

# Current Situation of Local Budget Management of the Province: Case of Hai Duong, Vietnam

**Author Details: Thi Thuy Ha Hoang, MA**

People's Committee of Thanh Ha district, Hai Duong province, Vietnam

## **Abstract:**

*The paper summarizes studies on budget expenditure management, thereby analyzing the situation of local budget revenue and expenditure management in Hai Duong Province, Vietnam. The situation of provincial budget revenues and expenditures is still inadequate, since then the author has proposed recommended solutions to improve the efficiency of local budget management in Hai Duong Province, Vietnam.*

**Keywords:** Budget, local budget management, Hai Duong, Vietnam

## **1. Introduction**

Today, the state budget becomes an extremely important macroeconomic adjustment tool of any State in the world, playing an important role, mainly in mobilizing and distributing resources of the economy to ensure the operation of the State, and at the same time allocate reasonable resources to promote rapid, stable and sustainable economic development, in addition to solving social problems, ensure the fair implementation, directly affect all social activities. It is from that role and in the context that our country is now actively striving to be no less an underdeveloped country to become an industrialized country. With that goal and limited resources for the development of Vietnam, it is very necessary to mobilize all resources and use efficiently, this is the goal of improving the efficiency of State budget management; The state budget is a unified whole, so the requirement to improve the efficiency of state budget management is not only at the national level but also must be implemented by localities. To accomplish that, first of all need to be aware of the theoretical issue of the State budget, gradually renovating appropriate state budget management methods. On November 7, 2001 Vietnam was officially the 150th member of the WTO international organization - a favorable condition for us to receive financial resources from financial institutions in the world, but must manage, use to achieve the highest efficiency, combining closely between promoting internal resources and mobilizing external resources to ensure national finance.

Improve the efficiency of state budget management in order to make the state budget really a tool of the State, use it to perform better, more effectively in mobilizing and allocating resources of the society under the state budget.

## **2. Literature review**

Economic doctoral thesis with the topic "Improving decentralized management of capital construction investment using the budget capital of Hanoi City to 2020", Nguyen Thi Thanh, doctoral thesis of economics, Hanoi 2017.

Achievements: the thesis has focused on researching and explaining the theoretical basis of decentralized construction investment management using state budget, specifically: the thesis has pointed out the content of decentralized head management. capital construction investment capital, including: decentralization in the planning work; decentralization in the planning of capital construction investment; decentralization in the allocation and allocation of capital construction investment plans; decentralization in project preparation, approval, appraisal and decision for project investment; decentralization in the settlement, monitoring, inspection and supervision of investment projects.

The thesis has provided explanations on factors that may affect the results of decentralized construction investment management, including: legal documents affecting the decentralization of capital construction investment management; the impact of regulations on decentralization of state budget capital as well as the

organization and operation mechanism of the State management apparatus, on the process of decentralizing capital construction investment of localities. Based on the research results on decentralization of construction investment management using the state budget, the thesis has shown that the decentralized framework for state budget management as well as legal institutions or legal documents. the law on investment decentralization, which has influenced investment decisions, revenue and expenditure estimates and budget allocations, strongly affecting the decentralized management of capital construction investment using state budget; In addition, the contingent of State officials and employees, as well as the transparency of local authorities, also have a great impact on the investment policies of the locality, which in turn affects the decentralization. capital construction investment, using state budget.

The thesis has proposed four main groups of solutions, including: (1) Completing the decentralized framework for construction investment management, in the overall decentralization of state budget management; (2) Increasing decentralization of revenue sources, spending tasks and regulating the state budget; (3) Strengthen decentralization in the budgeting process and (4) Strengthen staffing, accountability and coordination. Besides, the dissertation also proposed a group of solutions to progress to transparency of the process of decentralization, implementation in accordance with the city's development policy as well as improving the capacity of local governments.

Limitations: The thesis also focuses mainly on the issue of decentralizing capital construction investment capital from the budget of a locality, Hanoi City; The thesis does not have specific solutions for managing capital construction investment capital from the state budget according to the state budget management cycle in a province.

