

FUNCTIONS OF PUBLIC FINANCE IN THE TOWN HALL OF BRAILA MUNICIPALITY

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***Abstract:** The appearance of public finances is due to certain needs and objective causes, their main function being that of procuring the financial resources that the state needs, through the central and local public administrations, to exercise its powers and, in this way, to intervene in the economy and society in general. Public finances at the Braila City Hall are necessary, subjectively and objectively, because they contribute to the achievement of the tasks assumed by the Braila Municipality through the Development Strategy, which could not be carried out without the financial levers. The public finances of Braila City Hall are indispensably linked to its existence and the role of the public sector in the economy. Thus, they express social relations, of an economic nature that arise in the process of establishing and using public financial resources between the Municipality of Braila, on the one hand, and the citizens of the Municipality of Braila, on the other hand, in order to satisfy the needs of the general interest of the Municipality. In conclusion, the role of the public finances of Braila City Hall is to satisfy the needs of general interest, or the collective needs of the citizens of Braila City.*

***Keywords:** conceptual premises, distribution function (of resources), allocation function, stabilization function, distribution function, control function.*

***JEL Classification:** G21.*

1. Conceptual approaches to finance functions

As a generalized expression of a certain group of economic processes and relations, the public finances of Braila Municipality have a certain social mission to fulfill, in the sense that certain economic-social processes are carried out through them and play an important role through the contribution brought to the achievement public objectives or the general development of society, including through the performance of various economic and social activities.

Conceptually, the function assigned to public funds denotes their ability to mediate, under conditions considered optimal, the direct realization of certain economic processes expressed in monetary form and the development of the corresponding relationships between the participants as well as influencing the way they are carried out. Most often, the fulfillment of the functions of public finances it takes shape in the formation, distribution and use of public (financial) funds in the context of the economic-social activities in which the Braila City Hall is involved as a local public authority.

Three functions are assigned to local public finances:

- distribution function
- the allocation function
- stabilization function (adjustment)

The function of distribution appears as a component of the one of distribution, signifying the mediation by public finances of some processes of redistribution of resources between natural and legal persons with the involvement of the public authority. This function is manifested by taking over to public funds some parts of the incomes or assets of various natural or legal persons in the form of taxes and fees, and then distributing them in the form of public expenses carried out according to some criteria of equity or social justice. By default, its fulfillment is realized in the distribution of a part of the GDP among the members of the society.

The allocation function expresses the mediation by the public finances of the satisfaction of some social needs through the offer of public utilities created on account of the financial resources available to the public authorities, in favor of the Brăila City Hall

The stabilization function expresses the mediation by public finances of certain influences with a stabilizing character on the evolution of economic-social life, having the ability to contribute to ensuring price stability, a high degree of employment of the labor force, maintaining balance, thus contributing to maintain an acceptable rate of balanced economic growth

In order to carry out these functions, Brăila City Hall has in its organizational structure the Directorate of Local Public Finances. The structure and composition of the Brăila Local Public Finance Directorate is presented as follows:

1. The Tax Assessment Service for Natural Persons:

- Fiscal Assessment and Tax Inspection Department;
- Compartment of Budgetary Revenue Collections and Fiscal Certificate Issuances;
- Department for Receiving, Checking and Registering Fiscal Documents.

2. Legal Entities Tax Assessment Service

3. Tax Collection and Enforcement Tracking Service:

- Enforcement Department;
- Asset Valorization Department.

4. IT Service - Tax and Budget Data Administration:

- Compartment Informatics;
- Fiscal and Budgetary Data Administration and Implementation Department, Public Relations.

5. Public Accounting Service:

- Department Accounting of Budgetary Revenues and Expenditures;
- General Accounting Department.

6. Budget-Finance Service:

- Local Public Debt Department.

In 2023, the total number of personnel within the Directorate was 77, of which:

- 7 public management positions;
- 69 public execution functions;
- 1 contractual staff position.

