

**KAPITEL 12 / CHAPTER 12¹²****RECOMMENDATIONS FOR THE IMPLEMENTATION OF INTERNAL
DIAGNOSTICS OF CUSTOMS DEPARTMENT MANAGEMENT AS AN
ELEMENT OF THE ENTERPRISE ACTIVITY CONTROL SYSTEM****DOI: 10.30890/2709-2313.2025-42-05-028**

The use of control tools in the customs department of an enterprise is an extremely relevant topic, given the dynamic changes in international trade, the tightening of supply chain security requirements, and the need to optimise customs procedures. Effective control not only ensures compliance with legislation but also contributes to improving the overall efficiency of the enterprise.

The modern world is characterized by rapid growth in international trade and increasingly complex logistics chains. Companies actively engaged in foreign economic activity face numerous challenges related to customs clearance of goods. Failure to comply with customs regulations can lead to significant financial losses, cargo delays, penalties and reputational risks. That is why the implementation and continuous improvement of control tools in the customs department is becoming critically important.

The management of foreign economic activity, and customs operations in particular, requires a systematic approach in which control plays a key role. This is due not only to the dynamic nature of the international trade environment, but also to constant changes in customs legislation, growth in foreign trade turnover, and the need to combat customs offences.

Control as a management function is one of the most important elements ensuring the achievement of the enterprise's goals and objectives. In a broad sense, control consists of verifying the compliance of actual results with planned ones, identifying deviations and adjusting actions to eliminate them. For enterprises engaged in foreign economic activity, the control system has its own specifics related to the international nature of operations and special regulations.

¹²Authors: Petryshyn Nataliia Yaroslavivna, Todoshchuk Andrew Vasylovych, Podra Olha Pavlivna

Number of characters: 19762

Author's sheets: 0,49



General aspects of control at an enterprise are considered in the works of many scholars [1-11]. In particular, Klymovych D. emphasises that internal audit of financial instruments is the basis of an enterprise's control system. This provision is also important for customs departments, since customs payments and guarantees are significant financial instruments that require careful control. Accordingly, applying the principles of financial control to customs operations can significantly increase their transparency and efficiency [1].

Kopotienko T. and others emphasise the use of analysis and control methods when conducting due diligence. Although due diligence usually refers to verification prior to concluding agreements, its principles, such as in-depth data analysis, risk assessment and regulatory compliance verification, are fully applicable to the control of customs operations. In particular, a thorough analysis of the documents accompanying the cargo can be considered an element of due diligence in the customs context [2].

The issue of establishing internal control systems in enterprises has been studied in depth by Krill A. and Chubay V. They have developed methodological approaches to establishing internal control systems in enterprises, which include setting objectives, identifying risks, and developing control procedures and monitoring mechanisms. These approaches are universal and can be adapted to the specifics of customs departments, where control is not only a means of ensuring financial discipline, but also a tool for compliance with customs legislation [3].

A special place in theoretical research is occupied by the control and evaluation of personnel activities as elements of the personnel management system (Shulla R.S., Popyk M.M.). For customs departments, where the qualifications and integrity of personnel are of crucial importance, an effective system of control over the activities of employees is a guarantee of the successful performance of customs operations and minimisation of corruption risks [4].

Zerkal A. and Shcherbaha E. also study personnel management in state institutions, analysis and optimisation of work processes in the internal control system. Their conclusions can be extrapolated to customs departments of enterprises, where the effectiveness of control largely depends on the professionalism and responsibility of



employees [5].

Yaremko I. considers the information function of accounting and internal control in the management of the operational activities of trading enterprises. This aspect is particularly important for customs departments, since accounting for customs operations, timely and accurate information on the movement of goods, and payment of customs duties are the basis for management decisions and effective control [6].

Customs control has a number of unique features that distinguish it from other types of control in an enterprise. This is due to the specificity of customs legislation, the international nature of operations, the high risks associated with customs violations, and close interaction with state customs authorities.

Kozyk V. V. and others reveal the general aspects of foreign economic activity, including customs regulation. This is a fundamental work that forms the basis for understanding the context in which customs control takes place [7].

