

FEATURES OF THE PROCESS OF BUDGETING OF THE ROAD ECONOMY OF UKRAINE

ОСОБЛИВОСТІ ПРОЦЕСУ БЮДЖЕТУВАННЯ ДОРОЖНЬОГО ГОСПОДАРСТВА УКРАЇНИ

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The article describes the essence of the budgeting process of the road economy of Ukraine. It is determined that budgeting of road economy is one of the most-priority content and long-term investments of state importance. The principles of construction and functioning of the budgeting system in the road sector are considered, namely: compliance of the planned budget indicators with the target orientations of the organization's strategy; priority of corporate goals; target use of budget funds; balance of income and expenses; coordination of material and financial flows; efficiency and cost-effectiveness of using budget funds; division of budgets and responsibilities at all levels of management (affiliates), etc. The necessity of budgeting at the enterprises of the road-building industry is indicated. The main stages of the budgeting system at the enterprises of the road-building industry (allocation of centres of responsibility, description and structuring of business processes, creation of a budget committee, development of budget regulations) are highlighted.

Key words: budget, budgeting, process of budgeting, financial planning, road facilities.

В статті розкрито сутність процесу бюджетування дорожнього господарства України.

Определено, что бюджетирование дорожного хозяйства является одним из наиболее приоритетных содержательных и долгосрочных вложений государственного значения. Рассмотрены принципы построения и функционирования системы бюджетирования в дорожной отрасли, а именно: соответствие планово-бюджетных показателей целевым ориентирам стратегии организации; приоритетность корпоративных целей; целевое использование бюджетных средств; сбалансированность доходов и расходов; координация материальных и финансовых потоков; эффективность и экономичность использования бюджетных средств и др. Указана необходимость применения бюджетирования на предприятиях дорожно-строительной отрасли. Выделены основные этапы системы бюджетирования на предприятиях дорожно-строительной отрасли (выделение центров ответственности, описание и структурирование бизнес-процессов, создание бюджетного комитета, разработка бюджетного регламента).

Ключевые слова: бюджет, бюджетирование, процесс бюджетирования, финансовое планирование, дорожное хозяйство.

У статті розкрито сутність процесу бюджетування дорожнього господарства України. Визначено, що бюджетування дорожнього господарства є одним із найбільш пріоритетних змістовних і довгострокових вкладень державного значення. Правомірне формування і розвиток дорожнього господарства свідчить про загальний рівень розвитку держави і служить сильним каталізатором на шляху до розширення зовнішньоекономічної діяльності. Розглянуто принципи побудови і функціонування системи бюджетування в дорожній галузі, а саме: відповідність планово-бюджетних показників цільовим орієнтирам стратегії організації; пріоритетність корпоративних цілей; цільове використання бюджетних коштів; розподіл бюджетів і відповідальності по всіх рівнях управління (філіям); участь центрів відповідальності (філій) в процесі зустрічного бюджетного планування; єдність інформаційної та нормативної бази; стандартизація процедур контролю виконання та коригування бюджетів; оцінка діяльності об'єктів бюджетування за відхиленнями фактичних показників від контрольних. Зазначено необхідність застосування бюджетування на підприємствах дорожньо-будівельної галузі, яка викликана низкою важливих причин. По-перше, сьогодні керівники при прийнятті управлінських рішень орієнтуються на свою власну інтуїцію або, в кращому випадку, на дані бухгалтерського обліку, що призводить до серйозних прорахунків і витрат. По-друге, підприємству необхідні різні фахівці, кожен з яких знає свою роботу. Бюджетування дає можливість всім фахівцям скоординувати свою діяльність з діяльністю організації. По-третє, застосування бюджетування є початковим етапом робіт по залученню інвестицій, зокрема іноземних. Виділено основні етапи системи бюджетування на підприємствах дорожньо-будівельної галузі (виділення центрів відповідальності, опис і структуризація бізнес-процесів, створення бюджетного комітету, розробка бюджетного регламенту).

Ключові слова: бюджет, бюджетування, процес бюджетування, фінансове планування, дорожнє господарство.

Formulation of the problem. Transport infrastructure is one of the strategically important elements of regional development, including the provision of expanded access to public services of the population of remote regions, the realization of the tourist potential of the country, and the strengthening of industrial ties between the administrative-territorial units. Thus, its condition and road economy, in particular, affect the efficiency of the production sector, the development of the tourism industry and the social sphere.

