

Measures for the capitalization of internal control activity performed on the entity's financial and accounting activities

Doina Maria Tilea

Faculty of Business

Dimitrie Cantemir Christian University

Email: alinat75@yahoo.com

Dragos Zaharia

PhD Student, Valahia University

Abstract

In the organization of internal control flexibility is required because if a rule is too rigid or no longer current it can lead to inefficiency. Current organizational complexity involving the private sector to organize a system of internal control to fold on this, which can cover a territory so expanded and a wide variety of activities. Thus, the Company's internal controls are exercised at the level of each structure and because of the importance and implications of the financial ones are held separately both in the central department of the Company and in each specialized department of it.

Keywords: internal control, accounting, department, entity, structure.

Introduction

Internal control consists in comparing the results with objectives, determination of differences and applying corrective or preventive action as appropriate. As a fundamental attribute of management, internal control is perceived as the same time, competence and responsibility of leading that are to be exercised effectively for continuous improvement of the device management action meant to counteract risks surrounding the fulfillment of organizational goals.

Key control channel resides in the entity-wide effort and, ultimately, of all employees towards achieving predetermined goals and objectives, indicating permanently injudicious allocation of resources, malfunctions, deviations, anomalies, deviations, trends and corrective measures to be operationalized require.

Measures for the capitalization of internal control activity carried on activities accounting financial arrangement involves measures to address the deficiencies and recovery of amounts established as appropriate. Control actions were conducted punitive nature in purposes of establishing the facts which constitute deviations from the legal provisions on the control and finalized by applying contravention fines.

When deployment hierarchical control in the financial-accounting in this case on the activity taking place in cashier and failures occur immediate measures are taken on their removal.

If financial control management at end of their mission, body control, have to inform the Reviser General of Financial Control and Management of the Company's management, some aspects that were not included in the control protocol (observations on checked structure management issues of divergence observations can be used to investigate the technical and road safety bodies within specialized research).

Having considered all the deficiencies listed in the report of the Financial Control Forms Management, and presentation notes, important issues arising from control activity summary highlights Financial Control Management and General Director of the Company subject to approval. This act outlines the steps taken during the removal of control deficiencies and proposed measures for solving deadlines and persons responsible for removing irregularities detected.

Measures for the capitalization of internal control activity exerted on financial and accounting activities may have measurable results when shortcomings are quantified and they are determined those responsible or the effects of these measures can be evaluated global impact of all activities.

Management controls carries out specific functions, operations, real, practical and coexist in a single, interdependent and complementing each other, as follows:

- *preventive and improvement function*, which materializes in preventing the occurrence of defect or damage. By preventing trends and phenomena that require correction decisions, ensure improvement of the management of heritage organization and management of business. The control is meant to guide the work toward major objectives in a rational order of priorities and perspective to prevent and remove human effort and material wastage and ensure economic and social efficiency;
- *finding and correcting function* is manifested in the case of any disturbance. Through control seeks how to meet the line management decisions relating to the operation of financial and accounting activities and ensure compliance and protect their interests. To achieve this function using control methods and techniques by which irregularities, deficiencies and deviations and evaluated findings by correcting and updating the parameters of normality and legality of situations;
- *position of knowledge and evaluation* of the situation at a time, the results obtained at the end of the management period, the manner of work under normal conditions, legality, efficiency and solvency. This position requires a thorough analysis of all anticipated irregularities and possible negative trends. It is supplemented by the evaluation function of control which, under the reality and legality, sets and, whenever possible, individualized management consequences, economic, financial, budgetary, fiscal and social;
- *educational and stimulating function* for all participants to achieve process management. By making other control functions, especially by the correction function control gain educational future periods based on the results obtained and their recovery. Based on the principle that "even control can control"

control helps to stimulate all factors taking part in the management process. At the same time, acts as control for positive, stimulating efforts to overcome the critical situation and getting good results in the future;

- *coercive function* is the fact that in order to help prevent and eliminate deficiencies must establish responsibilities and control is achieved through a complex of administrative, civil or criminal, which offer or have the responsibility to those who are guilty of deficiencies.

