

SECTION 2. TRANSFORMATION OF CHALLENGES AND THREATS TO THE ECONOMIC SECURITY OF THE STATE

2.1. IMPACT OF MARTIAL LAW ON PUBLIC FINANCES AND CONTROL PROCESSES

In the context of the multifaceted socio-economic and political challenges facing Ukraine in the period of transformation, the role of state financial control is growing as one of the key mechanisms for ensuring the stability and transparency of the public finance system. Increased external pressure on the budget system, limited financial resources, and the need to implement large-scale reforms require the state to introduce effective tools to control the use of budget funds and other aspects of the financial activities of public authorities.

Public financial control plays a crucial role in ensuring that public funds are spent in a targeted and efficient manner, in preventing and detecting financial irregularities, in preventing the misuse or inefficient use of funds, and in reducing the risk of corruption in public administration. In this context, financial control is seen not only as a technical function of audit reports, but also as a strategic management tool that contributes to the integrity and public accountability of public authorities.¹

At the same time, in the process of reforming the public administration system, the modernisation of the organisational, legal and procedural framework for financial control is of particular importance. Despite the existence of the current

¹ Давиденко Н.М., Ключка О.В., Ключка С.С. Державний фінансовий контроль у системі економічної безпеки держави. Державний фінансовий контроль у системі забезпечення економічної безпеки держави: монографія. К.: 2019. 202 с.

legislative framework that formally regulates the powers of control bodies, the system of state financial control in Ukraine is characterised by a number of significant shortcomings. In particular, there is a fragmentation and duplication of control functions between different bodies, a lack of a coordinated approach to planning and implementing control measures, which leads to an overload of control subjects and a loss of integrity in assessing results.

Of particular concern is the insufficient implementation of a risk-based approach to the organisation of control activities. Ignoring the principles of prioritising control over the most vulnerable areas of budgetary expenditure significantly reduces the effectiveness of the audit and the impact of control measures on ensuring financial discipline. In addition, the absence of an adequate mechanism for monitoring the implementation of recommendations based on the results of control activities limits the possibility of implementing systemic changes and correcting identified shortcomings.

Improving the effectiveness of state financial control in Ukraine therefore requires a comprehensive approach, including improving the regulatory framework, digitalising control processes, developing analytical tools based on big data, and strengthening the institutional capacity of control bodies. In the long term, this will help to create a modern system of state financial control capable of responding promptly to risks, increasing confidence in management decisions and promoting the efficient use of budgetary resources in the public interest.

Control is an important part of a democratic state and a key element in the management decision-making process. It makes it possible to identify shortcomings in the work of budgetary institutions, organisations and enterprises and to determine the causes of these shortcomings. Effective control

improves discipline in governing bodies, which makes it possible to objectively assess the level of efficiency and responsibility of employees. In a market economy in Ukraine, state financial control over the formation and use of budgetary resources is of particular importance².

In accordance with the Resolution of the Cabinet of Ministers of Ukraine dated 07.05.2022 No. 561 "Some issues of state financial control under martial law"³, Article 121 of the Law of Ukraine "On the Legal Regime of Martial Law"⁴, Articles 2 and 5 of the Law of Ukraine "On the Basic Principles of State Financial Control in Ukraine"⁵, as well as the Decree of the President of Ukraine of February 24, 2022, No. 64 "On the introduction of martial law in Ukraine"⁶, the government has implemented measures to ensure proper control over the use of state resources during martial law.

In particular, the law stipulates that the State Audit Office and its territorial subdivisions shall exercise their powers during martial law and within one month of its termination or revocation, taking into account the following features⁷:

² Скрипник Г.О., Черненко В.В. Державний фінансовий контроль України в умовах воєнного стану. Економіка та суспільство. 2024. № 70. URL: <https://economyandsociety.in.ua/index.php/journal/article/view/5397>

³ Кабінет Міністрів України. Постанова від 07.05.2022р №561 "Деякі питання здійснення державного фінансового контролю в умовах воєнного стану". *Офіційний вебпортал парламенту України*. URL: <https://zakon.rada.gov.ua/laws/show/561-2022-p#Text>

⁴ Закон України "Про правовий режим воєнного стану". *Офіційний вебпортал парламенту України*. URL: <https://zakon.rada.gov.ua/laws/show/389-19#n255>

