FISCAL RISK – PREMISE OF FISCAL ANTI-FRAUD CONTROL

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Abstract
The study develops a methodology for identifying and managing fiscal risks that will improve the measures taken by the tax authority, in the context of the efforts to streamline fiscal fraud controls but also to improve the behaviour of taxable subjects. The main objective of the research was to provide (scientific and practical) support for fiscal risk management and, implicitly, to establish the conduct to be followed by the fiscal authority. The study reveals that the success / effectiveness of actions / measures to prevent and / or combat acts and deeds of tax evasion and fraud depend on the rigor with which specific risk management processes are under way. The topic approached was and remains current in view of the need for continuous improvement of the fiscal anti-fraud control, with direct effects in limiting the tax evasion practices.

Key words: *risk factors; fiscal risk; risk management; anti-fraud fiscal control; tax authority*

JEL Classification: *H26, M41*

I. INTRODUCTION

In Romania, the administration of taxes, duties, contributions and other revenues due to the state budget, the application of customs policy and regulations and the exercise of duties of customs authority, as well as the operative and unexpected control over the prevention, detection and combating tax and customs fraud acts and deeds, fall under the responsibility of the National Agency for Fiscal Administration (NAFA).

The primary objective of any tax authority is to collect legal fees and taxes as effectively and efficiently as possible at their actual and due date. If the effectiveness consists in achieving the objectives in the exercise of the duties on the taxation of taxes and duties, under pre-established temporal and qualitative conditions, efficiency is a form of manifestation of the principle of economic rationality, which implies that the factors involved are used in optimal conditions, and the results obtained either superior to the efforts made.

Formed for the first time by Adam Smith, in the famous work "The Wealth of Nations" (first edition 1776), the classical principles of taxation are found among the fundamentals of any modern tax system: a) *tax equity* (taxes must take into account the taxpayer's ability to pay); b) *certainty of taxation* (tax obligations, payment terms and deadlines must be clear); c) *tax yield* (the costs of administering taxes are as low as possible compared to tax revenue); d) *convenience perceived of tax* (means, deadlines and place of payment must be appropriate to the payer). For example, the Romanian Tax Code (Law No 227/2015) invokes (even in the debut part of the act) principles such as: the neutrality of fiscal measures; the certainty of taxation; fairness of taxation (tax equity); the efficiency of taxation; predictability of taxation. In relation to their purpose / role, we can delimit three categories of actors / subjects related to the fiscal risk management process: decision makers in the field, those with fiscal administration and management of possible litigation and, obviously, taxpayers (Şaguna, 2003). Regarding taxpayers, if the vast majority of taxpayers pay their taxes and duties, there are, unfortunately, enough taxpayers who, by mistake or intentionally, use the inconsistencies of tax rules or the weaknesses of the tax administration, do not fulfill their tax obligations (generating fiscal risk situations). As a consequence, the tax authority must implement management and control structures capable of designing and implementing viable risk strategies for the removal (ideal) or minimization of taxpayers' evasion phenomena.

The taxpayers 'basic tax liabilities - which are managed as fiscal risk situations when the presumption of default occurs - include: a) taxpayers' registration with the tax administration; b) submission of tax returns; c) the transmission of complete and accurate financial and accounting information; d) the payment of taxes and duties.

The breach of any such obligation can be defined as a fiscal indiscipline and, from the perspective of the tax authority, constitutes a risk that must be removed or minimized to a value deemed acceptable. Tax indiscipline involves different degrees of manifestation, reflected in the degree of social danger of concrete deed. For example, late submission of the full and accurate tax return, followed by the payment of the respective obligation, obviously has a much lower social risk than the fulfillment of this obligation on time, but containing unrealistic information from the taxpayer / the payer error or, even worse, with the intent (qualified by purpose) to evade some of the tax due. In both cases, we are talking about damage to the tax system (of lesser or greater value), because of the exposure of the system to a risk factor, respectively the voluntary subjective factor, referring to the taxpayer / payer.

The taxpayer's negligent, tax-evasive or fraudulent behavior in connection with the fulfillment of his tax obligations, motivated, more or less reasonably, by fiscal pressure and often reinforced by tax and regulatory tax deficiencies, is the main factor fiscal risk.

