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The specificity of functions and principles of fiscal management

Carmen **COMANICIU**¹

Abstract: The multiple changes which take place in the public sector due to the economical social and political processes and phenomenon impose the development and the perfecting of public management in order to assure efficiency and efficacy. Although in the specialty literature, the concept of fiscal management or management of fiscal activity is not very well defined, we will try to define this concept, to identify the fundamental and specific objectives, to specify the content of specific functions and principles.

Fey words: fiscal management, functions, principles, taxes

JEL Classification: E6,E62,M1,O2

The statement of Richard Farmer, according to which "The management explains why is poor or reach country", is related to the management practiced in the fiscal field, starting from the fact that it is based on the relation tax payer- state in order to use the public financial resources.

The multiple significations of the concept of management determined the specialists to define this concept, the settle the content and the specific traits.

A part of the definitions of the management concept are exposed in the next figure:

"all the methods with which we determine, clarify and realize the purposes and tasks of a certain collective" (E. Petersen and E. Plowman, 1958)	M A N A G E M E N T
"the process through which the manager operates with 3 fundamental elements – ideas, things and people, achieving the objective through the others" (A. Mackensie, 1969)	
"conscious, methodical and scientifically effort in order to study and accomplish the optimal functioning conditions" (O. Gelinier, 1967)	
"the art or science to direct, to control and administrate the work of others in order to achieve the settled objectives , the process of taking decisions and management" (A.B. Robertson, 1968)	
"the aggregate of disciplines, methods, techniques which the tasks, the administration of management, organizing the enterprise" (K. Jaques)	
"the science through which it is assured the management of all the processes and economical unities and from other sectors of activity, having in man in the first plan , his motivated participation which supposes to solve the problems under provisional, organizatorial, of management, of taking decisions and control, making them concrete in the increasing of economical efficiency" (M. Dumitrescu, 1970)	

Fig. 1 Defining the concept of management²

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² Petrescu I., Muscalu E., "Tratat de management public", Ed. "Lucian Blaga" University of Sibiu, Sibiu, 2003, pp. 32-40

By analyzing these definitions we may state that the management is³:

⇒ *a science* – because by the organized and coherent aggregate of concepts, principles, methods and techniques explains the processes and phenomenon which take place on the management of the organization;

⇒ *an art* – because it is always imposed the adapting to the realities of different situations, to the influence of exogenous and endogenous factors upon the organization in order to achieve efficiently and with efficacy the proposed objectives;

⇒ *a state of spirit* – because there appear different forms of wanting to change them, to search new methods and techniques, to accept the change, all these should lead to development and progress;

⇒ *a pragmatic measure* - because the scientific management of the organization determine the existence of a coherent aggregate of actions.

The management is present today in all the economical and social fields, so, implicitly in the fiscal field, its perfecting constitutes the main factor of increasing the efficiency of fiscal activity.

The essence of fiscal management represent its functions and on the basis of conceiving and exercising management from taxes field resides an aggregate of principles.

Before specifying the functions and principles of fiscal management, we will try to define this concept, starting from the premises that this is an essential component of the public management.

Considered by some specialists a branch of public administration, **the public management** consists in integrating the managerial, political legal approaches in the process of accomplishing the mandate of legislative, executive and juridical authorities namely, providing services for society in its whole or for important segment of it.⁴

When is tackled the taxes problem we search for answers such as: Which is the purpose of taxes? Who takes care of settling, perceiving and managing the fiscal obligations? Who settles the objectives of fiscal politics and who contributes to achieve these objectives? How is it and how should be organized, led and coordinated the fiscal activity? Which is the result obtained as a result of carrying on the fiscal activity? ...

The fiscal management is the one which can offer an answer to these questions because it represents the art and science of applying methods, techniques and procedures in order to substantiate programs, to organize and coordinate the processes of collecting the fiscal incomes, in order to use efficiently the public money in order to satisfy the society's needs.

The essential request of the fiscal activity is the quality, because the projection and the construction of quality in this field will contribute to the orientation of the processes dynamics to the tax payers, taking into account the relation increasing- development – progress.

The existence of fiscal management determine the identification of the essential coordinates of it:

³ Dumitrescu L., "Managementul întreprinderii comerciale", Ed. "Lucian Blaga" University of sibi, Sibiu, 2003, p. 14

⁴ Androniceanu A., "Noutăți în managementul public", Ed. Universitară, Bucharest. 2004, p.25

