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# Directions for Improving the Monitoring System of State Programs of Socio-Economic Development of Russia

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## ABSTRACT

The significant role of the program-based and target-oriented management approach (PTM) in solving the priority tasks of the state by setting strategic goals, accumulating financial resources, and operational coordination of the activities of executives at the federal, regional, and municipal levels of government ensures the **relevance** of this research. The study **aims** to identify the key problems and areas for the financial monitoring improvement of the state programs of socio-economic development of Russia. The **methodological basis** of the paper is a systematic comprehensive approach to the study of social, financial, and economic problems, as well as general methods of scientific knowledge: sampling, grouping, comparison, generalization. The study shows that PTM practices for overcoming challenges of the Russian economy are characterized by inconsistencies that require a comprehensive approach to program-based and targeted planning, control, and monitoring system development. The research allowed us to update the special partnership model of control and accounting institutions of the modern state, its role in the development of the process of financial monitoring of state programs, and PTM tools. Based on the experience of certain regions the authors **conclude** the necessity to introduce project management, key performance indicators, digitization strategies, and remote financial monitoring practices for the activities of the control and accounting bodies. Additionally, control and accounting bodies should develop a proactive partnership model of monitoring rather than a competitive one. The authors see the **prospect** for future research in the introduction of new technologies for embedding monitoring tools into the objects control procedures implemented into business systems; preventing violations in a controlled environment; prompt response to current challenges and risks of the financial and budgetary sphere.

**Keywords:** state budget policy; program-based and target-oriented management; state program; expenditure budget obligations; strategic financial audit; state financial control; project financial management; partnership model of financial control

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## INTRODUCTION

The introduction of a program-based and target-oriented management approach (PTM) into the public administration system actualizes the achievement not so much of traditional political goals as the constant efficiency and management transparency, the required satisfaction level of the population with the quality of services initiated and provided by the state.

Program planning in foreign countries is implemented as efficiently as possible due to considerable experience in introducing, identifying problem areas, smoothing out the consequences by the process of reorganization of the system [1, p. 114]. Thus, the United States has vast experience in program budgeting and

have been applying this methodology since 1965. It has the following features:

- all program costs are defined by 19 functions;
- the current program implementation period may exceed a fiscal year;
- the program budget implementation may take up to 10 years.

The efficiency assessment of the implementation of programs is structured. The Office of Management and Budget within the Executive Office of the President of the United States plays a key role in this process [2, p. 242].

Japan has a different experience of implementing a program-based and target-oriented management approach (PTM). Establishing

large research centers, science parks, and unlocking the potential of development and production of the country is the main priority of the state policy. In addition, a feature of program planning in Japan is the key role of local authorities that adapt programs to a specific location considering its conditions. [3, p. 89].

Program-based and target-oriented management has become widespread due to a number of significant advantages:

- concentration of limited resources in the most important strategic areas;
- targeted clear orientation;
- targeted use of resources;
- complexity of measures;
- elimination of duplication of interrelated programs [4, p. 91].

### GENESIS AND INSTITUTIONAL BASIS OF PROGRAM-BUDGETING IN RUSSIA

The development of complex scientific, technical, economic, and social programs as a tool of state policy, is significant for forecasting and development of macroeconomic efficiency [5, p. 23].

If we look at the origins of the PTM in Russia, the budget reform was determined by the need to achieve the goals of socio-economic development in the long term, with slow growth in federal budget revenues, and an increase in the efficiency of the functions of executive bodies of state power at various levels [6, p. 101]. The objective significance of the adoption of the Federal Law of 20.07.1995 No. 115-FZ “On state forecasting and programs of socio-economic development of the Russian Federation” in the PTM regulation, is in the formation of a conceptual base for the use of state programs (SPs) as a new management tool.

In 2004, the Ministry of Finance of the Russian Federation initiated the implementation of the performance-based budgeting (RBB) procedure, as well as the Russian Government Program to improve the efficiency of budget expenditures for the period up to 2012, approved by the relevant Government decree of June 30, 2010 No. 1101-r.

The decree of the Government of the Russian Federation of 02.08.2010 No. 588 “On approval of the procedure for the development, implementation, and evaluation of the effectiveness of state programs of the Russian Federation”<sup>1</sup> emphasizes the distinctive features of state programs (SPs):

- 1) the strategic nature of the planning document;
- 2) focus on the implementation of the socio-economic policy priorities and national security of the state;
- 3) the interconnection and consistency of tasks, planned activities, timing, performers, basic resources [7, p. 10].

In 2013, amendments were made to the Budget Code of the Russian Federation (Art. 179)<sup>2</sup>, which secured the key status of a state program as an instrument of PTM and budgetary policy of the modern state. Currently, a new functional-target approach is being announced, which involves using features of the structure of the subject area of complex research and the adoption of appropriate decisions [8, p. 164].

The program is developed based on a pre-assessment, reflecting the compliance of state goals with socio-economic development [9, p. 16]. At the stage of implementation, an ongoing or process assessment takes place — monitoring aimed at adjusting the results, taking into account changing conditions, and achieved results. At the last stage, the program ends and the actual impact and final results are assessed. Basically, programs are assessed during the implementation period for goals achievement. The results of the assessment are reflected in the annual report of officials responsible for public finance according to the methodology approved by the

<sup>1</sup> National goals monitoring. Accounts Chamber of the Russian Federation. URL: <https://ng.ach.gov.ru/> (accessed on 12.03.2020).

<sup>2</sup> Federal Law No. 252-FZ of 23.07.2013 “On Amendments to the Budget Code of the Russian Federation and Certain Legislative Acts of the Russian Federation” URL: [http://www.consultant.ru/document/cons\\_doc\\_LAW\\_150289/](http://www.consultant.ru/document/cons_doc_LAW_150289/) (accessed on 15.03.2020).