The fiscal risk assessment is a necessity for the fiscal authority in the efficient approach of the activities aimed at preventing and combating evasion and tax fraud, while at macroeconomic level the economic doctrine (Bistriceanu, Adochiţei et al, 2001) highlighted correlations between the fiscal and tax evasion, black economy, tax competition and financial globalization. Fiscal risk assessment is a key element of any modern tax administration (OECD, 2017), fiscal risk management being the main means of increasing tax administration efficiency in addressing the risks of tax non-compliance by taxpayers / payers and identifying available treatment options, when the situation imposes it. (Serban and Cojan, 2009).

Correct identification and treatment of fiscal risk is done under the auspices of granularity, on microgroups comprising economic entities that have economic and social similarities, using the technique of taxpayer segmentation in subpopulations with similar behavioral characteristics (Brezeanu, 2010).

At the microeconomic level, the fiscal risk analysis involves two perspectives based on the opposite financial interests: the economic entity - a taxpayer to the consolidated state budget, namely the economic entity - a lucrative unit, aiming at maximizing the profit and, as a consequence, paying the taxes, taxes and contributions as low as possible (Hoanță, 2010). From the perspective of the fiscal authority, the approach of tax risk in relation to taxpayers underwent a fundamental change, evolving from a passive attitude, based on tax controls that established the risk manifestation and set up sanctioning, insuring and enforceable measures (Juravle, 2000) to a pro-active one, based on active risk management strategies, to an extended time horizon, targeting the preventive side and not just treating the symptoms (Stancu, 2002). The causes of this shift in the fiscal risk approach are the macroeconomic contexts generating fiscal risk: accession to the intra-Community space, along with the globalization of the economy, which has led to an increase in the volume of foreign-exchange transactions, the movement of capital, the development of the labor market, the emergence of new (eg franchise, lohn) and financing (eg structured financial products) as well as financial globalization and, last but not least, the complexity and non-harmonization of national, regional and international tax regulations.

The development of the multinational corporate sector has expanded the scope of tax evasion and tax fraud globally, as a result of double taxation, the diversity of national tax regimes and, implicitly, different levels of fiscal pressure. To avoid taxing, the economic entity is moving to tax havens or is applying for accounting creativity, actually developing financial engineers, materialized in fraudulent behaviors. These increasingly frequent occurrences, as the overall size of the economy increases, pose threats to the objectives of any tax administration, and their countermeasure implies strict fiscal controls on well-defined objectives in relation to the identified tax risks.

The present article aims at highlighting the determinant role of the identification, estimation and management of fiscal risk in the adoption of the most efficient fiscal fraud prevention measures by the tax authority, a special role in this respect being the control of fiscal anti-fraud. The methodology used for the elaboration of the article is the hypothetical-deductive, the conclusions resulting from the synthesis, the critical analysis and the creative treatment of the results of the researches, all in the context of the current normative regulations of the field. The research starts with a risk substantiation (from a tax perspective) based on profile studies. Next, the stages of the fiscal risk management process are detailed. The fourth part highlights the role of tax anti-fraud control in managing tax risks. The last part of the research summarizes the ideas and gives some conclusions.

II.FISCAL RISK

Everyday reality proves that life, by its very nature, is intrinsically linked to risk and uncertainty. Basically, any human activity is accompanied by risks, more or less serious, more or less known, easier or harder to avoid. If risk and uncertainty are not an option, they are simply part of the everyday life, regardless of the field of activity, then the only rational attitude is to accept this insecure situation as part of the human condition. A rational attitude means adaptation to risk, which involves identifying, estimating, and treating it with appropriate safeguards to remove or maintain within acceptable limits the negative influences that might manifest itself on the ultimate outcome of human activity.

From the perspective of structural systems theory, elaborated by Mesaroviç (1972), but without claiming an exhaustive approach, we can regard the fiscal complex as a system comprising a set of concepts, principles, methods, processes related to the relations between tax subjects (tax authorities and taxpayers), regarding the basis of taxation and tax rates, during the designing, legislating, establishing and collecting of taxes, in order to achieve the objectives of the system - ensuring the public financial resources for the consolidated state budget.

In the same systemic approach, we note that the dynamics of processes in any system (including the fiscal system), that functions to obtain a future result, is subject to uncertainty, the parameters of future states being characterized by different levels of risk, uncertainty or, indeterminacy. Risk and uncertainty are usually considered in relation to certainty, in the sense that risk and uncertainty are associated with the prediction, and the certainty is associated with the safety of obtaining a good, expected outcome. Formally, it can be considered that certainty indicates situations where expectations about future results are unique or varies within very close boundaries. The uncertainty can be manifested either on a negative result or on a positive one (generated by unpredictable beneficial states). If we identify risk with danger, then only the negative result is associated with the risk (which we will derive from uncertainty). Therefore, we can use the notion of risk with reference to future situations where expectations are not unique, but solutions for each possible variant can be expected. In common language, risk is regarded as a possible danger or inconvenience or an unpleasant event.

