

УДК 336:331.1

Vadym POLISCHUK

*PhD in Economics, Associate Professor of Finance, Banking and Insurance Department,
Lutsk National Technical University, Ukraine, e-mail: vadym.polischuk2@gmail.com,
ORCID ID: <https://orcid.org/0000-0001-5479-1221>*

TREASURY FORM OF BUDGETS SERVICING OF UKRAINE IN THE CONTEXT OF ENSURING A BALANCED FINANCIAL POLICY

Polishchuk, V. (2021). Treasury form of budgets servicing of Ukraine in the context of ensuring a balanced financial policy [Kaznacheiska forma obsluhovuvannia biudzhetyv Ukrainy v konteksti zabezpechennia zbalansovanoi finansovoi polityky], *Socio-economic research bulletin, Visnik social'no-ekonomichnih doslidzen'* (ISSN 2313-4569), Odessa National Economic University, Odessa, No. 3-4 (78-79), pp. 108–121.

Abstract. *The article investigates the main problems of the treasury system of the execution of state and local budgets. The subject of the study is the treasury service of state and local budgets in the context of ensuring a balanced financial policy. The goal is to study how much the treasury service of budgets in Ukraine has changed over the past years. It is also worth to offer possible ways to improve the treasury service of budgets of different levels in the context of providing balanced financial policies. The study methodology involves the use of the following methods of empirical research methods (observation, comparison), methods of theoretical research (climbing from abstract to concrete), general methods used both on empirical and theoretical level of research (abstraction and concretization, analysis, synthesis, induction, deduction, analogy) and others. The systematization of literary sources and approaches to the treasury form of service of the budgets of Ukraine in the context of ensuring a balanced financial policy showed that most domestic scientists who dealt with this issue were considered separate areas of service of budgets. The relevance of solving this scientific problem is that the treasury form of service of the budgets of Ukraine is mainly considered technically, which in many cases does not allow it to apply it in the context of providing balanced financial policies as an effective tool for implementing the state policy. The results of the study are: the theoretical approach to the issues of treasury maintenance of budgets of different levels is considered; the interaction of the bodies of the State Treasury of Ukraine with budget funds and in the context of decentralization of power is investigated; the implementation of revenues and social expenditures of the State Budget of Ukraine is analyzed. The originality of the study, and this is its practical value, it has been proposed to improve the control over the expenditure of budget funds and the modernization of the qualitative level of service by the state treasury authorities. Research conclusions are as follows: empirically confirmed and theoretically proved that the existing prospects for improving the treasury form of service of the budgets of Ukraine in the context of ensuring a balanced financial policy. The results of the study may be useful for financiers-practitioners, representatives of academic circles, students, all who are interested in treasury budget service.*

Keywords: *treasury; treasury service; budget revenues; budget expenditures; balanced development; financial policies.*

Вадим Григорович ПОЛІЩУК

*кандидат економічних наук, доцент кафедри фінансів, банківської справи та
страхування, Луцький національний технічний університет, Україна,
e-mail: vadym.polischuk2@gmail.com, ORCID ID: <https://orcid.org/0000-0001-5479-1221>*

КАЗНАЧЕЙСЬКА ФОРМА ОБСЛУГОВУВАННЯ БЮДЖЕТІВ УКРАЇНИ В КОНТЕКСТІ ЗАБЕЗПЕЧЕННЯ ЗБАЛАНСОВАНОЇ ФІНАНСОВОЇ ПОЛІТИКИ

Полищук, В. Г. Казначейська форма обслуговування бюджетів України в контексті забезпечення збалансованої фінансової політики. *Вісник соціально-економічних досліджень* : зб. наук. праць. Одеса : Одеський національний економічний університет. 2021. № 3-4 (78-79). С. 108–121.

Анотація. У статті досліджено основні проблеми казначейської системи виконання Державного та місцевих бюджетів. Предметом дослідження є казначейське обслуговування Державного та місцевих бюджетів в контексті забезпечення збалансованої фінансової політики. Метою статті є дослідження змін у казначейському обслуговуванні бюджетів в Україні впродовж останніх років, а також надання пропозицій щодо можливих шляхів покращення казначейського обслуговування бюджетів різних рівнів в контексті забезпечення збалансованої фінансової політики. Методологія дослідження передбачає використання наступних методів емпіричного дослідження (спостереження, порівняння), методів теоретичного дослідження (сходження від абстрактного до конкретного), загальних методів (абстрагування й конкретизація, аналіз, синтез, індукція, дедукція, аналогія) та ін. Актуальність вирішення наукової проблеми, визначеної у статті, полягає в тому, що казначейська форма обслуговування бюджетів України здебільшого розглядається технічно і це в багатьох випадках не дозволяє застосовувати її як дієвий інструмент реалізації збалансованої фінансової політики держави. Результати дослідження наступні: розглянуто теоретичний підхід до питання казначейського обслуговування бюджетів різних рівнів; досліджено взаємодію органів Державної казначейської служби України з розпорядниками бюджетних коштів та в контексті децентралізації влади; проаналізовано виконання доходів та соціальних видатків Державного бюджету України. Оригінальність і практична цінність дослідження полягає в тому, що запропоновано удосконалення контролю за витрачанням бюджетних коштів та модернізацію якісного рівня обслуговування органами казначейської служби. Висновки дослідження наступні: емпірично підтверджено та теоретично доведено, що наявні перспективи покращення казначейської форми обслуговування бюджетів України в контексті забезпечення збалансованої фінансової політики. Результати проведеного дослідження можуть бути корисними для фінансистів-практиків, представників академічних кіл, студентів, та всіх, хто цікавиться казначейським обслуговуванням бюджетів.