Government Decree of the Russian Federation No. 903 dated July 17, 2019 “On Approval of the Formation Rules of the consolidated annual report on the implementation and assessment of the effectiveness of government programs of the Russian Federation ...”.<sup>3</sup>

In this context, the significant role is played by the Accounts Chamber (AC) of the Russian Federation, permanent state financial control bodies at the regional and local levels in strengthening actions in the field of expertise, analysis of the implementation goals, assessment of the condition; implementation of preventive interaction based on cooperation with the relevant authorities in the field of budgetary legal relations; exchange of global audit experience; implementation of educational programs aimed at strengthening professional competencies, the formation of a “common knowledge base” of the audit professional community, creating reputation capital and increasing the transparency of activities [10, p. 45].

Thus, the monitoring of the execution of 42 approved SPs in 2019, carried out by the Accounts Chamber of the Russian Federation annually, revealed the following problems:

- lack of a clear link between the amount of financial support and program indicators (criteria);
- tendency towards the deterioration of values of some indicators;
- inconsistency of the composition of indicators, sustainable practice of their exclusion due to failure to reach the planned threshold;
- lack of a methodology for comparing the dynamics of indicators for the period of implementation of the PTP tools;
- low share of indicators of statistical observation;
- uneven distribution of expenses for some government programs [11, p. 41].

<sup>3</sup> Government Decree of the Russian Federation of 02.08.2010 No. 588 “On approval of the Procedure for the development, implementation, and evaluation of the efficiency of state programs of the Russian Federation.” URL: <http://docs.cntd.ru/document/902228825> (accessed on 20.05.2020).

As a result of a comprehensive monitoring of the PTM tool [pilot state programs, national projects, departmental and federal target-oriented programs (DTP, FTP), priority projects (programs)], two main areas for improvement of the PTM were identified:<sup>4</sup>

- preparation of a single document (regulation) on the SPs’ management system, within the framework of which solutions will be methodologically presented ensuring the interconnection of PTP tools in terms of content, mechanism of their creation, implementation, and follow-up reporting;
- approval of the methodology for assessing the effectiveness of state programs.

The tasks of identifying and eliminating problems, supplementing the financial audit with a comprehensive analysis of the effectiveness of the PTM tools used at the regional and local levels, analyzing the compliance of the implemented measures with modern challenges of strategic management and national security criteria [12, p. 209].

### REGIONAL AND MUNICIPAL ASPECTS OF THE IMPLEMENTATION OF PROGRAM- BASED AND TARGET-ORIENTED MANAGEMENT IN RUSSIA

For the purpose of operational control over revenues management and expenditure obligations of the regional budget, budgets of territorial extra-budgetary funds in terms of volume, structure, purpose, and the implementation of audit functions of tax and budget legislation compliance, local governments have updated the activities of the state financial control body — the Chamber of Control and Accounts (CCA) of the Volgograd region.<sup>5</sup>

Justifying the importance of the PTP in regional development, we note that the socio-

<sup>4</sup> Consolidated analytical report on the implementation of the federal budget and budgets of state extra-budgetary funds of the Russian Federation. URL: <http://audit.gov.ru/promo/analytical-report-federal-budget-2019-4/index.html> (accessed on 15.03.2020).

<sup>5</sup> Monitoring activities. Chamber of Control and Accounts of the Volgograd Region. URL: [http://ksp34.ru/activity/control\\_measures/2018\\_god22/](http://ksp34.ru/activity/control_measures/2018_god22/) (accessed on 20.03.2020).

economic situation of the Volgograd region is determined by achieving goals in nine key areas:

- population growth;
- increase in life expectancy;
- growth of income and pensions;
- reducing the level of poverty;
- improvement of living conditions;
- acceleration of technological development;
- digital technologies;
- economic growth;
- development of exports [13, p. 153].

23 SPs are being implemented in these areas in the Volgograd region. The volume of funds provided by the regional budget is presented in *Table. 1*.

*Table. 1* shows the ambiguity of the dynamics of financing of programs: in 2017–2018 — an increase, in 2019–2020 — a decrease in the total amount of regional funds. A smaller amount of funds allocated for the state programs “Health care development in the Volgograd region”; “Health and safety in the Volgograd region”; “Sustainable rural development” and 8 more significant programs, which, however, is not related to the efficiency of their implementation.

It should be noted that none of the 23 programs is characterized by satisfactory or unsatisfactory implementation efficiency ( $Ie_{sp}$ ). However, among programs with an efficiency indicator exceeding 100% (above-target indicators), there are some instruments with average efficiency and those on the edge of satisfactory assessment.

The analysis made it possible to distinguish 6 programs with an average efficiency of implementation (30% of the total): “Culture and tourism development in the Volgograd region” ( $Ie_{sp} = 88\%$ ); “Environmental protection in the Volgograd region” ( $Ie_{sp} = 86.81\%$ ); “Energy conservation and energy efficiency in the Volgograd region” ( $Ie_{sp} = 85.7\%$ ); “Health care development in the Volgograd region” ( $Ie_{sp} = 83.72\%$ ); “Sustainable rural development” ( $Ie_{sp} = 82.72\%$ ); “Crime prevention and public

safety on the territory of the Volgograd region” ( $Ie_{sp} = 81\%$ ). “Crime prevention and public safety in the Volgograd region” program has low efficiency due to the lack of two target indicators:

- “Number of registered crimes” indicator exceeded the plan by 491 points (unemployment and low-paid jobs are socio-economic factors in the growth of street crime);
- “Ratio on the number of protocols on administrative offenses drawn up by officials of the internal affairs bodies to the total number of protocols on administrative offenses” indicator was 0% with a plan of 40%<sup>6</sup> (failure to agree on the delegation of authorities to the Ministry of Internal Affairs of Russia, lack of funding). Thus, the main contractor is ineffective in fulfilling its obligations.

The reason for the decrease in the efficiency of the implementation of the program may be the “extra-program” part of the activities of the responsible executive body: the regional committee, in disposing of the property, bears the cost of paying tax on the property of organizations and transport.