Economic doctoral thesis with the topic "Solutions to enhance management of capital construction investment capital from the state budget at the Ministry of Public Security", Tran Trung Dung, Financial Academy, Hanoi 2017.

The thesis has launched a new perspective on perfecting the mechanism of managing capital construction investment capital from the state budget at the Ministry of Public Security, that is: completing the mechanism of managing capital construction investment capital from the state budget is not only associated with proposing solutions. strengthen management, but also have to evaluate the effectiveness of the management mechanism. The thesis also proposes the impacts of the management mechanism of capital construction investment from the state budget, the efficiency of capital construction investment capital from the state budget at the Ministry of Public Security in stages (decentralization of management; planning, allocation organize the implementation of plans on development investment capital from the state budget and inspect the implementation of plans for development investment capital from the state budget). The thesis has studied the status of the mechanism of managing capital construction investment capital from the state budget at the Ministry of Public Security, showing the remaining limitations related to the management decentralization; planning and allocation; organize the implementation of development investment capital plans from the state budget and inspect the implementation of development investment capital plans from the state budget. The thesis identifies 2 groups of causes with 17 objective and subjective causes, resulting in limitations in the management mechanism of capital construction investment from the state budget at the Ministry of Public Security.

Limitations: Proposing the orientation to improve the management mechanism of capital construction investment from the state budget at the Ministry of Public Security and 12 complete solutions, feasible solutions and suitable with current practice in the Ministry of Public Security. , there is no specific solution for managing capital construction investment capital from the state budget of a province.

Economic doctoral thesis with the topic "Management of capital construction investment capital from the state budget in Vietnam", Nguyen Thi Lan Huong, Financial Academy, Hanoi 2019.

Achievements: The thesis has gathered the theoretical system of management of capital construction investment from the state budget, which has focused on clarifying: the role of managing investment capital from the state budget in ensuring maintenance. the existence and operation of the State apparatus, investment orientation for socio-economic development, macroeconomic stability and assurance of social justice; principles

and contents of management of access capital according to the budget cycle, associated with the implementation stages of investment projects and clearly defining the role of capital construction investment management agencies, with regard to the budget cycle; supplement the theory of capital construction investment capital, public debt overspending; system of criteria for evaluation and management of capital construction investment capital from the state budget. Through the selection of data sources, data and the exploitation of data sources from a new perspective (administrative reform index, public expenditure report and accountability, assessment framework for public investment management), the dissertation has made analytical and rational analysis of the current situation of management of capital construction investment capital from the state budget in Vietnam. In particular, clarifying issues in the planning, planning, disbursement situation, the situation of capital construction outstanding debts, capital advance, transfer and many problems arising in management practices in Vietnam in the period. paragraphs 2011-2017. The thesis has drawn the successes, limitations and causes of limitations in managing capital construction investment capital from the state budget in Vietnam. From these assessments is the basis for the thesis to propose solutions and solve problems. Originating from the objectives, orientations and viewpoints on management of capital construction investment capital from the state budget in Vietnam, the thesis has proposed directions and solutions to enhance the management of capital construction investment capital from the state budget in the context of develop a socialist-oriented market economy, meeting integration requirements in the new situation. The system of 15 solutions has focused on solving cross-cutting issues affecting the stages of the management of capital construction investment capital from the state budget.

Limitations: the dissertation's analyzes focus on the economy, the thesis's solutions can be applied to the management of capital construction investment capital from the state budget in Vietnam and is only macro-oriented, did not mention specifically management of capital construction investment capital from the state budget in a province.

Economic doctoral thesis with the topic "Management of capital construction investment capital for the regional economic union delegations in the North of Vietnam", Vu Truong Quach, Financial Academy, Hanoi 2017.

