

---

**ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ**

---

UDC 336.14

V. I. Krylenko, Doctor of Economic Sciences,  
Associate Professor**BUDGET SAFETY: THE FUNCTIONAL ASPECT**

**Abstract.** *The article investigates structurally the system of ensuring budget security. It analyses the relations inside the system, as well as it characterizes functionally the system of ensuring budget safety from the point of sequence of performing functions, as well as according to the criteria of the desired result. The article defines the role and importance of the budget safety in the system of economic safety.*

**Keywords:** *economic safety; budget safety; functions of management; budget system; functions of management of budget safety.*

В. І. Криленко, д. е. н., доцент

**БЮДЖЕТНА БЕЗПЕКА: ФУНКЦІОНАЛЬНИЙ АСПЕКТ**

**Анотація.** *В статті здійснено структурне дослідження системи забезпечення бюджетної безпеки, проведений аналіз внутрісистемних зв'язків, дана функціональна характеристика системи забезпечення бюджетної безпеки з погляду послідовності виконання функцій і за критерієм очікуваного результату. Визначено місце і значення бюджетної безпеки в системі економічної безпеки.*

**Ключові слова:** *економічна безпека; бюджетна безпека; функції управління; бюджетна система; функції управління бюджетної безпеки.*

В. И. Крыленко, д. э. н., доцент

**БЮДЖЕТНАЯ БЕЗОПАСНОСТЬ: ФУНКЦИОНАЛЬНЫЙ АСПЕКТ**

**Аннотация.** *В статье осуществлено структурное исследование системы обеспечения бюджетной безопасности, проведен анализ внутрисистемных связей, дана функциональная характеристика системы обеспечения бюджетной безопасности с точки зрения последовательности выполнения функций и по критерию ожидаемого результата. Определено место и значение бюджетной безопасности в системе экономической безопасности.*

**Ключевые слова:** *экономическая безопасность; бюджетная безопасность; функции управления; бюджетная система; функции управления бюджетной безопасности.*

**Urgency of the research.** The determinant trait in the system of national safety of the state is the economic safety, its level, the character, and tendencies in the development. Nowadays, it is of particular importance for the country, as well as for the particular region to raise the economic safety of the state. In addition to that, it has remained as the progressive territory capable to neutralize effectively various dangers or to prevent their rises. At the same time, the economic safety depends greatly on the level of budget safety. The budget safety is the part of the system of financial safety, and to ensure it is one of the first and foremost national priorities, as well as the guarantee of the financial stability of the country.

**Target setting.** It is of great importance to intensify the scientific researches in the sphere of budget safety of Ukraine. It is caused by the set of vital contradictions as to the solution of the budget system problem. These contradictions are connected with poor effectiveness of mechanisms of state regulatory policy in the budget system as to the regulation of the relations inside the system, as well as the use of functional characteristic of the system, that does not promote the necessity to ensure the appropriate level of the budget safety.

**Actual scientific researches and issues analysis.** In scientific literature, it is easy to find the problems of economic and financial safety of the state. The works and investigations of domestic scientists and researchers are of great importance. The most popular are T. Bondaruk [1] (investigated the mechanism of ensuring the economic safety of the state), M. Yermoshenko [2] (paid much attention to the dependence of the level of financial safety of the state on the condition of budget execution), V. Muntiyani [3] (examined the budget as the important instrument of national administration of social and economic processes).

**Uninvestigated parts of general matters defining.** But, despite the scientists' attention to the problem of budget and economic safety of the state, the only approach to the arguments of financial characteristic of budget safety and its significance in the system of economic safety of the state has not been developed.

---

**ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ**

---

**The research objective.** The purpose of the article is the structural investigation of the system of ensuring budget safety, and estimation of functional characteristic of this system from the point of sequence of performing functions, as well as according to the criteria of the desired result.

**The statement of basic materials.** While investigating the concept 'safety', the scientists define types and levels of its distribution. It helps imagine clearly the structural ranking of safety, as well as discover the place of budget safety in the system of economic safety. The structure of economic safety of the state is complex and diverse. It includes the following subsystems: macroeconomic, financial, foreign economic, investment, scientific and technological, energy, industrial, demographic, social, and food [4]. In addition to that, financial safety is the main subsystem of economic safety, as it defines the condition of financial and credit sphere of the state. Under present-day conditions, the economy of the state cannot exist without this sphere [5]. We consider that budget safety is the main subsystem of financial safety. The main purpose of budget safety is the constant maintenance of such a condition of budget sphere. This condition must be characterized by equilibrium, as well as sustainability to internal and external influences, as well as the capability of this sphere to provide the effective social and economic development of the state.

