

FINANCIAL CONTROL – PART OF MANAGEMENT AND FINANCIAL ADMINISTRATION

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The control, in its general definition, is a permanent or a periodical analysis of an activity, a situation, in order to follow the development and take measures for this one's improvement. At the same time, it signifies a continuous moral or material supervision, as well as the management of an activity, a situation. But, interesting aspects show other definitions, according to which the control is verification, an attentive inspection of the correctitude of an act or a surveillance action of someone, something, a meticulous examination or the power to conduct, as an instrument for the settlement of a mechanism or a process. The control activity may also be defined as a part of the management, an administration instrument, as a manner of knowing the reality and error correction. Also, the control is defined as the process by which it is verified and measured the quantitative and qualitative realisation of the performances, the tasks or works that compares with the planned objectives and indicates the correction measures that seem to be necessary.

Regarded from its mission, the control is an intrinsic part of the management, and from its development point of view, it is a human, autonomous and specific activity that serves to the administration of the company, to its societies and partners, but also to the public authorities and even to the population.

On the basis of these exhaustive considerations we ascertain that the control is an attribute of the company's management, a function of the management and, at the same time, it is an independent activity. As a management function, the control endorses the parameters maximisation

that refers to the results obtained, and to the increment of their attainment speed.

Due to its importance, the financial control system can be considered as a needful instrument for the management for a regular surveillance of the activity of the administrative entity, with the purpose of taking on time the needed decisions.

The management represents the organisational effort, the managerial activity in accordance with the market's laws, in order to know and improve the administrative manner of the managerial entity and to prevent the emergence of the risks, deficiencies and lacks in this one's activity. The management is constituted in a real state of mind that opposes to the lagging and passivity, transforming in a general public interest in order to obtain the maximum efficiency from any kind of action, because it supposes the economic area analysis and the prognosis of its evolution, the preparation of the decisions from the field. The financial administration of the managerial entity involves the preparation, the substantiation, financial decisions making and executing.

In this way, the French economist Henry Fayol, considered together with F.W. Taylor, such as the father of the science of administration, defined the management of an administrative entity by five main functions: the foresight, the underline, the financial decisions making and their execution.

To all the authors that have discussed the theory of the company's management and the science of management, we find, with insignificant changes, the five functions described above. We observe that these ones,

irrespective their specialisation, reserve to control a well determined place among the administrative entity's functions, namely at the end of the cycle of the achievement of the managerial process.

In this context, the control is, at a micro and macro-economic level, an efficient and necessary function of the management, harmonising in a unitary whole the individual interests with those of the collectivity and the society. The financial control, integrated part of the financial management and administration, constitutes, at the same time, the expression of an objective necessity as a knowledge form, which confers it a much larger sphere and with multiple significances that outdraw the strict interest of the company. Moreover, the same control that is performed inside the administrative entity, has a triple significance, being, at the same time, a control for the self (an internal control), a control for the others (an external control) and a control for the state (a public control).

Irrespective for whom and in what purpose it would be done the control, it is, at the same time, a process of the knowledge of the past, of the appreciation of the present and of the decipherment of the future, connected with the administrative entity activity and with its economic-financial performances. Therewith the financial control is a process of knowledge, a practice that whips up to study, action and reflection. Also, this one assures the protection of the interests that gravitate around the administrative entity, providing a global vision over it. At the same time it constitutes a security and autonomy factor for the society, it appears as an instrument for the settlement of the administrative entity activity, and as a guide for those which make decisions at any level. In other words, the control brings its contribution to the integration of the administrative entity in the market economy mechanism through a complex and continuous managerial activity.

The budgetary execution imposes to the administrators and accounts certain restrictions owed to the fact that the financial resources are limited, and their way of assignation on different destinations presupposes the realisation of those operations control. Between the budgetary execution and the budgetary control there is an indissoluble connection. As the budgetary execution stage, the budgetary operations control has a political and financial motivation. This fact derives from the fact that the budgetary regime is based on the authorising idea, according to which the budgetary execution control must assure the correspondence of this execution with the limits of the authorisation given by the Parliament.

