

ONLINE CENTRALIZATION OF ECONOMIC AGENTS DECLARATIVE STATEMENTS

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ABSTRACT: *The analysis of the influences social factors, technological, economic and political factors have upon the information society in Romania demonstrates that the methodology of approach of the information economy, the relationship between its means and the subjects, its users mark a major change in the nature of economic activities; this is why the present work is a component of a comprehensive study and of a computer application that identifies and refines the computer networking mechanisms between businesses and state institutions, in particular, the tax administration. Thus, after the presentation of the objectives and the need to implement a computer application that ensures the online medium for transmitting financial statements of economic agents towards the Agency of Fiscal Administration, we should reveal the modules of application from the perspective of the application manager and the one who uses electronic data collection from taxpayers. The application thus becomes an effective instrument of the administrator who can manage, after logging in, the following menus: status of online submission or non-submission of financial statements, the list of active and/or inactive companies, other company identification and management operations.*

KEY WORDS: *society of information and knowledge, economic agents declarative statements, Agency of Fiscal Administration*

1. INTRODUCTION

The rapid development of information and communication technology has a great impact upon the society and on the world economy through fundamental changes in the patterns of production and distribution, of the nature of work and the place of the individual within the society, as well as upon legal, cultural, political, and administrative issues. Thus, at the beginning of the millennium, the world economy is in a complex process of transition from a predominantly industrial society to a *society of information and knowledge* whose premises are dictated by the dynamics of digital technologies that allow accessing, processing, storing and transmitting information quickly and inexpensively.

Starting from the idea that the most important resource of people is knowledge and in order to know things you have to collect information, we see a *slide between the information society and the knowledge society*, also noticed by the experts from the Academy of Economic Studies who assessed that the company based on information and knowledge involves intensive use of information and knowledge in all spheres of activity and human existence with significant economic and social impact [2], [5]. Starting from the definition of the information society and the knowledge society and bearing in mind that at present all the economic activities, social, cultural and all other human activities become dependent on a large amount of knowledge and information, an idea backed up by Angela Ionita, a

researcher from the Research Institute for Artificial Intelligence [3], we can determine the two key elements of the concept of a knowledge and information based society: knowledge and information.

In this context, there results the idea that the purpose of the information society is the streamlining and simplification of work processes. In the administration these processes have major implications in its operation and the reconfiguration of the information infrastructure is responsible for a number of the effective changes in the administrative process.

In the first decade of the 21st century, in terms of information, the Romanian public administration lies in an extensive process of implementing e-Government based on modern information infrastructure and a coherent set of applications, databases, and services to ensure access and information management. Understanding the role and the place occupied by e-Government in the implementation of public strategies, implies a step-by-step approach of these processes which have started in an empirical manner together with the proliferation of Internet-based technologies in Romania as well. In fact, the different stages of development and the implementation of e-Government systems reflect the degree and the technical level of IT invested and the level of interaction with users [7].

In conclusion, I appreciate that at the beginning of the third millennium, in the context of increasing global competitiveness and permanent innovation, more intelligent information systems force companies into redesigning information processes, production and

management processes which are essential for the development and even for the survival of many firms. Thus, there is a process of redefining the traditional model of business under an unprecedented impact of the development of information and communication technologies in all sectors of the economy and the transition to the virtual company.

2. PROBLEM FORMULATION

2.1. The need for and the objectives of the application Subtitles of the chapters

The growing complexity of the tasks within public administration and the implementation of advanced information infrastructure shows that the tools we used in the e-Government must abide by two fundamental dimensions: *the elimination of borders* through an inter-conditioning of the four types of relationships implied by e-Government (G2C, G2B, G2G, G2E) and the creation of new distributed forms of information management based on modern management systems (C2G, B2G). The effects of applying the legal framework with regard to increasing government transparency will have significant impact on both the relationship between the Government and citizens (G2C) by creating flexible knowledge management systems and on the relations between governmental institutions (G2G) by simplifying procedures and developing new access codes.

Most of the required computer technologies are available within the public administration, but they require continuous development in order to adapt them to specific requirements. If at the setting up of the National Agency for Fiscal Administration there was a limited technological infrastructure that did not provide ready access of users to information, the opportunities offered by the new information infrastructure have made it possible to improve the various services available to taxpayers.

In this context, the present paper is part of a vast study on the need for designing and implementing a computer application of submitting financial statements of economic agents using the Internet.

Considering the effects the application has in the long run, I think it is a necessary operational leverage and an effective tool for improving information flows between firms and state institutions and it must be designed based on the period of time for which it will be functional, a long life cycle, and the great number of users who will benefit from the advantages of its implementation.