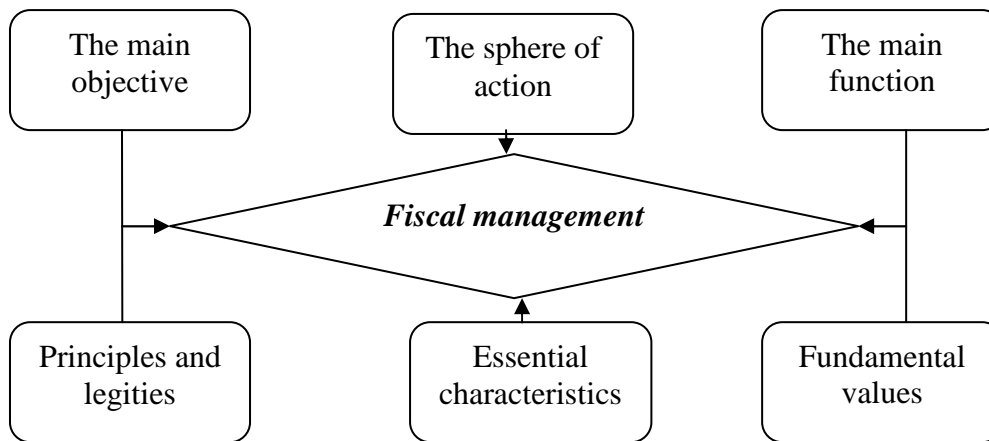


Fig.no.2 The essential coordinates of fiscal management

The fundamental objective of fiscal management is the understanding and the enhancing of the role of the taxes in the social economical life of a nation, in order to establish a real partnership between the state and tax payers in order to use and form the public financial resources. The outlining of the system of objectives in the fiscal field as well as its achievement, involves the use of principles and fiscal laws by the state with attributions in the fiscal field and by tax payers, natural and juridical persons in the sense of increasing the satisfaction of the general public interest and accepting the taxes not as a burden but as a stimulator factor.

The action sphere of fiscal management must take into consideration the processes and management relations identified both at national and international organism's level with attributions in the fiscal domain and both at tax payer's level. The taxes analyses must be realized taking into account the local, national and international framework, this is why the mutations which take place in the fiscal management must offer coordinates of a real fiscal reform, set on values and fundamental principles.

The process of management were first identified by Henry Fayol, who identified the main functions of management on the basis of an analysis, namely: prevision, organizing, command, coordination and control. Subsequently, many famous specialists (L.Gulick, H.Koontz, C.O'Donnel, W.J.Duncan, H.Churg, H.B. Maynard) proposed management functions: prevision, planning, evidence, operating, executing, control, etc.⁵

These things determine us to specify **the main functions of fiscal management**: the prevision function, the organizing function, the coordination function, training function, control-evaluation function. These functions have the content, requirement and ways of achievement specific to the fiscal activity and due to the complementary character and the connexions between them; they must be treated in interdependency.

The fundamental values which must be taken into consideration in determining the processes and the relations of fiscal management have on the basis:

- assuring a coherent functionality of the managerial process and the structures of the entities with attributions in the fiscal field;
- the analyses of the endogenous and exogenous factors which influence the relations of the fiscal institutions with the economical, social and political medium;
- identifying the best modalities of using the resources in the sense of maximizing the fundamental objective of the fiscal management;
- elaborating a realistic fiscal politics based on efficiency and efficacy.

⁵ Russu C., "Management", Ed. Expert, Bucharest, 1996, p. 59

Having in view the specificity of fiscal management, the fundamental values are structures according to their belonging (internal and external values), being recognized values as ethics, moral and democracy.⁶

The identification of **fiscal management characteristics** has on the basis: the specificity of fiscal obligations; the general principles of taxation; the specific of fiscal and budgetary activities; the tasks and functions which belong to taxes the rights and obligations of tax payer's natural and juridical persons.

All these elements determine the adaptation of methods and techniques generated by management so that fiscal management become a management oriented to the participative dimension, based on a coherent system of performance indicators which should promote efficiency and competitiveness.

Respecting **the general principles of fiscal management** aim all those involved in the fiscal budgetary activity, and its exercising shows the level of performance of this activity, the knowing and applying these principles must be achieved by all those involved in the management of fiscal activity. From this point of view, we take into consideration the following:

➤ The principle of defining and applying the unitary management according to the influence of the medium – the clear, unitary and commune vision upon the fiscal activity, must be achieved in correlation, adaptation with the management system to the existent situation at a certain moment, upon which economical, technical, technological factors, political factors, juridical and ecological factors.

➤ The principle of legality – dimension and structure the processes , methods and relations of fiscal management must be realized on legal basis , the aim is not only to obtain fiscal incomes but also to satisfy the general public interest by using the proper public financial resources accordingly.

➤ The principle of motivating all the factors involved in the fiscal activity – the moral and material stimulation of those involved in the fiscal activity lead to the achievement of the indicators of performance established to the increasing of fiscal efficiency.

➤ The principle of efficiency – using the means and methods of management accordingly has a direct involvement in the way of managing all the categories of resources (financial, material, human, informational), aiming to maximize the satisfaction degree of social needs by fiscal levers used.

The prevision function

The economical prevision supposes the anticipation of the evolution of economical phenomenon and processes on the basis of a complex research; the economical prevision reveals the directions, the content of the economical phenomenon sans processes which will take place in the future.

The fiscal prevision concretizes in quantitative and qualitative evaluations upon the possible and probable evolution of some aspects from the fiscal and budgetary domain.

