

UDC 657(6.471)-054.73(477)

**Hladii I.**

*Ph. D. in Economics, Associate Professor,  
Associate Professor of Department of Accounting and Taxation,  
Vinnytsia Institute of Trade and Economics  
Kyiv National University of Trade and Economics, Ukraine;  
e-mail: ir\_rina@ukr.net; ORCID ID: 0000-0001-9845-9706*

**Kuznetsova S.**

*Ph. D. in Economics, Associate Professor,  
Associate Professor of Department of Economic Analysis and Accounting,  
National Technical University «Kharkiv Polytechnic Institute», Ukraine;  
e-mail: svitlana.kuznetsova@khp.edu.ua; ORCID ID: 0000-0002-1567-4791*

**Dziuba O.**

*Ph. D. in Economics, Associate Professor,  
Associate Professor of Department of Accounting and Taxation,  
Vinnytsia Institute of Trade and Economics  
Kyiv National University of Trade and Economics, Ukraine;  
e-mail: odzyuba@ukr.net; ORCID ID: 0000-0001-8635-451X*

**Maister L.**

*Ph. D. in Economics, Associate Professor of Department of Accounting and Taxation,  
Vinnytsia Institute of Trade and Economics  
Kyiv National University of Trade and Economics, Ukraine;  
e-mail: Lyudmilamaister5@gmail.com; ORCID ID: 0000-0002-1097-9940*

**Govorko O.**

*Ph. D. in Economics, Associate Professor of Department of Economics and International Relations,  
Vinnytsia Institute of Trade and Economics  
Kyiv National University of Trade and Economics, Ukraine;  
e-mail: ksynia.82@ukr.net; ORCID ID: 0000-0001-9351-4200*

## **SOCIAL AUDIT OF EXPENDITURE ON THE INTERNALLY DISPLACED PERSONS DUE TO THE ARMED CONFLICT IN THE EAST OF UKRAINE: CURRENT NECESSITY**

**Abstract.** The globalization of economic relations of the XXI century led to the realization that human resources are the driving force in the development of the stability of the state. A great number of internally displaced persons that appeared was a challenge for Ukraine because the establishment and protection of human rights and freedoms are the main responsibility of the state. This is why the need to form a system of social cost audit on the internally displaced persons due to the armed conflict in the east of Ukraine is a priority in order to optimize the ways of establishing social consensus by taking concerted actions to develop human resources.

The strategic focus of the social audit is to become a crucial factor for implementing the main principles of social partnership in regulating social and labour relations and carrying out the strategy of the financial encouragement of internally displaced persons due to the armed conflict in the east of Ukraine.

The problems and needs of internally displaced persons were discussed by many researchers. The issue of improving the system of the social audit was described in the works of A. Liubenko, V. Rysin, V. Pikhotskyi, M. Bukovynska, O. Hnatiuk, O. Ponomarenko, S. Sachenko, F. Fukuiama, etc.

As the analysis of the studies conducted by scientists implies, the urgent matter emerging in the current realities was not outlined in their works. Little attention was given to improving the efficient analysis system of social risks of either enterprise or state by implementing the social audit.

The study aims at examining the consistent patterns of allocation of funds of pilot projects total cost between the number of registered internally displaced persons and their families in

Ukraine using the social audit as the foundation for carrying out the strategy of the financial encouragement of internally displaced persons while they are socializing in new areas.

The study analyzed the funds allocated for the implementation of pilot projects aiming at the protection of human rights and legitimate interests violated by the armed conflict in the east of Ukraine and/or temporary occupation of the part of Ukraine. The study of the consistent patterns of allocation of funds of pilot projects total cost between the number of registered internally displaced persons and their families in Ukraine was carried out. It was revealed that increasing the number of registered persons does not influence the allocation of funds between them. It emphasizes the importance of examining the factors of these phenomena, which can be provided by the social audit of allocation of funds on a national scale. The need to carry out the social audit using participatory principle is stressed.

**Keywords:** social audit, internally displaced persons, costs, communities, analysis, participatory principle, plan of the social audit.

**JEL Classification** H55, H56, H57

Formulas: 0; fig.: 4; tabl.: 5; bibl.: 19.

**Гладій І. О.**

*кандидат економічних наук, доцент, доцент кафедри обліку та оподаткування,  
Вінницький торговельно-економічний інститут  
Київського національного торговельно-економічного університету, Україна;  
e-mail: ir\_rina@ukr.net; ORCID ID: 0000-0001-9845-9706*

**Кузнецова С. О.**

*кандидат економічних наук, доцент, доцент кафедри економічного аналізу та обліку,  
Національний технічний університет «Харківський політехнічний інститут», Україна;  
e-mail: svitlana.kuznetsova@khpі.edu.ua; ORCID ID: 0000-0002-1567-4791*

**Дзюба О. М.**

*кандидат економічних наук, доцент, доцент кафедри обліку та оподаткування,  
Вінницький торговельно-економічний інститут  
Київського національного торговельно-економічного університету, Україна;  
e-mail: odzyuba@ukr.net; ORCID ID: 0000-0001-8635-451X*

**Майстер Л. А.**

*кандидат економічних наук, доцент кафедри обліку та оподаткування,  
Вінницький торговельно-економічний інститут  
Київського національного торговельно-економічного університету, Україна;  
e-mail: Lyudmilamaister5@gmail.com; ORCID ID: 0000-0002-1097-9940*

**Говорко О. В.**

*кандидат економічних наук, доцент кафедри економіки та міжнародних відносин,  
Вінницький торговельно-економічний інститут  
Київського національного торговельно-економічного університету, Україна;  
e-mail: ksynia.82@ukr.net; ORCID ID: 0000-0001-9351-4200*

## **СОЦІАЛЬНИЙ АУДИТ ВИТРАТ НА ВНУТРІШНЬО ПЕРЕМІЩЕНИХ ОСІБ УНАСЛІДОК ЗБРОЙНОГО КОНФЛІКТУ НА СХОДІ УКРАЇНИ: НЕОБХІДНІСТЬ СЬОГОДЕННЯ**

**Анотація.** Глобалізація економічного мислення ХХІ століття призвела до усвідомлення того, що людські ресурси є вирішальними у процесі досягнення стійкості розвитку держави. Поява значної кількості внутрішньо переміщених осіб стала викликом для України, оскільки утвердження і забезпечення прав і свобод людини є головним обов'язком держави. Саме тому питання необхідності побудови системи соціального аудиту витрат на внутрішньо переміщених осіб унаслідок збройного конфлікту на Сході України стає пріоритетним у напрямі оптимізації шляхів досягнення соціального консенсусу через ужиття узгоджених заходів з розвитку людських ресурсів.

