ASSessment of the efficiency of the bank's financial controlling system

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The financial sector is currently developing at the most dynamic pace, at the same time, this development is characterized by the largest and most extensive operational risks. This causes financial institutions to pay more attention to modern asset, risk and competitiveness management systems. Financial controlling in this aspect is a comprehensive system of increasing the effectiveness of the functioning of financial institutions and increasing their competitiveness in the medium and long term. The main problem of the implementation of financial controlling is the lack of qualified specialists capable of building a quality system taking into account the peculiarities of the functioning of a separate financial institution. The process of implementing the system of financial controlling of banking activity has several main stages: the methodological stage, which involves specifying the model of bank controlling; methodical stage, characterized by the selection of methods of implementation of the financial controlling system in the bank necessary for making certain management decisions; the technical stage, which involves the determination of the number of persons and the distribution of responsibilities among qualified personnel who will work with the management base. For practical use, the content of the Regulation on the organization of financial controlling in the bank, which defines the organizational and legal features of ensuring the functioning of the financial controlling system, is proposed. The structure of the document contains a clearly defined list of tasks of the financial controlling service in the bank, as well as the rights and duties of the controllers. A methodical approach to the evaluation of the effectiveness of the formation of the system of financial controlling of banking activity has been developed, which provides for the evaluation of the effectiveness of the work of the financial controlling service (thanks to the evaluation of its current activity and the cognitive skills of employees), which will make it possible to take into account not only the feasibility of investing financial resources in the implementation of financial controlling, but also the level professionalism of the members of the established financial controlling service, which is an important condition for effective banking activity.

Key words: bank, financial controlling, task of financial controlling of the bank, effectiveness of financial controlling, effective banking activity.

JEL Classification: G21, G30.

Formulation of the problem. Increasing the level of competitiveness in the financial sector today is a problem for both individual banks and the entire banking system of the country. The development of competition in the banking sector of the financial market necessitates the modernization of the management system, which ensures the long-term functioning of the bank. Among the instruments of such modernization, one of the main places is occupied by bank financial controlling.

Historically, financial and credit institutions developed in rather difficult economic conditions. Periodically, a number of contradictions and shortcomings were expressed in the form of banking crises. Currently, the share of unprofitable financial and credit institutions reaches about 38%, which is quite a high level. It is not by chance that a number of banks have already begun to master and introduce into their own practice separate controlling tools, which allows them to increase the efficiency of their activities. Unfortunately, such work is not comprehensive yet. Financial controlling tools are far from being used to their full extent, and banks are usually guided by their own acquired experience, and not by the concept of modern controlling as a complete system.

Analysis of recent research and publications. The study of various aspects of financial controlling in banking activities was reflected in the scientific works of such scientists as S. Zaporozhets and O. Bartosh [1], V. Mishchenko and S. Mehovich [2], O. Primostka [3], N. Pugarska [4], D. Skybyuk [5] and others, as well as repeatedly discussed within scientific events [6]. At the same time, a significant number of problems of financial controlling in the activities of banks are insufficiently covered and require their further research and search for solutions.

Highlighting previously unresolved parts of the overall problem. Given the fact that financial controlling...
systems are implemented in the management activities of banks partially, not systematically and often without a strategic vision of the development of financial controlling in the institution, the place, tasks, functions, powers and approaches to evaluating the effectiveness of the implementation of financial controlling in the activities of commercial banks require in-depth research.

**Formulation of the goals of the article (statement of the task).** The purpose of the work is to justify the methodology for evaluating the effectiveness of the financial controlling system of a commercial bank based on the determination of the degree of fulfillment of the tasks set before the financial controlling department.