The largest total amount of financing (493.3 billion rubles) is allocated for the SP “Health care development in the Volgograd region”. Certain performance indicators and results of the implementation of the measures of this state program significantly exceeded over several budget periods. However, while financing the state program at the expense of the regional budget in the amount of 99.98% of the approved budget allocations, the profile executive committee did not meet 11 performance indicators (12.6% of the plan), activities for 6 programs did not take place (15.8% of the plan), which proves inaccuracies both at the planning stage of the program and the inefficiency of the implementation and use of budget funds.

In the administrative center of the region — in Volgograd — 22 programs are being implemented, including 15 municipal pro-

<sup>6</sup> Report on the implementation of the program “Crime prevention and public safety in the Volgograd region.” URL: <http://kdnk.volgograd.ru> (accessed on 21.03.2020).

Table 1

**Dynamics of the volume of financing of state programs from the budget of the Volgograd region  
in 2017–2020, thousand rubles**

Indicator	2017	2018	2019	2020
Program budgeting, including:	67781672.55	74176595.63	76251283.05	76504508.63
Education development in the Volgograd region	20467097	21478197	22450391	23575574
Regional youth policy of the Volgograd region	93141.3	109047.9	91618.7	142907.9
Health care development in the Volgograd region	15555866	17796310	16949225	16698945
Civil society development in the Volgograd region	45120.9	48150.9	68022.1	35831.7
Social assistance and protection in the Volgograd region	10103017	11918003	13096204	12496497
Health and safety in the Volgograd region	1231200	1808903	1178964	1102395
Transport system development and road safety in the Volgograd region	7119308	6066190	8088349	9302337
Labor market development and employment in the Volgograd region	250044.1	273005.4	274827.6	257045.4
Use, water resources and water pollution control on the territory of the Volgograd region	246663.2	158969.5	325592.3	436494.6
Environmental protection in the Volgograd region	197690.1	343387.6	388504.6	287841.8
Agriculture development and regulation of markets for agricultural products, raw materials and food	656259.2	885836.2	978753.3	1010000
Sustainable rural development	413679.9	481915.5	227668.6	423332.4
Physical training and sports development in the Volgograd region	874289.7	1414934	1102376	1229319
Economic development and innovative economy	382135.6	897391.2	972194.2	890559.9
Public finance management of the Volgograd region	6768160	6029872	5774955	5542931
Energy conservation and energy efficiency in the Volgograd region	1001703	606840.3	336568.9	88827.53
Information society development of the Volgograd region	131341.1	239312.5	209636.8	184411.2
Industrial development of the Volgograd region and its competitive potential	0	0	0	0
Development of culture in the Volgograd region	1151438	2109080	1643324	1375830
Provision of affordable and comfortable housing and utilities for residents of the Volgograd region	958773.5	856265.3	1493576	877877.9
Crime prevention and public safety on the territory of the Volgograd region	63792.1	83643.7	66908.3	66708.3
Modern urban environment development of the Volgograd region	0	414705.9	357981.4	384011.5
Development of tourism in the Volgograd region	70953.6	156634.1	175643.2	94831.3
Share in the total regional budget, %	58.23	60.00	59.70	56.81

Source: Resolution of the administration of the Volgograd region «On approval of the list of state programs of the Volgograd region and on invalidation of certain resolutions of the administration of the Volgograd region» or 11.10.2016 № 557-n. URL: <http://docs.cntd.ru/document/441767922> (accessed on 20.04.2020).



grams, 7 departmental target programs. The total funding of municipal programs from the budget of the city of Volgograd in 2019 amounts to 5,175,001 thousand rubles, including: “Education development on the territory of Volgograd” — 50.5%; “Culture development of Volgograd” — 15.8%; “Maintenance and development of the road network of Volgograd and ensuring the efficient operation of the transport infrastructure of Volgograd” — 12.1%.<sup>7</sup>

The analysis of the implementation of municipal programs in Volgograd made it possible to identify the following main problems:

- the imbalance between the assessment of efficiency and the level of costs for their implementation for individual municipal programs;
- a number of indicators of municipal programs are not confirmed by indicators of municipal goals, which also does not allow assessing the validity of the achieved results and their relationship with the invested budget funds;
- inconsistency in the volume of funds established in datasheets and budget planning (municipal programs “Formation of a modern urban environment”, “Housing construction”, “Maintenance and development of the Volgograd highway network and ensuring the effective functioning of Volgograd’s transport infrastructure”);
- a non-fulfillment of funds from the city budget in full due to the financing of program activities within the total forecast of cash payments, communicated to the main managers of budgetary funds of the Volgograd administration, based on the forecast indicators of budget revenues in the Volgograd budget. The ratio of funds provided in the Volgograd budget in 2018 and funds spent on the implementation of program activities is presented in the *Table. 2*.

<sup>7</sup> Decree of the Volgograd Administration «On approval of the List of municipal programs proposed for implementation (being implemented) on the territory of Volgograd» dated December 29, 2018 No. 1863. URL: <http://docs.cntd.ru/document/550317956> (accessed on 21.05.2020).

Out of 15 municipal programs, the smallest percentage of implementation was noted for the following programs:

- “Physical training and sports development in the Volgograd region” (94.6 and 88.7%, respectively);
- “Volgograd culture development” (respectively, 95.9 and 95.9%);
- “Youth policy development, events for children and youth in Volgograd” (respectively 96.1 and 96.1%).

The datasheet analysis, as well as reporting data of managers responsible for budget funds for all programs implemented in the region and its municipality, revealed some systemic problems:

1. A lack of funding identified at the stage of program implementation. In the analyzed programs of the Volgograd region, a lack of funds is one of the reasons for not meeting the target. Thus, the implementation of the planning document “Social assistance and protection of the population in the Volgograd region” was accompanied by non-fulfillment of four measures, explained by the lack of appropriations in the budget statement, as well as failure to achieve two indicators of the subprogram “Barrier-free environment for disabled people and physically challenged people” to an incorrect list of resource provision of the document. The costs planned at the expense of local budgets for the implementation of the subprogram “Barrier-free environment for disabled people and physically challenged people” are 100% fulfilled, and the financial support of this subprogram was not at the expense of unitary enterprises. Given that social policy is a priority in the distribution of state allocations, it is necessary to carefully approach the procedure for developing programs, to intensify the search and implementation of new organizational foundations and financial instruments aimed at implementing and developing a targeted approach in the system of social protection of the population [14, p. 56].

