Assessment of the Vulnerability of the Expediture Accounting in the National Statistical System in View of the Internal Audit

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Abstract: By means of the expenditure accounting specific for the national statistical sector can be quantified the efforts made towards the implementation of strategic objectives, general and specific objectives related to the activities carried out by relevant public entities that collect, centralize, aggregate, analyze and process economic, financial, social information and so on. The assessment made by the internal audit on the accounting of expenditure specific to the national statistical sector adds value to this complex activity, which is particularly important for a public entity management. Following the identification and assessment of the accounting vulnerability in the national statistical system in terms of internal audit, the hypothesis is validated according to which the internal audit activity contributes to the identification of strengths and weaknesses of the accounting of this system.

Keywords: vulnerability; book-keeping; internal audit; expenses; national statistical system

JEL Classification: M42

1. Foreword

The objective of the survey relays in the analysis of the results following the internal audit assessment of the accounts for expenditure, placing the assessed sector in a given system, namely the 2015-2019 period and the evaluation of strengths and weaknesses of the cost-accounts. In this regard, the coresponding information for the period 2015-2019 was analysed, processed and elaborated, according to the annual reports for the internal public audit activity, carried out by the central management of the National Statistical Institute and the regional and county offices, annual activity reports of the National Statistical Institute, INS revenue and expenditure budgets, approved for the surveyed period, INS accounts for the implementation of the budget, also from the Annual National Statistical Programes.

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Following the restatement and reclassification of the malfunctions determined in the internal audit in the specific accounting of the national statistical system, a structure has been determined for the identification of strengths and weaknesses.

In fact, the malfunctions identified as a result of the internal audit missions of compliance / regularity carried out in the 2015-2019 period, having the general objective of evaluating the accounting activity of the National Statistical Institute, constitute weaknesses of this activity. The assessment of the weaknesses of the accounting in the field of the national statistics was carried out by correlation with the assessment of its strengths.

In the incidence in which an auditable objective / object registered in a certain period a certain failure during the usual development of the activities specific to the national statistical sector, this malfunction has been evaluated in the context of global activities and not individually because the entity operates in a given system. As a result, in this chapter scientific research has addressed the issue of strengths and weaknesses of the accounting of the national statistical system in terms of the results of internal audit work.

2. Literature Review

Starting with 2003, the concept of internal audit was defined in a sense agreed by the international environment of internal auditors, later establishing the complementarity between internal audit and internal control, as well as the organization, role and added value that the internal audit must bring to the audited entities.

In Romania, internal audit first appeared in public sector entities and was recommended to private sector entities (Ghiţă M., 2004), unlike the international situation where internal audit first appeared in multinational entities and then it was transferred to the national ones and adopted by the administration.

In our country, specialists uphold explanations regarding the internal audit practices and procedures necessary to achieve the purpose of the entity (Dobroţeanu L., Dobroţeanu L. C., 2002).

Authors such as Morariu and Stoian (…….) and Sabău and Nagy (…..) analyzed the importance of internal audit missions and their role in increasing economic performance.

Under Law no. 672/2002 regarding the internal public audit, the public entities were required to organize their internal audit activity. Thus, in Romania all these aspects were regulated and an adequate normative framework was implemented, accepted by the European Commission and harmonized with similar systems in the candidate countries.

Law no. 672/2002 on internal public audit, republished in 2011, regulated the internal audit of public entities regarding the formation and use of public funds and the administration of public assets, as a functionally independent and objective activity.

The law includes the following categories of public entities: public authority, public institution, self administrated, national company / undertaking, enterprise where the state or an administrative-territorial unit is the majority shareholder and which has legal personality.

In Romania, the internal audit has been implemented in the public sector since 1999, at the recommendation of the European Commission, as an element of harmonization with the acquis communautaire, in the sight of joining the European Union.

Under Law no. 672/2002 regarding the internal public audit, the public entities were obliged to organize their internal audit activity. Thus, in Romania all these aspects were regulated and an adequate normative framework was implemented, accepted by the European Commission and harmonized with similar systems in the candidate countries.

3. Research Methodology

The study has a positivist approach and to the same extent a constructivist approach that led to the capture of the social and economic phenomenon, specific to the national statistical sector in terms of evaluation by internal audit.

The present scientific research approaches the topic in the positivist-constructivist spirit, which means that the researcher, based on evidence from the practical reality, captures the phenomenon and analyzes it with the help of experience.

