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**STRATEGY OF FINANCIAL RESOURCY
MANAGEMENT WITHIN THE PARADIGM
OF EUROPEAN INTEGRATION**

MONOGRAPH

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The monograph explores the theoretical aspects of financial resources of the enterprise. The factors of the external and internal financial environment of the enterprise are analyzed. The use of the effects of the life cycle model and optimization of the strategy of management of financial resources of the enterprise is substantiated. The essence of internal audit on the chosen strategy of management by them is considered. The proposed structural-model model linking financial performance with financial strategy tools, matrixes of financial strategies was developed.

The monograph is intended for scientists, lecturers, heads of enterprises, higher education graduates of economic specialties and all those who are interested in managing financial resources.

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INTRODUCTION

In the context of increasing the efficiency of enterprises, as an important segment of economic relations, Ukraine is seeking new accounting approaches and methods for managing its activities. At the same time, it is important to review the ineffective approaches and formulate new principles for management purposes. Much of the accounting information provides the construction of an effective strategy for managing financial resources of the business entity, which provides optimization of the process of timely decision-making current and strategic nature.

The study of theoretical works of domestic and foreign scientists, practical activities of enterprises allowed to outline the range of underdeveloped issues in the conditions of unstable development of the country. The following research is becoming relevant: the definition of the main globalization trends of movement and the evolution of financial resources in the modern financial system, the study of the concept of the strategy of financial resources management, assessment of determinants of the internal and external financial environment of enterprises, the search for strategic models of management (optimization) the formation of financial strategy, system development formation of the strategy of financial resources management, the choice of the optimal variant of the specified strategy.

The purpose of this monograph is the substantiation of theoretical foundations, the search for methodological approaches and applied guidelines for the development of a strategy for managing financial resources of machine-building enterprises.

The subject of the research is theoretical, methodological and practical aspects of optimization of the strategy of management of financial resources of enterprises on the basis of instrumental variables of the system and variables of the state of the optimization problem. The object of research is the processes of formation, functioning of the strategy and ensuring the choice of the optimal effective variant of the use of financial resources of machine-building enterprises.

The authors' group hopes that the proposed monograph will be interesting and useful for managers and specialists of enterprises, institutions and organizations, researchers, graduate students and students of higher educational institutions.

SECTION 1

STRUCTURAL-LOGICAL FEATURES OF FORMATION OF THE STRATEGY OF MANAGEMENT OF FINANCIAL RESOURCES OF THE ENTERPRISE

1.1. Using the effects of a life cycle model in developing a strategy for managing financial resources of the enterprise

From the point of view of the theory of life cycle, each enterprise develops in a certain cycle, passing through several stages: birth, growth, maturity, decline and bankruptcy. The life cycle allows us to characterize the various problems that occur in enterprises throughout their development period and to identify the various combinations of financial tasks that are entirely geared towards their activities.

The strategy for managing financial resources should be developed at each individual stage of the company's life cycle. It is not one-time and is given forever, and a system that is constantly changing, progressing and improving, keeps the progressive nature of the economic activity of a production enterprise. Most of the enterprises in our country were characterized by a survival strategy, which, as practice has shown, was the conceptual basis for the adoption of all strategic decisions. At that time, enterprises moved to a basic strategy of stabilization and limited growth, which significantly changed the strategic targets of enterprises and forced them to reassess the significance of the strategy of financial resources management. The most cost-effective and high-performing enterprises today have switched to a strategy of development and active growth.

In this case, it is advisable to determine that the choice of strategy goals is directly proportional to the enterprise's choice of the main approaches to financial support for enterprises oriented to long-term development and which depend on the assessment of financial and economic status of the enterprise. The subject of development of a certain approach of the financial support strategy of enterprises can be the creation of such financial conditions that will improve the quality of services, introduce modern advanced technologies, increase the level of professional training of employees, strengthen investment attractiveness. With this in mind, the approaches

that determine the achievement of strategic goals of financial support of enterprises for the long-term development are substantiated.

The approach of gradual development - characterizes the direction of the enterprise to gradually increase the volume of activity, increase profitability and improve its main production, financial and economic indicators. The financial aspect of such an operation is to determine the optimal level of the ratio of borrowed and own funds to maintain the solvency of the enterprise at an appropriate level, increasing the turnover of working capital by reducing the receivables. The approach is quite attractive for enterprises that have a financially sustainable state of management and who want to maintain their financial position in the future.

The stabilization approach is aimed at keeping competitive positions with the help of own and invested funds. The main task of such an approach is to focus on the activation of the "cost-result" ratio. In this case, it is necessary to analyze the production and economic activity in several previous periods, identify the problem areas and identify the ways to solve them, thus identifying a list of stabilization directions. This approach can be recommended for enterprises whose financial status is characterized as a state with positive dynamics and moderate financial provision.

The inertial approach involves a slight reduction in production capacity, reduced costs, preservation of existing positions, growth rates, competitiveness, partial cessation of investment and innovation activities in order to maintain current objectives and maintain a certain level of profitability and financial sustainability with negative effects on exogenous and endogenous factors. According to this approach, enterprises are characterized by a financial state, which is defined as a zone of uncertainty with negative dynamics.

The protective or anti-crisis approach is characterized by a complex of actions and measures aimed at restoring solvency, liquidity, disturbance of the structure of balance and deterioration of the main financial indicators of activity of utilities enterprises. In this case, the financial side is the optimal use of resources, reduced material costs and the use of restructuring mechanisms. The use of this approach is optimal for business entities that have a satisfactory and critical financial condition,

indicating the existence of bankruptcy threats.

The justification of these approaches may be aimed at the perspective development of any enterprise regardless of ownership and management type, since it is long-term and depends on the phase of the life cycle [28].

In the context of modern management and organizational science, there are several concepts of the life cycle in the theory of management from the point of view of the research object. Objects of the study can be submitted as a three-tier system: the first level - over-organization (object of research - industry); the second level - organizational (the object of research - organization (enterprise), the third level - the internal organization (the object of research - the product, brand, knowledge, etc.) [40].

In general, the concept of the life cycle of the industry can be considered in the context of two main ideas proposed by M. Porter and J. Moore. So, M. Porter approached the analysis of the life cycle of the industry in terms of competitive dynamics. The life cycle model that he proposed included four stages of the industry's development:

- 1) the established industry;
- 2) growing industry;
- 3) mature industry;
- 4) industry in a state of recession or crisis.

An important feature of the industry's life cycle in this model is the barriers to entry and exit, as well as the barriers to mobility that are inherent in the industry. In terms of strategies used by organizations at various stages of the industry's life cycle, Porter highlights four possible strategies in the sectors at the stage of the crisis:

- 1) exit strategy and quick withdrawal of capital;
- 2) the strategy of "harvesting";
- 3) capture and retain leadership;
- 4) occupation of a niche.

At other stages of the industry's life cycle, it is possible to use any other strategies [35].

Unlike M. Porter, J. Moore examines the various stages of the life cycle of the industry from the point of view of consumers. The model he proposed includes three stages of development of the industry:

1. The phase of functionality, characterized by consumers, for which the functionality of the product is critical, so-called "early supporters".
2. Phase of reliability, characterized by the concentration of consumers on the reliability of the goods.
3. The phase of convenience, characterized by the shift of innovation and competition to the convenience. At this stage, the "late majority" of consumers appears on the market. In general, this model is based on the fact that the improvement of technologies can reach the level when the market requirements as some of the indicators will be satisfied [35].

Thus, the life cycle of an enterprise is characterized by:

- the sequence of changes in the stages of the company's life cycle;
- a unique goal and, accordingly, financial-economic and organizational characteristics at different stages of the life cycle;
- a sequence of changes in the stages of the life cycle defined in time;
- identity of the completed development circle of the enterprise.

However, some of these characteristics are quite controversial. For example, the assertion that the stages (or phases) of the life cycle of the enterprise are consistent in time (B. Milner, G. Kozachenko) is incorrect, since empirical studies conducted by foreign experts have proved that the stages of the life cycle of the enterprise in no case not connected with each other in a deterministic sequence [13].

Thus, D. Miller and P. Friesen point out that the stage of maturity may precede a decline, revival or even growth, when the stage of decline or death of the enterprise may be at the stage of growth [39]. In addition, as emphasized in Hanks's work, the decline of an enterprise can actually take place at any stage of the life cycle. Also, in his designation, B. Milner states that the life cycle is "predictable changes with a sequence of states defined over time" [25], that is, each of the stages has a time-definite duration. However, this assertion, in our opinion, does not correspond to

reality, but concerns more about the description of the "ideal" life-cycle model of an enterprise. Enterprises in specific environments and with unique micro-environment characteristics can not have standard time limits for one or another phase of the life cycle.

So, Kimberly, Cameron and Witten's research has shown that organizations can move at different speeds in the life cycle stages. In addition, according to Lippita and Schmidt, the age of the company and the stages of its life cycle are weakly interrelated [39].

In our opinion, it is worthwhile to focus on such a characteristic of the life cycle of the enterprise as completeness. Some scholars [18, 41] believe that the life cycle of the company begins with the birth stage and necessarily ends with the stage of elimination or death. However, in the theory of the life cycle, there is an opinion that the ultimate stage of the life cycle of an enterprise does not necessarily have to be death; this may be an upgrade stage when the enterprise radically changes its organizational principles, strategic intentions, and so on. In this case, the organization is experiencing a crisis of a decline and re-emerges. This indicates the possibility of several life cycles in the life of the enterprise.

Therefore, in view of the analysis of the definitions of the concept of the company's life cycle, within this research, in the life cycle of the enterprise, we mean a set of stages that create a complete circle of development within a certain period of the evolution of an enterprise, each of which has a certain system of strategic goals and tasks, features of formation resource potential and achieved results of functioning [24].

That is why it is necessary to develop recommendations for the formation of a strategy for managing financial resources of enterprises using the life-cycle model, since the most important parameters of strategic management of financial resources are primarily related to a specific stage of enterprise development.

Economic literature offers a number of methods that allow us to determine at which stage of the life cycle the enterprise is based on the economic indicators of its activities (Table 1.1).

Table 1.1 Methods for determining the stage of the life cycle [10]

Method	Суть метода
Method of constructing cost function	<p>The method involves identifying the nature of the correlation between the proceeds from the enterprise and the costs incurred by it. On the basis of the obtained dependences, we construct a curve demonstrating the transition from one stage to another:</p> <ol style="list-style-type: none"> 1. The point of the curve in which the condition of equality of the first and second derivatives is zero is signaled about the transition to a stage of stability or aging. 2. Point of the curve, in which costs are equal to incomes, signals the beginning of intensive enterprise development (stage of growth)
The method of analysis of the dynamics of revenue (Y. Shembel)	<p>Provides definition of the stage of the life cycle of the enterprise on the basis of calculation of the following indicators:</p> <ol style="list-style-type: none"> 1. Speed and accelerate the change in revenues from the enterprise. 2. The ratio of actual earnings to its maximum level and level at the break-even point Enrollment of an enterprise to this or that stage is based on a comparison of the obtained values of indicators with characteristic for each stage relations
Method of dispersion analysis (T. Malaeva)	<p>On the basis of the data on the company's revenue, they form two samples: the first five values and the following five. The Fisher's criterion, which is equal to the ratio of the maximum dispersion to the minimum, calculated in two samples, is compared with the corresponding combinations of degrees of freedom and the level of significance of the tabular value of the dispersion relation. If the actual value is less than the tabular one, the first sample is incremented by one and includes the first one - the sixth value and the second one - the 7th one - the 11th. The change in the stages signals the predominance of the calculated value over the table</p>
Smallest squares method (O. Minochkina)	<p>For the enterprise, there is an approximation equation that expresses the relationship between the profitability of the enterprise and the time. Moments of transition from one stage to another are determined by control points:</p> <ol style="list-style-type: none"> 1. The profitability of sales is 0 (the stage of origin). 2. Determination of the root of the equation, in which the first derivative is equal to 0 (transition to the stage of decline). 3. The second derivative is 0 (the beginning of the stage of stability)
Method based on the calculation of financial indicators (O. Kostina)	<ol style="list-style-type: none"> 1. Stage of origin: if the enterprise's income is less than or equal to variable costs. 2. Stage of growth: the company's revenue is higher than variable costs but less than the first threshold of profitability. 3. Stage of maturity: earnings exceed the first profitability threshold. 4. Stage of decline: earnings are equal to the second threshold of profitability

Thus, the methods described in Table. 1.1, are based on the analysis of the

dynamics of enterprise revenue as the basic factor, signaling the change in the stage of its life cycle. However, it should be emphasized that this indicator is not an unambiguous criterion, which explains the behavior and dynamics of the enterprise on the life cycle curve. From the standpoint of modern financial analytics, IV Ivashkovska and D. O. Yangel offer the development of enterprises throughout the life cycle to consider in the system key financial coordinates:

- liquidity;
- investment risk;
- the cost of the company [10].

According to Y. Ivanov, the life cycle of the company is quite closely connected with financial flows. At the stage of emergence, the company needs large financial investments, which gradually begin to overlap with revenues from sales of products, but the cash flow is still negative. At the growth stage, the company must achieve zero cash flow and provide conditions for its growth; at the stage of stability, the cash flow is stabilized; after a crisis of stability, cash inflows are beginning to decrease, which leads to a decline, the cash flow becomes less than the cost of the current activity, and for the company to continue to exist, additional money injections are required, if they are absent, the enterprise dies [10].

A slightly more detailed view of the relationship between enterprise liquidity and the phases of its life cycle is presented in the work of I. Ivashkovsky and D. Yangel [10], which proposes to consider net cash flow as an important component of the financial analysis of the enterprise at any stage of the life cycle. Net cash flow is the amount of cash flow from the main activity (foundation of enterprise stability), from investment activity (reflecting adaptability of the enterprise to competitive changes) and financial flow (provides financial flexibility of the enterprise).

The peculiarities of the financial activity of the enterprise, which are at different stages of its life cycle, consist of different levels of investment needs (and, accordingly, different rates of growth of the total volume of financial resources); various opportunities for attracting borrowed capital; levels of diversification of financial transactions; financial risk levels, etc.

At birth, any enterprise mainly faces the problems of survival that arise in the financial sector in the form of difficulties with the funds: it needs to find means not only directly to cover economic costs, but also to make the necessary investments for their future development. For a start-up entity it is desirable to use low-risk own funds and domestic sources of funds, as well as short-term financing. Approaches to asset financing at this stage should be conservative.

In the period of growth, profit can solve problems with funds, there is a change in the goal of profitability for economic growth: if in the previous period the company is looking for short-term financing, then at this stage, it needs medium and long-term sources that can support growth through investment. Strategy of management of financial resources in this period is the most complex nature due to the need to ensure high rates of development of financial activity of the enterprise.

At the stage of birth, net cash flows are extremely negative and this, of course, is justified. At the second stage, there is a situation where net cash flows are reasonably balanced, that is, neutral or slightly negative, which is explained by the rapid growth and the high need for investment. The specific amount of net cash flows depends on the rate, growth rate, and the need for additional investments in fixed capital, working capital and other current production needs.

At the maturity stage, business risk is reduced even more and reaches an average, so the entity can afford to some extent to increase financial risk. Cash receipts in this period are of lasting positive value, and the combination of risks allows you to fearlessly turn to loans and loans rather than previously using exclusively your own financial resources. Risk and income are interrelated directly proportional. It is logical and justified from the point of view of the company's perspectives; since debt is a more risky source of financial resources for an enterprise, it must implement a cost reduction policy to compensate for the additional risk. Therefore, an increase in financial risk through the use of borrowed funding sources does not lead to an unacceptable overall combined risk, and cheap debt financing increases the amount of residual income received by the enterprise. Thus, the profit earned by a mature enterprise using debt financing improves its financial

position.

All this becomes even more important as the final stage of the lifecycle reaches, when it becomes clear that the product should soon disappear from the market. If the debt is cheaper than equity, then for shareholders it is more profitable from the financial position to withdraw their investments from the "dying" business as soon as possible, replacing them with debt financing. For lenders, the unacceptable risk of shareholders (owners) is unacceptable, but it is often advisable to borrow money at the residual value of the assets retained when necessary and inextricably linked with the business until the final liquidation. Consequently, the main source of financing at the stage of decline is debt financing, which is associated with a high financial risk, which partly compensates for almost completely no business risk at this final stage of the life cycle. As growth slows down, the outflow of funds shrinks, while financial resources generated by product sales (gross profit) are increasing, which is reflected in the positive net cash flow balances at maturity. At the final stage of the life cycle, both inflow and outflow of funds are reduced simultaneously, but net cash flows should be at least neutral, since, otherwise, production must be stopped immediately.

It is known that at the stage of maturity there is a change in the strategy of management of financial resources of enterprises. Any attempt to increase the market share at this stage is a sharp resistance and opposition from competing economic agents. The key objective of this phase is to preserve, provide and maintain a market share for as long as market demand justifies it, that is, to improve the financial aspects of the marketing strategy, but at the same time, and to search for opportunities for effective increase of profit, which together can improve the overall return on invested capital. This fundamental change in the focus on managing the growth process to improve the value of the profit indicator is a very complicated, difficult and simultaneously important task for most enterprises.

At the last stage, the aging stage, the economic downturn, the dominant style and strategy is to reduce costs in order to ensure, at least, a neutral level of net cash flow indicator. The product "disappears" at this stage, although the process itself can

stretch over time for an unknown long term, but certain well—"untwisted" and implemented ideas can be restarted, restored as new product strategies with their own characteristics and isolated parameters. However, even when moving from the third stage to the final, business risk remains; it is now associated only with the product and with how long it will still exist and how quickly it will eventually disappear. At the last stage, as a rule, there is no positive net cash flow and, unless some measures are taken to reduce costs to support net cash flows, the company may go bankrupt even before market demand drops to zero and the product will actually disappear [10, 38].

An important moment in the formation of a financial strategy is taking into account the stage of the life cycle of the enterprise and the products it produces, as well as the chosen financial and marketing policy, namely: mobilization of internal resources, reduction of the production cost, provision of production of competitive products, effective use of financial resources of the enterprise, etc. The combination of specific characteristics of the enterprise at different stages of its life cycle determines the construction of a specific model of financial strategy. The movement of the enterprise along the trajectory of the life cycle in the financial coordinate system is closely linked to the change in the factors of investment risk. In table 1.2. shows the typical risks inherent in one or another stage of the enterprise's life cycle.

Various combinations of operational and financial factors of investment risk are crucial for the formation of barrier returns of an enterprise, which depends on how investors perceive all risk factors. The normal process of interaction of investment risk factors, moving around the trajectory of the life cycle, should create a trend of lowering capital costs, which manifests itself in increasing the financial flexibility of the enterprise. First of all, financial flexibility of the enterprise implies increase of its investment stability, expansion of the investment range due to reduction of investment risks and strengthening of control over them. Also, the financial flexibility of an enterprise is an increase in the sustainability of financing from additional attracted capital from investors of different types [10].

Table 1.2 Critical risks of the enterprise depending on the stage of its life cycle [10]

Birth	Growth	Stability	Decline
Working capital shortage	Lack of liquid funds	Non-optimal organization of business processes	Reduce demand, reduce sales, revenue
Low level of professional skills and knowledge	Unsuccessful balance of borrowing and own funds	Ineffective organizational and managerial structure	Reduced profitability
Lack of experience from the owners of the enterprise	Complicated access to loans	Technical imperfection of goods	Loss of sales markets
Low level of financial sustainability	The risk of excessive diversification		Moral and physical weariness exceeds the critical limits
High level of enterprise dependence on a narrow circle of clients	The risk of a key figure		Lack of financial resources, the complexity of involvement of financial resources

The initial stage of the company's life cycle is characterized by the outflow of cash through operating channels that have to block the flow of funds through funding channels, since at the beginning of its activities, the company is not able to generate enough funds to finance a born business, due to lack of economies of scale, a narrow volume of sales, uncertain market positions, etc. In turn, the investment cash flow, caused by the need for structure and volume of long-term assets, becomes negative. And only cash flow from financing is of great importance, and mainly due to the owner of the business [11].

It should be noted that the problems with the lack of operational cash flow may also arise at a stage of growth, when the company faces the situation of increasing demand for working capital on the one hand and the inability to meet it with interest-free obligations - on the other. One of the main tasks at this stage is to provide a stable cash flow from operating activities. On the other hand, at the stage of growth, there is a problem of financing a rapid growth of an enterprise, whose pace should

exceed the growth rate of the market on which it operates.

There are two solutions to this problem: to attract new participants to the capital, and therefore to the decision-making process, which means that the owner increases the risk of loss of control over the enterprise, or to attract long-term loans, which in turn raises the problem of deteriorating capital structure through a rapid increase in the share of debt capital. This or that solution will cause either a financial cash flow or an investment.

The transition of the enterprise to the stage of stability means its ability to overcome the managerial crises of the previous stages, to form a dispersed structure of equity and to keep financial crises of liquidity, characteristic of the previous stages, behind. It is at this time that the enterprise becomes so-called "dairy cow" [11].

The downturn is characterized by a deterioration in the performance of the company, which is reflected in the negative dynamics of all cash flows of the enterprise, and therefore, the enterprise dies without any additional external money receipts (investment injections) required for qualitative restructuring. The second financial measure of an enterprise is investment risks, which, in turn, depend on: business (operational) risks; financial risks (or financing risks).

Various combinations of operational and financial factors of investment risk are crucial for the formation of barrier returns of an enterprise, which depends on how investors perceive all risk factors. The normal process of interaction of investment risk factors, moving around the trajectory of the life cycle, should create a trend of lowering capital costs, which manifests itself in increasing the financial flexibility of the enterprise. First of all, financial flexibility of the enterprise implies increase of its investment stability, expansion of the investment range due to reduction of investment risks and strengthening of control over them. Also, the financial flexibility of an enterprise is an increase in the sustainability of financing from additional attracted capital from investors of different types [10].

The third financial measure of the enterprise is its value. By calculating and analyzing the cost of an enterprise, the financial analyst assesses the efficiency of

capital utilization through the prism of two parameters: positive flows of free funds for the owner and equity costs, which finance the long-term development of the enterprise. Cost as a financial measure of an enterprise is very important from different perspectives.

From an entrepreneurial point of view, the value of an enterprise is an integral parameter that expresses the success in which the entrepreneurial energy is materialized.

From the investor's point of view, the value of an enterprise is important as a condition for the exit or entry into the business, since it is not possible to obtain a stake in an enterprise without loss or freeing capital from a particular business without its evaluation.

From the owner's point of view, this is the parameter for expressing own wealth, the growth of this form of wealth is a criterion for the effectiveness of investment and the formation of an investment portfolio [10].

Therefore, when determining the stages of the company's life cycle, it is important to take into account the full spectrum of parameters from different fields of its activity, which have a significant impact on the functioning of the enterprise, and therefore, determine the phase of the life cycle. An integral indicator that accumulates the dynamics of changes in risk factors, cash flows, qualitative changes in the enterprise system, may become the cost of the enterprise [23].

The formation of a sound financial strategy plays an important role in ensuring the achievement of the strategic goals of the enterprise and is the basis for ensuring its viability in the long run, based on certain principles and designed to fulfill its central (functional) tasks.

