

DIRECTIONS FOR IMPROVING THE EFFECTIVENESS OF INCOME GENERATION OF CONSOLIDATED BUDGET OF NOVOODESKYI DISTRICT OF MYKOLAIV REGION

Lapko A.S.

Master, Faculty of Accounting and Finance,
Mykolayiv National Agrarian University

Klochan V.P.

Candidate of Economic Sciences, Associate Professor,
Mykolayiv National Agrarian University

The process of decentralization of budgetary resources requires to link financial autonomy and independence of the budgets with tax, non-tax revenues and official transfers. In this regard, the relevant is a question of change of forms and instruments of income generation and expanding areas of their receipt.

The study is to analyse revenues of the consolidated budget of Novoodeskyi district and identify the main prospects for its functioning.

From 2012 to 2016, a pumping up the consolidated budget of Novoodeskyi district was carried out by tax revenues, official transfers and non-tax revenues.

Currently the largest share in total budget revenues is taken by official transfers. Moreover, this indicator is constantly growing. Over the entire period the share of official transfers reached 35.5%. Increased volumes are explained by the policy of decentralization accompanied by the transfer of significant tax revenues generated at the level of district from the state to local budget.

Although own funds at the disposal of local authorities have increased, the amount of goods and services that they can buy was lower than in the previous years. This is a consequence of inflation observed in the economy of Ukraine in 2015. Statistics says that in 2015 the price increase was 43.3%. Inflationary processes were so stormy that blocked the cash budget losses from the fall in output in the country.

Among tax revenues: tax and tax on personal income of 12,546.8 thousand and income tax – 6.6 thousand.

The share of non-tax revenues in the local budget is less than 1%, we see it for the entire period studied, in absolute terms in 2016 the value was 4.53 thousand UAH and in comparison with 2012 has decreased by 86.8%, accounting for 29.74 thousand UAH. This is due to the lack of revenue in the year for certain items such as: income from property and entrepreneurship, administrative fees and charges, state duty.

Reduced tax revenues to the budget in 2016 is explained by government policies aimed at easing the regulatory burden on business and, therefore, accompanied by a reduction of licensing procedures of licensed business activities, audits.

A fund of interterritorial finance alignment should be established in order to control local budgets. It would be appropriate to divide the local budget into the current budget and budget of development. This budget development should be based on the following principles: ensuring of a sufficient level of development of a region, city, town, village; stability of cash flow; priority development of the social sphere; scientific validity of the size of expenditures; mandatory implementation of the current budget.

In the analysis, we found a set of problems in the management of district revenues, including: disparity of current trends of local budgets' income generation and

needs of strengthening local government, local budgets' limited access to the capital market, absence of a transparent mechanism for the distribution and use of intergovernmental transfers.

Among the ways to solve the problems we offer: creating economic incentives for the development of own tax potential areas,

development of local debt market, introduction of assessing the financial position and the quality of financial management of local authorities. Also it is advisable to increase the effectiveness of management of local budgets as well as increase control and responsibility for compliance with budget legislation.