

MONITORING OF EXPENSES OF REGIONAL BUDGETS IN THE CONDITIONS OF THE RESULT ORIENTED BUDGETING

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The article studies the modern system of budget control, its advantages and disadvantages and the possibilities for perfection. The place and the maintenance of monitoring budgeter's expenses are described in the system of the budgetary control.

At all times monitoring budgeter's expenses were considered as one of the most important and actual problems in each state apart of the level of the economic development and recipes in the state treasury. The monitoring budgeter's expenses were complicated by limitation of resources adopted by the state at all stages - from definition to total amount of expenses to their distribution and financing. From time to time this problem became more important and actual. The necessity of raising the efficiency of the state expenses increased. The modern condition of the state economy demands to activate the potential of the state financial control for strategic problem of increasing efficiency of the Russian statehood.

In the conditions of the market, this financial control system shows low efficiency though it was used for many decades. Therefore the perfection of budgetary control is the main direction of the theory and practice of the state finances. It is necessary to point to the weaknesses of the budgetary control:

- ◆ Absence of uniform legal base of the budgetary control;
- ◆ Set of various control bodies and a large number of employees;
- ◆ Presence of doubled and parallel functions of different control bodies;
- ◆ Weak interaction of supervising bodies during budgetary process;
- ◆ Low professional skills of the majority of tax advisors and other control bodies;
- ◆ Low efficiency of the budgetary control.

National economy reforms and administrative changes demand an introduction of new controlling forms. There is a substantial increase of authorities' responsibility- subordination and population. Tax bearers have the right to know how

their means are spent. The control bodies are forming both- state and public ones. The regions and municipalities should react effectively to these changes. The financial control actively changes by transformation from ordinary check-outs, addressing, expediency and distribution legality of the state financial resources to the control effectiveness, productivity and economical use of the state resources in the conditions of the result oriented budgeting taking into account independence expansion of budgetary receivers.

Theoretically and practically there is a division of the power on legislative (representative) and executive. The financial control is divided into external (the control legislative (representative) authorities) and internal (the control of executive powers of the power).

The purpose of the external state financial control is to estimate the efficiency and expediency of administrative decisions acceptance, the use of the limited resources, checking the reliability of granting the information on execution of the budget, conformity to the current legislation of operations on management of financial and economic activity of the organizations. The unitary approach to the purposes and problems of external financial control bodies is not developed. A number of bodies define the purpose of the activity by quantity of the spent audits, number of the revealed infringements and volume of a no-purpose expenditure of means of the budget together with the measures applied to infringers because the unitary approach to the purposes and problems of external financial control bodies is not developed.

Now, in the conditions of the result oriented budgeting, it is one of the most important problems to all participants of budgetary process and control bodies to spend the control

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actions directed on estimation of efficiency use of budgetary funds.

We consider that, in these conditions it is impossible to underestimate a role of the internal control, which is in conducting executive powers and forms information base for acceptance of administrative decisions. Such control is actual for the sphere of regional and municipal management, as these levels of power are as possible as to be approached by a society - to tax bearers.

In the conditions of the result orientated budgeting the monitoring may become one of the effective methods of spending the internal budgetary control but hasn't been distributed.

Russian Federation government, scientists and economists consider that it is potential. Monitoring the efficiency of using financial resources in modern conditions becomes one of the basic criteria of management quality in the territorial finance. The experience of some subjects of the Russian Federation on the monitoring organiza-

tion is not legally fixed and described in a financial science. The system of quantity monitoring and quality of budgetary services assumes: realization of programs and expenses on services, checking whether the defined goals are reached. Thus the introducing of the result oriented budgeting is very important to define the influence degree of the program on results and interrelations between resources and products, resources and results and products and results.

In our opinion, the monitoring of budgetary expenses regionally is a specially organized and constantly operating system of gathering, the account (the statistical reporting), the analysis of budget expenses condition and tendencies of their development, additional information-analytical inspections (interrogations etc.) and estimations of expenses efficiency, preparation and information about the results in public.

The main task of a monitoring should become the definition of possibility of the deci-

		Forms of the budgetary control								
		The preliminary budgetary control		The current (operative) budgetary control		The final (subsequent) budgetary control				
		Quality monitoring								
The control of a legislature of the power (the external control)		Check	Monitoring	Check	Monitoring	Check	Audit	The analysis	Monitoring	
			Stages of budgetary process							
		Drawing up of the project of the budget of the subject of the Russian Federation	Consideration and the statement of the budget of the subject of the Russian Federation	Execution of the budget of the subject of the Russian Federation	Drawing up of the report on execution of the budget of the subject of the Russian Federation					
			Participants of budgetary process							
		Executive powers of the subject of the Russian Federation (the Governor, the Ministry of Finance of the subject of the Russian Federation, the Ministry of economic development of the subject of the Russian Federation, etc.)	Representative bodies of the subject of the Russian Federation (the Governor, Legislative Assembly of the subject of the Russian Federation)	Executive powers of the subject of the Russian Federation (the Governor, the Ministry of Finance of the subject of the Russian Federation, the Ministry of economic development of the subject of the Russian Federation, etc.)	Executive powers of the subject of the Russian Federation (the Governor, the Ministry of Finance of the subject of the Russian Federation, the Ministry of economic development of the subject of the Russian Federation, etc.)					
								The control of executive powers of the power (the internal control)		

Fig. 1. The role of monitoring in system of the budgetary control and budgetary process in the subject of the Russian Federation

sion of current and long-term problems of social and economic development of territories on the basis of comparison of the made expenses and the received results. The introduction of the efficiency monitoring of budgetary expenses demands spending much preparatōn work at level of the subject of the Russian Federation. It is necessary to make a number of actions allowing to put monitoring of budgetary expenses into practēce:

- ◆ Coordination of functions of supervising bodies according to the purposes of budgetary activity in the conditions of the budgeting oriented on result, in order to avoid their duplication;
- ◆ Creating and introduction of indicators of an estimation of efficiency of an expenditure of budgetary funds on separate branches;
- ◆ Creation of the mechanism for stimulation (encouragement) of effective activity of the state managers.