In this regard, the financial strategy is considered by us as: 1) a component of the overall strategy (one of the functional strategies, the goal - the seizure of financial positions in the market); 2) a basic strategy that provides (through financial instruments, methods of financial management, etc.) the implementation of any basic strategy, the goal - the efficient use of and management of financial resources.

The conducted researches have shown that in order to ensure sustainable

development of the company in the market, it is necessary to clearly formulate the financial strategy and adhere to the main strategic goal, namely:

- optimal formation of financial resources and effective strategic management of them;
- identification of important areas and concentration of efforts on their implementation, maneuverability in using reserves at the enterprise;
- ranking and gradual achievement of the goal;
- compliance of financial actions with the economic condition and material capabilities of the enterprise;
- objective accounting of the financial-economic and real financial state of the enterprise for the year, quarter, month;
- preparation and formation of strategic reserves;
- taking into account the various opportunities of the enterprise and its competitors;
- identification of the main threat from competitors, mobilization of forces for its elimination and skillful selection of areas of financial actions;
- achieve a decisive advantage over competitors through maneuvering and competition for the initiative.

Here are the recommended types of the main financial strategy of enterprises that will ensure the achievement of the main strategic goal:

1) expansion strategy (expansion strategy) - is chosen when an enterprise conducts a so-called aggressive policy: it plans to acquire other enterprises, expand production, capture a significant market share, enter new markets. Its application is appropriate if the products of the enterprise are in the stage of introduction, establishment or rise and the enterprise has sufficient labor and financial potential for carrying out the above-mentioned measures. In this case, the company actively attracts loans, real and financial investments, spends considerable money on advertising, reduces the amount of receivables, increases the turnover of capital, etc.;

2) a strategy for gradual development - typical for most industrial enterprises. Such a type of strategy involves directing the entity to gradually increase the volume

of activities, increase profitability and improve its main financial, production and economic indicators and characteristics, and ensure a stable financial state. The financial aspect of such a strategy is to determine the optimal level of borrowed and own funds ratio to maintain the current solvency of an enterprise at an appropriate level, increase the level of profitability of products by reducing its cost, increasing turnover of working capital, etc .;

3) defense strategy - involves a slight decrease in production capacity, partial or complete curtailment of investment and innovation activities in order to maintain a certain level of profitability and financial sustainability of the enterprise, with a negative impact on its activities of endogenous and exogenous factors;

4) stabilization strategy - arises in the event of a temporary loss of solvency of the enterprise, violation of the structure of the balance, deterioration of performance. Financial managers or analysts in this case need to analyze the industrial and economic activities of the enterprise in several previous periods, identify the problem areas and the reasons for their occurrence, outline the main ways of their solution and determine the list of stabilization measures;

5) anti-crisis strategy - implemented in cases where the company is in a crisis situation and needs to be rehabilitated. Provides a set of measures aimed at restoring solvency (liquidity), creditworthiness, stabilization of its financial condition. In this case, the financial service of the company should pay special attention to the optimal use of available resources, to ensure a stable reduction in the cost of capital employed, reduce receivables, reduce material costs, sale or lease of non-profitable fixed assets, etc. [8].

The financial strategy contains methods and practices for the formation of financial resources, their planning and ensuring financial sustainability of the enterprise.

Therefore, first of all, it is necessary to determine the basic financial strategy of the enterprise as a recommendation on the feasibility of changing its financial and economic state in the long run, formed on the basis of quantitative characteristics of the actual financial and economic state in the current and subsequent periods.

We offer the types of operating finance management strategy:

1. Limited (concentrated) growth - this type is used by enterprises with a stable range of products and production technologies, prone to the weak influence of technological progress. The choice of such a strategy is possible in the conditions of relative weak fluctuations of the market situation and a stable competitive position of the enterprise.

2. Accelerated (integrated and differentiated) growth - this type of operating strategy is usually chosen by companies that are in the early stages of their life cycle, as well as industries that are dynamically developing under the influence of technological progress.

3. Abbreviations (or compression) - this operating strategy is most often chosen by enterprises that are in the last stages of their life cycle, as well as in the stage of the financial crisis. It is based on the principle of "cutting off excessive", which involves reducing the volume and range of products, withdrawal from individual segments of the market, and so on.

4. Combination - such an operational strategy of an enterprise integrates into itself the various types of private strategies of separate strategic zones of economic activity or strategic economic units are considered. Such a strategy is typical of the largest enterprises with a wide sectoral and regional diversification of operational activities.

The cyclical development of an enterprise is characterized by a periodic occurrence of a crisis - the point of transition from one stage of the life cycle to another. These crisis points (critical thresholds, at which point it is impossible to predict the further direction of enterprise development) ensure the transition of the enterprise economy to a new level of development, resulting in changes in the structure of the economy of the enterprise and the mechanism of its functioning.

The conducted study allows us to conclude that one of the most important tasks of financial activity of the enterprise at all stages of its life cycle is to maintain the permissible level of financial risk, optimal financial stability.

As you know, financial sustainability of an enterprise is the ability of an entity

to function and develop, to maintain the equilibrium of its assets and liabilities in a changing internal and external environment, which guarantees its continuing solvency and investment attractiveness within the permissible level of risk [21]. Financial stability is a reflection of stable excess of income over costs, provides free maneuvering of the company's funds and through their effective use contributes to the uninterrupted process of production and sales. Therefore, financial stability is formed in the process of all production and economic activity and is a main component of the overall stability of the enterprise. Thus, the essence of financial stability is determined by the effective formation, distribution and use of financial resources.

In recent years, the majority of enterprises in Ukraine have a tendency for a crisis financial situation. This testifies to the lack of a well thought-out, feasible financial strategy at the enterprises, the non-optimal combination of elements of strategic management. The restoration of financial sustainability of an enterprise can be achieved by increasing the volume of own financial resources by reducing the amount of fixed costs, reducing the level of variable costs, timely realization of unused assets, as well as by reducing the consumption of own financial resources through the implementation of dividend policy, adequate crisis financial development of the enterprise in order to increase net profit, reduce external social and other programs of the production enterprise, cat and financed by their profits, optimize business investment activity and so on.

Increasing financial stability is possible by restructuring business in the following areas:

- 1) delimitation of ownership between the owners of the enterprise in order to determine the economic interests of the participants;
- 2) liquidation, reduction, preservation, lease of unprofitable productions and assets;
- 3) the establishment of subsidiaries to increase the responsibility of unit managers and reduce tax pressures.

Financial sustainability over a long period can only be achieved on the basis of sustainable growth of the enterprise. These proposals are the basis for subsequent

implementation of relevant calculations for the development of financial strategy. It should be noted that there is no single strategy for all enterprises. Each company is unique, and the process of strategy development for each individual company depends on its position in the market, dynamics of development, potential, stage of the life cycle, the state of the economy and other factors.

By determining at what stage of its life cycle there is each specific enterprise, one can distinguish the main accents that must be taken into account when formulating a strategy for managing financial resources of enterprises. At the same time, the main tasks are prolongation of such stages, as growth and maturity, or transfer of the company to a new cycle of life with the least losses.

Taking into account the formulated provisions, the content of the use of the effects of the life cycle model in the development of the strategy of management of financial resources of the enterprise from the standpoint of a process approach will consist in the systematic activities of the search, formation (development) and provide conditions for the implementation of enterprise capabilities that will contribute to achieving its goals, increase its adaptability to the changing the external environment or the formation of their own requirements for such a medium. Moreover, the emphasis on increasing the adaptability will correspond to the logical chain of subordination "potential → goals → management strategy", respectively, the formation of their own requirements for microenvironment stems from the development of advanced goals in the chain of "goals → the potential → strategy." This will allow the company to feel the vital need for strategic management and strategic analysis of a possible crisis situation in order to eliminate destabilizing environmental factors.

Thus, the financial strategy of the enterprise should include measures to stabilize the financial condition of the enterprise and its solvency in conditions of unfavorable changes in the operating environment, should be adjusted in the light of adverse factors, provide high rates of its operations, while simultaneously neutralizing the threat of its bankruptcy in the future period.

1.2. The system and component elements of forming of strategy of management of enterprise financial resources

With the right choice of strategic benchmarks, the work of any enterprise in the long run will be effective, allowing the best way to realize the technical and human capital and other resources that are at the disposal of the enterprise. At the present stage, the organization of such management occupies a significant place, which could ensure the adaptation of the enterprise to rapid changes in business conditions. The impetus for increasing the role of strategic management of the company's business is a number of reasons, which include: rapid pace of change in the external environment, emergence of new consumer needs, increased competition, development of information networks, etc. Today, under current conditions, economic agents have realized that the basis of successful activity is the development of an effective strategy for the existence of a long-term period.

The main content of strategic resource management in a project often reduces itself to maneuvering its financial resources to address emerging tasks, because they represent the "blood system" of any enterprise. The combination of financial and strategic aspects of the management of a production enterprise is one of the most important types of functional strategy - strategic financial management that allows us to ensure the efficient use of financial resources and takes into account financial globalization and alternative projections of external and internal financial environments. In order to ensure the strategic management of the financial resources of production enterprises under financial globalization, financial management must be free from national constraints and must consider and explore the experience of world financial markets and take into account the movement of world financial flows. Strategic management of financial resources of production enterprises should be aimed at maximizing financial results.

Thus, for today, the main condition for effective business is strategic management. Strengthening the influence of environmental factors and the dynamic change in the internal factors of the functioning of Ukrainian enterprises require the development and effective implementation of a strategy for their development, the

main tasks of which are:

- ensuring competitiveness;
- creation of conditions for innovative development;
- strengthening financial stability;
- Improvement of HR management.

One of the central places in the system of strategic management is the financial strategy of the enterprise.

The financial strategy of an enterprise in any branch represents a complex multifactor-oriented model of actions and measures necessary to achieve the established prospective goals in the general concept of development in relation to the formation and use of financial and resource potential.

The company's financial strategy has certain characteristics (Fig. 1.1).

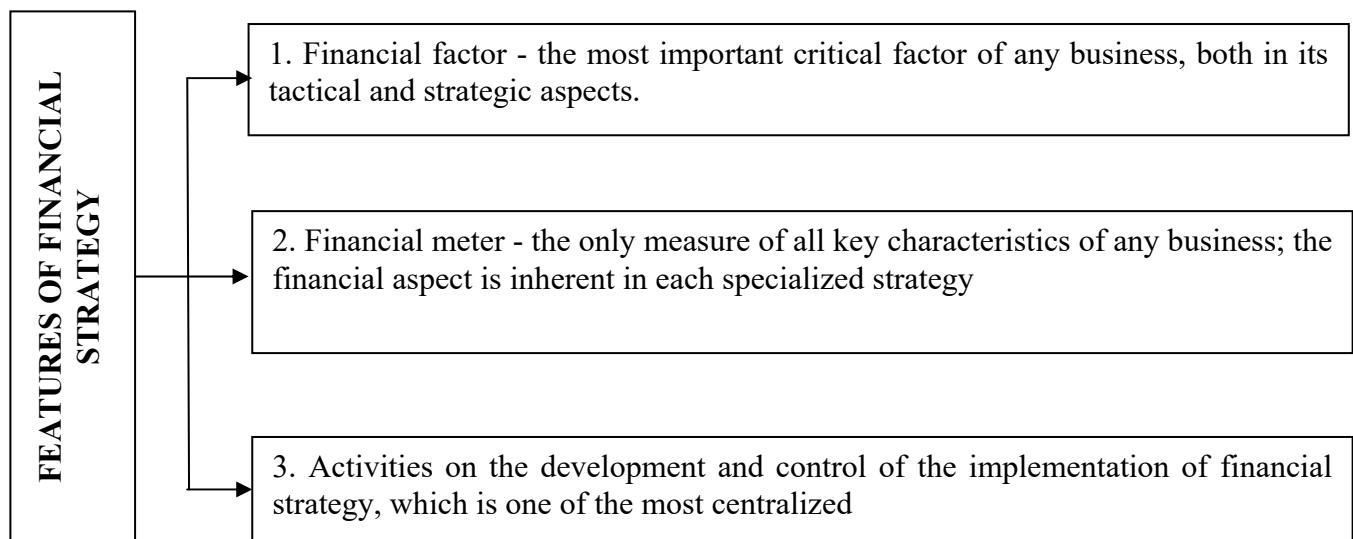


Figure 1.1. Main features of the company's financial strategy [6]

The issue of developing a financial strategy at the enterprise is very relevant, which provides for a number of conditions, the key factor being the intensity of changes in environmental factors.

Based on only one experience gained over the years and traditional methods of financial management, at present, with the high dynamics of the main macroeconomic indicators related to financial activity of enterprises, fluctuations of the market conditions, namely: financial and commodity that occurs quite often, the

pace of the technological process, the instability of the state economic policy and the forms of regulation of financial activity do not allow to effectively manage the finances of enterprises.

In the presence of the above conditions, the absence of a financial strategy developed in the company, which is adapted to possible changes in the environmental factors, may lead to a reduction in the efficiency of the enterprise and cause conflicts of financial decisions.

The movement of the company in the stages of its life cycle is the next condition that determines the relevance of the development of the financial strategy of the enterprise. According to the theory of the life cycle, each enterprise develops in a certain cycle, while passing several stages. At each stage of development, the enterprise has certain parameters that characterize the conditions for its functioning: current state and prospects. Therefore, each of the stages inherent in it is characterized by its level of investment activity, directions and forms of financial activity, especially the formation and distribution of financial resources.

To adapt the activity of the enterprise to the following fundamental changes in the possibilities of its economic development allows to develop a financial strategy.

In addition to the above-mentioned conditions, no less important, there is a condition that involves significant changes in the directions of production activity of the enterprise that arise with the emergence of new commercial opportunities. The fulfillment of such goals, requires changes in the production assortment, the introduction of new technologies, the development of new markets for products, etc. In these conditions, the significant growth of the investment activity of the enterprise and the diversification of the forms of its financial activity should be projected, which is ensured by the development of a clearly formulated financial strategy.

Consequently, the development of a financial strategy in modern conditions is especially important for the sustainable development of enterprises, which necessitates a serious analysis of problems and the development of practical recommendations in this area of activity.

It is aimed at improving one of the most important characteristics of the

financial state of the enterprise - financial stability, and provides options for possible areas of financial activity in the conditions of independence and responsibility for the results of activities.

In economic literature, the significance of a financial strategy is ambiguous, and therefore the relevant category needs in-depth reflection and practical training, but in general, the financial strategy is considered by scientists from two points of view:

- as one of the functional strategies;
- as a key strategy in the overall concept of enterprise development.

The financial strategy, as one of the functional strategies, has a subordinate character in relation to the overall corporate strategy of the enterprise, so its main objective is to ensure competitive positions in the market. In this aspect, an enterprise's financial strategy is often viewed as a regulatory tool in conjunction with an investment strategy, since financial resources have a close link with perspective and investment decisions in a time aspect [32].

Considering the interpretation of the essence of the financial strategy of the enterprise in terms of the second approach, it is worth noting that the financial strategy as a component of the overall concept of enterprise development is the key, using financial instruments and methods of financial management, ensures the implementation of any other basic strategy. The key role is due to the coordinating role of finance in the enterprise management system, as well as the special importance of financial resources among other types of resources. Financial resources are of paramount importance as it is the only type of enterprise resource that is transformed directly and with a minimum time lag in any other kind of resources.

As part of the general concept of enterprise development, the strategy has the following characteristics:

- provides coverage of all major areas of development of financial activity and financial relations of the enterprise;
- forms specific financial goals of long-term development of the enterprise;
- provides the choice of the most effective directions of achievement of

financial goals of the enterprise;

- takes into account and adequately responds to changes in the external conditions of the financial activity of the enterprise;

- provides adaptation to changes in the environment environment by adjusting the directions of the formation and use of financial resources of the enterprise.

Some researchers interpret the financial strategy as part of financial management, according to which, the financial strategy is a general plan of action to provide the company with cash, which solves tasks aimed at ensuring the financial stability of the enterprise in market conditions.

However, in our opinion, it should be noted that considering the financial strategy is necessary as an organic element of financial regulation of the enterprise:

- the formation of a financial strategy, its essence and system, in a methodological plan should be analyzed as one of the problems of financial relations, financial evaluation of the implementation of strategic goals of the enterprise;

- in the scheme of economic regulation, the financial strategy should be considered as a component of the overall strategy of the enterprise, along with commodity, investment, marketing and other types of strategic decisions.

In the course of developing the production and marketing strategy of the enterprise, one of the main tasks is the development of healthy competition. Accordingly, the overall strategy is based on the ability to increase the competitive advantages of the enterprise. At the same time, it is the financial strategy that is aimed at ensuring the self-financing of an enterprise that can be achieved in the context of effective management of capital, assets, profits, and investments.

Thus, the formation of strategic goals is focused on the accumulation of enterprise capital, sufficient to finance its expanded reproduction.

Taking into account the above, the financial strategy is a basic strategy because, with the help of financial instruments and methods of financial management, it ensures the implementation of other basic strategies, namely, production, marketing, innovation-investment, competitive, social.

Consequently, the development of a financial strategy plays an important role

in ensuring the effective development of the enterprise. This role is as follows:

- a) creation of an effective mechanism for ensuring the realization of the set goals of development of the enterprise, in the long-term aspect, both general and financial, in general and its separate structural units;
- b) makes it possible to carry out a real assessment of the financial capabilities of the enterprise, to ensure the maximum use of its internal financial potential and the ability to actively maneuver financial resources;
- c) ensuring the possibility of rapid realization of new promising investment opportunities;
- d) the possibility of reducing the negative impact of environmental factors on the results of the enterprise;
- e) comparison of financial activity of the enterprise with competitors, revealing of its respective advantages and disadvantages;
- f) ensuring a clear relationship between strategic, current and operational management of the financial activity of the enterprise;
- g) the formation of normative values of the main criteria of evaluation of the choice of important financial management decisions.

Ensuring the compliance of the financial and economic opportunities of the enterprise to the conditions that exist on the financial and commodity markets, carries out a financial strategy that takes into account the comprehensive financial capabilities of enterprises and objectively assesses the nature of internal and external factors.

It provides for the definition of long-term goals of financial activity of the enterprise, which should be subject to a general strategy of economic development, aimed at maximizing the profit and market value of the enterprise, achieved through the choice of the most effective methods.

It is precisely in this regard that when developing a financial strategy, it is necessary to take into account the dynamics of macroeconomic processes, the tendencies of development of domestic financial markets, the possibility of diversifying the enterprise's activities, etc.

At the present stage, one of the main tasks of reforming the national business is to solve interdependent problems of strategy formation and introduction of a new qualitative level of financial management on the basis of achievement and realization of competitive advantages.

The company's financial strategy needs to be identified. The corresponding statement is conditioned by the following aspects, namely:

- the diversification of the activities of large enterprises (enterprises expand their activities, which is associated with an increase in the range of species and penetration into new spheres of activity, the development of new industries, expansion of the range of goods, but also the expansion of entrepreneurial activity to new and not related to the main activities of the firm) in terms of coverage of various markets, including financial ones;

- the need to select sources of financing for strategic projects;
- the presence of a single ultimate goal for all enterprises when choosing strategic targets;

- a landmark for maximizing the financial effect;
- development of international and national financial markets as a "field" for the borrowing of financial resources and profitable allocation of capital, which is connected with the strengthening of the role of finance in the life of enterprises.

With the volatility of the situation and trends in the development of financial markets, the high degree of innovation of financial instruments under the leadership of the enterprise is significantly dependent on the movement of macroeconomic and socio-political processes taking place in the world community, thus, it is worth formulating a series of directions for the formation of programs and projects on the implementation of the financial strategy.

Including:

- finding target market segments and identifying a priority financial market for the enterprise for the future;
- Analysis and justification of sustainable sources of funding;
- the choice of financial institutions as acceptable partners and intermediaries,

which effectively co-operate with the enterprise in the long-term aspect;

- development of long-term investment program, coordinated with priority directions of development of types of business, stipulated by the general strategy of the enterprise;

- creation of conditions for the future in support of the gradual growth of the market value of the enterprise and the rates of securities issued;

- formation of internal financial flows and their improvement;

- development from the position of the strategy of an effective centralized program management of financial resources in conjunction with sound decentralization of other managerial functions.

Implementation of calculations of financial indicators of economic security and sustainability of an enterprise in the strategic planning of activities.

At the enterprise, the formation of a financial strategy is carried out on the basis of the following principles:

- adoption of the strategy of sustainable development of the enterprise, which should be implemented in a consistent manner;

- taking into account the multilevel organizational structure of the enterprise and predicting changes in it, and the specific properties of different levels of the economic mechanism within which the object is created and functioning;

- development of a financial strategy, which should be based on the modern theoretical model;

- the variability of the efficiency of the use of resources, which can only be achieved if the options for possible alternatives for achieving the goals are sufficiently considered.

At any given time, an enterprise has a limited number of all types of reproducible and non-reproducible resources, which necessitates the most effective use of them. Optimality - the assessment of the effectiveness of various alternatives is to find one of them, which will ensure the maximum effect;

- ensuring the completeness of taking into account costs and effects, the lack of recurrent consideration of certain costs and effects, comparability and reliability of

their characteristics;

- taking into account the diverse consequences of scientific and technological progress, the time factor and the availability of time lags, changes in the intensity of resource use and output, the main operational and economic characteristics of machines and technologies, economic unevenness of non-synchronous costs;

The selection of decisions is considered as the search for the optimal form of management for the future period; application of appropriate calculation methods in non-deterministic conditions; variability of strategy formation.

In order to achieve optimal results in shaping the strategy of management of financial resources of enterprises, special and detailed attention needs precisely the functions of the subject of management.

It should be noted that the financial strategy of the company provides:

- formation of financial resources and their effective use;
- search of optimal directions of concentration of financial resources in the contour of investment activity;
- formulation of the primary threats from competitors, maneuvering and precise selection of financial actions to achieve a significant advantage over competitors.

Taking into account that the main purpose of the financial strategy is to maximize the market value of the enterprise and increase the welfare of its owners, its main tasks can be attributed to:

- clarification of the methods of forming a successful strategy for managing financial resources and using all possibilities;
- definition of promising financial relations with financial institutions, business entities, tax authorities, banks, insurance companies, etc.;
- formation of the system of effective provision of financial resources of the operational, investment and innovation activity of the enterprise in the future;
- studying the economic and financial capabilities of potential competitors, developing and implementing a system of measures to ensure the financial stability of the company on the market;
- development and motivation of methods for the emergence of the crisis and

management methods under the conditions of this state of the enterprise [22].

The financial strategy includes methods and practice of formation financial resources, their planning and ensuring financial stability of the enterprise in the market conditions of management, and also covers all forms of financial activity of the enterprise: optimization of fixed and circulating assets, formation and distribution of profit, monetary payments, investment policy.

Consequently, taking into account the above information, it can be argued that the sphere of financial planning is precisely the development of a financial strategy, which is an integral part of a general development strategy and is coordinated according to its goals and directions. This is due to the fact that the financial strategy has a sufficient influence on the overall economic strategy of the company, since the changes taking place at the macro level and in the financial market lead to the editing of both the financial strategy of the enterprise development and the general one.

