MEASURES FOR IMPROVEMENT OF THE ORGANIZATION AND MANAGEMENT ACCOUNTING IN THE CITY HALL CIACOVA

MĂSURI DE PERFECȚIONARE A ORGANIZĂRII ŞI CONDUCERII CONTABILITĂȚII LA PRIMĂRIA ORAŞULUI CIACOVA

MARIA MORARU[1], CODRUȚA PAVEL[1]

[1]West University , Timisoara, Faculty of Economics and Business Administration, Timisoara, Romania; mariamoraru2002@yahoo.com

Abstract: *The work follows the organization of accounting at city hall city hall, analyzes data from the annual financial statements, notes problems encountered and recommends measures to improve the accounting organization.*

Key words: *local public authorities, budget reform strategy, town hall*

INTRODUCTION

The concerns of central and local public authorities in public administration an from the economic sector and specialists in domain , in the direction of reform and alignment with EU standards activity has determined to continue the reform processes before and after Romania joined the EU, namely that everything is being done to be in service and citizen interest in his dual capacity as community member and contributor to public funds.

In what would be the strategy of budget reform?

This strategy would be to reform:

- systematic and regular evaluation of public sector incomes and expenses and transmitting the information to those involved in decision making
- harmonization of income and expenditure budget approved with its priorities for economic development and social policy
- reduce public expenditures (public money)
- training of civil servants performance, in management and execution

- organization, management and accounting of community's public institutions heritage , communal halls, town, municipal, sectors of Bucharest, having as basis the Methodological Norms of the Ministry of Finance, Accounting Law, the Law of local public finances, local government law.

The main goal of the reform activities for public authorities and the national economy and, the strengthening of financial management and accounting, of the preventive control is strategic planning activities in the state sector and national economy, its integration in the distribution of funds and monitoring their appropriate use.

MATERIALS AND METHODS

The main research method was to review the most important views and approaches in the literature in domain, various articles and studies from professional journals in national and international media, and normative acts in effect.

We followed the organization of accounting in this village Town Hall which had recently become a town, studied in detail the difficulties of transactions recorded and noticed the difficult transition from single-entry bookkeeping to double-entry that occurred and other difficulties which need improvement.

RESULT AND DISCUTIONS

THE TOWN'S HALL IMPORTANCE IN CARRYING OUT ACTIONS OF LOCAL PUBLIC ADMINISTRATION

Public domain of local goods are, according to the law[*] or to their nature, goods of purpose or public interest and not declared by law to be used for the national interest. There is patrimony of administrative-territorial unit a good which is movable and immovable property belonging to the territorial administrative unit in the public domain, private domain, and its patrimonial rights and obligations . Goods belonging to the private sector are subject to the common law, if the law does not provide otherwise. According to the law the public domain of the cities includes: the Town hall , the roads and the streets, public markets, fairs and recreational

[*] Legea nr.213/1998 cu modificările şi completările ulterioare,publicată în M.O.nr. 448/1998 privind proprietatea publică şi regimul juridic al acesteia.

areas, water networks, sewerage, buildings and land associated with them, land and buildings which operates the local council, the mayor and local public institutions, land with forest, which is not part of the state and not private property of individuals and legal entities ,which are declared as such by a local council decision.

Public domain goods are inalienable, undetectable, indefeasible :

- can not be alienated, they can be managed, leased or rented
- can not be subject to enforcement and can't be real warranties
- can not be acquired by others through usurpation, or possession of good effect on movable goods.

Local councils can give free usage for a limited period , goods movable and immovable which are public or private local property to legal non- profit persons, who are performing charitable or public activities.

TOWN'S HALL ROLE AS A RESULT OF PUBLIC ADMINISTRATION REFORM

The Public administrations in the territorial-administrative units are organized and operate under the principles of local autonomy, decentralization of public goods, eligibility of local public administration, law and the consultation of citizens in solving local problems of special interest. The notion of local autonomy evokes the law and the effective capacity of local government bodies to manage and to solve ,in the interests of local communities, public affairs. By the principle of legality in public administration, all administrative acts and other forms of government specific activities should be based on law.

