

FINANCIAL-ECONOMIC MONITORING IN THE SYSTEM OF STRATEGIC CONTROL

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Abstract

In the process of developing and changing of the modern system of state regulation of the national economy, an important element of strategic control is the monitoring, which includes a set of methods aimed at monitoring and evaluating some processes and actions. It should be noted that the term «monitoring» means control and emphasizes the status of a person who carries out assessment and preventive actions related to the state of processes and phenomena. The existence of several approaches to the definition of the essence of this category is based, first of all, on the understanding of the degree of necessity and significance of monitoring, with taking into account current trends and priorities for the development of strategic control. The emergence of monitoring as a necessary procedural action was due to the need to control the state of the environment and environmental protection, which became an important problem in society in the twentieth century. This is what prompted to the creation of an international system of continuous observation and environmental assessment, called the Global Environmental Monitoring Systems (GEMS), by the decision of the UN Stockholm Conference. The first attempts of using monitoring as a separate segment related to the natural sciences, the effective use of which has made it possible to expand the scope of their suitability to other areas of knowledge. Further application of the monitoring system, the development of appropriate tooling, has led to the implementation of control and evaluation methods into areas that include environmental, economic, financial, social and cultural orientation.

Key words: monitoring, national economy, financial-economic monitoring, control.

Introduction

Monitoring is defined as continuous surveillance of any process in order to determine its relevance to the desired result or development trends. The systematic collection of information about the progress of work within the monitoring is a kind of «scan» of events and is conducted in order to detect deviations from the outlined plans [1].

Monitoring is a system of continuous observation of phenomena and processes occurring in the environment and society, the results of which are served to substantiate of managerial decisions to ensure the safety of people and objects of the economy [2].

In turn, in terms of the object, monitoring can be presented as a process of continuous observation by a specially designed program with a variable periodicity, which depends on the state of the phenomenon, with taking into account the factors of influence.

The analysis of scientific approaches to the definition of this category determines that the term «monitoring» is defined as a system of the regular observation of changes which occur either in the whole society or in its individual groups, provided regularly by the same sampling principles and data collection tools [3].

The popularization of monitoring as the most effective method of informational and analytical provision of the processes of preparation and adoption of appropriate decisions at micro and macro levels is traced in Ukraine at the end of the twentieth century. Due to the permanent application of the monitoring system in the state regulation in conjunction with other instruments, it is possible to obtain the necessary data on the state of the main macroeconomic and social factors, to identify possible threats and deviations from the goals.

Monitoring in the system of strategic control is a procedure for observing, evaluating, analyzing and forecasting the state of certain processes of the state regulation, phenomena, and actions of micro, meso, and macro environments.

Taking into account the position of individual authors that monitoring is characterized by a theoretical basis and an appropriate practical nature, it should be noted that there is no cumulative conceptual approach to the direction of the development of the monitoring methodology, which is most often based on the experience gained, subject to compliance the basic principles of state regulation.

For the effective management of the results of business entities, the objective, unbiased and timely analytical information about the changes which take place in the management object and

which confirms the expediency of using the management system's monitoring tool, is necessary [4].

Thus, due to the author's approaches of the significance of monitoring, appropriate scientific schools were built. Schools differ in purpose and objectives, methodology, information, and analytical background and development vector.

Intellectualization in the modern management

Some scholars highlight the specific features of monitoring, namely: the ability to collect primary information, the analysis, the estimation and the forecast of processes and phenomena in dynamics and statics.

Today, the polarity and the unity of the definition of the term «monitoring» is emphasized. Consequently, monitoring in the system of strategic control is defined as a system of regular observation of changes in some processes and phenomena in order to assess and influence on the level of indicators, the behavior of subjects and management decisions.

In turn, monitoring is defined as a continuous observation of any process in order to identify its relevance to the desired result or development trends. The systematic collection of information about the progress of work within the monitoring is a kind of «scan» of events and is conducted in order to detect deviations from the defined plans [3].

On the other hand, monitoring is a process of continuous research on parametric segments of a quantitative and qualitative nature with taking into account their evaluation, analysis, and relevance of the results.