The objectives met by the e-Finance application are:

- ❖ It allows online filing of annual financial statements, half-yearly accounting reports and tax returns;
- ❖ it confirms files transmission;
- ❖ it notifies firms about due dates for submission of statements and tax returns;
- ❖ it reports the situation of companies that have submitted or not the statements or tax returns within the time limits provided by the law;
- ❖ it uses several criteria to identify registered companies.

Even if there are such applications in present, they must be optimized and standardized both in terms of the operation and the subsequent processing of the data recorded. The proposed 'e-Finance' application is performed on a WEB platform that incorporates WEB 2.0 technology based on CSS, PHP and JavaScript and the database used in the application is of MySQL type.

In order to ease the work, the application code was written in several files, each being grouped, depending on their role in the application, in folders with suggestive names.

The structure of the application is modular. Thus, there is only one web page, *do.php* which supports multiple themes (styles) and includes the file *page.php*, which incorporates a switch that ensures the switching between modules depending on the requests from the browser, of GET type, more specifically of the variable `$_GET ['action']`.

2.2. Application Modules

For the tracking of financial statements and tax returns I have designed a general menu described in the figure 1.

In order to create an administrator account and to modify it I haven't designed special menus because the administrator has access to the configuration tools of the server and of the database.

As for the administrator login, this is done after a module similar to the one created for and used by economic agents.

After login the administrator has access to the following menus:

- ❖ Percentage of online submissions;
- ❖ Submitted statements;
- ❖ Not submitted statements;
- ❖ List of companies;
- ❖ Business operations.

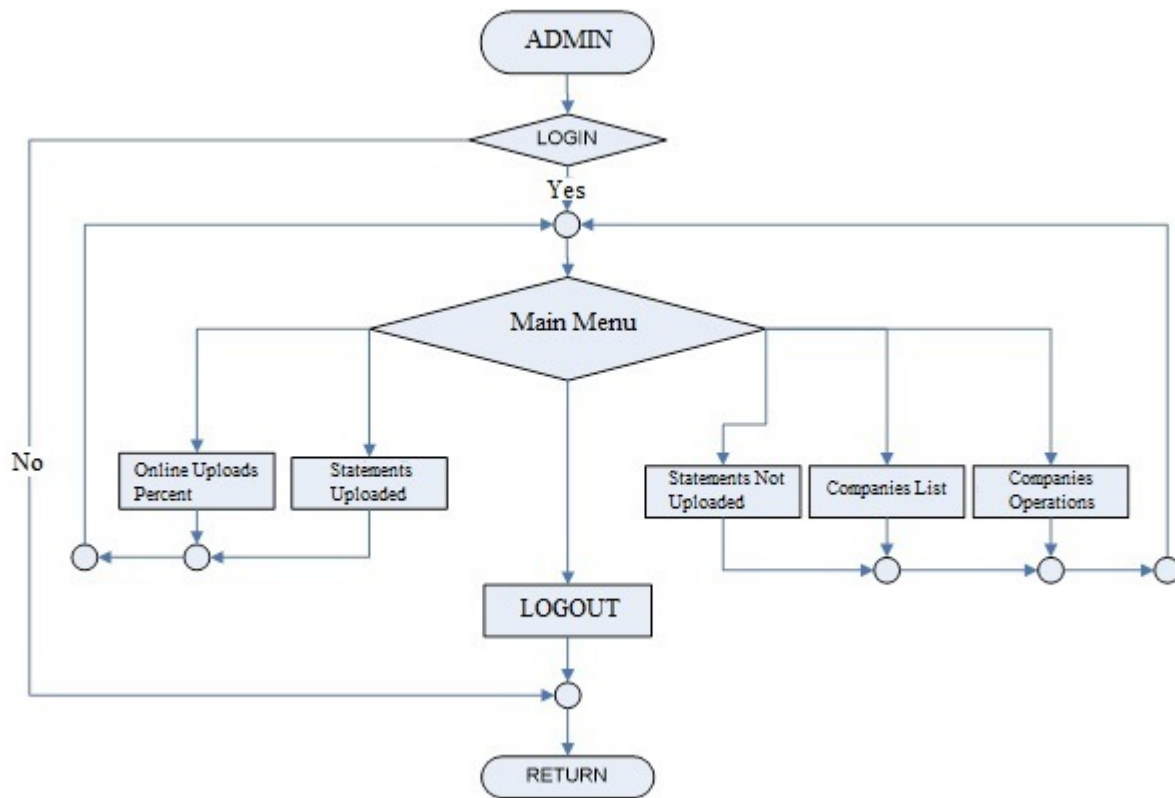


Figure 1 The general menu of the system administration

Before I describe each module in turn I must specify that there is the automatic execution of the module *send_notification.php* each time you start the application, which notifies economic agents by email of the due time for the submission of financial statements and tax returns. I consider that this form of notifying taxpayers comes in their benefit; at present, NAFA through the Local Public Finance Authorities notifies only the overcoming of the deadline, when they have already accumulated penalties.