The innovative character of the present research results from the fact that in the relevant literature related to the researched field there is no information specific to the national statistical system, as well as from the fact that such a topic contributes to improving, alleviation of public expenditure accounting in the national statistical system, in terms of evaluation by internal audit and implementation of recommendations made by auditors, at the level of relevant public entities that collect, centralize, aggregate, analyze and interpret economic, financial, social information.

The methodology applied in the present study is characterized by the combination of deductive-inductive research methods (data interpretation method: comparative and interpretive), mainly inductive (data collection methods, information processing and data interpretation). Prevailing used research methods are:

- the evaluation grid method for assessing the strengths and weaknesses of expenditure accounting by determining an annual overall score;

- the profiles methodology to establish the "profile" of the activity of the national statistical system in terms of its reflection in the accounting of expenditure.

4. Assessment Grid Method - Tool for Assessing the Vulnerability of Accounting in the National Statistical System

The evaluation grid method, as presented in the literature, involves identification of evaluation criteria, assigning a rate to each criterion (s) and establishing significance coefficients assigned to each criterion (gi), depending on the specific activity to be evaluated.

Based on this methodology, a score was calculated, denoted Si, where "1" represents the year that is the object of the analysis. The formula for calculating the score, used to assess strengths and weaknesses was:

$S_i = \sum g_i \times n_i$
where: S_i = Score for the year i; i = 2015-2019;
g_i = Significance coefficient for the year i;
n_i = The rate given to each criterion for year i

The assessment of strengths and weaknesses was performed on a scale of 1 to 3, depending on their importance and severity in accounting.

In the case of strengths, based on the researcher's professional experience and professional argument, the scoring was performed as follows:

- rate 1 which represents a 'less important' strong point with a significance coefficient between 0 - 30%;

- rate 2 which represents a 'significant' strong point with a significance coefficient between 30 and 50%;

- rate 3 which represents a "very important" strong point at a significance coefficient between 50 - 100%;

In the above context, by deduction, each criterion corroborated with the significance coefficient allocated to the weaknesses corresponding to the malfunctions found, was noted as follows:

- rate 1 which is a 'less serious' weakness at a significance of between 0 and 30%;

- rate 2 which represents a 'serious' weakness, at a significance of between 30 and 50%;

- rate 3 which represents a 'very serious' weakness at a significance of between 50 and 100%;

Thus, the evaluation grid of the criteria assigned to the strengths and weaknesses related to the accounting of the national statistical system was based on the following inequalities:

0% ≤ rate 1 < 30%

30% ≤ rate 2 < 50%

50% ≤ rate 1 ≤ 100%

In order to calculate the score Si, the notation of each criterion was taken with the sign "+" for the strengths and respectively, with the sign "-" for the weaknesses, as found in the literature.

As a result, the final score Si was determined based on the relationship as follows:

Si = S2 - S1

where: S1 = score for weaknesses

S2 = score for strengths

The analysis and processing of the final score obtained, on a scale from 1 to 3 was as follows:

- for a score less or equal to 1, the accounting of the national statistical system registered a high vulnerability in the year assessed, according to the inequality $Si \leq 1$ »high vulnerability

- for a score higher than 1, but lower than 2. 5, the accounting of the national statistical system registered an average vulnerability in the assessed year, according to the inequality $1 < Si < 2,5$ »average vulnerability

- for a score greater than or equal to 2. 5, the accounting of the national statistical system registered a small vulnerability in the year assessed, according to the inequality $Si \geq 2.5$ »small vulnerability

In conclusion, the assessment of the strengths and weaknesses of the accounting of the national statistical system was performed, analyzed and interpreted on the basis of the following inequalities:

$Si \leq 1$ » hight vulnerability

$1 < Si < 2,5$ » medium vulnerability

$Si \geq 2,5$ » small vulnerability

As a result of the evaluation of the strengths and weaknesses of accounting, identified for the period 2015-2019, following the internal audit actions, it was necessary to perform a dynamic analysis of the value of the scores calculated for each year analyzed.

Thus, based on the value of the annual global scores, an average value was determined, denoted S average, based on the following calculation relevancy:

S medium = ($\sum$ Si)/i

where: Si = score for the year i, i = 2015 – 2019

4. 1. Strengths and Weaknesses, their Identification and Evaluation for 2015

The criteria for assessing the strengths and weaknesses identified for 2015 as a result of the restatement and reclassification of the malfunctions found in the accounting of the national statistical system by the internal auditors consist in the auditable objectives.

