

# Risk Management Technologies within the System of State Financial Control

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**Abstract** The paper analyses international risk management models and identifies possibilities of their application within Russian state financial control. The legislative acts regulating the organisation and implementation of state financial control will need to be changed. Based upon the studies and analysis, a conclusion was drawn as to the application of risk management technology in the system of state financial control. The results can be used for improving risk management technologies within the state financial control in the conditions of digitization of economy.

**Keywords** – State financial management, risk-oriented management technologies, risk-based decision making; risk assessment.

## 1. Introduction

The identification of risks utilising risk assessment, accounting and analysis in the last decade, have become very relevant for practical management in general, and financial management in particular. Publications in the field of risk management affect risk management techniques in the banking and financial spheres. This is understandable, since these industries are controlled by the regulator and define a system for managing financial flows, therefore, guarantees of stability through limiting risks in them are particularly important. For these reasons, this

sector is most regulated in terms of accounting, assessment and analysis of various risks. Many researchers recognise that risk management technologies should be applied at the state level: in particular, within the system of state financial management. The application of these technologies is especially important in connection with the concept introduced in Russia on sustainable economic development. Utilising general scientific methods were studied, namely: a systematic approach, logical generalisation and analysis, the main international models of risk management.

According to the State standard "R 31000-2010", in Russia, risk management is understood as coordinated actions to manage the organisation taking into account the risk. Also, "the risk management infrastructure is built into the entire strategic and operational policies and practices of organisation". The standard risk management process is systematic application of management policies, procedures and practices to the activities of information exchange (context) and identification, analysis, assessment, impact on risk, monitoring and risk revision.

## 2. Materials and methods

Risk is an undefined event or condition that has a positive or negative impact on the objectives of the Cagliano project [1]. At present, two conceptual models of risk management are widespread in the world, namely: COSO (2004) and FERMA (2003).

The first model is "Risk management of organisations. The integrated model COSO, 2004", was developed by the specialists of Price water house Coopers, i.e. by the auditors for the internal auditors [2]. The main emphasis in it is on increasing the reliability and informative reporting of public enterprises through assessing the risks of the internal control system of an economic entity. At the same time, risk management is a process that is carried out by the board of directors, managers and other employees and begins when developing a strategy which affects the whole activity of the organisation. The risk management in this model is aimed to identify events that can affect the organisation, to manage the risks associated with these events, to

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monitor the organisation's "risk appetite" and to provide a reasonable guarantee of achieving its goals.

The second model, the FERMA model, was developed by several highly specialised organisations (mainly from Europe) dealing with issues of risk management (2003). The European FERMA model defines risk management as a process, ensuring that an organisation systematically analyses risks in order to maximise the effectiveness of both individual decisions and all activities in general. At the same time, the aim of risk management is to achieve the highest possible value of the organisation, which can be regarded as the development of the natural goal of any commercial organisation – to obtain the maximum possible profit. In this model, the process of setting up a risk management system is more clearly presented and more specific recommendations are given (FERMA, 2011).

When examining risks in Russia, we used other conceptual documents developed by international and Russian professional organizations.

### 3. Results

The process of risk management in an organisation based on widely recognised international approaches can be presented in the form of a specific model (Figure 1.), which gives the following idea of how a risk management system should operate in any organization.

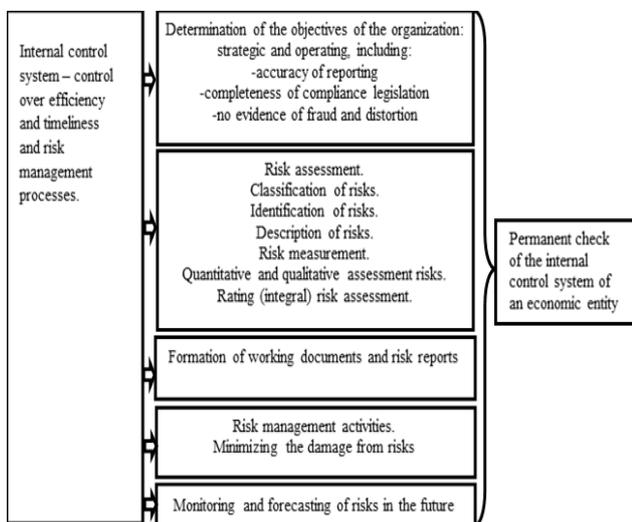


Figure 1. The process model of risk management within an organisation (author's development)

It is necessary to determine the goals of the economic entity, for example, by analysing the statutory registration and bank documents and the organisation's strategy. It is important to note that the goals are to be measurable, that is, there should be an opportunity to determine whether the organisation's goals have reached or are moving towards achieving them. The goal grouping includes reporting

objectives and compliance objectives, which are operational, because they are functions of individual units. These goals are emphasised due to their importance.