The thesis has systematized the theory of economic combination with national defense, the concepts, functions and tasks of the National Economic Delegation and the relationship between the National Defense Economic Zone and the National Defense Economic Union. The thesis also presents the investment capital, capital construction investment capital, characteristics, content and method of determining capital construction investment capital of the National Economic Delegation. Management of capital construction investment capital, including the concepts, characteristics and contents of management of capital construction investment capital to the Defense Economic Mission. The thesis also outlines the evaluation criteria and factors affecting the management of capital construction investment capital for the Defense Economic Delegation. The dissertation summarized and analyzed the current status of management of capital construction investment capital for defense economic delegations in Northern Vietnam, pointed out the limitations in capital construction investment management, proposed eight solutions to strengthen and complete the management of capital construction investment capital for the Northern Economic and Defense Delegations.

Doctor of Economic Thesis with the topic "Management of capital construction investment capital in Military Region", Bui Thanh Huyen, Logistics Academy, Hanoi 2018.

The thesis has systematized, analyzed and clarified the theoretical basis for management of capital construction investment capital in the Army. Issues such as: investment capital and management of capital construction investment capital in the Army, especially contents such as: concepts, functions and tasks of the capital construction investment management agency in the Army, content of capital management capital construction investment, evaluation criteria and factors affecting the management of capital construction investment in the military, which were presented by scientific and logical analysis. The thesis has studied the experience of managing capital construction investment capital in a number of countries around the world and a number of units in the Army, at the same time, drawing lessons of reference value, good for the management of investment capital. capital construction investment in Military estimation units. The thesis has presented the

current situation of managing capital construction investment capital in Military Region under MNDP in the period of 2012-2016. From the actual survey, with specific data, the thesis has analyzed, interpreted and assessed the status of management of capital construction investment capital in Military Region under MNDs for the period of 2012-2016.

On the theoretical basis, from the status of managing capital construction investment capital in Military Region under MNDs in the period of 2012-2016, the thesis stated views, orientations and requirements for management of capital construction investment capital in Military Region under the Military Region. The Ministry of Defense until 2020 with a vision to 2030, at the same time, proposed a system of solutions to strengthen the management of capital construction investment capital in the Military Region under the Ministry of Defense.

### **3. Situation of local budget management in Hai Duong, Vietnam**

#### **3.1. Results of revenue management**

According to the 2019 budget revenue and expenditure report of the Department of Finance of Hai Duong Province, in 2018, the total state budget revenue in the province reached over VND 16,290 billion, equaling 112.9% of the estimate assigned by the Central Government and by 112, 1% of the estimate compared with the provincial People's Council, up 10% compared to the implementation in 2017 (Local budget enjoyed: 12,259 billion 332 dong) (Hai Duong Department of Finance, 2019a).

#### **Inside:**

Domestic revenue: Estimated at VND 12,940 billion, equal to 115.2% of the estimate assigned by the Central Government and by 114.2% compared to the estimate assigned by the Provincial People's Council, up 13.4% compared to the implementation in 2017.

#### **Revenue from mobilized contributions: estimated at VND 50 billion.**

Revenue from import and export activities: Estimated at VND 3,300 billion, equal to 103.1% of the yearly estimate, equal to 99.1% compared to that in 2017.

#### **The increase in domestic revenue.**

The increase in domestic revenue in Hai Duong in recent years tends to increase but not much. Specifically, the results of the domestic revenue increase in 2018 are as follows:

Land use fee collection is estimated at VND 2,400 billion (an increase of VND 1,600 billion), reaching 300% of the estimate, equal to 151% compared to the same period last year. The main reason is that the Ecoriver project pays 100 billion VND of land use money into the state budget, and the districts also intensify the auction of residential land and project land, handle double land and sandwich to create sources of investment. infrastructure investment, new rural construction

The land rent is estimated at 350 billion dong (up 100 billion dong), reaching 140% of the estimate. The main reason is due to the collection of land rent debt of Hoang Phuc Company, JSC Star - Chi Linh golf course and the one-time rental of the Ecoriver project.