Infers, the strengths for 2015 were assessed using the significance coefficient (gi) established by the professional argument of the researcher, depending on the importance of the auditable objective, in the totality of specific accounting activities and the weaknesses were assessed due to the degree of significance resulted in total faillures, as shown in the tables below.

Table 1 presents the evaluation of the strengths related to the accounting of 2015, based on the above mentioned methodology:

Table 1. Evaluation of Strengths for 2015

Nr. crt.	Strengths evaluation criteria at the level of 2015	Year 2015	
		n_i strengths	g_i strengths
1.	Substantiation, approval and correction of the revenue and expenditure budget	3	25%
2.	Financial accounting	1	12%
3.	Budget accounting (budget implementation)	2	16%
4.	Correspondence between financial accounting and budgetary accounting (budget implementation)	3	23%
5.	Internal managerial control system (including prventive financial control)	3	24%
	Total	**x**	**100%**

Based on the calculation formula above, the strengths were evaluated, as follows:

S12015 = (0,25 x 3 + 0,12 x 1 + 0,16 x 2 + 0,23 x 3 + 0,24 x 3) = 2,60

Table no. 2 presents the assessment of the weaknesses related to the accounting of 2015, based on the findings of the internal audit, as follows:

Table 2. Assessment of Weaknesses for 2015

Nr. crt.	Weaknesses evaluation criteria at the level of 2015	Year 2015	
		n_i Weaknesses	g_i Weaknesses
1.	Substantiation, approval and correction of the revenue and expenditure budget	1	1%
2.	Financial accounting	3	72%
3.	Budget accounting (budget implementation)	2	19%
4.	Correspondence between financial accounting and budgetary accounting (budget implementation)	1	3%
5.	Internal managerial control system (including prventive financial control)	1	5%
	Total	**x**	**100%**

Based on the calculation formula above, the weaknesses were evaluated, as follows:

$S_{global\ 2015} = S^1_{2015} - S^2_{2015} = 2,60 - 2,63 = -0,03 < 1$

Based on the two scores, the overall score for 2015 was determined, based on the following calculation relation:

$S_{global\ 2015} = S^1_{2015} - S^2_{2015} = 2,60 - 2,63 = -0,03 < 1$

The negative global score for 2015 means a high vulnerability for the accounting of the national statistical system evaluated globally.

4.2. Strengths and Weaknesses, their Identification and Evaluation for 2016

The criteria for assessing the strengths and weaknesses identified for 2016 as a result of the restatement and reclassification of the malfunctions found in the accounting of the national statistical system by the internal auditors consist in the auditable objectives.

Infers, the strengths for 2016 were also assessed using the significance coefficient (gi) established by the professional argument of the researcher, depending on the importance of the auditable objective in all accounting-specific activities and the weaknesses were assessed as a result of the degree of significance resulting in the total malfunctions, as shown in the tables below.

Table 3 presents the evaluation of the strengths related to the accounting of 2016, based on the previously mentioned methodology:

Table 3. Evaluation of Strengths for 2016

Nr crt	Strengths evaluation criteria at the level of 2016	Year 2016	
		n_i strengths	g_i strengths
1.	Substantiation, approval and correction of the revenue and expenditure budget	3	33%
2.	Financial accounting	1	14%
3.	Budget accounting (budget implementation)	2	21%
4.	Correspondence between financial accounting and budgetary accounting (budget implementation)	3	32%
5.	Internal managerial control system (including prventive financial control)	0	0%
	Total	**x**	**100%**

Based on the calculation formula above, the strengths were evaluated, as follows:

$S^1_{2016} = (0,33 \times 3 + 0,14 \times 1 + 0,21 \times 2 + 0,32 \times 3) = 2,51$

Table 4 presents the assessment of the weaknesses related to the accounting of 2016, based on the findings of the internal audit, as follows:

Table 4. Assessment of Weaknesses for 2016

Nr crt	Weaknesses evaluation criteria at the level of 2016	Year 2016	
		n_i Weaknesses	g_i Weaknesses
1.	Substantiation, approval and correction of the revenue and expenditure budget	1	4%
2.	Financial accounting	3	67%
3.	Budget accounting (budget implementation)	2	24%
4.	Correspondence between financial accounting and budgetary accounting (budget implementation)	1	5%
5.	Internal managerial control system (including prventive financial control)	0	0%
	Total	**x**	**100%**