The prevision function of the fiscal management consists in the ensemble of management processes carried on in the institutions with attributions in the fiscal domain in interdependency with the existent management processes at the level of other public institutions and according to the needs and general public resources.

The action of prevision function is based on:

- ⇒ the specific of fiscal sector
- ⇒ the prevision methods used

⁶ Androniceanu A., idem, pp. 68-70

⇒ the previsions' results

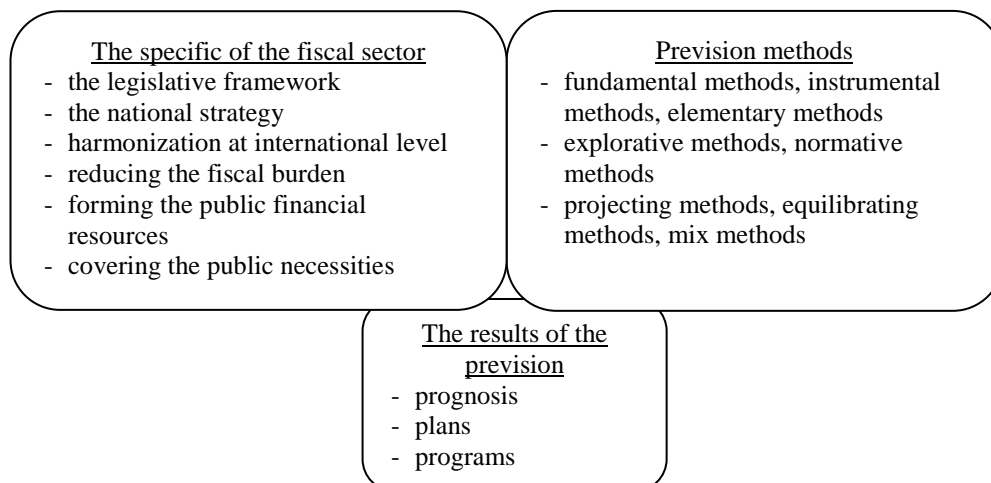


Fig.3 Exercising the prevision function of the fiscal management

The prognosis contains a series of dates with an indicative value which refer to the whole fiscal activity which are not compulsory but have an approximate character. *The plans* have compulsory character and by their way of detailing become basis in carrying on the fiscal activities. With the help of financial plans it is assured a financial equilibrium during the year. *The programs* are more detailed and due to the fact that they have a reduced horizon, the elements which are comprised in it become compulsory.

The prevision methods used both for prognosis and for planning suppose: the analysis and the synthesis; the systemic approach; the provisional balances; economical mathematical modeling; extrapolation; statistic inquires; intuitive methods; international comparisons.

In order to identify the future tendencies of the process and phenomenon of the economical and fiscal system, to establish the objectives which must be achieved we must choose those methods provisioned which should offer the most realistic and credible solutions.

Accomplishing the prevision function supposes the existence of numerous relations with the other functions of management. The achievement of the prevision is based on laws and legal regulation, on information, requests and offers, by offering structures, methods, objectives, norms and programs for carrying on the whole fiscal activity.

The organizing function

Carrying on an activity in the conditions of efficiency supposes an ordination of all the material, human and financial resources an organization disposes in order to accomplish the objectives.

Organizing, as a managerial function can be regarded as a "determination, enumeration and grouping of the necessary activities which are summed up on a complex of measures which aim to achieve the settled objective by using the material, financial and human resources as rational and efficient as possible".⁷

Exercising the organization function by the 2 main forms of organization (procession and structural organization) has as result at fiscal management level in outlining all management processes through are projected the components of the internal

⁷ Petrescu I., Cismaru G., "Managerul în lumea afacerilor", Ed. tribuna, Sibiu, 1999, p.118

organizational framework at the taxes level in accordance with the objectives established and the field they are acting.

The procesual organization result relies in establishing the functions as well the specific activities, tasks and attributions which belong to taxes and the result of structural organization represent the organizational structure of the unity, services, offices, compartments.

The organization of the Ministry of public Finance

According to the Resolution no.208/17.03.2005 , published in the Romania's Official Monitor no.269/31.03.2005, with the subsequent modifications, the Ministry of Public Finance organizes and functions as a specialty organ of central public administration subordinated to the Government which applies and the strategy and government-fundamental methods, instrumental methods, elementary, methods program in the field of public finances by assuring the financial and currency levers in accordance with the market economy requests and for stimulating the initiative of economical agents.

The main functions accomplished by the Ministry of Public Finance are⁸:

⇒ the strategy function – assure the drawing up of strategy of applying the government program in the field of public finance;

⇒ the function of implementing and drawing up the budgetary policy and fiscal policy of the government

⇒ the function of correlating the fiscal and budgetary policies with other economical and social policies;

⇒ the function of administrating the state incomes;

⇒ the function of administrating the resources carried on through the State Treasury;

⇒ the function of exercising the internal public financial control;

⇒ the function which assures the centralized evidence of goods which constitutes the public domain of the state;

⇒ the function of drawing up and supervising the legal framework in the accountancy field;

⇒ the function of representation – it is assured in the name of Romanian state and Government, the representation on internal and external plan in its field of activity;

⇒ the function of state authority – assures the control of unitary application and respecting the legal regulations in its field of activity, as well as of functioning of the institutions which carry on the activity under its subordination or authority.

