

THE BUDGETING PROCESS IN ROMANIA

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Abstract

This paper presents the stages of the budgeting process in Romania and the institutions involved in its carry out, having regard to the recent legislative amendments in the field. The study describes the importance of some state institutions in achieving the economic and social policy objectives.

According to practice, the institution specializing in drafting the budget bill is the Government, who submits the budget bill annually to the Parliament for adopting the national budget, accompanied by the explanatory statement, annexes and interpretative calculations. The preparatory works are fulfilled by the Ministry of Public Finance and in parallel, by the ministries, authorities, local administrations or other public institutions to prepare their own drafts budget.

Keywords: *approval of the budget, control of the budget, drafting the budget, budget implementation, public institutions, budgeting process, budgeting rules.*

JEL Classification *E6, H6, K4*

1. General framework

The national public budget is the main financial instrument of the state serving to size the state's financial resources, establishing their destination and foundation of the financial balance over a certain period of time, usually one year.

The public institutions, in compliance with the Act on public finance no. 500/2002 represent the generic name to include the Parliament, Presidential Administration, the ministries, the other specialized bodies of public administration, public authority, autonomous public institutions, as well as the institutions under their command regardless of the funding manner.

In compliance with the Act on public finance no. 500/2002, as amended subsequently, the Ministry of Public Finance draws-up bills for the entire unitary budget system, as well as government bills for their approval. The budget bills are drawn-up based on:

- a) The prognosis of the macroeconomic and social indicators for the budget year, as well as for the next three years;
- b) The fiscal and budget policies;
- c) The funding memoranda, memoranda of understanding or other agreements with international financial institutions and bodies, signed and/ or ratified;
- d) The sectorial strategies and policies, the priorities set when formulating the budget proposals, submitted by the Chief Authorising Officers
- e) The spending proposals prepared by the chief authorising officers;
- f) The programs drawn-up by the chief authorising officers in order to finance some actions or an ensemble of actions to whom precise objectives and result indicators for effectiveness are associated;
- g) The proposals for sums to be broken down from certain income from the national budget or consolidated transfers for the local public administration authorities;
- h) The funding possibilities of the budget deficit.

The subject of the budget control is represented by the decision and implementing documents of all the persons involved in the budgeting process, starting with the Government, continuing with the authorising officers and finishing with the simple handlers of the public money. In all cases, the strict observance of laws and budgeting discipline are aimed at, the full and timely collection of income, preventing the tax evasion, but also tax abuse, judicious spending of resources allocated within the limits and for the destinations allocated.

The budget debate and approval by the Parliament start by the presentation by the chief executive or the minister of finance, in the joint chambers, of the report on the budget bill in respect of the budget implementation for the year pending and the projection of the budget figures for the next year. Sometimes, this report is wider, referring to the economic budget in its whole and not only its financial component.

Budgets are approved by the parliament by parts, chapters, subchapters, headings, articles, as well as paragraphs, as the case may be, by the chief authorising officers for the budget year, as well as the commitment appropriations for multiannual actions. Then, the annual budgetary laws adopted by the Parliament have to be promulgated by the President and published in the Official Journal in order to enforce them.

Once the budgetary law is approved and promulgated, the third stage of the budgeting process commences i.e. budget implementation. This means collecting revenues and making authorized expenses.

2. Principles of the budgeting process.

Drafting and implementing the revenue and expenditure budget implies the enforcement of laws and observance of budgeting principles, as follows [14]:

- a) *The universality principle*, according to which the revenue and expenditure are included in the budget as a whole, in gross sums and budget revenue cannot be appropriated directly to a certain budget expenditure, except for donations and sponsorships which have distinct destinations established.
- b) *The principle of advertising budget*, according to which the national budget drafted and approved is brought to the attention of the public opinion. To that effect, the budget system is open and transparent, respectively:
 - public debate of the budget bills, on the occasion of their approval;
 - Publication in the Romanian Official Journal, Part I of the pieces of legislation to approve the annual budgets and accounts for implementing them;
 - Mass information means for disseminating information on budget content, except for non-publishable information and documents provided by law.
- c) *The principle of budgetary unity*, according to which all the public spending and budget income should be recorded in a single document in order to ensure the effective use and monitoring of public funds.
- d) *The principle of budget annuality* according to which budget revenue and expenditure is approved by law for one year corresponding to the budgetary year. All collections and payments operations carried out over one budgetary year in the account of a budget belong to the appropriate year for implementing that budget.
- e) *The principle of budgetary specialization*, according to which the budget revenue and expenditure are recorded and approved by origin sources and, respectively, by expenditure categories, grouped by their economic nature and their destination, according to the budget classification.
- f) *The principle of monetary unity*, according to which all the budgetary operations should be carried out in the national currency.

