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FINDING SOLUTIONS TO PROBLEMS IN PUBLIC FINANCES AND IMPROVING SOME IMPORTANT PARTS

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Abstract

The formation of new approaches to the budgetary and financial policy of the state requires a change in the tools for monitoring the use of public funds. In connection with this, the issues of development and implementation in the practice of performance audit are raised, therefore, the article discusses the current problems of using this tool and determines the directions for their solution. The study of foreign experience in the operation of performance audit has made it possible to conduct a comparative analysis of audit objects, regulatory authorities and the features of its implementation in the USA, Canada and some other countries. Performance audit differs from financial audit and revision, it should be aimed at assessing the rational use of resources and the cost-effectiveness of the costs incurred, which gives rise to certain problems. This article raises the three most important problems of the practical implementation of performance audit in Russia and outlines ways to solve them.

Keywords: performance audit, revision, control, public funds, public finances.

Introduction

For a long period of time, the issues of rational use of resources were of interest to most commercial organizations, since costs have a direct impact on profits. The question of the effective use of public funds in one form or another, although it has existed since the formation of states, but the mechanisms for monitoring their use did not allow a reliable assessment of the efficiency of the use of resources. Today, the concept of the state budget policy is focused on the transition from cost management to results management. The complexity of implementing such an approach in the budgetary and financial policy of the state in comparison with the commercial sector is determined by the fact that, in addition to economic efficiency, it is necessary to evaluate numerous social, scientific, environmental and other components of the efficiency of spending public funds. These problems flow smoothly into issues in the implementation of control over the use of public funds. If earlier organizations receiving funds from budgets of various levels were subject to audits, today the methods and methods of control and audit work do not meet the modern needs of financial control. This led to the development of a new instrument of control - the audit of the effectiveness of the use of public funds. It is widely used in foreign practice, but for Russia it is quite new.

field of activity. Only on November 30, 2016, the Standard of external state audit (control) "Performance Audit" was approved. Its provisions, of course, answer many questions, but the lack of practice of its application gives rise to a number of problems that need to be uncovered and outlined ways to solve them.

The issues of performance audit were considered by various authors, such as: E. A. Alekseenko [4], M. V. Vasilyeva [5], T. A. Davydenko [7], L. A. Zimakova [8], A. A. Lominadze [10], S. V. Martynenko [11], N. N. Peresypkina [9], V. K. Simonenko [13], S. V. Stepashin [14], S. N. Tsyguleva [9] and others. The authors raise various problems of this type of audit, but it is necessary to consider this tool in conjunction with the provisions of the regulatory act governing the performance audit in Russia, raise the issues that arise in connection with this and outline ways to solve them.

The research methodology was based on the use of historical and comparative methods, theoretical scientific methods were also used: analysis, abstraction, generalization, induction, deduction, analogy, systemic and functional approaches.

The issues of organizing control over the use of public funds worried people even in the days of Ancient Egypt, the Roman Empire. Individuals or bodies could act as controllers, for example, the National Assembly in Athens (in the 5th century BC) [4]. Society developed, forms and means of control were rebuilt. At the beginning of the 13th century in England, by decree of the king, auditors were appointed, whose main task was to verify the correctness of paying taxes in the counties. Thus, at the first stage of historical development, the audit was associated with control carried out in the interests of the English king and state. Over time, the functions and tasks of the audit changed, it became mostly focused on checking commercial organizations ("an audit is an independent check of the accounting (financial) statements of an audited entity in order to express an opinion on the reliability of such statements" [1]), and public sector organizations were subjected to control and audit checks. But since the middle of the last century, the question of the need to conduct a performance audit began to be raised as a tool for monitoring the use of budgetary funds, involving new approaches to organizing and conducting control. In the mid-1960s, in the United States, when developing and implementing budget programs, in particular, with the program-target method of budgeting, calculations were made of the resources necessary for its implementation and achievement of planned goals. The implementation of such budget programs required the creation of an appropriate system for assessing the goals achieved and the resources spent, which, in fact, led to the emergence of performance audit [12].

The difference between state audit and state financial control lies in the fact that for financial control, the assessment of the conformity of this or that information is of primary importance, and the performance audit, in turn, is aimed at the effectiveness of the use of public financial resources and state property.

Standardization in the field of public audit is due to the processes of world globalization, the emergence of the possibility of a wide exchange of experience in connection with the expansion of the representation of the countries of the world in the international organization of supreme audit institutions - the International Organization of Supreme Audit Institutions (INTOSAI).

The term "performance audit" was first identified at the INTOSAI Congress, and in 1977 is reflected in the Lima Declaration of Guidelines on Auditing Precept in Article 4, which defines the content of a performance audit. In this provision, along with the financial audit, the need for a different type of control is formulated, the task of which is to verify the economy, efficiency and effectiveness of the use of the resources of the audited organization in the performance of the tasks assigned to it. A performance audit is characterized by an assessment of the final results of government spending, including administrative and organizational systems. Performance audit is also considered in the standards of the European (EUROSAI) and Asian (AZOSAI) organizations of supreme state control bodies. Today, in the current international standard of supreme audit institutions (The International Standards of Supreme Audit Institutions 3000), performance auditing is defined as an independent examination of the effectiveness and efficiency of state enterprises, programs or organizations, the economical use of resources, the purpose of which is to improve the activities of audited objects [3].