While investigating financial safety, the renowned scientist and economist M. M. Yermoshenko mentions that, there is the direct relation of the level of financial safety of the state, and the condition of state and consolidated budget execution [2, p. 166]. Thus, he emphasizes about the importance of budget safety. V. I. Muntyan indicates that, budget is the important instrument of state administration for social and economic processes, and its imbalances is the main disturbing factor of the crisis of state finances [7, p. 236].

The domestic scientist T. G. Bondaruk affirms that, in general the mechanism of ensuring economic safety includes two interconnected subsystems: economic and institutional mechanisms. The economic mechanism of ensuring economic safety is the mechanism of force of objective economic laws in practice that are typical to this stage of society development. Social and economic relations of production that depend on the level of the development of productive forces on the society show this development [1, p. 149]. The institutional mechanism is the combination of organs and organizations, as well as legislative and regulatory acts, as well as methods of management and economic regulation. The state uses this combination to ensure economic safety. The institutional mechanism includes organizational and economic, as well as technical and economic relations of production. That means the group of superstructural relations of production that cause the economic policy of the state [1, p. 150].

In the process of the analysis various researches we summarized the main characteristics of economic safety components. It helped to define the role of budget safety in the system of economic safety of the state. We should remark that the defined characteristics on different conditions of economic development of the state and its territory could have as positive and negative influence on the general level of economic safety of the state, and as its special components.

The classification according to proper levels will help to ensure the comparability of special elements as well as its interconnection. H. H. Vayhanov defines the following levels of safety [6, p. 47]: macrolevel – the global safety, meso-level – the regional safety, microlevel – the national safety. It is necessary to denote that there is quite stable ranking in the national safety: 1) the safety of the state; 2) the safety of the society; 3) the safety of the region (in the state, unlike world or international region); 4) the safety of the social group; 5) the safety of the person [6, p. 47].

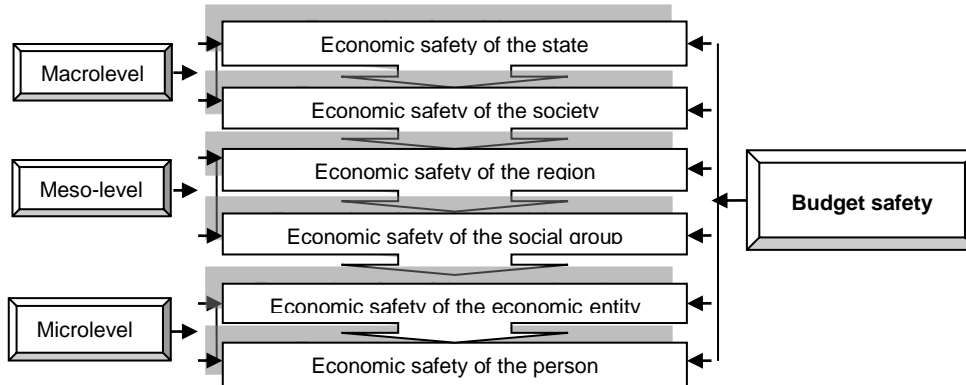
We consider that it is unreasonable to distinguish the level of regional safety on the international and national levels, as this concept is more typical of the level of national economy. The research [7, p. 146–166] sets the simple understanding of levels of economic safety: world economy, a state, a region, (a town, a region), a business entity, a personality. The investigation of this problem in this context persuades that the economic safety is not only the ability of the state to implement its own power decisions, but also the possibility for the economic entities of different levels to act according to their basic interests, but in the general purpose to raise the economic safety of the state.

Thus, the budget safety is necessary to study as the basic component of the economic safety, its material background, as well as the interconnected system of certain levels (Fig. 1)

It is vital to define the most important types of management actions for the effective organization of the process of management of the system to ensure the economic safety. It is traditionally considered that the most important problem of the general theory of management is to define the structure of management functions. There is the difference in opinion to the problem of their classification according to the rules of their selection. Views differ regarding the structure of functions, their sequences in the process of management, the consequence of functions in the system of government regulation of financial relations. The open to questions trait of the problem of the functional structure of management actions in the general theory of management causes the rise of the methodological vacuum of decomposition of functions of management subsystems. The system of budget safety man-

**ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ**

agement is among them. In the process of studying the problem of functional composition of the process of budget safety management, we have not met the researches devoted to this problem analysis.