2. A significant problem in terms of completeness is the redundancy of indicators, the

Table 2

**The ratio of funds allocated to the budget of the city of Volgograd in 2018 and funds spent on the program implementation activities, million rubles**

Approved for 2018				Executed on 01.01.2019	Including funds		Comp- letion, %
By programs	In budget	Including funds			Volgograd budget	higher-level budgets	
		Volgograd budget	higher-level budgets				
Total by programs							
18 878.51	18 811.26	6 865.82	11 945.44	18 334.65	6 526.79	11 817.86	97.5
Total by municipal programs							
16 942.77	16 876.18	5 415.17	11 461.00	16 427.83	5 076.35	11 351.48	97.3
Total for departmental target programs							
1 935.74	193 508	1 450.65	484.43	1 906.82	1 440.44	466.38	98.5

Source: Summary report on the results of the implementation of municipal programs and departmental target programs with an assessment of their implementation effectiveness for the entire validity period. Official website of the Volgograd Administration. URL: <http://www.volgadmin.ru/d/opendata/index> (accessed on 15.07.2020).

multiplicity of target indicators of individual SPs. In particular, according to the sub-programs “Sustainable rural development”, “Modern urban environment development in the Volgograd region”, “Health care development in the Volgograd region” the number of planned performance indicators reach 18 up to 22, while 15 or more tasks may be assigned to the direct executor for each indicator. Objectively, practical verification and monitoring of the achievement of “hundreds of indicators” is not used to assess efficiency. Actions on a reasonable array of related indicators within the framework of an open, understandable, transparent key methodology are recognized as rational.

3. Unrealistic goals, leveling of essential grounds, and implementation risks. Thus, in the volume of planned funds, additional resources are not taken into account, which excludes a positive effect on a number of activities. The analysis of the report on the im-

plementation results of the program “Labor market and employment development in the Volgograd region” shows that the event “Provision of state services for the organization of temporary employment of minors aged from 14 to 18 years in their free time from school” in terms of wages directly depends on the volume of regional budgetary funds, reflected in the datasheets of the SP, and on the employers’ resources not accounted for in the program [13, p. 157].

4. The impossibility of changing the financial support of the state program, adjusting the planned results according to the volume of the budget allocations (in particular, the Procedure for the development, implementation, and evaluation of the implementation efficiency of the state programs of the Volgograd region No. 423-p). At the federal level, however, such an opportunity is established in the Decree of the Federal Government dated 02.08.2010 No. 588.

### COMPARATIVE ANALYSIS OF THE IMPLEMENTATION OF PROGRAM- BASED AND TARGET-ORIENTED MANAGEMENT AT THE REGIONAL AND MUNICIPAL LEVEL

To confirm the objectivity and consistency of the aforementioned problems, we use a comparative analysis to assess the quality of the PTM and its monitoring on the territory of another subject of the Southern Federal District (SFD) — Rostov Region, where funding is distributed according to 22 state programs. Based on the data of the Ministry of Economic Development of the Rostov Region, grouped in *Table. 3*, we note a significantly greater SPs' execution dependence on the resources of the regional budget in comparison with the Volgograd region, as evidenced by the indicators of both the specific weight and the absolute value of funding.

Out of 22 programs, 6 programs have an average level of efficiency: "Education development" ( $Ie_{sp} = 0.89$ ); "Environmental protection and rational use of natural resources" ( $Ie_{sp} = 0.87$ ); "Physical training and sports development" ( $Ie_{sp} = 0.89$ ); "Transport system development" ( $Ie_{sp} = 0.85$ ); "Agriculture development and regulation of markets for agricultural products, raw materials and food" ( $Ie_{sp} = 0.87$ ); "Modern urban environment in the Rostov region" ( $Ie_{sp} = 0.85$ ).

Among the main factors of negative impact on the implementation of the SPs in the region, identified as a result of their monitoring by the CCA of the Rostov region, we note:

1. A lengthy document processing procedure that prevents the achievement of target indicators within the specified time frame (this factor influenced 50% of these programs with an average efficiency).

2. Unsatisfactory work of contractors associated with non-fulfillment of the terms of contracts.

3. Incomplete work due to exceeding the deadline for the implementation of control measures of the established reporting period (to reflect the actual deadlines, a revision, or

reduction in the number of performance indicators is required).

4. Unaccounted factors of exogenous events, in particular those associated with natural forces ("Environmental protection and rational use of natural resources", "Agriculture development": the consequences of a large forest fire prevented the implementation of a number of programs; unfavorable weather conditions during the growing season and harvesting influenced the gross yield decrease).<sup>8</sup>

In turn, at the municipal level — in Rostov-on-Don, 22 municipal programs are being implemented, with total funding of 32,844,314 thousand rubles from the city budget. The most capital-intensive programs are: "Development of the education system of Rostov-on-Don" 14,906,569.2 thousand rubles. (45.4%); "Social protection of the population of Rostov-on-Don" 6,216,498.1 thousand rubles. (18.9%); "Development and operation of transport infrastructure and passenger transport in Rostov-on-Don" 3,538,835.6 thousand rubles. (10.8%).<sup>9</sup> The main problem in the implementation of municipal programs is the failure to comply with the order and terms of planning and implementation of the municipal task.

Thus, there are various factors that reduce the efficiency of the Volgograd and Rostov regions, representing the Southern Federal District and implementing the PTP in the regional management system. At the same time, these are permanent factors that require a reduction in the formal planning (forecasting), execution and monitoring procedures. It is emphasized that a methodologically competent assessment of the efficiency of programs, high-quality monitoring by the control, and accounting bodies should become a tool to

<sup>8</sup> Rostov region in figures: brief review. URL: <https://rostov.gks.ru/storage/mediabank/maket!2018.pdf> (accessed on 19.03.2020).