Lato sensu, risk can be defined as the sum of potential dangers (Sadgrove, 2016), perceived or not, around a subject. *Stricto sensu*, the risk signifies the possibility reaching a danger, or having a misfortune or damage (Wang et all, 2017).

Synthesizing, we can say that risk is an event or situation that may arise in the future and threaten the achievement of expected outcomes in the dynamics of processes in a system. Continuing the reasoning, assuming risks means accepting the consequences that could arise in the dynamics of processes, events or situations in a system. The materialization of risk is the passage of risk from the field of possible (uncertainty) into a fulfilled fact (certain). The materialization of risk is determined or favored by certain circumstances - attributes, states, processes, phenomena, behaviors specific to the elements of the analyzed system (eg taxpayer behavior in the case of the tax system), generically called risk factors. The existence of a complex of risk factors, which, through their uncontrolled and often imminent evolution, increase the likelihood of risk materialization, makes up a potential state of risk generating. Probability of materializing risk is a measure of the possibility of risk, determined by appreciation or quantification, when the nature of the risk and circumstantial information allow.

In the context, if we admit that the risk is the probability of causing a damage (of a certain severity), during the exposure of the system to the action of a risk factor, then we can write that $R = f(G, P)$ where: R-risk, related to the risk factor considered; G-gravity of the most likely consequence resulting from the manifestation of the risk factor considered; P-probability of causing this serious consequence, depending on: a) the frequency of occurrence and duration of the risk factor; b) probability of manifestation of the risk factor; c) the likelihood of avoiding the occurrence of the dangerous consequence or of limiting its severity. As a consequence, the risk can be quantitatively assessed to the extent that gravity and probability are quantifiable (Androne, 2014).

In particular, the existence of risk in the tax system is caused by the presence of the risk factors introduced by the elements that make up the system, namely the tax authority and the tax rate, the taxpayer and the taxable base (Brezeanu, 2010). Therefore, the characterization of the fiscal risk, its assessment and the treatment measures will be in line with at least one of the elements of the matrix of the fiscal risk factors (figure no.1).

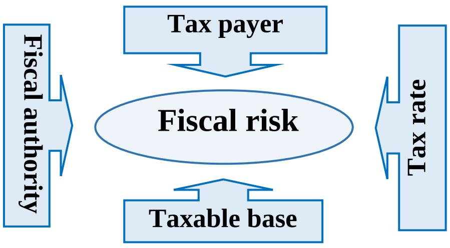

Figure no.1. Matrix of tax risk factors

In practice, among these risk factors, interest those who are linked to the taxpayer, because they represent threats coming from outside the tax administration, depending directly on the volitional subjective factor of the taxable subject. These risk factors are more difficult to treat by the tax institution, compared to the risk factors that constitute vulnerabilities - internal weaknesses - at the institution level, usually treated by internal regulations or/and technical-organizational measures.

III.FISCAL RISK MANAGEMENT

Regarding the fiscal risk, reviewing the normative framework, we note that the Romanian legislator used in the Government Emergency Ordinance no. 8/2014 the phrase *fiscal risk analysis*, stipulating that this is the activity carried out in order to identify the risks of non-declaration of tax receivables, evaluate them, manage them, and use them to select taxpayers to be subject to tax inspection. It should be remembered that this wording is quasi-identical with the definition stipulated in the secondary legislation, namely the Government Decision no. 248/2011, in the case of the selection of the individuals to be subjected to the verification of the personal tax situation. Currently, through the New Tax Procedure Code (Law 207/2015), the legislator redefined the concept of risk analysis as the activity performed by the tax body to identify the risks of non-compliance in relation to the taxpayer's / payer's fulfillment of the obligations provided by the tax legislation, to evaluate, to manage them, and to use them for the purpose of conducting tax administration activities. We note that the legislator subsumes the phrase fiscal risk analysis (which represents a stage of the fiscal risk management process), the main activities of the fiscal risk management process (risk identification, risk assessment, risk management), thus underlining the importance of this stage in the management fiscal risk, as we will show below.

