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Analysis of Internal Audit Activity of Public Expenditure Accounting Carried Out in the National Statistical Sector

Georgiana-Janina Soare¹

Abstract: Cu ajutorul contabilității cheltuielilor specifice sectorului național statistic pot fi cuantificate eforturile depuse în direcția implementării obiectivelor strategice, a obiectivelor generale și specifice aferente activităților desfășurate de entități publice relevante care colectează, centralizează, agregă, analizează și interpretează informațiile economice, financiare, sociale ș.a.m.d. Prin **evaluarea realizată de auditul intern** cu privire la contabilitatea cheltuielilor specifice sectorului național statistic se adaugă valoare acestei activități complexe, deosebit de importantă în cadrul unei entități publice. With the help of the expense accounting specific to the national statistical sector can be quantified the efforts made towards the implementation of the strategic objectives, general and specific objectives related to the activities carried out by relevant public entities that collect, centralize, aggregate, analyze and interpret economic, financial, social information and so on. The **assessment made by the internal audit** on the expense accounting specific to the national statistical sector adds value to this complex activity, which is particularly important in a public entity.

Keywords: internal audit; expenditure; public entities; national statistical system; accounting

JEL Classification: M42

1. Introduction

The internal audit of public expenditure accounting performed in the national statistical sector is a benchmark in the field of public internal audit that contributes to public decision-making based on evidence, in terms of improving institutional strategic planning and implementing the objectives approved in the Annual National Statistics Programs (ANSP).

The field of public expenditure accounting is a complex area, with possible errors/deviations/payments inconsistent with applicable national laws and regulations, specific to the sector subject to scientific research. Also, the accounting

¹ PhD, "Valahia" University of Târgoviște, Romania, Address: Str. Aleea Sinaia 13, Targoviste 130004, Romania, Corresponding author: janina_soare@yahoo.com.

of expenditures made in the national statistical system is the "basic" field that measures, quantifies, in value, monetary form, the activities carried out by public entities in this sector, in order to meet their strategic objectives, as defined in Institutional Strategic Plans. *The internal audit of public expenditure accounting performed in the national statistical sector contributes to increasing the performance of the objectives within the Annual National Statistical Programs.*

2. Literature Review

Regarding the internal audit, its occurrence is related to the economic crisis of 1929 in the USA, when in order to reduce its expenses and remove the effects of the crisis, many activities were performed prior to the certification of results and financial statements, actions taken by Audit Offices.

In Europe and especially in France, the internal audit function was set up in 1960 in order to verify the activity carried out by the financial control within the public administration, while financial audit was implemented to certify financial statements since 1980.

In Romania, the initial role of internal audit was to evaluate internal controls, but after the publication of Law no. 672/2002 on public internal audit, updated, it is constituted as an independent, objective, insurance activity, designed to add value or improve the activities of the public entity, to help the public entity to achieve its objectives through a sustained and methodical approach and to evaluate and improve efficiently and effectively the management of risk, control and governance processes.

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 order to join the European Union.

The introduction of the internal audit in the public sector did not mean the adaptation to the particularities of the Romanian economy of the *acquis communautaire*, for the simple reason that it did not exist in the field of internal audit. At the same time, the internal audit in Romania did not mean the adaptation of the normative and procedural framework specific to the internal audit in one of the member countries, given the fact that it did not correspond to the current concepts of the internal audit and internal control.

Specifically, the European Commission considered the candidate countries to be fertile ground for the development of these concepts and therefore recommended an appropriate institutional construction for their practical implementation. Subsequently, the European Commission assessed the results of the process of implementing the internal audit in each candidate country in order to make the

necessary corrections in order to make this activity more efficient. This was followed by a period of study on how the other candidate countries approach the issue, the requirements of the European Commission, good practices in certain member countries, as well as the evolution of the concept of internal audit.

Initially, Romania joined this process by elaborating and adopting GO no. 119/1999 on internal audit and preventive financial control¹, which although it did not correspond fully with the requirements of the new concept of internal audit, however, it was an important step.

Since 2003, the concept of internal audit has been defined in a way accepted by the international environment of internal auditors, later establishing the complementarity relationship between internal audit and internal control, as well as the organization, role and added value that the internal audit must bring them to the audited entities.

Based on Law no. 672/2002 on public internal audit², updated, 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.

3. Research Methodology

The related research methodology consisted both in the study of the specialized literature in the field of internal audit, public accounting, economic-financial analysis, strategic analysis, as well as in direct documentation, respectively collecting data and information necessary for the research of the chosen topic, their processing, analysis and interpretation, in order to validate or invalidate the proposed research hypotheses.

In the stage of processing and analysis of data and information collected from the researched documents were used different methods of analysis, such as: *deduction method* based on qualitative analysis of available information, found in the annual reports of public internal audit, the *typological method* used to retract and reclassify the dysfunctions found by the internal audit within the accounting system of the national statistical sector and the *comparative method* of information and data obtained from documentation, quantification of indicators for research purposes.

¹ GO no. 119/1999 on internal audit and preventive financial control, Official Gazette, Part I, no. 430 of 1999.

² Law no. 672/2002 on public internal audit, updated.

The research methodology related to the study is characterized by the combination of deductive-inductive *research methods* (data interpretation method: comparative and interpretive), respectively, mainly inductive (data collection methods, information processing and data interpretation).

