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ABSTRACT OF THE PhD THESIS
A GOVERNESS AND FINANCIAL CONTROL IN
THE PUBLIC INSTITUTIONS
- MODEL ADAPTED TO CURRENT
WORLD ECONOMIC CONTEXT

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Governance and control, financial control, public institutions, economic decentralization, efficient public institutions, economic resources, investitiile direct foreign public audit risks, budgetary policy, economic growth, efficiency of the use of funds from the state budget, public management tools, global indicators telling you, who was a model of a governess.

Summary

Place and special role which it has a governess and financial control in the public institutions for savings of all the world, was confirmed in the course of time, the economic realities, this is the base and the catalytic converter development for autonomy and national economy. Within this framework, with attention to conceptual with regard to approaches used in this work, are useful both from a theoretical point of view, as well as practically, but especially through the prism of statistico-economic analyzes carried out during the period of research, which are also beyond purely technical arguments.

The concept of "governess and financial control" in the context of current economical politics has significance for public institutions and generates fundamental option in administrative systems design for the public sector.

That's why I found useful in this work, in addition to producing trends in public institutions in Romania for the period 1996 to 2014 an strong illustrations for the systems of public administration and financial systems used in the major Western countries. The governess will investigate systems applied in the various countries and will bring useful and valuable information, highlighting a variety of structures, functions, principles, systems and models witch regards public institutions. Maximizing positive experiences of European countries and the economic political, social, cultural and historical context, during our country we came up with the proposal the main action directions for the system of a governess.

System analysis of a governess applied in Finance Ministry in Romania for the period 1996 to 2014, both from the point of view economic framework, legislative and institutional framework, as well as the impact on national economy, actually had emphasized the reform process in which they are at present, highlighting creation of a database of stable and supported income tax. Taking into account the effects of inflation and the economic decline and the degree of autonomy increaseas, must be reshaped as well both
systems: of transfers from the state budget, and certain malfunctions of the new system, resulted from fiscal decentralization.

Capacity analysis of a governess of the public institutions, in the context of legislation adopted after 1996, the economic and social development and the main economic and financial indicators determined by budgetary implementation in the years 2012-2014, are determinand by evaluation of a governess system of the Ministry of Public Finance. Comparing budgets of the economic highlights situation of states from European Union is not very good, sets its mark on a budgetary possibility for institutions, at all levels, to generate and collect revenue.

In the first chapter of this doctoral research entitled "Overview of public institutions and their importance at national and international level", we presented public institutions and their importance, I approached general characteristics as well as their offices within the framework of a state governed by the rule of law. Variety of functions held by public institution denotes variety and complexity of their tasks and responsibilities fulfilled by them. Theoretical approach concerns the preponderant role of administrative authorities regards good functioning of public institutions. Principles which governs this area of activity, are lowered also by a visible in efficient implementation outlined by various strategies in modern serving public interest and common good.

The purpose of this chapter is to examine main characteristics of public institutions, the legislative governance framework, is their activity as well as the principles of their satisfactory progress. Principle of autonomy confers the right and capacity of public institution authorities to solve and to manage, according to the law. The principle of decentralization trend, denotes the modern state and insists on the provision in public centralized, in favor of setting up public establishments, or for the provision by private individuals - those establishments of public utility.

Decentralization is the most important principle pursued within the systems of a governess in the public domain and imply a system of administrative organization which allows human procurement or public services to manage themselves, under the control of the state, which gives them legal personality, enables formation of their own authorities and assemble the necessary resources. Decentralization is the transfer of decisions and administrative action from the authorities level to central public within its territorial-administrative units. Transfer of powers shall be made, while, in the same time we can talk about providing necessary resources for this exercise. In providing decentralisation for public services in institutions, the authorities are obliged to reach the quality standards, in
accordance according to the law. These include several stages concurrently subordinated with public services decentralization. In this section, we have analyzed public services quality, rendered in three categories of public institutions, named: public authorities of the institution, public institutions and autonomous state of public interest. We have covered also influence on cross-border cooperation systems of a governess adopted by states of the European Union.