Стратегічна направленість соціального аудиту покликана стати важливим чинником практичної реалізації основних принципів соціального партнерства в регулюванні соціально-

трудоу відносин і побудови стратегії фінансового заохочення внутрішньо переміщених осіб унаслідок збройного конфлікту на Сході України.

Проблемам і потребам внутрішньо переміщених осіб у своїх дослідженнях приділяли увагу багато дослідників. Питанням налагодження системи соціального аудиту присвячено роботи А. Любенка, В. Рисіна, В. Піхоцького, М. Буковинської, О. Гнатюка, Р. Пономаренко, С. Саченко, Ф. Фукуяма та інших.

Аналіз проведених досліджень науковців засвідчив, що переважно їхні праці не висвітлюють нагального питання, що постало в сучасних реаліях. Налагодженню ефективної системи аналізу чинників соціальних ризиків як підприємства, так і держави шляхом запровадження соціального аудиту не приділено належної уваги.

Метою статті виступила об'єктивна необхідність у дослідженні закономірностей розподілу коштів загальної вартості пілотних проектів між кількістю облікованих внутрішньо переміщених осіб та їхніх сімей на території України із застосуванням прийомів соціального аудиту як основи побудови стратегії фінансового заохочення внутрішньо переміщених осіб у процесі їхньої максимальної соціалізації на нових територіях.

У дослідженні проведено аналіз коштів, виділених на реалізацію пілотних проектів, які направлені на захист прав і законних інтересів осіб, що порушені внаслідок збройного конфлікту та/або тимчасової окупації частини території України. Проведено дослідження закономірностей розподілу коштів загальної вартості пілотних проектів між кількістю облікованих внутрішньо переміщених осіб і сімей на території України. Виявлено, що збільшення кількості облікованих осіб не впливає на розподіл коштів між ними і це говорить про необхідність дослідження причин цих явищ, що в загальнодержавному масштабі може зробити соціальний аудит розподілу досліджуваних коштів. Доведено необхідність проведення соціального аудиту за принципом партисипативності.

Проведення соціального аудиту витрат на внутрішньо переміщених осіб дозволить отримати об'єктивну інформацію про соціально-економічні відносини; виявити рівень соціальної напруженості та своєчасно вжити превентивні заходи; ефективно регулювати соціально-економічні відносини за допомогою соціального партнерства.

**Ключові слова:** соціальний аудит, внутрішньо переміщені особи, витрати, громади, аналіз, принцип партисипативності, план соціального аудиту.

Формул: 0; рис.: 4; табл.: 5; бібл.: 19.

**Introduction.** Ukraine has the world's ninth-largest number of internally displaced persons. Hence, there is a pressing necessity of obtaining objective information on the expenditure on the internally displaced persons due to the armed conflict in the east of Ukraine, which allows to analyse the status of social environment of the society including real threats and potential risks of social relationships exacerbation, and violation of both national and international legislature related to social relationships. Apart from that, it is essential to outline the major options of social risk optimization as well as the means of social consensus achievement through adopting aligned events aimed at developing human resources, i.e. the internally displaced persons due to the armed conflict in the east of Ukraine.

In today's Ukraine there is no integrated consistent approach to tackling many issues caused by the armed conflict, particularly internally displaced persons' involvement in local community management, fulfillment of their housing rights, compensation for the lost (destroyed) property, ensuring IDPS' access to pensions, etc. Another major pressing problem is a lack of proper funding of the developed and authorized governmental programs and strategies. Therefore, nowadays social audit is an innovative tool of the management system which enables carrying out the analysis of the social risk factors both for a company and the state on the whole.

**Analysis of the recent research and problem setting.** The concept of social trust put forward by F. Fukuyama [1] may be considered to underlie the social audit theory. According to Fukuyama, social trust plays a major part in setting up vertical and horizontal social links and facilitates the reproduction of social assets. Should social trust be considered part of social assets

and social audit — a tool (means) of its multiplying, the most efficient interaction between government, business and society may be said to have been achieved.

O. Hnatiuk [2] suggests that social audit is viewed as the order of diagnosing social and labour relationships, tracking the status of the implementation of contracts and collective bargaining agreements between social partners at all levels.

M. Bukovynska, R. Ponomarenko [3] points out that the object of social audit is the socio-economic relationships in the area of development, approval, and implementation of contracts, plans, and social development programs relevant at all levels of the systems of social partnership and socio-economic area management.

One can't but agree with the point of N. Marushko, G. Volianyk [4] that while considering the issue of company social security it is only possible to determine it by linking to the state social security.

S. Sachenko's, L. Babii [5] research points out five stages of social audit, including organization of social accounting, preparation stage, identifying the boundaries of the audit and involved parties, the social audit itself as well as the feedback stage.

The study of the issue of establishing a social audit system also paid attention in their research T. Hughes [6], R. Kuriyan, S. Bailur, B. Gigler, K. Park [7], M. Rahim, S. Idowu [8], S. Courville [9], C. Adams, R. Evans [10], A. Shulus [11], R. Chenash [12].

**Methodology.** The research aims at investigating practical prerequisites to the introduction of the system of the social audit of expenditure on internally displaced persons due to the armed conflict in Ukraine. The method is based on applying an integrated, systematic and situational approach, which has ensured the comprehensiveness of the research. A range of general scientific cognitive methods has been adopted, particularly a system analysis (to characterize theoretical basics of the research of «social expenditure audit»); analysis and synthesis (to justify the necessity of implementation of social audit system); statistical and economic method (to analyse the effectiveness of fund spending on internally displaced persons due to the armed conflict in Ukraine).

**Description of the main research material.** Ukraine is one of the ten countries with the largest number of internally displaced persons, who were assigned this status due to the armed conflict and violence. Ukraine is only outnumbered by the Middle East countries, like Syria (6.6 million), Iraq (3.3 million), Yemen (2.5 million); as well as African countries like Sudan (3.2 million), Nigeria (2.1 million), South Sudan (1.7 million); and is followed by Pakistan (1.5 million) and Afganistan (1.2 million). It ranks first among European countries outnumbering Turkey with approx.1 million, Azerbaijan with 564 thousand, Cyprus (272 thousand), Georgia (239 million), etc. [13].

As of May 25, 2020, according to the Unified Information Database on Internally Displaced Persons, 1,446,881 internally displaced persons from the temporarily occupied territories of Donetsk and Lugansk regions and AR Crimea have been registered (*Table 1*).