The monitoring should have the functional mechanism of realization as a method of the budgetary control. The subjects , objects, principles, methods, process, results should become the major elements of the mechanism:

- ◆ Subjects of monitoring of budgetary expenses - authorities of subjects of the Russian Federation (in the name of the Ministry of Finance of the subject of the Russian Federation, Controlling-auditing management of executive powers of the power of the subject of the Russian Federation, the profile ministries and services of the internal control);
- ◆ Objects of monitoring - the economic relations arising in the process of using of budgetary funds, and the financial streams directed on granting of budgetary services;
- ◆ Monitoring principles:

1) Substantiation of criteria of an estimation of the efficiency providing the account, all important compounding indicators of social and economic development of subjects of the Russian Federation (municipal unions) ;

2) Systematic estimations , assuming the account of interrelations of indicators of efficiency of budgetary expenses and characteristics of territorial development;

3) Reliability and legitimacy of initial data at the analysis of efficiency of budgetary expenses of the subject of the Russian Federation and indicators of territorial development and quality of management of the finance of territories;

4) Establishment of the time borders providing adequacy of system of indicators to problems of the current analysis and forecasting of expenses of the regional budget and economic-social development of regions;

5) Transparency and maximum informational results of an estimation efficiency of budgetary expenses at acceptance of optimum administrative decisions;

6) Combination the total economic indicators with the indicators reflecting efficiency of budgetary expenses and responsibility of territorial governing bodies under the decision of the important economic and social problems;

- ◆ Monitoring methods are a set of methods and ways of supervision, comparison, checks of validity and efficiency of budgetary expenses;

- ◆ Monitoring process is a realization of control functions and spending the control actions by authorities;

- ◆ Results of monitoring are an estimation of efficiency of an expenditure of means of territorial budgets and quality of given services.

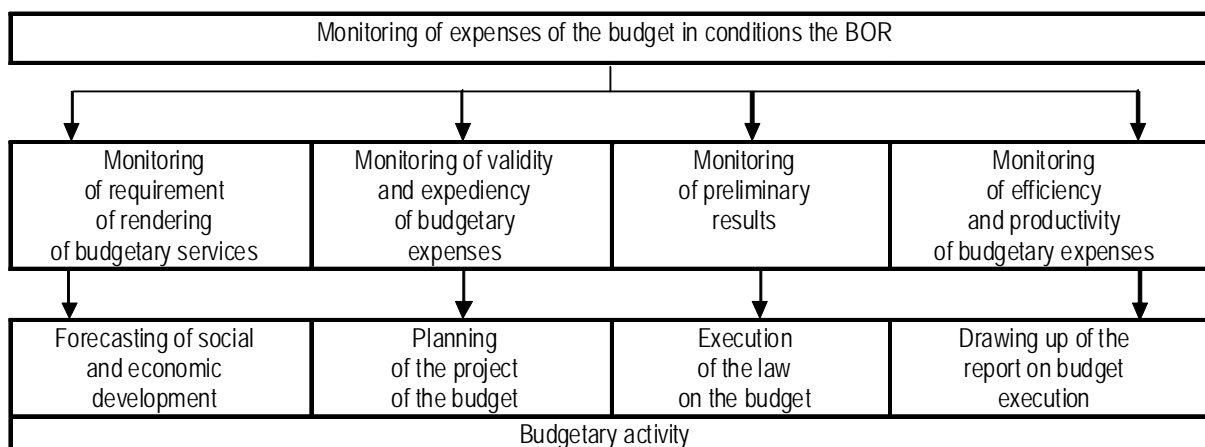


Fig. 2. Structure of budgetary expenses monitoring

In the conditions of the result oriented budgeting maintenance of monitoring of expenses of the budget should include:

- ◆ Monitoring of rendering budgetary services;
- ◆ Monitoring of validity and expediency of budgetary expenses on the planning the budget stage;
- ◆ Monitoring of preliminary results in the course of budget execution;
- ◆ Monitoring of efficiency and productivity of budgetary expenses at the ending process of the budget's execution.

Solving the important problems of increasing, the role of the internal budgetary control and application of budgetary expenses monitoring will allow enforcement authorities of regions including: increasing of economic and social stability; improvement in quality of budgetary services; reduction in differentiation of social and economic development level the municipal unions, strengthening of budgetary investment potential in middle - and long-term prospect.

Introducing the monitoring of expenses of the regional budgets, supervising bodies will have an opportunity to transfer a part of the control functions to the branch ministries and spend the budgetary policy, and efficiency of budgetary expenses more effective. The advantages of monitoring of budgetary expenses give the opportunity to control basic directions of expenses and neglect the control over a considerable quantity of small expenses. Many problems are assigned to regional authorities

- ◆ financing of social expenses;
- ◆ realization of innovative and investment activity;
- ◆ rendering the financial help to local budgets and many other things. If authorities take constant actions of monitoring of budgetary expenses at various stages of budgetary process it will help to supervise validity of budgetary demands during the budget planning, and considering the report on execution – to reveal cases both no-purpose, and an irrational use of budgetary resources.

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