1. The Tax Assessment Service for Natural Persons

In 2023, the following operations were carried out by the staff of the Tax Assessment Service for Natural Persons for a total number of at least 193,470 roles:

→ More than 60,142 requests, statements and addresses received from natural persons, economic agents, judges, police, bailiffs, bank bailiffs, etc. were registered and resolved, of which:

o 17,757 tax declarations regarding the establishment of tax on buildings, applications for the removal of buildings and land from the fiscal records, applications for the application of exemptions according to the provisions of Law no. 227/2015, various communications from public institutions (Police, ANAF, Prosecutor's Office, Court, Bailiffs, etc.), tax declarations and rectification declarations for sanitation tax, etc.;

o 20,399 tax attestation certificates for natural persons regarding local taxes and fees, for the alienation of movable or immovable property, mortgages, auctions, social benefits, inheritances, etc.;

o More than 21,986 tax declarations for establishing the tax on the means of transport and declarations for the removal from the tax records of the means of transport registered in

R.E.M.T.I. (if both the seller and the buyer reside in the Municipality of Braila, a single number is registered for 2 declarations)

→ In 2023, 16,292 models are registered for which exemptions were made (war veterans, political deportees, disabled persons, etc.).

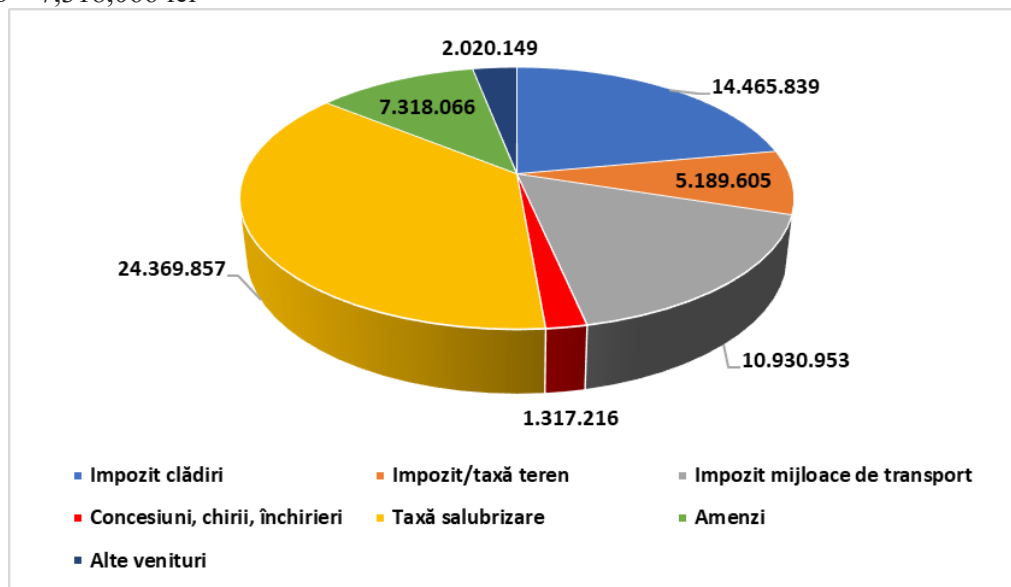
→ A number of 143,207 receipts were drawn up and issued representing the collection of taxes and fees on land, buildings, cars, company taxes, tracking expenses, fines, concessions, rents, rentals, etc; (55,438,554 lei)

→ A number of 9,875 bank card payments (11,914,908 lei) through the EPOS system and a number of 23,064 payments (10,230,570 lei) through the SNEP system were registered and processed in the fiscal records, creating a number of 956 orders payment for the transfer of amounts from the collection account to debit accounts;

→ A number of 1003 payment orders were drawn up regarding the compensation of some debits with the amounts of overpayments resulting from car write-offs, sales of land, buildings, etc.;

→ Receipts from individuals in 2023 were 65,611,685 lei, and the main sources of income of the local budget were:

- o Building tax = 14,465,839 lei
- o Land tax/tax = 5,189,605 lei
- o Means of transport tax = 10,930,953 l
- o Concessions, rents, rentals = 1,317,216 lei
- o Sanitation fee = 24,369,857 lei
- o Fines = 7,318,066 lei



2. Legal Entities Tax Assessment Service

Main activity object

Determining, establishing, collecting and controlling local taxes and fees owed by legal entities, according to Law no. 227/2015 regarding the Fiscal Code, with subsequent amendments and additions.

