DOI: [10.32702/2307-2105-2021.4.108](https://doi.org/10.32702/2307-2105-2021.4.108)

UDC: 658.15

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THE DEVELOPMENT OF INTERNAL FINANCIAL CONTROL MECHANISMS IN THE HEALTH CARE INSTITUTION

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РОЗВИТОК МЕХАНІЗМІВ ВНУТРІШНЬОГО ФІНАНСОВОГО КОНТРОЛЮ В ЗАКЛАДІ ОХОРОНИ ЗДОРОВ'Я

The article reveals the development of internal financial control mechanisms, which is considered in conjunction with the use of planning tools, budgeting based on performance monitoring, along with the involvement of financial instruments leasing, factoring, outsourcing, which are important means of solving financial and production problems faced by the institution. The authors emphasize that one of the main tasks of financial control is not only strict compliance with the legality and legitimacy of spending budgetary financial resources, but also the search for effective mechanisms for managing them in market conditions, along with the development of market management tools, the search for additional extrabudgetary resources and sources of their replenishment, taking into account their rational use in conditions of growing competition in the open market of medical services. The article analyzes the system of internal financial control, which is able to increase the efficiency of the organization and is able to make higher demands on the budgetary powers of its controlling agency. It is assumed that the system of internal financial control is designed to take

into account the areas and requirements in anticipating the reduction of budget subsidies, paying attention to the crisis and recessions in the formation of an open market for medical services in order to comply with the timeliness and quality of budget tasks and eliminate irrational or inappropriate use of budget resources.

In order to successfully implement the tasks set by the new system of financial control, a new structure of internal financial control bodies has been developed, which is a permanently functioning, multifaceted system of bodies aimed at organizing monitoring, analysis, evaluation and timely control, carried out within the framework of a rational combination of powers of internal and external financial control units, which contributes to the timely elimination of identified shortcomings in the field of legality, legitimacy, efficiency and rational use of budgetary and extrabudgetary resources.

У статті розкрито питання розвитку механізмів внутрішнього фінансового контролю, який розглядається у взаємозв'язку з використанням інструментів планування, бюджетування на основі моніторингу виконання, поряд із залученням фінансових інструментів лізингу, факторингу, аутсорсингу, які виступають важливими засобами вирішення фінансових та господарських завдань, що стоять перед закладом. Автори наголошують, що одним із головних завдань фінансового контролю є не тільки суворе дотримання законності і правомірності витрачання бюджетних фінансових ресурсів, а й пошук ефективних механізмів управління ними в умовах ринку, поряд з освоєнням інструментів ринкового управління, пошуком додаткових позабюджетних ресурсів й джерел їх поповнення з урахуванням раціонального їх використання в умовах зростаючої конкуренції на відкритому ринку медичних послуг. У статті проаналізовано систему внутрішнього фінансового контролю, котра здатна підвищувати ефективність діяльності організації і спроможна пред'явити більш високі вимоги до виконання бюджетних повноважень контролюючого його відомства. Передбачається, що система внутрішнього фінансового контролю покликана забезпечити облік напрямів та вимог в передбаченні скорочень бюджетних субсидій з урахуванням кризових явищ та рецесій в умовах становлення відкритого ринку медичних послуг з метою дотримання своєчасності і якості виконання бюджетних завдань та усунення нераціонального або нецільового використання бюджетних ресурсів.

З метою успішної реалізації поставлених новою системою фінансового контролю завдань розроблена нова структура органів внутрішнього фінансового контролю, що представляє собою постійно функціонуючу, багатопланову систему органів, націлених на організацію спостереження, аналіз, оцінку та своєчасне проведення контрольних заходів, здійснюваних в рамках раціонального поєднання повноважень підрозділів внутрішнього та зовнішнього фінансового контролю, що сприяє своєчасному усуненню виявлених недоліків в сфері забезпечення законності, правомірності, ефективності та раціональності використання бюджетних та позабюджетних ресурсів.

Key words: *financial control; planning tools; budgeting; monitoring; health care institution.*

Ключові слова: *фінансовий контроль; інструменти планування; бюджетування; моніторинг; заклад охорони здоров'я.*

Problem statement. The current practice of medical institutions in conditions of fierce competition in the market confirms the legitimacy of the statement that a rationally formed system of internal financial control is the basis of their development based on income stabilization, efficiency and competitiveness of their activities. The topic of our research is relevant and actual.

Analysis of publications. Theoretical bases and practical aspects of mechanisms of internal financial control development were investigated by many scientists, in particular by O.V. Baieva [1], Yu.V. Voronenko, V.M. Paschenko [2], O. Zaiachkiv's'ka, N. Zorij [3], N.V. Prus, N. H. Savchenko [4], O.A. Shaporova, E. A. Kirpichenko [5], E.P. Shigan [6], Yaremchuk I. V. [7] and others. Analysis of existing research on the development of internal financial control

mechanisms has shown that the specifics of health care facilities are often not taken into account.