Revenue from construction lottery is estimated at 40 billion dong (up 10 billion dong) by 120% of the estimate, up 34.5% over the same period last year. The main reason is that Vietnam Lottery One Member Limited Liability Company generated the revenues and paid the budget in the province.

Revenue from central state-owned enterprises was estimated at 1,065 billion dong (up 95 billion dong), equaling 109.8% of the estimate, equaling 106.93% over the same period last year.

Local state-owned enterprises revenue is about 108 billion dong (up by 33 billion dong), 144% of the estimate and 110.6% over the same period last year.

Personal income tax was estimated at 745 billion (up 49 billion) by 107% of the estimate, by 116% compared to the same period last year.

Fees and charges were estimated at 150 billion dong (up 4 billion dong), equaling 102.7% of the estimate, up 3% over the same period last year.

Revenue from registration fee: estimated at VND 493 billion (up VND 83 billion), reaching 120% of the estimate, equal to 134% compared to the same period last year. The main reason is that car manufacturers have reduced car prices, stimulating consumers to buy cars.

Non-agricultural land use tax collection is estimated at 29 billion dong (up 2 billion dong), equaling 107.4% of the estimate and 105.4% over the same period last year.

Collecting fees for granting mining rights was estimated at 41 billion dong (up 15 billion dong), equaling 157.7% of the estimate, equaling 196.6% compared to the same period last year. The main reason was the revenue difference. granting the right of KTKS from July 1, 2017 to December 31, 2017, to be paid in 2018, one additional unit shall pay for granting water right under the license of the Ministry of Natural Resources and Environment.

Other revenues were estimated at 236 billion dong (up 76 billion dong), equaling 147.5% of the estimate, up 6.2% over the same period last year. The main reason is due to changes in budget accounting regulations. All fines for administrative violations shall be accounted into other revenues.

The revenues in the commune were estimated at 27 billion dong (up 2 billion dong), equaling 108% of the estimate.

### **Domestic shortfall**

Non-state enterprises sector was estimated at VND 2,780 billion (VND 220 billion deficit), reaching 92.7% of the estimate; by 92.6% over the same period last year. The main reason is that Hoa Phat Steel Joint Stock Company reduced profits from trading of billets and ores on the international market, increasing the export volume compared to the same period in 2017, increasing the amount of imported steel billets due to stopping repairing the blast furnace.

The collection of environmental protection tax was estimated at 340 billion VND (missing 75 billion VND), reaching 81.9% of the estimate, equaling 95.6% of the same period last year. The main reason is that central budget estimates are higher than actually generated.

Revenue from enterprises with foreign investment reached VND 4,125 billion (VND 175 billion deficit), reaching 95.9% of the estimate, equal to 118.6% compared to the same period last year. The main reason is that the consumption of imported cars of Ford Vietnam Co., Ltd. dropped sharply when implementing Decree 116 of the Government.

According to a report of Hai Duong Tax Department, in the first 3 months of 2019, the budget revenue targets were very encouraging. Accordingly, the results in February 2019, Hai Duong Department of Taxation was estimated at 885.5 billion VND. Accumulated in the first 2 months of the year reached VND 2,708.7 billion,



accounting for 22.5% of the estimate assigned by the General Department of Taxation, reaching 85% of the first quarter's estimate, equal to 131% compared to the same period in 2018. Total revenue minus money using land and lottery, profit divided in February reached VND 782.5 billion, accumulated in two months reached VND 2,209.7 billion, reaching 21% compared to the yearly estimate, 78% of the first quarter estimate, equal to 130%. compared to the same period last year; In particular, there are 8 revenues that are quite high compared to the yearly estimate, namely: Land use fee collection reaches 35% of the yearly estimate; The collection of money from local SOEs reached 24% of the yearly estimate; Revenue from foreign invested enterprises reached 27% of the yearly estimate; Income from PIT reached 20% of the yearly estimate; Registration fee collection is 23% of the yearly estimate; Other revenues reached 21% of the yearly estimate; Collecting fees for granting mineral mining rights reached 104% of the yearly estimate. Accumulated to February 20, 2019, the total provincial budget revenue in February reached 556 billion VND, equaling 63% of the estimated implementation in February.