In order to carry on its activities **The Ministry of Public Finance has the main attributions**⁹:

- proposes development strategies on long and medium term and reform solutions in the field of public finances;

- draws up the state budget, the state budget's law and the report of the state budget's project and the project of the rectification law of the state budget, by operating the necessary rectifications;

- settles the budgetary equilibrium in the phase of drawing up the state budget and its rectification;

- settles methodologies in order to draw up the state budget projects, the budget of state social insurances, the budget of special funds and the projects of the local budgets;

⁸ art. 2, alin. 2 in HG 208/17.03.2005

⁹ art. 3, HG 208/17.03.2005

- analyses periodically the way of carrying on the budgetary provisions, in correlation with macro economical indicators and represents informing of the government with proposals of improvement;
- follows the operative execution of the consolidated general budget;
- establishes the necessary measures for cashing the incomes and limiting the expenses in order to frame it in the approved budgetary deficit;
- draws up and approves the indicators regarding the public finances;
- opens the necessary credits for the expenses of each main officer of credits within each budgetary exercise;
- analyzes and notices the opening of budgetary credits for stimulating the export production and exports;
- monitors the number of jobs and expenses within the staff from the public institutions;
- approves the allocation on quarters of the incomes and expenses previewed in the state budget, the budget of state social insurances and the budgets of special funds;
- notifies the projects of normative acts which generate financial influences upon the general consolidated budget;
- draws up normative acts regarding the public duty and State Treasury;
- administers and manages the governmental public duty;
- draws up the report regarding the public internal and external duty of Romania which is presented quarterly to the government and Parliament;
- elaborates and updates the methodology regarding the evaluation and selection criteria of the public investments objective;
- analyses the investment program from the point of view of framing in the limits of expenses established, respecting the criteria of selection and allotting the budgetary credits according to the execution period of the objectives;
- coordinated and monitors the whole program of public investments;
- draws up the strategy in the field of public investments on the basis of the proposals of investment programs of the main credits officer;
- notifies annual and multiannual public programs investments drew up by the main credits officer;
- draws up projects of normative acts regarding the public tenders;
- coordinated the general framework related to the public tenders and assures the correlation of the communitarian acquis and methodological advice in this field;
- administers the general Treasury account ,opened at the Romania national Bank, it signs conventions with it;
- settles the system of functioning and organization of Sate Treasury, in order to assure the carrying on of payment and cashing operations for the public sector;
- draws up and administers the budget of incomes and expenses of State Treasury;
- collaborates with Romania National Bank in drawing up the balance of external payments, the balance of debts and external engagement, the rules from the monetary and currency domain and quarterly informs the Government the way of achieving them with proposals and solutions in covering the deficit or using the excess from the current account of the external payment balance;
- contracts and guaranteed state loans from the internal and external financial market in the limits of competences established by the law;
- assures the circulation of some specific financial instruments through the National Bank;
- elaborates projects of normative acts in order to approve the norms of expenses and awarding some rights to the staff from the public institutions;

- collaborates with other public institutions in the process of elaborating the normative acts regarding the wages from the public sector;
- elaborates projects of normative acts regarding the settling the direct and indirect taxes, follows the legislative harmonization in this field;
- elaborates on the framework pattern of the Organization for Cooperation and Economical Development, the convention Romanian project for avoiding the double taxation and follows its updating according to the recommendations of the Organization for Cooperation and Economical Development;
- negotiates, prepares the initial signing and ratification of the conventions in order to avoid the double taxation negotiated;
- elaborates strategies, comparative studies, priorities and projects of normative acts regarding the fiscal politics of Romania;
- elaborates projects of normative acts in the field of financial accountancy and administrating and follows its perfecting correlated with the European norms in the field;
- exercises through its specialty organs, the control of using the budgetary credits by the public institutions;
- carries on cashing and payments as a direct participant to the national system of payments;
- elaborates the politics of customs according to the laws in force;
- assures the administration of the state monopole according to the laws in force;
- directs and organizes the professional training activity in the field of internal audit and the financial and control management systems;
- carries on control activities at the public institutions and solves the contests;
- negotiates, prepares the initialing, signing and ratification of governmental agreements regarding the promotion and protection of the investments;
- coordinates, negotiates and signs international agreements in the name of the state, in the field of financial and currency relationships in collaboration with the Ministry of Foreign Affairs;
- represents the state, as subject of rights and obligations, in front of instances and in other situations where it takes part ,in juridical reports if the law does not choose another organ;
- assures the relation with the Parliament, The Social and Economical Committee, trade unions and other exponents of civil society in the problems specific to its activity;
- assures a constructive dialogue with the partners of social dialogue, in the spirit of reciprocal respect and according to the European standards in order to assure the sufficiency of the activity and social stability and sustains in the Parliament the projects of normative acts;
- solves the petitions received by the citizens according to the provisions in force;
- elaborates, implements and develops the informatical system in the field of public finance;
- elaborates ,monitors ,implements the system of internal and external communication and the communicational framework aiming to sustain its activities;
- elaborates and carries on professional perfecting programs of the staff within the Ministry of Public Finance through The School of Public Finance and Customs and other specialized organisms in this field;
- assures through the management system of performance and professional development a body of professional civil servants, an efficient, stable body, aiming to create a flexible, modern and efficient organization;
- initiates measures and takes part to the drawing up of programs meant to support the professional training of the civil servants in the field of managing the European Union funds;