3. Institutions involved in organizing and carrying out the budgeting process

The public institutions with competences and responsibilities in the budgeting implementation, upon the national budget's approval and adoption, interfere, function and act as per the provisions of this law.

The main institutions involved in the budgeting process are: the Parliament, Government, Ministry of Public Finance and the chief authorising officers.

A. The Parliament of Romania. This is the supreme representative body of the Romanian people and the only regulatory authority of Romania. The Parliament consists of two houses, being made up of the Senate and the Chamber of Deputies [2].

Members of Parliament are chosen based on the universal vote, equal, direct, secret and voluntary on a 4 -year mandate. The government bills and the other deeds are submitted for debate in prior sessions within the permanent commissions and then they are approved in plenary. The works of the sessions are led by the president of the Chamber of Deputies and the president of the Senate, assisted by two secretaries, one on behalf of each Chamber.

The sessions are open, except for cases when, by the simple majority vote of those present it is decided that they should be secret. The presence of deputies and senators is mandatory, and the president of the session notifies the agenda, which is adopted by the open vote of at least half plus one of deputies and senators present.

The deputies and senators take the floor in the order they are registered in the list, upon the president's accession, and ministries may be given the floor at any point of debates and anytime they are requested to substantiate certain provisions of the debated acts' content.

The Chamber of Deputies and the Senate set out every time the voting procedure to be used, except for cases when a mandatory voting procedure is provided. The vote may be open when the voting outcome is notified by the president leading the session, or secret, expressed electronically by ballot or using balls, when the outcome is found out by the permanent Bureaus of each of the two Chambers.

B. The Government of Romania. The Government is the public authority of the executive or governing power accepted by the Parliament, which ensures the achievement of the country's domestic and foreign policy and that exercises the general leadership of public administration. In carrying out its duties, the Government has the role of ensuring the balanced operation and development of the national economic and social system, as well as its connection to the world economic system under the conditions of promoting the national interests.

The Government is the public authority fulfilling the executive function. It carries out the leadership of the executive activity, respectively exercises a national competency, being a central authority of the administrative system.

It also ensures the balanced operation and development of the national economic and social systems, as well as its connection to the world economic system while promoting the national interests [12].

Appointment of members of Government is made by the President of Romania based on the vote of confidence granted by the Parliament. To the same effect, we make the mention that this body is organized and functions according to the constitutional provisions, having at its basis the Governing programme accepted by Parliament.

The Government exercises a general competency over all public interest issues in the country's entire territory. The deeds of arrangement are applicable in executive matter for all the subjects in social relations where its norms become incident.

The Government represents the public administrative authority having the deliberative, general and national competency, achieving the leadership of the executive activity in its whole at the level of the entire executive system.

The functions of the Government ensure the carry out of the Government programme and can be defined as follows:

- a) *The strategy function* whereby the drawing-up of the strategy to enforce the Government programme is ensured;
- b) *The regulation function* whereby the drawing-up of the regulatory and necessary institutional framework is ensured with a view to achieving the strategic objectives;
- c) *The state-ownership administration function* whereby the administration of state public and private ownership is ensured, as well as the management of services for which the State is responsible;
- d) *The representation function* whereby, on behalf of the Romanian State, representation both domestically and overseas is ensured;
- e) *The State authority function* whereby the pursuit and control of enforcement and observance of regulations in the field of defense, public order and national safety are ensured, as well as in the economic and social fields and the functioning of the institutions and bodies carrying out their activity subordinated to or under the Government's authority.

C. Ministry of Public Finance. The role of the Ministry of Public Finance is to constitute and generally manage the public financial resources using a complex budgets system: national budget; State social insurance budget; local budgets; special funds budget; non-refundable external funds budgets; State treasury and other public institutions with autonomous nature. This activity is carried out by ensuring the budget balance and enforcement of the State's financial policy. At the basis of the draft and budget implementation lie the principles of universality, advertising, unity, annuality, budgetary specialization and monetary unity [11].