Ключові слова: казначейство; казначейське обслуговування; доходи бюджету; видатки бюджету; збалансований розвиток; фінансова політика.

Вадим Григорьевич ПОЛИЩУК

кандидат экономических наук, доцент кафедры финансов, банковского дела и страхования, Луцкий национальный технический университет,

Украина, e-mail: vadyu.polischuk2@gmail.com,

ORCID ID: <https://orcid.org/0000-0001-5479-1221>

КАЗНАЧЕЙСКАЯ ФОРМА ОБСЛУЖИВАНИЯ БЮДЖЕТОВ УКРАИНЫ В КОНТЕКСТЕ ОБЕСПЕЧЕНИЯ СБАЛАНСИРОВАННОЙ ФИНАНСОВОЙ ПОЛИТИКИ

Полищук, В. Г. Казначейская форма обслуживания бюджетов Украины в контексте обеспечения сбалансированной финансовой политики. *Вестник социально-экономических исследований* : сб. науч. трудов. Одесса : Одесский национальный экономический университет. 2021. № 3-4 (78-79). С. 108–121.

Аннотация. В статье исследованы основные проблемы казначейской системы исполнения Государственного и местных бюджетов. Предметом исследования является казначейское обслуживание государственного и местных бюджетов в контексте обеспечения сбалансированной финансовой политики. Целью статьи является исследование изменений в казначейском обслуживании бюджетов в Украине на протяжении последних лет, а также формирование предложений по возможным путям улучшения казначейского обслуживания бюджетов разных уровней в контексте обеспечения сбалансированной финансовой политики. Методология исследования предполагает использование следующих методов эмпирического исследования (наблюдение, сравнение), методов теоретического исследования (восхождение от абстрактного к конкретному), общих методов (абстрагирование и конкретизация, анализ, синтез, индукция, дедукция, аналогия) и др. Актуальность научной проблемы, определенной в статье, заключается в том, что казначейская форма обслуживания бюджетов Украины в основном рассматривается технически и это в большинстве случаев не позволяет применять ее как действенный инструмент реализации сбалансированной финансовой политики государства. Результаты исследования следующие: рассмотрен теоретический подход к вопросу казначейского обслуживания бюджетов различных уровней; исследовано взаимодействие органов Государственной казначейской службы Украины с распорядителями бюджетных средств и в контексте децентрализации власти; проанализировано выполнение доходов и социальных расходов Государственного бюджета Украины. Оригинальность и практическая ценность исследования заключается в том, что предложено усовершенствование контроля за расходованием бюджетных средств и модернизацию качественного уровня обслуживания органами Государственного казначейства. Выводы исследования следующие: эмпирически подтверждено и теоретически доказано, что существуют перспективы улучшения казначейской формы обслуживания бюджетов Украины в контексте обеспечения сбалансированной финансовой политики. Результаты проведенного исследования могут быть полезными для финансистов-практиков, представителей академических кругов, студентов и всех, кто интересуется казначейским обслуживанием бюджета.

Ключевые слова: казначейство; казначейское обслуживание; доходы бюджета; расходы бюджета; сбалансированное развитие; финансовая политика.

JEL classification: G380; E630

DOI: [https://doi.org/10.33987/vsed.3-4\(78-79\).2021.108-121](https://doi.org/10.33987/vsed.3-4(78-79).2021.108-121)

1. Introduction

The State Treasury Service of Ukraine occupies a decisive place in the process of effective management of state and local budgets. Therefore, the consideration of this issue in the context of a balanced financial policy will provide an objective approach to the study of improvement of the treasury form of servicing the budgets of Ukraine. The treasury service system of Ukraine was formed under the influence of constant structural changes in the financial sector. At each stage of development, new preconditions for further improvement and effective management of national government finances are created.

2. Aim and methodology of research

The study should show how the treasury service of budgets in Ukraine has changed in recent years and its results will allow us to suggest possible ways to improve the treasury service of budgets of different levels in the context of ensuring a balanced financial policy. It is also necessary to consider the issue of improving control over the spending of budgetary funds and modernizing the quality level of service on the part of the state treasury authorities.

The study methodology involves the use of the following methods of empirical research methods (observation, comparison), methods of theoretical research (climbing from abstract to concrete), general methods used both on empirical and theoretical level of research (abstraction and concretization, analysis, synthesis, induction, deduction, analogy) and others.