In turn, the system of methods and techniques by which it is possible to identify and assess relevant risks (financial, economic, social, etc.) is a necessary monitoring segment, regardless of its scope and purpose.

Conceptual views on the necessity of using monitoring in the system of strategic control at the appropriate levels of management, beginning with the micro level and completing the macro level, emphasize the fact that the effectiveness of the mechanism of state regulation of the national economy depends on a timely and objective information basis, which contains data on the level of the main financial-economic indicators and on the factors of the internal and external environment.

The presence of a segmental component of monitoring in the strategic control system makes it possible to fulfill the goals and objectives set for the state regulation of the national economy, taking into account the vectorial orientation of the country's policy.

The systematization of forms and types of monitoring is based on separate features that allow to group and to identify the private areas of the monitoring system.

The classification of monitoring in the system of strategic control of the state regulation of the national economy is presented in Fig. 1

Monitoring as a multifunctional target information system includes bioecological monitoring, which studies the natural environment from the point of view of its impact on the health of people; geosystem, or natural-economic monitoring that studies the changes in the geosystems from which the environment is composed (geo-monitoring); biosphere monitoring, which provides monitoring, control and forecast of possible changes in the natural environment on a global scale (biomonitoring), monitoring of the geological environment, etc [5].

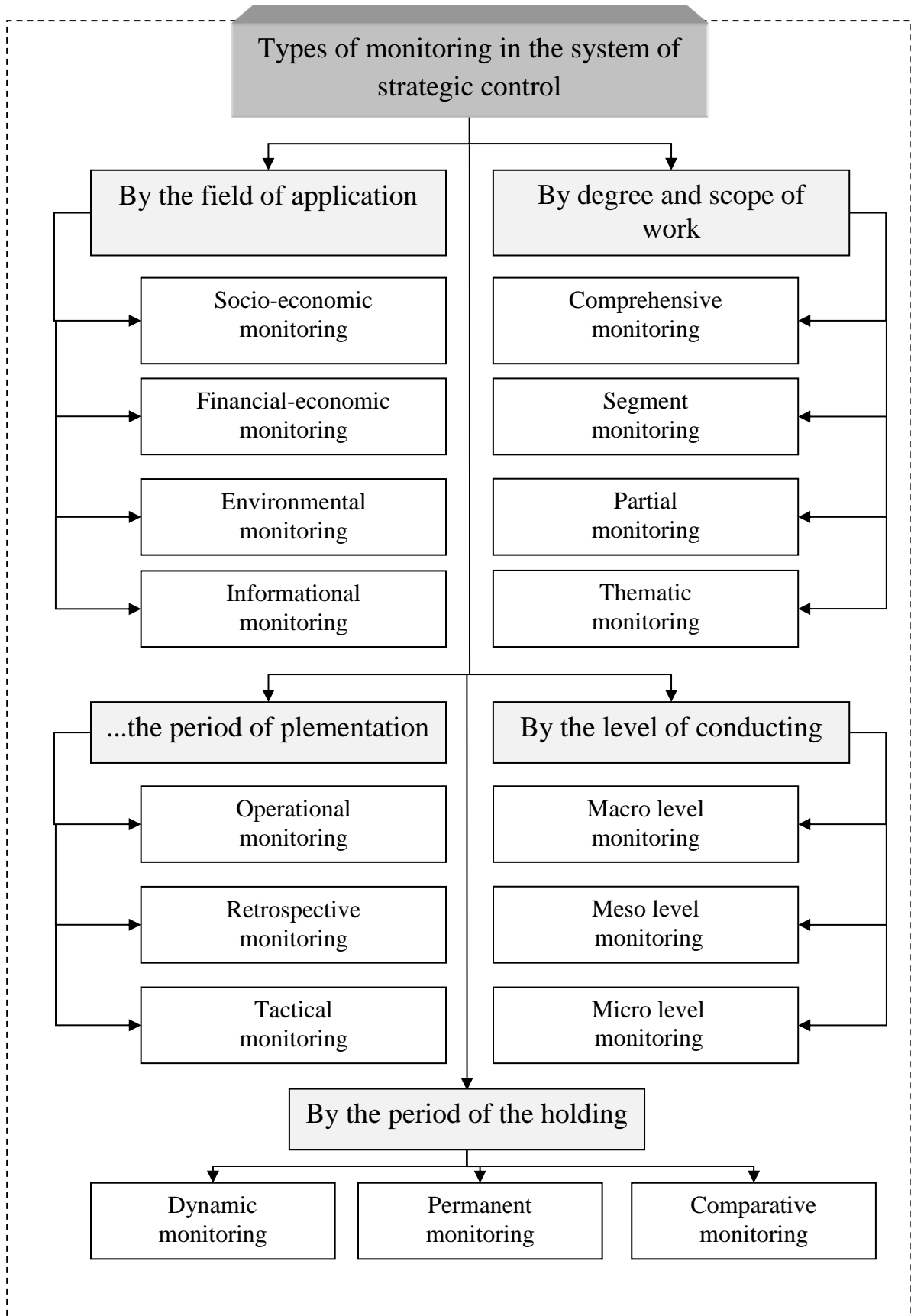


Figure 1. Classification of monitoring in the system of strategic control of state regulation of the national economy

Taking into account the diversity of approaches to the definition of the monitoring category and the scope of application, the following types of monitoring are distinguished:

- financial-economic monitoring;
- budget monitoring;

- social monitoring;
- environmental monitoring.

Budget monitoring is a process of collecting and analyzing data on expenditures and indicators of implementation of the budget program, which are achieved during its implementation. The development and use of the subsystem of monitoring of the management of budget processes, which should take into account the peculiarities of budget implementation at all levels and the specialized programs of economic, social, ecological and cultural development of the state, lies on the relevant state structures that implement the main policy directions of the country [3].

In a special group, some authors allocate financial or financial-economic monitoring, which provides the permanent information of the subjects on the state of the objects of state regulation of the national economy.

