
Ensuring Financial Stability of Companies on the Basis of International Experience in Construction of Risks Maps, Internal Control and Audit

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Abstract:

The managerial information can be considered as the basis for implementation of system organized phenomena which provide development of instruments, methods and strategies of management. The information is updated and implemented in the system of control actions on the object of management. A universal principle of information and financial correspondence of techniques and instruments exists between managerial information and selected vector of the financial strategy of the company development. In conditions of close informational interaction of professional auditing companies and their regular customers the construction of enterprise risk maps takes place, which allows eliminating imbalances of development based on financial consulting. It is professional financial consulting on the basis of high-quality managerial information that enables companies interacting with auditors to ensure financial stability.

Development of risk management systems supposes appearance at all levels of the information management system of specialists in risk management understanding the peculiarities of risk-management methods. In order to ensure financial stability it is important to make the risk management instruments at the level of its comprehensibility to apply them for identifying the really existing risks.

Key Words: *Financial stability, risk management, integrated risk management, risks map, financial strategy, managerial information, audit.*

JEL Classification Codes: *G10, G32, M1, M4.*

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1. Introduction

Currently in terms of economic recession short-term priorities in financial activity of companies prevail over the long-term. The research of the Southern Federal District companies showed that in discussing the strategy about 70% of managers focus on period from one to three years. Only 9% of companies have enough confidence in perspectives for business development to predict a strategy for 5-10 years or more. In the course of the survey 35% of managers of the Southern Federal District companies noted that in 2015-2016 their companies faced serious risks and financial difficulties (Aksyonov, Sichev and Holina, 2016).

In 2016 35% of the responded executives out of 50 companies analyzed in the course of research expect deterioration of financial and economic indicators. 16% expect their improvement. Majority of directors (64%) believe that continuation of the Russian economy growth can be expected not earlier than 2017 (Aksyonov, Sichev and Holina, 2016). The list of main risks for Russian companies includes the following: geopolitical instability, change in consumers' behavior, expensive loans as well as lack of qualified managerial human resources.

Currently financial management implements tactical measures to the prejudice of strategic interests of companies' development. In conditions of crisis most companies revised their strategies under the influence of such factors as ruble devaluation, difficult access to the capital (first of all credit resources due to the lack of liquid pledge), reduction in oil prices and consequences of the sectoral sanctions introduction from the US and the European Union with regard to Russian companies. Management of a company is connected with delegation of the goals and tasks with which a manager faces (Thalassinos *et al.*, 2013; Carstina *et al.*, 2015).

Concentration of financial levers (rewards and limitations) in the manager's hands strengthens importance of these communications for the company's sustainable development. Control action from top is understood at the bottom as a signal related with the surrounding circumstances and processes. In the western culture of production high chances for a victory of the strongest are provided thanks to functioning of the uniform competitive field ("level playing field"), action of the general for all rules (Shpengler, 1995; Hamid and Won Kie, 2016).

According to A. V. Kuznetsov, "the operating influence from above is perceived below as the signal coordinated to surrounding circumstances and processes" (Kuznetsov, 2015). To ensure financial stability the companies must critically assess business processes and revise business models of development (Allegret *et al.*, 2016; Grima *et al.*, 2016).

Main direction of activities in modern management system is cost optimization, restructuring of core business processes of financial management on the basis of risk management programs, diversification of products and services. Management of the

company financial stability is connected with more flexibility of financial strategy of development and adaptability when it is important to provide business development with financial resources in related industries, e.g. construction and processing companies (Averina *et al.*, 2016; Havlíček *et al.*, 2013).

Currently some Russian companies have stopped large investment projects. In order to ensure financial stability in conditions of increasing limiting factors Russian companies have started reformatting business processes, because they have not formed anti-crisis strategies of development as well as efficient business processes. Digital business transformation can be assigned to modern problems of modern system of the company financial management. To ensure financial stability modern companies need to introduce new information technologies not only in production but also in the risk assessment system.

The main methodological approach to the research of opportunities of a modern company sustainable development lies in the fact that it is necessary to study the vector of this strategy as an integral part of the financial strategy. It is to build the correct vector of the company development that verified information related to assessment of specific parameters in the given conditions is required for.

2.Theoretical, informational and empirical, and methodological grounds of the research

The problem of ensuring financial stability of Russian companies is connected with the absence of quality instruments and methods for its building. Complex recording of the parameters of external and internal environment of the company's operation carried out in the course of risk management process can provide, according to scientists, effectiveness of operation and sustainable development of the company (Bobrova, 2014).