⁵ Закон України "Про основні засади здійснення державного фінансового контролю в Україні". *Офіційний вебпортал парламенту України*. URL: <https://zakon.rada.gov.ua/laws/show/2939-12#Text>

⁶ Указ президента України №64/2022. «Про введення воєнного стану в Україні». URL: <https://www.president.gov.ua/documents/642022-41397>

⁷ Звіти. *Рахункова палата*. URL: <https://rp.gov.ua/FinControl/FinReports/>

- control methods of the state financial audit are adapted to the conditions of wartime;
- the procedure for conducting control measures (inspections, audits, procurement control) is regulated, except for cases when they are impossible due to martial law;
- during the audit, it is allowed to use both paper and electronic means for working with documents, making comparisons, collecting information and processing documents.

Table 2.1 shows the main quantitative indicators of the functioning of the State Audit Service of Ukraine for the period of 2021-2023.

The data presented make it possible to analyse the scope of audits, public procurement controls and objects of control covered, as well as the violations detected in the use of public funds. In addition, the table illustrates the results of financial violations, the amount of funds recovered, the number of cases referred to law enforcement agencies, the number of criminal cases initiated, administrative decisions, fines imposed, and the number of officials brought to justice. These data make it possible to trace the dynamics of changes in the area of state financial control and the effectiveness of control measures over a three-year period.

An analysis of the above data shows a certain decrease in the total number of control actions over the period. This is probably due to the transition to a more risk-based audit model, which involves concentrating efforts on items with the highest potential for financial irregularity. On the other hand, there has been an increase in the number of cases of illegal expenditure, breaches of financial and budgetary discipline and resource shortages, which point to deeper systemic problems in the management of public finances.

Table 2.1 - Performance results of the State Audit Service of Ukraine in 2021-2023

Indicators	2021	2022	2023	Deviation of 2023 to 2021 (+,-)
Number of revisions	1000	446	713	-287
Number of procurement inspections	528	587	395	-133
Number of inspected objects	1500	912	1000	-500
Total amount of detected financial violations, UAH billion.	15	100	211	-196
Amount of illegal expenses and shortages, UAH billion.	9	39	77	68
Amount of financial resources shortfall, UAH billion.	6	61	134	128
Financial violations recovered, UAH billion.	78	3	6	-71
Materials transferred to law enforcement agencies	921	707	504	-417
Pre-trial investigation launched	401	265	126	-275
Number of management decisions	801	504	386	-415
Brought to administrative responsibility, persons	1900	940	721	-1179
Amount of administrative fines imposed, UAH billion.	3	1	1	-2

**compiled by the authors on the basis of⁸*

In the period of 2021-2023, 2159 audits and 1510 inspections of public procurement procedures were carried out.

⁸ Статистичні звіти. Державна аудиторська служба України. URL: <https://dasu.gov.ua/ua/plugins/userPages/53>

The audit control covered more than 2.5 million business entities, budgetary institutions and organizations, which demonstrates the wide coverage of the objects of state financial control. As a result of these measures, financial irregularities were detected, which resulted in material losses totaling more than UAH 325.5 billion, which indicates a significant scale of inefficient or illegal use of public resources⁹.

Particularly worrying is the amount of illegal, untargeted and underfunded expenditure found in 2,720 organisations. The total amount of such violations exceeded UAH 124.7 billion, of which UAH 13.9 billion concerned budget funds. A separate category is made up of educational institutions, where a deficit of financial resources of about UAH 200.8 billion was recorded, of which UAH 45.4 billion was never received by the budgets of these institutions, indicating serious violations in the system of financing education.

At the same time, the increase in the actual compensation of losses related to the detected violations is a positive development. Over the past three years, the State Audit Service has recovered more than UAH 85 billion, including almost UAH 996.7 million detected in previous periods. This shows that the efficiency of not only detecting but also responding to financial offences has increased.

In order to ensure that the perpetrators are brought to justice and to intensify the law enforcement function of financial control, 2,132 audit and inspection materials were submitted to the competent authorities, which resulted in 792 pre-trial investigations. This demonstrates the close inter-institutional cooperation between the State Audit Service and law enforcement agencies.