<sup>9</sup> Municipal programs. Official website of the City Duma and the municipal government of Rostov-on-Don URL: [https://rostov-gorod.ru/administration/structure/departments/deg/action/mp-goroda/per-mun-progg.php?special\\_version=Y](https://rostov-gorod.ru/administration/structure/departments/deg/action/mp-goroda/per-mun-progg.php?special_version=Y) (accessed on 10.07.2020).



Table 3

**Dynamics of the volume of financing of state programs from the budget  
of the Rostov region in 2017–2020, thousand rubles**

Indicator	2017	2018	2019	2020
Program budgeting, including:	136 140 883.2	152 967 284.5	159 004 202	152 768 712.3
Economic development and innovative economy	1 217 706.366	1 368 209.4	1 368 209.4	1 368 209.4
Energy efficiency and industrial and energy development	177 627.09	199 581	199 581	70 499.6
Transport system development	13 784 477.35	15 488 176.8	15 488 176.8	15 951 693.6
Agriculture development and regulation of markets for agricultural products, raw materials and food	706 508.236	793 829.4	6 302 096.5	6 314 881.1
Information society	484 903.506	544 835.4	736 220.4	526 623
Territorial planning and affordable and comfortable housing for the population	3 076 646.251	3 456 905.9	4 671 323.4	3 499 263.7
Provision of high-quality housing and public utility services	6 236 675.178	7 007 500.2	3 932 923.4	2 675 593.1
Modern urban environment development	1 586 873.827	1 783 004.3	1 441 484.4	1 455 402.6
Environmental protection and rational use of natural resources	529 181.095	594 585.5	641 279.7	529 585.5
Promotion of employment of the population	530 304.186	595 847.4	595 827.3	595 847.4
Social assistance of citizens	25 729 746.48	28 909 827.5	34 205 472.7	35 047 148.8
Accessible environment	9698.775	10 897.5	106 772.8	85 075.9
Health care development	22 107 500.41	24 839 888.1	28 929 063.7	29 531 083.7
Physical training and sports development	46 185 62.885	5 189 396.5	2 766 783.7	2 077 305.6
Education development	35 751 795.2	40 170 556.4	42 824 424.3	40 552 001.2
Culture and tourism development	3 274 663.241	3 679 396.9	3 784 416.5	2 190 465
Youth of the Rostov region	81 116.825	91 142.5	91 142.5	91 142.5
Support for Cossack communities	671 488.802	754 481.8	778 853.7	768 607.7
Public order and crime prevention	76 220.223	85 640.7	109 828	112 837.2
Protection of the population and territory from emergency situations, ensuring fire and water safety	1 092 486.303	1 227 512.7	746 820	741 902.3
Regional policy	152 010.398	170 798.2	170 818.3	170 798.2
Public finance management	788 611.586	886 080.74	9 112 683	8 412 745.2
Share in the total regional budget, %	73.04	80.2	75.93	72.71

Source: Current activity. Ministry of Economic Development of the Rostov region. URL: <https://mineconomikiro.donland.ru/activity/3386/> (accessed on 17.03.2020).

stimulate the effective activities of responsible executors at all stages of the implementation of the SPs.

### PROSPECTS FOR MONITORING OF STATE PROGRAMS BY THE CONTROL AND ACCOUNTING BODIES

The basic task of programming as a form of state regulation of the economy is the maintenance of economic equilibrium, influencing qualitative changes in the economy, and stimulating its development [15, p. 38]. Therefore, the above-mentioned problems of SPs of two regions show the importance of assessing the state of monitoring of strategic projects in the country, control issues at the federal level, projected at the regional level, threaten the overall achievement of key objectives and expected results of the national projects. In this context, the Accounts Chamber of Russia recognized the following issues as systemic:

1. Established national goals are not always linked with national projects, project objectives do not lead to the achievement of the set goals. The auditors note that the achievement of the goals for some strategic documents is impossible due to the fact that the financing of the programs includes extra-budgetary funds, and in fact, mechanisms for attracting, justifying, and detailing the sources of extra-budgetary funds have not been created [16, p. 275]. Thus, the national project “Science” directly depends on funding from extra-budgetary funds, which are not guaranteed: in the total amount of funding, the share of extra-budgetary funds is on average 36% in 2019–2024, and by 2024 it should exceed 50%.<sup>10</sup>

2. Low level and quality of interaction between federal and regional executive authorities in solving issues of implementation of national projects. The generated key indicators often do not take into account the resource potential and the potential of the subjects.

The absence of an effective methodology for the application of performance indicators and indicators for regions to avoid their non-fulfillment or distortion was noted.

3. Research of the datasheets of some national projects, analysis of documents — reports on the progress of their implementation showed the insufficiency and subjectivity of information about the risks arising on the way to achieving the main goals. There is a risk of untimely provision for spending funds, the risk of insolvency of measures related to the conclusion of agreements (contracts) in the framework of the implementation of federal projects, a national project at the level of a constituent entity of the Russian Federation.

We note that according to the reporting documents as of November 1, 2019, issues of underfunding were identified, as well as financing imbalances (for example, during the implementation of the national project “Education” in 2016–2018 more than 70% of the budget was spent on payments — wages of workers and only 1.7% was spent on the purchase of equipment and major repairs as part of education development).<sup>11</sup> For the national project “Labor productivity” it is planned to attract more than 10 thousand enterprises but at the same time, most companies need to independently achieve the goals of the program.

4. Imperfection of the technical base of the system for monitoring and control of the implementation of the PTM: information is often aggregated manually and arrives after the established deadlines, that determines difficulties in analyzing and monitoring the process, complicates decision-making on adjusting and minimizing risks in the implementation of national projects.

