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System of indicators of financial and business operations of state (municipal) institutions as an information base for their departmental control

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Subject. The information aspect of departmental control of financial and business operations carried out by executive authorities in relation to subordinate institutions.

Objectives. To determine the system of accounting and non-accounting indicators characterising the departmental control of financial and business operations of state (municipal) institutions.

Methodology. To achieve the set goals, we used data from the web portal for regional projects of the Voronezh Region related to the implementation of the national Healthcare project. We used the methods of observation, generalisation, comparison, grouping, etc.

Results. We developed a system of indicators for the financial and business operations of state (municipal) institutions, which is based on the assessment of their relevance for departmental control.

Conclusions. We confirmed the need to develop a system of indicators for departmental control of financial and business operations. The system is to ensure the effectiveness of the control activities carried out by the executive authority, through the comprehensive data coverage in the areas of financial control, taking into account industry specifics.

Key words: departmental control of financial and business operations, state (municipal) institutions, indicators of financial and economic activities, public (municipal) administration.

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Introduction

The system of public (municipal) administration is undergoing rapid and extensive changes in order to respond to the growing risks and threats. This stimulates the permanent development and the need to adapt all the functions of its information base to the administration

requirements, including the departmental control of financial and business operations. A system of accounting and non-accounting indicators can greatly facilitate specifying the concepts of the information base for departmental control of financial and business operations. However, a clear concept of such a system has not yet been developed.

According to most researchers in this field, the information base of financial control, including departmental control of financial and business operations, traditionally comprises not only legal acts. It also includes primary accounting documents, accounting registers, accounting (financial) statements and budgetary reporting, etc. However, the researchers disregarded the system of accounting and non-accounting indicators of the financial and business operations of subordinate institutions, whereas such a system makes it possible to detail and comprehensively present the data sources used in the process of departmental control of such activities.

Literature review

The status of the issue of developing a system of indicators for departmental control of financial and business operations of state (municipal) institutions has been discussed by various researchers. T. P. Voronchenko (2015) insisted that as of 2015, the entire system of state financial control had no unified information system. Meanwhile, N. I. Danilenko (2015) considered the regulatory framework of departmental control of financial and business operations and its information base separately, although he formulated the fundamental thesis that it should be unified, without specifying the unification criterion. Only the full text of the author's article reveals his opinion on such an important characteristic of the information base of the departmental control of financial and business operations as unity. It is considered from the point of view of commonality for internal financial control and audit. V. A. Zhukov (2019), sharing the opinion of L. L. Kvachakhia (2018), emphasised the specificity of financial control in healthcare. According to the researcher, the specificity is expressed in the peculiarities of its purpose and objectives.

However, V. A. Zhukov did not disclose the specifics of the information base of departmental financial control in healthcare

neither in the cited article, nor in his other studies available in open sources. In turn, L. L. Kvachakhia (2018) noted the importance of informatisation of the activities of public medical organisations and the entire healthcare system, using information technologies as a determining factor in ensuring the effectiveness of the medical industry as a whole and each of its economic entities separately. In this case, recording, collection, and generalisation of data can be carried out in on an on-going basis. It also expands the possibilities of departmental control of financial and business operations of subordinate institutions using a wider range of accounting and non-accounting indicators, which undoubtedly urges the issue of their selection and systematisation.

K. G. Chagin (2017) highlighted a specific aspect of departmental control of financial and business operations of budgetary institutions, the control over procurement of goods, works, and services, without using the term information base. According to him, the information base includes information that "is a commercial, professional, or other secret protected by law, stored in electronic databases, including acts, contracts, statements, business correspondence, or other documents and materials in the form of digital records or records on electronic media; software". We believe that other areas of departmental control of financial and business operations are characterised by the above features of the information used in the process. The features can generally characterise the specifics of the information base that corresponds to modern information technologies.