Further, taking into account the Russian accounting standards – Regulations on Accounting 7/98 and 8/01, a list of events that may have a negative impact on the achievement of these objectives (a list of risks) is drawn up. The most complete list can be obtained on the basis of classification of threats by some indications.

The evaluation of each risk is determined to compare them with each other. For the convenience of making decisions, manager needs a description and systematisation of risks. on how to respond to them. Measures for risk management are developed and implemented in practice.

A risk monitoring system is established to determine such parameters of risk management as efficiency (the positive effect of this process), timeliness and capacity of the system. A system of internal control of risk management is being developed. A system for monitoring fraud risks and reporting distortions is being established.

Periodic reviews of risk management are conducted to ensure that they meet the requirements of standards or procedures [3].

Thus, the definition of the organisation's goals is the starting point of the risk management process. Therefore, the completeness of control over the entire risk management system depends on how fully the company's goals are allocated at this stage.

In the first stage, the company's risk management team and the current management team initiates the process by obtaining information. In future, at the decision-making stage on risk management options, the impact on the processes of the current management system comes from the side of risk management, which is fully integrated into the operating processes of the economic entity [4].

At the stage of risk assessment, a full description of the risks is drawn up, that is, events that may have a negative impact on the achievement of the objectives of the enterprise. At this stage companies often use the method of SWOT-analysis. First of all however, it is necessary to classify the risks. Although the completeness of the identified risks of the economic entity is determined by the latitude of classification characteristics, it is desirable that this grouping is compact and understandable for persons who will be involved in risk management.

We have presented classification options that quite successfully combine both of these features: they cover all the functional elements of the management system with the division of risk factors into internal and external and, at the same time, are not excessive.

The next element of risk assessment is risk identification, which is the process of identifying events that potentially have a negative impact on the organization's operations. For this, the methods recommended in the FERMA model can be used:

- compilation of questionnaires. Experts from among officials are invited to choose from the list of the risks they face, or to propose their own option and assess the magnitude of the impact of these threats;
- study of business processes with the definition of a number of internal and external factors and the extent of their impact on the enterprise. This method is suitable for compiling a list of risks, which is then proposed for consideration by experts;
- analysis of emergency events, which can be used to compile a list of risks;
- the method of spontaneous detection of possible risks (brainstorming), which can also be used to compile the list [2].

Thus, the identification of risks can be carried out in two stages: at the first stage, by preparing a list of possible risks, then during the analysis of this list by the experts who may develop their own version. It should be noted that this approach makes it possible to increase the likelihood that the maximum number of major risks will be identified.

The next element of the stage under study includes a description of risks, the main purpose of which is to present possible threats in a specific format, enabling their comparative analysis and allocation of the most significant threats. Most often, the method of expert assessment is used as a method of describing risks.

The format of the FERMA model can be taken as a basis for the description of risks, which, in this article, has been adapted for better perceptions, taking into account changes in international risk management models (Table 1.).

Table 1. Description of risks in the FERMA assessment (based on Steinberg et al, 2004)

|   |   |
|---|---|
| Criterion of risk   | Verbal description  |
| Relation to classification features                       | External or internal.<br>Strategic or operational.<br>Risk of distortion of a particular reporting item             |
| The objectives of the activities associated with the risk | Strategic.<br>Operating, including:<br>- reliability of reporting;<br>- completeness of compliance with legislation |
| A unit (officer) that faces a risk                        | According to the organisational and staff structure   |

|  |  |
|--|--|
| Functions of the unit (official) at risk | According to the provisions on units (job descriptions or other documents)                                   |
| Interested people                        | Specific officials or their group according to the organisational and staff structure and their expectations |
| Risk factors (causes)                    | Description of the prerequisites for the occurrence of risks   |

The next step is to measure the risks. In world practice, a combination is made of the assessment of the probability of occurrence of a negative event and the magnitude of possible damage, usually in the range from zero to one. The measurement of risk can be: quantitative (in determining the probability and damage using numerical values obtained as a result of the application of mathematical methods and models); qualitative (non-numerical values used, as a rule, from experts in the field of knowledge); mixed (both numerical and non-numeric values are used for estimation).

