Comprehensive Set of Advanced Approaches to Establishment of Efficient Financial and Economic Instruments of Budget Control in Implementation of Scientific and Technical Priorities

Solodovnikova Natalia Anatolievna

LLC «Budget and Financial Technologies», building 1, 3 Skladochnaya St., Moscow, The Russian Federation, 127018.

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The objective of this review is brief highlights of intermediary theoretical and practical results of the research on methodological and practical approaches and recommendations on improvement of financial and economic instruments of budget control in implementation of scientific and technical priorities.

Key words: Scientific and technical priorities, budget control, chief supervisor of budget funds, budget control instruments, advanced tasks of budget control.

This review paper is devoted to the issue of establishment of a comprehensive set of advanced approaches ensuring the efficiency of financial and economic instruments of budget control represented as a specific aggregate of budget regulation instruments for economic component in implementation of scientific and technical priorities contained in State program “Development of science and technologies” for 2013-2020 (Order of Ministry of Finance of Russia, No. 132n, 2014; Act No. 6-FZ, 2011; Resolution of the Government of the Russian Federation No. 301, 2014; Resolution of the Government of the RF No. 2227, 2011). In compliance with the provisions of State program of the RF “Management of state finance and regulation of financial markets”, the budget restructuring has not been completed yet, in connection with which there is a need to determine long-term directions for development of efficient financial and economic instruments of budget control for chief supervisors of budget funds according to current changes of regulations governing the budget process (Order of Ministry of Finance of Russia No. 219, 2014; Lagutin, 2012). The need to review the elements of budget control system is conditioned by the tasks on improvement of the existing system of financial and economic regulation in the economy of Russia (Main directions of the Russian Federation Government’s activities till 2018, 2014; Gusev, 2014). In particular, by the impact on implementation of scientific and technical priorities exerted by budget system restructuring project, fixing the establishment of new practice in connection with financial and economic instruments of budget control over the activities of chief supervisors of budget funds (Resolution of the Government of the RF No. 193, 2014).

Method

The research methodology in connection with approaches and recommendations regarding the establishment of financial and economic subsystem of budget control was based on the use
of instructive methodology as well as dialectic, systematic, indicative and synergetic approaches. Taking into account the specifics of the research subject, in the course of building the information basis of the research, a series of current regulations was selected and monitored for changes and the references to related regulations and analytical documents of civil law, which determine the current content and practice of applying the basic categories of budget law. Besides, the database of the research contained scientific papers on financial and civil law reflecting practical matters and directions of the development of theoretical and legal basis of efficient financial and economic instruments of budget control over implementation of scientific and technical priorities. During the research, general scientific research methods were used: dialectic, systematic, statistical, indicative and synergetic approaches.

RESULTS

Budget control categories in implementation of scientific and technical priorities

The initial part of this research was aimed at the solution of tasks on defining and establishment of current characteristics of the budget control process in the course of activities of chief supervisors of budget finds.

Chief supervisor of budget funds is a specific party of the budget process serving to ensure results, targeted and focused use of budget funds in compliance with the approved governmental budget allocations and budget obligation limits (Federal Act dated 05.04.2013 No. 41-FZ, 2013). In the course of budget control implementation, chief supervisor of budget funds is the main subject of budget control.

From the point of view of efficient financial and economic instruments in implementation of scientific and engineering priorities, chief supervisors of budget funds:

a) exercise control over the use of subsidies, subventions by their recipients in compliance with the terms and conditions and objectives designated when allocating the said budget funds;

b) inspect subordinate supervisors/recipient of budget funds and state/municipal unitary enterprises including in connection with fullness and reliability of budget reports submitted (Resolution of the Government of the RF No. 193, 2014; Kiselyov, 2013).

Meantime, budget control procedures in implementation of scientific and technical priorities are included in the state financial control system as an activity of state authorities on inspection of legality, timeliness, correctness, efficiency and productivity of establishment, distribution and use of the main financial plan – budget, exercised at every stage of budget process in the Russian Federation (Budget message of President of the RF to the Federal Assembly, 2013).


1. Internal financial control contour.
2. Internal budget procedures.
3. Aggregate of control action forms used in the course of self-control and/or by level of subordination/jurisdiction.
4. Structure of response types of internal budget control actions.
5. Aggregate of ways of internal budget control actions.
6. Sequence of actions in preparing to internal budget control (final making of internal financial control map).
7. Sequence of actions in preparing to internal budget control (actualization of internal financial control map).
8. Responsibility structure for organization of internal budget control.
9. Organizational/structural types of budget control.
10. Procedures and sequence of records of budget control results.
11. Vectors of decisions made following the results of internal budget control.
12. Approval procedure for decisions made following the results of internal budget control.
Current practice of applying budget control instruments in implementation of scientific and technical priorities

The practice of establishment and use of efficient instruments of budget control by chief supervisors of budget funds in implementation of scientific and technical priorities was studied based on the data of Ministry of education and science of Russia.

In the course of research of the current practice of establishment and use of efficient instruments of budget control by chief supervisors of budget funds as exemplified by Ministry of education and science of Russia it was found that, following the provisions of the new budget regulations, Ministry was developing and implementing a number of instruments of budget process aimed at target-oriented budgeting (“On results and basic directions of activity of Ministry of education and science of Russia for 2016-2018”, 2015).