3. Literature review, shortcomings and problem statement

During 2015–2021, domestic scientists made a significant contribution to the development of issues of treasury servicing for budgets of different levels in Ukraine. In particular, O. V. Brezhnieva-Yermolenko, N. P. Titkova and T. M. Cherkasova considered the theoretical and practical aspects of a single treasury account functioning as the main account of the state. U. Z. Vatamanyuk-Zelinska offered the improvement of the treasury service system in the field of the state budget management of Ukraine. M. Hupalovska, A. Demyanyuk and S. Savchuk studied the peculiarities of the treasury control implementation in the budget sphere. L. Ye. Deykalo and A. Yu. Chubak considered the interaction of the Treasury bodies of Ukraine with State Budget managers, and ways to improve. L. Yu. Marchenko in detail studied the implementation of state policy in the field of treasury service of budget funds. O. V. Rubay and M. M. Bohach analyzed the management of financial resources in the treasury system. S. M. Yuriy investigated theoretical issues of information modernization of treasury budget services. It is important for us to study current trends in treasury budget services and consider it through the prism of a balanced financial policy.

Systematization of literature sources and approaches to the treasury form of servicing Ukraine's budgets in the context of ensuring a balanced financial policy showed that most domestic researchers have considered only some directions of budget servicing.

The relevance of this scientific problem solution is that the treasury form of servicing the budgets of Ukraine is mostly considered as a government body carrying out the service of budgets technically, which in many cases does not allow to apply it in the context of ensuring a balanced financial policy, and even more so in the case of effective tool for the state policy implementing. Therefore, we need to establish the quantitative values of the volume of treasury service, in particular, the dynamics of total income of the State Budget of Ukraine, executed in 2016–2020, as well as the dynamics of total expenditure of the State Budget of Ukraine, carried out in 2016–2020. In addition, it is necessary to study change in the balance of single treasury account at the beginning of the month during the last five years and propose effective modern directions for improving of budgets treasury services of different levels in the context of a balanced financial policy.

4. The main material research

As you know, according to Ukrainian legislation, the State Treasury Service of Ukraine (Treasury) is a central body of executive authority, whose activity are directed and coordinated by the Cabinet of Ministers of Ukraine through the Minister of Finance and which implements state policy in this sphere of treasury service of budget funds, customer funds in accordance with the legislation, accounting of budget execution. The Treasury in accordance with the tasks assigned to him and in accordance with the procedure established by law: summarizes the practice of applying legislation on matters within its competence, develops proposals for improving legislation, acts of the President of Ukraine and the Cabinet of Ministers of Ukraine, regulatory legal acts ministries and submits them to the Minister of Finance in accordance with the established procedure; provides treasury service of budget funds based on a single treasury account which opened in the National Bank of Ukraine.

It should be noted that the State Treasury Service of Ukraine (SCSU) in the performance of its tasks interacts in the prescribed manner with other government agencies, subsidiary bodies and services established by the President of Ukraine, temporary advisory, consultative and other subsidiary bodies established by the Cabinet of Ministers of Ukraine, authorities local governments, associations of citizens, public unions, trade unions and employers' organizations, relevant bodies of foreign states and international organizations, as well as enterprises, institutions and organizations.

The Treasury policy involves using the government's opportunities to provide taxes and expend the state budget expenditures to regulate the level of business activity and solving various social tasks. The Treasury of Ukraine, established in April 1995 by the Decree of the President of Ukraine as a structure of executive authority, was forced since its foundation to adapt to existing and current mechanisms and methodologies of state budget execution, accounting and reporting, and traditionally support existing relationships with participants in the budget process. At the same time, the Treasury solved two main tasks: ensuring the implementation of the State Budget and management of public resources.

In 1996, the creation of a three-level structure of the Treasury bodies has begun. Its system consisted of the main department of the Treasury and its territorial bodies – the Department of the Treasury in the Autonomous Republic of Crimea, regions, cities of Kyiv and Sevastopol with departments in districts, cities and areas in cities. Each of these levels had full functionality until 2000. The Treasury bodies together with the banks keep records of operations on the execution of the revenues of the State Budget. At this stage, the transfer of funding functions from the sectoral departments of the Ministry of Finance of Ukraine to the Main Directorate of the Treasury is begins. In terms of expenditures, the treasury authorities are transferring funds for expenditures to the accounts of ministries and departments opened in banking institutions. A classical treasury function is being implemented: implementation of the State Budget for expenditures within the limits of revenues to it.

In 1997, the implementation of treasury services of the State Budget for expenditures has begun, the fundamental basis of which is the expenditure by paying for accounts of managers of funds for goods and services provided to them through the State Treasury. This was accompanied by the creation of a legal and economic base to ensure the powers

of Treasury in the field of current control over the implementation of budget expenditures.

1998 became final year for translation into the Treasury system of the State Budget execution of funds managers almost all ministries and departments. As of January 1, 1999, the Treasury system had already served about 32,000 budget managers, for whom 70,000 thousand registration accounts are opened in the Treasury bodies. In the same year, a new budget classification and Chart of Accounts for the implementation of state and local budgets were introduced, which became a new step in the development of the treasury budget execution system.