- edits specialty materials, necessary to advertise the financial problem in order to get known by its staff and by the tax payers;
- assures the elaborating and issuing “the Magazine of Public Finance and accountancy”, activity financed by own earnings;
- assures the statistic evidence of the external irredeemable help;
- manages the irredeemable financial assistance given by the E.U. according to memorandums of agreement and financial agreement signed by the Romanian Government and the European Commission as well as the irredeemable financial assistance given by international financial institutions;
- assures the substantiation, coordination and achievement of the specific activities of the process of preparing to join the E.U.;
- coordinates the programming and monitoring the instrument for structural politics of before joining (ISPA);
- carries on the activities afferent to the process of ratification and/or amendment of financing memorandums (PHARE and ISPA) as well as the intergovernmental agreements regarding the awarding of financial assistance unredeemable given by the E.U. member states;
- coordinates the drawing up of Development National Plan, document of strategic planning and multiannual financial programming of Romania, elaborated on the basis of sectorial and national strategies of regional development and which fundaments the structural funds allotted by The European Union in the rejoining period and the structural instruments after joining E.U.;
- coordinates the preparing and implementing of the legislative, institutional and procedural framework for managing the structural instruments;
- establishes, together with the ministries and with the other specialty organs of the public and local administration, the system of dates, information and reporting periodically regarding the use of communitarian funds which are analyzed and approved by the Government;
- coordinates the participation of Romania and accomplishes the function of national contact point to the joint projects with the states which are granted European irredeemable funds;
- checks on sample basis the regulations of The European Commission regarding the ISPA and the structural instruments;
- centralizes and elaborates the dates necessary to estimate the level of financial transactions with the E.U. and drawing up reports for the estimations and their reflecting in the commentary budget;
- opens and administers the necessary accounts in order to carry on the financial transactions with E.U. and communicates to it the operations and registering in the respective accounts;
- monthly centralizes the dates afferent to the own resources whose observation is made in our country (customs taxes, agriculture contributions, the tax on sugar etc.) draws up the report notes in order to determine the level in lei of the contributions afferent to resource V.N.B. and added value tax and issues payment dispositions by The Romanian National Bank in order to deliver in time the obligations afferent to resources and the contribution of the Romanian state at the communitarian budget.

The attributions of The Ministry of Public Finance are exercised by the departments subordinated. In this sense, ***the organizational structure of The Ministry of Public Finance*** according to the annexes no.2 from HG 208/17.03.2006:

- ❖ The Juridical General Department;
- ❖ The Central Unity of Harmonizing for the Internal Public Audit;
- ❖ The Directorate of Internal Public Audit;

- ❖ Spokesperson of the relation with mass-media;
- ❖ The General Directorate of Synthesis of Budgetary Politics;
- ❖ The General Directorate of Sartorial Budgetary Programming and Social Security;
- ❖ The Directorate of Public Tenders and Prioritizing the Public Investment ;
- ❖ The Directorate of Public Accountancy;
- ❖ The Directorate of Preventive Financial Control;
- ❖ The Management unity of State Treasury;
- ❖ The Directorate of External Public Finance;
- ❖ The Directorate for Agreements, Cooperation and Internal Deductions;
- ❖ The Department of Evaluation of Consolidated General Budget Incomes;
- ❖ The Directorate of National Fund of Pre joining;
- ❖ The Payment Office and Phare Contracting;
- ❖ The General Directorate of Legislative Harmonizing and European Integration;
- ❖ The General Directorate of Politics and Human Resources;
- ❖ The Department of Budget and Internal Accounting;
- ❖ The General Directorate of Administrative Services, Patrimony and Archiving;
- ❖ The General Directorate of Politics and Legislation regarding The Incomes of the General Budget Consolidated;
- ❖ The Department of Accounting Regulations;
- ❖ The Department for the Relation with the Parliament, Trade Unions and the Patronage;
- ❖ The General Department for Administration and Control of the State's Actives;
- ❖ The National Agency of Fiscal Administration;
- ❖ The General Department of Informatics Technology;
- ❖ The Department of Authorizations;
- ❖ The National Agency of Payments.