In the second section entitled "Study on improving transparency reporting by financial and accounting", I conducted research on practices of accounting and auditing in the public sector.

The purpose of this chapter is to analyze correct application of International Accounting Standards for the public sector - International Public Sector Accounting Standards - IPSAS. We have also analyzed a study carried out by KPMG and six Bucharest, referring to the level of training of personnel in the public institutions in Romania as well as the level of understanding of IPSAS. I have found that 95% of entities analyzed considers that it is very important to consult citizens in respect of actions carried out and only 50% of staff active, it is well or very well prepared. I noticed it also with concern that only 74% consider that the application IPSAS will increase relevance and transparency reporting institutions public institutions. Degree of transparency in the implementation IPSAS has led to the continuing improvement in the quality of financial statements public institutions to provide relevant information, credible and, at the same time, in order to ensure comparability between reporting periods.

It is also in compliance with manner in which they are adopted IPSAS, leading to the formation of four categories of states relevant due to the fact that only 15 countries in the European Union applied correctly and efficiently international accounting standard. And this was initiated correlation accounts in the public institutions with IPSAS. To understand the deployment, we have carried out a survey among civil servants of the city halls across the 219 cities and 99 municipalities in our country using a questionnaire composed of 21 questions of which 13 specific research. For one week this questionnaire was distributed via email. I have received a total of 78 answers of which only 74 can be used. Professional experience of over 15 - 20 years ago, has reached a percentage of 59 %.

Although the Government of Romania by signing open government partnership has committed itself to increase public access to the data open, to improve delivery of public services in electronic format and to increase the participation of citizens in the decision-making process in the public domain, things have been very difficult. This statement is substantiated by the fact that only 50% of the institutions analyzed have designated a person
responsible for the publication of information and only 45% have identified the set of documents available to be displayed in open format. Our findings may indicate a lack of pressure for these entities to publish such information on the web sites. 62% OF THE respondents have been deacord with that performance indicators non-financial became a central point of attention lately both in public institutions, and private but however only 1% of accounting specialists have thorough knowledge on IPSAS and 14% did not have heard about these accounting regulations. What emphasizes our reason for concern is the result following intrebarri from our survey that only 29% of the respondents are willing to follow training courses and only 19% are interested in the materials of study for International Accounting Standards in the public sector.

However respondents took the view that the implementation of IPSAS in potential public entities in Romania would result in the first place to build credibility and transparency reporting by them, while increasing responsibility relating to costs and financial performance reporting and improvement of comparability have been seen as additional benefits. Last question of the questionnaire, watched his opinion on respondents as to the impact of the IPSAS on perceived reporting system current. In this case answers have been satisfactory the vast majority of persons questioned being deacord with the results that could be obsinute as a result of the application of IPSAS: increasing relevance of transparency in public reporting, generate beneficial changes in the current system of reporting public institution.

In the third section entitled "influence foreign direct investment policy on a governess and control within the public system" have emphasized both important foreign direct investment as well as their influence on the activity of public institutions. The purpose of this chapter is to emphasize that the state should encourage foreign investors, the legislation must be favorable business environment because ISD will have an impact on the activity of deep and public institutions. A member registers ISD when offers accountancy legislation "benefits" that can be deployed with higher return beyond national boundaries, the decision to invest in a given country based on a detailed analysis of local factors (advantages of localization), related to the needs of profitability of economic agents and size (output) corresponding risk operation in an alien environment. The weighting each factor in the determination of the decision to invest depends on the motivation for foreign investor found that, in the current context, the global market economy, in which an actual advantage may be erode very quickly, took on a special meaning.