Based on the calculation formula above, the weaknesses were evaluated, as follows:

$S^2_{2016} = (0,04 \times 1 + 0,67 \times 3 + 0,24 \times 2 + 0,05 \times 1) = 2,58$

Based on the two scores, the overall score for 2016 was determined, based on the following calculation relation:

$S_{global\ 2016} = S^1_{2016} - S^2_{2016} = 2,51 - 2,58 = -0,07 < 1$

The negative global score for 2016 means high vulnerability for the accounting of the national statistical system evaluated globally.

4.3. Strengths and Weaknesses, their Identification and Evaluation for 2017

The criteria for assessing the strengths and weaknesses identified for 2017 as a result of the restatement and reclassification of the malfunctions found in the accounting of the national statistical system by the internal auditors consist in the auditable objectives.

Infers, the strengths for 2017 were also assessed using the significance coefficient (gi) established by the researcher's professional argument, depending on the importance of the auditable objective in all accounting-specific activities and the weaknesses were assessed as a result of the degree of significance resulting in the total malfunctions, as shown in the tables below. In Table 5 presents the evaluation of the strengths related to the accounting of 2017, based on the previously mentioned methodology:

Table 5. Evaluation of Strengths for 2017

Nr crt.	Strengths evaluation criteria at the level of 2017	Year 2017	
		n_i Strengths	g_i Strengths
1.	Substantiation, approval and correction of the revenue and expenditure budget	3	36%
2.	Financial accounting	2	22%
3.	Budget accounting (budget implementation)	1	11%
4.	Correspondence between financial accounting and budgetary accounting (budget implementation)	3	31%
5.	Internal managerial control system (including prventive financial control)	0	0%
	Total	**x**	**100%**

Based on the calculation formula above, the strengths were evaluated, as follows:

$S^1_{2017} = (0,36 \times 3 + 0,22 \times 2 + 0,11 \times 1 + 0,31 \times 3) = 2,56$

Table 6 presents the assessment of the weaknesses related to the accounting of 2017, based on the findings of the internal audit, as follows:

Table 6. Assessment of Weaknesses for 2017

Nr. crt.	Weaknesses evaluation criteria at the level of 2017	Year 2017	
		n_i Weaknesses	g_i Weaknesses
1.	Substantiation, approval and correction of the revenue and expenditure budget	1	3%
2.	Financial accounting	2	31%
3.	Budget accounting (budget implementation)	3	61%
4.	Correspondence between financial accounting and budgetary accounting (budget implementation)	1	5%
5.	Internal managerial control system (including prventive financial control)	0	0%
	Total	**x**	**100%**

Based on the calculation formula above, the weaknesses were evaluated, as follows:

$S^2_{2017} = (0,03 \text{ x } 1 + 0,31 \text{ x } 2 + 0,61 \text{ x } 3 + 0,05 \text{ x } 1) = 2,53$

Based on the two scores, the overall score for 2017 was determined, based on the following calculation relation:

$S_{\text{global } 2017} = S^1_{2017} - S^2_{2017} = 2,56 - 2,53 = +0,03 < 1$

The negative global score for 2017 means high vulnerability for the accounting of the national statistical system evaluated globally.

4.4. Strengths and Weaknesses, their Identification and Evaluation for 2018

The evaluation criteria of the strengths and weaknesses identified for 2018 as a result of the restatement and reclassification of the dysfunctions found in the accounting of the national statistical system by the internal auditors consist in the auditable objectives.