Customs tariffs as a tool for regulating Ukraine's export and import operations with the EU are studied by Y. A. Ishchuk and Z. I. Kushko. They emphasise that tariff regulation is one of the key areas that requires constant monitoring by enterprises. Incorrect determination of the product code, country of origin or customs value can lead to significant financial losses and administrative sanctions [8].

Rudyk N. V. and others analyze the impact of customs regulation on foreign economic activity in times of crisis, which indicates the need for adaptability and flexibility in the control system of customs departments [9].

Bondarenko E. and Uhrynn V. focus on the latest priorities for the development of customs control and customs clearance in Ukraine. This research is extremely important because it highlights current trends such as digitalization, simplification of procedures and the introduction of risk-based approaches, which directly affect the control tools used by customs departments of enterprises [10].

But-Husaim O. G. examines the instrumental support and control of the adaptability of the formation of a strategy for the innovative development of business structures in the context of globalization. This emphasizes the importance of the adaptability of control tools to the changing conditions of foreign economic activity



and customs legislation. Customs departments must have flexible control systems that can respond quickly to changes in tariffs, regulations, procedures and international agreements [11].

Specific tools may include [11]:

- electronic document management systems (enabling the automation of document submission to customs authorities, minimising errors and ensuring the rapid exchange of information);
- software for accounting and analysis of customs operations (enables tracking of goods movement, control of customs payments, analysis of the effectiveness of foreign economic activity);
- internal regulations and procedures (clearly defined rules and instructions for customs department employees on the procedure for customs operations and control procedures);
- key performance indicator (KPI) monitoring systems (allow tracking the performance of the customs department, identifying deviations and taking corrective action in a timely manner);
- regular internal checks and audits (ensuring independent assessment of the compliance of customs operations with legislation and internal regulations);
- training and advanced training of personnel (is an important element of control, since the competence of employees directly affects the quality of customs operations);
- customs risk assessment systems (allow to classify goods and operations by risk level and apply appropriate control measures).

The control tools in the customs department of the enterprise cover a wide range of measures and means aimed at ensuring the legality, transparency and efficiency of customs operations. These include: documentary control; physical control; cost control; classification control; control of terms and procedures; automated control systems; risk management systems; internal audit of customs operations.

The use of control tools in the customs department of an enterprise is not just desirable, but a necessary element of effective foreign economic activity. This is a guarantee of compliance with legislation, minimizing risks and optimizing business



processes, which ultimately contributes to increasing the competitiveness and sustainable development of the enterprise in the international arena.

To strengthen the enterprise management system, an internal diagnostics of the customs department management is being implemented. This process has three main goals:

1. Conduct a deep management analysis. Assess all management functions of the customs unit, identify the features of their implementation and determine overall efficiency.
2. Identify and deal with problems. Identify and comprehensively investigate all risks, problems in the internal management and control system, as well as threats that may complicate customs activities.
3. Create an improvement plan. Develop specific and effective measures that will allow for comprehensive improvement of the customs unit's management and control system in all its aspects.

The use of an integrated approach to improving control in the customs department promises significant improvements and will positively affect the efficiency of the company as a whole. The main goal of internal diagnostics of the customs department management is to assess the quality of management processes and the achieved results, which are reflected in performance indicators. To achieve this goal, it is necessary to competently apply control methods and tools based on diagnostic data.

In addition, diagnostics are designed to compare the achieved results of the customs department management with the goals set by the company and department management.

The main areas of diagnostic procedures for customs department management include:

1. Comprehensive analysis: studying management processes, performance indicators, components of the management system and control system. This also applies to the calculation and analysis of specific indicators that reflect management effectiveness and the overall analysis of department effectiveness.
2. Assessment and monitoring of management influence: evaluating the



effectiveness of management influence on the department and monitoring its implementation.

3. Identification of problems and risks: identifying the causes of ineffective management, as well as monitoring factors that negatively affect management and control systems and related management risks.

Applying a comprehensive approach to management and control processes based on the findings of this diagnosis will contribute to several important aspects: effective implementation of business processes, optimisation of customs department management, improvement of management and control processes, increased management efficiency, and improved quality of department management.