In 2018, Hai Duong Tax Department continued to take initiative in collecting revenue with the criteria of achieving high results and limiting outstanding debts. In addition, promoting the propagation of new tax policy, amended and supplemented tax laws, directing Sub-departments to train enterprises to finalize corporate and personal income tax in 2018; Continue to upgrade and support application software for the purpose of finalizing corporate income tax and personal income tax in 2018 to ensure maximum conditions for taxpayers. At the same time, to strengthen the review of tax declaration, accounting, to set up and publicize business household information on the Tax Sector website, tax exemption and reduction subjects as prescribed; focus on checking the documents of land rent exemption and reduction as prescribed, coordinate with branches to adjust the land rent unit for cases that are due to be adjusted as prescribed by law.

In addition, Hai Duong Department of Taxation continues to perform other regular tasks such as implementing inspection and examination plans, taking measures to manage tax debt collection under the debt collection and tax enforcement process to complete the targets that the General Department of Taxation has assigned to the unit (Moc Lan, 2019).

However, at present, revenue collection activities from the FDI sector are still low. Although the budget revenue exceeded the plan, the foreign direct investment (FDI) sector contributed greatly in the proportion of the local budget in the previous years, reaching 71.4% in 2017, resulting in a loss of 1,431 billions dong. In addition, revenues from central state-owned enterprises in the province reached 93% of the yearly estimate; registration fee collection is 83.2% of the yearly estimate. Domestic revenue increased by VND 330 billion, 213 million compared to the estimate mainly from land use fees of the district and commune budgets (an increase of VND 778 billion, 389 million). Meanwhile, the provincial budget lacks about 447 billion dong. The reason is that the complicated movements of the automobile market have greatly affected revenue sources, as the tax revenue structure of foreign-invested enterprises accounts for a very large proportion of the total provincial budget revenue. Some outstanding tax debts that lasted for many years have not been fully dealt with. The control of transfer pricing activities and the declaration of increasing losses of FDI enterprises still face many difficulties. Small and medium enterprises, local enterprises are still facing difficulties.

### ***3.2. Results of budget expenditure management***

According to the 2019 revenue and expenditure report of the Department of Finance of Hai Duong Province, in 2018, the total local budget expenditure in 2018 was estimated at: 16,885 billion VND 359 million, reaching 155% of the yearly estimate, mainly due to increased spending. target program The central budget is supplemented, the funding is transferred from 2017 and the source of increasing land use fee, regular revenue in 2018 provincial and district budgets (Hai Duong Finance Department, 2019b).

The proportion of development investment to recurrent budget spending is low. The debt of construction investment is large, lasting for many years, especially at the district and commune levels. Funding for transfers is increasing. The implementation of the Government's Decree No. 16/2015 / ND-CP on the autonomy

mechanism of public non-business units is still very slow. Some projects have been allocated land many years ago but are still in an abandoned state. The acceptance and settlement of urban business projects is still very slow, leading to difficulties in handing over management and delayed submission of revenue to the budget. To achieve and exceed the revenue collection plan in 2018, the Economic and Budget Board of the Provincial People's Council proposed the provincial People's Committee to proactively and promptly remove difficulties for businesses to develop production and business. Strengthen the management of state budget revenue, drastically right from the beginning of the year, ensuring correct, full and timely collection. Strengthen inspection and examination of tax declaration, payment, project transfer activities and transfer pricing. Drastically in collecting land use levies of projects with outstanding debts; acceptance and settlement of urban business projects. Effectively implement projects to combat revenue loss in all areas: taxes, fees, land rents, royalties, and mineral exploitation.

