Sustainable financial development of the territory of the Far East

Diana Burkaltseva, Aleksandr Bondar, Oleg Blazhevich, Elnara Osmanova, Aleksandr Betskov, Vladimir Gaponenko, Svetlana Polskaya, Daniil Bondarenko, and Christina Bondar

1 V.I. Vernadsky Crimean Federal University, 4 Vernadskogo Avenue, Simferopol, 295007, Russian Federation
2 Ministry of the Interior of Russia Academy of Management of the Ministry of Internal Affairs of Russia, 8 Zoi and Aleksandra Kosmodemyanskikh Street, Moscow, 125993, Russian Federation
3 Plekhanov Russian University of Economics, Sevastopol Branch

Abstract. It is important to use the resources and potential of the territory of the Far East to form a new management system. Participation of the region in solving complex socio-economic problems of the subject, based on a strategic vision of the future of the organizational system. The implementation of the mission and the achievement of the strategic goal of the development of the Far East is carried out by solving the following tasks of long-term socio-economic development of the territory of the Far East: the development of public function (active citizenship and active participation of residents, business representatives and the government); the development of human potential and social responsibility; the development of infrastructure, finance, land resources; spatial development; development of agriculture and recreation; development of tourist attractiveness; improving the well-being and quality of life of residents; development of digitalization; development of “environmental friendliness” in all areas of regional development; improving the efficiency of the region and the management system. A system of indicators determining financial security in the management of the organizational structure of the Far East is proposed.

Key words: management decisions in organizational systems, finance, financial stability, financial security, financial research methodology, region.

1 Introduction

Despite a fairly large number of studies in the field of financial stability and security of the region [1-9], there is no consensus on the methodology for assessing financial security in managing the organizational structure of the region.

The purpose of the study is to propose a scientific and methodological approach to assessing financial security in managing the organizational structure of the region.
2 Materials and methods of research

The main research methods were generalization and systematization of scientific and statistical data, their comparative analysis, synthesis, application of a systematic approach, data processing using methods of economic analysis and general theory of statistics. In the course of the study, methods of general scientific analysis and comparison, tabular and graphical methods of visualization of calculations, methods of induction and deduction were used in the formation of conclusions.

3 Results and Discussion

![Fig. 1. Economic methods for assessing the financial security of the region. Source: compiled by the authors](image-url)
Scoring – determination of indicators by year, assigning points to indicators depending on the gradation of their actual values from greatest to least. The result is a sum of points that shows the level of financial security of the region. At the same time, the disadvantage of this method is that it does not take into account the weighting value of the indicators, but only estimates based on actual values over several years.

The expert assessment method is the determination of quantitative and qualitative indicators, thanks to which experts make a decision on the financial security of the region based on the materials being studied. The main advantage of this method is that it takes into account both quantitative and qualitative indicators.

Fig. 2. Algorithm for diagnosing and regulating the state of financial security in managing the organizational structure of the region. Source: compiled by the authors

SWOT analysis involves identifying strengths and weaknesses, as well as opportunities and threats that characterize a region according to certain characteristics. The disadvantage of this method is that it may not take into account some factors.

It is worth noting that to assess the financial security of a region, it is necessary to adhere to a certain algorithm (Figure 2).

In general, it is worth noting that the above mentioned diagnostic methods and algorithm should depend on the goals and objectives of assessing the financial security of the region, which are fundamental for effective analysis.
One of the main stages in the study of the financial security of the region is the determination of a system of indicators (Figure 3), the results of which will help to draw a conclusion about the state of the level of financial security and thereby minimize the threats that contribute to destabilizing the state of the region.

**Fig. 3.** System of indicators that determine financial security in managing the organizational structure of the region. Source: compiled by the authors

### Scorecard

**Indicators of Fiscal Security**

1. Budget autonomy coefficient.
2. Level of coverage of expenses with income.
5. Analysis of tax obligations.
7. Tax collection rate.
8. Tax concealment (understatement) coefficient.
9. Effectiveness ratio of on-site tax audits.
10. The rate of detected errors when filling out tax returns.
11. Share of tax revenues in total income.
12. Ratio of tax revenues to GRP.