Purpose of the article. On the basis of the above mentioned material it is possible to formulate research tasks which consist in substantiation of offers on development of mechanisms of internal financial control based on the example of the municipal non-profit enterprise "Mykolaiv regional phthisiopulmonological medical center" of Mykolaiv regional council (further MNE "MRPMC" MRC).

The main material research. The analysis of the state of internal financial control in the MNE "MRPMC" MRC showed that currently the practice of responding to the identified shortcomings of departmental control and conducting traditional internal audit, which are not very demanding, is used.

The concept of internal financial control formed in the MNE "MRPMC" MRC the main principle of which is the formation of a holistic and self-sufficient control system, which increases the efficiency of formation and use of budgetary and extrabudgetary financial and other resources, indicates the inadequacy of these measures in terms of increasing competition among public, private and foreign medical organizations in the open market of medical services. In its turn, the system of the organization of internal financial control in the medical organization which maintains a rational combination of internal and external (departmental) control mechanisms (taking into account strengthening of internal control powers) is developed in order to ensure the legality, efficiency, accuracy and timeliness of public tasks and meet market demand for health services, along with the prevention and elimination of mismanagement, waste, possible omissions, abuses in the use of resources and state property.

The control system built in this way must be rationally combined with the established mechanisms of external departmental control. This system takes into account the importance of maintaining health care organizations in the market of medical services in order to provide it to more low-income citizens who apply for free medical care. Because of this, one of the important tasks is the need to find ways to reduce costs in order to create additional opportunities for the expansion of patients being treated. The developed methods of internal financial, material and managerial accounting and the procedure for compiling internal production (management) reporting contribute to the same goals. Thus, the formation of an effective consistent system of internal financial control in the conditions of increasing competition in the open market of medical services, which becomes the main management tool aimed at improving the efficiency and competitiveness of the medical organization of health care. At the same time, the solution of the problem of increasing the efficiency of production processes and the provision of quality medical services in modern conditions is associated with the need to overcome a stable system of methods of administrative management. Taking into account the above mentioned information, the MNE "MRPMC" MRC considers the possibility of developing financial management, which has the ability to influence the effectiveness and quality of production and services, which involves an active search for acceptable financial instruments.

Based on this, one of the main tasks of the MNE "MRPMC" MRC is not only strict compliance with the law and legality of spending budgetary financial resources, but also the search for effective mechanisms for managing them in market conditions, along with the development of market management tools, search for additional extrabudgetary resources and sources their replenishment taking into account their rational use in the conditions of growing competition in the open market of medical services.

This provides in the future the possibility of using such financial instruments as leasing, factoring, outsourcing, which can actively influence the development of the main activities of the MNE "MRPMC" MRC, the promotion of its activities on the world market. This requires new forms of financial control. At the same time, an important task of the organization's development is the development of market financial and economic relations with various commercial organizations of foreign countries on the basis of self-supporting relations in order to attract private investment.

The new system of internal financial control, on the one hand, is able to increase the efficiency of the organization, on the other - to make higher demands on the budgetary powers of its controlling agency.

The system of internal financial control formed in the MNE "MRPMC" MRC is designed to ensure the accounting of these areas and requirements in anticipating the reduction of budget subsidies, taking into account crisis phenomena and recessions in the conditions of formation of the open market of medical services for the purpose of observance of timeliness and quality of performance of budgetary tasks, elimination of irrational or inappropriate use of budgetary resources. In order to implement successfully the tasks set by the new system of financial control, a new structure of internal financial control bodies has been developed (Illustr. 1), which is a permanently functioning, multifaceted system of bodies aimed at organizing monitoring, analysis, evaluation and timely control measures, carried out within the framework of a rational combination of powers of internal and external financial control units, which contributes to the timely elimination of identified shortcomings in the field of legality, efficiency and rational use of budgetary and extrabudgetary resources.

It is emphasized that the new system of financial control, the feature of which is the development and strengthening of the influence of internal financial control mechanisms in a rational combination with departmental control powers, should be considered as a leading tool for managing the organization as a whole, which ensures the rational use of tasks and all types of resources at all stages of planning, budgeting, implementation of the plan of financial and economic activities.

Effective management of budgetary and other financial resources should be determined by a single control mechanism, each link of which performs certain inherent functions related to ensuring the main goals and objectives. The built-in system of internal financial and managerial control of the MNE "MRPMC" MRC organizes the implementation of control powers of its structural units (Illustr. 1) and is able to effectively apply various forms of control measures.