Approaches to the definition of financial monitoring are characterized by a variety of opinions about the level of this category, which, on the one hand, is a function of state control over relevant processes and phenomena at micro, meso and macro levels, on the other hand, is a system of information provision of the state regulation of the macroeconomic environment.

It should be emphasized that taking into account legal content, financial monitoring is a set of measures carried out by the subjects in the field of prevention and counteraction to the legalization (laundering) of proceeds from crime, or terrorist financing, which include conducting state financial monitoring and initial financial monitoring [6].

According to some scholars, financial monitoring, as a special form of financial control, acts as an important subsystem of economic and state control, as a function of the management process. As a subsystem of economic control, financial monitoring is in the relations of subordination in the system of basic relations, as a component of state control - within the framework of social relations (basic and superstructure - legal, political, etc.). The economic content of financial monitoring depends on the nature of government, primarily on the type of socio-economic system [7].

Taking into account the contradictory tendencies in the theory and practice of state regulation, the concept of economic monitoring requires analysis and clarity of definition, which, in turn, will allow the systematic use of categorical apparatus and methodological support for some actions and processes.

Economic monitoring in state regulation is a purposeful system of tracking changes in some

macroeconomic processes, the level of general and special indicators, their detailed assessment, as well as the mechanism for the formation of forecasting parameters for the development of the national economy. Permanent application of the methods of economic monitoring, which form a comprehensive information base, makes it possible to avoid deterioration of socio-economic indicators and prevent the spread of crisis phenomena.

Thus, the synthesis of varieties of monitoring represents the modern form of financial-economic monitoring in the system of strategic control, which is characterized by the efficiency of the monitoring activities to obtain reliable information on the state of the macroeconomic environment, the implementation of diagnostics and the development of the mechanism of state regulation of relevant processes.

In turn, social monitoring, which is an important area of interaction between the state and civil society, is aimed at assessing the state and dynamics of some processes and phenomena, including welfare, life, and health, education, culture, etc.

In addition, the process of organizing the monitoring of socio-economic processes provides the opportunity to receive timely and complete information that helps to separate and to structure the range of questions regarding the balance of needs in society, with taking into account the vectorial orientation of the state policy and national economy. The analysis of the information obtained will enable to eliminate the influence of negative factors and make adjustments to the tasks and actions of the state institutions.