The reform in public administration at a city level has the next objectives :

Changing the relations between the administration and the citizen by:

-achieving a public service for the exclusive use of the citizen, increasing the motivation and rigor in formulating responses, and shortening the time the mayor has the obligation to answer citizens' requests;

-transparently providing administrative and operational communication with citizens.

Decentralization of public services and strengthening local administrative and financial autonomy by:

- transfer to the local public authorities the activities and the

resources from the state budget for financing some public services for local community: education, culture, local police etc.

-setting on new and fair basses of the local taxes which must become the main source for the local budgets.

Gradual demilitarization of some services by:

-taking the population evidence and community service organization by municipalities (identity card, voter card, driving licenses, registration certificates, etc..). This objective has not yet been satisfied only minimally;

-organizing some community services for emergency situations (fire, floods, hail, earthquakes) which will takeover the actual attributions of the fire units and civil protection units;

Depoliticisation of government structures and eliminate political clients by:

-compliance with the Law on civil service statute[*] ;

-consistent and fair management of the career civil servant with appropriate pay, incentives and to ensure normal working conditions in order to respect the principle of stability and continuity at work.

Stopping the administrative bureaucracy by:

- the extended use of government equipment and information technology;

-simplify the procedures for issuing permits and agreements by generalization of "one stop shop" system.

Consistency of the administrative act; improving the management of administration by:

-the efficiency of the relationship between the central public administration and the local one, between county public authorities and those from cities and towns;

-uniform and effective application of the system of rules and regulations in the central and local government;

-creating an integrated system for the public administrations both central and local.

Strengthening the State's authority and it's responsibilities by:

-monitoring the implementation of administrative reform and operational performance of local authorities;

-strengthening the management control and transparency of public money by regularly informing taxpayers

[*] Legea nr.188/1999 republicată în M.O. Partea I,nr.365/29.05.2007 privind statutul funcționarilor publici.

Harmonizing the legislation with EU regulations by:
-initiating of a wider improvement of the existing regulation in the field and developing new regulations based on the principles from the Constitution and from the European Charter of Local Self-Government.

The purpose of local government reform is to make it able to carry out its functions so as to contribute to social development and economical standards in the region .

TOWN HALL BUDGET OF CIACOVA

Administrative-territorial units: towns, cities, sectors of Bucharest, counties and City of Bucharest prepare its own budget under conditions of autonomy.

In the Law nr.273/2006 regarding local public finances, the budget represents a document in which are provided and approved the incomes and the costs for the administrative-territorial unit in every year.

The town hall budget of Ciacova reflects the financing of expenses by purpose and the coverage of deficits and it is an instrument for planning and for management of the financial activity of the unit.

The Chief Officer of the hall is the mayor.

At the Town Hall of Ciacova from the total amount to be collected for 5.882.820 lei, from which own revenues represent 51%,it has been collected 90 %, remaining unearned the amount of 588.960 lei (10%), and 1% represents unearned grants (home heating aid).

From the uncollected current incomes in amount of 319.911 lei ,84.4 % are represented by the uncollected tax incomes and 15.6 % are represented by uncollected non-tax incomes (incomes from penalties, incomes from administrative charges, other incomes).

ORGANIZATION AND MANAGEMENT ACCOUNTING IN THE CITY HALL CIACOVA

The public institutions as parts of the local public administration have to manage efficiently the financial resources that they have at their disposal.

In this terms the accounting of the public institutions, based on the concept of accrual, has to provide information on the execution of the budgets of incomes and expenses, the results of budget executions, the

patrimony found in their use, the patrimonial result, programs approved in the budget cost, and also information necessary for preparing the annual general account of execution of the state budget, State social insurance budget and special funds.

The balance sheet shows that the value of assets, at the end of the period, is 74.427.0920 lei, from which non- current assets 71.442860 lei and current assets 2.984232 lei. The total amount of the debts is 918.506 lei , from which un-current debts (debts which must be paid in more than an year) 11.999 lei and current debts (must be paid in less than an year, representing commercial debts and advance payments, debts to the budgets, employees salaries and corresponding contributions) 906.507 lei.