⁹ Піхоцька М. Р. Стан та перспективи розвитку державного фінансового контролю в умовах воєнного стану. *Електронний журнал «Ефективна економіка»*. 2024. №9. URL: <https://www.nayka.com.ua/index.php/ee/article/view/4684/47233>

In addition, as a result of the identified violations, 1691 administrative decisions were issued against managers of various levels, and 3561 officials were brought to administrative responsibility. The total amount of fines imposed in 2021-2023 amounted to more than UAH 4.6 million, which is an important indicator of the increasing impact of administrative response tools.

The above indicators demonstrate not only the scope of the State Audit Office of Ukraine, but also the importance of further improving approaches to public financial control. Implementation of modern analytical technologies, expansion of the preventive audit function and intensification of inter-agency coordination should be the priority areas for improving the efficiency of the public financial control system in Ukraine.

Table 2.2 presents the key performance indicators of the Ukrainian audit services in 2021-2023, including the number of public procurement audits, financial audits, violations detected and prevention measures. This data reflects the dynamics of changes in the field of control, in particular the scale of inspections, the number of prevented financial violations and the transfer of materials to law enforcement agencies¹⁰.

An analysis of statistics shows that between January 2021 and December 2023, the State Audit Service conducted approximately 34.6 thousand audits. As a result, financial violations were prevented, including the cancellation of tenders worth almost UAH 25 billion and the termination of contracts worth about UAH 22.3 billion.

During this period, 555 state financial audits were conducted, of which 114 related to the implementation of budget programmes and 353 to the activities of business

¹⁰ Статистичні звіти. Державна аудиторська служба України. URL: <https://dasu.gov.ua/ua/plugins/userPages/53>

entities. In total, state financial control bodies managed resources worth more than UAH 1,138 billion

Table 2.2 - Activities of the State Audit Service of Ukraine in 2021-2023: results of monitoring, audits and detected violations

Indicators	2021	2022	2023	Deviation of 2023 to 2021 (+,-)
Number of procurement monitoring, thousand.	11	12	12	+1
Violations prevented, UAH billion.	10	8	7	+3
Contracts terminated, UAH billion.	3	7	12	+9
Financial audits were conducted:	191	159	205	+14
-Audits of local budgets	53	14	47	-6
-Audits of budget programs	32	20	36	+4
-Audits of business entities	106	125	122	+16
Resources covered by audits, UAH billion.	470	214	454	-16
Inefficient actions identified, UAH billion.	93	57	79	-14
Identified potential risks, UAH billion.	24	21	47	+23
Violations detected, UAH billion.	3	2	1	-2
Prevented losses, UAH billion.	2	3	11	+9
Compensated losses, UAH billion.	3	1	4	+1
Provided suggestions	2000	1600	2100	+100
Proposals implemented	1000	940	1200	+200
Audit reports submitted to law enforcement agencies	67	65	123	+56
Pre-trial investigations have been launched	20	12	20	-
Management decisions were made	416	200	358	+58

**compiled by the authors on the basis of ¹¹*

¹¹ Статистичні звіти. Державна аудиторська служба України. URL: <https://dasu.gov.ua/ua/plugins/userPages/53>

. The audits revealed numerous cases of inefficient management and risky activities that resulted in financial losses, lost profits and unnecessary expenses amounting to more than UAH 228.6 billion. In addition, it was found that certain management decisions could cause further losses of over UAH 92.1 billion.

The regulatory authorities responded promptly to the auditors' recommendations, which helped prevent financial and material losses of about UAH 15.1 billion and compensate for losses of more than UAH 7.87 billion. The audits resulted in more than 5.8 thousand recommendations, of which approximately 3.14 thousand were implemented.

During the timeframe under review, the State Audit Service referred 255 audits to law enforcement agencies, which resulted in 52 preliminary investigations. In addition, based on the findings of financial audits, the leaders of central and local authorities, enterprises, institutions and organizations made 974 management decisions¹².

The use of theoretical approaches to assess the effectiveness of public financial control will increase the level of accountability for its results, as well as the efficiency of the work of state audit bodies and other control mechanisms responsible for overseeing the use of budgetary resources¹³.