The development and implementation of a financial strategy at the enterprise makes it possible to distinguish several important accents:

- the financial strategy is aimed at sustainable development of the enterprise;
- when developing a financial strategy, considerable attention should be paid to the analysis of factors of the environment of the enterprise;
- the financial strategy is detailed for current and operational planning;
- the financial strategy must support the financial policy of the enterprise and its strategy as a whole;
- the financial strategy includes the credit and investment strategy of the enterprise;
- the financial strategy is based on the efficiency of using the internal financial potential of the enterprise and is the basis for improving the financial potential of the enterprise as a whole;
- the development of a financial strategy requires a detailed analysis of the financial statements of the enterprise and, in particular, the assessment of financial sustainability;

When choosing a financial strategy, take into account the stage of the life cycle

enterprises;

- the financial strategy should be flexible, for rapid adaptation both to changes in the environment and to changes in the overall strategy of the enterprise;
- in developing a financial strategy, it is worth using innovative management tools;
- the financial strategy is focused on maximizing profits, reducing costs, increasing the market value of the enterprise;
- the financial strategy is formed taking into account the financial interests of all participants in financial relations.

Thus, the formation of a financial strategy involves the following sequence of stages:

- 1) the characteristics of the enterprise as an open system. Firstly, it is impossible without gathering information about the market environment of the operation of the enterprise (competitors, suppliers, customers, intermediaries, state bodies and services, banking institutions);
- 2) analysis of the collected information. At this stage, financial managers must apply appropriate financial tools: microeconomic financial planning, forecasting, strategic and financial analysis (including SWOT analysis, covering analysis of weak and strong points of the enterprise, risks and additional chances), statistical methods and economic and mathematical modeling;
- 3) development of strategic goals;
- 4) development of strategy options;
- 5) determination of criteria for choosing options;
- 6) specification of the chosen version of the financial strategy;
- 7) execution of the financial strategy, its adoption and bringing to the executor;
- 8) organization of control over the implementation of the strategy [35].

If in the process of formation and implementation of the financial strategy revealed certain deviations of the actual values of indicators from the planned and determined conditions of the enterprise, then there is a strategy adjustment at the stage where the deviation was detected.

Implementation of the financial strategy at the enterprise must be carried out by specifying the goals within the planning, namely: operational and tactical. Methods of implementing a financial strategy are based on a flexible budget, which defines the costs on the basis of standards, the percentage of sales (determined by the level of profit from the planned sales), break-even, cost management. In addition, the process of implementing a financial strategy should be placed on the relevant persons who will be responsible for its effectiveness.

At the operational and strategic level, the implementation of the financial strategy requires constant monitoring, which is carried out in order to ensure the profitability and liquidity of the enterprise in the short term and in order to ensure growth and maintain a positive image or the exit of the enterprise from the crisis in the long-term. At the level of operational planning, control over budgeting is carried out, the search for weaknesses is carried out, causes of deviation from the planned indicators are established, and motivation for the adoption of effective current decisions is established. Based on the critical analysis of the impact of changes in internal and external factors, the analysis of innovative-investment decisions on efficiency, control involves the development of alternative strategies within the strategic planning framework.

In order to implement appropriate corrective solutions at the stage of implementing the financial strategy, it is necessary to compare the purpose of the financial strategy and its results, which enable to reveal information on the volumes and reasons for the deviations. The stages of implementation and adjustment of the financial strategy are carried out in parallel, since the timely detection of negative trends in the implementation of such a strategy allows you to make timely changes and prevent negative outcomes in the long run. In our opinion, the model of financial strategy of a production enterprise should contain such interdependent blocks:

- purpose and tasks;
- implementation levels;
- external and internal factors of formation;
- restrictions;

- tools and methods of implementation;
- Efficiency.

The financial strategy model is implemented through a system of relevant tools such as: projects, programs, restructuring, globalization, diversification, etc., and methods that include modeling, planning, analysis, forecasting, taking into account certain unpredictable risk factors, namely, the risk of non-payment, inflation, financial crisis, and other unpredictable circumstances.

The use of the above tools and methods of financial strategy of production enterprises is situational: specific factors, including socio-economic and political, determine the choice of one or another combination of them in different variants.

Based on the above research and interpretation, one can identify the components of the system of forming a financial strategy of the production enterprise (Fig. 1.2).

1. Block definition of the general period of financial strategy formation.

The formation of a general strategy for the development of an enterprise depends on its duration, which is the main factor in a number of factors on which the period depends, since the financial strategy is subordinate to it, it can not go beyond this period. The development of a financial strategy at the enterprise should start with the goal setting. It is from the goal that will depend on the period for which the financial strategy is being developed, the amount of information needed to make a decision on the choice of a particular strategy.

By setting the goal of a financial strategy, it is worth analyzing the amount of capital and assets, the effectiveness of their use and establishing the permissible degree of financial risk in the implementation of the strategy. It is important for the management of the company and financial managers to set a period during which the implementation of the financial strategy will be actual.

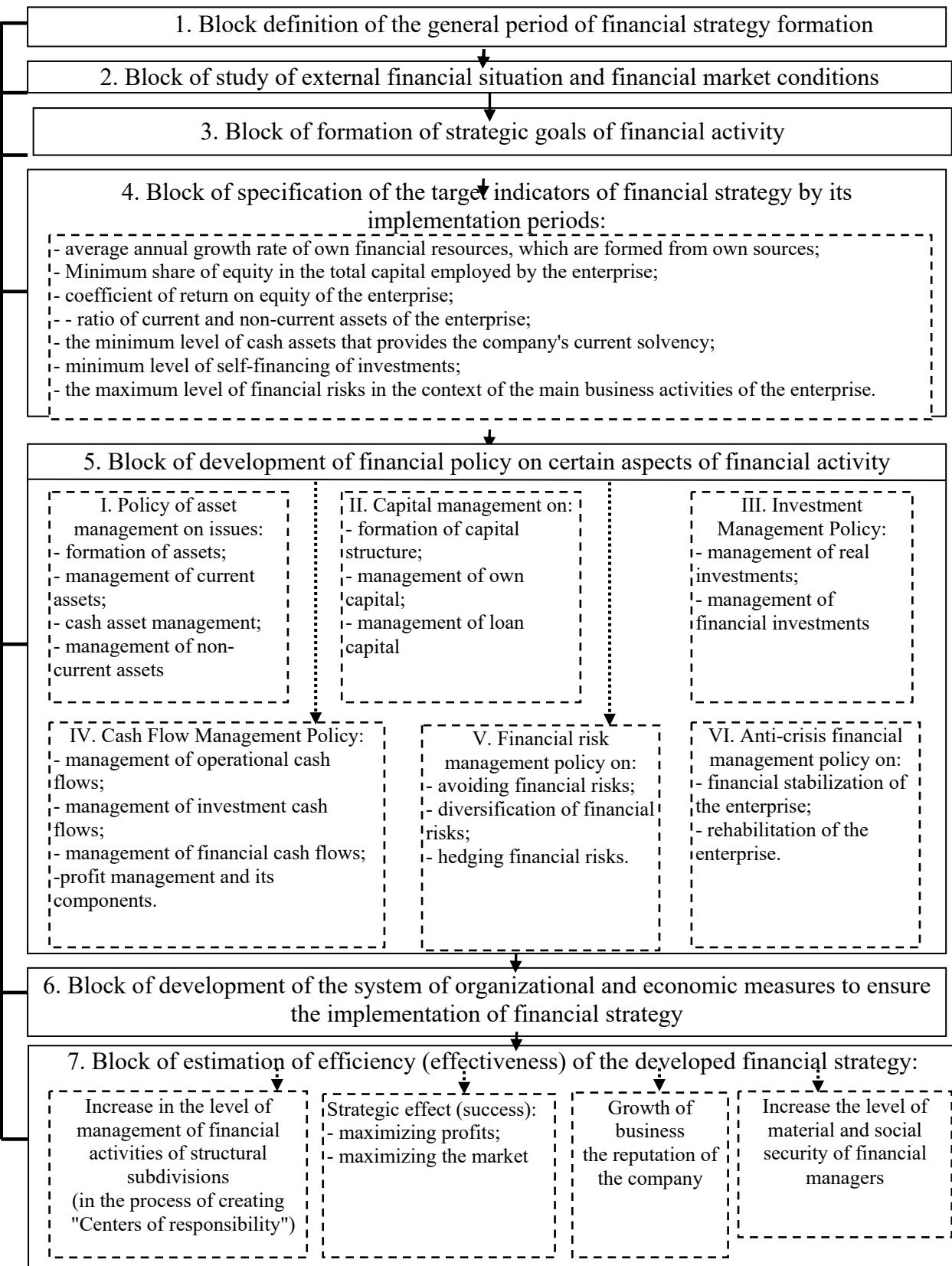


Figure 1.2. Elements of the system of formation of the financial strategy of the enterprise [31]

Duration of the period of formation and implementation of the financial

strategy depends on a number of factors:

- duration of the period of the general strategy of enterprise development;
- Possibilities of forecasting of financial market conditions and economic development in general;
- branch features, organizational and legal form of the subject of economic activity and the scope of its activities;
- stages of the company's life cycle;
- definition of strategic goals and objectives.

2. Block of study of external financial situation and financial market conditions.

It is necessary to study the economic and legal conditions of the financial activity of the manufacturing enterprise and to investigate possible changes in the next period.

Planning a financial strategy must necessarily include the collection and processing of information about the external environment. At this stage, it is necessary to carefully analyze the actions of competitors in the market, the reliability of suppliers, the needs of clients, the requirements of intermediaries, the activities of state bodies and services, the conditions for granting loans by banking institutions, etc.

The justification of external factors that will influence the development of a financial strategy will determine whether a financial strategy will lead to the achievement of the goal. In parallel with the analysis of the environment of the enterprise, it is possible to evaluate the internal environment. The assessment of the internal environment can be reduced to the analysis of cash flows from investment, operational and financial activities and the identification of factors that led to one or another result.

In addition, you can analyze the following aspects of the internal environment, such as:

- the potential of specialists of the enterprise of higher and middle level;
- products of the company in terms of sales volume, profitability, quality of

service, etc.;

- marketing activity, in particular, in the field of communications;
- price policy (justification of price elasticity of demand, method of pricing, granting of discounts, etc.);
- the system of sales of the enterprise, which is manifested, in particular, through relations with consumers, etc.

The justification of its own financial potential involves an analysis of the totality of financial resources at the disposal of the enterprise, as well as the search for ways to simple or expanded reproduction in order to ensure a balanced development of the enterprise. The financial potential of the enterprise is directly affected by the amount of equity capital, sales revenue, gross profit, profitability and liquidity of the enterprise.

3. Block of formation of strategic goals of financial activity.

In this period, the strategic goal of the financial activity of a production enterprise is to maximize its market value and increase the level of production and social reputation of the enterprise, while all this needs to be specified in the light of the tasks and features of the enterprise's future development.

Therefore, for the formation of strategic goals the company must:

- the possibility of reaching the goal to reconcile with the threat of potential bankruptcy;
- determine the conditions for the implementation of the goal:
 - 1) sufficient capital and assets, their optimal structure, efficient and rational use;
 - 2) the permissible level of financial risks in the process of management. The system of strategic goals forms a strategic model for enterprise development.

4. Block of specification of the target indicators of the financial strategy for the periods of its implementation.

The development of a company's financial strategy is specifically reflected in the financial indicators - target strategic norms, including the following:

- Average annual growth rate of own financial resources, which are formed

from own sources;

- Minimum share of equity in the total capital employed by the enterprise;
- coefficient of return on equity of the enterprise;
- ratio of current and non-current assets of the enterprise;
- the minimum level of monetary assets, which provides the current solvency of the enterprise;
- the minimum level of liquidity of the assets of the enterprise;
- minimum level of self-financing of investments;
- the maximum level of financial risks in the context of the main directions of economic activity of the enterprise, etc.

When concretizing the financial strategy over the periods of its implementation, the consistency of strategic standards in time is ensured.

5. Block of development of financial policy on certain aspects of financial activity.

One of the most important conditions for achieving the goals and objectives of the financial strategy is to provide sufficient amounts of financial resources of the enterprise.

The concrete ways to achieve the relevant goals are financial the policy of an enterprise, the development and implementation of which, based on the financial strategy, allows you to solve specific tasks in the relevant areas of its financial activities.

That is, the financial strategy focuses on those options that ensure the achievement of the goal.

The system of formation of the financial policy of the enterprise in terms of its financial activities has the following components:

- 1) asset management:
 - formation of a strategy of financing of circulating and non-current assets;
 - financial management of commodity-material values, monetary assets, accounts receivable;
 - management of non-current assets in the share of fixed assets, intangible

assets;

2) capital management:

- formation of capital structure;
- management of own capital;
- management of loan capital.

3) investment management:

- management of real investments;
- management of financial investments;
- management of the investment portfolio;

4) Cash Flow Management:

- management of cash flows from financial activities;
- determination of the value of money in time and its use in financial calculations;

- management of operational cash flows;
- management of investment cash flows;
- management of financial cash flows;

5) financial risk management:

- avoiding financial risks; - diversification of financial risks;
- hedging financial risks.

6) anti-crisis financial management:

- financial stabilization of the enterprise;
- rehabilitation of the enterprise.

Each entity has its own peculiarities, therefore it is impossible to determine a single approach to the choice of financial policy or financial strategy.

This period is one of the most important stages, because financial policy is a form of implementation of financial ideology and financial strategy of the enterprise in terms of the most important aspects of financial activity at certain stages of its implementation.

6. Block of development of the system of organizational and economic measures to ensure the implementation of financial strategy.

Considering resource, functional, complex strategies, an important aspect, for each enterprise are:

- definition of the type and amount of information required for strategic activity;
- development of an effective system of collection, processing, use and storage of information;
- taking measures to prevent the negative effect of the use of inaccurate information;
- creation of conditions for the effective use of the necessary information for making strategic decisions, as they directly affect its development and viability. The reasonableness of the decisions to be made depends on the information on which they are based, and the price of errors is constantly increasing.

The strategic information needs of the company cover everything that can affect the company's long-term activity, unforeseen incidents associated with changes in the environment (including forcing- major circumstances), even information about events that are outside the immediate activity and influence, but may change the company's fate. Strategic information needs depend on the strategic goals that the company sets itself.

Reliable information provision in the form of databases of strategic data, assumptions and forecasts is required when formulating a strategy for managing financial resources.

The Strategic Data Base (BDS) is a brief system description of the most significant strategic elements that belong to the enterprise's external environment. It is used to determine the manifestation of processes in the future, assessment of the current state and strategic decisions.

The strategic data base contains information on the impact of the individual components and factors of the strategic analysis and management process on the formation of strategic alternatives, and also contains information that allows you to choose certain solutions from the identified alternatives, thus, in view of the above, the BSD can be interpreted as a subsystem of support for managerial decisions.

With the help of selected target information coming from many sources (Fig. 1.3), a strategic data base is formed. It is based on the analytical processing of a set of data oriented for concrete use in the process of establishing and implementing strategic plans, projects and programs in essence represents the process of transforming this set of data into strategic information [37].

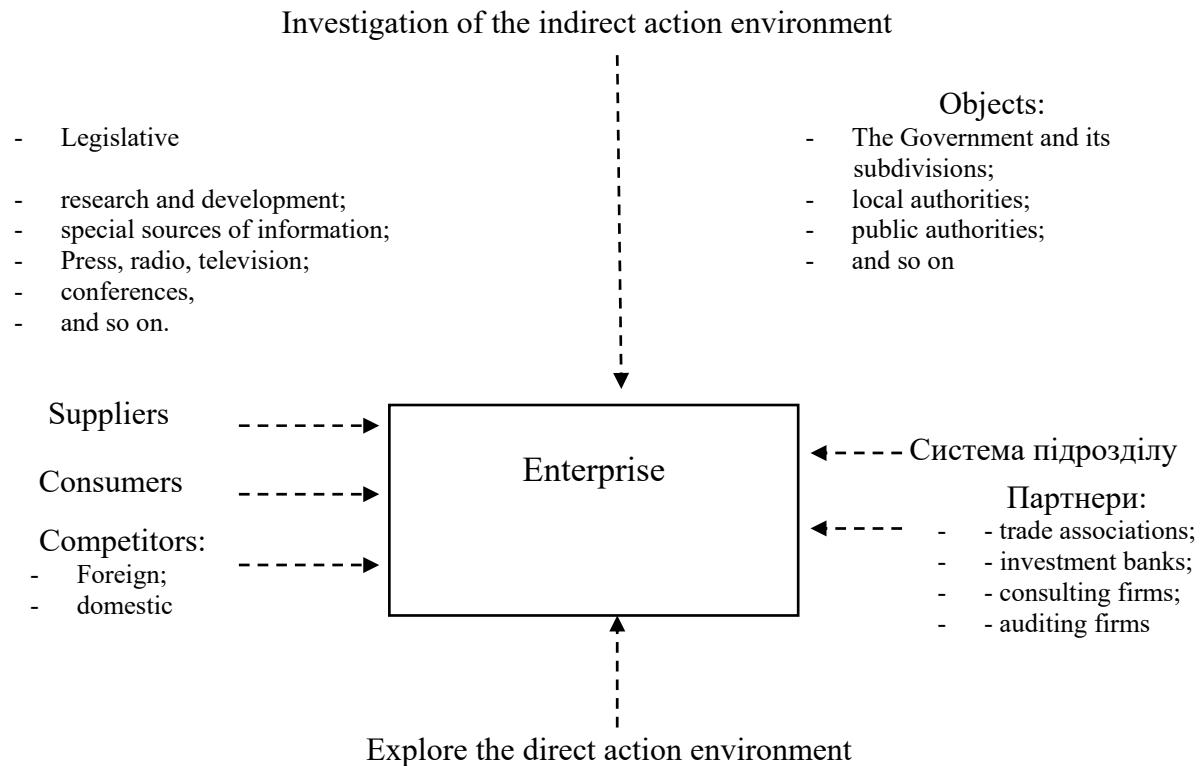


Figure 1.3. Sources and objects of analysis to obtain information manufacturing enterprise [37]

The strategic data base of the manufacturing enterprise has a rather complex structure, which includes the following subsystems:

- BSD on the strengths and weaknesses of the enterprise;
- BCD about risks (threats) and opportunities existing in the external environment;
- BSD on the level of competition and the criteria for competitiveness in the industry;
- BSD on the general state of the economy;
- BSD on the situation in adjacent markets, etc.

7. Block for evaluating the effectiveness of the developed financial strategy. It is the final stage in the formation of a financial strategy of the company which is conducted on the following basic parameters:

- the financial strategy of the enterprise must be consistent with the general strategy of its development. In the course of such evaluation, the degree of coordination of goals and objectives, stages and time limits in the implementation of the financial strategy is determined;

- The company's financial strategy must be consistent with the envisaged changes in the external financial environment. According to this parameter, the compliance of the developed financial management strategy with the projected economic development of the country and changes in the financial market conditions in the context of its separate segments are established;

- The financial strategy of the enterprise should be internally balanced,

that is, as a result of such an assessment, we will be able to determine if and to what extent are the individual goals and target strategic norms of future financial activities consistent with each other; how these goals and norms correspond to the content of financial policy on particular aspects of financial activity; Are the measures taken to ensure the implementation of the financial strategy consistent with each other in directions and in time, and to what extent;

- the possibility of implementing a financial strategy. When forming its own financial resources, it is necessary to consider all potential opportunities, in addition from the point of view of the tasks of implementing the financial strategy, it is necessary to assess the level of technical equipment of financial managers and their qualifications;

- optimization of the level of risks associated with the implementation of the financial strategy. In this case, determine whether the level of projected financial risks associated with the activity of a production enterprise is sufficiently balanced in the course of its development, and to what extent, whether or not it meets the financial mentality of its owners and responsible financial managers, in addition, determine estimation of the level of risks available to the financial enterprise of the

respective enterprise from the position of possible size of financial losses and generating the threat of its bankruptcy;

- effectiveness of the developed financial strategy. On the basis of predicted calculations, the effectiveness of the financial strategy can be estimated, along with this can also be evaluated and not financial results of implementation of the developed strategy, namely: increasing the level of management of financial activities in the process of creating "centers of responsibility" in structural subdivisions; growth of business reputation of production enterprise; increase the level of material and social security of financial managers by the results of financial activity with an effective system of material incentives and a higher level of technical equipment of their workplaces.

In order to achieve the effectiveness of applying a financial strategy at the enterprise, you must adhere to the following conditions, namely:

- The financial strategy developed at the enterprise should fully correspond to the general strategy of the enterprise
- degree of coherence of goals, directions and stages of implementation of these strategies;

- consistency of predicted changes that arise in the external business environment with the financial strategy of the enterprise;
- implementation of the financial strategy developed by the company in relation to the formation of own and attracted external financial resources, etc.

Financial planning has a close relationship with business planning, which is based on other plan indicators, such as a plan for output and output, capital investments, cost estimates for production.

It is directly related to the planning of economic activity and is based on other indicators of the plan (volume of production and sales, cost estimates for production, capital investment plan, etc.). However, the development of a financial plan is not a simple arithmetic conversion of production figures into financial indicators.

The development of financial planning at the enterprise is carried out in order to realize certain defined goals, namely:

- provision of financial resources and means of enterprise activity;

- increase in profits from the main activity and other activities, namely financial and investment, if they are available at the enterprise;
- organization of financial relations with counterparties, namely: with the budget, extrabudgetary funds, banks, suppliers, creditors and debtors;
- ensuring a realistic balance of planned revenues and expenditures;
- providing solvency and financial stability of the enterprise [9].

When designing a financial plan, it will be advisable use the following methods of economic analysis: analysis, synthesis, direct account, extrapolation, multivariate, balance and normative.

The system of financial planning of an enterprise becomes real since the determination of the availability of schemes for the coordination of all its plans, and the existence of a specific system of responsibility for the implementation of each plan. The evaluation of the effectiveness of the financial strategy of the enterprise is based on the predictive calculations of various financial and economic indicators, the study of their dynamics, as well as such results of the strategy implementation as the growth of business reputation of the enterprise, increase of the level of management of financial activities of its structural subdivisions, etc.

The effectiveness of a financial strategy depends on many factors, including:

- Whether it corresponds to the innovation strategy of the enterprise, or the agreed goals, directions and stages of implementation of these strategies;
- Is it consistent with the projected changes in the external business environment?
- Is it enough to realize the developed financial strategy of own and attracted external financial resources, etc.?

When forming a financial strategy, it is necessary to create a management apparatus that will be able to respond promptly to possible changes in the external environment and its fluctuations, which needs to take into account certain organizational moments. First of all, it is necessary to conduct systematic research of the environment of the enterprise and to carry out constant control over its changes. According to the theory of the necessary diversity of R. Ashby, for the successful

counteraction to the external environment, the complexity and speed of decision-making should correspond to the complexity and speed of the changes that arise in this environment.

An enterprise must have a flexible management structure that ensures the effectiveness of the managerial staff at any moment: both now and in the future. It is also desirable to develop ways of responding to an enterprise in the implementation of a financial strategy in case of unforeseen sudden changes.