When accessing the menu **Percentage of online submissions**, the module *percent.php* starts running, and its supposed algorithm implies:

- ❖ login check;
- ❖ Displays and allows you to select the type of financial statements and tax return;
- ❖ When clicking on Send, it counts, from the *company_submission* table, all the lines for which the *submission_type* is equal to the type of statement for current month and year, dividing them by the total number of active firms included in the table *site_users* and displays the percentage achieved.

When selecting the menu **Submitted statements** the module *made.php* module is launched. A description of the algorithm used in the preparation of this subroutine comprises the following stages:

- ❖ login check;
- ❖ Displays and allows you to select the type of financial statements and tax return;
- ❖ When clicking on Send it displays from the *company_submission* table all the lines for which the *submission_type* field is equal to the type of statement for the current month and year;

- ❖ After displaying this list, it can be exported in csv format for future processing.

A menu similar to the one above is **Unsubmitted Statements** based on the module *unmade.php*, which includes:

- ❖ login check;
- ❖ Displays and allows you to select the type of financial statements and tax return;
- ❖ When clicking on Send it displays from the *site_users* table all the lines for which it cannot find records in the table *company_submission*; the *submission_type* field is equal to the type of statement for the current month and year;
- ❖ After displaying this list, it can be exported in csv format for future processing.

Displaying operators who have reported profit or loss in the financial statements submitted can be made by accessing the menu **List of companies**. Module *company.php* works according to the following algorithm:

- ❖ login check;
- ❖ Displays and allows you to select the type of listing according to profit or loss;
- ❖ When clicking on Send it displays from the *site_users* table all the companies whose *user_id* is identical to the *company_id* in the *company_pl* table for which the *company_pl* field is equal to the previous selection, as well as the value of the *company_value* field from the same table;
- ❖ After displaying this list, it can be exported in csv format for future processing

I intend that in a later version of the application to check certain correlations between the submitted

financial statements and the financial situations, such as: the declared profit must be identical with the profit in the profit and loss account from the annual financial statements.

Another correlation that can be made when the flat-rate tax is invalidated is summing up from all the statements submitted within a calendar year the declared corporation tax and comparing its value divided by 0,16 with the value declared in other statements and with the one in the profit and loss account from the annual financial statements.

3. THE OUTCOME OF e-FINANCE

Listing companies according to various criteria is done by accessing the menu *Company Operations* that lead to running `module_operate.php`, the algorithm of which is the following:

- ❖ login check;
- ❖ displays and allows you to select the type of listing according to the following criteria: status (active/inactive), VAT registration, county, city and NACE/ISIC codes;
- ❖ when clicking on Send it displays from the `site_users` tables all the companies for which the selected conditions are met;
- ❖ after displaying this list, it can be exported in csv format for future processing
- ❖ for each firm displayed the modules status and delete are functional.

Once the operator is displayed using the menu described above one may change the status by accessing `module_status.php` which includes the following steps: take over the `user_id` from the `module_operate.php`; displays the name and the status of the `user_id` from the `site_users` table and allows changing the status by pressing Send; confirm the comand.

An inactive company can no longer log into the system unless it clarifies issues with the application administrator. Moreover, an inactive company cannot create another account.

Just like the `module_status.php`, the `module_delete.php` can be accessed only after displaying the list of companies that match the selected criteria from the menu *Company operations*. Its algorithm is the following:

- ❖ take over the `user_id` from the `module_operate.php`;
- ❖ displays the name, the tax code and the city of the `user_id` from the `site_users` table and allows deleting it by clicking on the Delete button;
- ❖ confirm the command.

After designing e-Finance and completing the modules of the programs that you've been presented, it becomes functional and accessible on a WEB platform.

4. CONCLUSIONS:

In conclusion, the design of e-Finance, the application for online submission of financial statements and declarations concerning fiscal obligations of economic operators and tracking them on the Internet is a complex process and its implementation, which is presented in the next chapter, has significant effects on both the efficiency of financial and accounting activities of the economic entities and on simplifying activities on all hierarchical levels of the Ministry of Public Finances.

The advantages of using such applications should be analyzed not only from the point of view of the economic operators who will use the on-line transmission of statements but also from the point of view of the application administrator who has the following facilities:

- ❖ almost total reduction of time for collecting financial statements and tax returns that highlight the obligations of economic operators;
- ❖ reduction of staff involved in the work of collecting and transmitting documents to the Local Public Finance Administrations, to the General Direction of Public Finances in order to centralize them, to the National Agency for Fiscal Administration and reduction of costs with salaries and overhead costs associated with the renting of the premises in which such activities were carried out;
- ❖ automatic notification of the administrator regarding the documents uploaded in the system;
- the possibility to query the database and to select different criteria to generate several types of reports concerning the operations carried out by companies, financial results, their status, etc.

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