

## 14. State and Independent Audit: Similarities and Differences

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**Introduction.** The reformation of the Ukrainian economy, the formation of new types of economic relations between economic entities and the processes of integration into the world economy led to the development of the financial system, which in general corresponds to the realities of the modern market economy, the state system, the goals of socially oriented economic development of the country.

**Materials and methods.** General scientific and special methods of study were used, namely method of analysis and synthesis, analysis of economic statistics and forecast.

**Results.** In market conditions the financial activity of the state is complicated by the interconnection with the activities of non-governmental commercial organizations, foreign investors, etc. Accordingly, state and independent financial control is complicated, which covers not only the financial activities of state organizations, but indirectly other organizations and individuals. State and independent audit is a tool for regulating socio-economic processes, ensuring the normal functioning of the financial system as a whole. At the same time, the state audit differs considerably from other forms of financial control, namely from the independent audit. Comparative characteristics of these forms of financial control are presented below.

Legislative framework for independent audit is Law of Ukraine "On Audit Activity", International Standards on Auditing. In its turn, the legislative framework for state audit is The Commercial Code, the Budget Code, the Law of Ukraine "On State Control and Audit Service in Ukraine". Other criteria are tasks of these kinds of control. Tasks of independent audit are definition of reliability and legality of financial and economic activity of enterprises of all forms of ownership, diagnostics and prevention of pre-crisis situations. Other criteria are tasks of independent and state audit. Tasks of independent audit are definition of reliability and legality of financial and economic activity of enterprises of all forms of ownership, diagnostics and prevention of pre-crisis situations. By the way, the tasks of state audit are definition of legality and estimation of efficiency of use of funds of the state budget of Ukraine, effectiveness of budget programs implementation, prevention of financial violations. The next characteristic of these forms of financial control is entities. The entities of independent audit are audit firms and private auditors, and the entities of state audit are State Audit Office of the State Control and Revision Service and the Accounting Chamber of Ukraine. The object of independent audit is accounting and internal control system, information systems, but the objective of state audit is budget programs, accounting systems and internal financial control of budgetary institutions. The order of generalization of control information in independent audit are audit report, audit findings, in state audit, the order of generalization of control is only audit report. Methodical approaches for both of these forms of financial control are techniques and methods of documentary and factual control, general scientific methods.

**Conclusion.** Consequently, the differences between state and independent audit are determined by the purpose, tasks, subject and initiators of verification, the object, scope and time of the study, the field of legal regulation, the principles of payment, documentary registration of the results of verification and their use. At the same time, all forms of audit contribute to the proper management of the enterprise, providing users with independent, objective and reliable information, opinions based on reliable evidence.