In modern economy there are many methods of risk management but the most widespread among them (hedging) cannot be applied to Russian companies due to the absence of derivative financial instruments. Risk management provides technological support of business processes in the identification of risk assessment.

According to experts risk management presents an information methodical instrumentarium combining achievements in the field of mathematics, probability theories, statistics, economics, and management theory (Granaturov, 2010; Krichevsky, 2012; Rykhtikova, 2010; Thalassinos *et al.*, 2010; 2013; 2015; Boldeanu and Tache, 2016; Hes and Jílková, 2016).

Modern risk management programs integrate the method of risks identification and description, qualitative and quantitative assessment of risks, choice of risk management strategies and their monitoring. Russian companies use different

methods and instruments for risk management: work based on prepayments, special conditions in contracts, insurance and many others. At the same time unified internal control procedures for each type of risk should be developed for implementation of an integrated approach to risk management (Thalassinos *et al.*, 2010).

In large companies separate employees or even entire departments deal with internal control of business processes. In small and medium-size businesses information systems of internal control of financial flows of the company are only being formed, so effective internal control can be created with help of external experts such as professional consulting or auditing companies. The problem of creating internal control system for Russian companies which actively cooperate with commercial banks and participate in public procurement is particularly up-to-date. Participation in macroeconomic business processes requires from Russian companies institutional economic behavior and transparency of financial flows.

Specific character of internal control system organization in the companies depends first of all on size of the enterprise. For example for companies with an annual turnover of 200-300 million rubles it is rational to employ special employees who will be engaged in the audit of deals and financial operations, procurement analysis, verification of contractors and other activities. In small companies belonging to small and medium-size businesses the majority of control functions are transferred to the services of risk management.

3.Results

Properly structured risk management service provides internal control in the company. To create an effective internal control focused on maintaining financial stability it is necessary to implement the following set of measures (Holina, 2016):

1. To establish selection control of commercial and financial operations. This will allow risk management service and the company owner reacting in time to potential risks. As a rule spot checks are sufficient in order to “feel the pulse”. Separate documents or transactions in which the owner is interested can be subject to complex analysis aimed at identifying potential risks or the documents for verification can be selected by random sampling technique.
2. To check all large transactions; to split all payments by levels of importance. For example a payment of less than 100,000 rubles should be approved by accountant, up to 500,000 rubles by director and accountant, all transactions with large amounts should be assigned to the owner’s competency. Such method will allow the owner controlling large expenses and simplifying adoption of various financial decisions: work with contractors and suppliers will be carried out on clear criteria.
3. To divide the powers in the company's management. In the small and medium-size businesses the separation of powers should be organized based on division of employees’ competences according to the following

- algorithm: a sales manager prepares a deal, general director or financial director sign the documents and then the owner checks and approves it.
4. To organize regular inventories in the company. Conducting inventories will help to control stock of products and to monitor customer demand, as well as to reveal the facts of theft, concealment and additions by unreliable employees. The more often inventory is held, the more information the owner gets to make managerial decisions.
 5. To analyze carefully legal documentation. We are referring to agreements with partners, employees as well as rental and credit contracts. Information analysis of the document will help to avoid mistakes in management, and in case of problems the company will be able to protect its rights more effectively, including in court. Legal risks can be minimized with help of specialists who will check correctness of the documents and help to draw them skillfully.
 6. To conduct regularly a financial audit. Financial audit will help to identify weaknesses in accounting and tax treatment statements of the company and to make reporting correct and transparent.
 7. To build an automated information system of internal control of the company.

Implementation of the anti-crisis strategy of development of a company is formed taking into consideration authoritative information. Such strategy has to be aimed at obtaining information on the real situation in a company. According to the results of synthesis of the international experience, in order to overcome all components of a crisis information has to capture all: the institutional environment, the technological sphere, and parameters of economic model of development (Kulkov, 2015; Fetai, 2015).

At the same time the managerial information cannot exist on its own without presence of effective impact of the subject of management. Creative vector impulse coming from the subject determines the quality of information management, aimed at elaboration of the company's development strategy. Following elaboration of the strategy aimed at ensuring the strategy of growth as a system phenomenon, to ensure stability it is necessary to search for financial instruments determining the conditions of the company's development under the changing conditions.

Thus the managerial information can be considered as the basis for implementation of system organized phenomena which provide development of instruments, methods and strategies of management. The information is updated and implemented in the system of control actions on the object of management. The managerial information selected in a right way helps to create an effective multilevel structural and functional organization, owing to which the individual business processes as structural elements of the management system will interact with each other as a part of the unified integrity. Consequently management information serves as an integral

and necessary element of the company's management system aimed at ensuring business stability.

