

THE PROPOSAL OF THE PLANNING SYSTEM OF THE CUSTOMS SECTION OF THE FINANCIAL REPORT PERFORMANCE AT THE KOŠICE AIRPORT

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This graduation theses deals with the financial report, Section customs and customs, which falls in terms of their complexity as very difficult because it has a direct continuity with European Union legislation. The thesis is focused on the analysis activities related to tax administration, including the European Union legislation related to this issue. Be remitted to the Customs Office of the Slovak Republic, Košice airport, and propose improvements to the functioning and more efficient use of labor and employment fund

K e y w o r d s: law, duty, financial account, effectiveness, statistical data

INTRODUCTION

Nowadays, the Financial Report of the Slovak Republic and its components, the Tax and Customs Section, is one of the solid pillars of the functioning of the national economy by ensuring the selection and management of the resources that are necessary for further redistribution through the state budget to the government and subsidized organizations.

The topic of the thesis "The Proposal of the Planning System of the Customs Section of the Financial Report Performance at the Košice airport", describes the entire legislative framework of the customs administration, from its historical development to the present. It is based on the customs legislation of the European Union and international conventions leading to the national level. The core part of the thesis is the description of the customs procedure at the Košice airport, which has its own specific features, while running various specific tasks. In the thesis, we also refer to statistics, which give a concrete picture of the load and performance of the employees.

I propose a number of actions that would contribute to the more effective functioning of this workplace, based on available data and my personal experience of working at this workplace.

The reason for working on this thesis topic was to provide the basic information and new insight into the functioning of one of the many components that contribute to the smooth running of such complicated complex, as the international civil airport in Košice is.

I used various available sources, but also internal information of the Customs Section of this branch, and last but not least, my own personal experience, because I was a member of this airport's workplace for some time.

1 THE KOŠICE AIRPORT

The basics of the Košice airport were created on a military base. The airport was used for military, personal purposes and sportsmen air transport for a long time. Currently, the Košice airport is an international civil airport, and it is the second largest airport in Slovakia in the number of transported passengers and regular lines.

The operator of the airport is the Airport Košice Inc. Company, located in the district of Košice, called Barca, about 6 km south from the city centre, at an altitude of 230 meters above the sea level. Currently the airport operates three scheduled flights and some charter flights. (Fig. 1)

1.1 The history of the airport

The history of Košice airport or better said, of the flying in Košice, is more than one hundred years old. Its beginning dates back to the 14th june of 1906, when the inhabitants of the Eastern Slovak metropolis could see for the first, how a balloon filled with gas is rising to the sky. The first air-show was hold in Krásna nad Hornádom, which nowadays is part of Košice, in the year 1910. Three airplanes were presented. The first military airport was established ten years later, in the year 1920, which was situated between today's Južná trieda and the railway line. Later, it served also for civil aircrafts. A milestone for the Košice airport, respectively the air transport of Košice, is May 5, 1924, when the Czechoslovak State Airlines (CSA) introduced the airline from today's capital of Slovakia, Bratislava to our Eastern Slovak metropolis. A great air-show was made at the Košice airport in the year 1925. The air connection with Košice was renewed in the year 1946, after the Second World War, when airline Sliač- Košice-Bratislava-Brno – Prague was introduced. The old airport was not suitable anymore for modern and especially larger and faster aircrafts, so the construction of a new airport started. It started in the district of Barca, in the year 1950 and this airport is used until today. The new runway of the length of 2,000 meters, taxiways and the apron of the airport started to operate three years later. The direct airline from Prague to Košice and back was introduced in the year 1955. In The Military College was moved to Košice in the year 1959, so the airport was used for military and also civilian purpose. The runway was extended by an additional 1,100 meters in the years 1974-1977, because of the number and size of the aircrafts. Another great reconstruction of the runways and the apron of the airport was carried out in the years 1992-1993. The construction of the new terminal started in the year 2001, it was opened in the year 2004 and it was honored as a Building

of the Year 2005 in the year 2005. The trading company Airport Košice, Inc., was established in the year 2004, the strategic partner entered the company in the year 2006. The airport apron was extended, which increased the number of stands in the year 2007.

2 THE HISTORY OF THE CUSTOMS DUTY

The way the social structure was changing, also the customs legislation and the character of duty was changing over the years. Duty was evolved in the times when the money was created, when the mankind was situated at the certain level of social development. It was created at the time, when states were created, respectively the formations which preceded the states. The first customs' fees can be seen in antiquity, for example, they collected a fee for passing persons or imported goods in ports. They also collected a similar fee, fee for road use, the so called toll.