In managing the 2018 budget, it is necessary to proactively and promptly remove agencies and units affected by the reduction of budget spending and spending on repair and repair that last for many consecutive years. There is a plan for allocation of capital construction investment capital suitable to the actual situation of revenue sources into the budget and a plan to cope in case of budget deficit. Review, evaluate and effectively use off-budget financial funds, revenue sources managed through the budget; profit sharing amounts.

Improve the efficiency of state budget use, gradually reduce the amount of money and budget spending tasks that must be carried over to the next year. Restructuring spending tasks towards streamlining staff and reducing state budget spending. Formulate plans and plans to implement the contracting norms for the use of public properties.

**Expenditure on development investment:**

Development investment expenditure was estimated at 4,539 billion Dong, as 307% of the yearly estimate. The reason for the increase in spending of all levels of budget is due to transfer of the advance balance to transfer funds to actual payment is VND 112 billion, the balance of capital construction investment estimates of the budget levels and the expenditures from the increase in land levy collection, the projected balance. payment of capital construction investment of various levels of state budget and expenditures from land use levy increase in 2017 for investment in switching sources of VND 731.4 billion, from sources of land use levy increase in 2018 at district and commune levels : VND 1,600 billion; from the 2018 regular revenue increase of 3 levels of budget for expected investment: VND 123 billion, VND 50 billion from mobilization and VND 63 billion from the state treasury loan for the North-South axis project. , road 62m 200 billion.

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Recurrent expenditure was estimated at 10,137 billion Dong, as 120% of the estimate. The reason for the increase in spending was mainly due to the increase in salary according to the Government's Decree No. 72/2018 / ND-CP of 156.2 billion and the spending tasks of transition units from 2017 to. The reason for the increase in spending is mainly due to the increase in salary according to the Government's Decree No. 72/2018 / ND-CP of VND 156.2 billion and the spending tasks of transition units from 2017 to ( Hai Duong web portal, 2019).

In addition to making recurrent expenditures according to estimates with the principle of ensuring funding for spending tasks related to the human regime, ensuring social security policies; In 2018, the local budget actively spent resources to solve arising tasks. Some expenses were estimated to be higher than the estimates:

Agriculture and forestry non-business expenditure: estimated at VND 253 billion, equal to 139% of the estimate due to the increase in the salary budget of the Decree 72/2018 / ND-CP of VND 916 million, the source of transfer capital in 2017 to 38.6 billion VND, in addition, there was an expense to buy toxic chemicals in the year to prevent the risk of infection of African cholera epidemic in Hai Duong province with 1,287 billion VND; KP KP KL KL 02 works to solve the problem of sewer Ha Ky - Ninh Giang and Ngoc Trai - Tu Ky sewer 3,758 billion; funding from the district and commune budgets for prevention of diseases such as yellow rice disease and black-striped dwarf disease. VND 12 billion.

Expenditure for social assurance: estimated at VND 972 billion, equal to 146.2% of the estimate, increasing spending due to the increase of salary increase funding under Decree 72/2018 / ND-CP of VND 1.8 billion, The fund to ensure social transfer from 2017 to VND 259.5 billion.

Administrative management expenses: estimated at VND 1,806 billion, equal to 115% of the estimate, increasing spending due to the addition of salary difference under Decree 72/2018 / ND-CP of VND 38.1 billion; funding for autonomy tasks is allowed to be carried over to the next year and some tasks arise in the year.

Expenditure for education and training: estimated at VND 4,041 billion, equal to 115% of the estimated increase in spending mainly due to the increase in salary according to Decree 72/2018 / ND-CP of VND 92.9 billion and funding allowed to transfer the source in 2017 to 2018 of units of the education and training sector at three levels with a budget of VND 115 billion.

Health non-business expenditure: estimated at VND 1,385 billion, equal to 141% of the estimate mainly due to the increase in salary under Decree 72/2018 / ND-CP of VND 17.2 billion, Funds from savings According to Joint Circular No. 37/2015 / TTLT BYT –BTC in 2017 transferring sources to 2018 is VND 219 billion; Funds for procurement of medical equipment, funds for hospital wastewater treatment by the Department of Health: VND 105 billion to transfer funds from 2017 to 2018 and autonomy funds of units under the Department of Health to carry over to 2017. regulations: 12 billion.