When two or more management systems interact, e.g. such as strategic and financial, the strategy of the company's development is formed. In the formation of different vectors of company development different types of vectors interaction between instruments, according to Prof. Osipov, methods and strategies appear (Osipov, 2014). It defines the need to consider and apply managerial information as the basis for the information and financial development of companies. Herewith a universal principle of information and financial correspondence of techniques and instruments exists between managerial information and selected vector of the financial strategy of the company development.

Thus managerial information is an attribute characteristic of risk management system, implemented through business processes connected with identification of the company's development risks. Work on risks is actualized through system interactions of companies and contractors on the basis of creating a stable system of financial relations between the company, its customers and contractors. The main prerequisite for formation of the company financial stability model is the methodological provision that condition and main purpose of development of the company as a system of interconnected contractors' relations is the accumulation of managerial information, as well as effective instruments for its processing and managers' use (Toynbee, 1999).

System economic phenomena (cost, price, money, inflation, profits and interest) involved in the process of implementing the company's strategy should ensure its financial stability. All these economic phenomena aimed at sustainable growth of the company have information and financial nature. When it is referred to managerial information as to the fundamental instrument of risk management, it is meant that this information should be directed at reducing risks.

Risk in modern financial economy can be considered as an inherent element of development in all economic systems and organizations which are implemented as a system of negative events of common information content. The concept of the company's financial stability management can be represented as a system of risk management established on the basis of the adaptive economic information.

One of the main distinguishing features of the concept of the company's financial stability management is to overcome a traditional opposition of information and risk. Principally new provision is also a justification of the thesis that spontaneous unforeseen risks reducing financial stability of the company and violating business processes cannot occur in modern management system.

Stable or unstable development of modern companies depends on existence of order or chaos in modern financial economy, level of corporate management which is

always determined by actions of the subjects of control. It should also be noted that level of financial and economic relations between the subjects of modern economy depends also on quality of managerial information and level of organization of information exchange.

Effectiveness of corporate management system in the company depends on many conditions and factors main among which are the following: level of information management, risk management and financial management. But if we try to highlight the main factor then it is of course the activities of the Board of Directors. The Boards of Directors in Russian enterprises not always in a good manner perform their traditional functions of strategic management and control of the managers in the interest of the company and shareholders. This occurs because of a number of reasons.

Representatives of Russian companies often say that the Board of Directors is not needed: it duplicates executive bodies' functions, does not add value for shareholders, consequently it is economically unjustified. Such statements are not far from the truth and are explained by concentrated structure of the share capital of many Russian companies. The unwillingness of controlling shareholders to give control to the hired managers leads to the fact that they control the companies themselves to a large extent. Thus the hired managers and supervisors (the Board of Directors) and main shareholders often make one subject of control. This creates not only risks of management nature but also reduces level of reputation management of the company.

The Boards of Directors in Russia are still formal bodies created under the law pressure rather than a real instrument of control and management of the joint stock company. Without development and adoption of a number of measures this situation will not change in the foreseeable future.

Firstly, it is necessary to move away from a dominant role of insiders in the Board, i.e. the Board members representing controlling shareholders or management of the company. Otherwise the Board will remain a pocket body of a controlling shareholder or managers.

Secondly, the presence of non-related to management or even independent directors is not a panacea from risks appearance. Professional competencies and qualifications of directors play a huge role in ensuring the quality of risk management. In practice in the course of the Board formation many Russian companies appreciate in candidates mostly their loyalty. With this approach the Boards turn from collegial supervising bodies into loyal structures and only formally approve decisions already taken by the Chairman of the Board of Directors.

Thirdly, although the companies have recently started declaring the election to their Boards of independent directors the extent and quality of their independence cause

doubt. In the companies really aiming to development and growth selection of specialists is carried out on the basis of compliance to the criteria of competency based management and independence of thinking.

In this regard the functions of financial management and financial control acquire a special role to ensure the financial stability of the companies in conditions of a risky environment. In principle the tasks of financial management cannot be formed without implementation of internal financial control and audit systems.

The peculiarity of the financial model of modern companies' development depends on influence of one or another economic phenomenon and is determined by level, type, kind and amount of encoded therein appropriate information. Modern risks of unstable development are caused, according to experts, by the network nature of technical and technological and social and economic processes. The response to the challenges of an information economy is providing stability of hierarchy in development of network structures (Gritsenko, 2013).

