjust the proportions of the distribution of financial resources between the budgets of the budgetary system of the country, taking into account the current rules of budgetary legislation. The concept of intergovernmental budget regulation is based on a set of financial instruments that influence directly and indirectly [2, p. 6].

Foreign experience shows that local government has become one of the main catalysts for economic growth. The main task now is to create capable and effective communities that will become the same catalyst in Ukraine. The main

issue now is to ensure that communities are able to concentrate their finances and direct them on regional development projects, as well as to form passports of territorial communities. Decentralization should be a catalyst for the implementation of education and medical reform, housing and communal services, and improving the energy efficiency of the national economy.

The main tasks that were accomplished in 2018 to further implement budgetary decentralization in Ukraine are:

– supporting the processes of integration of territorial communities and enhancing their capacity, as integrated territorial communities will receive better financial conditions and opportunities for further development;

– delegation of responsibilities to locations to optimize expenditures: responsibilities and responsibilities at different levels – communities, cities, districts, oblasts, in particular in the field of education and health – must be clearly allocated.

### **Literature**

1. The nuances of accounting for intergovernmental transfers. Accountant 24. Information Business Portal. URL: <https://www.buh24.com.ua/nyuansi-obliku-mizhbyudzhethnih-transfertiv/>
2. Fieldova O., Mironenko M. Intergovernmental budgetary relations in the context of reforming the state's regional policy. *Investment: practice and experience*. 2016. No 10. P. 5-10.

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## **FINANCING OF EDUCATION IN UKRAINE: CURRENT TRENDS TO QUALITY AND ACCESSIBILITY**

In a globalized world, education is a determined factor in human development and an alternative means of national affirmation. Only a country in which the intellectual professions have become widespread and investments in the development of human potential can be a full-fledged participant in the global economy is significant and effective. Countries with priority areas for science and education have become world leaders.

World experience shows that the fundamental element of this process is the growing importance of knowledge and information - extremely important, necessary resources for the development of society, which radically transforms the whole system of social relations and practice of economic life, since knowledge and information are very specific, different from the traditional material- financial elements, properties. In such a situation, the role of the human being as the carrier and the generator of information and the subject of