**Fig. 1. The role of the budget safety in the system of economic safety depending on the level differentiation, author's design**

All these facts make us search the requirements to define functions, their differentiations, and interpretation of the content and structure. The reason is in the characteristics of functional differentiation in sequence of performing the management actions.

Six functions set the functional classification of the system of ensuring the safety regarding the sequence of performing the management actions.

The high dynamic activity of social and economic processes causes the performing the function of monitoring. This function helps to follow the demands put forward managers of budgetary funds, to control and analyze the situation formed in the financial and economic, political, and social spheres. As a result, the topicality of the development of the system of monitoring the condition of the budget system has increased. The budget system is considered as the additional instrument to upgrade to the level of the effectiveness of the budget process and budget system management from the point of view of their safety. The upgrading to this level is possible by means of the improvement of the level of the analytical data processing and providing the surgical decision in the sphere of financial management.

The monitoring of the budget system functioning is focused on calculations of particular indicators and factors schemed to the integral index in the result. The monitoring data influences the realization of the following functions of budget safety management: control, prediction, and regulation.

*The function of diagnostics* is the process of revealing the real and prospective dangers of the external and internal origin. The diagnostics is based firstly on the analysis of the tendencies of the development of the economy, society, and political conditions in the part of the relations with the system of social finances management. The second basis of the diagnostics function is the virtual generating of dangers by means of comparison with interests of the state and society in the budget sphere. Apart from the immediate identification of dangers, the diagnostics function proclaims the important estimation of the influence of the dangerous factors on the possibility to decrease the level of the budget safety. The result of diagnostics function realization is the classification of dangers and risks with further regulation of the regulatory and legal character.

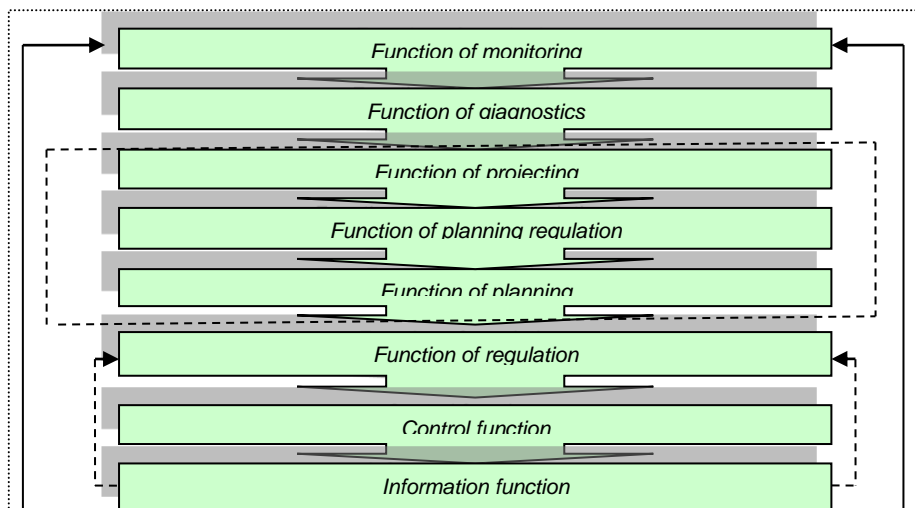
The effective process of budget safety management is impossible without the performing *the functions of projecting and planning regulation*. The function of projecting is focused on the transformation of the system of ensuring the budget safety and the budget system from the existed condition into the desired one according to the chosen path. The chosen path includes the strategy of realization of project and is liable to the compulsory regulation. The regulation allows the establishment of compulsory legislative regulations and methodological regulations. Planning has the tactical aspect of the strategic projecting that means the detailed parameters of the future condition of the budget system, as well as the development of the system of measures and actions for improving the system of ensuring the safety in the budget sphere. The function of projecting is the integral part of the functional procedures for the effective management of social and economic systems. Projecting, as the function of management of the budget safety, means the estimation of its future condition in two forms: prediction indexes of the budget system (budget indexes) and prediction indexes of the system of ensuring the budget safety. For instance, the prediction of tax and other revenues of the budget, as well as aggregate income and expenses refer to the first group. Based on data of the first group we can calculate the second group that is the prediction of main indicators for the estimation of the level of the budget safety.

**ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ**

The function of regulation means the possibility to control efficiently the process of the improvement of the system of safety and to detect the path for the budget policy implementation. This function is closely connected with the functions mentioned above, as for making the effective administrative decision we need to be able to use efficient information generated in the process of the realization of other functions.

The control functions is the feedback and the effective reflection of the process of management. The control is realized according to the following data: a) budget indexes (the volumes of incomes and expenses); b) indexes of the system of budget safety (indicators of the level of the budget safety). The data is compared with two groups of indexes: with regard to the actual data of past periods, as well as to the predicted data of the actual period. The control function allows not only to analyze the achievements of planned parameters but also to reveal the tendencies of economic and social consequences of budget policy. This function contributes to the development of the process of the formation of 'the audit of effectiveness' from the point of view of budget management optimization and the improvement of the safety of the budget system. It is caused by the topicality of the problem of controlling executive agency activities.

The information function can be realized in two forms: in the use of information and its reproduction. The basis of the information function in the meaning of use is the search, classification, and analysis of the introductory information about social and economic, political and other conditions of the state in correlation with the budget sphere. The information function in the productive aspect is based on the compulsory production of new data and knowledge that are the results of the realization of the function of monitoring and diagnostics, as well as predictions and planning, and others, and is expressed in systematic relation and the given information summarizing (Fig. 2).



**Fig. 2. Functional structure of the system of budget safety management according to the sequence of activities performing author's design**

The presence of big and small cycles in the realization of functions of management allows controlling the system effectively. A big cycle includes basic functions of the strategic management and lasts more than a year period. A small cycle causes the timely control, regulation and correction of the process of management based on the efficient and short-term information and comparative analysis. It lasts less than a year – a month, a quarter, half a year, nine months.

The proposed scheme of the functional structure of the system of budget safety management according to the sequence of activities performing is not basic. Functions can have the other order of realization. Many aspects of the controlled system and the complex character of internal system relations cause this specificity.

Thus, we have studied the system of ensuring the budget safety, have analyzed internal system relations, and have characterized the system from the point of the order of performing the functions. We have defined the role and importance of the budget safety in the system of the economic safety.

**Conclusions.** We have studied the researches and classified the economic safety according to particular levels. It helps to define the role of the budget safety in the system of the economic safety of the state.

For the effective organization of the process of management of the system of ensuring the budget safety, we have classified the criteria of defining functions according to the characteristics of functional differentiation as to the sequence of performing administrative actions.

## **ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ**

We have defined six functions with regard to the functional classification of the system of ensuring safety according to the sequence of performing administrative actions. The first function is the function of monitoring concentrated on the calculation of particular indicators and factors come to the integral index. The next function is the function of diagnostics as the process of revealing the real and potential dangers of the external, as well as internal origin. The third function is the function of projecting that is oriented on the changes of the system of ensuring the budget safety and the budget system. The purpose of this function is its transformation from the present condition into the desired one according to the chosen path. The fourth function is the function of planning, and it has the tactical aspect of the strategic projecting. That means the detailed parameters of the future condition of the budget system, and the development of the system of actions for improving the system of ensuring safety in the budget sphere. The function of prediction as the fifth one is the function of management of the budget safety. The main purpose of this function is to define the future of budget safety condition. The function of regulation means the possibility to control efficiently the process of the improvement of the system of safety and to detect the path for the budget policy implementation. The control function is possible in case of the following data: budget indexes and indexes of the system of the budget safety. The information function is realized in two forms: in the use of information and its reproduction.