The organization of social monitoring pursues the following main goals:

- the identification of key indicators which provides the most complete information about the current state of all spheres of life in the region;
- the provision of the possibility of early diagnostics of negative processes related to disadvantages in certain areas of life and life-support of the region;
- the construction of scenarios for development and improvement of the regional social environment with an orientation to the existing needs of the population of the region;
- a long-term and medium-term planning of alternatives to the development of the region as a whole or its separate regions;
- the improvement of the system of management of social-economic life at the meso- and macro levels [8].

The system of monitoring of the socio-economic status of the region performs several

functions simultaneously. Therefore, the more complete and high-quality will be the list of indicators under which the monitoring is carried out, the more effective will be management decisions [9].

The need for environmental monitoring in the modern environment, both at the global level and within the framework of state regulation, is a consequence of the increase of the negative impact of people and the achievements of scientific and technological progress on the environment. The formation of the corresponding information system enables not only to assess the existing state of objects but also to predict the emergence of the most vulnerable spheres and improve the efficiency of state planning in the environmental sphere.

Depending on the time execution of some actions and the implementation of techniques and methods, distinguish:

- retrospective monitoring;
- operational monitoring;
- strategic monitoring.

In turn, the operational monitoring in the controlling system is a mechanism for rapid monitoring of some actions, processes in order to form the necessary information base for effective correction and elimination of negative consequences.

Retrospective monitoring for the purposes of the strategic control system in the national regulation of the national economy is most effective in view of the possibility of assessing the results of activities or actions of the particular subjects, which makes the process of managing objects more rational.

The level of use of monitoring in the system of strategic control determines not only the goals and objectives but also forms the methodological support and relevant tools, as well as distinguishes the totality of subjects and objects, taking into account the factors of influence of the external and internal environment.

At the macro level, monitoring in state regulation is a process of monitoring the actions of subjects in order to control the achievement of the goals set within the current legislation and with taking into account the vectorial orientation of the country's economy.

The Conduction of the regional monitoring in the framework of strategic control enables operative interference in the regulation of some processes of socio-economic development on the basis of the received substantiated and system information about the state of objects of the state

regulation.

The application of financial and economic monitoring in the system of strategic control requires the definition of goals and objectives that, in turn, form a mechanism for implementing the process of observing, analyzing, evaluating and forecasting individual processes for improving the relationship between the government institutions and the objects of regulation.

The main tasks of financial-economic monitoring are:

- to provide reliable and systematic information of the subjects of state regulation;
- the prompt and relevant response to deviations from the parameters given regarding the state of economic, social, financial, environmental and other indicators;
- the observation of the processes of implementation of relevant state projects of strategic importance;
- the identification of causes and factors of economic and financial violations and formation of alternative variants of managerial decisions at the macroeconomic level.

The principles of financial-economic monitoring in the system of strategic control include the following: systemic, permanent, relevance, target nature, efficiency, orientation, predictability, representativeness.

Conclusions

Taking into account the goals and tasks of financial-economic monitoring in the system of strategic control, it is possible to allocate its following functions, which are supplemented by separate components:

- an information-analytical function is to provide the subjects of state regulation with the necessary information on the state of the relevant processes of the macroeconomic environment and the assessment of the system of indicators of operational, tactical and strategic nature;
- a diagnostic function that enables identification of negative factors that effect on the state of financial and economic security of the country with taking into account quantitative and qualitative parameters;
- a prognostic function that is responsible for the forecasting trends in the development of socio-economic, financial and other processes in order to model and to program the macroeconomic environment, as well as foreseeing the rating of possible problems related to the state regulation of the national economy;

- a preventive function makes it possible to prevent non-legal actions of both monitoring subjects and target subjects, namely, certain state institutions on macro- and meso-levels, with taking into account the degree of achievement of target parameters;

– a coordination function is to optimize socio-economic relations in the system of state regulation by developing scenarios of the behavior of individual entities.

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