The definite quantity of the coded in certain way information determines specific amount of financial expenses (expenses of physical, human and institutional capital) forming the basis of cost and price of this economic phenomenon. When it refers to information as to the substance of economic phenomena, it means identifying an entire risk basis in all various economic phenomena, which is implemented as their common information content.

Coordination of information flows is necessary to ensure financial stability. Financial manager introducing changes in organizations must be submitted broad powers to coordinate the information flows within a company. Modern financial management system is aimed at ensuring effectiveness of the company operation and achievement of the desired goals in the planned business development vector. A manager in the field of sustainable development plays a key role in the discussion of the changes control plan in the financial strategy. Information system of risk management needs to ensure the employees' awareness about changes occurring in the company as well as in the external environment.

Important factors of financial stability ensuring are the following: formalization of the process of interaction with credit organizations, investors and stakeholders, as well as providing feedback from the company to customers and contractors. In conditions of reducing market activity and resources limitation a risk management system becomes effective if based on the high-quality managerial information. The problem of design of systems of management consists in effective coordination of functional and process approaches taking into account types of productions in the company (Andreeva O., 2015).

Let us consider the role of auditing companies in ensuring financial stability. Currently the main task of auditing companies interacting with business entities is to

assist the preservation of their financial stability. Professional financial consulting is necessary to implement these tasks. Recommendations and expert reports prepared by auditors should serve as a practical guide to reduce risks.

Currently professional auditing companies ensuring reputation management and competitiveness in the market for themselves tend to have high-quality economic information about the client's business to make effective decisions in the system of consulting services aimed at risks reduction. Effective auditors are goal-oriented, ambitious, proactive, educated and energetic people who complement and strengthen each other's personal competencies.

The result of this synergy is a team aimed at achieving results. Entire involvement and work at maximum speed are necessary for these changes to be of good quality. In return employees receive a sincere respect from colleagues, new skills, quality, knowledge, experience and contacts, which, in its turn, can be easily transformed into money and opportunities.

At the same time construction of risk maps is a rather time-consuming process which is a result of introduction of system risk management program. Despite a significant reduction of financial stability, only a small part of Russian companies have revised their approach to risk management after the current financial crisis.

According to the information data of E. Safiullin, a senior manager of KPMG business consulting department, only 14% of Russian companies are working actively to change the existing inefficient systems of risk management (Safiullin, 2011). Similar research was conducted by KPMG analysts approximately at the same period in North America, Western Europe and Asia. Having compared answers to the questions about the risks which are the most dangerous for the company it is possible to conclude that business in Russia does not pay due attention to risk management or Russian companies deal with fewer risks than companies operating for example in Western Europe or the USA.

According to the KPMG research only 37% of the respondent Russian companies considered financial risk significant; and the number of foreign respondents which assign financial risk to greatly affecting risks were 51% of the respondent companies. Similar results of the analytical survey have been noted for currency risks: 29% against 46%; only 31% of Russian managers against 48% of Western ones fear market risks.

In fact these results show only a weak understanding of risk management challenges and undeveloped system of risk information management. Lack of company leaders' awareness of possible risks reduces financial stability of Russian business. According to the expert's opinion 57% of the respondent Russian companies consider the lack of interaction between functional divisions in terms of risk management as the main restriction preventing from effective risk management.

N.M. Yakupova and Z.M. Magomedov point out such key risk characteristics as uncertainty, inconsistency, unpredictability of the outcome, possibility of damage, deviation from the desired result and other factors (Yakupova and Magomedova, 2010). When constructing risk maps 43% of Russian companies consider risks related to the staff as the main risk for the operation. Among foreign companies 39% of the respondents highlighted staff management risks.

For map development of risks and their fuller assessment of risks it is important to mark out quantitative and qualitative criteria. Quality standards of risks at their systematization include the following parameters: the name of risk and the reason of its emergence, assessment of influence of risk on the expected profit, development of methods of prevention of risk. Quantitative methods of assessment of risks at map development of risks use ranging of risk and mark assessment of risks by their types.

Distribution of risks on financial streams gives the chance to obtain data for map development of risks (diagram 1). Such card can be constructed, for example, in two universal parameters: influence of risk on financial stability of the company and probability of its emergence. At the same time only the risks arising during business processes of the company by production work and rendering services are taken into account.

For assessment of risks it is necessary to allocate areas of possible losses and to estimate probability of their restrictions. In case in the company there is no adapted statistics for the forecast of probability of risks, it is important to define percent of probability of emergence of a risk event, and also its influence on financial stability of the company. Extent of influence of risk on activity of the company should be revealed in the size of a financial stream.