Thus, the enterprise infrastructure consists of planning, general management, accounting, quality control and financial strategy formation. The low level of efficiency of the formation and use of financial resources at production enterprises, usually occurs in the case of insufficient provision of them. Therefore, in the context of modern globalization processes, this situation requires new approaches to modeling the choice of the optimal variant of the strategy of managing the financial resources of production enterprises.

It should be noted that the management of financial activities is comprehensive. Management decisions should be interdependent, ensuring the complexity and efficiency of managing the financial activity of the enterprise. Therefore, the high dynamism of internal economic processes in the enterprise, as well as the external conditions of financial activity, requires speed and convenience in decision making, which creates opportunities for timely response to changes in business conditions. Consequently, enterprises engaged in financial activities should take into account not only their own strategic and current goals, but also technical and economic factors and trends typical of the industry.

Thus, the basis of effective financial activity of a production enterprise and an important factor in ensuring its competitiveness in the long run is a sound financial strategy that minimizes the consequences of possible risks and contributes to the financial sustainability and solvency of the enterprise.

1.3. Simulation of the choice of the optimal variant of the strategy of management of financial resources of the enterprise

The strategy of managing financial resources of enterprises at the present stage of the development of globalization processes (as a functional strategy) is the basis for the selection of alternative options that determine the nature and direction of the organization of financial relations both externally and directly at the enterprise.

The strategy of financing as activity determines the purpose of using financial resources and capital, financing methods, time characteristics, levers and methods for managing the movement of financial resources and capital, defining a "strategic set" (as a structure of specific financial strategies), as well as financial planning and development of special plans.

The formation of the model for choosing the optimal version of the strategy for managing financial resources of enterprises is based on the following fundamental principles:

- 1) balancing material and financial flows;
- 2) the most efficient financing of expansion, support and, if necessary, reduction of individual subsystems and enterprises in general;
- 3) forecasting of alternative variants of enterprise development, taking into account financial characteristics of its activity in different conditions;
- 4) financial control and analysis of the enterprise.

The strategy is being developed for a dynamic, ever-changing system, and therefore it is necessary to track the movement of all components of the financing process. The financial strategy determines the best direction of financial activity, aims at saving all types of expenses, mobilizing capital to support production, research, marketing and other strategies, to maximize the value of the enterprise.

The development and selection of an optimal financial management strategy is the basis for ensuring the long-term competitiveness of the enterprise. The most important part of it - is the decision on the appropriate for the company structure of financial resources and capital. This concerns, first of all, the relationship between financial resources - their own and equated to them, borrowed and borrowed; capital -

the main and reversible, own and borrowed; asset management allows you to increase profitability due to faster turnover of capital. Significant role in this is played by the structure of property of the enterprise.

In the societies, the ratio (combination) of simple and preferred shares, bonds and promissory notes, which enable to provide the enterprise the necessary for activity and capital development as low as possible, is of paramount importance. Dividend management is an important part of the financial strategy. Rapidly enriching enterprises often do not pay dividends, and direct money for further development. The stock exchange is supported by the image of "prosperity", which allows the attraction of capital through the sale of ordinary shares. In enterprises with a small growth rate, the value of shares is deliberately supported by the payment of high and stable dividends. The benefits of this or that approach are expressed in the dividend policy of the enterprise.

Companies that are seriously involved in development require significant investments, they can not enter the market on a regular basis to raise funds at the expense of securities issue. Therefore, the most effective way is to control the payment of dividends in order to minimize financing from external sources, which will ensure the effective adoption of financial decisions in the short and long term.

As you know, dividend policy is a set of goals and objectives set by the management of the company in the field of dividend payment, as well as a set of methods and means of achieving them. Optimization of dividend policy is an optimization of the ratio between profits paid in the form of dividends and those that is reinvested in order to maximize the income of owners. The fundamental task of working out dividend policy is to establish the necessary proportionality between the current consumption of profits by owners and their future growth, which maximizes the market value of the enterprise and provides strategic development.

An effective policy is a dividend policy that minimizes the conflict between shareholders, lenders, and enterprise management, and there is a rise in the market price of corporate rights. Also, one of the main reasons why dividend decisions can have significance for manufacturing enterprises are: firstly, the impact on market

quotes of the company's shares, and, consequently, the market value of assets; and secondly, maximizing the welfare of shareholders.

On the one hand, the specific method (model) of dividend policy can change the above parameters, because dividend policy is one of the most important elements of managing the financial subsystem of the enterprise. On the other hand, the dividend decision should take a rather passive role, and all the attention should be focused on "real moments of production", namely: investment, technological, marketing and other components of the economic mechanism of the enterprise.

There are three points of view regarding the value of dividend policy for the overall assessment of the production enterprise and the task of maximizing the profitability of shareholders: the independence of dividends (the theory of Modigliani-Miller); the theory of dividend policy's significance; the theory of tax differentiation. In addition to these theories of dividend policy need to mention the signal theory of dividends, as well as the theory of clientele [10].

The practical use of these theories has allowed formulating three approaches to the formation of dividend policy: conservative, moderate (compromise) and aggressive [10, 34].

It should be noted that the main method of dividend payments used in world practice is the method of payment of dividends by shares. However, it can not be unambiguously attributed to any of the approaches to dividend policy, discussed above.

For the implementation of dividend policy, each enterprise uses its own installations, problems and values. The complexity of the formation of dividend policy is due to its multifactor and insufficient information to predict the impact of selected dividend policy on the market value of the enterprise. When it comes to making dividend policy decisions, it should be borne in mind that they affect a number of key parameters of financial and economic activity of the enterprise: the magnitude of self-financing, the structure of capital, the price of attracting financial resources, the market rate of corporate rights, liquidity, and others. The most clearly expressed is the link between dividend policy and self-financing of an enterprise: the

more profit is paid in the form of dividends, the less money remains for the enterprise to make reinvestments. If the decision is taken on the return of profits, then the value of equity increases, and therefore, the overall structure of capital of an enterprise changes, which, in certain circumstances, affects its value.

For enterprises of the domestic economy until recently was characterized by the absence of dividend policy as such (minimum dividend amounts, lack of targeted criteria). A stable level of dividend payments may indicate that investors invest in the company's capital effectively. In Ukraine today there is a tendency not to pay dividends altogether or pay minimum dividends on a residual principle. Most domestic enterprises do not develop a long-term dividend policy, primarily due to the loss-making or low-profit activity of many manufacturing enterprises, the need to direct all profits to replenish working capital and finance investments, etc.

Determine the main stages of the formation of the dividend policy of production enterprises:

- 1) assessment of the main factors determining the formation and implementation of dividend policy;
- 2) choice of type of dividend policy and method of payment of dividends;
- 3) developing a mechanism for distributing profits in accordance with the chosen type of dividend policy;
- 4) determining the level of dividends per share;
- 5) assessment of the effectiveness of the realized dividend policy.

When designing and implementing dividend policy, industrial enterprises need to take into account many different criteria. The factors that determine the practical implementation of dividend policy are: providing sufficient funds to expand production; financial results of the enterprise; financial stability of the company; compliance with the interests of shareholders; information value of dividend payments. As part of the most important external factors: the state of business activity in the country; inflation rate (current and expected); legal regulation of dividend payments; the growth of the number of joint-stock companies; efficiency of the securities market.

Formation and implementation of dividend policy depends to a large extent on legally established principles and rules. Regularity of specific dividend payments is established by the company's charter [17]. Dividend - part of the net profit of a company paid to a shareholder, calculated on the basis of one share belonging to him of a certain type and / or class. The Company pays dividends exclusively in cash.

Thus, the main source of dividend payments for the year is the company's net profit for the past year. In case of absence or insufficiency of net profit of the reporting year and retained earnings of previous years, payment of dividends on preferred shares is carried out at the expense of the company's reserve capital [17].

One of the important criteria for choosing a dividend policy is the investment opportunities of the enterprise. The factors that characterize investment opportunities of enterprises are:

- 1) the stage of the life cycle, since in the early stages of development the enterprise is forced to invest the most part in the reproduction;
- 2) market cycle of the commodity market, since during the rise of the market conditions the value of capitalization of profits increases and the possibilities of dividend payments are reduced;
- 3) the necessity of expansion of investment programs, since when investment activity on restoration of fixed assets and intangible assets intensifies, the need for reinvested profit increases and dividend size is reduced;
- 4) the degree of readiness of the planned investment projects, because at a favorable market conditions for their implementation will require concentration of their own financial resources.

Today, most of Vinnytsya production enterprises are approaching the stage of aging, when the enterprises need to implement the ideology of the situation ahead, implementation of a complex of measures of innovation, restructuring, providing adequate changes in factors, technologies, organization of production and, eventually, change the trend of the enterprise development. At this stage of development, the policy of high dividends is illogical, the policy of dividend payments is justified, adjusted in view of the growth rates of profit and other indicators. The bulk of the

income required by investors will be generated by the growth of market quotations of shares of the company on the securities market in the event of successful restructurings.

Studies show that there is no methodology for calculating dividends in issuers. Despite the long dividend history, most joint-stock companies did not develop a fundamental approach to determining the size of dividends on preferred shares.

The amount of dividends on preferred shares of all classes is determined in the charter of a joint-stock company. Thus, the absence of a clearly defined norms for distributing net profits in the charter by this type of shares deprives investors of the benefits to the owners of ordinary shares, which in turn leads to a decrease in the rate of preferred shares. Using the genuine method of dividend payments by enterprises leads to sharp unexpected fluctuations in their size, which forms a «negative market image» and can provoke a fall in the market price of the company's shares. Under current conditions of development, before manufacturing enterprises there is a need to develop a predictable and stable dividend policy that meets the stage of their life cycle [17].

In our opinion, the basic principles that should be based on the methodology of dividend payments by production enterprises are: use of the principle of differentiation of the amount of dividend payments, depending on the value of a number of essential criteria; ensuring transparency (comprehensibility) of the mechanism for determining the amount of dividend payments to shareholders and managers. The dividend policy in respect of preferred shares of an enterprise should be clearly defined by the rate of payment, in our opinion, this value should not be less than 10% of the net profit of the production enterprise. This will eliminate the residual principle of dividend payment for privileged shares and increase their investment attractiveness.

Thus, the effectiveness of dividend policy is considered as a factor in the overall efficiency of the economic activity of the manufacturing enterprise and the condition for realizing the goals of its development in the current period and in the strategic perspective. Taking into account the above, it can be concluded that the

profit distribution policy is effective if it contributes to the efficient operation of the enterprise. The development of dividend policy should be based on an individual approach to each enterprise, based on its financial and economic indicators, the opportunities and needs of attracting investment resources and the threat of loss of control over the joint-stock company. At the same time, the main goal should be to promote economic security and increase the investment attractiveness of the manufacturing enterprise in the long run.

The financial strategy as a functional also involves the definition of relations with financial, insurance, credit organizations, shareholders, the financial market in general, as well as with individual units and officials within the enterprise - all this manifests itself in the specifics of the organization financial management subsystem.

The financial strategy is developed in the form of a plan (budget) or a program of financial development of the enterprise, taking into account the necessary changes in the structure of capital and funds in order to achieve the developed growth strategies and increase the competitive advantages of the enterprise:

- general financial strategy: cash management and market securities; management of inventory; lending strategy; dividend strategy;
- financial projections for investments, other receipts and payments: draft financial balance; financial plan for external financing.
- a mechanism for analyzing and monitoring the financial condition of the enterprise in the implementation of the program [36].

In order to describe the financial strategy, the implementation of a strategic set requires sufficient financial resources - this is the most important condition for any activity, including the implementation of strategic plans, projects and programs.

Economic indicators play an important role as control points in the process of analyzing and evaluating the modeling of choosing the optimal version of the financial management strategy.

The statement of the task of optimizing the financial strategy of an enterprise involves the definition of two subtasks:

- 1) the definition of instrumental variables of the task of optimizing the

financial strategy, which characterize the strategic results of the enterprise as an object of optimization;

2) the definition of a quantitative criterion or criteria, which corresponds to all possible options of the company's financial strategy in order to choose the best.

Variables of optimization of the financial strategy of enterprises are considered the values that management can change in the process of choosing the best option of financial strategy. However, there are a number of fixed, external to the enterprise values that management can not change in the process of choosing the best option for a financial strategy - these values are called outsourcing optimization parameters.

The set of optimization variables and outside-optimization parameters must uniquely identify each of the options financial strategy of the enterprise. Otherwise, setting the task of optimizing the financial strategy of an enterprise should be considered incorrect. If the version of the financial strategy meets all the requirements for the financial strategy, then such a strategy of the enterprise is considered acceptable. The conditions that must satisfy the version of the company's financial strategy to be a feasible option is called the limitations of the task of optimizing a financial strategy.

In order to describe the state of activity of the production enterprise, the enterprise variables are additionally introduced, which is uniquely calculated through the instrumental variables of optimizing the financial strategy. It should be noted that management in the process of choosing an optimal financial strategy directly affects only the instrumental variables of optimizing the strategy of the enterprise, and on the state variables - indirectly.

The impact on the variables of the state of the enterprise is by-passed - through the instrumental variables optimizing the enterprise strategy. Limits can be imposed both on the variables of optimizing financial strategy, and on the variables of the state of the enterprise [6, 19, 27, 36].

Among the many feasible financial strategy options that meet all requirements, you should choose the optimal option with the help of a quantitative criterion called optimization criterion or target function. Target function quantitatively characterizes

the achievement of the strategic goal of the enterprise. A properly selected optimization criterion provides the opportunity to choose the optimal financial strategy.

The company's financial strategy, as noted earlier, solves a number of tasks and therefore requires a number of local optimization criteria. Several tasks set before the production enterprise include multicriteria optimization of the strategy. From the mathematical point of view, in the presence of several local optimization criteria for the uniquely existence of an optimal solution, it is necessary to have additional conditions that connect the local optimization criteria among themselves. The solution of such an optimization problem is possible on the basis of a systematic approach.

Under the system being studied, understand the financial strategy of the enterprise as a whole, which is in interaction with the environment. Under separate elements of the system we will understand the separate tasks of the financial strategy, which are in the relationship. Distribution of the system to individual elements is carried out by methods of structural analysis.

The mathematical apparatus of multicriteria optimization allows each task of optimization of the element of financial strategy to be solved separately.

Moreover, each task of optimizing a separate element of a strategy must improve the financial strategy of the enterprise as a whole, albeit in the event of a certain deterioration of the work of the optimized system element. Thus, every element of the company's financial strategy must work on the final result of the enterprise as a whole.

The criteria for optimizing each of the elements of the financial strategy (local criteria for optimization) put forward the following conditions: autonomy - the calculation of the local criterion should be carried out within the optimization of its element of strategy, using, if possible, less information about other elements of the strategy; coherence - local criteria should not conflict with each other, and stimulate the improvement of the financial strategy as a whole.

Proceeding from the contradictory nature of the elements of the financial

strategy, in our opinion, the task of multicriteria optimization can be solved by reducing it to the task of one-criterion optimization, translating the local criteria of each subsystem into a constraint.

As the only criterion for optimizing the financial strategy of a production enterprise, the maximum profit is proposed in the long-term period. The ultimate goal of optimizing the financial strategy of a production enterprise is maximization of profitability in the conditions of stability, financial independence and competitiveness.

To instrumental variables optimization of the financial strategy of the production enterprise is proposed to include the following:

1) the total size of the existing financial resources (contains the size of their own and equivalent financial resources, borrowed and borrowed financial resources), as well as the amount of net income (revenue) from the sale of products (goods, works, services), which directly affect the profitability of the enterprise ; because the position of the company to ensure its maximum net profit is a strategically important task;

2) the size of own and borrowed capital, as well as the size of assets (property of the enterprise) that determine the level of competitiveness of the manufacturing enterprise, the direction of costs for the complex updating or modernization of certain areas of activity, the level and ways of diversification of investment risks and liquidity of the main and auxiliary financial transactions, etc. ;

3) information and technologies that determine the level of costs for documentary, informational and personal security, the level of costs for upgrading and developing technology for the transfer of information and the provision of services, and affect the level of profitability of the production enterprise;

4) marketing policy that determines the level of appropriate budgeting and the direction of financial costs and revenue in the conditions of creation and increase of the market value of the brand of the manufacturing enterprise, expansion of target groups of potential and existing customers, as the result - the possibility of maximizing the main and additional revenue, additional benefits;

5) personnel and organizational policies that determine the level of labor costs, personnel management system, training, internships and training, and additional incentive measures. In the future, it determines the directions and ways of maximizing the profitability and efficiency of financial and other activities of the enterprise due to the impact of employees and the level of performance of their duties.

To limit the task of optimizing the financial strategy of a production enterprise it is proposed to include the main external factors of influence:

- General economic: inflation, changes in national income, slowing down of payment transactions, tax system, regulated legislation, changes in real incomes, unemployment rate, etc.

- Market: demand, the state of the financial market, the state of the stock market, the state of the currency market, the level of monopoly in the market, the change in the capacity of the domestic market, etc.

- Others: political situation, demographic trends, natural disasters, the state of the foreign exchange market, crime situation, etc.

The variables of the task of optimizing the financial strategy of a production enterprise, which are uniquely calculated through the instrumental variables of the optimization of financial strategy, is proposed to include:

- coefficient of general liquidity (coverage), which is the main factor in strategic orientation of a production enterprise and affects the policy of increasing assets and / or liabilities;

- The factors of financing and borrowing financing are one of the determining factors in determining the reliability and solvency of the enterprise;

- the level of profitability (loss) of financial resources, assets, realized products, which in turn significantly affect the financial strategy of the production enterprise.

We have generated the initial data for constructing a model that links the indicators of financial activity of the manufacturing enterprise in the long run with the tools of its financial strategy. In the future it is necessary to formulate the mathematical dependencies of the influence of the instrumental variables on the task

of optimizing the strategy of the production enterprise on the variables of the state of the enterprise and the optimization criterion.

As you know, simulation is a way of forecasting, which involves designing a model of a real process or phenomenon that may occur in the future. The simulation process includes a preliminary study of the object (phenomenon), the allocation of its characteristics (attributes) and patterns of development, theoretical and experimental design of the model, comparison of the simulation results with the actual data on the object, correction and refinement of the model [2].

Economic and mathematical modeling of socio-economic processes is carried out using econometrics, which provides a number of advantages: quantitatively expresses the economic ties between many variables that affect the process; Provides stability and flexibility in adapting to changing conditions due to unambiguous evaluation of variables.

As external conditions affecting the activity of the enterprise, as well as the processes in it, are the result of complex and ambiguous interaction of many factors, causes, dependencies, many of which have a random (probabilistic) and / or obscure (vague) nature. The consequence is that the work of enterprises is largely burdened by uncertainty and the risk it poses [2].

To date, there is no integrated approach to optimizing the ratio of own and borrowed financial resources in order to maximize their profitability in the process of implementing the financial strategy of enterprises.

Summing up the views of different authors regarding the classification of models, one can distinguish the following: instructional descriptive; prognostic; settlement and analytical; functional; structural-functional; structural-logical; information-cybernetic; situational graphic models [15].

In our opinion, the problem can be solved by constructing an economic and mathematical model that will enable to predict not only internal processes in the enterprise, but also the influence of external factors in the conditions of globalization, as well as reflect the relevant causal relationships.

Since the main goal of forming a financial strategy of a company is to

maximize profits, its market value, increase the efficiency of operations, maximize the market, then it is necessary to allocate financial characteristics that will ensure the effectiveness of the strategy of financial resources management.

Thus, in the first stage of the modeling of the strategy of financial resources management it is appropriate to summarize it in the form of interconnected financial characteristics:

- 1) the formation of a sufficient amount of financial resources (the total size of financial resources of the enterprise);
- 2) assessment of the efficiency of the investment of financial resources (financing coefficient, loan financing factor);
- 3) assessment of the efficiency of the use of financial resources: the level of profitability (loss) of financial resources; the level of profitability (loss) of assets; the level of profitability (loss-making) of sold products.

On the basis of our study we can distinguish the following characteristics of the financial strategy of production enterprises:

- 1) this factor - the primary critical measure of the enterprise's activities both in its tactical and strategic aspects;
- 2) this meter is an important indicator of all key characteristics of the enterprise activity;
- 3) centralized work on the development and control of the implementation of financial strategy.

Here is a general description of the main strategic decisions that are taken when developing a financial strategy:

- indicators of the corporate strategy (the financial strategy should be presented consolidated financial indicators from all the main points of the corporate strategy);
- the decision on corporate finance optimization (we must always remember that, firstly, this is a strategic decision and, secondly, that this position for different enterprises should be substantially different);
- financial-investment strategy (within the framework of the financial strategy only the financial aspect of the investment strategy of the enterprise is considered).

The investment strategy itself is an independent, rather complex object of management);

- leasing (in the financial strategy only the financial aspect of the leasing activity of the enterprise is considered);

- decisions on operations with own securities (this should be only about strategic decisions on the placement of shares of the company and other operations with its securities);

- a decision on financial markets (this position reflects the essence of strategic decisions related to the choice of enterprise specific financial markets, in which it involves working in a given perspective);

- strategic alliances (only strategic decisions from different strategic alliances belong to this position. Information about tactics and technique of such decisions is not usually given.);

- decisions on venture capital (given without describing the mechanisms and procedures for their adoption);

- takeovers and mergers (such decisions and their price are considered in the relevant financial indicators).

An analysis of the content of the strategic decisions described in the framework of the financial strategy shows that finances as a resource play a role of limitation in the activity of the enterprise. Therefore, the development of a sound financial strategy serves as the basis for ensuring its long-term viability.

In our opinion, to recommend the type as the main financial strategy, and the operational strategy of managing the financial resources of a particular production enterprise, it is expedient to use a matrix (Fig. 1.4).

		Financial strategy	Financial strategy
	profitable	Operational: 1) accelerated (integrated and differentiated) growth; 2) limited (concentrated) growth; 3) combination	<i>Home:</i> strategy for gradual development <i>Operational:</i> 1) limited (concentrated) growth
		$V_I \leq 10\%$	
	Activity of the enterprise	Financial strategy	<i>Home:</i> stabilization $10\% < V_I \leq 30\%$
unprofitable		Financial strategy <i>Home:</i> protective <i>Operational:</i> 1) reduction (or compression)	Financial strategy <i>Home:</i> anti-crisis <i>Operational:</i> 1) reduction (or compression)
		$V_I > 30\%$	
		The coefficients of variation of indices of different characteristics (V_I)	

Figure 1.4. Recommended matrix of management strategies financial resources of production enterprises

The matrix shows how the strategic group of enterprises is currently determined to optimize their financial strategy according to the level of variation of the indices of instrumental variables and variables. Using the matrix of the financial strategy, you can assess the state of the enterprise at the moment, and by changing the relevant indicators - to find out how administrative decisions can affect the state of the enterprise in the future.

In addition, you can choose the necessary parameters of economic activity to achieve the planned state of the enterprise at a low level of financial risk.

In general, the strategy of managing financial resources should be aimed at increasing the efficiency of their formation, ensuring proportional and balanced development of production enterprises. For each group of companies included in the relevant quadrants, one can determine the general directions of development and a set of measures for their implementation. At the same time, the identification of specific problems of each group of companies allows to develop practical recommendations for their solution, provides an adaptation of the strategy of financial resources management to the conditions of a particular enterprise.