**Presentation of the main research material.** Banks, like any other business entities operating on a commercial basis, set before themselves the goal of obtaining profit, maximizing the value of business and increasing the welfare of shareholders. Based on this, the goal of banking management is to increase the market value of a financial and credit institution while simultaneously ensuring a sufficient level of liquidity. With the expansion of the banking business, a rigid and centralized approach to the orientation of bank management loses its advantages and does not allow to respond promptly and with sufficient flexibility to changes in the external and internal environment of banking activity. The strengthening of competitive relations in the financial market, the development of innovative banking technologies, the strengthening of business diversification, the complexity and contradictions of business processes determine the need to apply new approaches to the formation of an optimal system of financial controlling in the bank.

Forming a controlling service for small banks is not advisable. Such financial and credit institutions can use the services of relevant outsourcing companies. For banks with larger assets and capital (especially for systemically important banks), on the contrary, the creation of a financial controlling service is very relevant. Summarizing the approaches to the formation of the controlling service, the following organizational structure for the bank can be proposed (Figure 1).

An important condition for the formation of the optimal organizational structure of the financial controlling system is also a clear definition of the sources of financial resources, human resources and software and technical support of the bank. It is quite obvious that the financial controlling service can only if there is adequate quality software and technical support of the bank, the cost of which can reach 1–1.5 million US dollars [7; 8].

Financial controlling must perform two main functions:
- to provide constant service (informational, technical, technological, organizational, analytical, etc.) of the bank;
- provide support to the bank's risk management in making management decisions (methodical and instrumental support, as well as integrated and systemic).

The bank's financial controlling service must provide solutions to the following tasks: assessment of the effectiveness of the financial and credit institution's activities, and, if necessary, its correction; analysis and control of banking risks; informational and methodical support of bank risk management in planning; planning measures to optimize the bank's risks and protect against potential threats; control over the fulfillment of assigned tasks before other divisions of the bank in relation to financial controlling.

In order to ensure a more complete integration of risk management with elements of planning, analysis and control, financial and credit institutions can be recommended to carry out the following actions in stages: introduce the position of controller, which assumes responsibility for the development of the banking risk matrix; justify the choice of certain mathematical and statistical methods and system of indicators for quantifying banking risks; determine the general risk position of the bank and ensure constant monitoring of its compliance; to develop a rating scale for bonuses for compliance with bank risk indicators.

The implementation of these recommendations will make it possible to subordinate the risk component of the banking business to the general process of planning the work of a financial and credit institution. At the same time, it is necessary to strengthen control over the observance of the established economic standards and main indicators of activity. A more rational option would be to separate the functional duties and powers of the bank controller into the actual controller and manager. Ultimately, the effectiveness of all bank management will depend on the integration of all components of financial controlling in the work of the bank.

The implementation of the risk controlling service in the bank, as a rule, is accompanied by significant additional costs. The state of financial and labor potential of domestic

![Figure 1 – Organizational structure of the bank's financial controlling service](image-url)
The formation of the financial controlling system in the practical activity of the bank is the evaluation of its performance, since performance is one of the most important characteristics of the success of the functioning of a certain object and expresses the degree of implementation of planned activities or achievement of planned results.

The evaluation of the effectiveness of the formation of the system of financial controlling of banking activity will allow the management to identify the impact of the implementation of financial controlling on the main indicators of banking activity and to determine the ways of further development.

In the process of evaluating the effectiveness of the formation of financial controlling, it is advisable to take into account the evaluation of the work of the team, since the success of the team and the achievement of the goals set for it become a guarantee of the correct and clear functioning of the financial controlling system in the bank.

Evaluating the effectiveness of the work of the financial controlling service involves determining the degree of fulfillment of the tasks assigned to the service. This is related to situations that require the achievement of a common understanding of the obtained results or a consensus regarding the contextual interpretation of information, as well as the development of joint decisions regarding individual and collective actions.

Therefore, issues such as the assessment of the ability of members of the financial controlling service to work together and fulfill the set goals and the psychological climate in the process of joint activity become especially relevant. These questions are solved as a result of the cognitive assessment of the groups. Cognition of the financial controlling service (group) is understood as a set of individual skills of cognitive activity and information processing and their coordination mechanisms, which allows achieving set goals and solving set tasks.
Organizational characteristics include: organization of communications; organization of technology-dependent information processes (use of computer systems, office equipment, etc.); conflict resolution procedures between group members; organization of group decision-making processes regarding role interaction (correspondence between psychological and informational types and the group roles assigned to them); time characteristics of group functioning – intensity of contacts of group members over time.