Infers, the strengths for 2018 were also assessed using the significance coefficient (gi) established by the professional argument of the researcher, depending on the importance of the auditable objective in all accounting-specific activities and weaknesses were assessed as a result of the degree of significance resulting in the total malfunctions, as shown in the tables below. Table 7 presents the evaluation of the strengths related to the accounting of 2018, based on the previously mentioned methodology:

Table 7. Evaluation of Strengths for 2018

Nr crt	Strengths evaluation criteria at the level of 2018	Year 2018	
		n_i Strengths	g_i Strengths
1.	Substantiation, approval and correction of the revenue and expenditure budget	3	35%
2.	Financial accounting	2	23%
3.	Budget accounting (budget implementation)	1	10%
4.	Correspondence between financial accounting and budgetary accounting (budget implementation)	3	32%
5.	Internal managerial control system (including prventive financial control)	0	0%
	Total	**x**	**100%**

Based on the calculation formula above, the strengths were evaluated, as follows:

$S^1_{2018} = (0,35 \times 3 + 0,23 \times 2 + 0,10 \times 1 + 0,32 \times 3) = 2,57$

Table 8 presents the assessment of the weaknesses related to the accounting of 2018, based on the findings of the internal audit, as follows:

Table 8. Assessment of Weaknesses for 2018

Nr. crt.	Weaknesses evaluation criteria at the level of 2018	Year 2018	
		n_i Weaknesses	g_i Weaknesses
1.	Substantiation, approval and correction of the revenue and expenditure budget	1	4%
2.	Financial accounting	2	25%
3.	Budget accounting (budget implementation)	3	60%
4.	Correspondence between financial accounting and budgetary accounting (budget implementation)	1	11%
5.	Internal managerial control system (including prventive financial control)	0	0%
	Total	**x**	**100%**

Based on the calculation formula above, the weaknesses were evaluated, as follows:

$S^2_{2018} = (0,04 \times 1 + 0,25 \times 2 + 0,60 \times 3 + 0,11 \times 1) = 2,45$

Based on the two scores, the overall score for 2018 was determined, based on the following calculation relation:

$S_{global\ 2018} = S^1_{2018} - S^2_{2018} = 2,57 - 2,45 = +0,12 < 1$

The negative global score for 2018 means high vulnerability for the accounting of the national statistical system evaluated globally.

4.5. Strengths and Weaknesses, Identification and Evaluation for 2019

The criteria for assessing the strengths and weaknesses identified for 2019 as a result of the restatement and reclassification of fallures found in the accounting of the national statistical system by the internal auditors consist in the auditable objectives.

Infers, the strengths for 2019 were also assessed using the significance coefficient (gi) established by the professional reasoning of the researcher, depending on the importance of the auditable objective in all accounting-specific activities, and the weaknesses were assessed as a result of the degree of significance resulting in the total malfunctions, as shown in the tables below. Table 9 presents the evaluation of the strengths related to the accounting of 2019, based on the previously mentioned methodology:

Table 9. Evaluation of Strengths for 2019

Nr crt	Strengths evaluation criteria at the level of 2019	Year 2019	
		n_i Strengths	g_i Strengths
1.	Substantiation, approval and correction of the revenue and expenditure budget	3	31%
2.	Financial accounting	2	29%
3.	Budget accounting (budget implementation)	1	10%
4.	Correspondence between financial accounting and budgetary accounting (budget implementation)	3	30%
5.	Internal managerial control system (including prventive financial control)	0	0%
	Total	**x**	**100%**

Based on the calculation formula above, the strengths were evaluated, as follows:

$S^1{}_{2019} = (0{,}31 \times 3 + 0{,}29 \times 2 + 0{,}10 \times 1 + 0{,}30 \times 3) = 2{,}51$

Table 10 presents the assessment of the weaknesses related to the accounting of 2019, based on the findings of the internal audit, as follows:

Table 10. Assessment of Weaknesses for 2019

Nr crt	Weaknesses evaluation criteria at the level of 2019	Year 2019	
		n_i Weaknesses	g_i Weaknesses
1.	Substantiation, approval and correction of the revenue and expenditure budget	1	3%
2.	Financial accounting	2	29%
3.	Budget accounting (budget implementation)	3	54%
4.	Correspondence between financial accounting and budgetary accounting (budget implementation)	1	14%
5.	Internal managerial control system (including prventive financial control)	0	0%
	Total	**x**	**100%**

Based on the calculation formula above, the weaknesses were evaluated, as follows:

$$S^2_{2019} = (0{,}03 \times 1 + 0{,}29 \times 2 + 0{,}54 \times 3 + 0{,}14 \times 1) = 2{,}37$$

Based on the two scores, the overall score for 2019 was determined, based on the following calculation relation:

$$S_{global\ 2019} = S^1_{2019} - S^2_{2019} = 2{,}51 - 2{,}37 = +0{,}14 < 1$$

The positive but subunit global score for 2019 also means a high vulnerability for the accounting of the national statistical system, assessed globally.

