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FINANCIAL CONTROL AND ANALYSIS OF THE RETAILER'S CONDITION
ФІНАНСОВИЙ КОНТРОЛЬ ТА АНАЛІЗ СТАНУ РИТЕЙЛЕРА

Summary. *The article substantiates the need to improve the system of financial control and analysis of the retailer's financial condition in conditions of increased competition, instability of consumer demand, and growth of operational and financial risks in the retail trade. Attention is focused on the role of financial control as a key tool for ensuring the effectiveness of management decisions and financial stability of trading enterprises.*

The essence of financial control and financial analysis of retailers, their main approaches, information base, and methods of implementation, which form the basis for an objective assessment of the liquidity, solvency, financial stability, business activity, and profitability of an enterprise, are examined. The importance of systematic analysis of financial statements for identifying trends and problem areas in a retailer's activities is determined.

The article discusses the advantages of implementing comprehensive financial control in combination with analytical tools for assessing financial condition, in particular in terms of increasing the transparency of financial flows, optimizing costs, and controlling working capital and inventories.

It is noted that high-quality financial control and thorough analysis of the retailer's financial condition make it possible to identify financial risks in a timely manner, prevent inefficient use of resources, minimize possible losses, and ensure the stability of financial and economic activities. This contributes to improving the soundness of management decisions, strengthening the retailer's competitive position, and forming a sustainable model for the company's long-term development.

Key words: *financial control, financial analysis, financial condition, retailer, financial stability, liquidity, solvency, management decisions, financial risks, operational efficiency.*

Анотація. *У статті обґрунтовано необхідність удосконалення системи фінансового контролю та аналізу фінансового стану ритейлера в умовах підвищеної конкуренції, нестабільності споживчого попиту та зростання операційних і фінансових ризиків у сфері роздрібної торгівлі. Акцентовано увагу на ролі фінансового контролю як ключового інструменту забезпечення ефективності управлінських рішень і фінансової стійкості торговельних підприємств.*

Досліджено сутність фінансового контролю та фінансового аналізу ритейлера, їх основні підходи, інформаційну базу та методи проведення, що формують основу для об'єктивної оцінки ліквідності, платоспроможності, фінансової стійкості, ділової активності та рентабельності підприємства. Визначено значення системного аналізу фінансової звітності для виявлення тенденцій і проблемних аспектів у діяльності ритейлера.

У статті розглянуто переваги впровадження комплексного фінансового контролю у поєднанні з аналітичними інструментами оцінювання фінансового стану, зокрема в частині підвищення прозорості фінансових потоків, оптимізації витрат, контролю за оборотним капіталом і товарними запасами.

Зазначено, що якісний фінансовий контроль та ґрунтовний аналіз фінансового стану ритейлера дають змогу своєчасно виявляти фінансові ризики, запобігати неефективному використанню ресурсів, мінімізувати можливі збитки та забезпечувати стабільність фінансово-господарської діяльності. Це сприяє підвищенню обґрунтованості управлінських рішень, зміцненню конкурентних позицій ритейлера та формуванню стійкої моделі розвитку підприємства в довгостроковій перспективі.

Ключові слова: *фінансовий контроль, фінансовий аналіз, фінансовий стан, ритейлер, фінансова стійкість, ліквідність, платоспроможність, управлінські рішення, фінансові ризики, ефективність діяльності.*

A general formulation of the problem and its connection to important scientific or practical challenges. In today's retail environment, retailers operate amid intensifying competition, constantly changing product demand, and rising financial risks. Under such conditions, it is crucial to have a reliable system for managing and monitoring the company's financial condition, ensuring its stability and viability in the market. Discrepancies between financial control and

audit procedures often lead to the delayed detection of problems with liquidity, solvency, and working capital management.