**Indicators of Investment Security in the Region**

1. The ratio of investments in fixed capital to GRP.
2. The ratio of the growth rate of investment in fixed capital to the growth rate of GRP.
3. Investment growth rate in total budget expenditures.
4. Depreciation rate of fixed assets.
5. Renewal ratio of fixed assets.
6. Growth rate of investment in fixed capital.
7. Share of sold innovative products in the total volume of industrial products.

**Security Indicators of the Credit and Banking System**

1. Bank capital adequacy ratio.
2. The ratio of total assets of the banking system to GRP.
3. Ratio of banks' equity capital to GRP.
4. Return on equity of banks.
5. Return on assets of banks.
6. The share of non-residents in the total assets of the banking system.
7. Reserve coverage ratio for loans issued by banks.
8. Growth rate of banks' total assets.
Table 1: System of indicators of fiscal security in managing the organizational structure of the region

<table>
<thead>
<tr>
<th>Indicator</th>
<th>The essence of indicators, calculation formula</th>
<th>Threshold value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Budget autonomy coefficient</td>
<td>The coefficient shows how independent the region is from gratuitous and non-refundable transfers. (Received tax and non-tax revenues, revenues of targeted budget funds, i.e. total revenues minus gratuitous and non-refundable transfers ÷ total budget revenues) × 100%</td>
<td>30 - 75%</td>
</tr>
<tr>
<td>2. Level of coverage of expenses by income</td>
<td>Shows the extent to which budget expenditures are covered by budget revenues. (Budget revenues ÷ Budget expenses) × 100%</td>
<td>97% - 103%</td>
</tr>
<tr>
<td>3. Budget performance coefficient (level of budget revenues per capita)</td>
<td>Shows the economic well-being of a region, measuring average per capita income. (Income ÷ population) × 100%</td>
<td>16 - 25%</td>
</tr>
<tr>
<td>4. Population provision ratio</td>
<td>Shows the degree of security of the population. (Budget expenditures on social items ÷ budget expenditures) × 100%</td>
<td>30 - 75%</td>
</tr>
<tr>
<td>5. Analysis of tax obligations</td>
<td>Shows the degree of fulfillment of tax obligations by taxpayers to the budget. (Amount of actual taxes received ÷ Tax revenues) × 100%</td>
<td>95% - 100%</td>
</tr>
<tr>
<td>6. Tax burden</td>
<td>Allows you to assess the impact of taxes on management and investment decisions made in the economy as a whole, and determine the degree of optimality of building the tax system. (Amount of actual taxes received ÷ GRP) × 100%</td>
<td>average value</td>
</tr>
<tr>
<td>7. Tax collection rate</td>
<td>Shows the ratio of the amount of tax payments collected over a certain period to the potentially possible volume of collected tax payments. Amount of taxes actually received ÷ Amount of taxes calculated for payment</td>
<td>at least 1</td>
</tr>
<tr>
<td>8. Tax concealment (understatement) coefficient</td>
<td>Shows the ratio of additionally accrued taxes for on-site tax audits to the amount of taxes accrued for payment. Additional accrued taxes for on-site tax audits ÷ Amount of taxes accrued for payment</td>
<td>0% - 1.7%</td>
</tr>
<tr>
<td>9. Effectiveness ratio of on-site tax audits</td>
<td>Shows the ratio of on-site inspections that revealed violations to the total amount of on-site inspections. Number of on-site audits conducted that revealed violations ÷ Total number of on-site tax audits conducted</td>
<td>100%</td>
</tr>
<tr>
<td>10. Rate of detected errors when filling out tax returns</td>
<td>Shows the ratio of the amount of taxes according to desk tax audits to the total amount of taxes. Additional accrued taxes due to desk tax audits ÷ Amount of taxes accrued for payment</td>
<td>0.000004</td>
</tr>
<tr>
<td>11. Share of tax revenues in total income</td>
<td>Shows the ratio of tax revenues to the total amount of the consolidated budget. Tax revenues ÷ Consolidated budget revenues</td>
<td>70%</td>
</tr>
<tr>
<td>12. Ratio of tax revenues to GRP</td>
<td>Shows the ratio of non-tax revenues to GRP. Non-tax revenues ÷ Gross regional product</td>
<td>11.41%</td>
</tr>
</tbody>
</table>