Organizing the National Agency of Fiscal Administration

The National Agency of Fiscal Administration is a unity subordinated to The Ministry of Public Finance whose activity following the following **objectives**¹⁰: collecting the incomes from the state budget, representing the incomes and taxes from state budget, according to the competencies, as well as the incomes of the social state budget insurance, according to competencies as well as the incomes from the social state budget insurance, the budget for unemployment insurance, the budget of the National unique fund of social health insurance, representing the contribution of social insurance, the contribution of unemployment insurance, the contribution health social insurance, the contribution of insurance for accidents from work and professional diseases due by payers, natural and juridical persons, which have the quality of employer and other persons who have obligations for the state budget; the unitary applying of legislation provisions regarding the incomes, taxes, social contributions and other budgetary incomes in its field of activity; exercising the prerogatives settled by law by treating equal all the tax payers; applying the specific measures resulted from the Government program and the legislation in the customs field.

Organizing the Financial Guard

The Financial Guard is a public institution subordinated to the National Agency of Fiscal Administration, with juridical personality, which exercises the operative control regarding the prevention and fighting against any acts and facts from the economical, financial and customs field which have as effect the fiscal evasion and fraud.

¹⁰ art. 24 in HG 208/17.03.2005

The Financial Guard carries on the operative control and unannounced under the form of current of thematically control in order to: respect the normative acts aiming to prevent, discover and fight against any of facts forbidden by law; respecting trade norms, by following prevention, tracing out and removing the illicit operations.

Organizing the General Directorate of administrating the important tax payers

The legal persons who take part of the tax payer's category are:

- Tax payers with the rate of turnover reported in the financial reports at 31 of December 2003 bigger or equal to 500.0 billion lei and/or important tax payers monitored by the International Monetary fund, inclusively the entities resulted from their division in 2004:

- Romanian National Bank;
- Bank societies;
- Financial investments society;
- Commercial societies which organize "Casino" gambles.

The necessity of a different administration for the important tax payers comes from the big volume of resources mobilized at their level and due to the quantum of the external fiscal obligations as a result of the activity carried on.

Organizing the General Directorate of County Public Finance

At county level, the government's ordinances, the instructions elaborated by the Ministry of Public Finance directly responsible of the fiscal activity from the territory is the General Directorate of Public Finance.

The main attributions of G.D.P.F are the following:

⇒ organizes the activity of fiscal registration of the taxes and incomes payers from the county;

⇒ organizes the activity of pursuit and cashing the state budget incomes, of the local budgets according to the laws and means from the extra budgetary incomes;

⇒ organizes the activities of financial-fiscal control to taxpayers natural persons and juridical persons, regarding the accomplishing of financial and fiscal obligations, to the evidence of incomes and taxes to the state budget;

⇒ organizes treasury activity at territorial level, by assuring the cashing of incomes budgetary expenses on budgets, as well as exercising the control according to the legal provisions;

⇒ assures the receiving, checking up and centralizing the accounting balances, declarations handed by the tax payers according to the legal norms;

⇒ analyses and solves the objections and contests of the tax payers, according to the legal competencies;

⇒ assures the technical assistance for drawing up and executing the local budgets.

To organize means, on one hand, *to establish from the quantitative and qualitative point of view, all the necessary elements in order to achieve the proposed elements*. On the other hand, *to organize means to establish the correlation between these elements so that they participate accordingly, to complete and activate reciprocally*.

Organizing the fiscal activity must take into account this organizational approach from the psychology point of view, so that this processual organization and the structural organization to become the main factor of a rational managing of the fiscal activity, to become an important lever for increasing the efficiency of the economical activity.

We consider that we should give a special attention to then stages and operations of the methodology of rationalizing then organizatorial structure the fiscal territorial unites concretized in:

- Stages – determining the activities carried on at the fiscal unity level; delimiting the concrete content of the functions and positions for each activity; grouping the positions

in departments, compartments services; establishing reports between departments, services, compartments; evaluating the organizational structured establishes the perfecting possibilities.

- Operations – analyses each activity which should carry on at the fiscal unity level; delimiting the volume of work and the number of persons which must be involved in each activity specific to the fiscal unity; registering in the organigram of the fiscal unity the directorates, the compartments, services, office and establishes the organizational relations between them; elaborated the regulations of organization and functioning of the fiscal unity; job descriptions; eliminating the structure of fiscal unity by the principles of rational organization.

The co-ordination function

The ensembles of working processes which harmonies the decisions and actions of the company' s staff and of its subsystems , in case of previsions and the organizational system carries on the function of co-ordination.¹¹

By harmonizing, synchronizing, equilibrium, proportionality integration, collaborating, co-operating, cohesion, convergence, concordance, symmetry, guiding, removing and eliminating the conflict actions in the fiscal field, there can be realized:

- settling exactly the objectives of the fiscal unity; subordinating all the activities to the objectives proposed; mentioning the performances for each objective which must be achieved in a certain period of time;
- settling the attributions and tasks for each employer of the fiscal unity so that all the fields of activity are covered.
- establishing the collaboration between the directorates, services and hierarchical compartments and the functioning of each fiscal unity.

Settling the concordance between the authority and responsibility, taking put the hierarchy principle of value, by regulating the reports between the leaders (manager, deputy manger, head of service, head of compartment, head office) and the lead (specialty inspector, referent).