Analysis of recent studies and publications. An analysis of recent publications indicates significant interest among the academic community in the transformation of analytical tools within a dynamic market environment. Fundamental aspects of financial control and methodologies for assessing the condition of business entities are covered in the works of scholars such as E. Mnykh, M. Bilukha, and F. Butynets. The specifics of retail, particularly issues of operational efficiency and strategic analysis of retail chains, have been studied by N. Goloshubova, O. Fomina, and V. Gordopolov. At the same time, despite significant scholarly interest in the issue of business entities' financial stability, the question of developing a comprehensive system of integrated financial control and analysis of retailers' financial condition in their interactions with counterparties remains under-researched.

In particular, further clarification is needed regarding the scope of operational financial audits, mechanisms for the integrated assessment of financial risks, as well as the potential for using digital technologies and Big Data to monitor goods and cash flows in the retail sector. This is precisely what determined the choice of the article's purpose and objectives, as well as its object and subject.

The object of the study is the set of financial and economic processes of enterprises in the retail sector, as well as the mechanisms for ensuring their financial stability through a system of control and analysis.

Formulation of the article's objectives. The main objective is to develop and define the key directions for implementing a system of comprehensive financial control and analysis of a retailer's financial condition, detailing the stages of their implementation in modern market conditions.

To achieve this objective, the article addresses the following tasks:

To reveal the essence and describe the theoretical and practical foundations of conducting financial control and analyzing the performance of retail enterprises.

To determine the procedure for organizing financial monitoring, taking into account specific requirements for information support (financial, managerial, and operational reporting).

Systematize information sources for conducting a thorough analysis of the financial condition, including data from internal accounting systems and external market indicators.

Justify the benefits of implementing an integrated financial control system to optimize inventory, manage accounts receivable, and improve a retailer's liquidity.

Identify the main areas and stages of financial analysis that enable the formation of a comprehensive picture of a retail enterprise's financial stability and competitiveness. General scientific and specialized research methods were used in conducting the study, including analysis and synthesis, comparison, and generalization.

Presentation of the main research material. The current realities of the Ukrainian economy—in particular, the high level of the shadow economy and the rise in financial crimes—require enhanced oversight of capital flows. A key instrument in this process is financial control, which ensures the legality of the formation and distribution of enterprise resources.

Financial control is a set of measures to verify the legality of financial distribution and the accuracy of financial reporting on the entity's status.

Objective: To confirm that the creation and use of monetary funds comply with legal regulations.

Since financial transactions are an integral part of any business, such control is mandatory for all organizations without exception.

The subject of financial control is the financial activities of the business entity.

The objects of financial control are all areas of the business entity's financial activities, namely:

1. the company's cash;

2. the company's settlements with counterparties (buyers, customers, suppliers, and contractors);

3. payroll settlements;

4. settlements with the budget and state special-purpose funds;

5. financial results of operations;

6. transactions involving the company's capital;

7. transactions related to the sale of products (goods, works, services), etc [3].

The sources of information for financial control are data from financial accounting and financial reporting of enterprises

Financial control and analysis of retail business operations are key elements of the management system that ensure the soundness of management decisions, improve the efficiency of resource utilization, and strengthen the financial stability of a commercial company. In the scientific literature, financial control is viewed as a set of organizational forms, methods, and procedures that allow for the verification of how a company's financial resources are generated, allocated, and utilized. It also enables an assessment of whether the company's financial activities comply with current legislation, internal standards, and strategic development goals.

At the same time, financial analysis is a tool that allows for the systematic examination of a company's financial condition and performance based on financial indicators, management data, and market information. Its methodological framework is based on horizontal and vertical analysis, a system of financial ratios, and an analysis of factors and trends, which allows for a

comprehensive assessment of a company's liquidity, solvency, financial stability, business operations, and profitability.

The specific nature of retail trade dictates the extremely important role of financial control and analytical procedures. Large inventories, high capital turnover, seasonal fluctuations in demand, and sensitivity to changes in consumer behavior and spending levels place additional pressure on the speed of financial monitoring and the accuracy of analytical assessments. In this context, key elements of internal financial control in retail include budget planning, cash flow control, inventory management, analysis of operating expenses, and monitoring of financial plan execution [5].