5. It is noted that performance indicators have nothing in common with the realities of citizens’ lives; their declaratives, generality, which enhances the importance of adjustments with the allocation of key indicators

<sup>10</sup> The Federal Treasury budget. Approaches to the digitalization of control in the financial and budgetary sphere. URL: [https://roskazna.ru/upload/iblock/81d/isaev\\_05\\_2019.pdf](https://roskazna.ru/upload/iblock/81d/isaev_05_2019.pdf) (accessed on 21.03.2020).

<sup>11</sup> Results of the implementation of national projects. RBC Group. URL: <https://www.rbc.ru/economics/13/01/2020/5e184e2a9a79470bf49655c3> (accessed on 17.03.2020).

that have the highest priority in each region, and the development of directions for improving the quality of their implementation.

6. Finally, in the current context of restrictive measures to counter the spread of the disease (COVID-19), the achievement of the planned results (indicators) of development programs is under threat. A widespread of the disease has revealed a serious problem of the lack of open operational adjustments to government programs at the federal and especially regional levels.

The coronavirus pandemic has shifted the national planning horizon (from 2024 to 2030) and updated the revision of the implementation of national goals and projects. Thus, some national development goals of the country have been reduced from nine to five. The possibility of including a federal project on combating infectious diseases in the national project “Health” is being considered. However, national projects in 2020 will receive a total of 200 billion rubles to finance the program to support the economy amid the coronavirus epidemic less discharge. More than others, the costs of the national project for the digitalization of the economy and export support are being reduced. Also, it is confirmed that the annual funding of national projects will take place until 2030.

The letter of the Ministry of Finance of Russia dated 06/08/2020 No. 16–08–04 / 49210 confirms large adjustments of a number of state programs.<sup>12</sup> Two trends should be noted: an increase in funding for programs aimed at economic and technological development or focused on industries affected by the coronavirus epidemic, and a cutting of allocations for the sectors least affected by the pandemic.

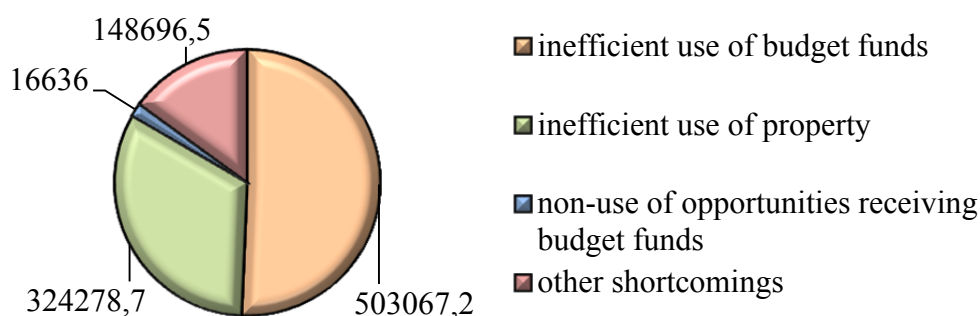
<sup>12</sup> Letter of the Ministry of Finance of Russia dated 06/08/2020 No. 16–08–04 / 49210 “Draft methodology for calculating the maximum base budget allocations of the federal budget for state programs of the Russian Federation and non-program areas of activity for 2021 and for the planning period of 2022 and 2023”. URL: [https://minfin.gov.ru/ru/document/?id\\_4=130317-pismo\\_minfina\\_rossii\\_ot\\_08.06.2020\\_16-08-0449210\\_proekt\\_metodiki\\_rascheta\\_predelnykh\\_bazovykh\\_byudzhetnykh\\_assignovaniy\\_federalno-go\\_byudzhet\\_po\\_gosudarstvennym\\_programmam\\_r](https://minfin.gov.ru/ru/document/?id_4=130317-pismo_minfina_rossii_ot_08.06.2020_16-08-0449210_proekt_metodiki_rascheta_predelnykh_bazovykh_byudzhetnykh_assignovaniy_federalno-go_byudzhet_po_gosudarstvennym_programmam_r) (accessed on 27.08.2020).

Thus, it is proposed to increase budget allocations for the program “Social assistance of citizens”. In 2021, expenses may grow by 43.7 billion rubles, to 1.89 trillion rubles, in 2022 — by 33.9 billion rubles, to 1.98 trillion rubles, and in 2023 — by 188 billion rubles, to 2.1 trillion rubles. On the contrary, spending on the implementation of the state arms program will be cut by 5% in 2021–2023 (by about 323 billion rubles). Expenditures for the energy sector development, the transport system and the nuclear power and industrial complex are also planned to be reduced by 3.64 billion rubles, by 331.75 billion rubles and by 67.45 billion rubles respectively, for three years in total.

At the same time, there are few documents proposing adjustments to existing state programs.

Thus, the Resolution of the Government of the Russian Federation No. 375<sup>13</sup> introduces changes in the goals of the state program “Agriculture development and regulation of agricultural products, raw materials, and foods” for 2020–2025, as well as in Appendix 5. A decrease in incomes of the population, restrictive measures taken by other countries in connection with the spread of the virus (supply chain disruption), as well as the rise in production costs, highlighted the need to adjust the planned index values of livestock production and, accordingly, the index of agricultural production in farms of all categories (in corresponding prices). Changes in the state program “Argo-industrial complex” provide for the adjustment of the added value created in agriculture from 5.77 to 4.56 trillion rubles by 2025 (–21%). By the end of 2020, the indicator is expected to decrease from 4.05 to 3.13 trillion rubles (–22.5%). As a result of the pandemic, there was a decrease in investment in fixed assets of the agricultural sector. The initial version of the state program for the

<sup>13</sup> Resolution of the Government of the Russian Federation of March 31, 2020 No. 375 “On Amendments to the State Program for the Development of Agriculture and Regulation of the Markets of Agricultural Products, Raw Materials, and Foods”. URL: <https://base.garant.ru/73841082/> (accessed on 27.08.2020).