Table 1

**The Information on the Number of the Internally Displaced Persons Registered in Ukraine**

№	Name of the region	Number of persons	Number of households	Persons of working age	Children	Persons with disabilities	Retired
1	Vinnytsia	11,181	8,110	4,455	2,201	607	2,890
2	Volyn'	3,073	2,108	1,445	696	134	631
3	Lugansk	280,437	250,022	33,980	21,722	8,234	200,799
4	Dnipropetrovsk	71,171	53,035	25,188	12,122	3,035	28,065
5	Lviv	11,032	7,604	4,361	2,489	353	1,626
6	Donetsk	510,764	433,826	75,266	62,702	17,828	315,175
7	Poltava	22,505	16,282	7,429	3,732	1,344	9,051
8	Zhytomyr	7,047	4,759	2,560	1,538	428	2,023
9	Zakarpattia	3,336	2,140	1,590	816	143	632
10	Zaporizhia	56,017	44,766	15,844	7,902	2,380	29,351
11	Ivano-Frankivsk	3,806	2,486	1,666	914	174	761
12	The city of Kyiv	159,533	119,510	81,494	27,725	4,977	34,934
13	Kyiv	62,901	44,132	23,307	12,656	2,225	16,183
14	Kirovohrad	6,505	4,500	2,188	1,320	412	2,406

Table 1 (continued)

№	Name of the region	Number of persons	Number of households	Persons of working age	Children	Persons with disabilities	Retired
15	Mykolaiv	8,255	5,460	3,530	1,967	388	2,061
16	Odesa	37,487	26,580	15,903	7,804	1,524	7,843
17	Rivne	3,041	1,950	1,246	779	154	614
18	Sumy	11,193	8,095	3,535	2,025	717	4,196
19	Ternopil	2,132	1,455	871	497	127	522
20	Kharkiv	134,100	108,345	46,182	17,774	4,072	52,373
21	Kherson	14,341	10,811	6,185	2,584	543	4,015
22	Khmelnytsky	6,493	4,260	2,041	1,402	344	1,924
23	Cherkassy	10,803	6,630	3,931	2,278	659	3,456
24	Chernihiv	7,286	4,980	2,500	1,390	434	2,470
25	Chernivtsi	2,442	1,437	1,152	637	119	426
Overall in Ukraine		1,446,881	1,173,283	367,849	197,672	51,355	724,427

Source: made up by the author's on the data [14].

As a result of political, economic and military unrest, the regulatory framework related to the expenditures on internally displaced persons' needs has been updated in Ukraine. Thus, in October 2014 in order to socially support IDPs, the government provided IDPs with a monthly allowance to cover housing and utility expenses. According to the site of the Ministry of Social Policy of Ukraine, in fact, by late 2019, the government had paid internally displaced persons about 12 billion hryvnias [14].

Also, the Ministry of Temporarily Occupied Territories and Internally Displaced Persons of Ukraine (MTOT), as the main budget funds manager, was in charge of implementing corresponding government programs and grants with a view to protecting the persons' rights and lawful interests violated as a consequence of the armed conflict and/or temporary occupation of a part of Ukraine's territory as well as reintegrating the population living in the temporarily occupied territory into a unified constitutional framework of Ukraine. One of the major projects was Grant FDRM № TF0A3307 «Remedial Measures in the Aftermath of the Conflict, Pilot Project on Restoration and Development Opportunities», implemented within the frame agreement on technical aid grants concluded between Ukraine and the International Bank for Reconstruction and Development. According to The Agreement on Grant, upon request for obtaining financial aid, a number of donors gave the grant in the amount not exceeding 3,200 thousand USD. The project contained Part 1 «Project Management, Monitoring and Assessment» and Part 2 «Pilot Measures of Addressing the Issues for the Development Caused by Displacing Persons and Returning Combatants» [15].

Late in 2019, Ukraine's Treasury carried out the audit into the effectiveness of spending of these funds. The findings show that the Ministry of Temporarily Occupied Territories and Internally Displaced Persons of Ukraine has failed to ensure effective management of the funds of the International Bank for Reconstruction and Development or complete, within set deadlines, the implementation of the pilot projects to meet socio-economic needs of the communities.

The audit revealed that overall 78% of the planned funds had been used by Category 1 of the Grant between 2017 — 1st half of 2019 (Table 2).

Table 2

**Information on the Use of the Grant Funds within Part 1 by MTOT between 2017 and 1st half of 2019**

Cost Item Type	Planned	Actual	Planned	Actual	% targets met
	thousand hryvnias	thousand hryvnias	thousand USD	thousand USD	
Purchase of consulting services	10,035.2	7,004.5	373.5	260.7	70
Purchase of goods	7,128.8	5,953.2	266.2	222.3	84
Purchase of non-consulting services	19.2	19.2	0.7	0.7	100
Payment for works	1,485.8	1,399.2	56.6	53.3	94
Studies and trainings	1,383.6	372.5	51	14	27
Operational costs	4,044.1	4,017.3	151	150	99
Total	24,096.7	18,765.9	900.0	701.0	78

Source: made up by the author's on the data [16].

In October 2017 MTOT [17], as part of Pilot Measures of Addressing the Issues for the Development, Caused by Displacing Persons and Returning Combatants, selected pilot sub-projects out of 83 draft proposals by city councils and united territory communities (Table 3).

Table 3

**The List of Pilot Sub-Projects within Part 2 of the Project (USD)**

№	Region	Sub-Project	Project Cost		
			Grant funds	Co-funding	Total Cost
1	The city of Zaporizhia	«Prospect» – «Business — Platform»	270,460.0	54,540.0	325,000.0
2	The city of Mykolaiv	«New opportunities for IDP and conflict veterans’ adaptation’	269,625.0	38,410.0	308,035.0
3	The town of Pervomaisk, Mykolaiv region	«Psychological support and Rehabilitation of IDPs and Combatants by Psychological Support Centre»	211,851.5	31,054.4	242,905.9
4	The town of Kupiansk, Kharkiv region	New opportunities of IDPs and combatants integration into the community of the town of Kupiansk»	233,215.0	130,689.0	363,904.0
5	The town of Pervomaisky Kharkiv region	«Future Made Today»	158,729.8	4,576.7	163,306.5
6	Novovodolask united community Kharkiv region	Centre for Development of business initiatives of IDPs and Combatants «New Countdown»	66,777.7	24,587.9	91,365.6
7	The city of Krivyi Rih Dnipropetrovsk region	«Restoration of social facilities for IDPs, combatants and their families, the disabled»	133,544.7	7,850.0	141,394.7
8	Sursk-Lithianian Community Dnipropetrovsk region	«Ensuring conditions for the implementation of the government fire and disaster safety policy»	256,956.0	118,822.0	375,778.0
9	The town of Berdiansk Zaporizhia region	«Providing aid to disabled persons over 18 by setting up the social-healthcare rehabilitation department»	121,781.3	30,345.7	152,127.0
10	The town of Kamianske Dnipropetrovsk region	Setting up rehabilitation department for veteran and other target groups based in the municipal institution «Municipal Hospital № 5»	274,259.0	15,267.0	426,929.0

Source: made up by the author’s on the data [17].