4.6. Vulnerability of Accounting in the National Statistical System During 2015-2019

In conclusion, during 2015-2019 the accounting of the national statistical system was assessed as a result of the identification and evaluation of strengths and weaknesses as having a high vulnerability.

The assessment was performed using the evaluation grid method, based on the researcher's professional argument, based on the findings of the internal audit, findings that highlighted existing malfunctions in the current information-accounting system, identified during compliance / regularity audit missions.

During the period assessed, the global score registered both negative and positive values, but these values were subunit, thus maintaining the current information-accounting system at a high level of vulnerability. This overall assessment is supported by the data in the following table:

Table 11. Accounting Vulnerability during 2015-2019 Period

Nr. crt.	Indicators	Perioad 2015-2019	
		Global score (S_i)	Meaning S_i
1.	Global score for 2015 (S_{2015})	-0,03	Considerable vulnerability
2.	Global score for 2016 (S_{2016})	-0,07	Considerable vulnerability
3.	Global score for 2017 (S_{2017})	+0,03	Considerable vulnerability
4.	Global score for 2018 (S_{2018})	+0,12	Considerable vulnerability
5.	Global score for 2019 (S_{2019})	+0,14	Considerable vulnerability
6.	Medium Global score (S_{medium})	+0,038	High vulnerability

Based on the above relation, the Average Global Score was calculated as follows:

$S_{medium} = (-0,03-0,07+0,03+0,12+0,14)/5 = + 0,038 < 1$

Subunit value means high vulnerability for accounting in the national statistical system, during 2015-2019 period. The result shows that the current information-accounting system measuring the efforts to achieve the objectives of the national statistical system, needs to be improved in the next period, so that the management of funds allocated in the annual revenue and expenditure budgets would be optimized.

As a result of identifying and assessing the vulnerability of accounting in the national statistical system in terms of internal audit, the researcher found that one of the research hypotheses is validated, namely: Analysis of internal audit activity helps identify vulnerabilities in the national statistical system.

5. Reflecting the Malfunctions Established by the Internal Audit in the Budget Implementation, during 2015-2019 Period

In order to make the connection between the fallures related to the existing information-accounting system within the national statistical system and the budget implementation, the centralizing situation of the malfunctions found during 2015-2019 period was used at the level of subordinated entities (regional and county directorates) and the level of the central management according to the model of the National Institute of Statistics.

Also, the analysis of the content of the annual reports on the internal audit activity carried out during the analyzed period highlighted the fact that the malfunctions

concerned mainly aspects related to the way of operating personnel expenses, goods and services expenses and capital expenses, lesser issues related to other expenses.

Thus, Table 12 presents the way of reflecting the fallures in the budget implementation related to the period 2015-2019.

Table 12. Reflecting the Malfunctions in the Budget Implementation during 2015-2019

Nr crt	Restatement and reclassification of malfunctions during 2015-2019	The corresponding budget indicator in the budget implementation account
1.	Substantiation, approval and correction of the revenue and expenditure budget	FEN (grants) post-accession
		FEN(grants) 2014-2020
		Capital expenditure
2.	Financial accounting	Goods and services expenditure
		Capital expenditure
3.	Budget accounting (budget implementation)	Personnel expenditure
		Goods and services expenditure
		Capital expenditure
4.	Correspondence between financial accounting and budgetary accounting (budget implementation)	Capital expenditure
5.	Internal managerial control system (including prventive financial control)	Personnel expenditure
		Goods and services expenditure
		Capital expenditure

The analysis of the above information highlights the connection between the malfunctions identified during the internal audit procedure and their reflection in the corresponding budgetary indicators in the budget implementation account, analysis performed in order to quantify the share of malfunctions value in the budget implementation, as shown in the following table:

Table 13. The Share of Faillures in the Budget Implementation during 2015-2019

Restatement and reclassification of malfunctions during 2015-2019	The corresponding budget indicator in the budget implementation account	Malfunctions value identified during the internal audit procedure (lei)	Value of expenditure/ payments from the budget implementation account (lei)	Share of malfunctions value in the budget implementation account [1](%)
Substantiation, approval and correction of the revenue and expenditure budget	FEN (grants) post-accession	unquantifiable	-	-
	FEN(grants) 2014-2020	unquantifiable	-	-
	Capital expenditure	unquantifiable	-	-
Financial accounting	Goods and services expenditure	1. 272. 402[2]	42. 413. 403	3,00%
	Capital expenditure	47. 621[3]	17. 007. 409	0,25%
Budget accounting (budget implementation)	Personnel expenditure	309. 387[4]	181. 992. 353	0,17%
	Goods and services expenditure	432. 617[5]	42. 413. 403	1,02%
	Capital expenditure	47. 621	17. 007. 409	0,25%
Correspondence between financial accounting and budgetary accounting (budget implementation)	Capital expenditure	47. 621	17. 007. 409	0,25%