Quantitative methods of analysis are more often more expensive (usually an order of magnitude), since they require the collection of a large amount of statistical information and the use of specialised software. During the time spent on obtaining quantitative risk assessment, a negative event may occur before the analysis is received.

According to the data and the results of a study conducted by the Marsh & McLennan group of companies (one of the world's recognised lighthouses in the field of risk management consulting), the practice of risk management in enterprises and organisations registered in the Russian Federation, a qualitative risk assessment prevails at present. According to the researchers, this is due to the fact that companies are experiencing a shortage of methods for quantifying risks [5].

Also, attention should be paid to the fact that there is not always sufficient statistical data, on the basis of which it is possible to obtain quantitative estimates with a low level of variance (spread). In the practice of risk management for approximately 50% of the risks, it is simply impossible to obtain quantitative estimates.

As for qualitative methods of risk assessment, it should be noted that an important condition for obtaining acceptable results is the high qualification of the expert in the subject area. This can be achieved by attracting key leaders as experts. After all the risks are measured, it is necessary to identify the most significant of them, those that need to be reduced in the first place. To do this, you first need to compare the estimates with each other, and then determine the level of risk tolerance. The risk report refers to the stages that require special attention. It is accepted to

highlight internal and external reports. Internal risk reports are intended for use at different levels of organisation management:

- at the level of the founders and the board of directors (supervisory board). The report should describe the most significant risks of the economic entity, as well as measures to reduce them. The report should be prepared by top managers;
- at the level of top management, trade unions of workers of the organisation. The report should describe all the risks of the organisation and present measures to reduce them to such an extent that representatives of the management can publicly state the information on the risk management system. The report should be prepared by the units (officials) responsible for risk management;
  - at the level of structural units. The report should reflect the risks for which the unit is responsible, how to manage them, and the monitoring mechanism. In addition, it is advisable to indicate the possible actions of the unit, which affect the risks of other units. The report should be prepared by the structural unit in coordination with the department (official) responsible for risk management;
- at the level of employees. Individual reports are not compiled. It is important that each employee understands his contribution to the risk management process, which is achieved by developing a risk management system (officer) responsible for risk management, and familiarising all employees of the organisation with its provisions.

It is advisable to include the external report in the explanations to the annual financial statements for the possibility of acquaintance with the risk management system of the enterprise of any interested persons. It is useful to include in this document the information from the report prepared for the founder and the board of directors.

The next stage is the risk management activities, to which important element is an internal audit. Internal audit carries out the audit and evaluation of the risk management system within the framework of its current activities or at the special request of managers responsible for specific areas of work [6].

Any financial and economic activity is characterised by uncertainty, which combines negative consequences (risks) and positive (opportunities). Therefore, the risk management process of an enterprise is the search for an acceptable compromise between the expected costs of risk management and the reduction in the amount

of possible damage from risks or increase in additional benefits in the following ways:

- avoidance of risk. In practice, aversion is expressed in the rejection of activities that entail the occurrence of this risk;
- reduction of risk. The essence of this technology lies in the steps: risk insurance (transfer to insurance companies for a fee); diversifying the risk (reducing the likelihood of a negative event, for example, by increasing the number of suppliers); in the localisation of the risk (decrease in the magnitude of the expected damage from the onset of a negative event, for example, by setting the maximum limit on the amount of debt to work with each counterparty); compensation of risk (for example, by increasing the additional capacity of the organisation in carrying out a risky activity);
  - in the redistribution of risk, that is, transferring it to outsourcing (to other organisations);
  - acceptance of risk, that is the absence of any action to reduce it.

The process of risk management should include three stages: inclusion of risk management functions in the organisational structure of the organisation, that is, the decision of the question of who is responsible for the risk management process; development of a risk management strategy (approaches to identification, risk assessment, ways of responding to it, etc.), that is, a description of the main ways of implementing each of the risk management steps (see Figure 1.); description of the functions of risk management for specific officials. [7].

Thus, at all stages it is useful to remember the recommendation: in specific cases, the choice of means for reducing the risk depends on the possibilities of its prediction [8]. The issues of risk management must be reflected in the organisation's strategy, employee training programs, departmental regulations and job descriptions, so that the entire economic entity permeates the risk management process, otherwise, implementing an effective risk management system is unlikely.