In Table 4 we shall rank the number of the internally displaced persons in Ukraine by regions. Mykolaiv region has been suggested and included in the program even though the percentage of the internally displaced persons living there amounts to less than 1%. In contrast, Donetsk and Luhansk communities, with 54.2% of the total number of the internally displaced persons, as well as the city of Kyiv and Kyiv region with 15.37% thereof have not been involved in the Project.

Table 4

**Ranking and Correlation of the Pilot Projects Funding and the Number of the Internally Displaced Persons Registered in Ukraine**

№	Name of the region	Number of persons registered	Percentage of persons registered,%	Number of households registered	Percentage of households registered, %	Grant funding, USD	Co-funding, USD	Total amount, USD
1	Donetsk	510764	35,3	433826	37,0	—	—	—
2	Luhansk	280437	19,4	250022	21,3	—	—	—
3	The city of Kyiv	159533	11,0	119510	10,2	—	—	—
4	Khrkiv	134100	9,3	108345	9,2	458722,5	159853,6	618576,1
5	Dnipro	71171	4,9	53035	4,5	664759,7	279342	944101,7
6	Kyiv	62901	4,3	44132	3,8	—	—	—
7	Zaporizhia	56017	3,9	44766	3,8	392241,3	84885,7	477127
8	Odesa	37487	2,6	26580	2,3	—	—	—

Table 4 (continued)

№	Name of the region	Number of persons registered	Percentage of persons registered, %	Number of households registered	Percentage of households registered, %	Grant funding, USD	Co-funding, USD	Total amount, USD
9	Poltava	22505	1,6	16282	1,4	–	–	–
10	Kherson	14341	1,0	10811	0,9	–	–	–
11	Sumy	11193	0,8	8095	0,7	–	–	–
12	Vinnitsia	11181	0,8	8110	0,7	–	–	–
13	Lviv	11 032	0,8	7 604	0,6	–	–	–
14	Cherkassy	10803	0,7	6630	0,6	–	–	–
15	Mykolaiv	8255	0,6	5460	0,5	481476,5	69464,4	550940,9
16	Chernihiv	7286	0,5	4980	0,4	–	–	–
17	Zhytomyr	7047	0,5	4759	0,4	–	–	–
18	Kirovohrad	6505	0,4	4500	0,4	–	–	–
19	Khmelnyskyi	6493	0,4	4260	0,4	–	–	–
20	Ivano-Frankivsk	3 806	0,3	2 486	0,2	–	–	–
21	Zakarpattia	3336	0,2	2140	0,2	–	–	–
22	Volyn'	3073	0,2	2108	0,2	–	–	–
23	Rivne	3041	0,2	1950	0,2	–	–	–
24	Chernivtsi	2442	0,2	1437	0,1	–	–	–
25	Ternopil	2132	0,1	1455	0,1	–	–	–
Total in Ukraine		1446881	100,0	1173283	100,0	1997200	593545,7	2590745,7

Source: calculated by the authors according to [14; 16; 17].

Following the data shown in Table 4 there arises an objective need in the research into the connection between the allocation of the total pilot projects funding and the number of the internally displaced persons and households registered in Ukraine. Because there are only several regions that received the pilot projects funding, only Kharkiv, Dnipro, Zaporizhia and Mykolaiv regions will be taken into consideration (Fig. 1, 2).

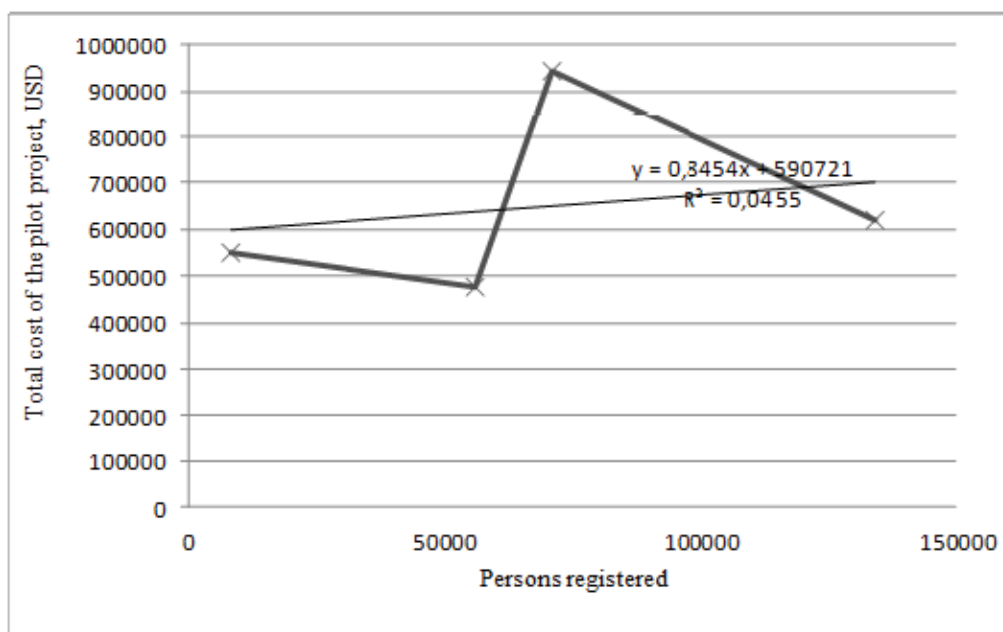
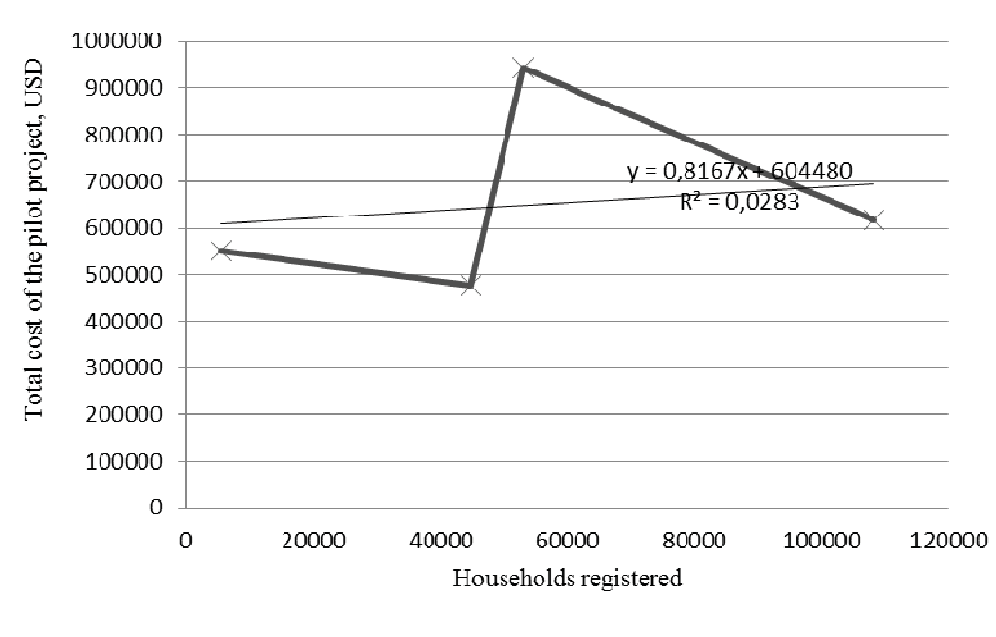