For example, if a certain product (service) made by a company which produces some considerable financial flow, then, respectively, the risks arising in this business process respectively and the risks connected with reduction of a financial flow will create also big risks for stability of a company. Risks are spread on the map depending on their probability and extent of influence. It is very important for ensuring financial stability of the company to develop tools for elimination of possibility of these risks concerning groups of risks which are very probable and do have exert considerable impact on activity of the company.

It is necessary to customize systems and business processes so that to reduce their probability and relevance for integrated risk management in the company.

Parameters of map development of risks:

1. Profit of the company (R1)
2. Share of the market (R2)
3. Financial stability and solvency of the company (R3)

4. The size of the financial stream generated by the company (R4)
5. Size of accounts payable of the company (R5)
6. Size of receivables (R6)
7. Control system of knowledge and professional development (R7)
8. Quality of personnel (R8)

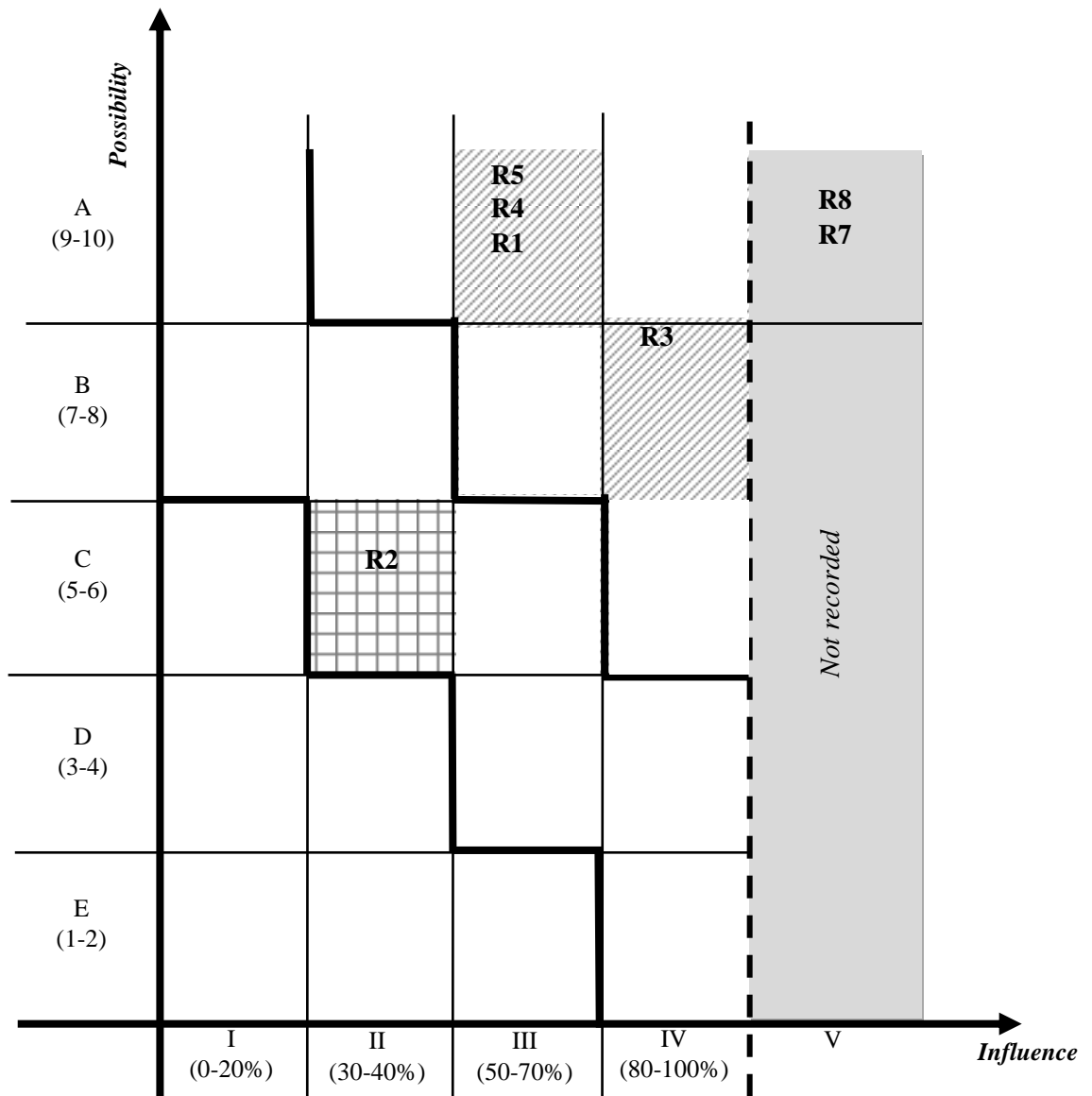
Each risk arising in the company needs to be placed in compliance the control system over risks allowing to find manifestation of risk and to define probability of detection. It is necessary to pick up and install several instruments of control while detecting of one risk revealed at a stage of drawing up the map of risks to its management. If there were no directed instrument of control to the revealed risk in the company, then it is possible to note that the probability of detection of risk will be very low further. It is important to establish a share of possible damage which is difficult to be defined by already implemented tools for each business process or a new financial stream.