The Ministry of Public Finance ensures the collection in cash and by accounts of the revenue stipulated by these budgets and carries out the treasury operations in respect of government loans. When determining the public expenditure, the Ministry of Public Finance takes account of the State's financial policy, the number of employees, the public institutions network which is operational, those to be set up, usage of the existent technical base with maximum effectiveness.

In carrying out its mission, the Ministry of Public Finance fulfils the following functions [9]:

- a) *Strategic*, whereby the strategy to enforce the Government programme in the field of public finance is ensured.
- b) *Regulation and synthesis function*, whereby the drawing-up of the regulatory and institutional framework needed to achieve the strategic objectives in its field of activity are ensured;
- c) *Representation function*, whereby, on behalf of the Romanian State and the Government of Romania, representation both domestically and overseas is ensured;
- d) *To enforce the provisions of Romania's adherence Treaty to the European Union* for the financial, tax and economic fields;
- e) *Function of drawing-up and implementing the budgetary policy and the fiscal policy* of the Government and of *correlating the fiscal and budgetary policies* with the other economic and social policies;
- f) *Function of coordinating the budgetary relations with the European Union*, as well as of the contacts with the community structures from an administrative point of view in this field;
- g) *Administration of State's revenue*;
- h) *Contracting and managing* the public debt;
- i) *Managing resources* carried out through State Treasury;
- j) *Exercising internal public financial control*, including the internal audit;
- k) *Ensuring the centralised record of assets* constituting the State's public field;
- l) *Drawing-up and supervising* the legal framework in the field of accounting;
- m) *Coordinating the non-refundable financial assistance* granted to Romania by the European Union and by its member states;
- n) *Function of State authority*, whereby the exercise of control for the unitary enforcement and observance of the legal regulations in its field of activity is ensured, as well as the servants of the institutions carrying out the activity within or under its authority;

- o) *Authority of the specialized central public administration* whereby the drafting and implementation of the policy in the field of the financial and control management systems at the public institutions.

D. The Chief Authorising Officers. The Chief Authorising Officers are the leaders of the public institutions and authorities using pecuniary means from the public budgets in title of budget appropriation with a view to covering the expenditure approved by their revenue and expenditure budgets [10].

The chief authorising officers are ministers, leaders of the other specialized bodies of the central public administration, leaders of other public authorities and leaders of the autonomous public institutions. They can delegate this capacity to their rightful proxies, general secretaries or other persons authorized to that effect. By the instrument of delegation the limits and conditions of delegations are stated.

The leaders of the public institutions having legal personality within the chiefs are the secondary and/ or tertiary authorising officers.

The chief authorising officers distribute the open budget appropriations (approved) for the own budget and for the institutions hierarchically lower whose leaders are secondary or tertiary authorizing officers in relation to their tasks, according to the law.

The secondary authorising officers distribute the budget appropriations approved (primate) for the own budget and for the subordinated public institutions budgets, whose leaders are tertiary authorizing officers in relation to the provisions from the budgets approved under the conditions set out by the legal provisions.

The authorising officers are obliged to employ and use the budget appropriations only within the limit of the provisions and destinations approved for expenses strictly related to those institutions' activity and by observing the legal provisions. To that effect, the authorising officers are responsible, according to the law, for:

- a) Engagement, clearing and authorization of expenses within the limit of the budget appropriations and approved;
- b) Engagement and use of budget appropriations based on good financial management;
- c) Integrity of the assets assigned to the institution they lead;
- d) Organization and record-keeping of the accounting and due presentation of the financial statements on the patrimony in administration and budget implementation;
- e) Organization of the monitoring system of the programs for public procurement and the programme for public investment;
- f) Organization of the programme's record, including the indicators relating to them;
- g) Organization and record keeping of the patrimony's records;

The engagement, clearing and authorising of expenses from public funds are approved by the authorising officer and their payment is made by the accountant. The engagement and authorization of expenses is made only by a prior visa of preventive financial control.