In relation to the field in which it is used, the term *risk management* can have different meanings, but there is a common denominator - the treatment of vulnerabilities that tend to threaten the achievement of the organization's attributions and goals, along with the opportunity to increase the quality of the organization's activities. In the case of tax administration, vulnerabilities are the multiple risks, most of which are subsumed by the phrase *taxpayers' / payers' fiscal indiscipline*, such as: the risk of voluntary non-compliance, the risk of tax evasion or fraud, and the risk of insolvency or bankruptcy, and so forth.

The set of methods, processes and means for identifying, analyzing and treating the risks of tax non-compliance of taxpayers / payers, aiming to reduce the exposure to losses in the fulfillment of the objectives and duties of the tax administration, regarding the collection of taxes and duties to the consolidated state budget, make up the fiscal risk management.

From an institutional perspective, fiscal risk management helps to identify the measures that must be applied as a priority in the collection of budget revenues, in a given political, economic and social context, in order to: a) ensuring equal treatment of taxpayers; b) focusing fiscal control actions on taxpayers at increased risk of voluntary non-compliance; c) adapting and judiciously allocating available human and logistical resources to the hierarchical treatment of identified risks; d) increasing the compliance of taxpayers with the declaration and payment (NAFA, 2017).

Algorithmically, the activities specific to fiscal risk management as a process are presented as a closed loop (figure no. 2), comprising the following steps (Wolfgang, 2007): 1. risks identification; 2. risks analysis; 3. hierarchy and prioritization of risks; 4. treatment of risks; 5. assessment of the situation.

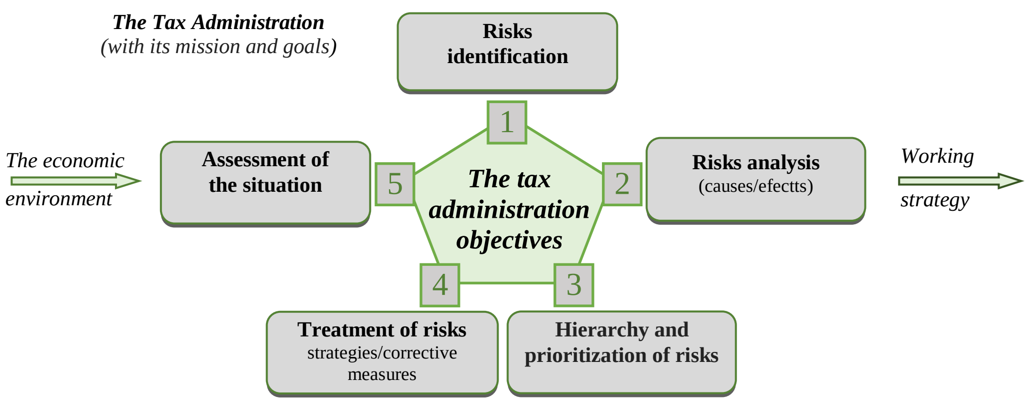

Figure 2. Tax Risk Management - Process Scheme

The fiscal risk management process includes:

- *Risks identification* is the stage where the potential sources of risk (generating risk situations) and the severity of the risks that threaten the administration from the point of view of its objectives are identified. A list of potential risks against the objectives, duties and activities of the tax administration is made. In order to give effect to the action, the operation will take into account the individual relationship between the tax administration and the taxpayer / interest group, from the perspective of the existence of data and clues -

fiscal risk indicators - which signal the presence of risk factors and, implicitly, potential risks. For example, the existence of facts recorded in the tax record for a taxpayer is a fiscal risk indicator, ie an indication of a potential risk factor - the taxpayer's behavior and a possible risk - the non-compliance with the tax obligation.