On the basis of statistical information of the identified and prevented losses of the company it is possible to design the map of risks with their distribution on financial flows. It will allow estimating possible volumes of risks and the hidden losses for each financial flow in relative and absolute values.

At map development of risks of 43% of the Russian companies the main risk for activity consider the risks connected with personnel. Among foreign firms pointed out 39% of respondents risks of human resource management. Risks of personnel are a complex administrative challenge for the Russian companies now.

Especially this problem is particularly acute at industrial and agricultural enterprises which solve import substitution problems now. Perspective engineering shots are necessary for these companies. Experts of a retirement age leave, and there are not a lot of young specialists with the high level of competences at the enterprises of real sector.

Diagram 1: Risks mapping1



1 Created by the authors of the article N.G. Vovchenko, M.G. Holina, A.S. Orobinskiy, R.A. Sichev.

Currently human resources risks are a challenging managerial task for Russian companies. It is particularly acute for industrial and agricultural enterprises which are solving the problem of import substitution at the moment. These companies need

advanced engineering personnel. The specialists of retirement age leave and there are not so many young professionals with a high level of competencies in the enterprises of the real sector.

Recently many publications dedicated to management of operational risks appeared in scientific economic literature; first of all Russian scientists examine the risks of human resources management in details. The scientific works of the following authors can be assigned to a number of Russian scientists' publications in which this area of risk management is developed more systematically: A.A. Aminov, E.N. Bulanova, A.G. Badalova, L.M. Zabirova, A.E. Mitrofanova, N.V. Kuznetsova, M.V. Kyntikov, T.S. Solomanidina, N.S. Shkurko.

Building of risk management systems in the field of human resource risk management is connected first of all with the fact that many types of these risks are not obvious; they have a probabilistic nature. According to conceptual approaches presented in L.M. Zabirova's work a peculiarity of risks in human resource management is their strong interrelation with nature and essence of a person as the most complex object of control. The difficulty of studying human capital risks of such a quality is connected with the level of informational and behavioral uncertainty as well as current relatively low controllability of organizational behavior system. As a result according to the scientist's conclusions many risks of human resource management are weakly controlled; they cannot be reduced to a minimum due to the nature of human resources (Zabirova, 2009).

For example in auditing, analytical and consulting companies successfully implementing the tasks of human resource management risks in the structure of risk management the specialists do not leave their jobs if they had no time to resolve urgent for customers problems. Such professionals can work in a team and aim to support other employees in order to implement a competency-based approach to the management and risks of the company as a whole. It is very important in the conditions of modeling of adaptive stability of corporate structures as the current trend of development of the Russian business differs in low financial literacy among an administrative link of economic entities (Andreeva O., 2015).

It is also important to note that as a rule the involved specialists who watch the quality of implementing the reputation management of companies do not consider alternative proposals about moving to another company even if the salary offered is 20-25% higher than their existing salary. Loyal employees can be relied on in difficult situations and in terms of implementation of anti-crisis strategy of the company, e.g. in case of introducing changes when the scope of work grows in an unpredictable way. It should be noted also that a loyal employee will never steal former employer's customers in competitors' favor who offer him a more interesting job.