The quality of the financial strategy is a set of properties that determine its ability to meet the specific requirements of the overall development strategy and characterize the extent of reach, opportunities and effectiveness of implementation.

The main features of the established strategy of financial resources management are its effectiveness, adequacy, reliability, ability to create and maintain long-term competitive advantages both financial resources and enterprises in general, time orientation, reach, due to compliance of the company's potential with its strategic capabilities of operation and development, planning, systemicity, differentiation, flexibility, riskiness. The essential point is that financial managers and business leaders must strive for an optimal combination of these features, since they all have a dual nature - the change of one (several) sign leads to a change of another (other).

Features of the assessment of the quality of financial strategy is that: it is determined in the process of developing financial decisions, that is, long before obtaining the final result of management of economic objects and processes. The presentation at this stage of the results is predictive and not high probability; The goal of a general business development strategy, with which the goals of a financial strategy need to be reconciled, may change over time [30].

Therefore, the assessment of the quality of the financial strategy is a specific and complex process that needs further development and clarification.

In the formation of financial strategies, the most important circumstances that ensure its high quality, is the resource and methodological support.

It is these two components appropriate to choose as criteria that adequately characterize the quality of strategy formation. Compliance with the criteria of methodological support is possible in the case of using progressive, scientifically based methods, technologies of the process of strategic planning, preparation and development of decisions, projects, programs in the field of finance. To groups of such criteria it is expedient to include criterion indicators that characterize the use of the system approach, their sufficiency in terms of full coverage of the characteristics of the process of forming a financial strategy, the multivariate and technologic of its formation [7].

Qualitative information is needed to formulate a strategy, adjust it, maintain a database - the task of the enterprise itself, which requires serious financial expenses, organizational effort, the availability of qualification managers. The development of an effective financial strategy is an objective basis for planning the costs associated with its formation, the implementation of general functions of strategic financial management and the organization of financial services. However, there is also an inverse relationship that determines the impact of the availability of financial resources on the quality of the formation of a financial strategy.

Hence, the financial strategy should include the criterion of financial resources, which reflects the relationship between allocation for the development of a strategy and the amount of funds necessary to implement measures that enhance the quality of financial strategy.

For the successful functioning and development of a production enterprise, its ability to survive in times of financial crises and adapt to market conditions, it is necessary to formulate and implement a financial strategy based on modeling. The task of choosing the financial strategy of a production enterprise belongs to the class of tasks of multicriteria optimization, the local criteria of which are contradictory with each other.

In our opinion, the task of optimizing the financial strategy of a production enterprise should be reduced to the task of one-criterion optimization by transferring local criteria into constraints. As a criterion for optimizing the financial strategy of a

production enterprise, it is necessary to take the formed general financial resources and, accordingly, its profit in the long run.

The study of structural-logical peculiarities of the formation of a strategy for managing the financial resources of industrial enterprises highlighted in this section enabled the authors to simulate the choice of the optimal variant of the strategy of management of financial resources of enterprises in the conditions of modern globalization processes, to develop a matrix of strategies of management of financial resources of enterprises and to carry out strategic positioning of production enterprises of Vinnitsa, as well as taking into account the peculiarities of the functioning of the under investigation enterprises and the need to improve the management of their financial resources by applying the key areas of development within the matrix developed financial strategies.

SECTION 2

INTERNAL AUDIT OF THE FINANCIAL RESOURCES MANAGEMENT STRATEGY

2.1. Prerequisites for creating an internal audit service at the enterprise

Today, a highly-qualified internal control system that contains the Internal Audit Service (IAS) is recognized as an integral factor in the efficiency and reliability of all enterprise management systems. The level of financial risks has increased significantly in recent times and requires the introduction of certain measures to reduce them and prevent them from occurring in the origins. In fact, this is the task of internal audit both at the macro level and at the level of enterprises, institutions and organizations.

Internal audit - as an activity of providing independent and objective guarantees and consultations, providing assurance of information that is important for management and aimed at improving the business of an entity. Internal audit helps the company to optimally conduct business, manage financial resources, using systematic and consistent solutions for assessing and improving the quality of risk management and control processes.

The need for internal audit increases as a result of problems related to the so-called scale effect. As the scale of activity increases, the upper management levels that divide the administrative apparatus and the levels of management implementing the work programs become more and more numerous. The multi-level management apparatus creates problems of information exchange, decision coordination, and increases the likelihood of the adoption of conflicting control decisions by different levels of decision-making. The control of executive managers from the central management becomes more complicated, which increases the risk of mistakes and abuses of staff [12].

The need to establish an internal audit service is determined by the owners and the management of the enterprise. The purpose of internal audit is to meet the needs of managers in providing control information on issues of interest to them. Internal auditors provide managers with any information relevant to the competence of these

professionals. In this case, the internal audit tasks are determined by the management body based on the needs for control information (information for making management decisions), as well as independently by internal auditors based on the specifics of their work.

The leading experts in the field of internal audit at the moment claim that there are real prerequisites for the creation of internal audit organs that form two groups - the prerequisites of necessity and organizational preconditions (table. 2.1).

Table 2.1 Prerequisites for the establishment of internal audit bodies [12]

Prerequisites of necessity	Organizational prerequisites
Presence of legally regulated control function of the higher levels in relation to the lower ones.	Absence of a really regulated internal control body at any level of the organizational structure.
The presence of a multilevel, managerial, organizational structure of the enterprise.	Presence of legislative preconditions for creation of internal audit body.
Growth of activities and diversification of its types.	The existence of still not forgotten traditions of the functioning of departmental control.
Lack of regulation of interaction and interconnections between departmental control bodies of different levels.	The real functioning of various control bodies that perform certain functions of internal control in the system.
Absence of a single concept of organization of internal control.	The real functioning of various structural and functional units that perform functions that are inherent in the internal audit.
The need for professional consulting.	

The decision as to whether internal auditing is required at the enterprise is taken by the owners and above the executive management of the enterprise. This decision is determined by many factors, which, first of all, include:

- the need for confidence in the reliability and relevance of information;
- division of ownership and business management functions;
- size and structural branching of the enterprise;
- the level of risks inherent in the enterprise's activities.

In cases where business owners are business managers and fully control all aspects of business, there may be no need for internal audit functions.

Many enterprises create an Internal Audit Service (IAS) in their structures. Internal audit, being one of the indispensable tools of the owners of the company and the Supervisory Board in the organization of corporate governance and control, is the

most developed form of internal control at the enterprise.

An internal audit service is created at the enterprise to perform control functions depending on the purpose and tasks assigned to the internal auditors by the management of the enterprise. Internal auditors are dependent, subordinate to the head of the enterprise, they conduct both scheduled and unscheduled inspections at the direction of the latter.

The question arises why shareholders of the company need internal audit and objective guarantees, if, firstly, the management itself (or through special control units) controls all processes and is able to report to shareholders on the issues, and secondly, there is an external audit . However, as practice shows, an internal audit is objectively necessary.

Indeed, the need for internal audit functions is determined, first of all, by the owners of the company, as well as regulatory bodies (for financial and credit organizations and for professional stock market participants). Internal audit is a kind of additional, independent source of information for shareholders about the state of affairs in the enterprise, and how each resource has its value, therefore, in small enterprises run by owners, internal audit is absent. However, the larger the enterprise, the more complex its organizational structure, the more it is territorially separate in it

Objectivity of internal audit is ensured primarily by the degree of its independence in the management structure of the enterprise, which is largely determined by the subordination of the function. There is a risk that, without being independent, the internal auditor will not be able to express objective judgments due to the possibility of adverse personal consequences, despite the fact that objectivity is the personal quality of the auditors. When choosing the most optimal version of the subordination of the IAS, the collegial management body approves the internal document (the provision on the service of internal audit) that regulates the activity of the IAS at the enterprise. This provision should specify the purpose and tasks of the service, its accountability, competence and authority, as well as the requirements for the professional qualifications of service staff. The general scheme of the organization of IAS is presented in Fig. 2.1.

**THE ORGANIZATION OF THE INTERNAL AUDIT SERVICE
SHOULD INCLUDE THE FOLLOWING STEPS:**

- issuance of a regulatory document by the head or owner of the enterprise on the creation of an internal audit service, which gives rise to work on the establishment of this service at the enterprise;
- development of a position on the organization of IAS at the enterprise, which reflects the main organizational principles of the work of the IAS;
- approval of the provisions of the IAS by the manager or the owner of the enterprise - a document confirming the legality of the activity of this unit at the enterprise;
- development and approval of job descriptions of IAS employees, that is, rules to be followed by employees of this service during inspections;
- creation of plans and working papers of the CBA of the enterprises, in which the schedule of inspections for a certain period and the documents that are used by internal auditors during the compilation of the effective document are approved;
- collection and creation of the own information base of the work of the SBA, that is, norms, rules, standards of verification of a certain unit of an industrial enterprise;
- the selection and authority of individuals to work in IAS, that is, the selection of persons capable of working in this service according to their knowledge and skills.

Figure 2.1. The main stages of creating an internal audit service

The Internal Audit Service is responsible for assessing the effectiveness of the internal control and risk management system built by the management of the company and informing the shareholders about the results.

The main tasks of the IAS include:

- conducting internal audits and informing the higher collegial body of management and executive management about the identified significant risks and control issues;
- assist the executive management and control units of the enterprise / employees in developing plans for improving the control system and risk management system;
- coordination of activities with an external auditor in order to reduce overall

audit costs;

- performance of other tasks and participation in other projects upon request of management.

The main objective of internal audit is to help management to effectively fulfill its responsibilities, to provide owners of the enterprise with sufficient assurance that their assets are used most effectively to achieve the goals and objectives that face the the enterprise as a whole and its separate units.

The main activity of internal audit consists of performing various audit tasks. Audit task is the activity of internal audit on the execution of a specific commission or inspection task, such as:

- internal auditing;
- investigation of fraud;
- monitoring self-assessment of the control system;
- holding consultations.

The task may involve performing several tasks aimed at achieving a series of interrelated goals.

In the process of organizing the internal audit service and further work, the chief executive officer of the internal audit department has a great responsibility.

The chief of the internal audit service must:

- prepare a Regulation on the Internal Audit Service, which defines the rules and procedures under which audits are carried out;
- draw up a program of selection and improvement of the professional level of the employees of the unit;
- maintain contact with external auditors;
- to coordinate the work of internal and external auditors, which is necessary to ensure maximum coverage of all areas of audit by the audit and avoidance of cases of duplication of audit;
- provide external auditors with information on the methods, tools and terminology used by internal auditors;
- organize testing of employees of their unit and develop an audit program to

ensure that internal auditors comply with relevant standards, as well as due diligence their functional responsibilities;

- at least once a year, as well as at the request of the management, submit reports on the work of its unit, which reflect the findings of the audit findings of deficiencies in the enterprise and the relevant recommendations for their elimination;
- submit annually to the management to approve and approve plans for conducting audits, state-building projects and budget planning of its unit costs.

The objectives of the implementation of internal audit - an assessment of the effectiveness of the company operating control and control (Fig. 2.2).

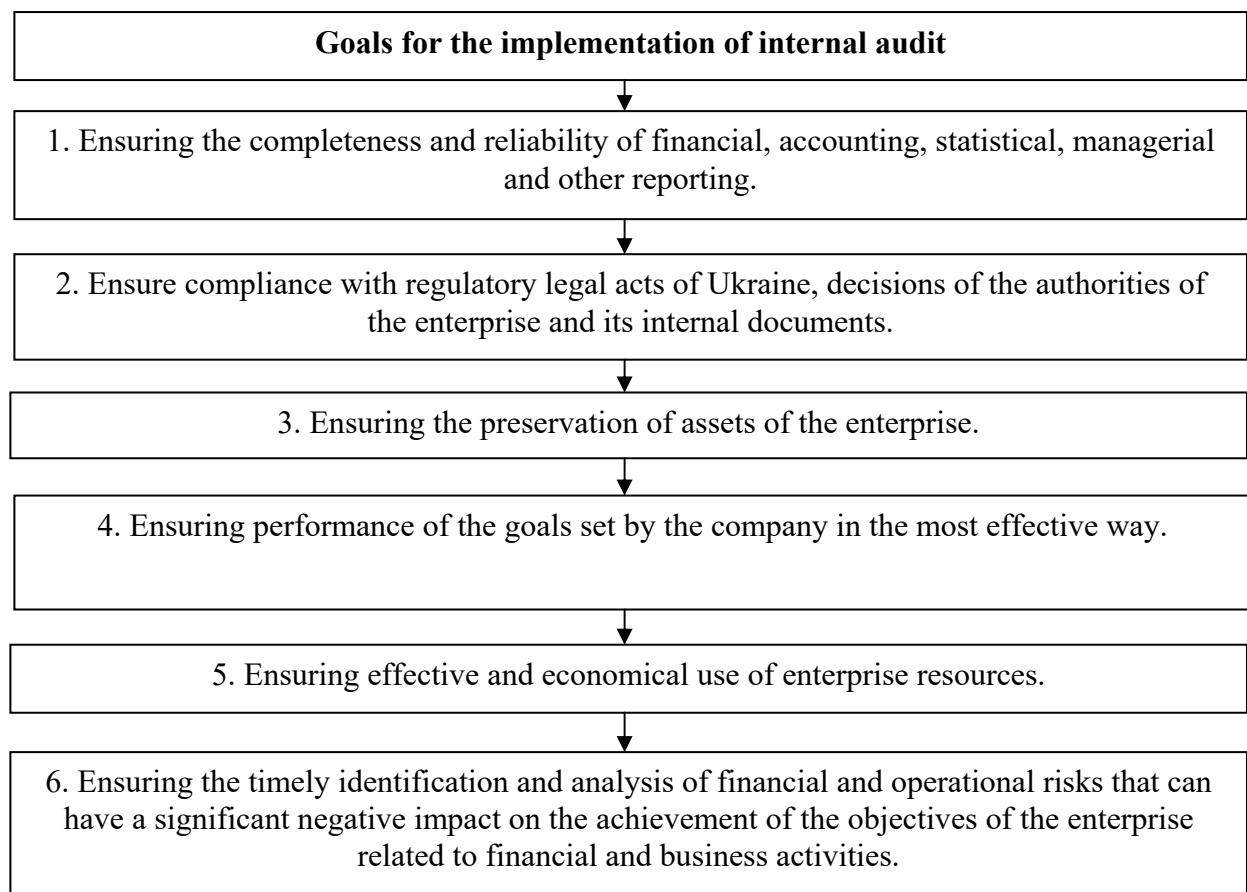


Figure 2.2. Goals for the implementation of internal audit

Internal audit performs two types of the main tasks:

- 1) the assignment of guarantees (or assurance tasks);
- 2) the task of providing advice on various issues.

Providing assurance (guarantees) is an objective analysis of available audit evidence for the purpose of presenting an independent assessment of risk management systems, control or corporate governance in an enterprise. As an

example, the tasks of financial audit, audit of efficiency, audit on compliance, safety audit of systems and comprehensive analysis of economic activity can be lead.

Consulting services are activities that give advices, recommendations, etc., the nature and content of which are agreed with the customer for an audit task, aimed at assisting and improving risk management, control and corporate governance processes, which excludes the ability of internal auditors to make managerial decisions. An example is the provision of advice and recommendations on the functioning of individual business processes, coordination, support and training of staff. For business owners, the performance of internal audits on the performance of audit tasks is more important. From the point of view of the management of individual units, it is more important to provide advice on improving the quality of business processes for which this management is responsible. The senior management is interested in ensuring that internal audits help unit managers perform their functions, and helps senior management control their activities.

As a rule, IAS fulfills all kinds of tasks and for the qualitative performance of it, the relationship between the IAS and other divisions of the enterprise should be clearly understood. The process of interaction of the IAS with other entities in the enterprise is as follows: The senior management of the company issues tasks to IAS employees, which consists in analyzing a specific object at the enterprise and providing objective conclusions about its status. In accordance with the given task, the IAS staff will issue a request for the necessary information for the analysis of the object that is of interest to the manager or owner. Information on IAS request is provided. Each structural unit is required to contribute to the work of the IAS, providing information required for audit control.

After receiving the necessary information, IAS is engaged in the processing of information, which includes the following stages:

- the collection and storage of information is the accumulation of information that came from the unit to be verified. It should be noted that under the information here it is necessary to understand certain data about the activities of enterprises, documents, technological maps, etc. It is important to understand IAS staff about the

responsibility of maintaining information provided to them, especially commercial ones;

- the redistribution of information - if the amount of information provided is large, then it is shared between the IAS staff, each of which will be responsible for its part of the work performed. Since IAS consists of employees of different profiles, the information provided for inspection can be divided primarily on such a basis;

- processing of information - this process involves the implementation of logical operations on information, which can determine the causes of the current state of the object. At this stage of the information processing, the auditor draws up a draft opinion on the task.

- issuance of the results of information processing - is to prepare an effective document on the conducted research.

After the preparation of a document confirming the end of the verification of a certain structural unit, the head of the IAS transmits a conclusion from information about the status of this facility and proposals for improving the management of the manager or owner of the enterprise. For management, the results of IAS work are important not only to prevent any negative phenomena associated with error or fraud, the value lies in the certainty and understanding, and the assurance of the effectiveness of management decisions, their timeliness, efficiency, necessity, and so on. In addition, the IAS reports provide an opportunity for analysis, comparison of financial and other indicators, as evidence of management effectiveness or vice versa (Fig. 2.3).

Interaction of IAS and other divisions at the enterprise affects the performance of the activity of the business entity, that is:
→ timely detection and elimination of mistakes that occurred in the process of economic activity and affect the final result of the enterprise;
→ prevention and timely detection of possible theft of property of the owner;
→ providing recommendations to the head of the company on making management decisions that will positively affect the financial and business activities of the enterprise.

Figure 2.3. Results of interaction of IAS with other subdivisions

The activity of IAS at the enterprise, like any other structure, requires the organization, planning and development of a certain algorithm, which will enable the system to interconnect with other divisions of the enterprise, plan the current work, be transparent and understandable for management personnel, organize the received information and justify the results of work. Defining the stages of the internal audit process gives an idea of the content of the auditor's work, and for the IAS - the opportunity to systematize the content and nature of the procedures in accordance with each stage and determine the nature of the information, source of its origin and the type and structure of the working papers. During the stages of the internal audit process, the nature of the actions and audit procedures, as well as the sources of information and the content of the working documents, which properly organizes the IAS at the enterprise, were systematized. The information is shown in the table. 2.2.

Table 2.2 Stages of the internal audit process

Stages of works	Contents of works	Information sources and working paper
1. Preparation for the inspection	Establishing the basic parameters of the actual state and activity of the object of verification; qualitative assessment of the existing system of internal control	Information of the head and specialists on the state of the units. Records of the purpose, tasks of the audit, distribution of objects of audit in the areas of risk, the compliance of the organization of accounting and other activities of the requirements of regulatory and legal acts.
2. Information checking	Determination of the list of legal, economic, organizational and technical documents	Legislative and regulatory acts, standards, internal regulations, and the like. Formation of the possibility to quickly find the required normative document.
3. Preparation of the inspection plan	Obtaining the necessary information on the tasks of the inspection. Drawing up a schedule of work and assignment of responsibilities	Primary documents, registers of accounting, accounting, order of accounting policies, information about the organization of securities, accounting and internal control. Definition of the working papers (working notebook, test forms, questionnaires).
4. Verification process	Definition of ways to work on each task, systematization	Primary documentation, accounting registers, general book, financial statements. Record of detected deviations, violations, abuses in the working notebook.
5. Discuss previous findings and proposals with the management of the audited entity	Preparation of preliminary conclusions and suggestions. Get more information	Audit evidence. Mandatory substantiation of proposals, recommendations and conclusions.
6. Preparation of the auditor's report	Systematization of audit records, formulation of conclusions, the	Audit records, protocol of discussion of preliminary conclusions. Report on the results of

	allocation of their main positions	the audit, a certificate to the conclusion, signed by the auditor and officials whose activities were audited.
7. Implementation of decisions, proposals by the results of the inspection checked	Preparation of a draft order and instructions for elimination of detected violations, deviations, shortcomings, implementation of the proposed measures	Report (conclusion) of the auditor on the results of the audit. Orders and instructions of the management, adopted on the results.

The accounting of the enterprise's economic activity is divided into managerial and financial, and it is the internal audit, together with the effective system of internal control at the enterprise, has the ability to effectively provide access to any information about the company's activities, the effectiveness of the use of financial resources, the adequacy of finances, their security, mastering in full with ensuring the expected result.

The development of financial and economic relations requires management of the company to make managerial decisions in the long run. The strategy of financial resources management is the basis of quality management, and it is the internal audit service that makes it possible to be sure of the expediency and validity of the decisions made, to really assess the potential resources of the enterprise and the effectiveness of their use.

2.2. Place of internal audit in the stage of management of financial resources in a group of companies

The control system in any field, industry, at any level ensures high quality management, user confidence in their presentation and understanding of the facts that determine the strategy of financial resources management. Without internal control, there is no possible existence of any type of control. Control function is inherent in management from the moment of enterprise creation, the formulation of its tasks, plans for the future. Such an inspection is called internal (internal) control.

The issues of internal audit of the strategy of internal audit control are closely related to internal control, which determines some terminological non-delimitation of

these concepts [3, 16]. The Glossary of International Standards on Auditing defines the following definition: "Internal Audit is an assessment activity that is organized within an entity and performed by a separate department. Internal audit functions include verification, evaluation and monitoring of the adequacy and efficiency of accounting and internal control systems". The internal audit procedures are based on the environment and internal control procedures. Internal audit is an instrument of management that provides the administrative and technical management of the organization with the results of the analysis performed, estimates of the activities of the unit, recommendations and information on the establishment of effective production and market activities. The results of internal audit are used by the management of the organization to manage and maintain current affairs, taking into account available resources and within the framework of existing laws. Thus, internal audit serves as an element of a kind of feedback and organically complements the methods of managerial accounting and internal control, aimed at effectively addressing the current and strategic objectives of the enterprise or organization.

The study of the place and role of internal audit in the management of enterprises must be conducted, based on scientific approaches to its implementation in practice. A well-known specialist in the field of management F. Kotler rightly notes [14] that management is a "continuous and purposeful process of influencing the object of management, which can act as a person, collective, technological process, enterprise or state, to achieve optimal results at the least cost of time and resources".

The study of audit and control problems in the management of the last 30 years is conducted by scientists in a variety of areas: from the standpoint of principles of management, management process management functions, management organization, the process of adoption and implementation of management decisions, management technology, information management provision, etc. In our opinion, the improvement of the management system by means of internal audit at the enterprise should be carried out comprehensively, in different directions.

In particular, as shown in Fig. 2.4, from the point of view of a more complete

implementation of management functions, for each type of management objects, by developing and implementing methods of audit and controlling.