The practical application of financial analysis in retail companies is based on the use of a system of key performance indicators. These include liquidity ratios, inventory turnover, gross and operating profit margins, and return on assets and equity, which allow for the assessment of both operational efficiency and the overall effectiveness of financial and business activities. The use of an integrated approach in strategic analysis, particularly a balanced scorecard that combines financial and non-financial indicators of the company's performance, takes on additional significance [5].

The organizational framework for financial monitoring within an enterprise is viewed as a set of procedures for the continuous analysis and control of financial indicators. Optimizing this process directly depends on the architecture of the information system, which must integrate various types of internal reporting. Differentiating them by content and frequency ensures a comprehensive approach to monitoring financial results.

The first stage of organizing financial monitoring is defining the goals, objectives, and targets of monitoring. At this stage, key areas of control are established: liquidity and solvency, profitability of operations, efficiency of asset utilization, cash flow status, budget execution, and the company's financial

stability. At the same time, responsible parties, the frequency of monitoring procedures, and the list of indicators subject to regular analysis are determined.

The second stage involves the creation of a financial monitoring information base, which must meet the requirements of completeness, reliability, timeliness, comparability, and analytical suitability.

Financial reporting provides a summary of the company's financial condition, operating results, and cash flows and is used for strategic and external analysis.

Management reporting is prepared in accordance with the company's internal regulations and contains detailed information on revenue, expenses, responsibility centers, product group margins, and the achievement of budgets and targets.

Operational reporting reflects current performance indicators (daily sales, inventory balances, cash flow, accounts receivable and accounts payable) and is used to respond quickly to deviations from the plan.

The third stage involves determining the methods and tools for financial monitoring. These include horizontal and vertical analysis, a system of financial ratios, budget control, variance analysis, factor analysis, cash flow forecasting, as well as the use of digital analytical systems and business intelligence. In the context of retail enterprises, indicators such as inventory turnover, gross margin, average ticket size, capital turnover rate, and operating cash flow are of particular importance.

The fourth stage involves conducting regular monitoring procedures and analytically interpreting the results. Comparing actual indicators with planned, standard, or industry-average values makes it possible to identify negative trends, financial risks, and opportunities for improving operational efficiency. An important component is the visualization of data in the form of dashboards and management reports for senior leadership.

The final stage involves making management decisions and adjusting the company's financial policy. The results of financial monitoring are used to optimize costs, manage inventory, adjust pricing policies, improve budgeting, increase liquidity, and ensure stable growth in profitability.

To conduct a thorough analysis of a company's financial condition, it is necessary to have a complete, reliable, and structured information base. In today's business environment, the information support for financial analysis is comprehensive in nature. It includes both data obtained from the company's internal accounting and management systems and external market indicators reflecting the macroeconomic environment, industry trends, and the competitive landscape. It is the integration of these diverse information flows that ensures the objectivity of analytical conclusions and improves the quality of management decisions [1].

Internal sources of information form the basis for financial analysis, as they reflect the actual results of the company's operations, its assets and liabilities, financial indicators, cash flows, and the efficiency of resource utilization. At the same time, management and operational accounting data are of great importance, as they facilitate a more detailed analysis of financial indicators by individual responsibility centers, product types, sales channels, and time periods. The use of enterprise resource planning (ERP), customer relationship management (CRM), or warehouse and retail software not only automates analytical processes but also significantly increases the speed of information processing and ensures data consistency [1].

External information sources play a vital role in supplementing a company's internal analytical database, enabling an in-depth analysis of how external factors impact its financial condition. These sources include macroeconomic indicators, industry-specific statistics, market metrics, and information on competitors' activities. The use of this data is key to conducting a detailed comparative analysis, benchmarking, and developing a strategic

assessment of the company's financial stability, taking into account long-term prospects.

To enhance the analytical effectiveness and practical significance of information resources, it is necessary to systematize them according to criteria such as source of origin, economic content, and functional purpose within the financial analysis process. For convenience and a comprehensive understanding of the generalization of such sources and their significance in the context of assessing a company's financial condition, it is advisable to present them in the form of a structured table, as shown below.