Through these features, management control helps maintain economic units in the program advance through optimum adjustment over the financial and accounting activities performed by detecting deviations, their proportions and removing their financial and economic consequences, making adjustment function system, intrinsically linked to the other by internal and external factors influence perception.

2. Opportunities to improve internal control activities performed on in the entity's financial and accounting activities

The many relationships involving company relationships are born both in the interests of proper functioning and relationships with partners, with the state, make the control work to gain a broader and much wider significance.

The control responds for both Companies' need, to know the financial activity profitability and survival or growth opportunities and the need to be informed if it has the capacity to meet its obligations to the state and to the partners (paying taxes and fees, payment for goods and services purchased repayment of loans and interest payments).

Internal control over its financial and accounting activities of the Company in its essence is control over the management of heritage, but it is also a process of shooting the past appreciation of the present and the decipherment of the future, in relation to economic activity financial and economic performance.

Internal control over its financial and accounting activities is primarily a process of knowledge as it provides important data and information.

Any action taken by management to increase the likelihood that established objectives and goals will be achieved is a control. As a form of control to cause and encourage desired event targeting control.

In order to harmonize the control activity so that it becomes coherent, unified, act visibly improve body control and control relationship (eg financial control management) financial and accounting departments, is required:

- developing specific provisions to regulate this activity,
- adapt the software to the current requirements of implementation of the management so that they serve in making decisions,

- implementation of a program of staff training,
- conclusion in the shortest time of the reorganization,
- OMFP implementation no. 946/2005, regarding the implementation of management control.

The development of these tools has proven to be absolutely necessary, after numerous acts of control and following discussions on the shortcomings and deficiencies in the operations control. Purpose of these documents is to support and contribute to the improvement of the control in order to avoid duplication of controls and hampering the activity of the control, and to determine the limits within which it must fall.

In the present context it is necessary for the improvement of internal control activities performed on accounting and financial activities in the rail sector is a continuous process adapted to the new legislative and structural changes.

Control is an attribute of which it performs the operation management systems and their relationships in a way he decided on the structure and organization.

Internal control over its financial and accounting activities is primarily a process of knowledge as it provides important data and information. Control function and evaluation of financial and accounting activities are an important function of the line manager and it is likely to provide feedback on progress and performance of its structure.

As a fundamental attribute of line management internal control is perceived as competence and responsibility exercised valued in order to improve the device management action meant to counteract risks surrounding the fulfillment of organizational goals.

Any action taken by management to increase the likelihood that established objectives and goals will be achieved is a control. A control form causing and encouraging the desired event targeting control.

Internal control is at the micro and macro function effectively, necessary and even mandatory for ensuring management particularly relevant when it is based on risk management. This function provides knowledge of internal control strengths and weaknesses of the system and at the same time the possibility of setting levers to improve the management of patrimony and the targeting and organization of accounting and financial activity.

Specific activity of internal control exercised over the financial accounting activities of the Company is given external funds where besides the national law must take into account the requirements of the European Commission.

Meet both company management control need to know financial activity, profitability and survival or growth opportunities and the need to inform if is able to meet its obligations to the state and to the partners (taxes and fees, payment for goods and services purchased, repayment of loans and interest payments).

At the same time ensuring fairness, accuracy and reality of financial and accounting information is a big problem accounting financial control. Through internal control work performed on their financial and accounting management of the Company provides real information, dynamics, leading to increased efficiency preventive decisions must assume. In this way the internal control reaches the essence of the phenomenon and contributes to the scientific and effective, observes the negative aspects and preventive intervention to mitigate or liquidation deviations. Like any activity, and internal controls over financial accounting activity carried his inherent limitations are identified. Basically each identified internal control limits must be allocated its potential for improvement or removal.

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