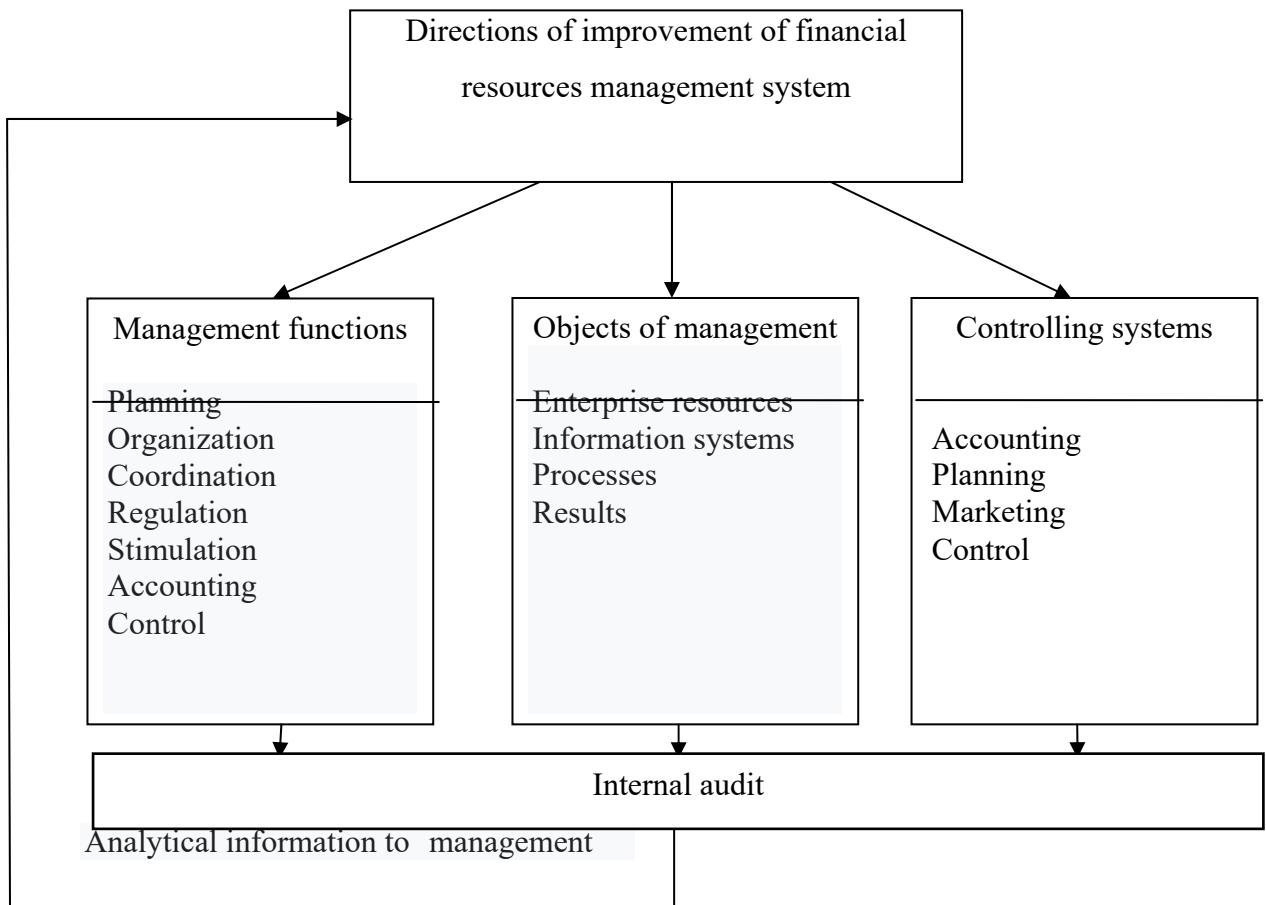


Figure 2.4. Internal audit in the management improvement scheme

Improvement of the financial resources management system needs to be addressed through the full realization of all key management functions: planning, organization, coordination, regulation, incentive, accounting and control. The purpose of these control and analytical measures is to achieve the highest indicators of systemic efficiency of the final product, functions, structure and process of production activity.

In this sense, internal audit is a link that covers the entire back-link management process and provides reliable operational information. This function describes the control environment - one of the five core components of the internal audit. These components also include: assessment of inherent risks; control over ensuring an adequate level of confidence; accounting system as a source of

information and means of management communications; monitoring as a means of evaluating procedures and methods of internal control.

The main provisions concerning the organization of internal audit are proposed by the International Institute of Internal Auditors. This international organization is designed to ensure a unified approach to the practice of internal audit, the definition of the conceptual framework for internal audit services, and proposals for the basis for assessing the performance of internal audit. The Institute implements the International Professional Standards [26] of Internal Audit, the purpose of which is to ensure the performance of its internal auditors' functions, namely:

- standards of quality characteristics;
- standards of activity;
- standards of practical application.

Standards of qualitative characteristics consider the characteristics of organizations involved in internal audit. Activity standards describe the essence of internal audit. The standards of practical application are designed for the provision of audit guarantees and advice. These standards are based on the Codex of Ethics and International Standards on Auditing (ISA).

In accordance with the new version of the Standards of activities that came into force from 2016, the Internal Audit function should assess the risks associated with corporate governance, financial and business activities of the organization and its information systems in terms of: - the reliability and completeness of information on financial and economic activities, - efficiency and effectiveness of economic activity, - asset storage - compliance with regulations, current legislation and contractual obligations [26].

An internal audit is carried out by the financial and economic services of the enterprise, by individual auditors and consultants, and its results are used to plan, control and forecast the financial condition of the enterprise. His goal is to establish the planned cash flow, rational spending on production needs, placement of own and borrowed funds in such a way as to ensure the efficient functioning of the enterprise, to accelerate the turnover of the funds, to maximize the amount of profit from sales,

to minimize production and management risks and to eliminate bankruptcy of the enterprise.

The organization of modern accounting at enterprises requires the creation of systems of financial and managerial accounting, based on reliable data, confirmed by external and internal audit. In each economic sector, the industry's internal control and audit are determined by the specifics of the activities of organizations and enterprises. Internal auditors should conduct an analysis of financial and economic activities and plans for the purpose of matching the actual results with the goals and objectives set, to determine the effectiveness of economic activity. Not always internal control and audit can deal with a separate department - both because of the limited number of employees, and due to the high specificity of production processes. Therefore, the most effective is internal control, carried out systematically as the management of the enterprise, as well as responsible executors of individual subjects, experts in planning and economic services and logistics. Such control, first of all, should be aimed at: observance of established procedures and powers when making managerial decisions related to the interests of the enterprise, its owners and customers; compliance with the requirements of legislation, regulations; timely and effective measures to eliminate the identified shortcomings in the activities of the enterprise. And internal audit should give proper assessment both to the system of financial and managerial accounting and the system of internal control. For this purpose, internal audit can, in particular, apply procedures for obtaining evidence: verification and monitoring, request and confirmation, counting and analytical forecast.

To clarify the functions of internal audit, it is useful to compare its features with external audit [26]. The main difference lies in the heterogeneity of the goals and objectives solved by various subjects of control. Based on the characteristic features of the audit proposed by ISA, we see that there are no functional limitations for internal and independent audits, but the advantage of internal audit regarding time and access to information is available.

According to the author, the development of methods and recommendations for

conducting internal audits in terms of financial resources management system should take into account the following provisions:

- as any complex system, organization, enterprise should have independent internal feedback, monitoring the efficiency of the system;
- market mechanisms, prompting rapid changes in "external" relationships between enterprises and organizations, as "internal" relations change more slowly and depend on "external";
- the level of product competition has grown to such an extent that without a solid economic basis (financial support) it became impossible at all to create information and products that are claiming market success.

Let's present the main objectives of internal audit strategy of financial resources management, which are determined by resource management:

- 1) verification and evaluation of the economic efficiency of the enterprise, both financially and in other respects - to inform and provide assurance to management personnel about the potential of the company for current work and for the future;
- 2) an overview of the accounting and internal control systems (if such a service is at the enterprise), checking these systems, monitoring their activities, providing recommendations for improvement - for optimal management of operational activities;
- 3) Identification and minimization of production risks inherent in production phases - to save resources and redistribute funding;
- 4) verification of financial and, generally, economic information, by applying appropriate control procedures - to assess the cost of incurred expenses in accordance with the result obtained;
- 5) verification of compliance with the legislative framework, regulations, policies and directives of management personnel - to ensure coherence of the procedures for governing the current legislation and the strategy of the enterprise as a whole.

The specific objective set by the internal audit service is to identify the main sources of inherent risk of production at all stages, assess the impact of these risks on

the financial and accounting information and implement appropriate mitigation measures or provide substantiated recommendations to the management of the enterprise to reduce the inherent risks.

In order to prevent the emergence and growth of risks, there is an urgent need to provide the internal audit service with special knowledge of the given business sphere and the right to access confidential information. This makes the results of the internal auditor unique and extremely valuable. Since the restrictions inherent to external auditing may be decisive for the possibility of auditing or providing audit services, the results of the internal audit work become significantly more important. In addition, the information provided by the internal audit is operational information that provides managerial awareness of the time needed for decision-making.

The task of management personnel in relation to internal control and audit services is to ensure their independence, the appropriate professional level and to provide access to the information base. In turn, internal auditors must adhere to the privacy requirements and work exclusively on the interests of the company.

One more important issue for the internal audit service is to evaluate the internal control system of the enterprise. If the company has an internal control service, the internal auditor should evaluate the risk of control. To this end, the auditor performs procedures to gain an understanding of the internal control structure and then assesses the risk of ineffective control. If it is maximum, the auditor applies substantive procedures that ensure the implementation of the audit program.

If the risk is minimal or average, testing of control points is performed (competence of the personnel, adequate division of duties, document circulation, asset control and accounting records, etc.). This information provides an opportunity to assess the risk of control as low or as an average and allow the auditor to develop a specific audit program with appropriate procedures.

Especially important is an internal audit if the company has geographically widespread branches or branches in which local management makes independent decisions. The existence of an internal audit system also increases the confidence and confidence of investors and other stakeholders in the rational use of the company

resources, asset conservation, optimization of enterprise risk activities, transparency of the enterprise, as well as in accordance with the organization of the enterprise.

Experts note that the current trend of companies in both the international business community and in the national community is the consolidation of companies, the creation of groups and holdings, as well as the diversification of assets, types and areas of activity controlled by one shareholder, strategic management and effective use of financial resources. Often there are very complex associations, and the most important thing that unites them is the owners.est practices of corporate governance.

As practice shows, the strategy of financial management, the management structure of a group of companies or a holding depends directly on the business strategy determined by the owners, shareholders, as well as whether the shareholder wants to personally plunge into one or another type of business, or he transfers the management to the level specially created management company. There is a tendency towards consolidation of the business, its consolidation, the market dictates its conditions, and the practice of creating management companies in holdings and groups of companies is gaining momentum.

In this case, the management company can combine both financial and non-financial assets. We will consider the practical aspects of organizing the internal audit of a financial management strategy in a group of companies or holding, which includes both lending and non-lending financial organizations. It is obvious that an internal audit to improve its efficiency for shareholders and the board of directors of a group of companies or a holding company should also adhere to the business development trends in order to bring added value. The need to increase the value added of the company is, in essence, one of the most important goals of creating an internal audit of a strategy for managing the financial resources of enterprises, a group of companies or a holding.

It is logical to assume that, with the current tendency of centralizing the strategy of financial resources management, shareholders are interested in obtaining information as a whole on a group of companies or a holding. Thus, responding to the

needs of shareholders, the function of internal audit should also be centralized at the level of management of the group or holding company. The main objectives of the creation of a centralized Internal Audit Service (CBA) in terms of increasing its usefulness to shareholders and the Board of Directors of a group of companies or a holding are as follows:

- Reducing the risk of inefficient use of financial resources / capital for shareholders or owners of companies. In the presence of complete information on the efficiency of capital utilization, taking into account the risky risk of different companies / industries, shareholders will have a large amount of information to make financial decisions on investments in one or another business;
- Increasing the efficiency of business processes, reducing costs. Here, the benefit of internal audit can be assessed as a "bearer" of "best practice" from one group of companies or holding to another. Shareholders and the Board of Directors may decide to centralize some business functions at the level of the management company or parent holding company using the "best practices" of one of the companies and increasing the efficiency of this process in terms of cost / benefit for the entire group of companies or holding;
- concentration of attention of senior management and owners in solving the most problematic issues of a group of companies or a holding. Here we can say that the level of significance of problems in different companies of the group or holding is different. From the standpoint of one business, a problem may seem large, but if you look at it from the side of the whole group, then the picture of the significance of problems may change, taking into account the scale of the companies and other factors. Accordingly, in the presence of complete information on the group of companies or the holding of shareholders, it is possible to compare the scale and significance of problems in different companies, to identify priorities and make a balanced decision on the distribution of labor and financial resources;
- improvement of corporate governance processes in general through the holding;
- strengthening the control environment. In this article, under the control

environment, we mean acceptance and support of all types and types of control by the management of companies in order to effectively operate the internal control system of the holding as a whole. Undoubtedly, if the reference to the importance of internal audit activity goes from the very top level of the company or parent company, or even from shareholders, then its status and, accordingly, opportunities and benefits increase.

All of these goals are achieved by providing CBA shareholders and the Board of Directors of the holding with timely, independent and reliable information for making management decisions within a group of companies or holding companies. The effect of centralizing the internal audit service at the level of a group of companies or a holding. First of all, the result of centralizing the CBA at the level of a group of companies or holding is to provide a single vertical management of internal audit by the shareholders, the Board of Directors, and the Audit Committee of the group or holding.

The senior management may set goals, objectives, and receive reports from the Internal Audit Service of a group of companies from one source. The undoubtedly positive effect of centralization is to improve the manageability of the Internal Audit Service of the entire group of companies or the holding. Internal audit services of all companies belonging to a group or holding, in the presence of centralized management have a single development strategy, take into account the objectives of the holding, their plans are coordinated on the basis of this strategy, the organizational structures of the internal audit service of each company are built on common principles and standards.

Also, one of the tangible effects of centralizing the functions of internal audit at the group or holding level is to ensure comparability of audit results of group companies or holdings. This is provided by typical CBA audits in different companies, a single audit methodology, and the only criteria for CBA evaluations based on the results of audits.

The only quality standards and criteria for assessing the performance of local CBAs, the requirements for staff qualifications, the ability to share knowledge and

rotation of staff contribute to improving the quality of work and improve the efficiency of internal audit. In addition, the creation of an internal audit function at the group level contributes to strengthening the independence of internal audit by centralizing the budget of the company's internal audit services at the level of the management or parent company, as well as centralizing the monitoring of the implementation of recommendations for all companies of the holding, which reduces the impact of company management on the local CBA in terms of delaying deadlines or incomplete implementation of recommendations.

And last but not least, for the owner, centralizing the function of internal audit at the level of a group of companies or a holding contributes to reducing costs by centralizing the management apparatus (building a flat management structure) and such universal functions of internal audit, as IT audit, audit of the procurement process, etc.

Legislative regulation of the activity of internal audit in a group of companies or holding Currently, the activities of internal audit, for example, in a banking group or a holding are regulated by the NBU Board Resolution No. 114 dated March 20, 1998. On Approval of the Regulation on the Organization of Internal Audit in Commercial Banks of Ukraine. In addition, there are recommendations from the Basel Committee on Banking Supervision "The Function of Internal Audit in Commercial Banks" in the wording of 2012.

It should be noted that the document of the Basel Committee on Banking Supervision emphasizes the responsibility of the Board of Directors of the parent company for audit: the problems and prospects for the effective organization of internal audit in accordance with the structure, business and risk profile of each company. In addition, the responsibilities of the Board of Directors of each of the companies belonging to the group or holding are determined, namely:

- organization of an effectively functioning Internal Audit Service in each bank / company;
- Compliance of internal audit policies and procedures with the structure, business and company risk profile;

- Implementation of the CBA activities to the extent necessary to ensure the accountability of the Board of Directors. Regulatory regulation within the framework of functioning of the system of internal control determines, namely:

- ensuring unity of approaches to organizing internal control within a group or holding;

- responsibility for ensuring its effective organization in credit and non-lending organizations that are members of the banking group. In the case of non-lending financial organizations, the function of internal audit, the presence of CBA is mandatory at the legislative level. Yes, it is mandatory to create CBA in insurance companies, pawnshops, similar requirements for CBA in the legislation on leasing. For non-lending financial organizations whose shares and / or bonds are quoted on the stock exchange, the creation of the Internal Audit Service is a mandatory requirement for the listing of shares, bonds of the joint-stock company in quotation letters.

Except legally binding, there are other regulations and standards that are "good practice" for the introduction of companies that use high standards of corporate governance. Undoubtedly, these are the International Professional Standards for Internal Audit of the Institute of Internal Auditors. These standards are not binding, but their application is considered one of the mandatory elements of "best practices" of internal audit activity.

The Corporate Governance Code for companies that use high standards of corporate governance practices determines the need for a CBA, as well as the Audit Committee. In this way, it should be noted that the existing practice of internal audit and legislation in the field of internal audit regarding the strategy of management of financial resources of enterprises in recent years is developing very rapidly and seeks for the best international practices in this field.

In the conditions of the variability of the market conditions, as well as trends in its development, the high level of innovation of financial instruments, which are controlled by enterprises, their significant subordination to the vectors of macroeconomic and socio-political processes in the world community, identified the

main directions of the formation of programs and projects for the implementation of financial strategy. The study of these areas requires the formulation of clear objectives for internal audit in order to prevent unforeseen risks, protect financial resources from impairment or other events that may affect management and expected results.

An internal audit of the financial resources management strategy is directly related to the investment and innovation activity of the enterprise. Effective investment of financial resources determines the prospects of the enterprise, its capabilities and the future as a whole. Any temporarily free resources the enterprise tries to save, invest, invest in interesting projects, oriented for the future. As part of the internal audit of the financial resources management strategy, consider the objectives of internal audit in assessing innovations (Table 2.3).

Table 2.3. Tasks of internal audit on programs of realization of financial strategy

Areas of formation of programs and projects for implementation financial strategy	Tasks of internal audit
1) for the enterprise to distinguish priority markets and separate target segments with regard to future activities;	To check the quality of monitoring of the received information about the market, to assess the significance of the risks for market promotion, the factors affecting them and their classification for regulated and non-regulated. To evaluate the algorithm of product promotion and calculation of cash resources for its provision.
2) analysis and substantiation of stable sources of financing;	Explore potential investment opportunities, structure and character, and assess the reality of their acquisition and assess inherent risks.
3) the choice of financial institutions as partners and intermediaries that can effectively co-operate with the enterprise in the long run (in particular, to create strategic alliances);	Monitor the financial institutions, their place in the market of financial resources, the history of cooperation with other issuers, the possibilities and conditions of cooperation, evaluate the effectiveness of cooperation, conduct a critical analysis of the forecast of cooperation: financial policy, results of cooperation with other actors, transparency and efficiency of obtaining information and implementation of agreements, flexibility of decision-making and understanding of the rights and obligations of the parties to the cooperation
4) development of a long-term investment program, coordinated with priority directions of enterprise development, determined by the general strategy;	Estimate the size, nature and efficiency of posting potential financial resources, protecting financial resources from inflation, defining and testing the degree of influence of external and internal factors,

	assessing the feasibility of alternative options, analyzing the development of events under different scenarios, flexibility of decision making, etc.
5) the use of financial mechanisms for future M & A agreements, as well as other measures for financial restructuring of the enterprise;	Monitoring and research of potential financial partners activity, analysis of business activity strategy, functional analysis, testing of mergers and acquisitions, business strategy, contract and intent verification, monitoring compliance with legal requirements
6) creation of conditions for the future in order to support the gradual growth of the market value of the enterprise and stable rates of issued securities;	Analysis of resource potential of the enterprise, analysis of the possibility of transforming assets into financial resources, asset interchange, functional and cost analysis, testing options for increasing the cost of the enterprise, monitoring the securities market, studying the legal framework, options for protecting the company's financial resources from potential risks.
7) formation and improvement in the future of effective internal financial flows of the enterprise, mechanisms of transfer pricing;	Counterparty business review, business strategy analysis, functional analysis, testing of restructuring methods, business strategy, contract verification, monitoring compliance with legal requirements
8) construction in accordance with the strategy of the program of effective centralized management of finances in conjunction with the justified decentralization of other managerial functions within the framework of a large diversified enterprise;	An expert assessment of the portfolio of financial resources of the enterprise, its riskiness and the mobility of transformation into other profitable assets with minimal losses. Mobility, professionalism, a unified understanding of the financial strategy by the managerial structure of different levels. Identification and classification of potential risks and procedures for their prevention or mitigation.
9) calculations of forecasts of financial indicators in strategic planning of the enterprise [18].	Evaluate the reality of the achievement of indicators taking into account the factors of influence and potential risk factors. Test alternatives as a means of protecting against unforeseen situations, resource base adequacy and hedging.

Consequently, we will define the main tasks of internal audit, programs and projects for implementing the financial strategy, which were considered in the previous chapters of the monograph and are of interest to internal auditors. An important point for CBA is the analysis of a potential threat and the CBA's algorithm for the manifestation, description and recommendations for avoiding or reducing potential risks in financial management. The project analysis involves a high level of professionalism, and above all, experience in identifying and analyzing potential threats from external factors for the enterprise and its strategies.

The defined tasks provide the opportunity to formulate an audit plan of the

financial resources management strategy and determine the methods, methods and procedures of the audit.

For proper planning and quality auditing, auditors need to gather a lot of information in a short time. Often, for these purposes, tests are used, they are compiled as a simple list of issues in accordance with the specifics, organization, management of customer business audit areas. Sometimes answers are given to questions, often in the form of affirming "yes" or denying "no" to the issue under investigation. The quality of the results obtained is rather low due to the insignificant informativeness of the simple answers to the questions.

Application of test theory to assess customer's business, risks, existing control systems will, in our opinion, lead to a qualitatively new level of impact of a business entity's study for the purpose of developing a common audit strategy and financial reporting audit plan. We offer tests as a working document for assessing the state of strategic planning in the enterprise. Subsequently, these questions should be applied appropriately in the process of obtaining explanations and assurances from the executives and experts of the rated enterprise.

International auditing standards provide only general approaches to benchmarking, noting that they should be applied when evaluating internal control systems. Audit guides provide a general understanding that it is in the form of an audit that auditor should be monitored by applying tests. This does not provide a proper theoretical substantiation of the contents of the tests as one of the main audit procedures at the stage of familiarization with the customer and preparing for the planning of the audit (Table 2.4).