The cultural and technological characteristics include: the integration of group values into the organizational culture of the structural unit (the company as a whole), which includes or is subordinate to the team (group); the possibility of organizing trainings and consultations (formal training) in the process of functioning of the group; technological and material resources at the disposal of the group; the physical environment of the group's functioning.

Thus, the group effectiveness of the financial controlling service depends on how accurately and fully the employees understand and adapt to the respective advantages and disadvantages of each of the group representatives. Measurement of group cognition and evaluation of the current work of the financial controlling service, thus, requires the formation of specially developed questionnaires. Therefore, in order to evaluate the effectiveness of the financial controlling service, it is suggested to use a scale in which the measurement is represented by two possible states – "yes" or "no", corresponding to 1 and 0, respectively.

The interpretation of the results according to the model of G. Rush [10] involves determining the levels of effectiveness of the financial controlling service: a low level \( \{D \in [0; 1,1]\} \), which corresponds to the positive answers of experts from 50.1% to 75%; medium level \( \{D \in [1,11; 2,19]\} \), which corresponds to the positive answers of experts from 75.1% to 90%; high level \( \{D \in [2,2; 2,94]\} \), which corresponds to the positive answers of experts from 90.1% to 95%; With the value of the readiness level "0", it is considered that the probability (P) of a positive assessment by experts is 50% and indicates the inability of the employees of the controlling service to perform their assigned functions.

In order to convert the raw data into a Rasch scale, it is necessary to calculate the total score (S). The maximum value for each item is \( 10 \times 18 = 180 \) (10 is the number of questions in the questionnaire, 18 is the number of the expert group). For each item, the ratio \( P(1) \) and the value \( D(2) \) are calculated:

\[
P = \frac{S}{\text{max}}, \quad (1)
\]

\[
D = \ln\left(\frac{P}{1-P}\right), \quad (2)
\]

Thus, an approach to evaluating the effectiveness of the formation of the financial controlling system in the practical activities of the bank is proposed.

The final stage of evaluation is implemented through the formation of a matrix. The matrix model as one of the forms of graphic analysis involves the logical imitation of real phenomena, processes, relations, objects, procedures and their spatial (in the coordinate plane) positioning, which reflects cause-and-effect relationships, proportions, factors, patterns and development trends.

To determine the effectiveness of the formation of the financial controlling system as the axis of the matrix, it is proposed to use two indicators – the evaluation of the financial effectiveness of the implementation of financial controlling according to investment indicators horizontally and the evaluation of the effectiveness of the work of the financial controlling service vertically.

The first sign can take the following values: \( PI < 1, \ PI = 1 \) and \( PI > 1 \). The second feature also has three intervals (according to the model of G. Rasch [10]) – low level \([0 – 1.1]\); average level \([1.11 – 2.19]\); high level \([2.2 – 2.94]\). The resulting scales made it possible to develop a 3×3 matrix (Figure 2).

The use of the proposed matrix provides an opportunity to obtain not only a current assessment of the effectiveness of the formation of the financial controlling system in the bank, but also to formulate certain recommendations for its improvement.

Thus, the proposed methodical approach to evaluating the effectiveness of the formation of financial controlling in banking activity provides an opportunity to take into account two components – evaluating the effectiveness of the work of the financial controlling service and evaluating the effectiveness of the implementation of financial controlling by investment indicators.

The evaluation of the implementation of financial controlling from the standpoint of an investment project contributes to the determination of the feasibility of monetary investments in the project, and the evaluation of the effectiveness of the financial controlling service will allow taking into account not only the professionalism of the created service, but also the psychological characteristics of each of its members. Determination of the ratio of these components in the proposed matrix will be the basis for the development of the necessary set of actions related to increasing the effectiveness of financial controlling of banking activities.