In 1999, the Treasury's system coverage of the budget execution of all managers of the State Budget of Ukraine was completed. This year saw the further expansion of the Treasury functions. In particular, the introduction of treasury services of extrabudgetary funds of institutions and organizations, which maintained at the expense of the State Budget has begun in February, and as of January 1, 2000, 80% of extrabudgetary accounts of budgetary institutions and organizations were transferred to the Treasury. Thus, the necessary preconditions were created for the inclusion of these funds in the State Budget.

Since 2000, extrabudgetary funds of administrators have become part of the State Budget – included in the Special Fund of the State Budget. The decision to consolidate budget funds in the institutions of the National Bank of Ukraine in 2000 was important, and the first stage of the Treasury in achieving this goal begun the transfer of accounts for state budget expenditures from institutions of commercial banks to the National Bank. Consolidation of all State Budget funds in the Treasury accounts in the National Bank of Ukraine made it possible to start performing one of the main functions of the Treasury – more effectively manage the total balance of cash resources – and created preconditions for placing temporarily free funds on the financial market. At the same time, the Treasury bodies remained clients of the National Bank of Ukraine. The operation of the Treasury system remained opaque and closed both to the central level of the Treasury and to society as a whole.

In 2001, the Treasury status was changed: from a bank client, the Treasury actually became a participant in the electronic payment system of the National Bank of Ukraine. It did not entail changes in the department structure, but changed their status. Participants of the NBU electronic payment system have the opportunity to carry out multi-stage control over the accuracy of data at all stages and levels of calculations, to receive daily information in the budget format approved by the annual law in an automated mode. One of the main requirements for the Treasury transition to the participant status in the electronic payment system was the need to develop a new accounting and reporting system that would meet the requirements of the National Bank regarding the construction regarding the construction of accounts structure and the Treasury functionality and goals of the budget process.

With the adoption of the Budget Code of Ukraine in June 2001, for the first time the treasury service of budgets and budget managers was legalized at the legislative level. In addition, the Code contained an important article that enabled the Treasury to conduct a single policy in the process of budget execution.

In 2002, the process of introducing treasury service of local budgets for income and transfer of intergovernmental transfers has begun. This allowed obtaining reliable information about revenues by types of revenues and budgets in real time, to provide reporting data to interested bodies for budget analysis. This year, the process of transition to the NBU electronic payment system at the expense of the central and regional levels of the Treasury was completed by implementing new software.

Since the beginning of 2003, a full-scale process of transferring to the treasury service at the expense of local budgets and their managers has begun, which since January 1, 2004 has covered all its members (more than 12 thousand local budgets and about 55 thousand managers and recipients of funds).

Until 2011, the State Treasury of Ukraine was a government authority of public administration, which operated within the system of the Ministry of Finance of Ukraine. The State Treasury was liquidated by the Resolution of the Cabinet of Ministers of Ukraine dated March 28, 2011 No. 346 "About liquidation of government bodies". Decree of the President of Ukraine dated April 13, 2011 No. 460/201 "On Approval of the Regulations on the State Treasury Service of Ukraine" was approved the relevant Regulations and established that the State Treasury Service of Ukraine is the successor of the rights and obligations of the State Treasury of Ukraine and is the central executive authority, whose activities are directed and coordinated by the Cabinet of Ministers of Ukraine through the Minister of Finance of Ukraine. According to the Regulation on the State Treasury Service of Ukraine, one of the main tasks of the STSU is to simplify and improve the services of budgetary funds managers and recipients [8].

In 2014, an automated system (hereinafter referred to as the AS) of the Treasury Execution of the Budgets of the AS "E-Treasury" with a subsystem AS E-treasure, which was created on the basis of AS "Treasury-Revenues" and the Remote Access System "Treasury Client". The use of general ledger of AS "Treasury-Revenues" provides a single accounting environment and allows you to conduct a unified accounting policy for the implementation of both revenue and expenditure part of budgets at all levels.

The budgetary service system of the domestic treasury continues to be improved, and its functions are expanding. Measures are being taken to standardize and optimize advanced information technologies to modernize and unify treasury procedures and increase the efficiency, transparency and accessibility of public and local financial information. Measures to standardize and optimize advanced information technologies to implement the modernization and unification of treasury procedures and increase the efficiency, transparency and accessibility of public and local financial information are being taken. Therefore, according to S. M. Yuriy, it is expected that implementation of these measures will increase the level of service of budgetary funds managers and recipients; will accelerate the maintenance process and improve the operational control of the budget process; will prevent violation of budget legislation; will allow to introduce modern information technologies and use of communication tools, etc. [11]. There are certain disadvantages in the system of treasury budget execution at all levels of the budget system, as evidenced by the analysis of the consolidated budget of Ukraine in terms of revenues and expenditures. As rightly noted by O. V. Brezhnyeva-Yermolenko, N. P. Titkova and T. M. Cherkasova, the failure of planned indicators and low revenue growth in their studies slowed down the fulfillment of budget expenditures, which negatively affected on socio-economic development. The single treasury account in the

budget execution system is a preventive measure to prevent the abuse of budget funds. It is also account that opened for the State Treasury of Ukraine for accounting of funds and settlements in the electronic payments system of the National Bank of Ukraine.