Source: compiled by the authors
An analysis of each indicator will allow us to determine the threshold values that must be maintained, otherwise this will lead to obstruction of the normal development of the regional economy and the formation of negative trends in fiscal security and for the financial security of the region as a whole.
Investment security of the region is a determining condition for investment activity in the region, and therefore for the effective socio-economic development of both the state and the region [36-44]. Carrying out an analysis of the influence of the level of investment security on the indicators of the socio-economic situation of the regions helps to determine that investment security is a factor determining the growth and development of the economy of a particular region. Therefore, to solve the problem, it is necessary to pursue a regional policy that will primarily help stimulate the flow of investment into the region.

Table 3. System of security indicators of the credit and banking system in managing the organizational structure of the region
2. Ratio of total assets of the banking system to GRP, %
This indicator allows us to determine how satisfied economic entities are with their financial needs.
\[
\text{Ratio} = \frac{\text{Total assets of banks}}{\text{GRP}} \times 100\%
\]

3. Ratio of banks’ equity capital to GRP, %
Shows the degree of concentration of banking capital in the country’s economy.
\[
\text{Ratio} = \frac{\text{Equity capital of banks}}{\text{GRP}} \times 100\%
\]

4. Return on equity of banks, %
Reflects the efficiency of using bank funds. It allows you to see how high the efficiency of attracting and placing resources at the disposal of the bank is.
\[
\text{Return} = \frac{\text{Profit of banks}}{\text{Equity of banks}} \times 100\%
\]

5. Return on assets of banks, %
This indicator makes it possible to determine how effectively banking organizations manage their own assets and liabilities.
\[
\text{Return} = \frac{\text{Profit of banks}}{\text{Total assets of banks}} \times 100\%
\]

6. Share of non-residents in total assets of the banking system, %
Shows the degree of participation of non-residents in the country’s banking system.
\[
\text{Share} = \frac{\text{Funds raised from non-resident organizations}}{\text{Total assets of banks}} \times 100\%
\]

7. Reserve coverage ratio for loans issued by banks
Shows the ratio of the amount of reserves for possible losses to the volume of interbank lending.
\[
\text{Ratio} = \frac{\text{Provisions for possible losses}}{\text{Volume of interbank lending}}
\]

8. Growth rate of total assets of banks, %
Shows the ratio of bank assets in the current period compared to the previous period.
\[
\text{Growth} = \frac{\text{Total assets of banks in the current period}}{\text{Total assets of banks in the previous period}} \times 100\%
\]

Source: compiled by the authors

Analyzing trends in changes in security indicators of the credit and banking system, we can conclude that threats to the financial security of the region through the banking sector are increasing or decreasing.

As we see in Table 1, 2, 3, the indicator of gross regional product (GRP) is used to calculate indicators of the financial security of the region. Therefore, there is a need to determine a formula for calculating real GRP.

\[
\text{GRP}_{\text{real}} = \frac{\text{GRP}_{\text{nominal}}}{\text{Deflator index}}
\]

where \( \text{GRP}_{\text{nominal}} \) (index of physical volume of GRP) is a relative indicator characterizing the change in the volume of GRP in the current period compared to the base one. This index shows how much the physical volume of GRP has increased (i.e., the influence of price changes is excluded);

The deflator index is the ratio of the volume of GRP calculated in actual prices to the volume of GRP calculated in constant prices of the base period. Unlike the price index for goods and services, the GRP deflator index characterizes the total change in prices for added value created in all sectors of the economy.

4 Conclusion

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