The Law of Ukraine "On the Accounting Chamber" No. 576-VIII of 2 July 2015 defines the legal framework for the organisation and functioning of the Accounting Chamber as a body authorised to carry out external state financial control (audit). The Law establishes the mechanism for exercising the

¹² Скрипник Г.О., Черненко В.В. Державний фінансовий контроль України в умовах воєнного стану. Економіка та суспільство. 2024. № 70. URL: <https://economyandsociety.in.ua/index.php/journal/article/view/5397>

¹³ Ягоденко І. В., Гордей О. Д. Державний фінансовий контроль в Україні: стан і напрями вдосконалення. 2021. №10. с.336-340. URL: http://nbuv.gov.ua/UJRN/binf_2021_10_46

powers vested in the Accounting Chamber by the Constitution of Ukraine, in particular Article 98, according to which this body controls the receipt and use of funds for the state budget of Ukraine¹⁴.

The Accounting Chamber performs its control functions through a set of control measures that include financial audit, efficiency audit (i.e. audit of effectiveness, economy and productivity of public resources), analytical research, examination of draft legislative acts in the field of budget policy, as well as other forms of control provided for by the current legislation.

Financial audit, as a component of external control, is aimed at verifying the reliability of financial statements and compliance with the law in the course of budget operations. Performance audit, in turn, focuses on assessing the achievement of the objectives of government programs, the optimal allocation of budget resources and the compliance of results with the set objectives. This type of audit is especially relevant in conditions of limited financial resources and the need to ensure a high level of responsibility for management decisions¹⁵.

In addition, an important form of control activity of the Accounting Chamber is analytical and expert activity, which involves the preparation of independent conclusions and recommendations for improving the mechanisms of public finance management. These functions allow the Accounting Chamber to act not only as a control body, but also as an

¹⁴ Закон України "Про Рахункову палату". Офіційний вебпортал парламенту України. URL: <https://zakon.rada.gov.ua/laws/show/576-19#Text>

¹⁵ Колпакова А. Державний фінансовий контроль на сучасному етапі: огляд концептуальних засад. *International Science Journal*. 2023. №1. с.9-18. URL: <https://isg-journal.com/isjmef/article/view/263>

institution that plays a strategic role in shaping fiscal policy and increasing its transparency and efficiency.

The legal and regulatory framework of the Accounting Chamber creates the basis for an effective system of external financial control aimed at improving the quality of public finance management, strengthening financial discipline and ensuring democratic control over the activities of public authorities in the budget process.

Table 2.3 shows the main performance indicators of the Accounting Chamber of Ukraine for 2021-2023. This data includes the amount of audited amounts, the number of audited entities, cases of inefficient management and use of resources, violations of public financial planning, shortcomings in revenue management, additional revenue reserves of the state budget, and the total number of detected violations. The analysis also includes post-audit and pre-audit measures. This table shows the variation in key aspects of accounting efficiency over the three years.

According to Table 2.3, in 2023, the amount of money increased to UAH 771.1 billion, which is UAH 178.7 billion more than in 2021. This means that they are taking measures to make sure everything is safe and checking more places. However, the number of sites inspected decreased by 91 compared to 2021, which may be due to changes in how we inspect or our focus on larger companies.

In 2023, it was UAH 60.8 billion, which is 119.1 billion less than in 2021. This may mean that people are getting better at managing their money and taking steps to avoid financial problems. Unfortunately, the number of violations of budget legislation in 2023 amounted to UAH 14.9 billion, which is significantly higher than in 2022 (UAH 4.5 billion), but significantly lower than in 2021 (UAH 38 billion).

Table 2.3 - Performance of the Accounting Chamber of Ukraine in 2021-2023*

Indicators	2021	2022	2023	Deviation of 2023 to 2021 (+,-)
The amount of funds audited, UAH billion.	592	351	771	+179
Number of inspected objects	490	355	399	-91
Total amount of detected violations, UAH billion.	180	59	61	-119
Violations of budget legislation, UAH billion.	38	5	15	-23
Inefficient management and use of resources, UAH billion.	28	7	19	-9
Violations committed in the planning of public finances, UAH billion.	84	1	8	-76
Violations and shortcomings in the administration of the state budget revenues, UAH billion.	9	46	19	-10
Additional state budget revenue reserves, UAH billion.	22	33	76	+54
Post-audit activities	538	422	633	+95
Number of pre-trial investigations	27	12	9	-18

*compiled by the authors on the basis of¹⁶

In 2023, the amount of money wasted due to poor management and use of resources increased to UAH 18.9

¹⁶ Звіти. Рахункова палата. URL: <https://rp.gov.ua/FinControl/FinReports/>

billion, which is UAH 11.7 billion more than in 2022, but UAH 208 billion less than in 2021. This indicates that things are getting worse this year compared to last year, but there are some positive changes in 2021.

