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Theoretical Foundations of the Concept of Control: The Essence of Financial and State Financial Control

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ABSTRACT

This thesis highlights the theoretical essence of control, financial control and state financial control, and analyzes their role in the management system. State financial control is based on an important mechanism that ensures the legitimacy and efficiency of the use of financial resources.

Keywords: control, financial control, state financial control, public administration, financial resources, legitimacy, efficiency.

In the economic management system, the institution of control is manifested as an important mechanism that ensures the effective and targeted use of resources. Especially in the context of increasingly complex financial relations, a deep understanding of the theoretical foundations of control, determining the essence of its forms of financial and state financial control, is of particular scientific importance. While financial control serves to assess the legality, appropriateness and efficiency of financial flows between economic entities and the state, state financial control regulates these processes from the point of view of the interests of the state as a whole. Therefore, it is important to scientifically analyze the theoretical foundations of the concept of control, the essence of financial and state financial control, and their interrelation.

In public administration, control and supervision are the main institutions that ensure the effective organization of the activities of state bodies. These concepts serve to ensure legality, transparency and efficiency in state activities. While control is aimed at assessing and verifying the compliance of the activities carried out by state bodies with the established goals, norms and standards, supervision is aimed at ensuring the correct and full implementation of the powers assigned to them by state bodies and officials within the framework of current legislation.

Public finance plays an important role in the economic development of the state and in determining its position in the international arena. The correct and effective distribution of public financial resources directly affects the economic stability, political environment and social development of the country. From this point of view, public financial control is an important management tool aimed at assessing the appropriateness, legality and rationality of the use of public funds.

However, today science has not been able to define the concept of financial control with a single and precise definition. An analysis of existing definitions shows that, when clarifying the essence

of financial control, only a certain aspect of it is usually reflected. In particular, one of the most common approaches is to interpret financial control as a form of implementing the control function of finance. In particular, Gracheva (2000) defines financial control as “a practical expression of the objectively inherent control nature of finance as an economic category.”

Burtsev (2015) also interprets financial control as a separate function of finance and believes that its main goal is to identify deviations from established standards of legality and efficiency in the management of financial resources, as well as to take appropriate corrective and preventive measures in a timely manner in the event of such deviations.

This approach, while revealing the general functional essence of financial control, requires a separate consideration of the form and institutional manifestations of these control mechanisms within the framework of state administration. In particular, the implementation of financial control in the form of state financial control, in the context of the direct connection of financial resources with state interests, creates the need to theoretically clarify its content, subjects and functional tasks.

The approaches of a number of scholars in interpreting the concept of state financial control as a separate form of financial control within the framework of public administration deserve special attention, since these approaches illuminate the content, functional tasks and place of this institution in the management system from various scientific and methodological points of view.

In particular, Belukha (2002) defines state financial control as a system of monitoring and assessing the compliance of the activities of the managed entity with the adopted management decisions, emphasizing the importance of determining the results of management influence by identifying deviations made during the implementation of management decisions in this process. This approach deeply reveals the analytical and evaluative function of state financial control, since it interprets control as an effective management instrument that serves not only to verify, but also to determine the real effectiveness of the decisions made.

Blankenagel (1989) evaluates state financial control as a mechanism that ensures internal control of the system and its compliance with basic principles, that is, the fundamental values, political institutions and important social characteristics of society and the state. In his opinion, such control serves to mitigate conflicts and social tensions that arise in society. This approach justifies the importance of state financial control not only in financial and economic terms, but also in socio-political terms, and shows it as an important institutional factor in ensuring the stability of society.

Vasileva (2003) considers state financial control as an important function of public administration and interprets it as a means and instrument for implementing state policy. This approach reveals the strategic importance of state financial control, since control mechanisms ensure the effective implementation of state financial policy, the implementation of priorities, and the efficiency of resource use.

Summarizing the views of scholars, it can be concluded that it is appropriate to view state financial control as a complex institution that combines the evaluation of management decisions, ensuring social stability, and the effective implementation of state policy.

Existing theoretical approaches to state financial control indicate that this institution is a complex and multifaceted management mechanism. In some approaches, state financial control is interpreted primarily as a system aimed at monitoring and assessing the compliance of the activities of the managed object with the adopted management decisions. From this point of view, state financial control, acting as a feedback loop in the management process, allows you to identify and eliminate deviations in the use of financial resources.

In other approaches, state financial control has a broader meaning than the technical examination of financial processes, and is viewed as a mechanism that serves to ensure the basic values, institutional principles, and political stability of the state and society. In this interpretation, state

financial control appears as an important stabilizing factor aimed at mitigating possible financial conflicts of interest, social tensions, and crises of confidence in society.

Also, in some theoretical views, state financial control is seen as an independent function of state administration, which is interpreted as an effective means and instrument for implementing state financial policy. This is based on the possibility of systematically influencing the distribution and use of financial resources through state financial control, ensuring legitimacy and expediency.

Theoretical approaches to public financial control show that it is not limited to the inspection function alone, but is a complex mechanism that combines management, institutional and political functions. The generalization of these approaches allows us to interpret public financial control as an important management institution that ensures legitimacy, efficiency and stability in the use of public financial resources.

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