Training function

The training function consists in the totality of activities of fiscal management, through which the clerks from the institutions with attributions in the fiscal medium are stimulated to participate and contribute to the achievement of the provisioned objectives in the basis of using the motivational factors.

Realizing the management on the fiscal domain can not neglect the human resource, reason for which it is imposed:

- developing of some optimal work reports by distributing the staff on subsystems and forming the work groups;
- recognizing and evaluating the characteristics and individual talents accordingly;
- Existing the possibilities of manifesting so that it should attain the maximum potential by each person.

The characteristics of the fiscal activity take out the action of training function of the following relations;

- ⇒ the relation "fiscal manager – clerk in the fiscal field";
- ⇒ the relation "clerk in the fiscal domain – tax payer".

The elements which influence the fiscal manager activity are: attributions, responsibilities, authority, ethics, personality, style and behavior, the strategic vision, the

¹¹ Nicolescu O., Verboncu I., "Management", Ed. Economică, Bucharest, 1996, p. 26

level of concentration, the success factors, conflict sources, cultivating the attention, anticipating the future value. All these mark the way it is managed and co-ordinate an activity, in order to achieve the objectives.

The motivating system applied depends on the factors followed in the initiation, guiding, or repeating a behavior relating the problematic which appear, appealing to theories: hierarchy the needs (updating needs, esteem needs, social needs, security needs, physiological needs); X theory (using the constraint for working, absence of responsibilities, the need of updating) -Y (pleasure for work, appreciating the responsibilities, the need of updating and esteem); the dual factors (of content or context, which determine satisfactions or dissatisfactions in work); ERG theory (the existential needs, the relational needs); the theory of expected performances (mixing the individual factors with organizational factors); the theory of equity (correct treatment equally in positive situations and negative ones)¹².

The second type of relation must appear under the form of partnership because obtaining the public financial resources is the main objective followed. The clerks from the fiscal field do not have to exercise the attributions thorough activities of control of the way of paying the fiscal obligations. The motivational factor is important for the taxpayer, he is waiting for motivations from the fiscal organ not only in the total exemptions of taxes or partial from the payment of the fiscal obligations but also the esteem and recognition.

By exercising the training function, the manager of the fiscal institution must follow:

⇒ identifying the motivational factors for the fiscal clerks and for tax payer which should contribute to the its stimulation in order to achieve the provisioned objectives;

⇒ settling a clear, coherent and equitable method of motivating the participants to the fiscal activity;

⇒ identifying the position which must be occupied by each clerk within the organization according to the degree of realizing the objectives and the level of obtained performances;

⇒ the existence of a competitive organizational climate and a grouped cohesion;

⇒ giving assistance to the staff and tax payers so that it is assured the respecting of the fiscal legislation;

⇒ informing the staff and tax payers of the modalities of sanctioning applied according to the way of achieving the objectives.

The function of evaluation and control

The function of evaluation and control of fiscal management consists in the ensemble of processes through which are measured and compared the performances of fiscal unity with the standards established initially in order to eliminate the deficiencies.

¹² Mathis R.L., Nica P.C., Rusu C., "Managementul resurselor umane", Ed. Economică, Bucharest, 1997, pp. 37-49

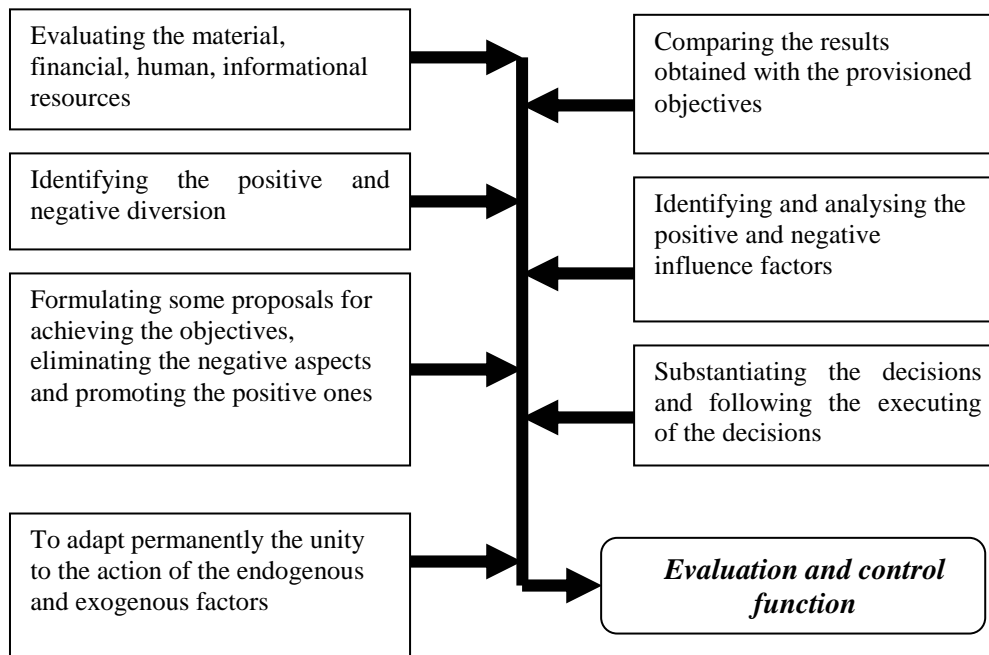


Fig. no. 4 Stages in exercising the function of evaluation and control

Control becomes an efficient instrument of management if it is characterized by determination, exigency and objectivity and if its exercising had on the basis substantiated principles and regulations.