**Fig. 1. Shortcomings of the authorized bodies implementing budgeting activities in 2018, thousand rubles**

Source: Decision of the Board of the Control and Accounting Chamber of Volgograd "Formed report on the activities of the Control and Accounting Chamber of Volgograd in 2018" of 19.04.2019 № 6/2. URL: <http://www.kspvolg.ru/d/activities/reports> (accessed on 18.03.2020).

development of agriculture and regulation of agricultural products, raw materials, and food markets, assumed that investments would increase by 21.8% from 2017 to 2025. At present, the planned reduction is 0.1% (excluding small business). In 2020, the figure will be 92.5% instead of the projected 107.7%.

In other cases, the situation was popularized when more complete information on the impact of the COVID-19 pandemic on the economic situation, and PTM will be presented in annual reports of the responsible budget administrators.

Having highlighted the significant problem areas for the implementation of the PTP at the federal and regional levels, emphasizing the priority of the development of the activities of control and accounting bodies in general and at the local level, we will highlight the following areas for improving monitoring and current control of the implementation of the SP:

1. Improving strategic audits at the federal and regional levels. A strategic audit is focused on improving the quality of strategic documents at the stages of planning, adjusting planning documents, monitoring and control, analyzing current and final public results by sectors and areas of activity: determining not only targeted and inappropriate spending of budget money but also assessing risks and implementation effectiveness of development programs; identifying gaps in legal regulation, methodological support, inspection arrange-

ments, ensuring the transparency and accessibility of the information resource [17, p. 13].

At the beginning of 2020, the result of the strategic audit of the achievement of performance indicators of federal executive bodies (FEB), conducted by the Accounts Chamber of Russia, was established inefficiency of the existing planning system:

- out of 525 indicators of national and federal projects, 236 (45%) are not included in the measures (FEB);
- out of 1263 indicators of state programs and subprograms, 935 (74%) are not included in the plans of federal executive bodies, which: allows them, at their discretion, to include or not to include certain indicators of the Accounts Chamber of Russia and national projects (programs) in their own performance indicators; negatively affects the implementation of these programs and projects; reduces the objectivity of assessing the effectiveness of federal executive bodies;
- the methodological basis for setting objectives and indicative indicators of the activities of the federal executive body requires adjustment;
- there are no methods for analyzing the impact of the activities of federal executive bodies on the performance indicators of national projects;
- federal executive bodies' plans for 2019–2024 developed and approved in two forms differ significantly in structure;



- cross-departmental interaction has not been established; the time intervals for planning in ministries and their subordinate bodies, often do not coincide, there is no mechanism for strategic and current planning;

- the mechanism for collecting feedback from society on satisfaction with the results of the activities of the federal executive power has not been established;

- a high level of annual failure to achieve planned values of performance indicators of federal executive bodies.<sup>14</sup>

A promising result of the implementation of the main direction of the AE RF in the field of a strategic audit should be recognized as the functioning of a multi-level system of independent and alternative monitoring and evaluation of the achievement of national goals and the implementation of national projects.

On the territory of the Volgograd region, in Volgograd, in particular, a full-fledged movement towards the development of financial audit, efficiency audit, and use and strategic audit on the basis of an analytical function is carried out by the Control and Accounts Chamber, emphasizing its function as a strategic partner in the management of local governments within the Development Strategy for 2018–2024.<sup>15</sup> One of the indicators of the implementation of the strategy of 2018 is the assessment and accounting of the ineffective activities of officials and organizations, leading to negative consequences for the budget (*Fig. 1*).

It should be noted that shortcomings worth a total of 992,678.4 thousand rubles were identified. The Volgograd CCA expanded the monitoring area: it is not only an analysis of budget execution and the compliance of actual costs with planned ones but also an inclusion of a strate-

gic aspect of spending funds, which can be fully used for the economic and social development of the municipality.

Additionally, there is the following plan:

- a comprehensive assessment of the strategic planning documents of Volgograd (strategy of socio-economic development until 2030, forecast of socio-economic development of Volgograd, general plan of the Volgograd, municipal programs) for their compliance and with strategic documents of upper levels (regional, federal);

- coordination of the adopted municipal programs and draft municipal legal acts with the strategic planning documents of Volgograd within the framework of the financial and economic expertise;

- development of proposals for the adoption of the necessary regulatory legal acts governing the activities of local government bodies for the implementation of strategic documents of Volgograd;

- development of proposals to reduce the risks of failure to achieve the objectives of the municipal component of regional projects and to increase the efficiency of spending budget funds.

2. Further implementation of project management in the activities of regulatory bodies. Based on the Accounts Chamber of Russia Strategy for 2018–2024 presented in the Strategy, directions of development, its program of projects should be coined, which will ensure the effective synchronization of projects with each other in terms of their technological relationship, resource availability, and implementation timeframes. The first project implemented by the Accounts Chamber<sup>16</sup> — Independent monitoring and evaluation of the achievement of national goals; second — Digital transformation of the Accounts Chamber.

On the territory of the Volgograd Region, project activities are being introduced to implement national projects in accordance with

<sup>14</sup> Strategic audit of the setting and achievement of performance indicators of federal executive authorities. Accounts Chamber of the Russian Federation. URL: <http://www.ach.gov.ru/checks/9657> (accessed on 17.03.2020).

<sup>15</sup> The decision of the Board of the Control and Accounts Chamber of Volgograd dated September 25, 2018 No. 27/9 "Development Strategy of the Control and Accounts Chamber of Volgograd for 2018–2024". URL: <http://www.ach.gov.ru/checks/9657> (accessed on 17.03.2020).

<sup>16</sup> The main activities of the Accounts Chamber of the Russian Federation: Minutes of April 23, 2019 No. 16K (1312) (approved by the Board of the Accounts Chamber of the Russian Federation). URL: [http://www.consultant.ru/document/cons\\_doc\\_LAW\\_325709/](http://www.consultant.ru/document/cons_doc_LAW_325709/) (accessed on 19.05.2020).