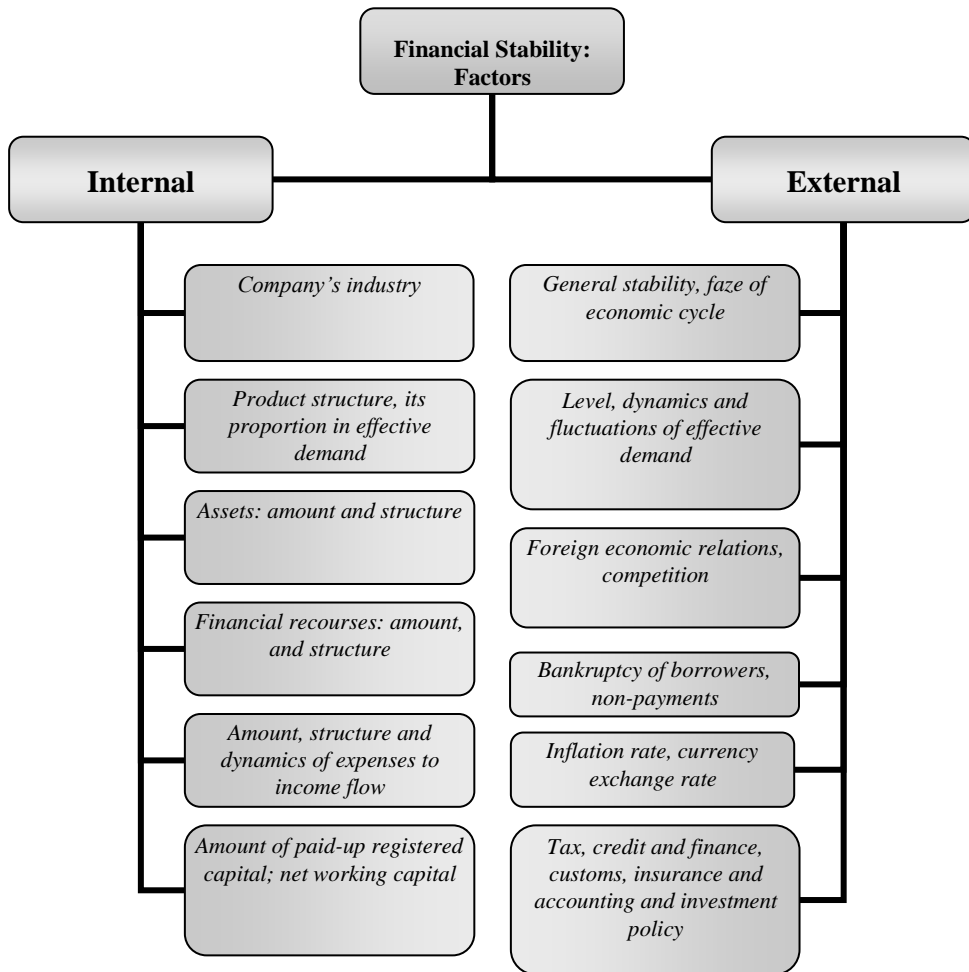


Diagram 2: The factors to influence financial stability of a company²

² Created by the authors of the article N.G. Vovchenko, M.G. Holina, A.S. Orobinskiy, R.A. Sichev

According to the results of expert survey of Superjob portal research center employees of Russian companies assess importance of knowledge and erudition for advance in a rank lower than their managers do (6.8 points out of 10 possible against 7.4 points out of 10 possible). They also appreciate the experience less (6.5 points out of 10 possible against 7 points out of 10 possible respectively).

For example specialists of the companies consider the insight as quite important for career advancement (5.7 points out of 10 possible). A specialist having advanced

intuition can quickly come to right conclusions based on even incomplete information, i.e. he can have results for analysis of the risk situation on the basis of advanced information management system existing in the company. In large companies there is no strong correlation between human qualities and his career advancement; promotion is much more connected with the employee's age and experience (Goncharova, 2016).

According to experts the employer's highlight of this quality leads to the fact that setting priorities between young and mature staff in most cases a head of the company prefers more experienced specialist when selecting a candidate for the position.

4. Conclusions and recommendations

In our opinion currently introduction of risk-management technologies is happening in a more organized way in financial companies. After crisis commercial banks and financial companies have strengthened risk management direction, systematized his directions, having created separate departments of risk management. After crisis contractors and customers started showing interest in a risk management system in Russian companies. According to financial companies heads the risks connected with human resources are the most significant out of operational risks.

When building financial stability control system effective systems and instruments of risk management are necessary. To form high-quality risk management systems in Russian companies it is important to design and provide a certain period of adaptation to work in new conditions. Development of risk management systems supposes appearance at all levels of the information management system of specialists in risk management understanding the peculiarities of risk management methods. In order to ensure financial stability it is important to make the risk management instruments understandable to specialists then they will apply them to identify the really existing risks.

