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An extended abstract of a paper on the subject of:

RETROSPECTIVE ANALYSIS OF THE AUDIT EMERGENCE AND DEVELOPMENT IN THE CONTEXT OF THE MODERNIZATION OF THE STATE FINANCIAL CONTROL SYSTEM

Problem setting. Considering that international practice of public auditing is developing at a much faster pace and passed a long way of evolution compared to the direction scientific research on public audit, which is now in Ukraine at its elementary level, there is an objective need for retrospective analysis of the process of development of public audit.

Recent research and publications analysis. A retrospective review of domestic theoretical and practical aspects of methodology and audit in the state management system suggests that problems of its formation and development were studied by such renowned Ukrainian scientists as I. Basantsov, F Butynets, V. Geyets, A. Krysovatyy, E. Libanova, V. Nevidomiy, V. Simonenko, Y. Slobodyanyk, J. Stefaniuk, A. Tsarenko, A. Shevchuk and others.

Objective of the paper. Goal of this article is a retrospective analysis of historical stages of the audit in the context of formation of public audit paradigm of the GFC development, which currently is the basis of its constructive upgrade.

Main body of the paper (Discussion). Considering the course of historical events and their influence on the formation of public opinion on the essence of audit, we propose to allocate the following stages of audit in international practice in the context of modernization of GFC:
1) the emergence of audit in its original form (ancient era (until the third century BC.)): under slave-owning system audit was traditionally considered only as one of the household control procedures;

2) the stagnation of audit (Ancient and Medieval era (until the XII century.));

3) the procedural-functional stage (Medieval and Renaissance (XIII century-beginning of the XVI century) starts with the establishment of independent public audit in its modern interpretation; audit is represented by two types which had to ensure the accountability of public and private officials (audit at the state level and at the owner’s level), etc.;

4) professional stage (Renaissance, the New Era (beginning of XVI century - late XIX century): an independent audit is considered not only as a form of control, but also as professional activity; there appears a new role of state Institution control - informing the public about the disposal of public finance and its accounting; the origin of administrative and bureaucratic GFC model is traced etc;

5) institutional stage (Modern era (late XIX century – late XX century): establishment of the concept of autonomy and independence of public auditors; the constitutional principle of division of GFC in relation to executive power on the external (parliamentary control) and internal (government) GFC is implemented; transformation of audit into an independent socially necessary institution is developed; there is a transition to a new GFC model - audit of the public sector (Government Sector Auditing), etc.;

6) result-oriented stage (late XX century – until now)), audit of the public sector acquires extraordinary development at national and transnational levels under globalization; audit of administrative activity is implemented as the basis of a new model of public sector auditing; an increase in the public's role in controlling in the context of public-management concept, Good Governance is observed, etc.

Conclusions of the research. Conducted retrospective analysis of development stages of the audit in the context of modernization of GFC, in our opinion, can be used for further fundamental studies of the development of
institutional foundations of public audit as a mechanism for modernization of public administration in Ukraine.