Summary of activity for the year 2023

On December 31, 2023, a number of 8105 active economic agents, which were not in a special state (insolvency, liquidation, dissolution, etc.) were registered in the service's database.

During the analyzed period, the following actions were carried out mainly within the service:

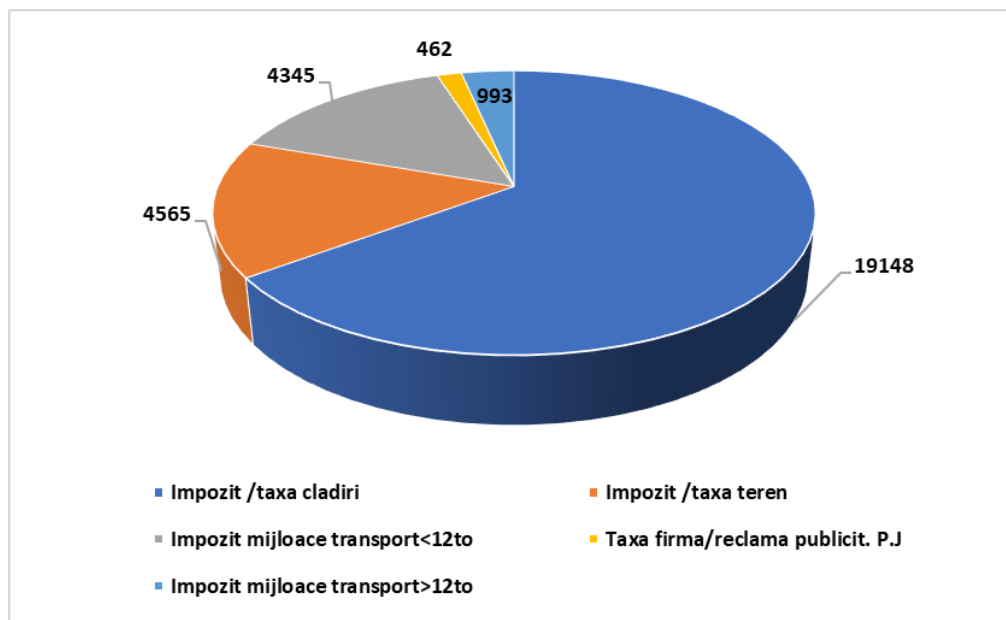
- a number of 9948 tax declarations were registered, checked and implemented in the computer program (buildings, land, motor vehicles, slow vehicles, company, advertisement, publicity, shows, etc.);
- a number of 18,094 tax decisions were issued;
- 4,878 tax attestation certificates were issued for legal entities regarding taxes, local taxes and other revenues of the local budget, for auctions/disposals of goods/mortgages/extensions of credit lines/financing programs, etc.;
- a number of 4,607 requests from economic agents, bailiffs, liquidators, police, courts, prosecutor's office, ANAF, etc., were registered and resolved;
- a number of 173 payment orders were drawn up, according to the compensation/restitution/distribution reports;
- 256 correspondence slips were issued for the transmission of a number of 7875 envelopes to taxpayers - legal entities;
- 34 economic agents were penalized for non-submission or late submission of tax declarations, the total amount of collections being 6434 lei;
- a number of 13,999 receipts were issued to economic agents with a collection value of 6,862,270 lei;
- a number of 5448 SNEP transactions were carried out, with a collection value of 1,084,386 lei.
- a number of 2224 POS transactions were carried out, with a cash value of 2,666,284 lei.