The next stage we should consider is risk monitoring, which is a source of information for monitoring the process of risk management. It is on the basis of the data received from the monitoring system that decisions are taken in the internal control system. Within the framework of monitoring, risk factors are identified and evaluated in the interrelation of all functions and actions in the process of enterprise management.

Thus, the main requirement for a risk monitoring system is the reflection of such parameters of the risk management process as efficiency and timeliness,

that is, the ability of the system at the right time to prevent possible losses by lower current costs. Indirectly, the effectiveness and timeliness of the risk management process can be demonstrated by the full and timely performance of all the participants in the system of their duties.

One of the key elements of the risk management process model is the control system, which should include internal and external control. The objectives of internal control are:

- description and organisation of the risk management system for all phases, reflected in Fig. 1., bringing its provisions to all employees of the organisation;
- continuous analysis of the results of monitoring the risk management system;
- making adjustments to the risk management process based on monitoring results;
- preparing reports for different users;
- periodic (as a rule, once a year) carrying out the following activities: identification of new goals set by the enterprise (with the person who is responsible for the risk management system, it is advisable to coordinate any changes in job descriptions, organizational structure and functions of the units); assessment of new threats faced by the enterprise; developing ways to manage new risks;
- participation in the development of the budget plan for the following periods in terms of costs for risk management;
- participation in the formation of insurance corporate programs;
- analysis of any new projects for risks, for which management has not yet been identified as the responsible person [9].

It is worth noting that the rules, procedures and methods of internal control must correspond to risks and change in the interest of improving its quality. Risk management is an independent block in the overall system of company management. It does not duplicate existing systems, but is their complement.

Thus, risk management technologies help to reduce the impact of various threats on organisation, which allows to develop more systematically and avoid the occurrence of negative events.

#### **4. Discussion: Approbation risk management technology in the system of public financial management**

The major concern is in the adaptation of risk management technologies into the activities of the state financial control system, mainly because the original purpose of these technologies was for free

economic agents to minimise risks and increase the profitability of companies.

In other words, what is the purpose of introducing these technologies into the structure of the financial control bodies of the Russian Federation?

Until recently, financial risk management was the subject of research by the scientific community, and its application to entrepreneurs was voluntary. However, since the early 90's in the 20th century, the state became interested in the subject. The reason for this were recurring corporate scandals, which shook the national economy. It was recognised that the internal control systems in conjunction with the audit do not provide the necessary protection, primarily from the actions of hired management, which may act contrary to the mission of the company or companies.

A series of corporate scandals in which the largest audit companies of the United States were implicated, according to scientists, led to the financial crisis of the early 21st century.

Over the entire history of the state's development, the search for the most optimal methods of financial management of public financial resources, which the people entrusted to it in operational management, did not stop.

It should be noted that, firstly, the state has the ability to influence most of the factors (except perhaps the natural phenomena) through coercive tools permitted in the country's Constitution (the so-called administrative resource). And what is uncertain for business, can become planned actions for the state. Therefore, the emergence of most of the risks that we attributed to the entrepreneurial is only possible for the state if it voluntarily steps down from administrative regulation of certain processes and passes it to "clean" market relations.

Suffice it to recall the events of mid-2014, when the Central Bank of Russia abandoned the currency corridor and sent the Russian ruble to free navigation. However, in this case, one can not talk about public administration. Public administration leads to administrative impact on financial processes in the country.

The greatest risks in connection with the least possibilities of state influence are contained in the process of forming public finances, i.e. in the process of collecting revenues of budgets of the budgetary system [10]. Procedures for the use of public financial resources are less susceptible to various negative impacts, if there are clear rules for their use that lead to concrete achievable results.

The greatest uncertainty for public financial management is the internal risks that arise from the unpredictability of people's behavior. It is clear that the most effective methods of financial management, allowing minimising a large number of risks, are

based on taking into account natural human aspirations and desires.

In the state financial management it is necessary to divide the participants into those who create rules, but do not have the opportunity to directly use financial resources (managers), and those who are obliged to execute these rules with direct use of public money, but do not have the opportunity to change them (executors).