#### **Interest payment:**

VND 3,466 billion, including interest paid by the Provincial Development Investment Fund to the communes to invest in infrastructure construction (for 18 communes registered to reach the new countryside in 2014, 2015) is 3,046 billion dong, paying interest on the state treasury loan for implementing North-South axis project, road 62m: 0.42 billion dong

Additional expenditure of financial reserve fund: VND 1 billion 230 million, reaching 100% of the estimate.

The central target programs are balanced through the local budget: VND 708 billion, reaching 113% of the yearly estimate. Mainly increasing spending is targeted by central budget supplementation and implementing new policies arising in 2018.

#### **4. Discuss the research results**

##### About budget revenue management

Based on the annual budget revenue estimate approved by the People's Council of Hai Duong province, the Tax and Customs authorities have implemented and coordinated closely with local branches and branches, and at the same time implemented professional measures. In order to implement the assigned tax collection and budget revenue targets, the agencies have renewed the organization and implementation methods such as strengthening propaganda and support on the main legislation. tax policies to relevant entities and units, step by step managing relatively closely the arising of subjects and sales, especially in close coordination with local authorities in the localities. in tax collection management. In Hai Duong province, local authorities and tax authorities have focused on creating information channels for subjects and businesses, organizing collection mandate for small amounts in communes, wards and towns. , there is a certain interest in organizational measures against revenue loss.



Thanks to a fairly reasonable policy mechanism to attract investment, Hai Duong province has made a large income from taxes and land use fees. In addition, the revenue from foreign-invested enterprises accounted for the highest proportion compared to the revenue of other businesses reaching 3,569.9 billion in 2017 and increased to over 4,125 billion in 2018 (Hai Phong Finance Department). Duong, 2018, 2019b). This result also shows that foreign investors are currently interested in investing in Hai Duong province, and the province is also trying to step up the production process, making a significant contribution. include the total budget revenue of the province.

The second largest source of local state revenue and also the province's annual increase in domestic revenue is the revenue from land use fees. The results of the Hai Duong Department of Finance's annual report showed that the revenue from land use in 2017 reached 1,260 billion, up 610 billion compared to 2016. Moreover, the revenue from this source also increased to 2,400 billion in 2018 (an increase of VND 1,140 billion compared to 2017). In order to achieve this result, the province has directed measures to prevent budget loss and the districts also auction residential land and project land, handle redundant and stuck land to create investment sources for construction. basic infrastructure construction, new rural construction (Hai Duong Department of Finance, 2017, 2018).

Regarding the management of state budget spending estimates

The estimation of state budget expenditures for state budget beneficiary units in Hai Duong province shall comply with the 2002 Budget Law, the Government's Decree 60 of June 6, 2003, and Circular No. 59 of June 23 / 2003 guides the implementation of Decree 60 stipulating that recurrent expenditures must be made according to a process from the basis, on the basis of the intended expenditure according to the budget index and management regulations. finance in budget beneficiary agencies, namely: Decree 130/2005 / ND-CP dated October 17, 2005 of the Government stipulating the regime of autonomy, self-responsibility for the use of payroll and administrative management funding for state agencies and Decree No. 43/2006 / ND-CP of April 25, 2006, providing for autonomy and self-responsibility for task performance and organization b Engine, payroll and finance for public non-business units. The work of making State budget expenditure estimates for project investors in Hai Duong province shall comply with the provisions of the State Budget Law and the provisions of the Provincial People's Committee's Decision No. 14/2011 / QD-UBND of May 11, 2011. on the issuance of principles, criteria and norms for allocating investment capital for state budget development in Hai Duong province in the period of 2011-2015; Directive No. 1792 / CT-TTg of October 15, 2011 on strengthening the management of investment from state budget capital and government bond capital, Directive No. 27 / CT-TTg of December 27, 2013, on strengthen and accelerate the settlement of investment capital for projects completed using the State capital.