The chief authorising officers allocate the approved budget appropriations for own budget and for the budgets of the hierarchically lower public institutions whose leaders the secondary or tertiary authorising officers, as the case may be, in relation to their duties, according to the law. *The secondary authorising officers* allocate the approved budget appropriations for their own budget and for the budgets of the subordinated public institutions whose leaders the tertiary authorising officers they are, in relation to their duties according to the law. *The tertiary authorising officers* employ budget appropriations allocated only to carry out the institutions' duties they lead, as per the provisions in the budget approved and under the conditions set out by legal provisions.

After appropriation opening, made by the Ministry of Public Finance, the authorising officers fall on a series of responsibilities over the budget implementation, such as:

- a) Issuing requests to the Ministry of Public Finance for opening appropriations or supplying the accounts open with the State treasury with funds;
- b) Distributing by quarters the revenue and expenses set forth in the State budget for own budgets, budgets of the subordinate units and the other subdivisions of the budgetary classification;
- c) Carrying out budget appropriations transfer between the subdivisions of the budget classifications in their competency for own budget and budget of the subordinate unit if the expenses have not been engaged;
- d) Delegation, as the case may be, of the right to use and assign the budget appropriations only to their rightful proxies;
- e) Engagement and making expenses from the sums approved from the State budget only by the prior visa of *preventive financial control*;
- f) Quarterly analysis of the need to mention budget appropriations for which, based upon legal provisions or other causes, the duties have been neutralized or deferred, proposing their annulment to the Ministry of Public Finance.

4. Budgeting process stages

The budgeting process stages concern:

- a) Drawing-up the budget bills;

- b) Approval of the budget
- c) Budget implementation;
- d) Closing the budget implementation;
- e) Budget implementation control;
- f) Budget implementation approval.

4.1. Drawing-up the budget bill

Due to the complexity of the budget decision, drawing-up the budget bill is an **iterative process** supposing a double information flow, respectively from the Ministry of Public Finance to the public authorities and institutions and then to the contrary. Drawing-up the budget bill is phased depending on the budget calendar provided by the Law on public finance and obligations with regard to the budget drawing-up as follows:

- **Until 31 March**, the bodies of the public authorities and institutions shall draw-up the macroeconomic and social indicators or the budget year to which the budget bill corresponds, as well as for the following three years under the mention that, to the extent that reality requires it, those indicators shall be updated during the course of the budgeting process carry out;

- **Until 1 May**, the Ministry of Public Finance shall forward the Government the objectives of the fiscal and budget policy for the budget year for which the budget bill is drawn-up and the following three years, along with the expense limits established by the chief authorized officers;

- **Until 15 May**, the Government approves these objectives and limits, after having analyzed them and notifies the commissions for budget, finance and banking of the Parliament over the main orientations of its macroeconomic policy and public finance;

- **Until 1 June**, Ministry of Public Finance, having the approval of Government, shall serve on the chief authorising officers a framework –letter whereby specifying the macroeconomic context based on which the budget bills shall be drafted, methodologies for drawing-them up, as well as the expenditure limits approved by the Government;

- **Until 15 June**, Ministry of Public Finance serves on the chief authorising officers potential amendments to the expenditure limits, adopted by the Government if the change of the macroeconomic framework requires it. Based on the resized limits the budget bills shall be finalized;

- **Until 15 July**, the chief authorising officers are obliged to submit before the Ministry of Public Finance the proposals for the budget bill and their annexes for the following budget year by framing in the expenditure limits the estimates for the following three years, accompanied by detailed documentations and substantiation. The Ministry of Public Finance examines the budget bills required by comparing the figures registered in these bills to those stated by the expenditure limits served. Talks take place with the chief authorising officers over the maxim budget expenditure level for every ministry, central institution or local administration.

- **Until 1 August**, the authorising officers finalize, after solving misunderstandings, their own budgets and submit them to the Ministry of Public Finance;

- **Until 30 September**, the Ministry of Public Finance, based on the finalized budget bills received from the chief authorised officers and the own budget, draws-up the bills for the annual budget laws and the budget bills, which it submits before the Government. The budget bill for the State budget is accompanied by a report concerning the macroeconomic situation for the budget year for which the budget bill is being drawn-up and a forecast made over the following three years. The report comprises a summary of the macroeconomic policies in whose context the budget bills have been drawn-up, as well as the Government strategy in the field of public investment.

- **Until 15 October** The Government debates and finalizes these bills- of the budget laws and of the budget- and forwards them to the Parliament for being adopted.