The basis of this scheme is an understanding of human nature, according to which, if a person does not have the opportunity to use the financial resources, but he is able to create rules for using it, he will practically and intuitively create obstacles to others who have the opportunity to take advantage of this benefit in order to minimise the possibility of abuse. By using this effect, the technologies of mutual control of ISO standards work, in which the specialist, trying to confirm the correctness of the operation by another specialist (if he does not have a preliminary collusion with him), will try to prevent his unjustified enrichment. To be effective from a risk management standpoint, the specialist must be independent and free from the auditor in evaluating accounting reports.

As regulatory instruments on the part of the manager, the following are used: formulation of financial policies and the definition of financial performance based on the strategic objectives of the state planning (not forecasting) and strict control over the execution of plans; standardisation of costs and prevention of exceeding the established norms; creation of a system of administrative responsibility for failure to comply with rules and regulations, etc.

If this scheme is broken, then additional monitoring tools must be applied which risk management suggests. When delegating authority to create rules and parameters of activity, evaluating the performance of the employees, human aspirations and desires should be included, namely, the desire to justify their shortcomings and mistakes, to adjust the plan for the result "backdated", to assign what is "bad" and etc., and for this there are many possibilities. The exercise of control becomes practically impossible, as the rules and plans are adjusted and brought into line with the real indicators.

Today, the main source of risks in the management of public financial resources is that the requirements for the content of operations for the planning and use of funds, as well as the requirements for the results of such use are replaced by the requirements for organising the planning and use process. What is the danger of such a replacement? The fact that the requirements for the process, as well as the ideal models, include many assumptions.

It is understood that the participants in the procedures for planning and using financial resources know what result should be achieved based on the needs and requests of the state and society; that they do not seek to use their official powers for personal purposes and that they have the appropriate level of knowledge and skills.

However, as practice shows, this is far from the case, and risks in the management of public financial resources are realised with frightening consistency. Therefore, additional control tools are becoming more urgent, the application of which is especially important if the state seeks to avoid administrative methods for regulating the use of financial resources.

For example, it is the minimisation of the above-mentioned risks that is directed by the risk-oriented preliminary control carried out by the newly organised State Financial Control Service of the Samara Region. The experience of preliminary control was reviewed at the end of October 2015 in Samara at the All-Russian Forum on the Implementation of State Financial Control.

Deputy Finance Minister of the Russian Federation Aleksey Lavrov emphasised that the innovative experience of the State Financial Control Service of the Samara region requires implementation in all major regions of Russia. He also noted that if specialists from other subjects worked in the same way as the local Gosfinance Service, there would be fewer problems in the economy of the country [11].

What is the innovation in the activities of this service? Judging by the reports, it consists in the application of the so-called "traffic light" technique, in which unreasonable expenditure obligations correspond to "red light", and a requirement is put forward for the provision of additional supporting documents. Expenses for which certain budget risks have been identified and taken by the Gosfincontrol of the Samara region for control until the time of their development correspond to the "yellow light".

And, finally, only the expenditure commitments, in respect of which the effectiveness of their implementation was confirmed and the validity of budget expenditures (including the results of eliminating violations and observations identified by the State Financial Department of the Samara Region, the implementation of recommendations), corresponds to the "green light". The main risks identified by this service are: planning of budgetary expenses without taking into account actually incurred or already planned expenses; incorrect application of single quotations and norms of pricing in construction, as well as inclusion of unreasonable expenses; addition (increase) in the calculation of aggregated indexes, the validity of which is not available; insurance at the expense of the budget of

construction works, which, despite the absence of insured events, significant funds were spent; use in the planning of works of expensive materials and fixed assets with excessive properties; lack of proper justification for the acquisition of various models of vehicles and computer equipment; incorrect calculation of the cost of the event, included due to the presence of arithmetic errors [12].

As can be seen from the above list, a high degree of uncertainty, which can be attributed to real risks, only has the possibility of arithmetical errors. The remaining risks can to a large extent be minimised due to the correct organisation of financial management and the application of methods of rationing, rigid planning and financial control by the administrator of budget funds without engaging a specially created service.

Another source of uncertainty in state financial control is the error in determining the role of finance in the economy. It must be remembered that finance is an instrument, not the goal of state policy. The businessman's result of his activity is expressed in profit. But for the state, profits are not important. For the state, the social and economic effect of its activities is important, which is not always expressed in money. How, for example, to assess in financial terms, the health of the nation, the level of education of the population, the level of defense or the level of law enforcement?

Therefore, making money in recent decades became a fundamental indicator in determining the result of socio-economic activity. This generated a large number of risks and was the most serious mistake of public administration.