The patrimonial result of the period (121 account - credit balance left) is 1.634.813 lei.

The patrimonial result account shows us that the operating incomes are 7.301.400 lei, and operating expenses are 5.817.051 lei, the result from the operational activity (determined as difference between the operational incomes and expenses) is 1.484.349 (surplus). The financial incomes are 770 lei, and the financial expense do not exist and therefore , the result from the financial activity is 770 lei (surplus). The result from the current activity is 1.485.119 lei (surplus). Extraordinary revenues are recorded in amount of 149.694 lei (surplus) and the extraordinary expenses do not exist.

The patrimonial result of the period is a surplus in amount of 1.634.813 lei.

From the Cash flow statement it is noticed that in the operational activity , have been recorded collections in amount of 6.954.455 lei and have been made payments in amount of 6.065.666 lei, resulting a net cash growth in amount of 530.789 lei. There haven't been recorded cash flows in funding activities.

In the investment activity have been recorded collections of 770 lei and payments of 667.603 lei, resulting a net cash decrease of 666.833 lei.

It results a total net cash of 136.044 lei.

From the analyses of the financial sheets we can conclude that are resources for creating a better activity in this public institution, especially in what concerns the growing of the financial resources for social objectives and social activities.

CONCLUSIONS

From the Balance sheet and from the Patrimonial Account it can be seen, at the end of the period a patrimonial surplus of 1634.816 lei, which a favorable situation for the public institution.

From the Cash Flow Statement it can be seen, at the end of the same period, a significant money surplus, of 2.348.404 lei, money which not justify the non-pay of the current debts of 906.507 lei. It is obvious that it must be analyzed the nature and the terms of pay of current debts. It will be followed if in the budgetary and legal commitments there are debts which justify the existence o current debts(not paied). The indebtedness indicator (borrowed capital/ owned capital=11.999/67.855.269=0.0002) reflects the fact that the unity does not need borrowed capital. In the hypothetical case existence of a bigger value it would not be justified the amounts from the treasury accounts.

For the recent declared town of Ciacova and for the Town Hall Ciacova the pass from the simple accounting procedures to the bookkeeping by double entry, the organization an the management of accounting it's also a complicated process , because of more causes:.

1.An incomplete legal framework ,non-harmonized and the inconsistent application of the existent one:

-the late adoption of Law nr. 273/2006 regarding local public finances (July 2006), already modified and completed ;

-the provisions overly centralized of the state budget and also of the local budgets;

-the mismatch of the powers of local authorities with financial resources assigned for their accomplishment.

2.A difficult economic situation :

-municipality services were in difficult situations;

-the inability of some citizens to pay their own taxes and their own rates for the local public services which they benefit.

3.The lack of specialists (specialized training).

At the level of Ciacova's dimension, according to the study made, are recomanded some measures for improving the organization and management of the accounting activity, such as:

-naming by contest ,by the municipality, a person qualified to be

chief accountant , person who will take charges, together with the subordinate staff, for organizing the book- keeping activity, as it is written in the law;

- making by the Town Hall of Ciacova of the General Inventory of institution's patrimony and writing down the results in the Inventory Book;

-making by the Town Hall of Ciacova the reevaluation of the fixed assets from it's patrimony, according to the Government Ordinance nr.81/2003 regarding reevaluation and amortization of fixed assets in public institution's patrimony.

-organizing and exercising proper own preventive financial control ;

-making-of ,by the Town Hall of Ciacova, the inventory of the taxable matters in order to identify all taxable objectives;

-attracting and allocating funds necessary for rehabilitation, modernization and development of the utility infrastructure as for to attract investors who could lead to the growing of the number of jobs in order to decrease the number of people who emigrate;

-efficient uniform application for hired personal , which would lead to perfection of it's training, to qualify it for it's position;

-allocating funds for development and proper equipment for education, health;

At this stage, when Romania must adopt the European standards , also Ciacova Town needs a development plan which targets all areas and in which it can be found the interests of all citizens, a plan which devotes all resources towards integrated actions which follows social progress , environment protection, efficient use of human, natural and financial resources, in order to achieve a high level of economic prosperity and employment.

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