Fig. 1. The connection between the allocation of the total pilot projects funding and the number of the registered internally displaced persons in Ukraine

Source: Authors' own calculations.

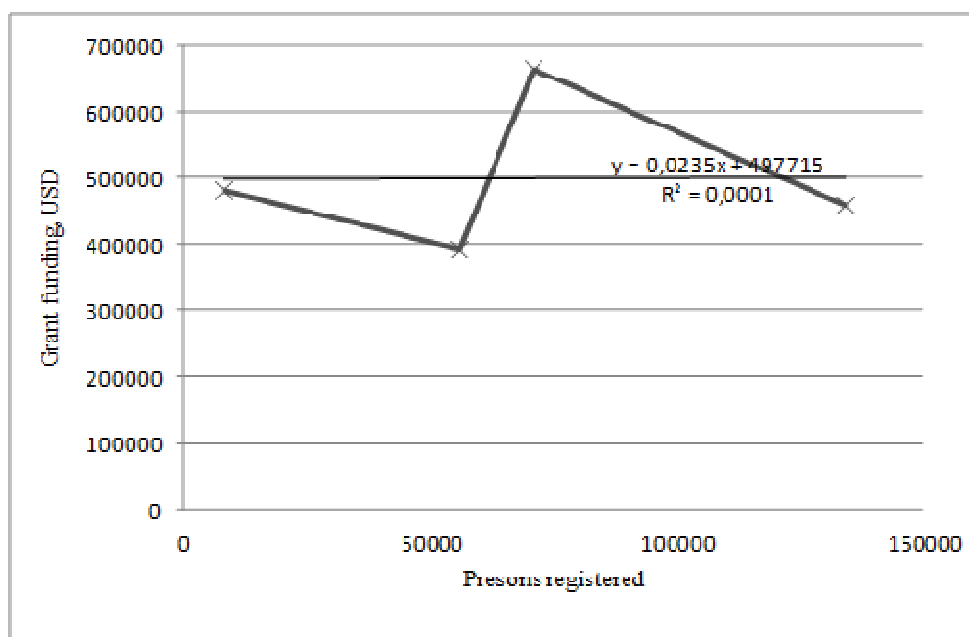


**Fig. 2. The connection between the allocation of the total pilot projects funding and the number of the registered internally displaced households in Ukraine**

Source: Authors' own calculations.

Determination coefficient  $R^2$  equals 0,045 and 0,028, which indicates the degree of dependence of the variable total cost of the pilot project on the independent variables, i.e. registered persons and households, in these models. Quite insignificant  $R^2$  figures in the research indicate the degree to which the research findings do not support the model, i.e. show lack of connection between the figures. The increase in the number of the internally displaced persons does not affect the allocation of funding to them, which leads to the need for the research into the reasons thereof. The latter can be done through the national social audit of the allocated funding under research.

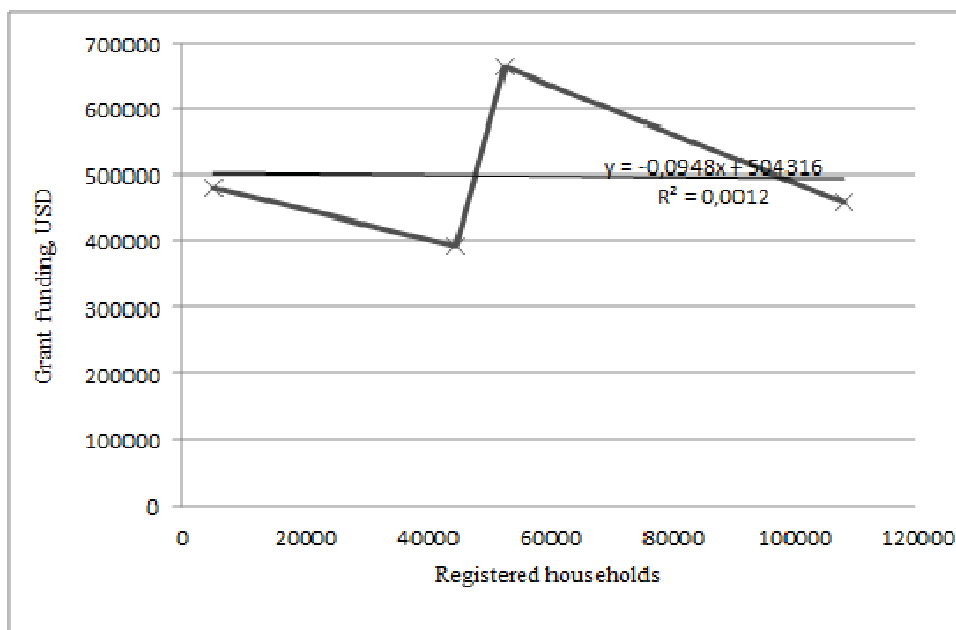
The study of the connection between the allocation of the grant funding solely and the number of the registered internally displaced persons and households in Ukraine is shown in *Fig. 3* and 4.



**Fig. 3. The connection between the allocation of the grant pilot projects funding and the number of the registered internally displaced persons in Ukraine**

Source: Authors' own calculations.