Analysis of recent research and publications. Problems of formation and effective use of financial resources in the road economy are covered in the works: A.V. Bazyliuk, N.A. Borovyk, L.P. Bortnytska, H.H. Volkovska, Yu.S. Vdovenko, Y.M. Veliky, V.O. Halushko, O.V. Zhulin, V.V. Kontseva, V.I. Kotelianets, O.T. Lanovoy, A.M. Novikova, V.F. Skorchenko, L.O. Solodka, I.O. Khomenko, Y.V. Shevchuk, et al.

Important contribution to the development of theoretical and practical principles for solving problems related to the development of the road management system and transport infrastructure was made by scientists such as O.P. Kanin, H.Ye. Lipskyi, Ye.B. Uhnenko V.N. Lukanin, V.I. Pavlov, H.Ya. Shevchuk, L.O. Karasova, Ye.D. Prusenko, F.P. Honcharenko, V.V. Syzonenko, and others.

According to V.O. Galoshko [3], main problems with the road sector are the lack of financing of the industry and the problems of road construction quality and proper control of road works.

To the key problems of integrating the Ukrainian highway network into the European transport system, Y.V. Shevchuk [9] include the non-compliance of the technical standards of Ukraine's roads with EU quality and weight loads, unsatisfactory road traffic safety, and insufficient investments in road construction and industrial development.

The purpose of the article. In this article, we will reveal the peculiarities of the process of budgeting of the road economy of Ukraine.

Main material and results. The level of development and the technical condition of the road network is a direct indicator of the country's economic growth, aimed at the efficient combination of all sectors of the national economy, both at the state level and at the level of its individual regions. The transport infrastructure of Ukraine in recent times is characterized by a lack of a systematic approach to solving transport and road issues, such as insufficient financing of construction and maintenance of highways at the expense of budgetary funds, low road safety, imperfection of normative and legislative framework in the field of road construction, the need for updating the production base of motor transport and organizations and enterprises of the road economy, etc. In connection with this, the problems of theoretical analysis and methodological assessment of cost formation, as well as improvement and provision on this basis of

efficiency and quality indicators of the transport and operational condition of highways are relevant and require timely resolution [4, p. 186-187].

The main problems hindering the development of the road economy in Ukraine are, first of all, the lack of major repairs to the public road network, an insufficient amount of budgetary resources for road pavement, which would meet international requirements. There are no effective mechanisms for financing road works and monitoring their implementation. A high level of corruption in the management of the road economy also causes trouble.

Thus, according to the Decree of the President of Ukraine as of April 13, 2011, No. 456/2011, the State Agency of Motor Roads of Ukraine (Ukravtodor) implements state policy in the field of road management.

The State Agency of Motor Roads of Ukraine (Ukravtodor) is a central executive body whose activities are directed and coordinated by the Cabinet of Ministers of Ukraine through the Minister of Infrastructure and which implements state policy in the field of road economy [8].

The purpose of the State Agency of Motor Roads of Ukraine is: to ensure the development of the network of highways, improve traffic safety, speed, comfort, and efficiency of transportation of passengers and goods by road; improve the transport and operational conditions of highways, bridges, and road infrastructure; improve the transport accessibility of rural areas and ensure the right of citizens to travel; improve technical indicators, increase competitiveness of motor roads in relation to provision of transit transportations and development of motor tourism; promote investment, socio-economic and ecologically balanced development of the state [6].

The establishment and implementation of an efficient budgeting system at Ukravtodor is a complex administrative task since it involves a serious restructuring of well-established business processes and participation in this process of a large number of employees of different specializations and their effective interaction.

The main principles of the construction and functioning of the budgeting system in the road sector are:

- compliance of the planned budget indicators with the target orientations of the organization's strategy
- the priority of corporate goals;
- targeted use of budget funds;
- balance of income and expenditure;
- coordination of material and financial flows;
- efficiency and economy of using budget funds;
- division of budgets and responsibilities at all levels of management (affiliates);
- participation of liability centres (affiliates) in the process of counter budget planning;
- unity of information and normative base;
- standardization of control procedures for the implementation and adjustment of budgets;

– assessment of the activities of budgeting objects for the deviations of the actual figures from the control.

Thus, budgeting should be understood as a permanent management process, not related exclusively to the distribution of budget funds. Budgeting includes the main functions of management but does not lose its independent value.

The need for budgeting is due to a number of important reasons. First, today, managers are guided by their own intuition or, at best, accounting data when making managerial decisions, leading to serious miscalculations and losses.

The system of budgeting as a system of formation, approval, execution of the budget and control over it is a mechanism that ensures the correctness, efficiency, and clarity of management decisions. Budgeting greatly simplifies the enterprise management process.