Table 1

Sources of Financial Information

Source Group	**Type of Information**	**Examples of Indicators/Data**	**Purpose in Analysis**
Internal: Financial Statements	Balance sheet, income statement, cash flow statement	Assets, liabilities, profit, cash flow	Assessment of liquidity, solvency, profitability, and financial stability
Internal: Management Reporting	Budgets, responsibility center reports, product group margins	Revenues and expenses by departments, plan performance, operating margin	Monitoring business process efficiency and supporting managerial decision-making
Internal: Operational Data	Daily sales, inventory balances, accounts receivable/payable	Sales volume, inventory turnover, cash balances	Operational monitoring of deviations and cash flow management
Data from Accounting Information Systems	ERP, CRM, warehouse and retail accounting systems	Transaction data, customer analytics, inventory movement	Creation of a unified analytical database and automation of KPI calculations
External: Industry and Market Data	Statistics, analytical reviews, industry reports	Average margin, market growth rates, demand	Benchmarking and determining the company's position in the industry

External: Macroeconomic Data	Exchange rates, inflation, interest rates	Currency risks, cost of capital	Assessment of external financial risks
External: Competitive Environment	Competitors' financial statements, ratings, stock market data	Profitability, market share, multiples	Comparative analysis and strategic planning

Source: created by the author

The classification of information sources presented here demonstrates that a comprehensive analysis of a company's financial condition is possible only through the integrated use of both internal and external information resources. Internal data provide a detailed picture of business performance, the structure of financial flows, and the efficiency of resource utilization, while external indicators allow for assessing the impact of macroeconomic and industry-specific factors, as well as determining the company's competitive position in the market. The combination of these information blocks forms the analytical basis for an objective assessment of financial stability and operational performance.

An important prerequisite for improving the quality of financial analysis is the consistency, timeliness, and reliability of information flows from various sources. The use of modern data management information systems, integrated accounting platforms, and business analytics facilitates the automation of financial indicator calculations, the prompt identification of deviations from planned values, and the generation of analytical reports for management decision-making. This is particularly relevant for retail enterprises, whose operations are characterized by highly dynamic operational processes and significant dependence on market conditions [7].

The effectiveness of financial analysis depends to a large extent on a well-established financial monitoring system that is continuous, regular, and geared toward management decision-making. The information support for monitoring is based on three interrelated components:

Financial reporting provides a summary of the company's financial position, operating results, and cash flows.

Management reporting reflects budget execution, cost structure, profitability metrics by responsibility centers, and sales results.

Operational reporting contains daily data on revenue, inventory, accounts receivable, and accounts payable, which allows for a prompt response to deviations from planned indicators [2].

The systematic integration of these information flows creates the foundation for the timely identification of financial risks and the adjustment of business operations.