Illustr. 1. The structure of internal financial control in the activities of the MNE “MRPMC” MRC

According to the new concept of the MNE “MRPMC” MRC internal financial control is also considered as a system that organizes the rational construction and use of tools for planning, operational management and control as a multifaceted, permanent integrated mechanism, that monitors the legality, legitimacy, preservation and effective use of budgetary and extrabudgetary resources by the organization itself. A feature of the work of health care organizations is the strict need for timely financial support of the main activity - the implementation of preventive and curative procedures. In this regard, it is necessary to consider and analyze the information in Table 1.

Analysis of the data in Table 2 shows a decrease in the standard costs for the provision of medical services from 18073 UAH to 16992 UAH, partially indicating an increase in the professionalism of various services.

Table 2.
Вартість лікування 1 пацієнта

Indicator	Year		
	2018	2019	2020
Stationary treatment (total)	1683	1457	852
The cost of treatment for 1 patient	18073	20360	16992

The new strategy of internal financial control of the MNE “MRPMC” MRC takes into account the need for a scientifically and legally sound search for optimization solutions to preserve the volume and improve the quality of medical services, along with the elimination of irrational or misuse of resources, taking into account the reduction in funding, which is observed. According to the new concept, internal financial control is seen as a multifaceted, permanent one, which monitors the legality, legitimacy, preservation and efficiency of the use of budgetary and extrabudgetary resources by the organization itself.

The system of internal financial control formed in the MNE “MRPMC” MRC is capable to react quickly to the

revealed infringements of legality of performance of budgetary tasks and commercial activity in the field of management of resources, including shortcomings identified as a result of departmental inspections and audits, the special significance of which in these conditions is rightly reduced. Thus the strategy of the organization of internal control is realized, first of all, on the basis of awareness of heads and experts of necessity of universal careful control over planned tasks, their financial security, on the basis of normatively established rules and procedures, as well as organizational aspects, including the establishment of financial management bodies and the controlling structure of the management staff, the development of methods, instructions, procedures for conducting control measures and the appointment of those, who are responsible.

In order to carry out qualitative control measures in the MNE “MRPMC” MRC an algorithm for phased control measures was developed, taking into account the improvement of various elements of control in order to ensure the efficiency and legitimacy of tangible and intangible use of resources of the MNE “MRPMC” MRC (Illustr. 2). In addition, the range of specialists who carry out control measures is determined, the information technology of searching and providing “on-line” information on each object of financial control is adapted, the system of multifactor monitoring of decision-making and execution of decisions is developed, the order of definition of volumes, terms of the beginning and the end of control actions is formed.

Illustr. 2. The scheme of carrying out stages of financial control in the MNE “MRPMC” MRC

On the basis of the data received as a result of control measures, development of actions for elimination of the revealed shortcomings taking into account the prevention of their repeated occurrence is carried out. The formed system of internal financial control in the MNE “MRPMC” MRC has influenced reduction of expenses, concentration and preservation of financial resources, elimination of non-target and “non-normative” expenses. The funds released as a result of this are agreed to be used to increase the number of hospital beds, develop new treatment technologies, improve the quality of service, and for staff reward.

Taking into account the formation of market mechanisms, with the introduction and provision of sufficient funding for innovation management, focused on improving the quality of health care, the organization of health care (the MNE “MRPMC” MRC) enters a new round of growth. The situation in Ukraine constantly demands qualitatively new methods and approaches to health care management.

These processes involve new forms and methods of financial control that take into account new economic trends: optimization of medical costs and business processes; new methods of treatment and diagnosis; complexity of patient diagnosis; creating a system of staff motivation, etc. In order to assess the quality of management in the new

management models in the MNE “MRPMC” MRC sociological research is conducted to study the views of management and physicians using the methodology of Management Functional Assessment Model (MFAM). This technique is mostly adapted to domestic conditions and allows you to analyze “the management of the organization, to identify strengths and weaknesses, to find out areas of priority improvement, and to trace the dynamics of them”.

The new structure of the management function should reflect the areas of implementation of the tasks set before the MNE “MRPMC” MRC to create the optimal structure of the medical organization and the task of providing production processes with the required amount of resources: labor, material, financial, informational and others. The purpose of financial managers at this stage is to build production and economic processes as efficiently as possible.

Motivation of heads of structural divisions and staff in the conditions of new system of financial control is considered as function of administrative activity which is directed on search of additional sources for stimulation of personnel creative innovative activity. Encouraging specific employees to intensive innovative actions aimed at achieving the goal of the organization is possible only through personal interest. In this case, each stage of management is accompanied by a control function as a continuously functioning feedback, which is necessary for the operational verification of the level of management at each stage.

An effectively organized control system makes it possible to increase the effectiveness of the organization, reduce the costs associated with the elimination of violations and increase the level of trust from consumers, business partners, health authorities, society and other stakeholders.