The single treasury account is changing and at the beginning of each month in the residue represents another amount. In particular, during 2016, the single treasury account expensed in the range of 9017.3–27563.7 million UAH [7], and the greatest residue was inherent in early December 2016. During 2017 the single treasury account changed within 14257.8–61151.0 million UAH, and the largest balance was inherent in early September 2017. During 2018 the single treasury account changed within 1995.0–27085.0 million UAH, and the greatest balance was inherent in early September 2018. During 2019 the single treasury account changed within 8196.6–61829.5 million UAH, and the greatest residue was inherent in early September 2019. During 2020, a single treasury account was changed within 10516.7–75700.6 million UAH, and the largest balance was inherent in early July 2020. As a whole, it can be argued that the smallest balance of a single treasury account for the calendar year is mainly inherent at the beginning of the year, and the greatest – in August-September. Every year we can track a slow tendency of increasing the balances of funds on the single treasury account.

The dynamics of balance of the single treasury account continues to fluctuate, which indicates a long-standing problem with the management of the State Budget funds. Many problems associated with the lack of an effective mechanism for managing of budget funds remain unresolved [1]. Ukrainian researcher U. Z. Vatamanyuk-Zelinska identified the following main problems in the national budget treasury system: the State Treasury Service of Ukraine and the Ministry of Finance of Ukraine did not have a clear division of labor and local budgets when using budgetary funds; insufficient level of control; complex form of reporting use of budget funds; lack of a single accounting system; insufficient level of ensuring the social needs of the Treasury employees, as well as the level of ensuring the material and technical base of its subdivisions [2].

We propose to consider the treasury service of the State Budget of Ukraine in 2016-2020, in particular, to determine the total revenues of the State Budget of Ukraine during this period (Fig. 1).

Based on the study, it can be argued that tax revenues in the structure of revenues of the State Budget of Ukraine occupy the largest and most predominant part (79–82% in different years). It is also worth noting that every year tax revenues were performed in a growing trend in absolute terms. Non-tax revenues also tend to increase in absolute terms. In addition, every year the relative magnitude of this indicator structure is growing (in 2016 this indicator was 16.82%, and already at 2020 – 19.79%). Official transfers (from government bodies) in the structure of the State Budget occupy a minor part (within 0.68–0.99%), although they tend to increase in absolute terms. Target funds fluctuated during 2016–2020 in the range of 0.02–3.76%, which indicates on non-uniformity earnings from this type of income. Revenues from capital operations occupy the smallest share in the revenues structure of the State Budget of Ukraine (within 0.01–0.07%).

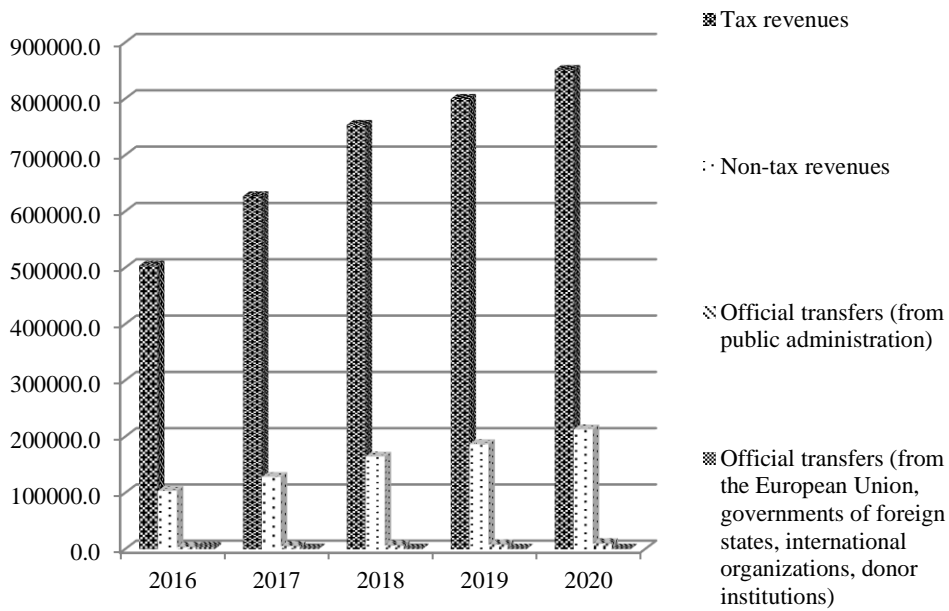


Fig. 1. Total revenues of the State Budget of Ukraine, executed in 2016–2020, in million UAH
 Source: [7]

It is also worth considering the treasury service of social expenditures of the State Budget of Ukraine in 2016–2020, in particular, we define the amount of basic social expenditures during this period (Fig. 2).