Once these government bills are acquired by the Government and remitted to the Parliament the first stage of the budgeting process ends, the one concerning the draw-up of the budget bills.

4.2. Budget debate and approval

The procedure of budget debate and approval in the parliament is different from one country to the other, depending on the manner in which it is organized (unicameral or bicameral) and depending on tradition.

In Romania, permanent commissions for budget, operating around the two chambers, are those receiving budget bills for analysis and amendment, by the proposed amendments. The documents debated over by the specialized commissions for budget, finance and banking are sent for advising to other permanent commissions interested which may submit amendments. When debating in the commissions of the chambers the minister of finance and the other ministers interested participate as well.

The proposals for amendments may differ from one committee to the other. To that effect, a mixed mediation committee is set up, and in the end, the two committees gathered draft a common report whereby they propose the accession to the government bills (with or without amendments) or their rejection.

It then follows the debate on the bills in the Houses of Parliament. In the first phase a general debate takes place on the budget bill to which the representatives of various parliamentary groups present their point of view, and the representatives of power support the executive's proposals. In the end of the general debate, the minister of finance presents, on behalf of the Government, his/ her stand in respect of the questions raised by the representatives of various parliamentary groups.

Budgets are approved by the Parliament as a whole, by parts, chapters, subchapters, headings, articles, as well as paragraphs as the case may be, and by authorising officers for the budget year, as well as the commitment appropriations for multiannual actions.

The annual budget laws adopted by the Parliament are promulgated by the President and are published in the Official Journal in order to enforce them.

4.3 Budget implementation

Budget implementation presupposes the collection of revenue and making the authorized expenditure, this duty being incumbent upon the Government. The revenue registered in the budget is a minimum task, the attention being directed toward identifying all the revenue sources and the full collection of the sums due to the State, without committing fiscal abuses. In return, for expenses, the sums registered in the budget represent maximum limits. The undertaking of spending above the threshold approved or for other purposes than those for which the approval was granted is a breach if the financial discipline.

As regards shifting to the execution of cash accounts of the budget, i. e. to the actual collection of revenues and to the payments at the expense of the budget resources allocated a few previous operations have to be carried out. First, the annual figures approved by law for revenue and expenditure have to be assigned by quarters, depending on the juridical terms for collecting revenues and for time grading of the expenditure. Then the appropriations are made available or the authorising officers' accounts are financed opened with the State treasury, an indispensable condition for the allowances to be used. Resource allocation may be made within the limit of the appropriations approved by legal destinations in relation to the degree the resources previously made available are used. The authorising officers are obliged to use the allocations received only within the limit and for the purposes approved for spending related strictly to the activity of the institution they lead.

The execution of cash accounts of the budget is different for revenues and expenditure. As a matter of fact, there is a rigorous delineation between the execution of the part of revenue and the execution of the part of expenditure by virtue of the forbiddance to make payment directly from the revenue and in agreement with the rule of non-contracting revenue and expenditure.

By a public institution financed from the budget's engaging expenditure is understood it undertakes to pay in the future a sum of money to a third party, natural person or legal entity. The engagement should have a legal ground. It is made when procuring goods or services by concluding a contract, issuing an order or accepting an offer. Some obligations are born from adopting a decision to appoint in the case of hiring a civil servant by a judgment with writ of execution whereby the court is obliged to make certain payments or the engagement can result from the laws adopted by the Parliament in respect of the introducing of new pay scales for State employees which leads to the salary increase with regard to salary indexation or awarding compensations.

The validation of expenditure has two phases and presupposes the carry out of the operation engaged or set out previously and setting out of the sum due to the beneficiary. As compared with the degree of fulfillment of the obligations recorded on the occasion of previous engagement, the sum due coincides or not with the one set out when the expenditure was engaged.

The authorization of payment is made by issuing the order or an order of payment addressed to the cashier whereby, following validation, payment of the sum due to the beneficiary is ordered. The engagement and expenditure making is approved and is made only if there is on that document the preventive financial control stamp. For the consolidated expenditure or systematic in nature, such as payment of the civil servants salaries or payments in the account of public debt service, payments can be made without a prior verification.

When implementing the revenue part the principle of separating the functions is also observed, and the operations being carried out are different in relation to the type of revenue due to the State.

