

Methodological Support of a Company's Economic Security System

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Abstract—The article presents materials on the study of the features of the economic security systems formation in terms of methodology and quality of financial data. In the conditions of growing competition and economic difficulties, the role of scientific methods of ensuring the security of information, which underlies management decisions, is growing. Attention is focused on the problems of resource provision of economic security systems. The principles and rules of organization and construction of protective mechanisms are considered. Thus, the relevance of the issues addressed in the article is due to the need to develop scientifically based and practically applied tools to increase the effectiveness of scientific and analytical support of economic security systems in international practice.

Keywords—accounting information systems; protection of economic information; reliability of data; elements of the information system

I. INTRODUCTION

Interest in economic security systems is conditioned by the dependence of the process of sustainable development of organizations on external and internal factors, complex economic conditions, geopolitical vectors of the world economy, etc. In general, the term "economic security" in relation to the subject of the economy is perceived as a state of protection of priority areas and interests development from the impact of external and internal threats, determined by a special protection mechanism, including preventive measures in the field of legal, economic, organizational and technical relations.

The main signs of economic security are:

- Emphasis not only on external, but also internal threats;
- Permanent change in the state of security;
- Interaction of the organization's economic security system with the state security management system.

The system of economic security is a set of guarantees of organizational, legal and financial-material nature. From the point of view of legal support of economic activities, it is necessary to formulate regulations that define legal relationships and protect the interests of entrepreneurial activity. At the state level, it is possible to apply

administrative law measures, economic policy instruments and development regimes for priority areas of the economy.

II. INFORMATION SUPPORT OF A COMPANY'S ECONOMIC SECURITY SYSTEM

From the viewpoint of organizational and managerial aspects, the economic security system includes the development of an effective structure of administration and management of business processes, the wide application of incentive methods and enhancement of human resources, the interest of personnel and the preparation of the necessary competencies.

Material security of the economic security system is the availability of financial, technical, information and analytical, human resources and other resources to detect and identify the risks of sustainable development, prevent the consequences of possible material and non-material damage, and eliminate threats to economic security.

In order to form the main lines of economic security, it is necessary to define the main concepts in terms of:

- The development of a complex of preventive measures of organizational and regulatory nature aimed at preventing risks to economic security, preventing damage to the interests of owners and employees, structural units - responsibility centers. In this aspect, a system of measures for personnel management, security of property, as well as information security;
- The creation of a system of alerts and signaling documents in terms of identifying the facts of the threat to economic security.

The purposeful nature and multitasking of the system of economic security determine the composition of the objects that ensure the stability of the financial position and development of economic entities. Specific regulation is the main elements of financial information, allowing to assess the financial position and performance of the organization, according to the international system of accounting indicators, they include assets, liabilities, capital, income and expenses [1].

The system of economic security is based on financial and management information, it is necessary to determine the composition of its quality characteristics determined by international financial reporting standards. The main requirement is the usefulness of the data for interested users. In order for financial information to be considered useful, it should be relevant, reliable and comparable [2]. The specifics of the requirements that determine the usefulness of information generated in accounting for internal users, establishes the management of the organization. Practical implementation of IFRS principles is carried out by using them on an equal basis with national standards, as an addendum or in the absence of local standards, as well as in the formation of reporting indicators of public companies and transnational corporations in order to attract financing in international capital markets. IFRS support is provided by:

- The International Organization of Securities and Exchange Commission (IOSCO). Members of the International Organization of Securities and Exchange Commission are the National Securities and Exchange Commission and other regulatory bodies of the stock markets. Since 2000, the IOSCO encourages its members to allow companies whose shares are quoted on world stock exchanges to apply IFRS for financial reporting.
- The European Commission. The unified industrial policy of the European Union implies the creation of a unified business environment, including the harmonization of financial reporting. This goal is achieved by issuing directives for the member countries of the European Union. They are prescriptions for the implementation of legislation in certain areas. The European Commission issued the Fourth and Seventh Directives, unifying the financial statements of the countries of the European Union. The EU said that IFRS is in line with EU directives. Nevertheless, there are significant differences between the generally accepted accounting principles in the Member States. All companies of EU member states registered on exchanges must publish their consolidated financial statements in accordance with IFRS starting January 1, 2005.
- The Securities and Exchange Commission (SEC). The US SEC controls the accounting standards issued by professional bodies. This commission can also veto certain approaches to accounting and require the introduction of standards in new areas. The SEC is the leading member of the IOSCO. Nevertheless, it still requires a full reconciliation of capital and profits under USGAAP rules. According to the IFRS concept, the SEC is planned to allow financial statements of foreign investors prepared under IFRS to be accepted, without reconciliation according to USGAAP. The IASB and the US Financial Accounting Standards Board (FASB) in 2002 launched the USGAAP convergence (convergence) program and IFRS.

IFRS makes a great contribution to the improvement and harmonization of financial reporting around the world. In countries with a little developed legislative system in the field of accounting, IFRS is used as the basis for national standards (Latvia, Malta). All listed companies are required to report under IFRS in Bangladesh, the Czech Republic, and Estonia. Also IFRS is used as an international standard for those countries that develop their own requirements (China, Central European countries, CIS). Foreign listed companies can use IFRS in Australia, Egypt, Europe, Ukraine. IFRS is used by stock exchanges and regulators that authorize foreign and national companies to submit financial statements in accordance with IFRS. The European Commission announced that it relied heavily on the IASB in preparing documents reflecting the needs of capital markets.

We believe that the creation of a system of economic security provides for a set of interrelated activities that exert an administrative influence on an economic entity with a view to stabilizing its financial and economic activities, preventing a crisis and ensuring further development. Achieving the tasks of economic security is possible through:

- Formation of a management team of specialists with relevant competencies;
- Collection of qualitative information characterizing the external and internal environment of the economic entity;
- Formation of an adequate judgment on the conditions, specificity of the activities, property and financial situation of the organization;
- Development and analysis of alternative development options, based on theoretical knowledge and practical skills;
- Modeling the process of sustainable development of the subject;
- Forecasting of results;
- Implementation of the chosen program of actions;
- Organization of control over the implementation of measures to ensure economic security and monitoring of the achieved results.

III. RESOURCE SUPPORT OF THE COMPANY'S ECONOMIC SECURITY SYSTEM

Regardless of the individual characteristics and the state of the particular enterprise, in our opinion, when creating a system of economic security, the following are common:

- Resource provision;
- Basic principles.

Resource provision is a combination of funds necessary for the successful implementation of planned activities and the achievement of the goal of creating a system of economic security.

The resource support of the economic security system of an economic entity includes the following elements:

- **Human Resource.** Considering the practical aspects of creating the system of economic security, it is necessary to note the fact that the success of the implemented activities is largely determined by the actions of specific specialists, since the most effective plan is not able to provide all conditions for the changing economic environment of the economic entity and the ability of specialists to respond adequately to changes and emerging deviations from the planned program of actions, the final result depends to a large extent. In addition to training, practical experience and scope of authority, the personal responsibility of specialists and their compliance with established regulations are of no small importance [3]. In addition to the professionalism of the management team, a significant component of the successful implementation of the activities of the economic security system is the qualifications, vigor and integrity of the performers.
- **Methodical Resource.** In general, the problem can be eliminated if methods for its resolution are known. Issues of theory and practice of the economic security system have found wide coverage in the domestic economic literature, but in each specific case there is a need for the formation of a set of individual methods and techniques for solving the tasks posed. Therefore, a prerequisite for creating an economic security system of an economic entity is to determine the composition of those activities that will achieve the goals set, taking into account the specifics of its activities and current status.
- **Temporary resource.** Under the temporary resource of the economic security system, we mean the length of the period associated with the withdrawal of an enterprise from an undesirable state and the stabilization of its economic activities. On the one hand, there should be enough time for the implementation of planned activities, on the other hand, delaying the process of creating a system of economic security will lead to additional negative consequences of the crisis and to uncertainty in achieving the final result. The numerical value of the time resource for each specific case will be individual [4].
- **Information resource.** An obligatory component of the resource supply of the economic security system is the availability of a system of qualitative data that provides information needs of the management. During the implementation of the activities, various types of information are formed:

Primary information that provides an objective view of the external and internal environment of the subject, factors and causes of the current state;

Control information describing the changes occurring in the state of the entity and reflecting the impact on it of ongoing activities;

The resultant information which allows forming a judgment on the degree of solution of the assigned tasks and achievement of the goals.

- **Property resource.** Regardless of the availability of the above resources, the availability of funds is necessary to achieve a practical result. Sources of funds needed to create a system of economic security can be internal sources (retained earnings, assets sold, issue of shares, etc.). The main tasks in the formation of property resources are:

Determination of the composition and volume of own and attracted funds;

Forecasting the results from the disposal of available funds;

Effective use of funds to achieve the goals of the economic security system.

Thus, the resource supply of the economic security system of the economic entity includes five basic elements, while the optimal is their ratio, in which the shortage of one of them can be replaced by an excess of others without loss of effectiveness of the activities carried out.

The basic principles of the system of economic security are the starting points for the measures taken to ensure long-term development. The main principles of the economic security system are the following:

- **Purposefulness.** This principle presupposes a clear formulation of the goal of creating a system of economic security and the problems arising from it, since only in this case it is possible to develop an effective program of action focused on the end result. As such purposes can be: prevention of bankruptcy, relief of a crisis situation, restoration of solvency, segmentation of the market.
- **Achievability of the goal of the system of economic security.** According to this principle, when creating a system of economic security, it is necessary to strive to ensure that the goal meets the interests of business participants as much as possible, at the same time, it is unacceptable to plan events, focusing on an unattainable, unrealistic result.
- **Systematic and consistent management procedures** involve the interconnectedness of all particular tasks that are solved in the process of creating an economic security system for an economic entity [5]. In case of replacing one solution with others, it is necessary to observe the principle of consistency.
- **Adaptability of the policy of economic security.** Planned measures to create an effective system of economic security must have the ability to adapt to changing business conditions. An effective and

rational economic security policy should provide for several scenarios for the development of events.

- Detailing procedures. In accordance with this principle, when planning and implementing the activities, it is necessary to provide the performers with clear and detailed instructions on the actions to be taken, since the result of their fulfillment largely depends on the degree of detail of the particular tasks.
- Differentiation of functions and responsibilities. This principle presupposes the division of powers and responsibilities between persons taking an active part in the process of ensuring economic security. Since the end result depends on the contribution of each participant, it is advisable to provide for responsibility for the failure to fulfill the tasks set, and, especially, for causing material damage to the enterprise [6].
- Integrity. Proceeding from this principle, the measures of the economic security system cover all the activities of the enterprise: operational, investment and financial.
- Time-limited. The duration of the process of forming the system of economic security is limited by the time frame: the more time is required for the implementation of planned activities, the greater the likelihood of changes in operating conditions and uncertainty in achieving the final result.

IV. CONCLUSION

Often, the transformation of the existing management system of an economic entity is one of the main methods that allow successfully pursue a policy of ensuring economic security. In this area, the following activities are worth highlighting:

- Development of a system of measures of personal interest and incentives for management personnel;
- Attestation of leading employees in order to determine the level of their professional training and Compliance with their positions;
- Ensuring the possibility of training under the programs of advanced training and retraining;
- Definition of the policy of hiring new staff;
- Transformation of the existing management system in order to allocate responsibility centers in it.

Thus, the resource supply of the economic security system of the economic entity includes five basic elements, while the optimal is their ratio, in which the shortage of one of them can be replaced by an excess of others without loss of effectiveness of the activities carried out.

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