Secondly, the company needs different specialists, each of which knows its work. Unfortunately, this is not enough to make managerial decisions, as it does not allow managers and specialists to imagine the organization as a whole, to evaluate the contribution of each employee to the achievement of the goals. Budgeting allows all specialists to coordinate their activities with the organization.

Thirdly, the use of budgeting is the initial stage in the process of attracting investment, in particular, foreign ones. Before you spend other people's financial resources, organizations/companies need to be able to properly dispose of their funds. No prudent investor will invest in a project where there is no order and transparency in spending resources.

When introducing a system of budgeting, the company receives additional tools for increasing profit and growth, but despite the positive aspects of the budgeting system, many enterprises still do not use it. This is due to the following factors:

- 1) lack of time and money for the introduction and further use of the budgeting system;
- 2) complexity (it is necessary to periodically make changes in the article);
- 3) personnel training (clarification on the attribution of expenses and income by article, based on the system of motivation).

The development of a budgeting system at the enterprises of the road-building industry after the decision to implement it involves a series of works related to the improvement of the overall enterprise management system, namely:

1. Allocation of responsibility centres on the basis of structuring the production, administrative and commercial cycle of the enterprise. The Centre for Financial Liability (CFL) is a structural unit that provides a certain set of business operations that can directly affect the costs and/or revenues from these operations and is responsible for the amount of these costs and/or revenues.

2. Description and structuring of business processes (structuring business processes with the allocation of centres of responsibility involves the definition of a list of operations, digits of works, working conditions, time of operations, the list and the main characteristics of used machines and equipment, etc., that is, everything that characterizes each process).

3. Creation of a budget committee (or allocation of powers of the management of the budget process, development of its methodological support, preparation, together with the relevant functional units of the draft budget, and submitting it for approval by the management of other structural subdivisions or employees of the enterprise).

4. Development of budget regulations. There are two types of regulatory documents:

- "Provision" – a document describing the results of a particular stage of budgetary management.
- "Regulation" – a document describing the procedures that should lead to the achievement of the result recorded in "Regulations".

An important step is to fix the built budget model in the form of specific documents of the enterprise level, namely, the construction of the regulations of the budget process and its annexes. The regulation clearly and unequivocally regulates the budget procedures that have been elaborated, the deadlines, the executors and those responsible for the implementation of the prescribed procedures. Details of applicable budget items and algorithms for calculating planned and actual indicators are described in detail. Separately determined and fixed are the rights and powers of the budget committee, whose tasks include the actual control of the process and the resolution of disputes, including the task of balancing indicators.

The budget process is directly related to such an important criterion of efficiency as the amount of time and labour costs required by the staff to prepare the annual budget and the formation of a short-term forecast. In the implementation of the next stage of the system construction (development of the analytical unit of the budgeting system), the procedure for analysing the financial and economic activity of the enterprise and the calculation of financial indicators is determined. Special forms of analytical reports are being formed, which are used in analysing the results and forecasting.

The budget regulation approves the budget process: the mechanisms and procedures for drafting budgets, their submission and approval, the procedure for adjusting, collecting, processing, and controlling budget execution.

The budgeting regulations, in combination with the methodological provision of forecasting and planning, determine the basis for the standard of planning of financial and economic activity of the enterprise [8, p. 94]. The regulation covers the whole process of planning and controlling the execution of the budget system.

5. Development of an organizational and financial model of budgeting. The characteristics of the organization of production, administration and marketing determine the organizational and financial model of budgeting, which is being built, starting with the definition of a higher level of enterprise management target indicators of development of production in general. At the lower levels of the budgeting model, algorithms of the movement of resources and funds are being formed at the centres of responsibility. Organizational and financial model of the enterprise at all levels includes a list of indicators, methods of their calculation, the order of calculations, and the nature of their interconnection.

6. Automation of the analysis of budget execution (the system of budgeting is formed by a system of numerical indicators, with the change of one of which changes the other in the chain of industrial relations, such as ERP (Enterprise Resource Planning).

7. Creation of a system of motivation for budget implementation (the system of motivation of workers at all levels of management includes material and moral incentives and is individual for each enterprise).

Thus, the successful application of budgeting in road construction companies will, above all, reduce the duration of budget planning, increase the transparency of financial and economic activity, and improve control over financial resources management.

Conclusions. Consequently, the State Agency of Motor Roads of Ukraine covers not only the technical issues of servicing the public road network but also the issue of implementing state policy in this area in general. Given the significant volume of problems existing in the field of road transport, in particular, the lack of conformity of national road coverage with international standards and the actual lack of quality service in the industry, it can be concluded that the management capacity of this executive body is not sufficiently implemented due to the lack of effective methods of regulation and financing development of road infrastructure.

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