- *Risks analysis* is the stage where risks are examined for their essential components and traits. The operation involves collecting, understanding the meaning and processing of data from tax administration databases and/or other authorities and partner institutions, from which information, data and indications of risk factors are available in the taxpayer's or interest group's tax situation (for which have been defined in advance: characteristics, specific data sources and specific risk indicators). Important is the information on the likelihood of materialization of the risk, the impact (consequences) on the objectives of the tax administration, if the risks materialize and the calculation of the risk exposure. Are important the informations about the likelihood of materialization of the risk, the impact (consequences) on the objectives of the tax administration, if the risks will be materialize and the calculation of the risk exposure. The quantitative evaluation of the probability of the materialization of the fiscal risk creates the possibility to compare the levels of risk to which the various taxpayers are located, to determine the intervention priorities, ie to analyze the level of risk posed by a taxpayer before and after the implementation of the measures for its treatment. Synthetically, the operational objectives of this step are: a) understanding the identified risks; b) determining the probability of occurrence of the risks; c) estimating the impact on the administration's objectives (low, medium, high, very high); d) highlighting the options for treating identified risks (eg proposing to carry out a fiscal anti-fraud control). Methodologically, the analysis of the fiscal risk involves: a) identification of risk generating situations; b) identification of related risks; c) assessing the partial risk levels for each risk factor by awarding a score reflecting the severity and probability of occurrence of the most serious consequence; d) calculating the overall risk level by summing up the partial scores, followed by comparison with the materiality thresholds for low, medium, high, very high risk. Fiscal risk analysis involves a documentary inquiry into the taxable entity, based on information in the financial administration's databases and public registers (eg the Trade Registry) concerning, for example: a) the form of legal organization, the purpose and duration for which it was set up, the field of activity; b) the date of establishment and the status of the entity; c) data on significant associates / shareholders and administrator; d) data regarding the headquarters, the social capital, the patrimonial assets, the number of employees, the existence of at least an active bank account, the way of organizing the accounting; e) the history of tax compliance from the point of view of fulfilling declaratory obligations and contributing to the consolidated state budget; f) history of compliance of the taxable person's business and legal representatives with applicable law; g) the valuation of the economic activity carried out on the basis of the economic and financial indicators resulting from the annual financial statements submitted; h) the main transactions performed etc. Risk analysis may be punctual, representing the radiography of the economic, financial and fiscal situation of a taxable subject at the time of analysis, or may be strategic, targeting financial information as a process and including the study of the evolution of economic and financial data, (about financial circuits, assets circuits, transactions etc.), as well as accessible non-financial information or determined by analytical methods and numerical modeling, to estimate trends and possible inconsistencies or other elements that may raise suspicions of fiscal unlawfulness.
- *Risks ranking and prioritization* is a stage imposed by the limited nature of resources and the need to establish an optimal response for each identified and estimated risk in previous steps. The result is an orderly list of risks and the proposed treatment to apply to each. Notifications may vary from low (acceptable) risks, which do not require any action, to very high, intolerable risks that require immediate action (eg the proposal to carry out cross-border tax control, ie the verification of taxpayer documents and transactions, in correlation with those owned by others, according to a control plan with objectives set in relation to identified tax risks).
- *Treatment of risks* is the process by which the negative impact of risk on the objectives of the tax administration is eliminated or minimized, in various ways: a) the transfer of risk to other fiscal subjects, for which there are more effective management possibilities; b) reducing the risk by using methods of decreasing the frequency of its manifestation, respectively limiting the extent of the risk in the following period (eg taxpayers' information campaigns on voluntary compliance); c) covering the risk by measures to neutralize the impact of a risk or prevent the emergence of a potential risk (eg the implementation of operative and unexpected fiscal fraud controls as a means of preventing and combating fiscal indiscipline, on areas considered as fiscal risk); d) triggering tax investigations and corrective actions, setting their operational objectives, for treating the risk (eg triggering fiscal inspection and setting its objectives: profit tax, VAT).
- *Assessment of the situation* is used to measure the effects of each stage of the risk management process, being an important indicator of efficiency in addressing each stage of the process. Therefore, the following aspects are checked: a) if the risks have been correctly identified and evaluated; b) if they were properly prioritized; c) if the treatment was correct.

  The information resulting from this step, which qualitative and quantitative quantifies the effects of the activities carried out, is a reverse link type response for tax administration decision-makers.

In Table no.1, we identified a number of risk factors and related tax risks, along with the measures we deem necessary for their treatment, from the perspective of the tax authority.