Scheme of the financial analysis process of a trading enterprise

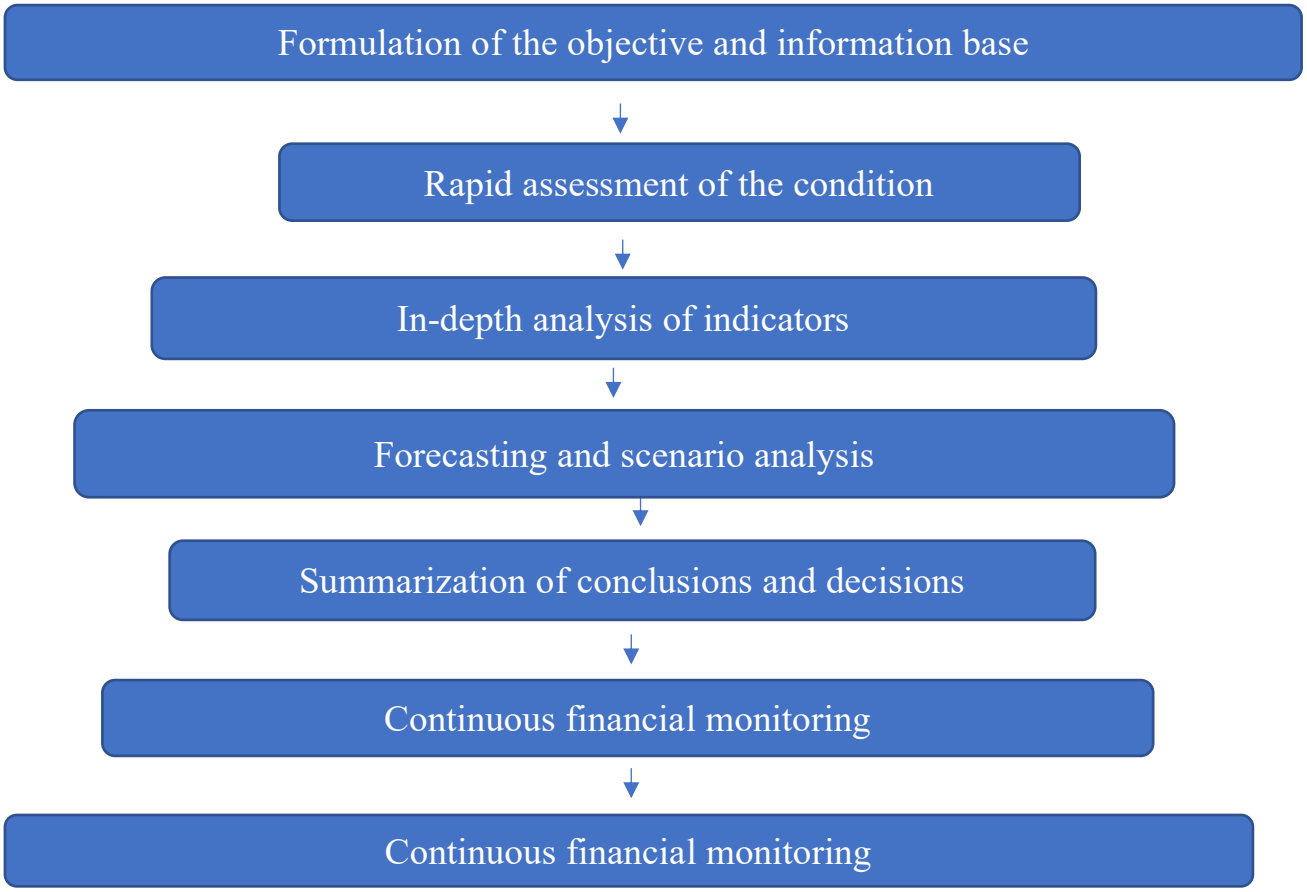


Fig. 1. Sequence of financial analysis and monitoring

Source: created by the author

The proposed sequence reflects the logic of the transition from information gathering to management decision-making and ensures the cyclical nature of financial monitoring, which is a necessary condition for maintaining the financial stability and long-term competitiveness of a retail enterprise.

In the context of growing competition in the consumer market and increased sensitivity of retail enterprises to changes in demand, the implementation of an integrated financial control system—combining tools for operational monitoring, management accounting, and financial analytics—becomes particularly important. Such a system provides a comprehensive view of financial processes, timely detection of deviations, and improved soundness of management decisions regarding resource utilization and liquidity maintenance. One of the main advantages of integrated financial management is the optimization of inventory management. Synchronizing data on sales, balances, turnover rates, and storage costs allows for more accurate demand forecasting and the determination of economically sound purchase volumes. This reduces excess inventory, lowers distribution costs, accelerates the turnover of capital, and reduces the risk of obsolescence. As a result, the efficiency of liquid asset utilization improves and the company's cash flow stabilizes [8].

Another equally important area is strengthening control over accounts receivable. An integrated financial management system enables continuous monitoring of debt repayment schedules, debtor profiles, payment delays and the associated credit risk. Analytical tools can be used to identify problematic counterparties in a timely manner, optimise commercial credit terms and reduce payback periods. This helps to improve the company's solvency, reduce the need for external financing and strengthen financial stability.

The implementation of comprehensive financial control also has a significant impact on improving a retailer's liquidity. Consolidating information on cash flow, working capital structure and short-term liabilities enables the prompt assessment of the company's ability to meet its current financial

obligations. Analytical cash flow forecasting models help prevent cash flow gaps, optimise payment schedules and maintain the necessary level of liquid assets [6].