The list of practical instruments of budget control developed and implemented in the current practice of Ministry of education and science of Russia comprises the following components:

a) reports on results and basic directions of activities; budget target programs;
b) registers of expense obligations;
c) feasibility demonstration for budget allocations;
d) state/municipal assignments;
e) mid-term financial plan.

Structural support of financial and economic instruments of budget control is realized by a separate division – Department of finance, organization of budget process, methodology and economy of education and science of Ministry of education and science of Russia, exercising Ministry’s financial powers as chief supervisor and a recipient of federal budget funds as well as a subject of budget planning – executor in charge for state programs of the RF.

Advanced approaches to establishment of efficient financial and economic instruments of budget control in implementation of scientific and technical priorities

Judging from the research results, it may be noted that in finding advanced approaches the three below regulations deserve some attention as they are defined in this research as the key sources for finding prospective directions and approaches for the establishment of efficient financial and economic instruments of budget control in implementation of scientific and technical priorities.


Among the current directions and tasks for establishment of efficient financial and economic instruments of budget control in implementation of scientific and technical priorities as well as taking into account legal aspects of powers and liabilities of chief supervisors of budget funds, the following tasks may be put forward:

1. Audit of efficiency aimed at determination of saving and productivity of budget funds use;
2. Expertise of draft acts (resolutions) on budgets, other regulations of the budget law of the Russian Federation including feasibility of indicators (parameters and characteristics) of budgets;
3. Expertise of state/municipal programs;
4. Analysis and monitoring of budget process including preparing offers on elimination of detected deviations in budget process and improvement of the budget law of the Russian Federation;
5. Making offers on improvement of exercising by chief administrators of budget funds of internal financial control and internal financial audit.

To find prospective directions of budget control instruments development, Ministry of education and science of the Russian Federation did a research and comparison of provisions of basic regulations both effective and pending, fixing the procedure of budget control by chief supervisors of budget funds.

Based on that research results, a set of comprehensive advanced approaches, principles and elements for establishment of efficient financial and economic instruments of budget control in implementation of scientific and technical priorities was created and submitted in Annex A.

**DISCUSSION**

Finally, in compliance with clause 2 of draft “Methodological guidelines for exercising internal financial control” the following may be determined as the main directions of internal financial control in the course of development of practical application of budget control instruments: compliance with the procedure provided for by the budget regulations of the Russian Federation, other regulations governing budget relations in connection with budgeting and budget implementation, making budget reports and budget accounting by chief administrator (administrator) of budget funds and subordinate recipients of budget funds; preparation and arrangement of measures on improvement of efficiency and productivity of budget funds use (Letter of Ministry of finance of Russia No. 02-11-05/932, 2015).

Meantime, the submitted research results leave open the issue of the content of some budget control system elements. It was previously noted that in compliance with clause 2 of draft “Methodological guidelines for exercising
internal financial control” in the development of practice of applying budget control instruments for Ministry of education and science of the Russian Federation the following orienteers were prescribed as the main directions of efficient implementation of budget control: compliance with the procedure provided for by the budget regulations of the Russian Federation, other regulations governing budget relations in connection with budgeting and budget implementation, making budget reports and budget accounting by chief administrator (administrator) of budget funds and subordinate recipients of budget funds; preparation and arrangement of measures on improvement of efficiency and productivity of budget funds use.

However the current level of practical normative and instrumental support of budget control processes within the powers of chief supervisors of budget funds remains insufficient. That is manifested by the fact that, based on the current provisions of regulations, the instruments of arrangement and exercising internal financial control submitted in Annex A, being a core element of budget control system, are determined only at the instrument type level such as internal control maps, financial control log-books and other reports on the results of financial control.

The sense-bearing filling of the said instruments for today is under discussion and without any decisive statutory/regulatory support. In particular, one of the above-mentioned regulations on internal financial control was developed by Ministry of finance of the RF for itself as for one of chief supervisors of budget funds in the RF budget system. Therefore, that document is oriented first of all at efficient support of task solving specific for the operation of such chief supervisor of budget funds.

Thus, on the way to practical establishment and introduction of financial and economic instruments of budget control in implementation of scientific and technical priorities, the issue is left open regarding the principles of making up the content of internal budget control maps and further formulation of rules of internal financial control as instruments of arrangement and exercising of budget control accounting for individual specifics of each of chief supervisors of budget funds.

CONCLUSION

Upon the results of aggregate analysis of theoretical aspects and existing practice of establishment and use of efficient financial and economic instruments of budget control in implementation of scientific and technical priorities and development of budget control system in Ministry of education and science of the Russian Federation as one of major supervisor of budget funds it was admitted that for the purpose of ensuring concordance between strategic objectives of the development of Russia’s scientific and technological complex for 2014-2020 and supporting system of financial management implementing efficient financial and economic instruments of budget control, it is required to develop and realize a set of measures in Ministry of education and science aimed at: further development of efficient instruments of budget control factors; ensuring detailed instruments of current provisions of regulations at the level of intra-organizational rules with further integration and automation under uniform system of ministry’s budget management as chief supervisor of budget funds.

The research enabled to represent as one of the main instruments Map of internal financial control and Regulations of internal financial control. Those instruments realize the most advanced approach to establishment of budget control instruments in implementation of scientific and technical priorities. It is expected that exercising internal budget control in compliance with the approved internal financial control maps and institutional regulations on financial control may be noted as the key procedural characteristic to establishment of efficient financial and economic instruments in connection with budget control in Ministry of education and science of the Russian Federation.

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