Table no.1. Examples of fiscal risk and treatment measures

Element of the fiscal sistem	Risk factor	Identified risk	Treatment measures of risk (from the perspective of the fiscal authority)
Fiscal authority	Financial globalization	The diversity of accounting and tax regulations at the national/ community/ global level	Accounting and tax harmonization at the national/ community/ global level
	Movement of capital (eg increase in the number of mergers, acquisitions, relocation of entities)	Difficulty in planning/ collecting/ tax control	Strengthen the institutionalized fiscal planning / collection / control system
	Complexity and frequent changes in tax legislation (eg: Romania ranks 17th out of 94 in the global top of tax and accounting complexity, according to the TMF Group)	Possible difficulties in correctly applying tax rules	Legislative redesign and normative simplification
	Multiple levels of tax and accounting regulation	Possible errors of officials in applying the regulations	Harmonization and normalization of accounting and taxation
	The existence of gaps or inadequacies in tax matters	Non-collection of potential budget revenues. Legal tax evasion	Revision of tax legislation
	Criminal and contravention measures *too soft*	Possible tax evasion and fraud	Revision of criminal and contravention legislation in the tax area
	Internal weaknesses of the tax administration system eg: Insufficient technical, procedural and personnel means for estimating tax risk on taxpayers	Non-performing collection eg: Random tax controls or action of the type *fire fighting*	Internal technical-organizational measures eg: Applying the European model of fiscal risk management
Tax rate	Number and level of tax rates (tax pressure)	Errors of tax subjects in the application of regulations Increases the taxpayer's temptation to evasion and fraud	Legislative redesign and simplification of the tax regulatory framework
Taxpayer	The increasing complexity of the fiscal and accounting regulatory framework	Taxpayer errors in the application of accounting and tax regulations	Legislative redesign and tax and accounting regulatory simplification
	More and more sophisticated reporting requirements	Taxpayer errors in the application of accounting and tax regulations	Legislative redesign and tax and accounting regulatory simplification
	Internal organizational malfunctions eg: lack of competent staff in accounting and tax matters; information flow distorted between accounting structures; lack of an internal control structure, etc	Taxpayer errors in the application of accounting and tax regulations	Improving taxpayer guidance eg: publication of legislative, accounting and fiscal news on the tax authority's website
	Creative accounting policies	Manipulation of financial result / financial statements. Possible evasion or fraud	Control of the correct application of accounting and tax rules
	Lack of fiscal civicism	Non-compliance Evasion and tax fraud	Civic education measures Revision of tax anti-fraud procedures
Taxable base	Hiding or stealing from taxation	Evasion and tax fraud	Strengthening the role of risk analysis in anti-fraud control
	Granting tax regimes of favor	Legal tax evasion	Revision of tax legislation

Source: Own processing

As Table shows, a response strategy identifies the risks according to their type and degree of severity and sets out actions to deal with them on a case-by-case basis. Response strategies may involve changes in responsibilities within the tax system, communication channels (between authorities and taxpayers), tax control purposes, or specifications that affect the final results.

IV.ROLE OF FISCAL ANTI-FRAUD CONTROL IN MANAGEMENT OF FISCAL RISK

Preventing, recognizing and combating tax evasion and frauds are the core tasks of the Fiscal Anti-Fraud General Directorate, a structure without legal personality of the National Agency for Fiscal Administration, remaining after the dissolution of the former Financial Guard (in 2013) the only public institution with legal personality, with control rights in tax and customs matters. This control is strictly regulated: fiscal inspection, customs control, fiscal and customs anti-fraud control (Postolache, 2014).

Generally speaking, control (from the latin *contra rolus*) is a process by which the fact situation is compared at a given moment with the one designed, as well as the correction of significant deviations, if necessary, so that the expected results are finally obtained (Bostan, 2010). The financial control is the legally enforced action to verify the performance of the economic or financial activities already carried out by comparing the factual situation established with the legal normative regulations in order to prevent or detect and remedy deviations from the legal norm. Financial control is a practical application of the financial control function of tax authorities, which uses well-established procedures and techniques and contributes to the efficiency of its own activity but also of the controlled entities (Bostan, 2007a). In this context, a special category of financial control is the fiscal control, which, according to the Tax Procedure Code, includes the activities performed by tax authorities to verify the taxpayer / payer's fulfillment of the legally accounting and tax liabilities. The fiscal anti-fraud control is the fiscal control carried out by the antifraud inspectors (specialized personnel of the Fiscal Anti-fraud General Directorate within the ANAF central structure), in a current regime or according to a predetermined theme, consisting of the factual and documentary verification of the reality and legality of the economic activities carried out or in progress by a taxable subject in order to establish its tax status or to establish, analyze and evaluate a specific tax risk, by drawing up the control documents regarding the results of the verification and the application of the legal measures that are imposed, or, as the case, with the notification of the competent bodies to make use of the findings made (Hlaciuc and Străpuc, 2017).