So, in the first "composition" of the Russian Empire on finance, published in 1841, it is stated: in the state, there are necessary, substantial costs, the dissatisfaction of which would entail the destruction of the whole state organism. The frugality with regard to the maintenance of the troops, sufficient for external defense, would be detrimental. Here, small calculations and benefits must fall before great popular interests.

All that we mean at the beginning of thrift is avoiding unnecessary, useless costs, luxury and extravagance [13]. It also says: how all the useful rules, brought to the extreme, can become harmful, so the beginning of thrift should not be used for evil. Unfortunately, today we are witnessing exactly such a picture when, under the slogan "we learned to count money", crushing blows are struck on the health care system, education and law enforcement activities, etc.

At the same time, the most undesirable results of misuse of financial resources, such as the cost of luxury, unnecessary and expensive travel, abuse, etc.

remain, strengthening the negative effect of such reforms.

Therefore, any departure from the above-mentioned "executor-executor" scheme, even under the most seemingly good slogans, entails an increase in the number of risks, the fight against which begins to take away many forces, resources (including financial ones) and the time needed for social economic development.

A vivid example of ignoring the rule "executor – executor", which caused significant damage to the domestic state financial management, was the "system of material incentives for workers in the budgetary sphere" [14], which, under the slogan "granting greater rights for material incentives for workers heads of budgetary organisations" led to the delegation of authority to formulate rules for the formation of the wage system, at the level of the recipient it means budget.

This, in turn, led to the enrichment of leaders and to the actual impoverishment of workers in this very budgetary sphere. The gap in wages (primarily in bonus payments at the end of the year) in budgetary and public institutions between managers and employees has increased tenfold. The result was a massive outflow of workers from the necessary, but now low-paid categories – doctors, nurses, teachers and teachers, etc., that is, a reverse economic effect was obtained.

In fact, the state because of such reforms, was not able to perform its functions to provide the public with public goods with high quality. The possibilities of control without changing this situation are negligible.

Another source of risks for today is the total subordination of modern financial planning and the use of financial resources to the rules of financial accounting. Any financial documents, whether they are plans, reports, estimates of income and expenses, requests for expenditure or tender documentation, are drawn up according to the rules established by the Ministry of Finance of Russia, in accordance with the requirements of the budget classification (with the recently implemented control over purchases and natural indicators, it became possible to control the validity of the purchase of certain goods).

As a result, the activity of the entire system of state financial control is aimed at assessing the compliance of expenditures with budget classification codes. Meanwhile, the budget classification is a grouping of revenues and expenditures used to maintain budget accounting, compile budget (accounting) and other financial statements to ensure comparability of the budget indicators of the budgetary system of the Russian Federation [15].

From the total subordination of financial planning and the use of financial resources to the rules of

financial accounting, the principle of transparency (openness) of the budgets of the budgetary system, declared in the budget code suffers [15]. After all, in order to understand where budget money is directed from the budget laws for the corresponding financial year, you need not only knowledge of the budget classification itself, but also a lot of time for the analysis of articles, sub-items and cost elements. In this group there is an opportunity to hide any expenses from any kind of control.

Thus, an analysis of the law on the budget of the Samara region for 2014 showed that the costs of maintaining government bodies, considered in the context of sections / subsections of the classification of expenditures of the budget classification of the Russian Federation, are about 4%, in terms of targeted articles – 9.4% and in the context of codes KOSGU already 19% of the total budget expenditures [16].

Abroad, risk management technologies are most often used within the framework of the activities of public organisations responsible for such services as the provision of health-care and education, industry regulation and payment of a social nature.

An example of the introduction of risk management technology in Italy is the introduction of ISTAT, a public research organisation founded in 1926 and engaged in the production of official statistics in Italy, the ERM (Corporate Risk Management) model. The implementation process included the following phases: the experimental phase, creation of a risk map, quantitative and qualitative risk assessment. The first step of the ISTAT RM process was the analysis of the internal environment. The second phase is the creation of a risk map.

A list of managed risks was established and their impact on the activities of the institute was assessed. The third phase is risk assessment with the help of quantitative and qualitative methods. The main issues of implementation can be considered: difficulties that prevented the corresponding risk identification and treatment; selection of identification methods that are most suitable for attracting internal and external stakeholders; agreeing on the need to involve staff in order to communicate without overlapping other organisational structures; identification of the relationship between risks to actively manage risks, especially when these occur in many cases; anticipate emerging risks and risks that never occurred in the [17].