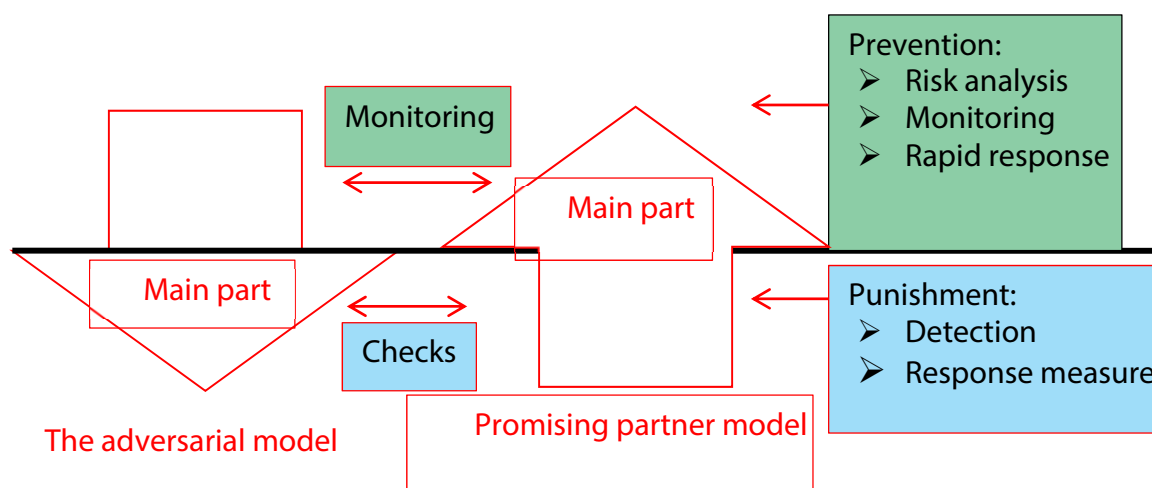


Fig. 2. Differences between competitive and promising partnership financial control models

Source: Development strategy of the Accounts Chamber of the Russian Federation for 2018–2024: protocol dated 23.04.2019 No. 39K (1260) (approved by the Accounts Chamber Board of the Russian Federation). URL: <https://old.ach.gov.ru/about/document/СП-сравнения-А5%20русский.pdf> (accessed on 21.03.2020).

the resolution of the Regional Administration dated March 26, 2019, No. 136–p.<sup>17</sup> Within the framework of this document, regional project implementations monitoring has been established, including the calculation of deviations of the actual parameters from the planned ones, assessment of the reasons for deviation, forecasting the stages of project implementation, making management decisions to determine, agree and take possible corrective actions. At the municipal level, in 2018, the Regulation on the organization and management of project activities in CCA of Volgograd was approved.

3. Further implementation of the system of key performance indicators (KPI) as the main mechanism for assessing the achievement of the goals and objectives of the strategy of control and accounting bodies, which is reflected in the main areas of activity of the Accounts Chamber of Russia for 2019–2021. Based on the KPIs, the Accounts Chamber of Russia, and its regional institutions should analyze and prepare proposals for changing the tested industries.

<sup>17</sup> Resolution of the Administration of the Volgograd Region dated 26.03.2019 No. 136–p “On the organization of project activities in the Administration of the Volgograd Region in the implementation of national projects and priority projects of the Volgograd Region.” URL: <http://docs.cntd.ru/document/553220408> (accessed on 19.07.2020).

4. Digitalization and remote inspections.<sup>18</sup> It includes the use of information technology, which makes it possible to replace office and on-site inspections with remote ones, due to the ease, safety and economy of the processes carried out.

Since 2018, an automated system “Unified Project Environment” has been operating to collect, process, and accumulate data. In 2019, the practice of using digital tools and analytical showcases for data visualization and analysis was updated.

In this direction, the CCA of the Volgograd region and the city of Volgograd launched a digital transformation associated with the automation of individual processes, the creation of its own financial control module integrated into the information systems (databases) of the city and region, the spread of the remote inspection method (access to the AIS city and regional administration), the use of the project management information system, participation in the Volgograd region project on the digital transformation of local governments. At the same time, regional financial control, through

<sup>18</sup> Conducting remote audits using unified information and analytical systems. Information letter of the Accounts Chamber of the Russian Federation. URL: <http://www.ach.gov.ru/upload/iblock.pdf> (accessed on 21.07.2020).

digitalization, is moving from a competitive to a partnership model from responding to violations to preventing them (Fig. 2).

This model establishes new control mechanisms into the activities of objects, when the controller becomes a part of the ongoing processes, creating a profitable partnership, responding promptly to possible risks, permanently preventing possible violations. The partnership model assumes the unification of the results of the work of all financial control bodies and the creation of a digital twin (an image of the object of control based on available information) [18, p. 13]. Regular and systematic monitoring of the territory and its facilities is carried out without taking control measures, which significantly reduces the costs of the controlling body and makes it possible to automate not only risk-oriented processes but also the mechanism of punishment in case of an offense. Since 2019, the Federal Treasury has been introducing automation into control systems and is gradually reorienting its work towards preventing violations. The possibility of amending the Budget Code of the Russian Federation is being considered so that other regulatory bodies, including the control and accounting bodies of the regions, can gain access to state analytical data of the objects of control.

## CONCLUSIONS

This study has underlined a number of conclusions.

Comprehensive, constantly methodically developing monitoring of state programs is recognized as an indicator of the effectiveness of the implementation of the program-based and target-oriented approach, effective management of the regional socio-economic system.

An analysis of the current system of state strategic planning in Russia showed its imbalance, insufficient normative regulation and methodological support, imperfection of control and executive discipline, low operational orientation towards achieving national goals, lack of transparent and accessible information, which required its improvement.

Acting as an active subject of the comprehensive development of advanced standards, methods, and technologies of public administration, audit and control, accounting bodies should develop a proactive partnership model of monitoring rather than a competitive one, based on financial control instruments, efficiency audit, strategic audit, project management, digitalization, and remote data analysis, ensuring the fastest possible response to emerging problems and risks.

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