The purpose of the fiscal anti-fraud control is to prevent, detect and investigate acts and deeds of tax evasion and tax and customs fraud and to establish and sanction contraventions in areas where the legislator has established material competence for antifraud inspectors.

In connection with tax ilicit, it is known that there is no infallible method of fraud prevention, but some prevention techniques have proven to be successful. An example is to carry out operative and unannounced or thematic antifraud controls. The functions of fiscal antifraud control, according to its purpose, are outlined in figure no.3.

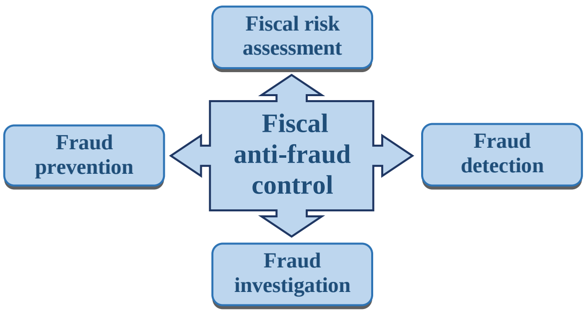

Figure no.3. The functions of fiscal anti-fraud control

Undoubtedly, exhaustive and systematic control of all taxpayers is virtually impossible to support by the tax administration, given the huge volume of material, financial and human resources that it would imply and, of course, the cost of doing so.

Moreover, the hypothesis that the conduct of the parties (the public authority responsible for the administration of taxes and duties and the taxpayer) is based on the principle of good faith in the establishment, exercise and extinction of their rights and obligations, has a corollary, voluntary compliance of the taxpayer in fulfilling the tax obligations, as a rule. Therefore, it is necessary to treat exceptions of non-compliance by the tax authority. Thus, it becomes apparent the need for a prior analysis of fiscal risk, in line with the Tax Procedure Code, for the selection of taxable subjects to be subject to anti-fraud control, as well as for the formulation of control objectives, working hypotheses and optimal control tactics in relation to the identified risk factors, in order to determine the tax implications of identified risks.

In the context, we consider that the preventive function of the fiscal control against fraud implies the treatment as risk indicators that lead to the triggering of control, the circumstances in which the entity: a) has offenses recorded in the fiscal record; b) has no employee; c) has no real or movable assets in the patrimony; d) is in insolvency proceedings; e) is entered in the special register; f) has been declared inactive; g) submitted consecutive declarations with negative VAT reimbursement, without reimbursement option; h) exceeded the legal limit without requiring registration as a VAT payer; i) carried out transactions with inactive taxpayers or suppliers with inadequate fiscal behavior; j) frequently requested the change of the tax vector; k) presents inconsistencies in the transaction statements, in relation to the partners' declarations; l) records outstanding debts, significant in value or historical value; m) systematically records delays / corrections when filing tax returns; n) carries out activity in a field considered to be fiscal risk, etc.

Obviously, the above indicators can be combined with an operative financial analysis, based on the relevant indicators resulting from the accounting information system contained in the financial statements, for a more complete tax risk diagnosis, both from a tax behavior perspective and with regard to the ability of the taxpayer to meet the payment obligations.

V.CONCLUSION

Preventing and combating the phenomenon of tax evasion and fraud, from the perspective of the forms and modalities of manifestation, the causes and effects at micro- and macroeconomic level, is indissolubly linked to the correct management of fiscal risk.

Good tax administration implies the development of a coherent system of fiscal risk analysis, management and treatment at the level of the relevant authority to act as a warning system for risks signaling. Correct identification and ranking of tax risks makes possible to prioritize fiscal control activities (anti-fraud/fiscal inspection), so that human and material resources to be allocated effective and efficient, with beneficial results in increasing the volume of budget collections, in reducing expenditure per monetary unit collected and to form the fiscal civic conscience of the taxpayer / payer on his voluntary compliance.

The success of the fiscal anti-fraud control is directly influenced by the way in which the results of the fiscal risk analysis, with regard to identified risk factors, are reflected in the objectives set for anti-fraud control and in the working hypotheses to be verified and clarified by antifraud inspectors.

The internal legislative redesign, for the elimination of the regulatory gaps, the simplification and the clarification of the regulations applicable to the legal reports of fiscal and accounting law, are a necessary solution for the elimination of the risks related to understanding and correct and convenient application of the law by the tax subjects.

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