All four types of direct foreign investments, namely: ISD resources for the realisation of host country, ISD for the realisation of the markets, ISD for the realisation of the assets and
strategic ISD of efficiency, has a real importance to developed economies, their effects starlight and on public institutions. By analysing data published by West Investment Report for eight neighboring states Romania and by calculating the Index Global Competitiveness we've noticed that only a few countries in this region have recorded notable advances. On the first place s+a located Estonia with a stock ISD of 7059 € /per capita (place 25 at the global level) and an index of global competitiveness of 5.12, followed by the Czech Republic with a stock ISD worth 6015 € /per capita. Romania is located on the last place as regards ISD from Central and Eastern Europe (CEE) with only 806 € /per capita, and an index of competitiveness of 4.02. On a worldwide level our country ranks 68 reutind to exceed only Bulgaria of Eastern Europe. Each of the four types of ISD are to be found in the light of the reasons for the investment as well as essential attributes of the host country.

Market size (market-seeking) and the cost of production factors (efficiency-seeking) are the main impulses of multinational companies to investment in Central and Eastern Europe, an important and more is to be granted to economic and political environment (stable), quality governmental institutions, legal system (stable and transparent), level of access to information and development of the infrastructure (transport, communications, etc.). By analysing potential contributions, positive and negative, of ISD on the economy handsets, Dunning underlined the fact that the ratio between the costs and benefits each type of contributions vary depending on the type, age and nationality of foreign direct investment depending, also, and the host country characteristics and, in particular, the Executive policies. By means of a comparative analyzes, we decided what are the advantages and disadvantages of Staff general Constantin Degeratu but the ISD. In the case of policies to promote attracting FDI, maximize potential beneficial effects and diminishing "costs" associated with foreign direct investment depend to a large extent on concrete conditions existing in the country of installation and, in the main, the Executive policies applied to encourage the expression of some or others contributions ISD, influencing, at the same time, the quantity and quality of Staff general Constantin Degeratu foreign capital.

In Chapter 4, "teoretico-methodological approach to the control system of financial resources at public institutions" I approached at first steps taken in the development financial control. At the global level, control shall mean an examination that covers professional information systems. Financial controls have been carried out in the public institutions has in view: uncomplicated principle, the principle of reality principle information and correct entries in the accounts and presentation operations in the relevant accounts.
The purpose of this chapter is to highlight unusual points as an important financial control in the public institutions, as well as positive effects to which they give rise. Financial control influences is reflected at both economic and social level. Also, the persons who performs the control must give proof of credibility, professionalism, confidentiality, behavior ethics and quality of the services provided.

Chapter five entitled "Organizing the system of financial control within the Ministry of Public Finance" analyzed standard rules for making the financial control in the public institutions, with examples on the Ministry of Public Finance, we've set powers and duties for public institutions within the framework of a control.

The purpose of this chapter is to examine the way of organization and functioning of the department of financial and accounting officer in the public institutions pursued objectives as well as the powers of personnel. Directions of financial control in the Ministry of Public Finance, contains structure complex and strict rules with regard to carry out the activity. To highlight unusual points as an efficient public institution witch I analyzed, I have had two elements defining: the performance and the effects of activity in relation to resources allocated or consumed. On the basis of the ratio of the effects and the efforts made to achieve them, we calculated cost-effectiveness by the Finance Ministry, we have analyzed the effect and economic effort, the size of results that are obtained to a unit of the expenditure, the effort, expenditure incurred by size to a unit value or physical effect, the indicators of the structure and the indicators of efficiency. In this analysis, I have been regard to both criterion effects witch were maximized and the criterion of minimizing expenses. I have used the concept of the optimitate Pareto, in alocative efficiency analysis of the resources, taking into account technical, and to exchange the information regarding omnipresent efficiency.

For measuring economic efficiency in the Finance Ministry, we have calculated analytical indicators structured the types of activity, synthetic indicators structured on the systems and subsystems, the indicators static and dynamic indicators. Analizing relevant study, I found it necessary to carry out a SWOT analysis of the effectiveness of the Finance Ministry. I have concluded this chapter with the analysis of connection between public Finance Ministry and the risks in internal public audit.