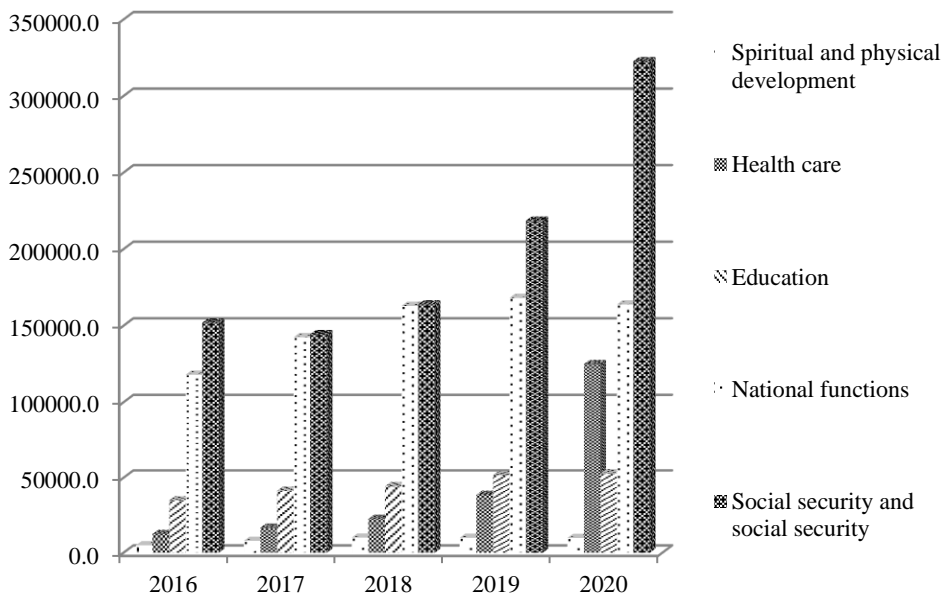


Fig. 2. Total expenditures of the State Budget of Ukraine, executed in 2016–2020, in million UAH
 Source: [7]

According to the study, we can argue that the financing of social protection and social security from the State Budget of Ukraine for 2016–2020 has increased more than 2 times, which indicates a shortage of funds in this field. Healthcare has grown 2.5 times only for the period 2019–2020, which can be explained by the need to finance anti-epidemic measures associated with morbidity of COVID-19. Spiritual and physical development throughout 2016–2020 it remained almost at the same level. Financing education from the State Budget of Ukraine is demonstrated during 2019–2020 minor increase compared with 2016–2018. Financial provision of nationwide functions has grown significantly during 2017–2018 and remains at the same level.

In order to improve the interaction between the Ministry of Finance of Ukraine and budget managers, it is necessary to implement the following innovative developments L. E. Deykalo and A. Yu. Chubak: to provide electronic management of files and reports with a digital signature in the system of remote customer service “Treasury Clients – Treasury” of the State Treasury Service of Ukraine, thus saving time, money and consumables; to introduce a single software product that used by managers of the budget fund and mandatory state social and pension insurance fund for accounting and financial reporting and integrated into the accounting system of the State Treasury Service of Ukraine and the financial reporting system in electronic format, which simplifies processing, storage, extraction and reproduction of accumulated information for analyzing and decision-making support; to use a single information resource for the placement of reference and regulatory information, coverage of information on public procurement and violations of budget legislation, which will increase the effectiveness of budget expenditures and optimizes the management of subordinate budget institutions; to introduce a single chart of accounts for the State Treasury Service of Ukraine, which will ensure transparency of accounting processes, reports and access to information on public sector financial transactions; to optimize budget expenditures by introducing internal control in order to strengthen the responsibility of managers for the management and development of institutions, which will improve the effectiveness of managers and legal liability of the recipients of funds [4].

Today, the Treasury activity should be stable and carried out with use of the latest technologies in the service sector for budget funds. According to Ukrainian researcher L. Yu. Marchenko need: simplify the procedure for connecting to the remote service system so that managers (recipients) of budget funds could submit the necessary list of documents remotely, namely paperless version; enabling clients of the State Treasury Service of Ukraine to remotely generate qualified electronic signatures, to ensure the development of appropriate software packages, etc. and make changes to the procedures for obtaining qualified electronic signatures [6]. However, today special attention should be paid to solving another problem – there is an imbalance in a large number of managerial accounts with unused budget funds. The formation of these balances on management accounts has mostly taken place so far, and we agree with the research of scientists O. V. Rubay and M. M. Bogach, as there is a period of time between the distribution of appropriations between the main managers of budget funds. Many factors influence the formation of balances of budget funds. In particular, due to the lack of relevant confirmation documents, the funds remain on the registered account of the budget management apparatus. The administrator and managers of its affiliated institutions and organizations violate the requirements of regulatory documents on the registration of treasury accounting responsibilities and payment of accounts. There is an

accumulation of significant amounts of funds in special registration accounts for payments in subsequent periods [9].