The situation of receipts from legal entities, including economic agents in special situations, on the main sources of income of the local budget, in comparison with the receipts for the year 2022, was:

NO. CRT	SOURCE	CODE	LEVEL OF COLLECTIONS		% OF --
			thousands of lei - %		
			year 2022	year 2023	
1.	Tax / building tax	07.01.02	19164	19148	99.91
2.	. Land tax	07.02.02	4481	4565	101.87
3.	Tax on means of transport <12to	16.02.02	4243	4345	102.40
4.	Company fee/advertisement. P.J	18.50.00	456	462	101.32
6.	. Means of transport tax>12to	5033	1055	993	94,12
7.	. GRAND TOTAL		29399	29513	100,4

From the model presented, there is an increase in receipts, on total sources of 0.4% At the level of 2023, the profit tax collection at the source was 3004 thousand lei.

The structure of receipts, on the main sources from legal entities, for the year 2023, is highlighted in the following diagram:



3. Tax Collection and Enforcement Tracking Service

The Tax Collection and Enforcement Follow-up Service within the Local Public Finance Directorate carried out its activity during 2023 with a number of 10 inspectors and 2 legal advisors.

The main activity of the service consists in the recovery of taxes, local taxes, contraventional sanctions and the collection of other enforceable titles from individuals and legal entities, by applying the provisions of Law no. 207/2015 on the Fiscal Procedure Code, with subsequent amendments and additions.

The forced execution of tax debts was carried out by issuing enforceable titles based on the provisions of Law no. 207/2015 on the Code of Fiscal Procedure, with subsequent amendments and additions, and other enforceable titles issued according to the legislation in force.

The forced execution begins with the communication of the summons, accompanied by a copy of the enforceable title. If within 15 days from the communication of the summons the debt is not extinguished, the forced execution continues with the application of the forced execution measures.

Activities of organizing and archiving execution files.

The documents issued in the enforcement procedure are archived both electronically and physically in the specially arranged spaces at the address where the service operates. Issuance and transmission of summonses. Application of enforcement measures. Results.

Thus, during the year 2023, a number of 6,595 summonses for claims in the amount of 22,317,007 lei sent to individuals and legal entities; 155 garnishments for claims in the amount of 3,068,241 lei transmitted to third parties for natural and legal persons; 486 movable and immovable seizures instituted.

Minutes of findings of contraventions. Results.

For 7,814 reports of contravention for natural and legal persons - for the amount of 10,102,691 lei - debited and enforced execution was triggered.

640 minutes of clarification/reduction of fines were drawn up for contraventions paid within the legal term of 48 hours/15 days and for those transformed by the court into hours of community service.

Cessation of seizures. Results.

86 addresses were issued to stop the seizure of cash availability for legal entities and 830 for individuals.

The amount of debits, natural and legal persons, collected for the year 2023. Results.

The initiation of enforcement and the application of enforcement measures determined the collection of 11,871,886 lei from the local budget of Brăila Municipality, an amount representing outstanding debts owed by individuals and legal entities.

Minutes of subtraction. Results.

As a result of the good collaboration with the Brăila Court and the Trade Registry Office, the Tax Collection and Enforcement Follow-up Service drew up a number of 36 debit reduction minutes for commercial companies written off on the basis of the Insolvency Law because the Civil Sentences ordered the closure of the insolvency procedure and the deletion of debtors from the records of the Trade Register.

Cases pending before the courts. Results.

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Conditions of competitions for filling vacant positions

- Ensuring specialized logistic and technical support related to the organization in good conditions of the meetings of the Brăila Municipal Local Council;
- Configuration and verification of telephone exchange software;
- Ensuring specialized technical support regarding IT procedures related to the National Electronic Payment System regarding the Municipality of Brăila, according to the provisions of H.G. no. 1235/2010, with subsequent amendments and additions;

- Software infrastructure update for establishing metropolitan links with local tax collection centers;
- Technical support for the integrated IT system "An Administration at the service of the citizen", project financed by the Administrative Capacity Operational Program - 19 modules;
- The Law 10, Legal Court Files modules have been updated - software applications developed within the ELO Enterprise programming environment;
- Development of the CFP internal module;
- Updating and administration of WordPress platform website modules;
- Update WordPress platform interface REST modules;
- Administration of the online appointment platform for identity documents ci.programari.primariabr.ro;
- Subunit IT application administration (Budget-Accounting);
- Administration of IT applications Budget, Accounting, Salaries;
- Technical support regarding accessing data related to obsolete applications;
- Solving problems arising in the operation of applications, escalating incidents that cannot be solved locally, to the support service of the suppliers, testing the changes made and depending on the results, implementing them in the versions in production;
- Development, testing and implementation of software modules (VBA/Access-Excel, Java/Spring, JavaScript/React, EloScript, SQL – Microsoft SQL Server, MariaDB, PL/SQL-Oracle, PHP);
- Implementation and administration of a centralized antivirus solution at the level of workstations and servers;
- Configuration and administration of NGFW protection solutions (pfSense/FortiNet)
- Credential generation for accessing the giseul.ro payment platform through the intermediary physically handed applications.