The history of the duties at the territory of today's Slovakia, dates back to the period of the Great Moravian Empire, when already the customs procedure existed. This procedure was dedicated to the recovery process of the fees for the traders, who entered the territory of Great Moravia. These traders paid duty in cash or in kind. The so called thirtieth system was created when the Hungarian Kingdom was founded. Thirtieth was actually a payment for import or export of goods, which we can consider as a today's duty. Later, this became an obstacle for the development of production and therefore the first agreement on the exemption from those taxes was created, which means customs-free. The first duty stations are established to increase income from the collection of customs duties and there is a centrally managed customs administration, its highest authority in those times, was the Spiš Chamber in Košice. The role of this chamber was to manage the duties, taxes, finances and to provide the income to the state budget. The building of the fortifications was also its task.

3 THE CUSTOMS SECTION OF THE FINANCIAL REPORT

The Financial Report has certain specific features in comparison with other public bodies. They are affected mainly by structure and density of industry and industrial areas in our country. This structure requires certain administrative organization, which means that in determining the territorial districts and stations of customs office, specifics such as proximity to the border crossings, airports, or even transshipments are taken into account. Based on these facts, there could be several branches and stations of customs offices in one district and vice versa, there is not any branch in another district. The role of financial management section is not only to collect customs duties on imported goods, but also fight effectively against the economic crime, illegal trade; mainly drug trafficking under the Customs Act and also to

prevent offenses committed by the violation of customs regulations.

The Customs Section of the Financial Report also provides public policy and implements enforcement procedures. The Slovak Republic also has to perform various tasks set out by the European Commission, after its accession to the European Union. They are represented mainly by matters relating to national security, as well as the fight against economic crime.

Customs legislation empowers employees of financial management of the customs section to ensure and search persons, goods, documents and business records, investigate and interrogate suspected persons.

A complex base is formed, which provides power to carry out the inspection of persons, goods, documents and vehicles at the border, as well as in the interior. Financial Report builds and produces intelligence information systems for this purpose. One of the requirements of the European Commission is to create an efficient customs administration, to be able to clarify and document the cases related to criminal offenses. Therefore, it is important to improve constantly the surveillance and search equipment, together with radio and telecommunications equipment.

4 THE STATISTICAL OF LOAD FACTORS

To make at least an approximate estimate of the load of the TACs Košice Airport employees, it was necessary to provide and process the statistics of the load of the workplace for the months of the year. I chose an already completed year, so the statistics of the year 2013, for better orientation. Because of the fact that it was necessary to take into account the number of processes carried out and therefore the number of factors that influence these statistics, I decided to present only a few of them. The table summarizing the total annual load is the appendix of my thesis. As we have already mentioned above, INTRASTAT SK is a system of statistical surveys, which allows collecting, processing and providing data of the trade with goods among the EU Member States. In Slovakia, it means a statistical survey on arrivals (Fig. 7) and (Fig. 8) dispatches made between the Slovak Republic and the Member States.

This survey replaced the monitoring of mentioned exchange of goods through the customs statistics. Instead of the term "import" the term "receipt" is used, respectively „export“ is replaced by „sending“.

We have already mentioned how necessary it is to fill SADs - Single Administrative Documents through which the customs duty measures the duty and VAT charged on the importation of goods from the countries outside the European Union.

The amount of processed SAD during the reporting period is processed in the graphs (Fig. 9) (Fig. 10), which show that December is the busiest month in the case of imported goods, for obvious reasons, because of the

Christmas holidays. On the contrary, in the case of exported goods, the busiest period is the summer period and the summer months of June, July and August.

5 SURVEYS

I did a small research among my colleagues of the Customs Section of Košice Airport. It was research of their work load and work performance, the research was formed by a few simple questions with clearly established answers.

I gave the written questionnaire to the employees of the Customs Office in February 2014.

I gained the survey sample by self-selecting of respondents; the questionnaire was completed by 20 respondents. 16 (80%) of the respondents were men and 4 (20%) women. Most respondents 75% were from 30 to 40 years old.

Subsequent evaluation of the survey was done. It was found that the staff of the different branches of the Customs Office would usually have no problem with transgression or transfer to another branch if the same or more favorable working conditions would be offered to them. However, majority of employees are satisfied with their working position, according to the research survey.

6 THE FUNCTIONING PROPOSAL

Because of the mentioned load of employees of the Branch of Customs Office Košice Airport and the conditions of functioning of four workplaces, working close each other, the branch of the Customs Office Košice - Haniska would run under three departments, one main and two extended. These would be:

Department Haniska, located in Campus transshipment Haniska (at the site of INTERPORT SERVIS s.r.o.), would be a main workplace and it would be the continuous operation to clear all kinds of goods, except textile and footwear.

Another workplace would be the workplace ŽST - ŠRT located in railway station Haniska - wide gauge railway, which would function respectively it is used as a department for clear the goods by wide gauge railway. Four customs officers (one on each shift) perform duties in a continuous operation here. At the time of leave, sick leave, respectively other important personal obstacles the employees from the workplace Haniska will go there to maintain functioning of the workplace.