For the treatment of statistical information analyzed we have used statistical analysis on the basis of existence of connection between process variables with the function ÷2 and intensity of existing connection using the coefficient of Pearson's association, noted C. So we have determined that connection of the areas audited (variable X) and the risks (variable Y). Using this technique of research, I have intended to demonstrate the utility of applying
methods and techniques of statistical research in practice internal public audit. The research method used to achieve this initiative was based on the following steps: setting the objectives and assumptions; quantitative empirical research based on assumptions made; analysis of the results on the basis of the methods and techniques of statistical analysis; findings and communication/releases, on support or refute their hypotheses.

The argument that scientific approach is new perspective in the objectives in the planning internal public audit or test auditabile objects within the framework of the operations of the Audit Board, meant to ensure performance audit and to bring value to public entity. Determining the existence of connection of the areas audited and the risk analysis I have been carried out on the basis of calculating distance between risk distribution on the departments audited and absolute frequency variable and on the basis of probability. From the analysis carried out showed that there is a link between the risk and the departments auditabile, amended by the law of probability $\chi^2$, for $\chi^2 = 4.53$ $\chi^2 > 0$ existing link is low intensity, by the fact that his $C = 0.06$, to the range $C \epsilon (0; 0.3)$. We can say then, that internal public audit shall contribute to the tracing causes generators of the risks and to their removal by recommendations auditor and lead directly to increase the insurance management, improvement of the management of risks and the achievement of the objectives public entity through efficient use, effective and economical resources. Therefore, the use of this procedure for statistical analysis shall contribute to the development in internal public audit for performance.

In Chapter 6 entitled "Applicative research on control of the use economic resources within the framework of a year budget " mode were analyzed for the distribution of the budget concerned ministry, on functional systems and subsystems. Budgetary policy based on investments, followed by state titles, base on broadening and diversification of investors is as well as for consolidation and extension of the yield curve of the government bonds, in such a way that state bonds to represent a reference for financing as well as the revenues in the domestic market of the capital.

The purpose of this chapter is to analyze macroeconomic indicators of budgetary construction. I found that the deficit ESA, and structural deficit have been reduced from -3 in 2012 to -2.5 at the end of the year 2014. It was also emphasized that the process of fiscal consolidation has been facing investments, with important role in sustainability. In the MFP, these investment expenditure shall include expenditure on programs with financing from non-reimbursable foreign funds postaderare (FEN postaderare), capital expenses, expenses
incurred in financing programs with returnable, as well as other transfers of nature of such investments.

I have found the gross government debt in accordance with the methodology EU increased from 37.9% of GDP at the end of the year 2013 to 38.2% of the GDP at the end of September 2014, namely under the ceiling of 60% established by Treaty on European Union. Gross government debt level for the end of 2014 was 39.5 percent of the GDP, and for 2050 of 40.4 percent of the GDP, while net government debt reached 35.3% of the GDP for the end of 2013 and to 36.4 percent of the GDP for the year 2014. In this context, for the financing of the internal market, MFP has acted to extend for actions and state bonds, widening, and base diversification of investors as well as for consolidation and extension of the yield curve of the government bonds, in such a way that state bonds to represent a reference for financing as well as the revenues in the domestic market of the capital. The process of fiscal consolidation continued in 2015, the budget deficit while minimizing with more than 38% as compared to 2014, from 4.3 percent to 2.5%. Budget revenues were influenced by both economic developments, as well as by decisions from fiscal policy adopted, such as: raise of the minimum wage, the increase in wages in the sector budgetary, changing the operative in the case of the State social security contribution of health due to the retired, changing amount of excise duty, as well as the extent of reimbursements temporary lock European funds, as a result of shortcomings found in the previous years. We can see that the largest receipts were recorded from the VAT and insurance contributions.