4.4. Conclusion of the budget implementation

Ministry of Public Finance aims to and permanently supervises the carry out of budget implementation and submits regular reports for informing the Government in respect of the balance state of the budget. To that effect, it employs the quarterly accounting statements of the authorising officers and keeps track of the accounts in respect of the execution of cash accounts of the budget by the State treasury.

At the end of the budget year, the Ministry of Public Finance drafts the annual general account of execution of the State budget and, respectively, the execution of cash accounts of the special funds budgets and the budgets of the authorising officers, including the annexes to these.

The time of drafting depending on the method used in carrying out the budget year, namely:

- a) If the *management method* is used, then the budget accounts are closed in the final day of the budget year, so that in the annual general account of execution shall be reflected the revenue actually collected and the expenditure made until the year end. In this case, the revenue due to the budget and not collected and the expenditure engaged, but not performed until the year end are sent to the following budget and shall be reflected on the annual account of the following financial year.
- b) If the *method of exercise* is applied, then the annual general account shall be drawn-up after the expiry of the period of extension of the execution for the budget year ended, reflecting the revenue and the expenditure for the expired year, even if some of them were made after the budget year’s conclusion.

The annual execution accounts comprise in the revenue column provisions of initial budgets, final budget provisions and collections made, and in the expenditure initial budget appropriations, final budget appropriations and payments made.

The Ministry of Public Finance draws-up and appends to the general execution account of the State budget and the general account of public debt. It comprises the accounts of domestic public debt and direct foreign public debt of the State and the situations of the government guarantees for the internal and external appropriations received by other legal entities.

4.5. Budget implementation control

Budgetary control is organized within the bodies belonging to the public administration authorities explicitly of the executive authorities, constituting the type of control specialized in the financial- accounting field specific to activities receiving the collection of the budgetary revenue and usage of expenditure from all public institutions and their patrimony.

The financial – administrative control over administration, management and use of funds from the State budget works permanently is organized and is carried out by the Parliament, Court of Auditors, Prime Minister’s Inspection Body, Ministry of Public Finance and Authorising Officers from the State budget.

A. The political or legislative control carried out by the Parliament of Romania. Parliamentary control is the highest form of budgetary control resulting from the Romanian Constitution and is exercised by the parliamentary Commissions, Chamber of Deputies and the Senate.

Parliamentary commissions of the Chamber of Deputies and of the Senate, especially the Budget, finance and banking boards, as well as other permanent commissions whose duties are to carry out and to control the implementation of the budget allocations in their field of responsibility.

The investigative committees, set up at the request of any of the two Chambers of Parliament, control certain fields or actions to have implied the public funds in the period of a budget implementation.

Chambers of Deputies or the Senate control by debate in the plenary the findings relating to the budget implementation resulted from the reports of the permanent or investigative committees.

The Parliament in its plenary exercises general control, assigned by the Constitution and by own regulations by debates and approval of bills, based on the information in time by the Government on the budget implementation stage and the debates on the annual general account for budget execution drawn-up after the financial- budgetary year concludes. The control is executed by parliamentary debates within the Commissions and the parliamentary Chambers in plenary. By the vote cast, the executive authority is discharge as the Parliament, as a representative of the people is the only public authority to exercise the supervision right concerning the manner in which the public revenue has been perceived and the expenditure made, approved by the State central administration budget.

B. The Control exercised by the Court of Auditors. After receiving the account on the budget implementation, the Parliament sends the document to the supreme institution of external financial control.

As regards the budget implementation control, the Court of Auditors carries out subsequent control at every public institution, approving the lawfulness and reality of data comprised by this document. It checks the efficiency, effectiveness and economics of budget implementation ruling on the quality the public money is managed at the level of every institution and on the whole budget.

When concluding the checks made by its functional structures, if no illegal activity is found out or a prejudice caused to public funds, the Court of Auditors issues the discharge document of the leader (authorising officer) of every public institution. If illegal operations are found out which have caused material loss, they can be recovered through the jurisdiction bodies of the Court of Auditors.

Every year, the Court of Auditors draws-up the Public Report which lies at the basis of debates in the Parliament with a view to approving the annual laws for implementing the public budgets. Organization and functioning of the financial control in general over the budget implementation especially present particularities from one country to the other.