The beginning of the 1990s for the financial systems of the USA, Great Britain, Australia and New Zealand was marked by numerous reforms of administrative and state financing. The reason was the lack of financial stability due to the slowdown in economic growth. As a result, there was a need to introduce performance management methods that aim to improve the productivity and performance of administrative bodies.

Today, this external control tool has been implemented through central audit bodies and associations of supreme audit institutions, such as the National Audit Office in Sweden, the Court of Accounts in Germany and France, the National Audit Office in the UK, the Office of the Auditor General in Canada, the General Accounting Office in the USA.

The procedure for conducting performance audits in foreign countries is based on international standards of supreme audit institutions: ISSAI 300

Fundamental Principles of Performance Auditing, ISSAI 3000 Guidelines for Performance Auditing, ISSAI 3100 Guidelines for Performance Auditing. However, each country has its own peculiarities in the implementation of the regulatory procedure for audits of public funds, which are determined by national legislation, historical practice, existing traditions or customs.

World experience proves that the use of performance audit as an independent type of control improves the very process of managing public resources by providing complete, reliable and objective information about the effectiveness of the functioning of organizations that use budgetary funds.

It should be noted that in the countries considered in Table 1 there are certain differences in the forms of auditing, but at present there is a generally accepted concept of performance audit, the essence of which is to analyze the activities of executive authorities and budgetary organizations in order to determine the economy, productivity and effectiveness of their use of budgetary funds received to perform the assigned functions, duties or solve the tasks set [14].

In Russia, in recent years, a certain legal framework has developed, which has become the basis for the control and auditing and expert-analytical activities of external state financial

control bodies. Control activities for performance auditing in Russia are regulated by the legal and methodological framework, which is systematically reformed.
The study of foreign experience in the use of performance audit as a control tool indicates its effectiveness. In Russia, there have been positive developments in its use and development, but today there are still some obstacles to the development of this type of control in Russia, which include:
1. Insufficient methodological base. The existing methodology for conducting an audit of the effectiveness of the use of public funds of the Accounts Chamber of the Russian Federation dated April 23, 2004, has a typical form and represents approaches to conducting a performance audit, and not universal rules and procedures applicable to all specific tasks and objects of a performance audit, however, the adoption of the new standard SGA 104 “Performance Audit” indicates a gradual update of the regulatory and methodological framework for performance audit.
Changing the environment for the functioning of economic entities of various organizational and legal forms of ownership, the use of private, state and municipal property in their activities, modern principles and organization of management leads to the development of new forms of relationships between entities. At the same time, each subject, striving to achieve its goal, must solve certain problems. The ultimate goal of most commercial organizations is clear - it is to make a profit and increase the value of the subject. At different stages, the indicators of their activity may differ, they are determined by the owner and the manager. Things are much more complicated for economic entities receiving funds from different levels of budgets. Their goals are determined by the profile, the tasks are strictly specified in the Charter, but the possibilities largely depend on the organizational and legal form. Accordingly, many questions arise regarding the definition of indicators of their activity. Of course, the ongoing reforms in the public sector are designed to reorient the work of economic entities towards results. But different tasks imply different results, so it is impossible to clearly define and calculate a single criterion for the final result. All this testifies to the complexity of an objective assessment of the results of the work of such subjects, and, consequently, there are problems in determining the effectiveness.
In p.p. 2.1.2 of this standard it is noted that the performance audit is carried out in order to determine or evaluate the effectiveness of the use of federal and other resources. The definition of effectiveness should begin with the establishment of performance criteria, and the evaluation with a quantitative or cost measurement of the criterion.
The first question that arises is related to the definition of profitability (clause 3.2 SGA 104), which involves a comparative analysis of the use of resources for the acquisition of similar values (services, works) in different periods. The auditor (controller) has the need to correctly determine the criteria for analogues. If values are purchased from different suppliers, then the characteristics defined in the task can serve as criteria. Practice shows that when forming the terms of reference, subjectivism can be traced, that is, the wording of the task of the control measure depends on the knowledge, experience, qualifications and other qualities of the person compiling the document. If in the previous periods there were

inaccuracies in the task, then they could be taken into account when drawing up the task for the next period. A change in any characteristics leads to a change in price.

The presence of limitations in budgetary resources predetermines the need to apply in practice the elements of lean management. At the same time, rational and effective are not similar concepts. Resources could be used very carefully, but not bring the planned result.

The above analysis of the performance audit organization system indicates that in Russia the need to provide all information and all documents to the auditors conducting the audit is not fixed at the legislative level, thus, it becomes necessary to consider the system of legal regulation of this type of control. And it also makes it difficult to check.

2. Shortage of qualified personnel. Chairman of the Chamber of Control and Accounts of Moscow V. A. Dvurechenskikh emphasizes that “it is necessary to change the psychology of the personnel and improve their qualifications” [11].

3. Diversity of tasks of control and accounting bodies in conditions of limited resources. The important tasks of performance audit, in contrast to traditional control, are:

-opening and elimination of possible sources of loss of resources,

-evaluation of ways to obtain intermediate results.

It is important to evaluate what the organization does and how it does it. Emphasis should be placed on identifying the conditions and causal relationships from which the program's impact on the achievement of stated or intended objectives can be inferred.

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