The number of violations in public finance planning has increased a lot: from UAH 83.8 billion in 2021 to UAH 7.7 billion in 2022, which shows that things are getting better. In 2023, there were some problems with the way the government managed its money, which cost them UAH 19.2 billion. This is UAH 26.7 billion less than the previous year, but UAH 10.4 billion more than in 2021.

These trends show that people are getting better at managing their money, making sure the government is tracking finances and finding ways to spend money more wisely ¹⁷.

The overall analysis shows that in 2023, state financial control was strengthened, the amount of audited funds increased, and additional budget reserves were identified. At the same time, the number of violations decreased compared to 2021, which may indicate an improvement in financial discipline. However, some aspects, such as resource management and the efficiency of budget revenue administration, remain areas for further improvement.

The effectiveness of state financial control directly depends on the achievement of the objectives of control measures, which is assessed based on the results of inspections. One of the key performance indicators is the number of audits conducted by the controlling authorities. Fig. 1 shows the data

¹⁷ Давиденко Н.М., Ключка О.В., Ключка С.С. Державний фінансовий контроль у системі економічної безпеки держави. Державний фінансовий контроль у системі забезпечення економічної безпеки держави: монографія. К.: 2019. 202 с.

on inspections conducted by the State Audit Service of Ukraine¹⁸.

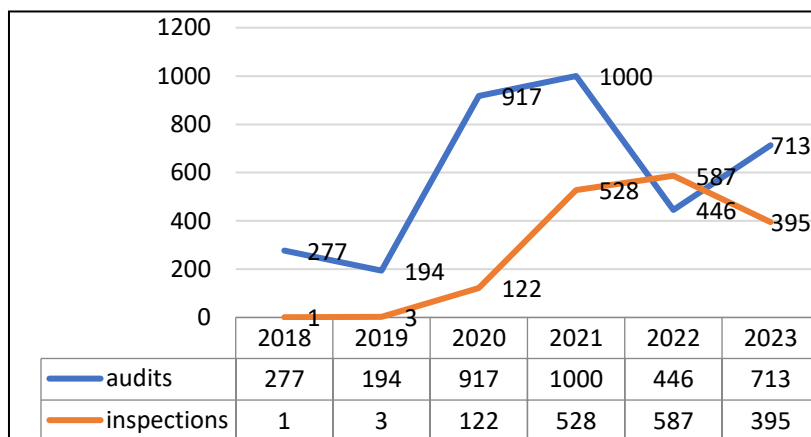


Fig. 2.1 - Control measures carried out by the State Audit Service of Ukraine as of 2018-2023*

**compiled by the authors on the basis of¹⁹*

The analysis of the indicators shows how the way of conducting state financial control is changing. So, in 2018-2019, the number of checks decreased by 83 units.

It is possible that they changed the way they control things or something else that happened within the company.

From 2019 to 2021, there was a big jump in the number of inspections - from 194 to 1000. This shows that they are doing a better job of keeping things under control and making sure everything is running smoothly.

Due to the ongoing military aggression, the number of inspections decreased by 55% to 446 in 2022, a clear sign of the difficult economic conditions in the country. But in 2023,

¹⁸ Статистичні звіти. Державна аудиторська служба України. URL: <https://dasu.gov.ua/ua/plugins/userPages/53>

the regulatory authorities began to return to their normal activities, and they increased the number of inspections to 267 units. This shows how our bodies and minds adapt to new situations and regain control over our lives.

A comprehensive analysis of the impact of external and internal factors on the state's financial system is an important prerequisite for the development of an effective and adaptive public finance management model. External factors, such as global economic fluctuations, geopolitical risks, currency instability, inflation, international sanctions or changes in the terms of cooperation with international financial organizations, significantly affect the state's ability to conduct strategic budget planning. At the same time, internal factors such as political stability, the effectiveness of tax policy, the state of institutional capacity of public authorities, the level of transparency of the budget process and compliance with the principles of financial discipline determine the state's ability to independently regulate financial flows and implement socio-economic priorities.¹⁹.