The State Treasury Service should implement operational monitoring in its activities, which allows to focus on the overall dynamics of key indicators and criteria for the development of budget organizations, identify the reasons for their short-term dynamics and explain the reasons leading to the current situation. In the process of collecting and analyzing relevant data in the Treasury there is an opportunity to make appropriate management decisions. Monitoring and evaluating key indicators more than once a year, makes it possible to increase the effectiveness of the budgetary authority, as the data obtained is sufficient to make timely management decisions to support the most problematic departments of the institution, without waiting for the annual report formation. Thus, the key goal of operational monitoring and evaluation of the Treasury effectiveness is to obtain preliminary data on the results of its activities on indicators that are characterized by changes and dynamics in the short term.

Having timely and accurate information about the budget revenues, expenditures, and liabilities allows you to make quick about temporarily free balances or borrowings. One of the levers of resource management that used by the State Treasury Service of Ukraine in many countries is the consolidation of remnants to a single account at the end of the day to attract funds to invest in relevant tools in the financial market. However, today this mechanism for managing state budget funds has not yet worked. Accumulation of a large amount of monetary resources in the budget has created opportunities to ensure the overall sustainable development of the national economy. The combination of budget funds and other sources of financial resources is the basis of social change.

In modern conditions of improving the effectiveness of the budget revenue formation system for each region should be carried out in the following directions: the provision of greater management freedom of local authorities, namely local self-government (communities); the creation of effective mechanisms for checking the quality of local services for which the central level could make sure that in delegated functions achieved expected indicators of success and complied with national quality standards; monitoring the incomes of local budgets at all stages of the budget process with using analysis, audit and continuous control over taxation, fees and obligatory payments and mobilization of income in accordance with certain planned indicators for the fiscal year; timely response to the state of implementation of the budget revenue, its formation this year will prepare an effective and solid base for planning tax indicators, fees and obligatory payments for the next year and prevent the shortcomings of past years in the following budget processes; implementation of planning local budgets for the medium term; strengthening the investment component of local budgets [10].

In the context of optimizing the budget process and the introduction of medium-term budget planning using the method of a planned goal, it is very important to strengthen the control over the budget spending. In order to ensure transparency and accountability of each plan, it is recommended to improve the form of the network of relevant managers of budget funds. The creation of a planning network, which implemented by major managers of budget funds will allow not only to obtain information on the accountability of the district in the organizational hierarchy, but also integrate with budget components to focus on achieving results in the budget plan. Ensuring transparency of control is also an important issue. The public and society as a whole in this regard fully agree with the

opinion of the scientists M. Hupalovska, A. Dem'yanyuk and S. Savchuk that they have the right to know their taxation and use of the industry. In the context of integration into the EU to Ukraine, positive changes occurred in this issue. If such a tendency was preserved, after a few years we would have received a fully open and transparent budget sphere. Today, in foreign practice, it focuses on the principle of not the expenditure of funds, but on the result obtained from this [3].

Today in Ukraine the decentralization process occurs by transferring authority and budget revenues from government institutions to local authorities. The reform of local self-government institutions envisaged a single process for local communities aimed at ensuring that they had the opportunity to solve local problems at their own expense, and also provided more resources to local communities and mobilized their internal reserves. In order to implement the reform of local autonomy, the Verkhovna Rada of Ukraine adopted the Ukrainian "Principles of National Regional Policy", "The Law on the Voluntary Association of Territorial Communities" and amendments to the budget. As L. Yu. Marchenko noted, these amendments are a legislative basis for stimulating territorial communities to the union in order to increase their ability through the transition of united communities' budgets to direct intergovernmental relations with the state budget. Further implementation of local self-government reform and decentralization of power should ensure the formation of united territorial communities that will be able to independently solve local importance issues, be financially independent and capable, as well as effectively and efficiently plan and implement local budgets of united territorial communities [5].

5. Research results

The results of the study are: the theoretical approach to the issues of treasury maintenance of budgets of different levels is considered; the interaction of the bodies of the State Treasury of Ukraine with budget funds and in the context of decentralization of power is investigated; the implementation of revenues and social expenditures of the State Budget of Ukraine is analyzed.

The originality of the study, and this is its practical value, it has been proposed to improve the control over the expenditure of budget funds and the modernization of the qualitative level of service by the state treasury authorities.

6. Conclusions

The conducted researches will allow drawing the following conclusions. To improve the treasury service of different levels budgets in the context of a balanced financial policy, it is necessary: to establish using of virtual network access channels (VPN) in the ASKOD system (service that provides legally significant electronic document management with contractors and other entities) and allocation such channels for the ASKOD connections with other electronic systems used in state authorities and local self-government; automate the process of uploading reports on the use of budgetary funds, concluded agreements and reports on their implementation on the E-data portal, linking software packages used by the STSU, public authorities and local self-government and managers (recipients) of budget funds. Key prerequisites for modernization and improving the quality level of service by the Treasury are the development of a system on innovative technologies and using of modern tools. Such of system development requires appropriate staffing of the STSU. Therefore, it is necessary to introduce an algorithm for professional

selection of personnel taking into account the established requirements for their knowledge, skills, abilities and personal qualities and practical recommendations for the training of STSU staff.