The third one would be the workplace Šaca, located in Železiarská street no. 49 in Košice Šaca. The employees would work here in daily 12-hour work shift in the time from 07.00 a.m. to 07.00 p.m. from Monday to Friday, which means 5 days a week. Four customs officers, two of them in the 5th salary grade, would work in each work shift; their task would be layoffs goods and the issuance of a decision in customs procedure. The other two customs officers of 3th salary grade would be assigned to the application of customs controls.

It would be necessary to enhance the workplace branch Košice – Haniska by minimum seven customs officers in order to ensure the performance of services in this mode. There is an indoor space to carry out physical checks of goods in the case of bad weather in this facility, but now it is used for parking the mobile scanning device. Regarding the workplace Šaca, it would be necessary from the original premises of the branch Customs office Košice Šaca maintain rented hall (ground floor) and 1 x dressing room for the customs officers and 1 x storage room for supplies (1st floor), or even secured goods or samples.

Customs office Košice could use its own staff resources for this purpose, for example by abolishing the fourth workplace, thus the branch Customs Office Košice Airport and its incorporating under the Customs Office Košice - Haniska that would, if necessary, in the case of arrival or departure of passengers from and to third countries, secure personal service at Airport Košice by sending the customs officer to the concrete arrival or departure, ones during the 12 hours shift. Goods of commercial and non-commercial character transported by air transport would be cleared in the Branch of Customs Office of Košice - Haniska.

Four posts of shift managers, one post of deputy branch manager, one post of brand manager would be abolished in this way, but the function of the three branch would be maintain, the service performance would be enhanced at workplace of the Branch of Customs Office Haniska and the Branch of Customs Office Airport Košice would be canceled. The considerable financial outlay could be saved and the proper performance of services would be maintained.

Another option to ensure staff resources would be to transfer some customs officers of the Branch Customs Office of Prešov to the Branch Customs Office of Košice - Haniska due to decreased workload of Branch Customs Office Prešov recently. These two options could be combined too, if the performance of Branch of Customs Office Košice - Haniska would be insufficient to ensure all actions of customs supervision.

CONCLUSION

Diploma thesis has showed us the functioning of the financial sector, in particular the functioning of the Customs section of the Financial Report. We have clarified and approached the guidelines and laws related to the operation of customs administration, rights, obligations, as well as opportunities to its staff of the Branch of Customs Office Košice Airport.

Base period for processing of statistical data was the year 2013. Based on statistics for the year 2013 and the questionnaire survey, which I did among the workers of the branch, I have tried to develop a visualization of the functioning of the financial administration of the customs at Airport Košice, respectively its affiliates under the Branch of Customs Office Košice - Haniska, which would achieve more efficient use of the workforce, as well as

use of the financial administration of the customs section devoted to the operation of this department.

I also tried to highlight the work of employees of the Customs Office and point out several aspects associated with their performance. I approached the procedures and rules which they have to respect, and even a mode of operation of the Branch Office of Košice Airport. Already mentioned performance of work must be performed well and at high level. It is necessary to mention regular refresher courses related to regular changes in legislation as well as new laws which change or supplement the customs officer's job performance, which every worker of the branch have to know how to apply them correctly in practice.

I would like to offer the given vision also as a possibility in practice, but there would be necessary to take into account several aspects whether employee attendance, size and accessibility of storage and trip space or even having transshipment of goods or changes of planning of shifts and working time of the staff referred branches of Customs Office.

I was working about five years at the Branch of Customs Office of Košice Airport, where I had the opportunity to get whether theoretical or practical knowledge of the operation of this branch and also of the different branches of customs section. The running of the Branch Košice Airport I know because I am still working in the financial administration of customs section. Realizing this vision, thus canceling of the Branch of Customs Office Košice Airport, respectively including it under the Branch Košice Haniska not only the money would be saved but also the performance of the customs officers of the Branch of Customs Office Košice Haniska, because this branch shows higher load of performance.

Nowadays, the need to reduce the government deficit is substantial. Each saving of budget expenditure is important and my vision would help in appropriate way how to reduce the expenditure of this budget, whether taking out the supplements for managing and leading of the four leading shifts, one branch manager and one deputy of branch manager or streamlining activities of service customs, which may contribute to the need to reduce the workforce and thereby reducing expenditure on staff salaries of financial administration.

The lines of communication within the various departments would be improve by realization of this vision because by merging of these two branches there will be only one manager, who would have better conditions to coordinate and manage of all necessary processes. The substitutability of individual workers in the case of leave, sick leave, recuperation stays, training courses and other personnel shortfalls associated with the performance of duties would improve.

This proposal meets the goal of my thesis, thus improving the economic, personnel and communication conditions for working and managing of the Branch of the Customs Office Kosice.

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