

## **KPI IMPORTANCE FOR THE PUBLIC FINANCE IN UKRAINE**

The modern macro-level finance management approach in Ukraine is undergoing changes caused by the concept of “state finance” replacement with the concept of “public finance” due its more human-oriented in a budgeting. Here public finance considered as the public finance, municipal finance and financial relations in a public-private partnership combination or other forms of interaction with financial resources with public importance [1]. Focus on the personal needs during the public financial resources formation require the achievement of objectives assessment linkage improving by defining their specifics and criteria for estimation them.

Thus, benchmarks of objectives achievement by the budget planning have been shifted from quantitative (calculating GDP per capita, for example) to qualitative (level of life satisfaction among the population surveyed). However, when studying public satisfaction with the public good, the difficulty of objectifying the criteria for its measurement arises. First, absolute compliance of planning with accepted legal norms, taking into account their execution accuracy, and second - an ideal planning system built by changing the semantic content and the further changes of existing elements combinations in legal environment. These two ways are may be the criteria of measuring an achievement of the medium-term planning objectives in public finance in the range of two concepts regarded the point of view on the search scope [2] for ideal planning in the management system.

The performance indicators have been using for connecting planning results and the correction of planning mechanism for the budgeting. Objectives and tasks are the determining condition in medium-term budget planning, their measurement is necessary. Correctly and optimally formulated performance indicators provide a real information about the achievement of tasks in the implementation of medium-term budget planning. In order of measuring the public financial resource system using performance in the medium-term budget planning in Ukraine framework, indicators for the achieving of ultimate objectives of activity had been introduced and indicators of current results of the task fulfillment should calculated.

Since finish planned and implemented policy at the accurate time usually difficult, the “final results” of any management are relative. Except when it comes to a specific discrete event-project: for example, a population census, a short-term object arrangement or an election. Therefore, in some cases, managers formulate extra indicators of goal achievement - Objectives and Key Results and the indicators of development - Key Progress Indicators on benchmarks. Today performance indicators of public finance resources utilizing in Ukraine divided to three groups with the objects of measurement respect: a) current performance indicators of an individual employee work; b) indicators for adjusting the activities of a body or enterprise related to the public sector of economy; c) planned and ongoing activity, reform's and process's benchmarks. The personal or work individual performance indicators should included to the performance indicators of the budget body activity

with rare exceptions. Obviously that any believable system of performance indicators must be addressed to the complex conceptual problem about who owns the performance as an useful tool of management control and create the distribution condition [3].

In medium-term budget planning, indicators for assessing the performance of institutions, enterprises and organizations are the main benchmark for determining expenditure ceilings. For the countries and their associations level their own KPI exist - like the World Government Indicators system. Without losing the properties of pointing to the target, these indicators are interpreted in the subsequent assessment as “government effectiveness” or “representativeness of votes” (a vote for the elections is calculated by Voice and Accountability indicator)[4].

#### *References*

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