The recommended process for internal diagnostics of customs department management is presented in Fig. 1. This process consists of seven stages:

Stage 1. The main objectives, tasks and resources required for internal diagnostics of all management and control elements within the department are determined.

Stage 2. Select specific areas that will be subject to internal diagnostics to assess the functioning of the customs unit.

Stage 3. Develop detailed procedures: describe diagnostic operations, assign responsibilities, set deadlines and provide the necessary resources.

Stage 4. Processing of information on the activities of the customs department, including actual and planned indicators, the management and control system and structure, as well as the specifics of personnel management in the unit.

Stage 5. Criteria for the optimality of management processes in the customs department are determined in accordance with its business activity.

Stage 6. The effectiveness of customs department management is assessed, actual results are compared with planned performance indicators, and existing problems in the control system are identified.

Stage 7. Based on the results of internal diagnostics, specific measures are developed to improve the effectiveness and quality of customs department control.

Recommended internal diagnostics in the customs department of a company aims to assess how effective and efficient the overall management is.



Stage 1. The main objectives, tasks and resources required for internal diagnostics of all management and control elements within the department are determined.



Stage 2. Select specific areas that will be subject to internal diagnostics to assess the functioning of the customs department.



Stage 3. Develop detailed procedures: describe diagnostic operations, assign responsibilities, set deadlines and provide the necessary resources.



Stage 4. Processing of information on the activities of the customs department, including actual and planned indicators, the management and control system and structure, as well as the specifics of personnel management in the department.



Stage 5. Criteria for the optimality of management processes in the customs department are determined in accordance with its business activity.



Stage 6. The effectiveness of customs department management is assessed, actual results are compared with planned performance indicators, and existing problems in the control system are identified.



Stage 7. Based on the results of internal diagnostics, specific measures are developed to improve the effectiveness and quality of customs department control.

Fig. 1 - Recommended process for internal diagnostics of customs department management at the enterprise as part of a control system

Diagnostics of the customs department's functioning focuses on analysing elements of the company's management structure.

Internal diagnostics of the customs department's activities are designed to analyze its internal environment and the factors that influence it, both within the department



and the company as a whole.

External diagnostics involve assessing the effectiveness of the company's (in particular its customs department's) interaction with the external environment and analysing its influences.

To ensure the focus of customs management diagnostics, appropriate methods must be used. It is recommended to evaluate the management and control of the department's activities through:

- 1) expert assessment (involvement of specialists for analysis);
- 2) comparative analysis (comparison of performance results with the indicators of closest competitors);
- 3) factor analysis (study of factors influencing the implementation of management decisions).

Internal diagnostics of customs department management, which is an integral part of the control system, helps to assess the effectiveness of management decisions in various areas of the department's work. This is achieved through the analysis of calculated performance indicators and their comparison with optimal standards. In addition, a qualitative assessment of the unit's resources is key, as it will allow for accurate forecasting of its future development. The economic feasibility of implementing the recommended internal management and control diagnostics at the enterprise lies in increasing the results for key indicators and optimising the costs of the customs department.

The proposed diagnostics will be implemented by the management of the customs department. This implementation option has several advantages: it will improve the information support for diagnostic procedures, increase the validity of results, and help reduce current costs. However, a potential challenge may be the insufficient training of the internal specialists involved, as well as the possible subjective assessment of internal management processes.

Internal diagnostics of customs department management, which is an integral part of the control system, helps to assess the effectiveness of management decisions in various areas of the department's work. This is achieved through the analysis of



calculated performance indicators and their comparison with optimal standards. In addition, a qualitative assessment of the department's resources is key to accurately predicting its future development.

The recommended process for internal diagnostics of customs department management consists of seven stages: defining the main goals and objectives of internal diagnostics; selecting specific areas to be subject to internal diagnostics; detailed development of procedures, description of diagnostic operations; processing of information on the activities of the customs department; determination of criteria for the optimality of management processes in the customs department; assessment of the effectiveness of customs department management; based on the results of internal diagnostics, specific measures are formulated to improve the effectiveness and quality of control by the customs department.