Table 2.4. Audit of enterprise planning strategy using test questions

Question for testing	Answers			
	Source	So	No	Not known
1. Identify long-term goals of the financial units of the enterprise. What are the written evidence of this? Find out what is being done to achieve these goals? How are they going to attract and use financial resources?	x			x
2. What directions of the financial resources management strategy is				

<p>used by the enterprise to achieve its goal? Find out the details.</p> <p>3. What are the prospects for the receipt of external financial resources? What is known from the scientific institutions, state bodies about the expected development of the industry in which the company operates?</p>				
<p>4. What factors, factors of influence will be crucial for the implementation of enterprise products in the future?</p> <p>5. Analyze the existence of real plans for revenue, production, costs, financial results, finance, investment.</p> <p>6. What assumptions are allowed in the management of financial resources in planning revenue, costs and financial results? How were they justified?</p> <p>7. How are the plans taken into account price changes?</p> <p>a) a uniform change in the cost and income, in connection with which the change in prices is not provided;</p> <p>b) next year there will be a change in expenses and income at a certain interest rate;</p> <p>c) changes are made to certain items of expenditure and income.</p> <p>8. What are the political and economic risks to the future of the enterprise? Are they considered in planning? What assumptions can be made?</p> <p>9. What other perspectives, projects, plans, developed or developed by the company?</p> <p>10. Who participated in the process of forming a strategy for managing financial resources at the enterprise?</p> <p>11. How secure are the planned sales of contracts with large customers? Does the company use flexible budgeting? Can we expect changes in the behavior of buyers?</p> <p>12. When is planning? When did the plans last reviewed? Have the necessary changes been made?</p> <p>13. How efficient is the enterprise compared to the plan for today?</p> <p>14. What are the sizes of the current portfolio of orders and how is it calculated? How do customers pay? Has the analysis been conducted over the past years?</p> <p>15. Assess the likelihood of a future collision with difficulties and risks or the emergence of special chances?</p> <p>16. How do the dynamics evaluate in the period behind the plan? Does the policy of financial management strategy match the results? What assumptions did the management staff do about this?</p> <p>17. To what extent is planning on the enterprise to be analyzed and strategic planning of the customer?</p>	x	x		

Auditors use the test to confirm their understanding of how the system works, and to formulate an opinion on the relevance of these or other resources to audit needs, assessment of potential risks, or their detection (experience, evaluation of labor resources, etc.) (Table 2.5). Testing can be carried out at different stages of the

audit, depending on the purpose of the audit. For example, staff turnover is one of the negative factors for a strategy for managing financial resources, as well as for the enterprise as a whole.

The use of simple tests provides some information, but does not create system evaluation and can not provide an impersonal result to determine the state of the strategy of financial resources management. The test procedure itself in the theory is much more complex and can provide an objective assessment of the state of certain processes of the enterprise for the purpose of planning audit. To this end, the varieties and testing technology should be considered. Using the experience of domestic and foreign scientists in relation to the theory of test usage, we can divide the tests into the following types:

- cross-cutting;
- testing for compliance;
- substantive testing.

"Cross-cutting" or "from start to finish" tests are used to confirm the understanding of the client's business auditor and his strategy for managing financial resources. Such an understanding is formed by combining observation, interviewing, studying management documentation. However, in practice, management systems do not always act as described in internal documents (regulations), so the auditor's task is to use the test to determine what is actually a management strategy. This is especially important when auditing is the first task for this customer (see Table 2.5).

By conducting cross-cutting tests, the auditor first of all seeks evidence of the existence of control measures. This may include examining a number of operations at different stages of the process or tracking the same operations from start to finish. The purpose of this type of testing is to track the process of production or service delivery from the initial stage - through the entire process of using resources - to specific results, confirming the application of control measures at each stage of this process.

The second type - compliance testing - is used when the auditor already has evidence of the adequacy of internal control and its impact on achieving the

customer's control objectives.

Table 2.5. Estimation of personnel potential of the enterprise for estimation of riskiness

Question for testing	Answers			
	Source	So	No	Not known
<p>1. To find out the number of employees in departments, functional departments and factories with specification of sex, education, nationality.</p> <p>2. Analyze staffing status over the past 5 years. Indicate the reasons for significant changes. Is a collective agreement concluded with them?</p> <p>3. Analyze salary data.</p> <p>4. Get a description of the social services of the staff and institutions that carry it out.</p> <p>5. What arrangements affecting costs were fixed during the previous tariff negotiations? What requirements have not yet been taken into account?</p> <p>6. For the analysis of staffing, the following information for each unit should be specified:</p> <ul style="list-style-type: none"> • age structure information; • belonging to the enterprise; • staff turnover (probable reasons) of the education system; • systems of innovative proposals; • Intra-productive education; • climate in the team; • production culture; • labor protection; • frequency of accidents; • hospital letters; • strikes: duration, reasons, conditions of consideration; • threats of strikes; • the right to vote from employees; • Attitude towards the board of the company; • belonging to prof. union (number of members, name); • tariff agreement; 	x			x
<p>7. To what extent over the last 3 years were over -weight or shorter working hours practiced? You must specify the units, the reasons.</p> <p>8. It is necessary to compare the above-mentioned information with other enterprises of the industry and average in the country.</p> <p>9. When and how much did the salary increase last? What are the terms of the tariff agreement? Is it charged more than a fare? What are the expected requirements for future negotiations?</p> <p>10. In what units can a dismissal occur in the near future? What financial implications would this have for the enterprise? What legal or factual difficulties do you face in dismissal?</p> <p>11. To analyze the possibility of attracting additional workforce, especially specialists.</p>				

The next step is to evaluate the effectiveness and consistency of its application. If the effectiveness of the control measures is likely to vary, for example when performed by different employees, the auditor should make sure that it has been taken into account in the sample survey.

The purpose of compliance testing is to obtain assurances that the control measures implemented by the management of the enterprise-customer are implemented as intended and that they are effective. The purpose here is not to identify errors or omissions. If such indicators are detected during conformity testing, the auditor may use them as evidence of possible inefficiencies in control measures that will be taken into account during strategic planning or as a justification for making changes to the already prepared audit strategy and verification plan. Errors discovered during compliance testing may indicate weaknesses in the control system. They do not mean that the system can not achieve the goals of the enterprise. If, in the course of the audit, it turns out that the company provides for control measures, but they are not used in practice, then the auditor should indicate that the control is adequate, but is used inconsistently.

The third kind of testing, which we have identified as methods of auditing the strategy of financial resources management, is substantive testing. Its purpose is to ensure the formation of conclusions based on consistent, complete and reliable information and records. It focuses on results, not on conformance control, therefore, plays a limited role in planning. Substantive testing, as a rule, is expensive and can lead to a reduction in the importance of auditor's arguments in the eyes of those who are checked if the necessary evidence can not be obtained.

During the development of tests for each case of verification should be guided by the so-called testing strategy. This statement is not used in the domestic practice of drawing tests, it is not mentioned in the domestic theoretical literature. The basis of the testing strategy is developed by eminent researcher B. Bloom. Our contribution to the theoretical foundations of the audit planning methodology was to develop a testing strategy in audit, based on the taxonomy of B. Bloom.

Testing strategy involves several stages, the first of which is planning. The

auditor should determine the object to be tested, the purpose of each test, how the test will take place.

Each test should influence the formation of the auditor's opinion. Levels and areas of testing should take into account the definition and assessment of risks and a clear understanding of the control activities that an auditor needs to test.

Testing should be used when developing a common audit strategy if:

- There are no other ways of persuading the leadership of the presence and importance of the weaknesses, in addition to the evidence obtained from the test results;

- The auditor intends to test the origin of the important weaknesses of the control system to determine the strategic directions in planning.

The second stage of the testing strategy is adaptation. Tests, as a rule, must be adapted to the existing situation. If changes in the conditions of activity (for example, audits of enterprises of different sectors of the national economy) or external influences over a period of time can have a significant impact on the way control measures are implemented, the auditor should take this into account when selecting the operations to be audited. However, the auditor must always be prepared for minor errors, especially when using large-scale operations sampling.

There are no clear rules on the number of tests that auditors should make to determine information about developing a general strategy for auditing a company's financial management strategy. For testing the convenient way and opportunities in the part of automated decisions, selectivity are chosen. In some cases, an audit sample may be sufficient to achieve the testing goal.

The auditor must take into account the purpose of the test, whether the purpose of the test is to confirm the correctness of the auditor's perception of the customer's inspection (through test), whether it is the testing of the effectiveness of the control measures (conformity test), or the purpose is to assess the impact of the weaknesses of the control (substantive testing). The implementation of the test takes into account the time taken - very often, in practice, time is limited, so the best way is to use the testing capabilities. During the implementation phase, the sequence of testing is

important in the testing strategy. It depends on the objectives of the audit and the interaction with the management of the audited entity. The results of one test are very often a contribution to another. During an audit of the structural organization of the enterprise, it is necessary to test whether all structural units follow the same accounting policy.

It is important to coordinate the testing process, especially if the work is split between different auditors. Non-coordinated tests can only be a waste of resources and will not achieve the goals that were put in auditing the management system of financial resources of the enterprise.

Thus, the phased implementation of testing will improve the methodology of auditing the strategy of financial resources management in the direction of increasing efficiency and effectiveness. At the same time, testing requires a constant evaluation of the results so that the auditor can decide whether there is a need to change the methods and procedures of the audit. The auditor should establish whether the purpose of testing for the purpose of planning the audit has been achieved, which can be drawn to determine the directions for developing the strategy and audit plan. The effectiveness of testing becomes apparent in those cases where testing indicates the need for changes to the inspection plan.

One illustrative example of an effective financial management strategy is the investment of financial resources in new projects, innovations, research and development, leading to a new product that will satisfy the market demand. For an example, consider organizing an internal audit in financing resources in the development of a project of the enterprise in the field of research and development (R & D).

An internal audit of the investment attractiveness of new projects and developments begins before the start of a new project and for the enterprise is a process of studying economic information in order:

- an objective assessment of the achieved scientific and technical level and the stability of the financial state of the enterprise as a whole, changes in these indicators as a result of the implementation of a new investment project (compared with the

previous period, with the business plan and regulatory indicators);

- the adoption by management of sound management decisions on the financing of investment projects based on the criterion of investment attractiveness of development;

- improvement of financial condition of the enterprise, increase of its financial stability and scientific and technical level.

To achieve this goal, an internal audit of individual R & D or their stages should begin with an assessment of the financial and economic state of the enterprise-developer, namely:

1) assessment of property status, structure of its distribution and efficiency of use;

2) assessment of the adequacy of equity and loan capital for the current economic activity, rationality of its use, as well as the choice of strategy for further development of the enterprise;

3) assessment of the achieved level of financial state of the enterprise, its financial independence, the security of its own working capital, the adequacy of fixed assets, inventories and work in progress to ensure the competitiveness and profitability of planned scientific and technical products;

4) assessment of the solvency of the enterprise and liquidity of the property in the event of negative development results.

The main tasks of internal audit in the assessment of innovation is the analysis of the impact of the results of the innovation project on the change of scientific and technical level and financial condition of the enterprise, including analysis of changes: - in the structure of the value of the property of the enterprise and the funds invested in it; - solvency of the enterprise; - financial stability of the enterprise; - efficiency of the use of property and profitability of products; - quality and competitiveness of products; - technical and economic level of production; as well as an assessment of the possibilities for further self-development.

Thus, internal audit should be used as a toolkit for assessing the achieved scientific and technical level and financial status of the enterprise and for assessing

the changes of these indicators under the influence of technical and economic factors. At the same time, internal audit and analysis are the most important means of identifying the domestic reserves to improve the investment attractiveness and financial condition of the enterprise. An audit of the investment attractiveness of new projects (development) in connection with the financial condition of the enterprise, in our opinion, it is advisable to carry out in the following sequence, the algorithm of which is shown in Fig. 2.5.

Internal audit serves as a tool for developing management decisions aimed at improving the financial condition of the enterprise, the means of constructing the forecast balance, and also used to assess the professional skills and business qualities of managers of enterprises, its divisions and individual specialists. At the initial stage, the financial status of the enterprise is preliminarily studied on the basis of its financial statements. At the same time, the financial position is checked, the main tendencies of its change for the previous period are revealed. After that, a decision is made on the expediency of conducting an in-depth audit to identify the impact of key factors on changing investment attractiveness and financial condition of the enterprise and identifying reserves to enhance its financial sustainability.

A detailed audit of the investment attractiveness of the projects and the financial condition of the company is proposed to be conducted in the following sequence.

- At its first stage, an audit of the structure of the value of property and the funds invested in it. First of all, attention is drawn to the rationality and reasonableness of the distribution of property between fixed assets, production inventories and costs, accounts receivable and intangible assets of the enterprise.

At the same time, certain procedures are applied with respect to equity and its importance in the formation of the property of the enterprise and its relationship with net assets. In the future, an audit is carried out on the impact of the main technical and economic factors on the change in the structure of the total value of property value in the reporting period compared with the business plan and the previous period.

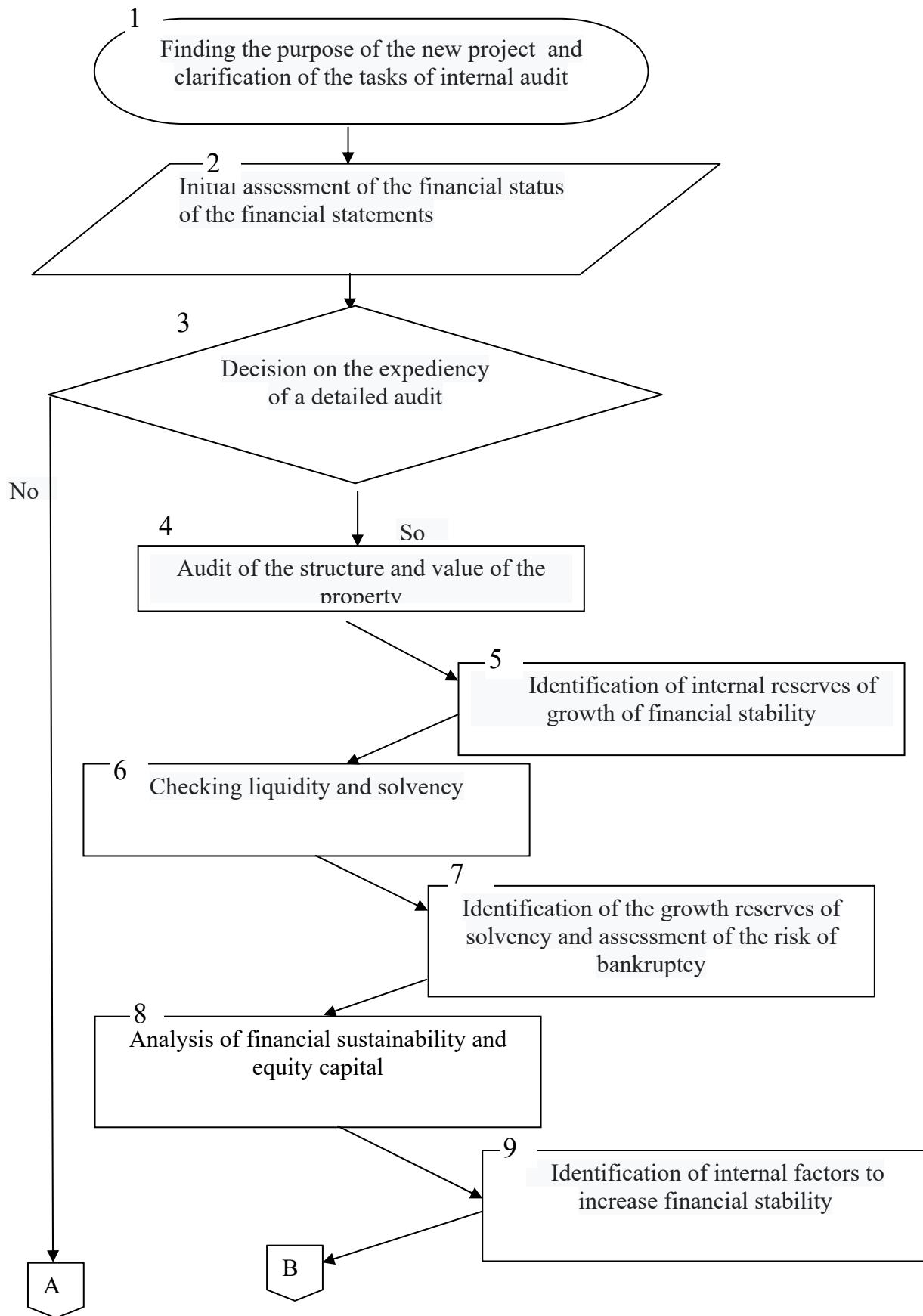
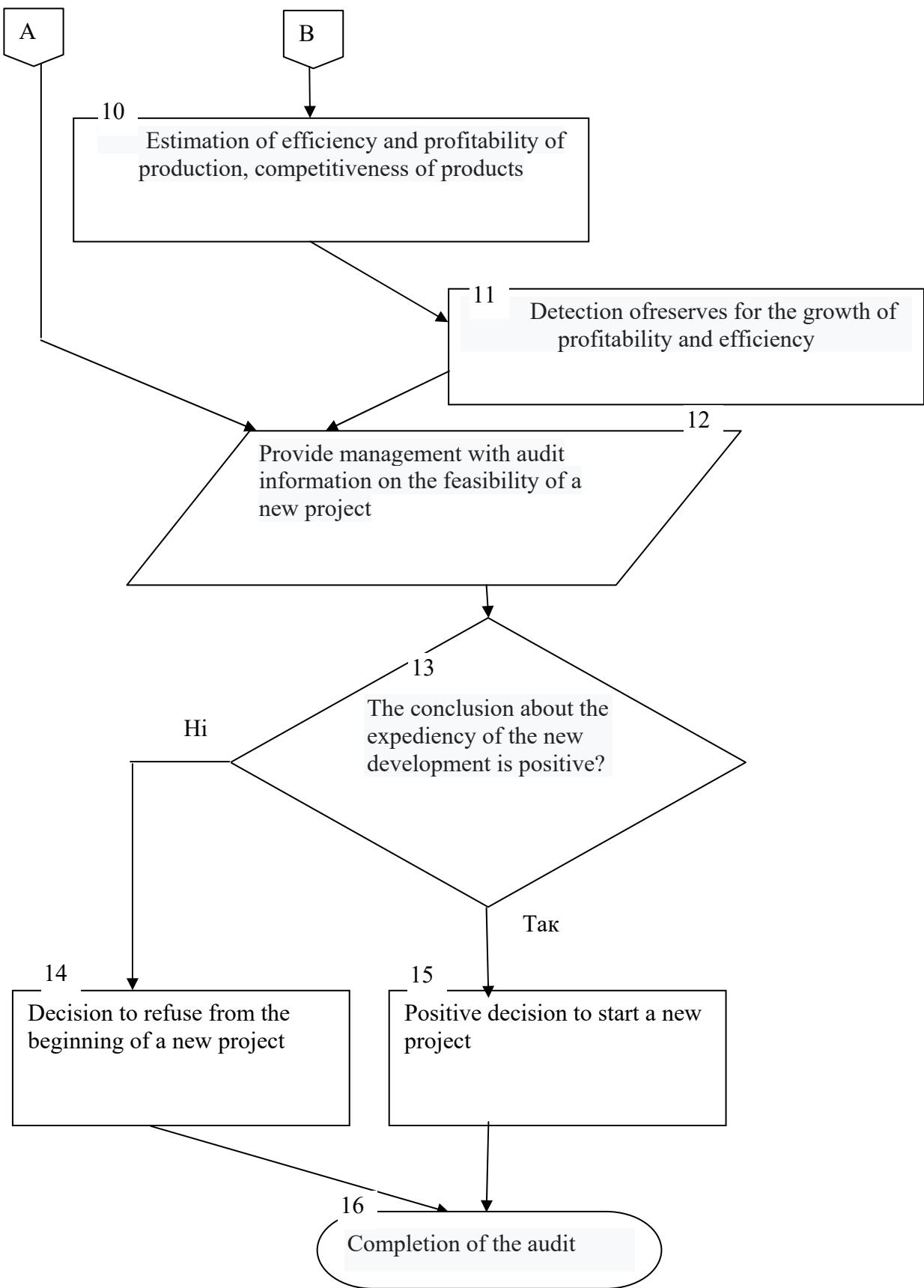


Figure 2.5. The algorithm of audit of investment of financial resources into new projects



Prod Fig. 2.5. The algorithm of audit of investment of financial resources into new projects

At the same time, man-made reserves improve the financial sustainability.

- At the second stage, the composition, structure and value of property are checked from the standpoint of its recognition, evaluation and accounting. At the same time, the influence of the structure of capital in relation to the structure of property on the solvency of the enterprise is being tested. After that, the influence of the main factors on the change in the liquidity of the company's property and its solvency is tested. After that, they conduct an audit of internal reserves of solvency and assesses the level of financial insolvency (bankruptcy of the enterprise).

- The third stage defines the state and accounting of current assets and equity, their formation, income and retirement, the degree of financial sustainability of the enterprise according to such criteria as its security of its working capital, financial independence, rationality of the use of net profit and depreciation. The level of provision of equity capital, working capital and intangible assets is calculated. After that, the influence of the main factors on the change of financial stability and the internal reserves of its increase are revealed.

- At the fourth stage, the effectiveness of using the property of the enterprise, determining the cost of production, services, distribution of costs in the reporting period, profitability and competitiveness of the manufactured products is estimated. The effect of the main factors on the change in the efficiency of the use of property and the profitability of products in the reporting period is compared with the business plan and the previous period. Here are possible reserves for improving the profitability of products and the effectiveness of the use of property.

- At the final stage of the analysis, the feasibility of developing and implementing managerial decisions aimed at improving the financial condition of the enterprise and ensuring the investment attractiveness of the planned project (development) is checked. An internal audit of the investment attractiveness of the project in connection with the financial condition of the enterprise can be carried out with a variety of accents and degree of depth, depending on the main categories of its users and their economic interests.

The goals of the auditor, using the results of the analysis of investment

attractiveness and financial condition, are as follows:

- obtaining a summary of the company that helps determine the most appropriate type of additional analytical tools;
- research of various distortions of structural interactions, which helps to discover initial errors;
- In the next use of the results for the general check of the financial documentation.

General criteria that characterize the financial position of an enterprise that starts to implement an innovation project and counts on third-party investments (in the form of a loan or investor's funds) can be divided into the following groups:

- capital and property;
- loan security;
- financial opportunities;
- business activity and profitability.

When auditing capital and property of enterprises for third-party investors, the most important source of information is the financial statements (balance sheet, profit and loss account, statement of financial results). But a number of articles of reporting require more detailed decoding, so you need to refer to other sources of information.

After a detailed check, the administrative and technical guidance (investor) compares the strengths of the enterprise with its weak and concludes about the quality of assets. In more detail, the quality of assets is analyzed using coefficients that characterize the ratio of various items of balance in the dynamics of these indicators. These are important sources of information and forecasts about the state of the firm and the risk associated with obtaining an external loan.

Thus, when assessing the strategy of management of financial resources of the enterprise at the level of investment in new projects, it can be noted that the indicators of accounting, data of the business plan, investment projects, as well as an internal audit of the financial state of the enterprise provide an opportunity when solving investment issues:

- to make a general idea of the economic activity of the enterprise and its

effectiveness;

- to find out the forms and optimal means of investment activity of the enterprise, sources of financing of this activity;
- assess the stability of the financial condition of the company as a borrower of the bank or a third-party investor and determine the possibility of repayment of the loan; on the further strategy of financial resources management, namely, on the appropriateness of obtaining loans, the issuance of innovative shares and, therefore, give a preliminary assessment of the investment attractiveness of new projects (developments) for the enterprise;
- assess the strategy of managing financial resources of the enterprise, determine the efficiency of the means, methods and procedures of internal audit.

2.3. The pragmatics of internal audit work

The strategy of financial resources management is preveraging a large set of methods and methods of distribution and redistribution of funds. Always thought that funding research and development, innovation and technologists is the prospect, which is designed for a long time, but there stabilnoye and profitable, provided professional management. Development and implementation of innovations at the enterprise can produce such results as increasing productivity; ensuring a continuous and stable production process, increasing resource conservation; reduction of labor intensity per unit of production; improving the efficiency of the use of equipment; diffusion and transfer of technological innovation.