The results of KPMG research state the growth in the interest of companies to risk management systems. According to the conducted experts' inquiry 66% of Russian respondents have introduced the position of risk manager, 21% of Russian companies are going to do it in the near future and 30% of Russian companies have

identified in their organizational structures respectively the Commission and the Committee of the Board of Directors on risk management; results of the KPMG survey in Australia, Asian countries, Western Europe and North America indicate that only 35% of companies have introduced the position of a risk manager, and 40% have set up a Commission or Committee on risk management (Safiullin, 2011). For effective management of financial stability the heads of structural departments and line managers of Russian companies at all levels should be involved in risk management system. If the most complete list of risks and main reasons as a result

of information management for their occurrence to be revealed, the risk management system will meet the challenges of ensuring financial stability.

It should be noted that effective internal control helps also in dealing with partners and banks, as it reduces many corporate risks and improves business performance. The internal control system provides business owners with additional level of protection against financial and corporate risks, helps to minimize operational risk, mistakes and abuse of the personnel. Establishing this system will provide a high quality management of financial stability of the company. Internal control procedures include both assessment of risk management effectiveness and control of following procedures at different stages, e.g. checking compliance of the established limits or monitoring sensitivity to risk.

An integrated approach should consist of the following stages:

1. Development of a risk management strategy.
2. Identification of the risks inherent to the company and choice of methods and instruments for arranging quantitative assessment of these risks.
3. Formulation of limits of possible risk for the company (“risk appetite”) and construction of risk management policy on this basis.
4. Selection of software for risk calculation.
5. Determining an algorithm of the company to manage this risk (risk assessment management, preparation of reports, setting limits, and control).

The use of computer algorithms allows automating complex processes in the auditor's analysis, for example, related to the search for signs of suspicious transactions in the reporting, using the information analysis software.

Further development of risk management system will depend on the quality of operational risk management, first of all risks connected with level of staff competency. Insight, critical thinking, understanding of trends comes to employees and auditors eventually. At the same time application of management information technologies in the system of ensuring financial stability allows improving the quality of work of risk-managers in the company. Specialists training programs should also be modernized to improve financial stability of the company management system. Computer skills and ability to process statistics should be included in mandatory requirements to knowledge of auditors and accountants.

Auditing companies are actively developing themselves new instruments of information management aimed at improving the quality of risk managers and auditors work. A strategic goal of information management is the provision of high quality audit, especially that the controllers like new technologies. Information management technologies are actively being developed by KPMG and IBM consulting companies, which aim to teach the computer management systems almost everything that the auditor should know.

Currently Watson system can be given new input data in order to teach it the standards and terms of separate industries. For example it can be taught to evaluate all the bank loans to see if the financial institution assesses risks correctly. EY Corporation invested \$ 400 million in development of automation technology; in particular they allow calculating stock automatically. Few years ago auditors did it manually. Modern information management system can check every single transaction as well as identify patterns of the mass of data. At the same time general conclusions about correctness of strategic choice of a vector for sustainable development of the company can be done unconditionally only by professionals.

Well-known techniques of risk management aimed at managing financial stability of the company cannot be used effectively in conditions of application of financial and tax optimization schemes with the absence of high-quality in-house information system of management accounting. Without creation of information management systems the quality risk management will not be created in the company. According to experts' opinion construction of complex model of risks accounting in a company is a complicated and rather knowledge-consumptive challenge (Dolgova, 2009). Development of risk management systems depends primarily on the information support of risk management programs and employees qualification. Important factors of low level of risk management in Russia are the application of world risk management techniques without consideration of specific character of definite companies activity, the overall low level of risk management culture and lack of trained personnel in this field (Vasilyeva, 2015).

Modern trends of increasing the riskiness of economic activity and the need for sustainable and effective development in the existing conditions serve as motivation to overcome existing problems of risk management, contribute to its wide introduction not only in large-scale but also medium-scale and small Russian companies.

When creating a modern risk management system aimed at ensuring financial stability of the company the problem of clear differentiation of responsibility and division of risk managers' duties becomes relevant. First of all the employees managing risks should have sufficient experience, necessary knowledge and competencies. Risk management specialists counting limits should not be under the same head of the company as the employees making a deal. This is due to the fact

that the remuneration of this head depends on the income received from deals; and limits restrict operations and therefore amount of income.

Introduction of information instruments and risk management techniques is a difficult challenge, but strategic financial stability of the company depends largely on its solution, as well as the quality of the entire organization's management system as the receipt of any income is related with certain risks. Having passed this way a company can ensure the conditions for building an effective management system

that maintains financial stability of the company and ensures the growth of business value.

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