A. Gusev (2017) proposed that at the stage of planning inspections, the following factors play a special role: the results of unscheduled inspections; the compliance of the target institution and its managers with mandatory requirements, characterised by cases of bringing them to administrative responsibility for committed offences; and a potential risk of harm from the activities carried out by a

legal entity. It should be noted that, although A. Gusev did not provide the data source for the last information element mentioned in the cited study, he formulated a statement that allows to broaden the composition of the information base of the departmental control of financial and business operations of subordinate institutions, as well as to pay attention to its specific form, the departmental information system. The system corresponds to the modern method of data collection, processing, and storage.

O. B. Eremin et al. (2014) noted the transition of departmental control of financial and business operations of subordinate institutions “from (indicator) deviation control to risk or disturbance control”, assigning a significant role to the key control indicators that characterise the current state of efficiency and effectiveness of budget execution. The authors proposed to select such indicators on the basis of the integration of key performance indicators, which are used to assess the effectiveness of internal control over the business operation items in subordinate institutions, and key risk indicators used to determine their risk-free nature. Thus, O. B. Eremin, I. E. Sukov, and V. Y. Vilisov considered the assessment of the internal control system as the basis for the organisation and implementation of control of financial and business operations of subordinate institutions. The authors did not provide a list of the indicators used for its integral characterisation, probably due to their large number. We should also note that the above authors used the methodology of the Ministry of Education and Science of the Russian Federation to assess the effectiveness and risk-free nature of the internal control system in subordinate institutions. The methodology is rather subjective, as it is based on the questionnaires filled out by the institutions themselves. The subordinate institutions also provide information characterising the formal construction and

functioning of their internal control system. The information only creates prerequisites, but does not guarantee the actual quality and effectiveness of the system.

When developing the elements of financial reporting of public sector organisations, L. B. Trofimova (2019) proposed substantive characterisations for some of them (economic resource, equity capital, income and expenses on exchange and non-exchange transactions, etc.), focusing on the IFRS of the public sector. It cannot be denied that today there are still non-uniform interpretations of certain definitions of indicators of accounting (financial) statements and other types of reporting (statistical accounting, monitoring, etc.). This may adversely affect the quality of formation of accounting and non-accounting indicators, which are used in the process of departmental control of financial and business operations of state (municipal) institutions. However, the uniformity of the accounting process can play a significant role in ensuring the quality of the information base of the studied type of control. The final stage of the process is the values of the reporting indicators presented to the interested users. In addition, the centralisation of financial and management accounting decisions noted by E. A. Bolotnova et al. (2021) can be considered as a necessary prerequisite, as well as a consequence of digitalisation not only of state financial control, but also of departmental control of financial and business operations of state (municipal) institutions. In this regard, one of the problematic issues is the accounting procedure for expenses and costs, reflecting the specifics of their composition for certain types of activities of state (municipal) institutions of various sociocultural spheres.

In scientific works in the field of accounting, sectoral standards of public finance are also mentioned when describing the cost accounting procedure. Some authors, such as I. D. Demina and T. I. Krishtaleva (2023), emphasised the lack of founders' instructions

for subordinate institutions on the specifics of financial accounting, reflecting the industry specifics of their operations. V. A. Koshkarev and V. Y. Cheremnykh (2021) noted that it is important to have unified accounting methodology guidelines for institutions of the same agency, as illustrated by the example of the Ministry of Internal Affairs of the Donetsk People's Republic. To be fair, we should say that the authors recognised the importance of this measure only for the period when there are no unified nationwide accounting standards. However, there are plenty of reasons for the founders to develop departmental methodological guidelines on accounting and the preparation of accounting (financial) statements, reflecting the specifics of the operations of subordinate state (municipal) institutions.

Research methodology

The concept of information base is specified by its purpose for a separate administrative function (in this study, it is financial control), specified by the definition and content of its type (in this study, it is departmental control of financial and business activity of state (municipal) institutions). Any performance indicator of a subordinate institution can constitute the information base for internal financial control of its financial and business operations. Due to the need to ensure the effectiveness of the studied type of financial control, it is necessary to form a new system out of the entire list of accounting and non-accounting indicators of financial and business operations of subordinate institutions. This system should guarantee, on the one hand, an integrated approach and, on the other hand, a risk-oriented approach to the process of departmental control of financial and business operations of state (municipal) institutions. The system should also ensure the advisory nature of the control, aimed at preventing possible violations (Golovin, 2021, 2022, 2023).