By analyzing the interaction of these factors, it is possible to assess the level of maturity of the state financial control system, identify its vulnerabilities and outline areas that require structural reform. This approach allows not only to identify problems in the functioning of control mechanisms, but also to facilitate their timely adjustment in accordance with dynamic changes in the external and internal environment. This is especially relevant in times of crisis or transformation processes, when flexibility and adaptability of the public

¹⁹ Ключка О.В., Ключка С.С. Світова практика організації державного фінансового контролю та можливість її адаптації в Україні. Міжнародні економічні відносини. 2021. №6. с.93-104. URL: https://eco-science.net/wp-content/uploads/2021/06/06.21._note_ukr_Kliuchka-O.V.-Kliuchka-S.S.-93-104.pdf

finance management system are critical to maintaining financial stability.

A high level of efficiency in making management decisions based on a thorough analysis of current risks allows for more efficient spending of public funds, avoiding duplication of costs, and preventing inappropriate or inefficient use of resources. In this context, there is a need to regularly improve monitoring procedures, evaluate the effectiveness of budget programs, expand audit tools, and implement risk management systems in the public sector.

The formation of an effective public finance management system is impossible without a clear interaction between the analytical approach to assessing the impact of external and internal factors and the mechanisms of operational regulation²⁰. It is the ability of the state to adapt its financial policy to new challenges, adjusting control instruments in accordance with the current needs of society and the economy, that is the key to its financial stability, sustainability and long-term development²¹.

Fig. 2.2 shows the dynamics of changes in the total amount of identified violations and deficiencies in public financial management for the period 2021-2023. The graphical representation is made in the form of a blue bar chart, which allows us to visually analyze the trends and assess the extent of the identified problems in financial control.

²⁰ Луніна І. О. Потенціал публічних фінансів для забезпечення видатків воєнного періоду та поствоєнного відновлення України. *Фінанси України*. 2022. № 8. С. 7–26. URL: https://doi.org/10.33763/fi_nukr2022.08.007

²¹ Марченко С. М. Стратегічне управління державними фінансами: євроінтеграційний курс, міжнародні тренди, національні особливості. *Фінанси України*. 2022. № 1. С. 7–26. URL: https://doi.org/10.33763/fi_nukr2022.01.007

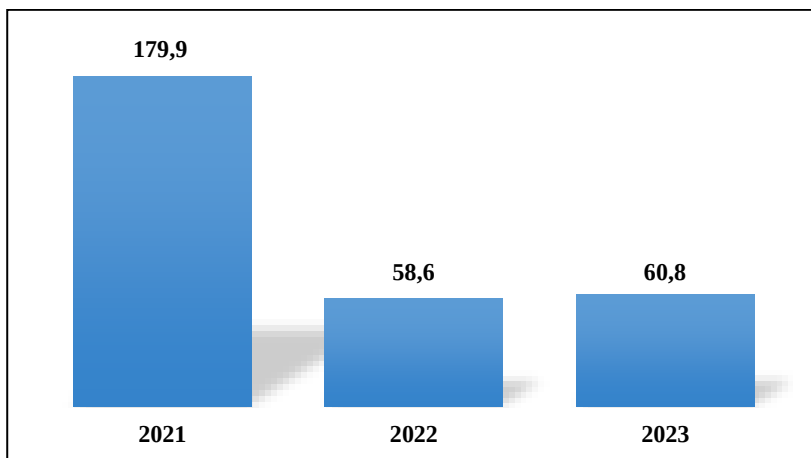


Fig. 2.2 - Total amount of violations and deficiencies in public finance management in 2021-2023

**compiled by the authors on the basis of²²*

Looking closely at the patterns of the indicators, we can see important shifts in their values from 2021 to 2023. The index took a big hit in 2022, falling year-on-year. Thus, in 2021, its value was 179.9, but in 2022 it decreased by 121.3 points (or 67.4%), ending at 58.6. The state financial control of the state has taken a hit, likely due to external factors such as military aggression and the restrictions that come with it.

In 2023, the index slightly increased to 60.8, which is 2.2 points (or 3.8%) higher than in 2022. However, even after this moderate increase, the index remained significantly lower than in 2021 - by 119.1 points (or 66.2%). This indicates that although the situation has improved somewhat, the effectiveness of control has not yet reached previous levels.

In general, the trend shows a sharp drop in 2022 and partial stabilization in 2023, but the index value is still below

²² Звіти. Рахункова палата. URL: <https://rp.gov.ua/FinControl/FinReports/>

the level of 2021, indicating that additional measures are needed to restore the effectiveness of state financial control.