Another specific area of application of risk management models is the assessment of political risk. In particular, in the studies of Barrett [18], the risk of political reforms in Australia was assessed. An interesting experience in the application of risk management models in the UK is the risk assessment

of the privatisation programme of a number of state-owned enterprises during the rule of M. Thatcher. [17].

Some scientists recommend the use of risk assessment methods in the development of innovative enterprise development programs in the public sector of the economy [19]. As the scientists of the Polytechnic University "Bari" emphasise in the system of public-private partnership in the transport sector of the economy, risk management technologies can be used to determine the validity of tariffs and identify shadow revenues [20],[21].

In China, the evaluation of political risks is of particular importance in the system of public-private partnership [17].

The approbation of risk management technologies in the system of state financial management of the Russian Federation can, in our opinion, be carried out within the framework of the state financial control in the following key areas.

First, to assess the risks of non-compliance with budget legislation by institutions and agencies. During the risk assessment and analysis phase, threats and weaknesses of possible non-compliance of the requirements of the budget legislation of the Russian Federation by the subjects of control may be determined, distortion of budgetary reporting with the purpose of understating budget expenditures and misappropriation or waste of funds may be revealed.

Secondly, to assess the risks of non-compliance with legislation in the field of public procurement. Risk management technologies can allow you to assess the likelihood of collusion in the conduct of auctions and the placement of tenders. At the same time, parallel control technologies can be used actively when risk assessment is carried out by both state authorities and internal control services of private enterprises in parallel for the same transactions [22].

Third, to monitor and identify the risks of financial pyramids and prevent illegal banking activities. This sphere of application of risk management is actively studied in the foreign press [23]. The first attempts to apply risk management technologies are currently being undertaken by the Bank of Russia Service for Financial Markets, which implements the automated information system of internal control "Cash Flow" [24].

According to this system, on the basis of transactions and cash flows in the accounts of commercial banks, signs and indicators of fraudulent actions by organisations and institutions of "financial pyramids" and illegal banks operating without appropriate licenses are identified, and a full assessment of the risk of bankruptcy and illegal withdrawal of the assets of these types of financial institutions is possible.

Fourth, risk management technologies can be tested in the course of countering illegal gambling businesses by assessing the risks and developing measures taken towards professional participants of the securities market involved in the organisation of illegal gambling businesses.

Fifth, for the law enforcement agencies, risk management technologies can be acquired for identifying problem areas and assessing the risks of corruption and preparing a forecast of criminological characteristics of corruption-related crimes.

Thus, risk management technologies and their elements can first of all be tested in countering unscrupulous practices and crimes in the financial market and in the budgetary sphere, which certainly make them promising in the system of state financial control.

## 5. Conclusion

It is safe to say that at the present time even the most advanced control technology or risk management is not able to correct errors in financial management. And, in our opinion, the most important thing: you need a user interested in information, including those provided as a result of risk management activities. If, as is the case today, the persons who carry out state financial control, (including the use of risk-oriented technologies) do not disseminate their information, there will be no one to implement it in full and the use of even the most advanced technologies will lead to minimal effect.

Therefore, before copying from the business of risk management technology, as well as other technologies, it is necessary to return to the state control that has been worked out for centuries and to determine the right place for financial resources as an important instrument of state policy. In other words, the correct organisation of state financial management should be placed first.

The second stage should be the creation of a system of state financial control, rather than a set of controlling bodies, as it is today, as a result of which the need for additional monitoring instruments is minimised (although for the needs of the state financial management it is permissible to use the most advanced techniques from the sphere of risk management: methods of documenting identified risks (maintaining a risk matrix), risk management techniques.

An equally important aspect in the adaptation and application of risk management technologies is the emphasis of government agencies on the development of unified quantitative risk assessment techniques and the correct classification of risks for public administration purposes. Also, when moving

to a digital economy, automation of risk management technology is necessary. These problems can become key in the process of advancing risk management technologies in the system of state financial management of Russia in the future.

The application of risk management technologies in the system of state financial control of Russia is an important element of control organization in the transition to a new digital economy, which determines these technologies as promising and progressive.

Risk management technologies and their elements can be tested first of all in countering unscrupulous practices and crimes in the financial market and in the budgetary sphere, which makes them a promising technology within the system of state financial control.

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