State support for agribusiness and organization of control over spending

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Abstract. The article discusses the main directions of state support for agribusiness in the implementation of national projects. The necessity of organizing and implementing internal control over the receipt and spending of budget funds for the development of agribusiness in the form of subsidies and grants is substantiated. Distinctions are made between internal financial control and internal financial audit. The necessity and significance of the development of internal financial audit in the implementation of control powers by the departments of agriculture in the administration of funds allocated to agribusiness has been proved. The assessment of the current state of development of control and audit in government agencies in the field of agriculture. Suggestions were developed to organize an audit in the departments of agriculture for the implementation of programs and projects for the sustainable development of rural areas and support for farmers, cooperators and agricultural production.

1. Introduction

One of the priority national projects of the country's breakthrough development is associated with the development and support of small and medium-sized enterprises. The national project is aimed at comprehensive improvement of the business climate in Russia. Its structure includes five federal projects. These projects are related to expanding access of business entities to financial resources, including preferential financing, improving the conditions for doing business, accelerating entrepreneurship, creating a support system for farmers and developing rural cooperation, as well as promoting entrepreneurship. Sustainable development of entrepreneurial structures provides competitive advantages for the functioning of the entire economy of the country and improving the quality of life of the population. It is no coincidence that 2020 was declared the year of entrepreneurship in Russia. This year, the state is expected to increase financial investments in domestic business, which implies the organization of effective control over the spending of budget funds.

Control is an effective tool to ensure compliance with the order, conditions and goals of spending subsidies and grants allocated to support entrepreneurs in all areas of the economy.

External control involves checking the targeted allocation of subsidies for the implementation of the project. Internal control fits seamlessly into the management system. It allows one to identify the
risks and threats of not meeting project indicators and achieve your goals. Recently, a form of internal control is actively developing - internal financial audit. It is implemented on the principle of “control over control” and represents a form of internal control that, on the one hand, confirms the reliability of internal financial control, and on the other hand, improves the quality of financial management when administering budget funds.

In order to increase the efficiency of spending budget funds and ensure targeted use of them, it is necessary to develop control organization processes at all its levels and improve methodological tools.

2. Materials and methods

One of the structural projects to support entrepreneurship is related to the development of rural cooperation, financing of farmers and subsidiary farms, and training for agribusiness enterprises. The total project budget is 40.8 billion rubles. The goal of the project is to ensure the number of at least 126 thousand people newly involved in small and medium-sized enterprises in agriculture by 2024. The project aims to create and develop small and medium-sized enterprises in the agricultural sector, including peasant (farmer) households and agricultural consumer cooperatives.

The structural share of the national agribusiness development project is 8% (figure 1).

![Figure 1](image-url)

**Figure 1.** Financing structure of federal national projects included in the national project “Small and medium-sized enterprises and support of individual entrepreneurial initiative”.

This is the third most important project aimed at expanding and supporting entrepreneurial structures. Moreover, agribusiness can rely on the allocation of financial resources for other priority projects to support entrepreneurial initiative. Currently, the implementation of this project is being tracked on the official news portal “The Future of Russia: National Projects”. Moreover, this site allows you to view information on projects throughout the Russian Federation.

The national project is financed from the federal budget, the budgets of the constituent entities of the Russian Federation and extrabudgetary sources. A large share of financial resources falls on the federal budget.

In the regions, state support for agribusiness is provided through the allocation of grants and subsidies in accordance with the decisions of the regional government on a competitive selection basis. Currently, such information is accumulated on the official portal of state support of entrepreneurship "My business". The materials on this site allow monitoring of tender documentation on types of grants and subsidies to support farmers, cooperators and self-employed in the agricultural sector.

Grants and subsidies are allocated to finance the following program and project areas:

- creation and development of peasant (farm) farming;
• development of a family livestock farm;
• support of agricultural consumer cooperatives for the development of material and technical base;
• increasing productivity in dairy cattle breeding;
• compensation of a part of the interest rate on short-term loans (loans);
• support for livestock breeding;
• support of economically significant regional programs (measures) for the development of cattle breeding;
• cost recovery for the prevention and prevention of the introduction and spread of African swine fever;
• cost recovery for elite seeds;
• reimbursement of part of the costs of agricultural producers to pay the insurance premium accrued under the agricultural insurance contract in the field of crop production;
• reimbursement of part of the costs of agricultural producers to pay the insurance premium accrued under the contract of agricultural insurance in the field of livestock;
• the provision of unrelated support to agricultural producers in the field of crop production;
• reimbursement of a part of the interest rate on investment loans (loans) in the agricultural sector;
• development of dairy cattle breeding.

The variability of agricultural support programs necessitates monitoring the implementation of grants and targeted spending of budget funds. In the context of an increase in the number of applications and executors, it is necessary to organize the process of control at all stages of the passage of tender documentation and upon completion of the development of budget funds by internal auditors. The importance of control increases in proportion to the number of entrepreneurs involved in competitions. The emphasis is shifted towards the development of internal control to accompany the legality of all procedures for the provision, receipt and development of grants and subsidies allocated by regional governments.