From the point of view of forming a system of indicators for departmental control of financial and business operations, it should be noted that currently there are studies that emphasise the importance of departmental financial control of the implementation of national projects. Thus, E. A. Danchikov (2020) explained the importance and possibilities of financial control, including that exercised by the top budget-spending agencies under the conditions of "invisible" detailed control over the use of funds within the framework of national projects. Such control involves the use of digital technologies. Indeed, for example, according to the web portal of the projects of the Voronezh Region (<https://np.govrn.ru>), the national Healthcare project in this region involves more than 2.8 billion roubles of the regional funds and more than 4.0 billion roubles from the federal budget. The regional Ministry of Health represented by the First Deputy Minister of Health of the Voronezh Region is responsible for a number of projects presented in Table.

The amounts allocated from the regional and federal budgets are considerable. The Ministry of Health of the Voronezh Region is responsible for the targeted and timely use of these funds. These factors suggest the necessity to include certain indicators (depending of the institutions subject to control) in the list of accounting and non-accounting indicators used as an information base for the departmental control of financial and business operations of state (municipal) institutions. The indicators are determined by the state programmes of the Russian Federation, national (regional) projects, departmental projects, and targeted programmes, which are the responsibility of the relevant executive authorities.

E. N. Mikhailova (2020), S. Pavlova (2020), and L. Romanova (2021) proposed a thesis similar to the above statement with regard to accounting and non-accounting indicators of programmes and projects, focusing only on the

Table

List of regional projects implemented by the Ministry of Health of the Voronezh Region in 2023 and their sources of funding

Name of regional project	Project implementation period	Sources and amount of financing, million roubles	
		Regional budget	Federal budget
1. Addressing cardiovascular disease	1 January 2019 – 31 December 2024	9.33	318.48
2. Addressing cancer		1,872.37	2,061.75
3. Developing the primary healthcare system		76.82	56.98
4. Providing medical organisations of the healthcare system with qualified personnel		4.8	0.0
5. Developing a unified digital circuit in healthcare based on the Uniform State Health Information System (USHIS)		142.32	106.18
6. Modernising primary healthcare in the Russian Federation	1 January 2022 – 31 December 2025	723.54	1,538.41
Total		2,829.18	4,081.8

Source: developed by the author based on data from the Voronezh regional projects portal (<https://np.govrn.ru>).

main issues to be addressed by auditors in the course of auditing the financial and business operations plan (FBOP) of state (municipal) budgetary and autonomous institutions, and budget estimates of state (municipal) public institutions, which are subject to control. They noted the importance of control over the compliance of the indicators of FBOP, budget estimates, and the amount of funding from all sources in accordance with the legal grounds for their provision.

When developing the system of indicators used by executive authorities for departmental control of financial and business operations of state (municipal) institutions, it is necessary to consider the indicators determined by a particular founder to assess the effectiveness of subordinate institutions and their managers. We compared the approaches of different agencies to the formation of indicators used to assess the performance of subordinate institutions and their managers by such executive authorities as the federal Ministry of Finance, Ministry of Science and Higher Education, Ministry of Education, Ministry of Culture, Ministry of Agriculture,

Ministry of Labour, and Ministry of Health, as well as the Ministry of Health of the Voronezh Region. The Ministry of Culture of the Russian Federation does not single out performance indicators for the head of an institution. The Ministry of Finance, the Ministry of Science and Higher Education and the Ministry of Education of the Russian Federation do not specify the source of data for assessing the performance of subordinate institutions and their heads. The federal Ministry of Culture, Ministry of Agriculture, Ministry of Labour, Ministry of Health, and the Ministry of Health of the Voronezh Region consider the report of the head of the subordinate institution to be such a source of data. In addition, different sets of indicators are used to assess the effectiveness of institutions that provide the same type of services but are subordinate to different founders. These facts can provide a basis for interagency unification of performance indicators of institutions and their heads, which would ensure greater comparability of data to justify managerial decisions.