Regarding the management and execution of the State budget expenditure estimates

Compliance with the expenditure estimates during this period in Hai Duong is managed according to the budget cycle or the annual budget plan. Including stages: Allocating expenses; Control recurrent spending; Adjustment of expenditure estimates (if any).

Up to now, reviewing the implementation of autonomy and self-responsibility regime under Decree No. 130 and 43 in Hai Duong province shows that: the administrative agencies assigned autonomy are 181/181 units. , of which, 72 units at provincial level and 109 units at district level; Public non-business units were granted with autonomy of 250/632 units, of which the provincial level reached 191/197 units, accounting for 97%, the district level had assigned 59 units.

Units implementing the autonomy have implemented measures to practice thrift and combat wastefulness in the use of funds, management and use of assets such as: Promulgating the Regulation on internal spending; Regulation on management and use of properties and cars. Since then, it has saved money, increased income for officials and public employees.

Regarding the settlement of State budget spending

The settlement of state budget at all levels in Hai Duong province has been strengthened; State budget revenues and expenditures are reflected in the budget through the State Treasury. The annual general budget statement of Hai Duong province is approved by the provincial People's Council, ensuring the time and quality in accordance

with the State Budget Law.

However, through the budget settlement, it shows an inadequate problem that the actual annual budget expenditure is always different from the estimate at the beginning of the year.

Regarding inspection and inspection of local state budget spending

Annually, financial agencies regularly conduct thematic examinations in service of the management and advising of budget administration. In addition, the financial inspectorate shall assume the prime responsibility or coordinate with the provincial Inspectorate in inspecting the situation of budget revenue and expenditure management at budget-using units and budget levels. The PPC has also signed a cooperation agreement with the State Audit to annually audit the state budget expenditure in the province. According to the regulations, the audit will be carried out every 2 years, the management of the spending and use of State budget of money and assets, and the annual audit of special subjects will be conducted according to the proposal of the province or under the general theme of national audit.

## 5. Conclusion

The provincial budget is a budget level that plays a role in the state budget system. The organization and management of local budgets (local state budget) at the provincial level contribute to promoting economic growth, solving urgent problems of society in the provinces and cities under their control. Strengthening the state budget management is an essential task in order to improve the efficiency of the use of state budget capital, creating confidence for people in the cause of national renewal. Therefore, the author recommends the following recommendations for Hai Duong province to improve budget management efficiency:

Further improve the quality of the budgeting work, assign it to the budget revenue and expenditure plan. Specifically: Overcoming the allocation of administrative funding per capita, regardless of the characteristics of the unit; Must ensure the promotion of the district's initiative to ensure the science and practice of the budget estimates in order to have a reasonable balanced subsidy; Assigning budget targets at the latest in December every year.

- Further accelerate the decentralization of budget revenues and expenditures for districts, cities and towns, especially capital construction investments in the locality. According to Article 34 of the State Budget Law, there is a mandate of spending on capital construction of district budgets "there must be investment in construction of national high schools at all levels, public welfare works, cinemas. In the morning, water supply and drainage, urban transport are under the spending task of the provincial budget." Therefore, in the coming time, it is necessary to supplement the task of spending on building urban technical infrastructures such as public lighting, water supply and drainage works. for district budget.

- Invest in technology and information facilities to bring science and technology applications into proper budget management, creating a quick, uniform consistency in revenue and expenditure data among industries. Finance - Treasury - Tax meets the requirements of the competent authorities as well as serve the budget balance in the district.

- The province needs to strengthen the guidance and periodic professional inspection of policies and regimes for officials in charge of financial management in districts and townships.

- The issue of improving the efficiency of district budget management needs more research at the doctoral thesis level to solve the problem more thoroughly to contribute to the socio-economic development of Thanh Son district, Phu Tho province. in the right direction set by the province and the district.

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