**Conclusions.** The process of implementing the system of financial controlling of banking activity has several main stages: the methodological stage, which involves specifying the model of bank controlling; methodical stage, characterized by the selection of methods of implementation of the financial controlling system in the bank necessary for making certain management decisions; the technical stage, which involves the determination of the number of persons and the distribution of responsibilities among qualified personnel who will work with the management base. The use of such an algorithm allows you to consistently form a base for the effective functioning of such a system. At the same time, it is noted that when creating it, it is advisable to also observe a number of basic principles, which include
The value of the indicator of financial effectiveness of the implementation of financial controlling according to the indicators of investment evaluation

<table>
<thead>
<tr>
<th>Result level of the controlling service</th>
<th>Performance level</th>
<th>Description</th>
<th>Effectiveness of formation of the system of financial controlling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>0–1,1</td>
<td>Low performance, implementation is impractical</td>
<td>Low productivity, measures to improve staff qualifications are appropriate</td>
</tr>
<tr>
<td>Medium</td>
<td>1,11–2,19</td>
<td>Low performance, implementation is impractical</td>
<td>Average performance</td>
</tr>
<tr>
<td>High</td>
<td>2,2–2,94</td>
<td>Low performance, it is possible to reduce the costs of implementing financial controlling</td>
<td>Average performance</td>
</tr>
</tbody>
</table>

**Figure 2 – Matrix for evaluating the effectiveness of the formation of the financial controlling system of a banking institution**

The following: the principle of information base availability; principle of generalization by levels; the principle of monitoring and control; the principle of conformity.

The proposed approach to the evaluation of the effectiveness of the system of financial controlling of banking activity takes into account the evaluation of the effectiveness of the work of the financial controlling service, which is based on the evaluation of the current activity of the employees of the service, as well as their cognition. The constructed matrix for evaluating the effectiveness of the formation of the system of financial controlling of banking activity provides a current assessment of effectiveness and becomes the basis for developing recommendations for its improvement.

**REFERENCES:**


**СПИСОК ВИКОРИСТАНИХ ДЖЕРЕЛ:**

ОЦІНКА РЕЗУЛЬТАТИВНОСТІ СИСТЕМИ ФІНАНСОВОГО КОНТРОЛІНГУ БАНКУ

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Фінансовий сектор розвивається на сьогодні найбільш динамічними темпами, разом з тим цьому розвитку притаманні найбільш та наймасштабніші ризики діяльності. Це обумовлює підвищення уваги фінансових установ до сучасних систем управління активами, ризиками та конкурентоспроможністю. Фінансовий контрольність в цьому аспекті є комплексною системою підвищення результативності функціонування фінансових установ і підвищення їх конкурентоспроможності в середньо та довгострокові перспективи. Основною проблемою впровадження фінансового контролінгу є відсутність кваліфікованих фахівців, здатних побудувати якісну систему з урахуванням особливостей функціонування окремої фінансової установи. Процес впровадження системи фінансового контролінгу банківської діяльності має декілька основних етапів: методологічний етап, який передбачає конкретизацію моделі банківського контролінгу; методичний етап, що характеризується підбором методів реалізації системи фінансового контролінгу в банку необхідних для прийняття певних управлінських рішень; технічний етап, який передбачає визначення кількості осіб та розподіл обов’язків між кваліфікованим персоналом, який буде працювати з управлінською базою. До практичного використання запропоновано зміст Положення про організацію контролю в банку, фінансовий контролінг, завдання фінансового контролінгу банку, результативність фінансового контролінгу. Структура документу містить чітко визначений перелік завдань служби фінансового контролінгу, який буде працювати з управлінською базою.

Ключові слова: банк, фінансовий контролінг, завдання фінансового контролінгу банку, результативність фінансового контролінгу, ефективна банківська діяльність.

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