**Fig. 4. The connection between the allocation of the grant pilot projects funding and the number of the registered internally displaced households in Ukraine**

*Source:* Authors' own calculations.

The study of the dependence of the grant funding on the independent variables, i.e. registered persons and households, indicates the lack of connection between them in these models. The evidence thereof is the absolutely horizontal tendency lines and very low determination coefficients, 0,0001 and 0,0012 respectively. Similar conclusion can be reached to those about the total grant funding. The increase in the number of the internally displaced persons and households in Ukraine does not affect the amounts of grants allocated to them. Based on the findings of the four regions under research, both the regions with a large number of the persons and households and small one are allocated roughly the same grant funding.

The status of sub-projects implemented within Part 2 of the Project between 2018 — 1st half of 2019. The overall estimated cost of the sub-projects according to the three-party Agreement on collaboration concluded by MTOT of 10.04.2018 amounted to 2,014 thousand USD as of 30.06.2019, the actual spending was at 1,036.9 thousand USD or 52 percent [17].

Underfunding of the programs, which are to be implemented in communities that host a large number of internally displaced persons, affects the level of meeting the basic needs, which is one of the major indicators of social belonging and conflict vulnerability [18]. The internally displaced persons lack the opportunity to integrate and are being discriminated compared to the host community members when they do not get the required social benefits equally with the other community members [19].

All the above justifies the need for social audit of expenditure on IDPs from the temporarily occupied territories due to the armed conflict in Ukraine as a prerequisite for a long-term social investment in the process of interaction between the government and business. Social audit of expenditure on internally displaced persons is aimed to become an essential factor of practical implementation of basic principles of social partnership for managing social and labour relationships as well as building the strategy of financial incentives for internally displaced persons in the process of their ultimate social involvement in new communities.

The process of conducting the social audit of expenditure on IDPs can be considered at two levels:

- 1) at the level of a company, holding, enterprise or industry;
- 2) at the level of a region or country on the whole.

At the level of a company social audit of expenditure on internally displaced persons has to be performed by the principle of participation, that is to say, it is the involvement of the concerned

parties, such as service customers, politicians, trade unions, in meaningful activities that is the main point of social audit rather than research. It has to be carried out at such stages:

1st stage. A need for social audit occurs. Both non-governmental organisations (trade unions) and «mother» company request and commission social audit;

2nd stage. The object of the audit and the «Customer» set up an audit committee;

3rd stage. Forms and methods of the audit are chosen depending on the type of activity;

4th stage. The audit is carried out using the selected methods.

5th stage. Actual assessment of the status of a household (department) in line with the selected criteria (health, education, occupation or unemployment, the standard of living, social tension, economic independence, social sphere);

6th stage. Drawing the audit’s conclusion and developing relevant recommendations.

With a view to conducting a high-quality social audit within the set deadline, the auditing service is to align the details of the plan of conducting the social audit. The plan will act as the basis for conducting social expenditure audit. The general social expenditure audit plan is to contain the following sections: the aim of the social expenditure audit, the scope of work, schedule, deadlines and the order of meeting them, preparation of interim reports and conclusions as well as the ways and techniques of the audit, and the social audit team list.

The form and content of the plan may vary depending on the scope and contents of the activity of the social audit object, the complexity of the examination, and a particular method in use. (Table 5).

Table 5

**The Layout of the Plan of the Social Audit of Expenditure on IDPs**

Company (industry, region)				
Aims of the plan/Social audit period				
Number of people				
Head of social audit				
List of auditors				
Estimated audit risk				
Estimated materiality				
№	Planned types of work	Execution period	Performer	Notes
1	2	3	4	5
x	xxxx	xx.xx	xxxx	x
Auditor		Head of social audit group _____ (Name, Surname)		

It is necessary to further develop the program of social audit of expenditure on IDPs along with the identification of the methods of its execution. Apart from this, it’s worth bearing in mind that the developed audit procedures are aimed at revealing the existing significant discrepancies and nonconformities to socio-economic figures. First and foremost, a social auditor has to reveal the areas of significance to the social audit and identify more detailed techniques and methods of their examination. The term of the social audit is down to the number of experts on the team and their qualifications as well as technology that will be applied. Overall, it is certain that a social auditor plans their work continuously throughout the social audit of expenditure since the plan and the program may undergo corrections, that said, changes must be documented.

**Conclusions.** The social audit of expenditure on internally displaced persons due to the armed conflict in the east of Ukraine will allow for the obtaining of objective information on socio-economic relationships; revealing the level of social tension and taking timely preventive measures; managing efficiently socio-economic relationships with the help of social partnership; carrying out the analysis of the performance of the government agencies in terms of their work with IDPs due to the armed conflict in the east of Ukraine, determining the level of implementation of the national social projects; using the transparency of the findings of the audit to combat the «shadow’ economy.