C. The control exercised by the Prime Minister’s Inspection Body. The Prime Minister’s Inspection Body’s duties are the carry out of specialized control actions in the field of budget implementation at the Prime Minister’s order. To that effect, it examines regularly the financial standing on economy, the national public budget implementation and implementation of special funds budgets and set out measures for maintaining or improving the financial balance.

D. The control of the Ministry of Public Finance. The budgetary control carried out by the Ministry of Public Finance’s structures- central, and territorial- aim to control the administration and use of the funds from the State budget, the carry out of the budgetary revenue, effective spending of the financial resources, ensuring the budgetary balance and enforcing the State budgetary policy.

The control exercised by the Ministry of Public Finance is made through two categories of specialized bodies, respectively by the general Directorates and the specialized financial control Directorates operating in the organizational structure of the Ministry of Public Finance and by the County general Directorates of the public finance operating.

The objectives considered by the Ministry of Public Finance in respect of the budgetary control mainly aim to:

- a) Add expenses made by the public institutions in the limit of the budgetary sums or the funds assigned and the observance of the destination set out by sub-divisions of the classification in the revenue and expenditure budgets;
- b) Assign by the chief and secondary authorising officers the budget allocations on the terms and in the amount provided by the legal standards;
- c) Make expenditure by observing the standards and the legal provisions whereby the respective expenditure has been approved.

E. Control of the chief authorising officers. The control of the chief authorising officers is organized and operates being overseen by ministries, central bodies of the public administration and of every autonomous public institution. The control aims the following:

- a) Use budget appropriations as per the destinations set out by the budget;
- b) Carry out revenue anticipated and approved by the budget;
- c) efficiently and effectively use the sums received from the budgets;
- d) integrity of the public and private assets entrusted with the institution;
- e) accounting organization and keeping up to date and timely submittal of the accounting statements on the budget implementation.

In the field of budget control, the most effective control is the preventive one, meant to ensure that the lawfulness, opportunity and effectiveness are observed when handling the public money.

4.6. Budget implementation approval

Based on the report in respect of the budget execution account, drafted by the specialized control institution of the public finance, the Parliament initiates the procedure for debating and approving it. First, the report analysis is made in the permanent reunited commissions for budget, finance and banking of the legislative chamber, then the government bill is debated over in the Parliament’s plenary with regard to the budget execution account’s approval.

During the debates, the executive presents the synthesis of the financial –economic progress in the year concerned by the budget implementation and the factors to have influenced its progress. The political factions express points of view and make assessments concerning the quality of the budget management as compared to the provisions of the budget approved.

The draft of the government bill in respect of the approval of the budget execution account is discussed and approved by articles. The final vote on the government bill with regard to the budget execution account’s approval marks the conclusion of the budgeting process component stages.

5. Conclusions

The budgeting process represents the actions and measures initiated and carried out by the public competent authorities and institutions in order to carry out the financial policy promoted by the government authority in the budget area. The budgeting process supposes the existence of financial resources, as well as their allocation for providing public services and goods to the citizens.

The carry out under optimal conditions of the budgeting process allows the funding of the collective interest needs by collecting and spending the public financial resources.

Given the permanent increase of the public needs, the financial effort required to satisfy them is getting bigger and bigger. The public institutions and authorities involved in carrying out the budgeting process should operationalize the legislative provisions so that the public spending, featuring a long term movement, could adapt to the size of the public revenue.

The rules for budget planning and scheduling are needed in the context of the limited level of the financial resources as compared to the funding needs.

The relatively extended size over time, the wide social and economic impact and the complexity of the budgeting process stages, as well as the significantly large number of the institutions participating in its carry out entitle the assertion of many economists and politicians according to which the annual budget law is, according to the Constitution, the most important decision made by the Parliament and implicitly, by a country’s Government.

Drafting and implementing the budget is a complex process subjected to certain rules and principles which are mandatory, ensuring the discipline of forecasting, constitution and usage of the public funds. The budget reflects simultaneously the revenues and expenditure in one year on which the government policy depends and with which the achievements are compared to at the end of the budget year.

All the public financial resources are reflected within a consolidated general budget. It comprises the total of the State budgets, social insurance, local budgets (which in their totality make up the national public budget) budgets of the special funds (extra-budgetary), budget of the State treasury, budgets of other public institutions with autonomous character.

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