Having in view the concept of general control as well as specific elements of taxes, the **fiscal control** can be defined as an activity checking, supervising and analyses of the way of achieving the objectives referred to the establishing, perceiving and guiding towards the state of the legal obligations representing incomes, taxes and other contributions¹³.

This way, through the fiscal control they will follow:

- Verifying the correctness of the declarations regarding the fiscal obligations, handed in by the tax payers;
- Verifying the way of calculus of the incomes, taxes and tax payers;
- Following the way there were made the payments regarding the fiscal obligations within the legal term;
- Taking the legal measures in order to recover the debts towards the state budget;
- Diminishing the phenomenon of fiscal evasion;
- Adapting the methods and techniques of fiscal control to each stage of fiscal policy.

The action of control function in the fiscal management has an impact on the way the strategic objectives of the fiscal control policy are achieved. These objectives refer to: increasing the degree of collecting the fiscal obligations by the volunteer action of the tax payers; consolidating the fiscal education; tracing out the eluded obligations; efficiency in cashing the eluded taxes; improving the fiscal financial discipline; sanctioning the tax dodger behavior.

The results of evaluation and control in the fiscal field concretizes in incomes increasing to the state budget so that the budgetary incomes register both in real and normal terms, an increasing as share of the gross natural product.

¹³ Tara I. G., "Conceptul de control financiar", Review tribuna Economică, no. 6, june 2000, p.17

Carrying on the tasks and functions generated by evaluation and control in the fiscal management depends on the influence of the following factors:

- ⇒ the existence of clear, concrete laws which should not generate interpretations;
- ⇒ the staff involved in the control activity (number, structure, professional training, experience);
- ⇒ the tax payers submitted to control;
- ⇒ methods and techniques of control used (control categories, settling the control activities according to the informing sources).

The activity carried on in the fiscal control field by The National Agency of Fiscal Administration has on the basis the achievement of the tasks attributed by the law in the fiscal inspection field, the action strategy in the field of continuing the fiscal reform, preventing and fighting the fiscal evasion.

The results of the fiscal inspections realized by ANAF underline the identification and sanctioning of the situations of infringement of the fiscal-financial legislation in force, all these materialize in attracting additional incomes to the general consolidated budget.

The problems encountered as a result of the checking, which lead to the establishing of additional sums aimed not to pay the fiscal obligations by: not declaring on the whole or declaring partially the taxable incomes; registrations of some fictive expenses without the substantiate documents; or some expenses which have nothing to do with the object of activity; destroying the documents of accounting evidence etc.

Identifying positive and negative aspects as a result of carrying on the fiscal inspection actions, determines the settling of some perfecting measures of the fiscal control activity, the evaluating and control function of the fiscal management. The efficiency and efficacy of the fiscal activity does not have to be quantified by the attracted additional sums but by cashing the fiscal budgetary incomes provisioned through the national public budget and their increasing due to the extension of the taxation basis.

Conclusions

The functions of the fiscal management must be treated in interdependence due to their complementary character and the connections between them.

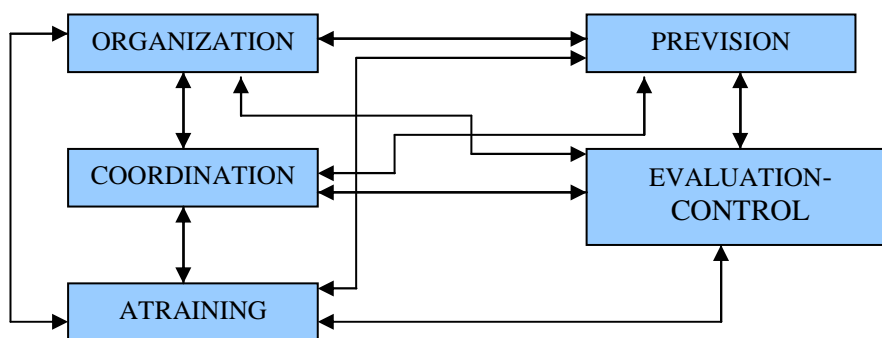


Fig. no. 5 The functions of fiscal management and the correlation between them

By exercising these functions are looking for answers to the following questions:

- Who takes care of managing the incomes and fiscal taxes?
- Which is the purpose of the fiscal activity?
- What should and must be achieved for a good carrying on of the fiscal activity?
- Who takes care of the achievement of the fiscal activity objective?
- Which are the results obtained after the carrying on of the fiscal activity?

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