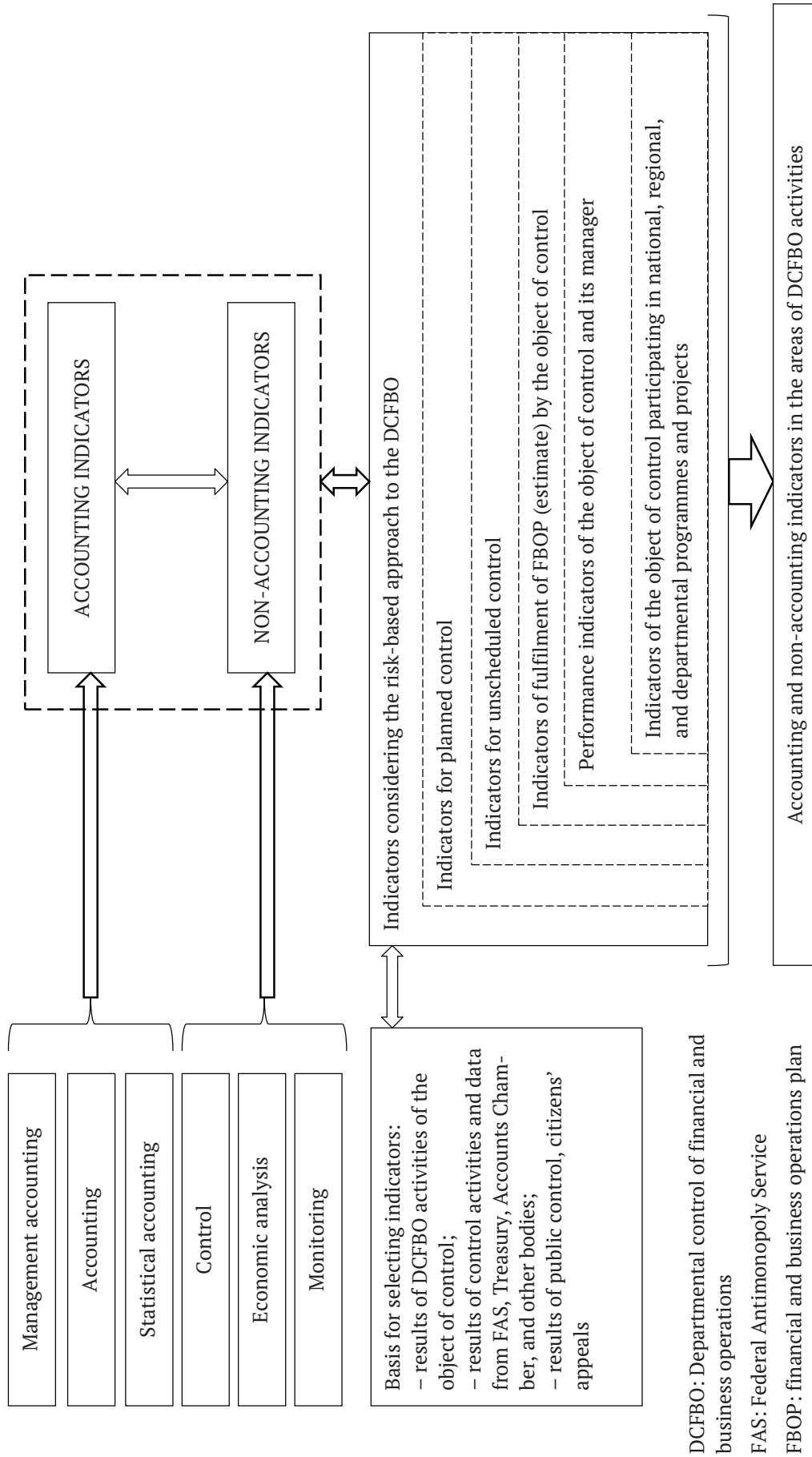


Figure. The system of accounting and non-accounting indicators used in departmental control of financial and business operations of state (municipal) institutions

Results

Multi-parameter characteristics, represented by a set of accounting and non-accounting indicators of financial and business operations of state (municipal) institutions, which is constantly expanding due to the rapid development of digital technologies, offset the need to provide a complete set of such indicators. However, in our opinion, they do not significantly reduce the necessity of identifying groups of indicators and building a system, characterised as an information base of departmental control of financial and business operations of state (municipal) institutions (Figure).