In order to comprehensively and objectively assess the effectiveness of the state financial control system, a comprehensive methodology combining elements of quantitative and qualitative analysis was used. This approach provides a deeper understanding not only of the formal results of the audits, but also of their practical significance in terms of managing budgetary resources and ensuring financial discipline.

The quantitative component of the methodology included an analysis of the official financial statements of public sector entities, the results of audits, performance audits and cost monitoring conducted by the State Audit Service of Ukraine. This data allowed us to assess the scale and nature of the violations detected, the amount of funds recovered, and the effectiveness of the response to the identified financial risks.

The qualitative component of the assessment was implemented through an expert survey involving independent experts with proven experience in the field of financial audit, state control or public finance management. To ensure the representativeness of the sample, 50 independent experts from different regions of Ukraine were randomly selected for the study, which allowed to take into account the regional peculiarities of financial control implementation.

Each expert individually assessed the identified indicators of the control system's effectiveness on a five-point scale, where 1 point meant the lowest level of effectiveness, indicating critical shortcomings in the control procedure, while 5 points indicated high efficiency, compliance with international standards and the effectiveness of mechanisms to ensure financial responsibility. The assessment covered such criteria as completeness of inspections, timeliness of response

to violations, quality of reporting documentation, transparency of procedures, effectiveness of interagency cooperation, and the level of implementation of modern digital tools in control activities.

The obtained results were summarized and presented in Table 2.4, which allows not only comparing average scores in certain areas of control, but also identifying the most problematic areas requiring strategic intervention and improvement.

Table 2.4 - Assessment of the effectiveness of existing financial control mechanisms

The control aspect	Level of effectiveness (1-5)	Comments
Transparency	3	Monitoring hampered by lack of operational reporting
Compliance with regulations	4	Generally complies with regulatory requirements
Efficiency	2	Delays in auditing due to limited access to data
Efficiency	3	Reduced efficiency due to lack of coordination between agencies

**compiled by the authors on the basis of*²³

The survey results showed that the financial control systems have a moderate level of transparency, mainly because it is difficult to report on the operational side. The level of compliance with regulatory requirements is assessed to be in line with the law. However, the speed and effectiveness of

²³ Сікора Є.І. Ефективність фінансового контролю за видатками Державного бюджету України у період воєнного стану. «Здобутки економіки: перспективи та інновації». 2024. №8. URL: <https://econp.com.ua/index.php/journal/article/view/38/32>

controls are still lacking, mainly due to delays in audits and lack of coordination between different government agencies²⁴.

Consequently, making the financial control system work well in wartime is really important if we want to see big improvements. Even though there are fewer control measures in place, the fact that more financial irregularities are being detected indicates that the focus is on the most important and resources are being used appropriately. From 2021 to 2023, the State Judicial Service of Ukraine conducted inspections and audits, which helped prevent large losses of resources, compensate for damages and create additional money for the state budget.

2.2. INTERNATIONAL LIQUIDITY MAINTENANCE AS A CRITICAL CONDITION FOR ENSURING FINANCIAL SECURITY OF THE STATE

In the context of unprovoked military aggression against Ukraine, the effectiveness of managing its financial security is directly contingent upon the ability to maintain an adequate level of international liquidity. Relevant measures encompass not only the attraction and rational allocation of international financial assistance but also the optimization of existing resource utilization, restructuring of external debt, and effective foreign exchange oversight. Thus, international liquidity, typically a routine objective of financial policy during periods of economic growth, elevates to a priority of state financial security in times of crisis. This underscores the

²⁴ Єфименко Т. І. Управління фінансами в період воєнного стану та повосної побудови України: науковий супровід трансформацій. Фінанси України. 2023. № 1. С. 7–25. URL: https://doi.org/10.33763/fi_nukr2023.01.007

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The research is aimed at substantiating new approaches to the formation of the system of economic security and its components, in particular the financial component, in order to ensure the integrity of the system from the point of view of the possibility of effective functioning in new economic conditions, characterized by changes in the forms of interaction of industry with the banking system, the tax system; changes in the state policy, which complicate the mechanism of interaction with business structures. It is proved that the financial security of an enterprise is central to the system of economic security, which is explained by the following: the level of financial security of any enterprise determines its ability to provide other components of its economic security, and changes in any field of the enterprise are ultimately reflected in its financial security.

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