The priority directions of the State Treasury Service of Ukraine activity are: implementation of an electronic system of the Treasury interaction with authorities that control the collection of budget revenues in the process of returning from state and local budgets erroneously or excessively credited funds; development of a draft regulatory act on the electronic system of the Treasury interaction with authorities that control the collection of budget revenues in the process of returning from state and local budgets erroneously or excessively credited funds; the construction of a separate module of the Treasury information interaction with authorities that control the collection of budget revenues in the process of returning from state and local budgets erroneously or excessively credited funds; participation in ensuring the functioning of a single account for paying taxes and fees, a single contribution to generally binding state social insurance; ensuring submission by the Treasury of reports on the implementation of state and local budgets in electronic form using the automated system “E-reporting” and others.

Further research on this issue should be aimed at main directions of development of treasury service of local budgets in the context of deepening decentralization of power. Particular attention should be paid to the study of the regional and district level of treasury service on the example of various regions of Ukraine. In addition, a promising research area in modern conditions will be an analysis of countering cyber threats in the state treasury service authorities of Ukraine.

References

1. Brezhnieva-Yermolenko, O. V., Titkova, N. P., Cherkasova, T. M. (2020). Theoretical and practical aspects of a single treasury account functioning as a main account of the state [Teoretychni i praktychni aspekty funktsionuvannia yedynoho kaznacheiskoho rakhunku yak osnovnoho rakhunku derzhavy], *Molodyy vchenyi*, No. 12 (88), s. 106–109 [in Ukrainian]
2. Vatamanyuk-Zelinska, U. Z. (2018). Improvement of treasury service system in the field of funds management of the State Budget of Ukraine [Udoskonalennia systemy kaznacheiskoho obsluhovuvannia u sferi upravlinnia koshtamy Derzhavnoho biudzhetu Ukrainy], *Innovatsiina ekonomika*, No. 7–8, s. 10–16 [in Ukrainian]
3. Hupalovska, M., Demyaniuk, A., Savchuk, S. (2020). Features of the treasury control realization in the budget sphere [Osoblyvosti zdiisnennya kaznacheiskoho kontroliu u biudzhetsnii sferi], *Halytskyi ekonomichnyi visnyk*, No. 6 (67), s. 122–128 [in Ukrainian]
4. Deykalo, L. Ye., Chubak, A. Yu. (2015). Interaction of the Treasury bodies of Ukraine with administrators of budget funds of the State Budget, ways of improvement [Vzaiemodiia orhaniv kaznacheistva Ukrainy z rozporiadnykamy biudzhetsnykh koshtiv Derzhavnoho Biudzhetu, shliakhy vdoskonalennia], *Efektivna ekonomika*, No 1. Retrieved from: http://nbuv.gov.ua/u/jrn/efek_2015_1_41 [in Ukrainian]
5. Marchenko, L. Yu. (2017). Treasury servicing of united territorial communities budgets in Ukraine [Kaznacheiske obsluhovuvannia biudzhetyv obiednanykh terytorialnykh hromad v Ukraini], *Teoriia ta praktyka derzhavnoho upravlinnia*, No. 3 (58), s. 141–146 [in Ukrainian]
6. Marchenko, L. Yu. (2021). *The state policy implementation in the sphere of treasury service of budget funds*: dissertation [Realizatsiia derzhavnoi polityky u sferi kaznacheiskoho obsluhovuvannia biudzhetsnykh koshtiv: dysertatsiia doktora filosofii z publicnoho upravlinnia], Kharkivskiy rehionalnyi instytut derzhavnoho upravlinnia Natsionalnoi Akademii derzhavnoho upravlinnia pry Prezydentovi Ukrainy, Kharkiv, 268 s. [in Ukrainian]
7. *The State Treasury Service of Ukraine*: website. Retrieved from: <https://www.treasury.gov.ua/en> [in Ukrainian]

8. *On approval of the Regulations on the State Treasury Service of Ukraine*: Law of Ukraine, No. 215, 15.04.2015 [Pro zatverdzhennia Polozhennia pro Derzhavnu kaznacheisku sluzhbu Ukrainy: Postanova Kabinetu Ministriv Ukrainy, No. 215, 15.04.2015]. Retrieved from: <https://zakon.rada.gov.ua/laws/show/215-2015-%D0%BF#Text> [in Ukrainian]
9. Rubay, O. V., Bohach, M. M. (2020). Managing financial resources in the Treasury system [Upravlinnya finansovymi resursamy v systemi kaznacheystva], *Ekonomichni visnyk*, No. 3, s. 43–50 [in Ukrainian]
10. Shcherban, O. D. (2013). Directions for improving of local budgets revenues formation [Napriamy udoskonalennia formuvannia dokhodiv mistsevykh biudzhativ], *Visnyk ekonomiky transportu i promyslovosti*, No. 41, s. 74–79 [in Ukrainian]
11. Yuriy, S. M. (2019). Theoretical issues of information modernization of treasury budgets [Teoretychni pytannia informatsiinoi modernizatsii kaznacheiskoho obsluhovuvannia biudzhativ], *Hroshi, finansy i kredyt*, Vyp. 1 (73), s. 196–204 [in Ukrainian]