The submitted activity fell within the following coordinates:

- Lex-Expert legislative program updates – approx. 144 updates;
- Posts, updates, configurations for the institution's websites (including asset and interest declarations, announcements, communiqués, public procurement, online consultation, provisions, financial statements, projects, CLM meetings – 2233);
- Client-type computer interventions - approx. 300 cases (deviruses, data recovery, repairs, installation of software and operating systems);
- Server-type computer interventions – approx. 500 cases (from virtual machine setups/installations to hardware subassemblies replacement);
- Printer interventions – 612
- Interventions on active and passive network equipment – more than 1168 configurations and

incident resolution (from simple equipment restarts, flood detection to firmware reinstallations and hardware repairs / replacement of capacitors or power supplies, replacement of cables, plugs, etc.) ;

- Data were saved - daily - backup checks - weekly;
- Online appointment cancellation requests (approx. 528 cases);
- Fiscal year closing/opening procedures – All procedures are carried out only once for 30 days in the months of December/January every year;
- Implementation and maintenance of hardware infrastructure (LAN networks, low current networks, fiber optic metropolitan network) for the institution's premises;
- Registration of 4743 internal/external documents and registration of 8014 documents for the purpose of Preventive Financial Control.

4. Public Accounting Service

- Main activity object
- Ensures the chronological and systematic recording, processing, reporting and keeping of information regarding the financial position according to the specific normative regulations in the financial-accounting field.
- Summary of the activity for the year 2023
- recording in the accounting of income through the cash register and bank according to the account statements issued by the Treasury of the Municipality of Brăila, related to the budget classification developed by the Ministry of Finance, return of guarantees for participation in the auctions organized by the municipality of Brăila;
- ensuring the keeping of accounting records of all income categories;
- organization of the accounting of expenses incurred according to the approved budget, of extra-budgetary means and special purpose funds;
- recording in the accounting record of operations generated by European projects;
- registration of payroll related to the salary rights of own employees;
- ensuring the verification of supporting documents certifying the payment of financial obligations;
- ensuring the preparation of the verification balance taking into account the concordance between the analytical and synthetic accounts, the recording of operations related to the results of the inventory of patrimonial assets and the preparation of monthly, quarterly and annual financial statements;
- performing cash collection and payment operations;
- the transfer of payment obligations to the state budget, the social insurance budget and other withholdings (installments, garnishments, etc.) and the preparation of the necessary documents for their payment at the deadlines provided by law;
- the chronological and systematic recording of operations regarding the movement of assets and patrimonial values;
- registration of material and monetary values based on legally prepared documents;
- follow-up and verification of supporting documents certifying the payment of suppliers;
- ensuring the preparation of payment orders for making payments to suppliers and other patrimonial obligations;
- ensuring the drawing up of payment provisions, granting advances for settlement and tracking their settlements;
- ensuring the preparation of the check sheet for withdrawing amounts from the bank, respecting the payment ceiling according to the legislation in force;

- ensuring the accounting records of the documents underlying the entry and exit of material values from the entity's warehouse.

From a quantitative point of view, the following accounting documents resulted:

- 61 provisions for payment and collection of salaries and other expenses;
- 3039 payment orders for expenses, 5200 payment orders for persons receiving refugee aid
- 5100 employment proposals, liquidation and payment orders;
- 27 statements regarding economic activity;
- 12 monthly SOBIS software transfer operations of receipts/deductions/debits from the Integrisoft program;
- 12 check balances;
- 4 quarterly financial statements;
- 12 monthly financial statements;
- 860 account sheets;
- 35 income check sheets, 12 salary check sheets and 78 various expenses;
- 560 fixed assets sheets.