Economic structure of the expenditure has been programed with an increase in the share of personnel costs with 1pp, of expenditure on goods and services with 1.1 pp, interest of 0.8 pp and the costs for the projects funded by foreign funds grants with 1.1 pp. Reductions in proportion have been recorded in the case of expenditure on subsidies by 0.2 pp and expenditure on social assistance with 0.8 pp. As compared to the previous year, budget have had a nominal rise of 1% in accordance with the conditions in which their share in the GDP decreased by 1.6.

Economic growth in the first semester 2015 was 1.8%. Positive development of the economy in 2015 was upheld, on the one hand, the production of agriculture and industry sectors, and on the other hand the return on in external demand which favored exports of goods and services in Romania.

At the end of this chapter, we conducted a comparative analysis of tax burden (weight in the cost of labor of the tax on wages and social contributions) in the Member States of the European Union. Romania is located, after tax burden, on the place 7 in the EU after Belgium
(56 %), France (30.3 %), Germany (49.7 %), Hungary (49.4 %), Austria (Magureanu's contribution to %) and Italy (47.6 %). I have also analyzed the impact of the measures tax imposed in the course of the year 2014 on reducing tax burden in our country.

Last chapter entitled "Model of a governess proposed for public institutions in Romania, in the context of economy, model adapted to the Ministry of Public Finance" comasat all information collected and processed in previous chapters to determine and calculate the indicators telling encountered in the Ministry of Public Finances and to measure aggregated indicators.

The purpose of this chapter is to propose a model for a governess for Romanian public institutions following the analysis of the six aggregated indicators: participation and responsibility (voice and accountability, political stability and that there is no violence and terrorism (political Transparency International Romania and Absence of violence/Terrorism), government effectiveness (Government Effectiveness), the quality regulations (Regulatory Quality), the effects of the rule-of-law state (Rule of Law) and control corruption (Control of corruption).

By analysing these indicators for the period 1996-2014, I found out that the Ministry of Public Finance in Romania through a path very tortuous as regards the quality telling.

For the purpose of analysing the six indicators, we conducted a statistical research, number of member included in research has ranging between 178 to 1997 - 1998.175 for the period 2000 to 2001.212 for the period 1996 to 2006 and had reached the figure of 215 in 2014. Also, the number of sources used in this research has varied over time. In the first phase we have identified the variables of interest for which we have been available sources for the collection of data. These variables we have grouped in six categories of indicators (six dimensions shown in sentence) and I've converted on a scale from 0 to 1. I used then that model and statistical tool latent components. We assumed that each data source I shall transmit a measure flawed about a component of latency includes, so far as they have to identify a noise after they extract. Includes estimate of Public Finance Ministries for the states analyzed, we have done it using a weighted average of scores recalculated for each country. I have noticed that the weights are the bigger the variation source error is less. During the study was carried out, I found a series of limitations of Worldwide Guvenance Indicators - WGI, limitations which may be partially eliminitate if in our analysis we take into account that the validity of the construct, the manner in which I have done rendering operational concept which we strive to measure up in our case a governess. By analysing the data using reports carried out by the World Bank, I studied each indicator
unit in part, together with their components for both the Ministry of Public Finance in particular, as well as compared with the ministries of finance the most important member of the world.

By concluding, we presented finally the aggregated indicators for the period 1998 to 2014, noting that, although during this period are recorded fluctuations in value, on the whole level of which has not changed significantly, which means that they have not been made significant progress in relation to a governess of Romanian public institutions.

Having regard to the analysis carried out in the framework of this chapter as well as the winding road on which it travel through the governess systems applied in our public institutions, I suggest using a governess multi-level in the public institutions in Romania. By analysing both current economic conditions as well as models of a governess applicable in a reliable and efficient system, I believe that the system of a governess multi-level are the ideal solution for the Romanian economy.