### **References**

1. Bondaruk, T. G. (2013) Byudzhethnoye regulirovaniye v sisteme obespecheniya ekonomicheskoy bezopasnosti gosudarstva [The budget regulation in the system of ensuring the economic safety of the state]. Razvitiye sistemy ucheta , analiza i audita : teoriya, metodologiya i organizatsiya, Kiyev : NASOA, 2013 [in Ukrainian].
2. Yermoshenko, M. M. (2001) Finansovaya bezopasnost' gosudarstva : natsional'nyye interesy, real'nyye ugrozy, strategiya obespecheniya [The financial safety of the state : national interests, real dangers and the strategy of ensuring ]. M. : KNTEU, 2001 [in Ukrainian].
3. Muntian, V. I. (2006) Problemy natsionalnoi bezpeky v protsesakh derzhavotvorennia : Monografiia [Problems of national safety in the processes of the state development]. K. : KVITs, 2006 [in Ukrainian].
4. Pro zatverdzhennia Metodyky rozrakhunku rinvnia ekonomichnoi bezpeky Ukrainy : Nakaz Ministerstva ekonomiky Ukrainy vid 02.03.2007 [About the confirmation of the Methodology of the calculation of the level of the economic safety of Ukraine] Elektronnyy resurs, № 60. Retrieved from : zakon.rada.gov.ua. [in Ukrainian].
5. Yatsenko, N.M. Ponyatiye i struktura finansovoy bezopasnosti [The concept and the structure of the financial safety]. Retrieved from : [http://www.google.com.ua/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0CDMQFjAA&url=http%3A%2F%2Fwww.nbu.gov.ua%2Fportal%2FSoc\\_Gum%2FEkpr%2F2008\\_13%2Fyacenko.pdf&ei=p13wULDKHMX](http://www.google.com.ua/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0CDMQFjAA&url=http%3A%2F%2Fwww.nbu.gov.ua%2Fportal%2FSoc_Gum%2FEkpr%2F2008_13%2Fyacenko.pdf&ei=p13wULDKHMX) [in Russian]
6. Vaykhanov, KH. KH. Natsional'naya bezopasnost' Rossii na regional'nom urovne [National safety of Russia on the regional level]. Main Ed. I.P. Dobayev. Rostov-na-Donu : Izdatel'stvo SKNTS VSH YUFU, 2010 [in Russian].
7. Potrubach N. N. (2002) Nalogovaya sostavlyayushchaya ekonomicheskoy bezopasnosti Rossii [The tax factor of the economic safety of Russia]. Sotsial'no-gumanitarnyye znaniya, 2002, № 3 [in Russian].

### **Література**

1. Бондарук, Т. Г. Бюджетне регулювання в системі забезпечення економічної безпеки держави / Т. Г. Бондарук // Розвиток системи обліку, аналізу та аудиту: теорія, методологія і організація. – Київ : НАСОА, 2013. – С. 143–152.
2. Єрмошенко, М. М. Фінансова безпека держави: національні інтереси, реальні загрози, стратегія забезпечення / М. М. Єрмошенко – К. : КНТЕУ, 2001. – 309 с.
3. Мунтян, В. І. Проблеми національної безпеки в процесах державотворення : монографія / В.І. Мунтян. – К. : КВІЦ, 2006. – 756 с.
4. Про затвердження Методики розрахунку рівня економічної безпеки України : Наказ Міністерства економіки України від 02.03.2007 № 60 [Електронний ресурс]. – Режим доступу : <http://zakon5.rada.gov.ua/laws>
5. Яценко, Н. М. Поняття та структура фінансової безпеки [Електронний ресурс] / Н. М. Яценко // Економічний простір. – 2008. – №13. – С. 170-174. – Електрон. версія друк. вид. – Режим доступу : [http://www.nbu.gov.ua/old\\_jrn/Soc\\_Gum/Ekpr/2008\\_13/yacenko.pdf](http://www.nbu.gov.ua/old_jrn/Soc_Gum/Ekpr/2008_13/yacenko.pdf).
6. Вайханов, Х. Х. Национальная безопасность России на региональном уровне / Х. Х. Вайханов ; отв. ред. И. П. Добаев. – Ростов-на-Дону : Издательство СКНЦ ВШ ЮФУ, 2010. – 175 с.
7. Потрубач, Н. Н. Налоговая составляющая экономической безопасности России / Н. Н. Потрубач, И. С. Ципин // Социально-гуманитарные знания. – 2002. – № 3. – С. 146–166.

Received for publication 31.10.2016

### **Бібліографічний опис для цитування :**

Krylenko, V. I. Budget safety: the functional aspect / V. I. Krylenko // Науковий вісник Полісся. – 2016. – № 4 (8), ч. 1. – С. 39-43.