Since the mechanisms of internal financial control and audit of financing of national projects are only lining up, there are few publications on this issue. Organizational and methodological aspects of the formation of the system of internal financial control and audit are considered in the works of E V Abramova [1], Yu K Baranova [2], T E Gvarliani [3], A Gomonova [4], V F Gaponenko [5], A F Dyatlova [6], E A Lukinova [7], R Monteiro [8], T Yu Feofilova [9].

Studies of the formation of scientific, methodological and practical provisions of the organization and control of budget spending are carried out by the authors of the article. Recommendations and suggestions of the authors are published in leading scientific and practical publications and abroad [10, 11].

The research methodology is justified by normative regulations, guidelines and standards for conducting internal financial control and audit, which is applicable not only to control budget spending by departments and ministries of agriculture, but it can also be used in other public structures.

The use of control and audit methods and procedures is based on the application of best corporate audit practices in Russia and abroad. Among them are a risk-based approach, building an audit sample, forming maps of budgetary procedures, assessing the significance of budgetary procedures and operations, and others.

3. Results and discussion
The need for the organization of internal financial control and audit when fulfilling quality targets for the execution of budgetary powers for the implementation of national projects in the agricultural sector is indicated in RF Government Resolution dated March 17, 2014 No. 193.
Internal financial control is an ongoing process that is organized by the head or other official of the departments of agriculture and ensures compliance with internal procedures for the preparation and execution of the budget. Internal financial control is carried out in the structural units of the institution. It is carried out by carrying out control actions, as well as taking measures to improve the quality of internal budgetary procedures.

Internal financial audit is carried out by separate independent structural units of the departments of agriculture. These may be authorized officials who are empowered to conduct the audit. These employees interact with external auditors during the state audit by the control and accounting authorities.

The activity of the subject of internal financial audit is based on the principles of legality, objectivity, efficiency, independence and professional competence, as well as systematicity, responsibility and standardization.

Research and consulting have shown that in practice there are three ways to organize the subject of internal audit:

- by creating a separate structural unit;
- by authorized official;
- by a subdivision of the internal audit of a higher organization (by agreement on the transfer of authority).

Fulfillment of the powers of internal audit by the audit team is also possible.

If in the organizational and methodological plan the actions of employees of the internal financial control of the departments of agriculture to implement the procedures for administering budget funds allocated to agribusinesses are normatively fixed, then the internal audit is only standardized. And at present, only three federal standards of internal financial audit have been introduced, which can guide government employees. They will begin to operate only on January 1, 2020, namely in the year of entrepreneurship. This once again confirms the importance of control over the allocation of budget money to finance national projects. Increasing the transparency of control procedures allows us to obtain data for research, and to track the progress of project implementation and the execution of specified parameters.

Standards have the force of regulatory framework for the organization and conduct of the audit. But they do not contain documents that should accompany the work of auditors to verify grants and subsidies for the development of agribusiness and the form of auditors' reports.

Abroad, standards that share audit procedures for companies and corporations and for the public sector have been applied for a long time, but they are summarized in one international thematic audit standard. In Russia, there has always been a separation of audit standards for commercial structures and state audit standards. Now we have come to the necessity of introducing the practice of corporate audit and management in public administration, which is methodologically and economically sound. Money allocated by the state for business should be spent strictly on business development and verified. Moreover, entrepreneurs should understand the process of paperwork, allocation of money and the measure of their responsibility for their development and accountability. That is, it is necessary to reach agreements on the individual allocation and expenditure of budgetary funds from the administrations of the regions, municipalities, districts, farmers and cooperators. Each side should understand the measure of its responsibility and the social significance of supporting entrepreneurial initiative in the countryside.

A study of the issue showed that the departments of agriculture should develop a single regulation on the organization and implementation of internal financial audits. Internal audit fits into the overall system of control in departments. The organizational provisions of the audit is presented in the regulation are shown in table 1.

As annexes to the statute of the audit, documents and reporting forms are developed to support agribusiness subsidization procedures.
Table 1. Organizational provisions for internal audit.

| Audit Regulation                      | The nature of the issues addressed                                                                 |
|---------------------------------------|---------------------------------------------------------------------------------------------------|
| General Provisions                    | Areas of audit, subject, object, tasks, rights and obligations of the subject of audit              |
| Preparation of an annual audit plan and audit programs | Planned and unscheduled inspections, planning process, selection of audit objects, contents of the audit program |
| Auditing                              | Audit methods, field audit, continuous and selective audit method, obtaining evidence, audit certificate |
| Implementation of audit results and reporting | Monitoring of deficiencies and violations, annual reporting based on audit results                 |
| The order of the audit team           | Rights, obligations and responsibilities of the audit team                                         |

4. Conclusions

The internal regulation of the organization of budgetary funds for financing state support of rural entrepreneurship will reduce the risks of non-fulfillment of federal projects and absorb the allocated funds in full.

Methodological and documentary support of the procedures for receiving and spending money helps to improve the quality of the management system and the responsibility of officials.

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