In the system of indicators of financial and business operations used in departmental control, accounting indicators are crucial. Their quality and relevance largely determine the qualitative characteristics of non-accounting indicators concerning various aspects of financial and business operations of state (municipal-public) institutions. On the one hand, the high degree of detailing of accounting information in the budget-sector institutions and the extensive regulation of the accounting procedures and the preparation of accounting (financial) statements results in a considerable number of violations of the requirements, the violations are recorded by various control bodies. On the other hand, these factors contribute to high rates of unification and, as a consequence, automation and digitalisation of accounting in public institutions. However, the development of sectoral standards of public finance is still a rather acute issue. They would provide the necessary conditions for reducing violations arising from accounting and reporting of specific facts of economic affairs. This would ensure a better quality of both accounting and non-accounting information required for departmental control of financial and business operations of state (municipal) institutions.

Non-accounting indicators are the basis for determining the type of control activity,

its form, and other features, as they make it possible to record and interpret the qualitative characteristics of financial and business operations of the subordinate institution, which is the object of control.

Conclusions

The lack of a comprehensive systemic view of the indicators used for departmental control of financial and business operations of state (municipal) institutions limits the completeness and relevance of the required data. The highlighted groups of indicators (accounting and non-accounting indicators, including those grouped by the areas of DCFBO; indicators considering the risk-oriented approach to DCFBO; indicators for planned and scheduled control; indicators of fulfilment of the FBOP (estimate) by the object of control; indicators of performance of the object of control and its manager; indicators of the object of control participating in the national, regional, departmental programmes and projects) ensure the variability of data used as an information base for the departmental control of financial and business operations of subordinate institutions by executive authorities, as well as its effectiveness.

Our proposal on the need for the executive authorities to develop sectoral standards for accounting and accounting (financial) reporting can form the basis for further research to improve the quality of both accounting and non-accounting indicators of financial and business operations of public institutions. The indicators would increase the level of adequacy of the information base to the sectoral specifics of departmental control.

Conflict of Interest

The author declares the absence of obvious and potential conflicts of interest related to the publication of this article.

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Научная статья

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Система показателей финансово-хозяйственной деятельности государственных (муниципальных) учреждений как информационная база ее ведомственного контроля

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Предмет. Информационный аспект ведомственного контроля финансово-хозяйственной деятельности, осуществляемый исполнительными органами власти в отношении подведомственных учреждений.

Цель. Определить систему учетных и внеучетных показателей, характеризующую ведомственный контроль финансово-хозяйственной деятельности государственных (муниципальных) учреждений.

Методология. В процессе достижения поставленной цели использовались данные портала региональных проектов Воронежской области о реализации Национального проекта «Здравоохранение». Применялись методы наблюдения, обобщения, сравнения, группировки и др.

Результаты. Разработана система показателей финансово-хозяйственной деятельности государственных (муниципальных) учреждений на основе оценки их востребованности в процессе ведомственного контроля.

Выводы. Подтверждена необходимость формирования системы показателей для использования при осуществлении ведомственного контроля финансово-хозяйственной деятельности, обеспечивающей эффективность реализации исполнительным органом власти контрольной деятельности, посредством полноты охвата данных по направлениям финансового контроля с учетом отраслевой специфики.

Ключевые слова: ведомственный контроль финансово-хозяйственной деятельности, государственные (муниципальные) учреждения, показатели финансово-хозяйственной деятельности, государственное (муниципальное) управление.

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Конфликт интересов

Автор декларирует отсутствие явных и потенциальных конфликтов интересов, связанных с публикацией настоящей статьи.

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