The political reason of control is that of verifying the manners of fulfilment of the Parliamentary decisions in budgetary. From a financial point of view the budgetary control has as a purpose the avoidance of any possibility of defalcation of financial funds from the approved destinations, allowing to the Parliament to assure, with the help of the written information in the execution account, that its decisions have been correctly executed by the Government. In the development of the control it is permanently followed the observance of the operations efficiency criterion. But in practise, the development of a complete control is very complicated as a cause of some special funds emerged at the Government and Parliament disposal that are not subjected to control. Also, the limit of budgetary control derives from its technical character, which makes the control project to be out of the Parliament action. Being based on the budgetary legacy, the budgetary control is practically realised through parliamentary or jurisdictional institutions destined to cover this legality.

The practice has confirmed the fact that the economic financial control efficiency is determined, on one hand, by the independence during its entire activity, from the structure of the control

program until the establishment of the measures as a result of the findings, and on the other hand by the competence of its authorities, subject of the professionalism and conduct that it must prove. In the control activity there are three important moments in which it must be shown its independence towards the activities and persons subjected to verification. The first moment it refers to the establishment of the control program that must be realised by the management of that control institution, starting from the attributions and the objectives provided by the law, and taking into account the results on the field. When the control independence doesn't exist, it can interfere a series of negative situations, such as the drawing out of the program or the postponement of the control of a certain activity, being in change proposed other ones that do not completely justify the control intervention.

A positive example in which regards the control independence it is given, at present, by the Account Court of Romania, which, by its organisational and function law has textually provided that this one is elaborating its activity program autonomously.

A second element in which it is necessary to be manifested the control independence is the stage of its actual development.

From the practical control activity, during the years, it results that in this stage it can be manifested the following lacks:

- From different reasons, the control program approved by the right authorities it hasn't been respected being included in the verification other companies than the programmed ones;
- The intermission of some started controls, is quite a frequent situation, when from the first researches are resulting digressions and irregularities, negative situations that are not revealed by some persons which are not interested in doing this;
- The call of the control team to different authorities of the central or local

power and on different considerations, in one way or another, the execution of some pressures on the control authorities to attenuate the observed digressions, on the basis that these ones are due to some "objective causes", not being the case to make responsible certain persons;

The third moment, also important, in which it must be manifested the control independence is that regarding the settlement and measures taking in accordance with the done observations.

Here the experience in the practical control activity also signals the following possible situations:

- The control influence in measures taking, after ending its activity, either by the emphasis of the facts gravity and of the measures that need to be taken, or by diminishing and minimising the facts, and therefore the measures attenuation;
- The lateness of measures taking on different basis, such as the necessity to complete or to obtain some notifications from different institutions, etc;
- Not tracing the given control measures, in order to make the time pass, not taking into consideration the necessity and the opportunity of these one's application.

In conclusion, in order to assure the independence of the economic-financial control, as one of the main conditions of its efficiency, in all the organisational structures where institutions, compartments or formations of control function, is necessary to be respected some rules, such as:

- The control must autonomous elaborate the activity program that, once approved should be entirely executed;
- The control actions, once started must not be interrupted or stopped, indifferently whom such a disposal should come from;
- During the prosecution of the control, no person should have the right

to influence or give disposals to the control authorities;

- The control proposed measures must be taken and applied by the right persons which do not apply them should answer on the consequences of this kind of situations.

Certainly, the above written emphasize at the maximum the control responsibility, meaning:

-To strictly respect the legality;

-To be completely objective, laying aside any subjectivism in the appreciation of the states of fact;

- To avoid any abuse and force position from the control.

Analysing the actual situation of the control, it is observed that from a conceptual and legislative point of view the efforts have been made and it has been obtained the desired effects for placing the financial control in a central place in the arsenal of the state levers

intended for assuring the order and the legality. But the realisation of the desiderates of the financial control activity depends on the degree of understanding, involvement and on the efforts that each supervisor and each economic agent will do in order to work more correctly from a moral and professional point of view. The intensification of the fiscal control is necessary because much more economic agents don't give the due attention to the exact observance of the legal norms regarding the fulfilment of the fiscal obligations towards the state. At this situation a main contribution it has the eluding of the effectual legislation and the incorrect administration on time of the accounting, this happening especially as a cause of the lack of the specialised personnel, the ignorance of the legal forethought or the wrong interpretation of these one.

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