The function of coordination for the purpose of development on the basis of monitoring and management of final efficiency is presented in the created system of management of the MNE “MRPMC” MRC. The study of the degree of deviations in the activities and adjustment of operational plans becomes one of the main objectives of the coordination process. Based on the results of the functional assessment of management in the structural units of the MNE “MRPMC” MRC it is decided to develop a plan of corrective actions, after the implementation of which a re-study is conducted and a new communication profile is superimposed on the previous one in order to determine the effectiveness of improvements and the dynamics of building a competitive management system. Thus, within the framework of the functional model, the methodology of continuous improvement of the PCPVA cycle (planning - control - performance analysis - verification - action) is implemented in practice, which is inevitably reflected in the cost categories of evaluation, which are the basis of internal financial control.

Further practical application of the above model allows you to adjust the criteria and evaluation indicators, use indicators for self-assessment of the organization.

In particular, the substantive basis of quality indicators of inpatient care includes criteria of structure, process, result. Of particular interest for the financial control system is the management system of the hospital on the basis of developed indicators of medical care economic efficiency (Table 2).

Table 2.
Financial indicators of economic efficiency of inpatient care in the MNE “MRPMC” MRC

Indicator name	Calculation formula
The average cost of maintaining a hospital bed	Total cost of medical institution: average annual number of beds (hospital + day hospital)
The average cost of one day of the patient's stay in the hospital, UAH.	The total cost of the medical institution: the number of actual bed-days
The average cost of the treated patient, UAH	The total cost of the medical institution: the number of admitted, discharged, dead and treated patients
The share of unreasonable expenses in the cost of the treated patient, %	Amount of paid fines and penalties: the sum of all expenses of the medical institution
Potential losses from empty bed, UAH.	Estimated costs: Estimated and planned number of bed days per year) x (Actual number of bed days per year - planned number of bed days per year)
Execution of planned financing of economic activity, %	Actual execution of the cost estimate: approved cost estimate
Execution of planned financing of economic activity, UAH	Actual cost estimate: total cost estimate
The level of extra-budgetary funding in the cost of maintaining the bed for the year, %	Extra-budgetary income for the year: all costs of the medical institution: working days of the bed per year at the hospital
Capital adequacy of medical staff, UAH	Book value of fixed assets (real estate + medical equipment worth over 100 thousand UAH) / Number of staff units
Duration of stay of the patient in a hospital, days	Deviations to the previous reporting period (actual number of bed-days / number of treated)

The development strategy of the organization creates specific control measures for the strict implementation of the planned indicators, through which it is possible to assess the implementation of the new quality policy (for example, ensuring the appropriate level of quality of medical services - at least 0.99). Creation of a single integrated strategy for the development of financial control on the basis of measurable indicators in value terms, which represents the

information base for monitoring financial control. A causal link should be established between the set goals of strengthening control, which is considered in the following dynamics per 3 years: increase in efficiency due to the attraction of new patients and financial resources for their treatment by 15%; cost reduction by 6%; passing of advanced training courses for medical staff and the cost of their training - 25%; reduction of staff turnover by no more than 2%.

The introduction of methods of providing managers and specialists with timely and complete information on decision-making and external changes should be a priority in the system of improving the methodological activities for the organization of financial control. At the stage of preliminary control of the assessment of change processes, the elements of scientific prediction are considered, which make it possible to quickly carry out corrective actions.

Improving the system of ex ante control should be aimed at preventing misuse and inefficient use of public funds. This is the special role of financial management and control over production and economic processes dictated by the market economy in the field of health care. The new system of internal financial control of the MNE "MRPMC" MRC considers the importance and necessity of monitoring the implementation of budget tasks in order to comprehensively analyze the processes of budgeting financial expenses.

Budgeting, which is result-oriented in the processes of providing medical services, taking into account the efficiency of spending budget funds, has a special role. The development of comprehensive monitoring of tracking and analysis of actions, as one of the promising areas of financial control, allows managers of various departments of the organization to obtain the necessary information to make effective management decisions. The most important thing should be to address the issue of organizing regular monitoring of the quality of public financial management, the end result of which should be an analysis of factors and possible economic and legal consequences of non-compliance with planned performance indicators, increasing the role of financial control over the implementation of plans based on qualitative and quantitative indicators and further adjustment of future strategies based on real achievements.

Conclusions. The system of internal financial control in the face of increased market competition should be a constantly functioning, multifaceted system of monitoring, analysis, evaluation and timely implementation of control measures carried out in the framework of a rational combination of powers of internal and external financial control, to act as a tool for managing the organization as a whole. The development of the system of internal financial control should be considered in conjunction with the use of planning tools, budgeting based on performance monitoring, along with the involvement of purely financial instruments of leasing, factoring, outsourcing, which are important tools for solving financial and production problems facing the institution. This helps to increase the efficiency of development and implementation of financial strategy and plans of current activities, determines the focus of major trends, the implementation of government tasks and ultimately improves the quality of medical services.

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