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[1] The share of malfunctions in the budget implementation account was determined as a ratio between the value of the malfunction found in the internal audit procedure and the value of the expenses / payments registered in the budget implementation account.

[2] The deficiencies identified represent the wrong recording in the accounts and the wrong payment in Title II "Expenditure on goods and services of fixed assets" for which it was necessary the List of investments approved as an annex to the budget of revenue and expenditure

[3] The malfunctions found represent the removal from the accounting records of fixed assets, fully amortized, for which a wrong accounting entry was made using the extraordinary expense account, expenses carried - over in the budget implementation account, in the corresponding expenditure column in financial accounting, column in which are carried-over only to amortized expenses

[4] The malfunctions found represent undue salary rights in the form of illegal salary supplements

[5] The malfunctions found represent other identified fallures related to expenditure overruns, not included in the malfunctions identified in the financial accounting

Restatement and reclassification of malfunctions during 2015-2019	The corresponding budget indicator in the budget implementation account	Malfunctions value identified during the internal audit procedure (lei)	Value of expenditure/ payments from the budget implementatio n account (lei)	Share of malfuncti ons value in the budget implemen tation account [1](%)
Internal managerial control system (including prventive financial control)	Personnel expenditure	unquantifiable	-	-
	Goods and services expenditure	unquantifiable	-	-
	Capital expenditure	unquantifiable	-	-
Total	**Expenditure**	**2. 062. 027[1]**	**241. 413. 165[2]**	**0,85%**

The analysis of the data in the table above shows that the share of malfunctions found by the internal audit in the budget implementation represents a very small percentage, respectively a percentage between 0. 25% and 3%.

6. Conclusions. The need to improve the Current State of The Trinomial Internal Audit - Expenditure Accounting - Annual National Statistical Programs

The results of the empirical research demonstrated the need to improve / continue the improvement process, the current state of the internal audit activity, the accounting of expenditures made in the national statistical system and how to meet the objectives approved in the Annual National Statistical Programs.

In this context, the study showed that in the exercise of its legal responsibilities, the internal audit identified and proposed recommendations to remedy the vulnerabilities found in the accounting of expenses. The proportion of favorable response was 92. 31% calculated at the level of the structures subject to research, respectively central management, regional and county directorates, as well as at the level of other authorities and public institutions with attributions in statistical activities. Also, the internal audit is the tool for evaluating the way of fulfilling the objectives approved in the Annual National Statistical Programs, for the fulfillment of which public funds are expended.

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[1] The value of the malfunctions reflected in both budgetary and financial accounting was taken into account only once

[2] The amount of expenditure / payments reflected in both budgetary and financial accounting was taken into account only once.

As a result, the existence of an improved information-accounting system with which to quantify the efforts made to implement the Annual National Statistical Programs is the "key" to establishing, on objective and real basis, the degree of their fulfillment. The argument of the above statement is based on the results of the study, respectively 62. 65% of respondents consider that the information-accounting system is the basis for accurately quantifying the financial resources expended. In this direction, the objective and real measurement of the degree of fulfillment of the programs implies that the allocated budgets are distributed on programs / objectives in order to ensure a direct correlation, a statement validated in proportion of 59. 92% of the respondents.

The study showed that 68. 94% of the research participants considered it necessary to ensure a direct connection between the budgeting of statistical works and research, the accounting of the expenses necessary for their realization and the Annual National Statistical Programs. Also, 87. 15% of respondents consider that the financing of statistical works and research from non-reimbursable external funds represents an opportunity for their innovative and competitive development on topics of interest, in the current context. In conclusion, the internal audit-expenditure accounting- Annual National Statistical Programs trinomial needs to be improved so that the assessment of the achievement of the objectives approved in the Annual National Statistical Programs can be easy, objective and on a real basis.

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