An internal audit is an assessment of the reliability and efficiency of an existing internal control system, and internal auditors are people who are called to conduct such an assessment impartially and professionally. In other words, internal audit is the function of independent assessment of all aspects of the entity's business, carried out from within the organization and aimed at creating from the manager of the entity the confidence that the existing control system is reliable and effective.

The main task of internal audit - conducting a qualitative audit, developing

effective and feasible recommendations and further monitoring their implementation. An audit can not be considered completed until the audit recommendations are implemented and the detected deviations are eliminated.

One of the most important aspects of internal audit activity is the definition and analysis of possible external and internal risks in the design and implementation of new projects, as well as the development of recommendations that reduce the risk or minimize potential losses.

An internal audit should give the employees of the entity the necessity and utility as a service that they are not always ready to use because the attitude towards internal auditors is not clear. Much depends on the internal culture of the business entity and the willingness of managers to collaborate with them. Unfortunately, the staff is not always aware that the auditor controls not the executors, but the workflow, revealing the disadvantages of existing processes, rules and procedures, and thus helping the company achieve better results.

Thus, it can be concluded that internal audit is one way to control the lawfulness and effectiveness of the activities of all entities of the entity. The necessity of functioning of internal audit at an enterprise is conditioned by increase of management efficiency at its application.

Since the audit is organized at the enterprise, taking into account the specifics of its activities and the purpose of conducting, then distinguish the following types of internal audit: -audit of financial reporting; -Audit to meet the requirements; - Operational audit. Audit of financial statements - a traditional type of audit, it involves an assessment of the reliability of financial information of the enterprise. The evaluation criteria are the existing accounting principles and provisions [5].

An internal auditor checks compliance with the company's accounting and financial reporting requirements. The audit of financial statements is divided into: - planned (regulated), which is conducted within the framework of the approved plan of work; -Opplication (initiative), which is carried out at the request of the owner, the head of the enterprise. An audit of compliance with requirements determines whether the requirements of laws, treaties, rules, norms, etc. are observed at the enterprise.

It is divided into two subspecies: -audit on compliance with the principles, which includes the procedures of audit control in terms of compliance (enforcement) by the enterprise management apparatus requirements of laws and regulations;

Audit for expediency, which includes the procedures for auditing the activities of the company's officials for the rationality, reasonableness and usefulness of their activities.

Operational audit (management audit, audit of economic activities) involves the auditors examining any part of the entity's procedures and operations in order to assess their performance and effectiveness, and formulating recommendations for the economic use of resources and achievement of objectives [7].

Under the operational audit, the related services are understood. It includes:

- Functional audit of production, management and control systems;
- Organizational-technical audit of production and management systems;
- Complete audit of production and management systems.

Internal audit is characterized by high flexibility, the ability to correct errors and improve the financial and economic activities of the enterprise. Due to these properties, internal audit has a significant potential for further development.

The need to ensure a high level of economic efficiency of scientific and technical products at all stages of the innovation cycle "science-production-market" calls for the organization of works to identify the best indicators of scientific and technical products and the means to achieve them. One of the effective directions of the solution of this problem is the use of functional value analysis (FVA) technical solutions in the execution of research, which was widely developed in the early 80's of the 20th century. The FVA methodology provides the opportunity for additional control of managerial accounting and internal audit, which is an important issue in the implementation of research, since such works have specific risks. The use of FVA in the initial stages of the life cycle of technical objects involves defining the limits of functionally permissible costs, ways of optimizing between costs and function, significant improvement of technical and economic parameters, a significant increase in the economic efficiency of innovation projects, minimization of inherent risks and

control risks. The main purpose of the FVA at the stage of research development is to avoid unnecessary costs, and at the stages of production and operation of products - a reduction or total elimination of unproductive costs and losses.

The use of the FVA methods should focus on the organization of production activities and be linked to the methods of management accounting and internal audit.

Consider from these positions a comprehensive technical and economic analysis (TEA), under which we will understand the relationship of functional-cost analysis, management accounting and internal audit of research. In this case, the object of the FVA is to a greater extent the technical system or product being developed, the object of internal management - the structure and functioning of the organization, and the object of internal audit - economic indicators of development.

Carrying out the TEA at the initial stage of research and development requires careful theoretical and organizational preparation. It is necessary to achieve a deep understanding of economic methods by researchers, designers, technologists, and economists - an understanding of the technical essence of the development. The complexity of the analysis at the stage of research development in general is determined by the lack of an object in materialized form or in the form of technical documentation. Usual for the designer system of transition from technical requirements to the creation of new designs, although it can be used to a large extent, however, is not sufficient. To move from the formulation of goals and objectives to the creation of a specific design version of the product researchers and developers in conjunction with economists, analysts need to execute a sequence of operations that are presented in Fig. 2.6 in the form of an algorithm.

After successful completion of the initial stage of implementation of research and development, technical and economic analysis is more in common with the generally accepted management and audit methods and can be conditionally, by analogy with functional-cost analysis, broken down into the following stages: preparatory, information, analytical, creative, advisory, implementation.

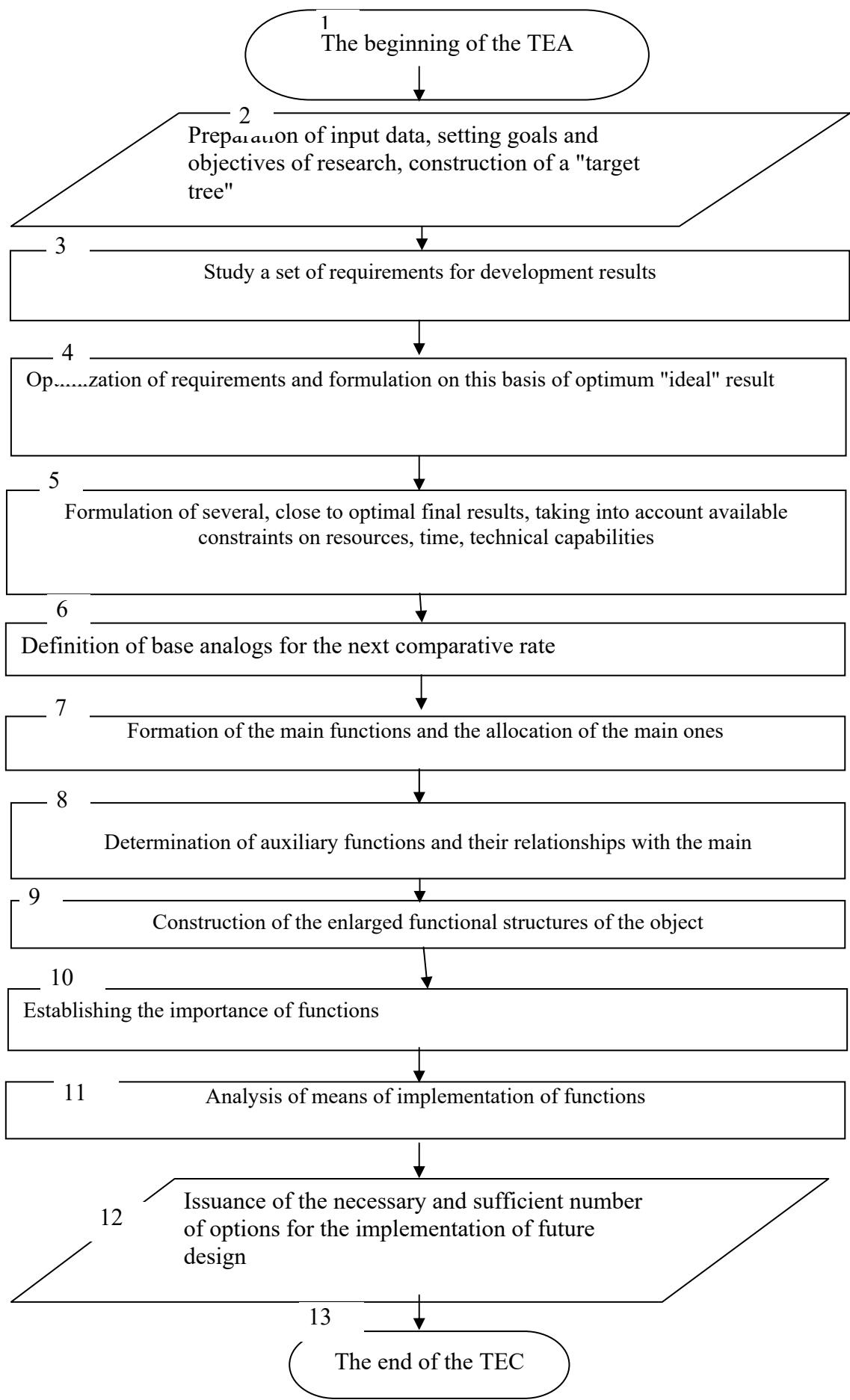


Figure 2.6. Algorithm of technical and economic analysis

The composition of work carried out at each of the specified stages of the feasibility study must be consistent with the phased workload, taking into account the content of each stage, which is determined largely by the peculiarities of the stages of research.

The analysis should be carried out continuously throughout the period of research development. Each subsequent TEA cycle is further detailed and complementary to the previous one, taking into account the new goals and objectives of each stage of the research and development of new additional information. At the same time, not every stage of the analysis is carried out, in some cases, the number of stages can be four to five, in others - one or two. In this case, it is necessary to continuously assess the inherent and control risks.

In determining the sequence of TEA works, it should be borne in mind that the development of a product, of course, begins with the search and justification for choosing the best option, which uses a large amount of information.

Therefore, the first (informational) stage of the TEA products of serial production at the stage of research development can be omitted, but includes creative, analytical and advisory and stages.

At the stage of research development cost formation depends on the organization management development, qualifications of developers; time allocated for development; material and moral interest of developers; use of modern means and methods of conducting research and development; availability of laboratories and experimental facilities; information support (availability of relevant services, qualifications of their workers); constructive complexity of projected products; the level of patent protection; measures of originality of constructions; level of unification; metal capacity; level of qualification of engineering and technical workers involved in the development of technical documentation. These factors largely determine the level of the cost of development, and as a result - the cost of the technical system or product being developed.

Management accounting and internal audit at TEA include a system of technical and economic calculations that will allow you to plan the technical and economic

performance of a new product in the design process, as well as control and regulate the development process in order to achieve the optimal level of quality and maximum efficiency of the product. Works on TEA is an integral part of research and design work. The content of the works, the phased volume of their conduct, the main performers, the expected technical and economic results should be described by a special program of analysis.

Internal audit is appointed by the order of the head of the company, which specifies the organizational method of verification (documentary, complex), the name of the structural unit, for which period the audit is carried out, members and the head of the audit team, their positions, terms of verification. Audit examination must take place with the obligatory documentary design, that is, display the information received in the audit work documentation, which includes:

- plan and programs of audit;
- explanations and statements of the employees of the units on questions concerning the essence of the inspection;
- copies of the primary business documents of the unit, certificates, certificates, protocols, inventory descriptions and other documents drawn up jointly with the employees of the unit involved in the inspection;
- registers of accounting;
- results of inventories;
- accounting reports;
- records on the study and evaluation of systems of operational stock management, questionnaires, flowcharts, etc .;
- production-financial analysis of the actual indicators of the unit;
- materials testifying to the work executed not by the auditor but under his control;
- documents of counter-checks and explanations of persons who are not employees of this unit;
- copies of accounting, operational internal accounting reporting.

The list of audit work documentation, attached to the audit report, is determined by the auditor who conducts the audit. The main requirement for this documentation is its credibility and weight in concluding conclusions and suggestions on the materials of verification. Therefore, there is no limit to the selection of evidence.

When an auditor detects distortions in consolidated accounting documents or internal reporting, he is required to describe the type of distortion and determine the risk factor for the detected distortion. First of all, from the tax point of view, the consequences of which are possible without eliminating such distortion, the cause of distortion (violation of the established rules of organization and accounting, change of contractual relations and not bringing them to the unit, arithmetic and logical errors, incompleteness of accounting, non-typical transactions etc., which can be both intentional and unintentional). The conclusions about the guilt and responsibility of workers who have allowed distortion in accounting are obliged to make the post and other persons who have appointed an inspection. The competence of the auditor is not to draw conclusions about the guilt (or lack thereof) of those or other persons.

Notwithstanding the scope and timing of the task, internal auditors must document the information necessary to substantiate the conclusions and results of the audit task. The head of internal audit should identify and approve standard working documents used by auditors, provide control over access to such documents, develop a collection policy and rules for the storage of such documents. The information contained in the working documentation is confidential and can not be disclosed. The term and procedure for storing this documentation is determined by the official who appointed an audit.

Internal auditors report on the results of the audit task. The report shows information about the objectives of the audit engagement, the scope of the audit, the findings, recommendations and activities. If necessary, the auditor may express his or her own opinion. The form of the report may be arbitrary, and may comply with the requirements of ISA 700 "Formation of opinion and compilation of the financial statements".

The most common form is a report-description - a characteristic of the control system in the enterprise. It shows the origin of each document in the accounting system, the technology of document processing and reporting. But he does not describe the details of the control system. At the same time, the information should be sufficient to effectively analyze the control points and assess the risk of control.

The audit report should include fully verified and documented facts. Each entry must be indisputable, accurate, irrefutable, indisputable and logically proceed from the analysis of received documents.

Each fact presented in the report must clearly state its contents with reference to violation of the relevant law, the decree of the government, the order and other normative documents with the designation, what documents, calculations, certificates, certificates of certain persons, records in registries or they are justified by the indicators of reporting and who committed a violation and by what instructions or permissions the violation was committed and how was given the order, the way in which the violation was committed, what is caused and the amount of material damage incurred of damage or other consequences.

The mass violations should be grouped together in the cumulative statements during the audit, which, as an annex, are part of the audit report. The audit report sets out the summary data and the content of these violations and makes references to the relevant annexes. In the annexes to the audit report, as a rule, the following massive violations are reported: overpayment or underpayment for business trips; cases of unreasonable wages and bonuses; misuse of norms and prices; use of money received from the bank not for the intended purpose; registrations of volumes of products or performed works and services; violation of full-time discipline; objects of unplanned capital investments; violation of the accounting procedure; mistakes in reporting, etc.

To document the assessment of the accounting system and control procedures, auditors prefer the schemes of the sequence of operations. For their development, the auditor determines: the main types of business operations carried out by this enterprise; how these operations are authorized; types and

nature of accounting records; how information about a business transaction is processed from the beginning to the end of its implementation, including the level and nature of the use of computers; the nature and specific features of the process of presenting financial statements. As a rule, the result is a description or flowchart of the document flow.

The block diagram of the document flow is a symbolic image of the client's documents and their sequential movement within the enterprise. Such a scheme, having obtained the name of the control scheme of the sequence of operations, shows the passage of information on the main classes of business operations, from its appearance and entry into the accounting system and ending with the main book and financial statements. Sometimes the audit uses simple vertical circuits, which indicate the movement of documents and information in the sequence of their occurrence, that is, in the direction of the top - down.

Internal control structure questionnaires, in which the desired control procedures are defined and presented, are usually developed in relation to the business cycle of individual internal control tasks (reality, sanction, completeness, evaluation, classification, timeliness, reporting preparation).

The main advantage of the questionnaire is that it allows comparatively full coverage of all areas of audit, thus acting as a good worker. The questionnaire can be prepared quickly enough at the very beginning of the order execution. The main drawback of the questionnaire is that the individual elements of the internal control system are studied without achieving a complete understanding of the system, since the list of issues includes only those types of controls that are usually carried out.

Information about the weaknesses of internal control is given in the special letter (business note) to the management of the enterprise. Auditors are obliged to inform the Audit Committee of the Board of Directors of the client of any deficiencies in the organization or functioning of the internal control system that can negatively affect the ability of an enterprise to record, process, summarize and display financial data in reports.

When conducting the audit, the auditor can identify the points useful to the management apparatus to perform its responsibilities, for example, to improve the efficiency and profitability of the enterprise. As a rule, the auditor discusses issues of this nature with management personnel, but can also write a written report.

Thus, the main directions of improvement of the internal audit system at the enterprise should include:

- development and implementation of internal audit standards;
- normative-legal regulation of internal audit in Ukraine;
- professional training of specialists in internal audit;
- methodological definition of the basic principles of internal audit;
- development of the main tasks in the field of automation of internal audit;
- development of the optimal methodology for professional ethics of auditors;
- effective internal audit management.

The efficiency of an enterprise depends largely on the implementation and proper organization of the internal audit system. The main advantages of internal audit are as follows: insignificant expenses of the enterprise for its carrying out in comparison with external audit, the possibility of using internal audit services at any time; profound knowledge of internal audit specialists in the company's situation, work style and management, politics and culture; involvement through auditors for the control of highly skilled specialists of the enterprise's departments; guarantees of constant compliance with the legislation, promotion of the introduction of progressive innovations, etc.

A detailed audit of the effectiveness of the implementation of financial investments is proposed to be conducted in the following sequence.

At its first stage, an audit of the structure of the value of property and the funds invested in it. First of all, attention is drawn to the rationality and reasonableness of the distribution of property between fixed assets, production inventories and costs, accounts receivable and intangible assets of the enterprise. At the same time, certain procedures are applied with respect to equity and its importance in the formation of the property of the enterprise and its relationship with net assets. In the future, an

audit is carried out on the impact of the main technical and economic factors on the change in the structure of the total value of property value in the reporting period compared with the business plan and the previous period. At the same time, man-made reserves improve the financial sustainability.

At the second stage, the composition, structure and value of property are checked from the standpoint of its recognition, evaluation and accounting. At the same time, the influence of the structure of capital in relation to the structure of property on the solvency of the enterprise is being tested. After that, the influence of the main factors on the change in the liquidity of the company's property and its solvency is tested. After that, they conduct an audit of internal reserves of solvency and assesses the level of financial insolvency (bankruptcy of the enterprise).

In the third stage, the state and accounting of current assets and equity, their formation, income and retirement, and the degree of financial stability of the enterprise are determined based on criteria such as its availability of own working capital, financial independence, rationality of using net profit and depreciation. The level of provision of equity capital, working capital and intangible assets is calculated. After that, the influence of the main factors on the change of financial stability and the internal reserves of its increase are revealed.

The fourth stage evaluates the effectiveness of using the property of the enterprise, determining the cost of production, services, distribution of costs in the reporting period, profitability and competitiveness of products. The effect of the main factors on the change in the efficiency of the use of property and the profitability of products in the reporting period is compared with the business plan and the previous period. Here are possible reserves for improving the profitability of products and the effectiveness of the use of property.

At the final stage of the analysis, the feasibility of developing and implementing managerial decisions aimed at improving the financial condition of the enterprise and ensuring the investment attractiveness of the planned project (development) is checked. An internal audit of the investment attractiveness of the project in connection with the financial condition of the enterprise can be carried out

with a variety of accents and degree of depth, depending on the main categories of its users and their economic interests.

Consequently, we present the methodology of the main internal audit procedures, algorithms and organizational aspects of their implementation, taking into account the specifics of the management of financial resources in terms of investing in innovation and research and development. Considered use of financial resources involves a sufficiently long process of recovery, since financing is not a high-liquidity project, but if a high-quality, successful development of the level of profitability it can significantly increase and sales of research results, in this case, will provide additional income.

The strategy of managing financial resources of the enterprise is an extremely important aspect of future-oriented business activities, which, from the standpoint of the audit, is a positive factor in testing the quality of management, but the audit of the strategy itself in practice does not require any knowledge and experience of a professional specialist.

CONCLUSIONS

Based on the study of the main trends in the flow of financial resources in the modern financial system, the theoretical aspects of the strategy of financial resources management and the peculiarities of the organization of corporate finance, one can draw the following conclusions.

Revealed qualitative transformations that have taken place in recent decades in the modern financial system, determined by the processes of globalization determine the movement and evolution of financial resources. The globalization of the economy in terms of capital flows manifests itself, first of all, in the form of international strategic alliances, mergers and acquisitions.

The modern financial system, fulfilling its main function of ensuring effective accumulation and further allocation of financial resources, contributes to their qualitative change in the process of redistribution. Financial mediation allows the following types of transformation of financial resources: temporary, converting short-term resources into long-term, or vice versa; volumes, turning wholesale resources into retail (and vice versa); currency exchange, converting resources into another currency; signing, substituting for the final creditor the signature of the real borrower under the contract with his signature, improving the quality of the signature of the contractor under the contract; spatial, arranging the territorial movement of resources.

An important aspect of financial globalization is the creation of new financial instruments (products), financial technologies that are twofold: from the point of view of the interests of the entity, the new financial instrument is considered as a way to optimize financial flows, but from the point of view of the financial structure of the economy, new financial instruments can lead to an increase in the share of purely speculative subjects of financial relations, and then to trigger crisis macroeconomic phenomena.

Further developments in the financial market to a large extent depend on external factors: political, economic and social. It can be predicted that the main globalization trends of the movement and evolution of financial resources in the modern financial

system: the emergence of a global financial market (with its participants, financial instruments, the only information space and technologies); free movement of capital between countries and regions; formation of a system of supranational regulation of international finance; contradictory trends in risk and uncertainty will be maintained in the near future. In connection with this, machine-building enterprises in the process of studying the factors of the external financial environment need to take into account these trends for the most complete detection of threats and possible directions of their strategic financial activity.

In our opinion, the main organizational and legal form of corporate enterprises in Ukraine can be considered open joint-stock companies. The peculiarities of the organization of finances of these enterprises are defined in the Law of Ukraine "On Joint Stock Companies", which specifies the aspects of the activity of joint-stock companies, the procedure for the formation of the company, the general principles of organization of management of joint-stock companies and financial management.

Note that one option for implementing a strategy for managing financial resources of enterprises is their merger, that is, the merger of several companies in one legal entity to provide a synergistic effect, when the overall financial result of the activity in such a transformation exceeds the sum of the results of individual independent units. The value of the joint stock capital exceeds the cost of individual joint-stock companies, which is a prerequisite for most of the merger. The growth of the value of joint ventures is beneficial for the shareholders of all the companies involved in the merger and aimed at obtaining a synergistic effect.

Clarification of the essence, role and content of the strategy of management of financial resources of enterprises made it possible to formulate an author's definition of the strategy of management of financial resources of enterprises (financial strategy) as one of the most important types of functional strategy that ensures the rational use of financial resources taking into account financial globalization and alternative forecasts. external financial environment.

An important issue today is the development of a company's financial strategy for the exit and penetration of individual financial markets, which should be embedded in

the overall strategy of financial resources management. Factors in the financial sphere of foreign countries need to be analyzed and evaluated to find alternative options for entering the financial markets of specific countries in the long run.

The obtained results, revealing of the main globalization trends of movement and evolution of financial resources in the modern financial system, understanding of the essence of the strategy of management of financial resources of corporate enterprises, indicate that the study of spheres of influence of factors of the external financial environment, directions of improvement of the strategy of financial resources management help to determine as much as possible. features and possible directions of strategic financial development of machinery.

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Monograph

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