A key advantage of the integrated approach is the increased transparency of financial flows and improved cost control. Combining financial and management accounting with analytical tools allows for a detailed breakdown of the structure of income and expenses by responsibility centres, sales channels and product categories. This lays the groundwork for identifying inefficient costs, assessing the profitability of the product range, and making decisions to optimise business processes. Reducing operating costs without compromising service quality has a direct impact on increasing profitability.

Furthermore, an integrated financial control system ensures effective working capital management by harmonising inventory levels and accounts receivable and payable policies. A comprehensive analysis of the duration of operational and financial cycles makes it possible to shorten the cash conversion cycle, accelerate cash flow recovery and strengthen the company's long-term financial stability [6].

The effective operation of a retail business in today's environment of economic instability, fierce competition and dynamic shifts in consumer demand is impossible without the implementation of an integrated financial control system that combines traditional tools for analysing financial indicators and risk assessment methods with digital technologies. This comprehensive approach allows not only for the assessment of results achieved, but also for the continuous monitoring and forecasting of financial processes.

Contemporary academic and practical literature emphasises the importance of operational financial auditing as a component of the financial control system, focusing on an in-depth examination of an organisation's internal procedures and processes with the aim of identifying discrepancies in financial and operational activities and high-risk transactions. Operational audit, combined with control and monitoring, makes it possible not only to confirm the accuracy of reported

data but also to assess the efficiency of resource utilisation, which is critically important for retail chains with large volumes of inventory and a complex logistical structure of operations [7].

Integrated financial risk assessment within the control framework is also coming to the fore. This includes risks associated with working capital, trade receivables and fluctuations in cash flows. Comprehensive risk assessment and monitoring mechanisms ensure the early detection of potential problems, thereby preventing significant financial losses or even bankruptcy. In a broader context, financial monitoring and auditing are viewed as complementary elements of corporate governance, capable of enhancing the transparency and accountability of financial processes within the organisation [7].

A key trend in the field of financial control is the active implementation of digital technologies and Big Data analytics. These technologies enable the processing of large volumes of data on financial transactions, inventory, customer behaviour, transactions and other economic information with high speed and accuracy. The use of ERP systems, artificial intelligence tools and cloud technologies enables real-time monitoring of financial and goods flows, reduces the impact of human error and minimises the risk of errors in financial calculations and controls. Big data analysis helps improve the accuracy of financial risk forecasting models, identify anomalies in cash flows, and enhance budgeting and financial plan monitoring procedures

A systematic approach to financial control using digital tools enables the creation of a unified information environment for data collection, processing and analysis, which in turn ensures:

- faster response times to deviations in financial indicators;
- effective forecasting of cash flows and operational risks;
- optimisation of inventory management;
- reduction in the duration of capital turnover cycles;
- reduction in financial losses and resource expenditure.

Conclusions and prospects for further research in this area. The study has established that financial control and performance analysis of retail enterprises are key elements of the management system, forming the information basis for strategic and operational decision-making. Their effective implementation ensures the timely identification of financial risks, cost optimisation, increased profitability and the strengthening of the enterprise's competitive position in the market. *It has been demonstrated that the comprehensive integration of the theoretical foundations of financial control with modern analytical tools makes it possible to enhance the transparency of financial flows, accelerate asset turnover, reduce credit risks and ensure an adequate level of liquidity.*

It has been demonstrated that the effectiveness of financial monitoring depends to a large extent on a systematic approach to the organisation of information support, which involves the coordinated use of financial, management and operational reporting. An integrated financial control system creates a synergistic effect, contributing to more informed management decisions and the stable development of the enterprise in a dynamic market environment.

Future research should focus on deepening methodological approaches to the digitalisation of financial control in retail, developing models for forecasting financial stability using business analytics tools, and adapting internal control systems to the conditions of digital transformation and increasing risks in the retail sector. Particular attention should be paid to researching the possibilities of integrating automated analytical platforms into the financial monitoring system with the aim of improving the speed and accuracy of management decisions.

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