## Література

1. Фукуяма Ф. Доверие: социальные добродетели и путь к процветанию : пер. с англ. Москва : ООО «Издательство АСТ» ; ЗАО НПП «Ермак», 2004. 730 с.
2. Гнатюк О. Соціальний аудит як метод регулювання соціально-трудова відносин на залізничному транспорті України. *Українські залізниці*. 2014. № 10. С. 43—47. URL : [http://nbuv.gov.ua/UJRN/ukrzal\\_2014\\_10\\_14](http://nbuv.gov.ua/UJRN/ukrzal_2014_10_14).
3. Буковинська М. П., Пономаренко Р. А. Соціальний аудит в оцінці корпоративної соціальної відповідальності. *Наукові праці Національного університету харчових технологій*. 2015. Т. 21. № 4. С. 164—171. URL : [http://nbuv.gov.ua/UJRN/Npnukht\\_2015\\_21\\_4\\_5](http://nbuv.gov.ua/UJRN/Npnukht_2015_21_4_5).
4. Марушко Н. С., Воляник Г. М. Соціальний аудит як інструмент соціальної безпеки підприємства. *Вісник Національного університету «Львівська політехніка». Менеджмент та підприємництво в Україні: етапи становлення і проблеми розвитку*. 2013. № 767. С. 164—171. URL : [http://nbuv.gov.ua/UJRN/VNULPM\\_2013\\_767\\_25](http://nbuv.gov.ua/UJRN/VNULPM_2013_767_25).
5. Саченко С. І., Бабій Л. А. Планування соціального аудиту. *Глобальні та національні проблеми економіки*. 2016. № 13. С. 607—611. URL: <http://global-national.in.ua/archive/13-2016/122.pdf>
6. Hughes T. Utopia: The Social Audit. *CreateSpace Independent Publishing Platform*. 2015. 240 p.
7. Kuriyan R., Bailur S., Gigler B., Park. K. Technologies for Transparency and Accountability. Implications for ICT Policy and Implementation. *Open Development Technology Alliance*. 2011. 157 p.
8. Rahim M. M., Idowu S. O. Social audit regulation: Development, challenges and opportunities [CSR, Sustainability, Ethics and Governance]. *CSR, Sustainability, Ethics & Governance*. Springer, Switzerland, 2015. 298 p.
9. Courville S. Social accountability audits: Challenging or defending democratic governance? *Law & Policy*. 2003. Is. 25. P. 269—297.
10. Adams C. A., Evans R. Accountability, completeness, credibility and the audit expectations gap. *Journal of Corporate Citizenship*. 2004. № 14. P. 97—115.
11. Социальный аудит / под ред. д-ра экон. наук, проф. А. А. Шулуца. Москва : Изд. дом «АТИСО», 2008. 620 с.
12. Ченаш В. С. Соціальний аудит як інструмент підвищення ефективності менеджменту якості. *Вісник Хмельницького національного університету. Економічні науки*. 2016. № 5 (2). С. 99—102. URL : [http://nbuv.gov.ua/UJRN/Vchnu\\_ekon\\_2016\\_5%282%29\\_23](http://nbuv.gov.ua/UJRN/Vchnu_ekon_2016_5%282%29_23).
13. Global report on Internal displacement 2016 / Internal displacement Monitoring centre under Norwegian refugee Council (Ministry of Foreign Affairs). 2016. URL : <http://www.internal-displacement.org/assets/publications/2016/2016-global-report-internal-displacement-IDMC.pdf>.
14. Соціальний захист внутрішньо переміщених осіб / Міністерство соціальної політики України. 2018. 18 вересня. URL : <https://www.msp.gov.ua/news/15904.html>.
15. Внутрішньо переміщені особи: соціальна та економічна інтеграція в приймаючих громадах : дослідження (за матеріалами Вінницької, Запорізької, Івано-Франківської та Полтавської областей). Київ, 2016. URL : [http://www.cedos.org.ua/system/attachments/files/000/000/062/original/%D0%A1EDOS\\_Policy\\_IDPs.pdf?1429511410](http://www.cedos.org.ua/system/attachments/files/000/000/062/original/%D0%A1EDOS_Policy_IDPs.pdf?1429511410).
16. Звіт про результати аудиту ефективності використання коштів державного бюджету, виділених Міністерству з питань тимчасово окупованих територій та внутрішньо переміщених осіб України, на заходи з реінтеграції тимчасово окупованих територій та їх населення в єдиний конституційний простір України від 22.10.2019. № 29-3. *Рахункова палата*. Київ, 2019. URL : [https://rp.gov.ua/upload-files/Activity/Collegium/2019/29-3\\_2019/Zvit\\_29-3\\_2019.pdf](https://rp.gov.ua/upload-files/Activity/Collegium/2019/29-3_2019/Zvit_29-3_2019.pdf).
17. Захист прав внутрішньо переміщених осіб: аналіз та рекомендації щодо вдосконалення нормативно-правової бази (станом на 1 березня 2018 р) / Громадський холдинг «ГРУПА ВПЛИВУ». [За підтримки Програми розвитку ООН в Україні та Міністерства закордонних справ Данії]. Київ, 2018. 85 с. URL : [https://www.vplyv.org.ua/wp-content/uploads/2018/06/Group-of-Influence\\_analyses.pdf](https://www.vplyv.org.ua/wp-content/uploads/2018/06/Group-of-Influence_analyses.pdf).
18. Внутрішні переміщення внаслідок конфлікту в Україні: підвищена незахищеність постраждалого населення та чинники напруженості в громадах : тематичний звіт [Опубліковано Спеціальною моніторинговою місією ОБСЄ в Україні]. *OSCE*. 2016. 26 серпня. URL : <http://www.osce.org/ukraine-smm>.
19. Піхоцький, В. Ф., Рисін В. В., Любенко А. М. Ефективність фінансового контролю та державного аудиту для забезпечення фінансово-економічної стійкості. *Фінансово-кредитна діяльність: проблеми теорії та практики*. 2019. № 1 (28). С. 205—215.

Статтю рекомендовано до друку 09.04.2021

© Гладій І. О., Кузнецова С. О., Дзюба О. М., Майстер Л. А., Говорко О. В.

## References

1. Fukuyama, F. (2004). *Doverie: social'nye dobrodeteli i put' k процветанию* [Trust: social virtues and the path to prosperity]. Moscow: ООО «Izdatel'stvo AST» ; ЗАО NPP «Ermak» [in Russian].
2. Hnatiuk, O. (2014). Sotsialnyi audyt yak metod rehulivannia sotsialno-trudovykh vidnosyn na zaliznychnomu transporti Ukrainy [Social audit as a method of regulating social and labor relations in the railway transport of Ukraine]. *Ukrainski zaliznytsi — Ukrainian railways*, 10, 43—47. Retrieved from [http://nbuv.gov.ua/UJRN/ukrzal\\_2014\\_10\\_14](http://nbuv.gov.ua/UJRN/ukrzal_2014_10_14) [in Ukrainian].
3. Bukovynska, M. P., & Ponomarenko, R. A. (2015). Sotsialnyi audyt v otsyntsi korporatyvnoi sotsialnoi vidpovidalnosti [Social audit in the assessment of corporate social responsibility]. *Naukovi pratsi Natsionalnoho universytetu kharchovykh tekhnolohii — Scientific works of the National University of Food Technologies*, 21, 4. Retrieved from [http://nbuv.gov.ua/UJRN/Npnukht\\_2015\\_21\\_4\\_5](http://nbuv.gov.ua/UJRN/Npnukht_2015_21_4_5) [in Ukrainian].
4. Marushko, N. S., & Volianyk, H. M. (2013). Sotsialnyi audyt yak instrument sotsialnoi bezpeky pidpriemstva [Social audit as a tool of social security of the enterprise]. *Visnyk Natsionalnoho universytetu «Lvivska politekhnika». Menedzhment ta pidpriemnytstvo v Ukraini: etapy stanovlennia i problemy rozvytku — Bulletin of the National University «Lviv Polytechnic». Management and entrepreneurship in Ukraine: stages of formation and problems of development*, 767, 164—171. Retrieved from [http://nbuv.gov.ua/UJRN/VNULPM\\_2013\\_767\\_25](http://nbuv.gov.ua/UJRN/VNULPM_2013_767_25) [in Ukrainian].
5. Sachenko, S. I., & Babii, L. A. (2016). Planuvannia sotsialnoho audytu [Social audit planning]. *Hlobalni ta natsionalni problemy ekonomiky — Global and national economic problems*, 13, 607—611. Retrieved from <http://global-national.in.ua/archive/13-2016/122.pdf> [in Ukrainian].
6. Hughes, T. (2015). Utopia: The Social Audit. *Create Space Independent Publishing Platform*.