5. Budget-Finance Service

STRUCTURE OF THE SERVICE

The Budget-Finance Service also includes the Local Public Debt Department in its structure.

COMPOSITION OF THE SERVICE

In 2023, the total number of staff within the Budget-Finance Service was eight, of which:

- a public management position;
- seven public execution functions, one of which is within the Local Public Debt Department.

MAIN OBJECT OF ACTIVITY

The foundation and elaboration of the budget project of the municipality of Brăila, as well as its rectification projects.

SUMMARY OF ACTIVITY FOR THE YEAR 2023

The main activities carried out by the Budget-Finance Service in 2023:

- The foundation and elaboration of the budget project of Brăila municipality, its publication and submission for approval to the Brăila Local Municipal Council;
- Elaboration of the draft of the centralized general budget of the Brăila municipality and its submission for approval to the Brăila Local Municipal Council;
- Foundation and development of projects for the rectification of the local budget;
- Elaboration of projects for the rectification of the centralized general budget of Brăila municipality;
- Analysis of requests regarding transfers of budget credits, preparation of materials regarding these operations and submission for approval to the main authorizing officer of credits;
- The opening of budget credits for subordinate units, according to the requests sent by them;
- Monitoring the budgetary execution of personnel expenses;
- Preparation of the budget execution account, quarterly and annually, and submission for approval to the Local Municipal Council;
- Centralization of funding requests of educational units regarding: teacher transport, student rights with special educational requirements, HGR no. 536/2016 regarding the stimulation of high school performance in pre-university education, school competitions, student scholarships, capital expenditures;

- Centralization of requests for funding of social assistance units, as well as of public services of public utility;
- Completing the local public debt record register of the institution.

The activities carried out materialized in:

- 15 substantiations and elaborations of the local budget (the draft of the initial budget and 14 drafts of its rectification);
- 15 elaborations for the centralized general budget (the draft of the initial budget and 14 drafts of its rectification);
- 2 dispositions of the Mayor of Braila Municipality;
- 5 execution accounts (3 quarterly and 2 annual of which, one forecast and one definitive);
- 360 applications for opening budgetary credits;
- 1,604 dispositions for allocation of budget credits;
- 17 staff expense monitoring (one annual, 4 quarterly and 12 monthly);
- 550 addresses regarding communication budget provisions subordinate units.

Major objectives for 2024

The objectives aim at the implementation and management of financial resources and obligations, to be assumed by the budget of the municipality of Brăila for the year 2024, taking into account:

- ensuring and maintaining fiscal-budgetary discipline, transparency and medium-term sustainability in the use of local public finances;
- efficient management of local public finances to serve the public interest, ensuring economic prosperity and anchoring budget policies in a sustainable framework;
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- prudent management of resources, assumed obligations and fiscal-budgetary risks;
- ensuring the predictability of the level of quotas and taxation bases;
- the prioritization of expenses so as to ensure the conditions for a sustainable development of Brăila municipality.

The initiation of enforcement for all taxpayers, individuals and legal entities, who register outstanding debts on Dec. 31, 2023 in all suburbs and the application of enforcement measures in order to collect the claims.

Transmitting the minutes of contravention to the court in order to convert the fines into hours of community service, in the case of offenders / debtors / taxpayers who do not own assets or traceable income, according to the legal provisions in force.

Transmission and transfer of enforcement files, as appropriate, for taxpayers who have changed their tax domicile (for tax sources, means of transport and fines)

6. Conclusions

Local public finance appeared with the evolution of society and is part of the objective process of the evolution of human society and requires the existence of minimal conditions in order to be able to manifest its relational character of an economic nature. The conditions that made possible the emergence of public finances were:

- the emergence and development of commodity-money relations to the extent that it allows the formation and use of state resources in monetary form
- the appearance of the state, which for the exercise of functions and tasks on the internal and external level needed important financial resources, which could not be procured within the framework of commodity-money relations

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