7. Kuriyan, R., Bailur, S., Gigler, B., & Park, K. (2011). Technologies for Transparency and Accountability. Implications for ICT Policy and Implementation. *Open Development Technology Alliance*.
8. Rahim, M. M., & Idowu, S. O. (2015). *Social Audit Regulation: Development, Challenges and Opportunities*. Springer, Switzerland.
9. Courville, S. (2003). Social accountability audits: Challenging or defending democratic governance? *Law & Policy*, 25, 269—297.
10. Adams, C. A., & Evans, R. (2004). Accountability, completeness, credibility and the audit expectations gap. *Journal of Corporate Citizenship*, 14, 97—115.
11. Shulus, A. A. (Ed.). (2008). *Sotsial'nyy audit [Social audit]*. Moscow: Izd. dom «ATISO» [in Russian].
12. Chenash, V. S. (2016). Sotsialnyi audyt yak instrument pidvyshchennia efektyvnosti menedzhmentu yakosti [Social audit as a tool to improve the effectiveness of quality management]. *Visnyk Khmelnytskoho natsionalnoho universytetu. Ekonomichni nauky — Bulletin of Khmelnytsky National University. Economic sciences*, 5 (2), 99—102. Retrieved from [http://nbuv.gov.ua/UJRN/Vchnu\\_ekon\\_2016\\_5%282%29\\_23](http://nbuv.gov.ua/UJRN/Vchnu_ekon_2016_5%282%29_23) [in Ukrainian].
13. Global report on Internal displacement 2016. (2016). Internal displacement Monitoring centre under Norwegian refugee Council (Ministry of Foreign Affairs). Retrieved from <http://www.internal-displacement.org/assets/publications/2016/2016-global-report-internal-displacement-IDMC.pdf>.
14. Ministerstvo sotsialnoi polityky Ukrainy. (2018, September 18). *Sotsialnyi zakhyst vnutrishno peremishchenykh osib [Social security of internally displaced persons]*. Retrieved from <https://www.msp.gov.ua/news/15904.html> [in Ukrainian].
15. *Vnutrishno peremishcheni osoby: sotsialna ta ekonomichna intehratsiia v pryimaiuchykh hromadakh: doslidzhennia (za materialamy Vinnytskoi, Zaporizkoi, Ivano-Frankivskoi ta Poltavskoi oblasti) [Internally displaced persons: social and economic integration in host communities: a study (based on materials from Vinnytsia, Zaporizhia, Ivano-Frankivsk and Poltava regions)]*. (2016). Kyiv. Retrieved from [http://www.cedos.org.ua/system/attachments/files/000/000/062/original/%D0%A1EDOS\\_Policy\\_IDPs.pdf?142951](http://www.cedos.org.ua/system/attachments/files/000/000/062/original/%D0%A1EDOS_Policy_IDPs.pdf?142951) [in Ukrainian].
16. Rakhunkova palata. (2019). *Zvit pro rezultaty audytu efektyvnosti vykorystannia koshtiv derzhavnogo biudzhetu, vydilynykh Ministerstvu z pytan tymchasovo okupovanykh terytorii ta vnutrishno peremishchenykh osib Ukrainy, na zakhody z reintehratsii tymchasovo okupovanykh terytorii ta yikh naseleennia v yedyni konstytutsiyni prostir Ukrainy vid 22.10.2019 № 29-3 [Report on the results of the audit of the effectiveness of the use of state budget funds allocated to the Ministry of the Temporarily Occupied Territories and Internally Displaced Persons of Ukraine for reintegration of the temporarily occupied territories and their population into the single constitutional space of Ukraine dated 22.10.2019 № 29-3]*. Kyiv. Retrieved from [https://rp.gov.ua/upload-files/Activity/Collegium/2019/29-3\\_2019/Zvit\\_29-3\\_2019.pdf](https://rp.gov.ua/upload-files/Activity/Collegium/2019/29-3_2019/Zvit_29-3_2019.pdf) [in Ukrainian].
17. *Zakhyst prav vnutrishno peremishchenykh osib: analiz ta rekomendatsii shchodo vdoskonalennia normatyvno-pravovoi bazy (stanom na 1 bereznia 2018 r) / Hromadskyi kholdynh «HRUPA VPLYVU». (Za pidtrymky Prohramy rozvytku OON v Ukraini ta Ministerstva zakordonnykh sprav Danii) [Protection of the rights of internally displaced persons: analysis and recommendations for improving the legal framework (as of March 1, 2018) / Public Holding «GROUP OF INFLUENCE». (Supported by the United Nations Development Program in Ukraine and the Danish Ministry of Foreign Affairs)]*. (2018). Kyiv. Retrieved from [https://www.vplyv.org.ua/wp-content/uploads/2018/06/Group-of-Influence\\_analyses.pdf](https://www.vplyv.org.ua/wp-content/uploads/2018/06/Group-of-Influence_analyses.pdf) [in Ukrainian].
18. *Vnutrishnie peremishchennia vnaslidok konfliktu v Ukraini: pidvyshchena nezakhyschenist postrazhdaloho naseleennia ta chynnyky napruzhenosti v hromadakh: tematychnyi zvit (Opublikovano Spetsialnoiu monitorynhovoiu misiieiu OBSIe v Ukraini) [Internal displacement due to the conflict in Ukraine: increased vulnerability of the affected population and factors of tension in communities: thematic report (Published by the OSCE Special Monitoring Mission in Ukraine)]*. (2016, August 26). OSCE. Retrieved from <http://www.osce.org/ukraine-smm> [in Ukrainian].
19. Pikhotskyi, V. F., Rysin, V. V., & Liubenko, A. M. (2019). Efektyvnist finansovoho kontroliu ta derzhavnogo audytu dlia zabezpechennia finansovo-ekonomichnoi stiikosti [The effectiveness of financial control and public audit to ensure financial and economic stability]. *Finansovo-kredytna diialnist: problemy teorii ta praktyky — Financial and credit activities: problems of theory and practice*, 1 (28), 205—215 [in Ukrainian].

The article is recommended for printing 09.04.2021

© Hladii I., Kuznetsova S., Dziuba O., Maister L., Govorko O.