The research study approaches the topic in the positivist-constructivist spirit, which means that the author, based on evidence from practical reality, captures the phenomena and interprets them with the help of the experience gained.

In this sense, we quote from the speciality literature: *“The experience-reflection binomial is the basis of any understanding and interpretation of the realities around us”* (Niculescu, 2011, p. 11).

4. Analysis of the Internal Audit Activity Related to Accounting in the National Statistical System

The scientific research approached the analysis of the internal audit activity related to accounting, for the period 2015-2019, carried out within the national statistical sector, on the model of the National Institute of Statistics. In this regard, the analysis was performed for each year under review in order to obtain relevant conclusions, based on evidence from the practice of the internal audit.

Following the analysis of the dysfunctions found in the accounting officer, the National Institute of Statistics, by the internal auditors through the regularity/compliance audit actions performed both at subordinated entities and at central level, the following centralizing situation was elaborated, related for the period 2015-2019 (**table 1**):

Table 1. Accounting Dysfunctions in the Period 2015-2019

No.	Objectives/auditable objects related to the period 2015-2019	Dysfunctions in the period 2015-2019	
		Number of dysfunctions	Dysfunction structure
1.	How to substantiate and initially approve the revenue and expenditure budget	1	0%
2.	How to substantiate and approve the rectification of the revenue and expenditure budget	10	3%
3.	Organizing and managing the accounting records	5	2%
4.	Accounting for property, plant and equipment	23	7%
5.	Accounting for intangible assets	41	12%
6.	Inventory accounting	20	6%
7.	Accounts receivable	22	7%

8.	Debt accounting	21	6%
9.	Accounting for personnel expenses	21	6%
10.	Accounting for expenses with goods and services	43	13%
11.	Accounting for capital expenditures	49	15%
12.	Accounting for treasury operations	30	9%
13.	Accounting for inventory results	17	5%
14.	Organizing and performing preventive financial control	3	1%
15.	Preparation of the expenditure execution account	23	7%
16.	Completion of budget execution	2	1%
	Total	331	100%

Source: author processing

The data in the table above reflect the fact that, at the level of the period 2015-2019, the situation of dysfunctions found by internal public auditors is characterized by a mixed of dysfunctions related to the accounting activity. The budgetary resources allocated and consumed for carrying out the activities specific to the national statistical sector required a legal and real reflection of their destination in the accounting of the entities with attributions in this field, in order to ensure budgetary and decision-making transparency.

In the structure, the dysfunctions of legality and regularity related to the activities specific to the national statistical sector are presented in **figure 1**.

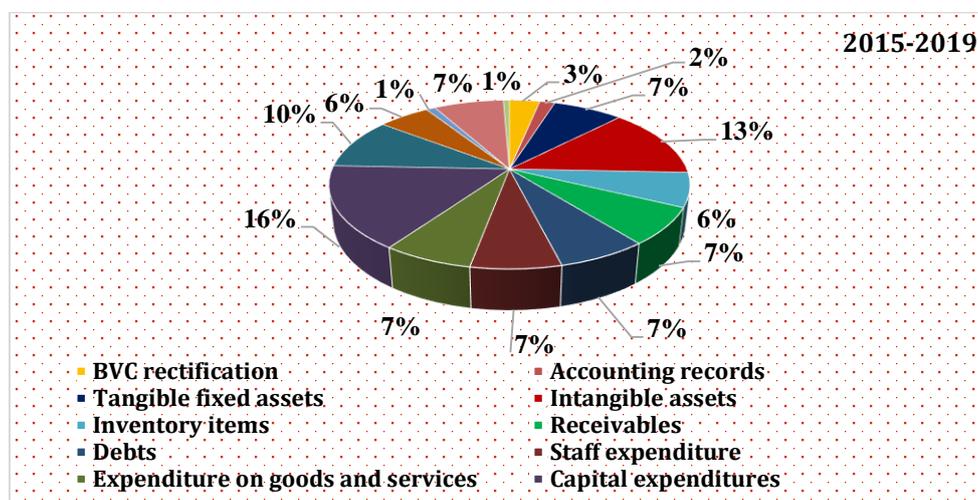


Figure 1. Structure of the Dysfunctions Related to the Period 2015-2019 Following the Internal Audit Missions

Source: Author Processing

5. Retreatment and Reclassification of Accounting Dysfunctions, Related to the Period 2015-2019

In order to achieve the objectives proposed for this scientific research, it was necessary to restate and reclassify the dysfunctions found by the internal audit in the accounting specific to the national statistical sector.

In this context, the restatement and reclassification of dysfunctions was performed for each financial year under study in order to identify the existing vulnerabilities in the accounting of this sector.

The situation of restatement and reclassification of dysfunctions found in the period 2015-2019 at the level of subordinated entities, as well as at the central level, on the model of the National Institute of Statistics (NIS), is presented according to **table no.2**.

In terms of research needs, the restatement and reclassification of accounting dysfunctions in the period 2015-2019 related to the national statistical sector led to a logical structuring of them by reporting to the objectives subject to the internal audit.

Table 2. Retreatment and Reclassification of Dysfunctions Related to the Period 2015-2019

No.	Objectives/auditable objects related to the period 2015-2019	Retreatment and reclassification of dysfunctions for the period 2015-2019
1.	How to substantiate and initially approve the revenue and expenditure budget	Substantiation, approval and rectification of the revenue and expenditure budget
2.	How to substantiate and approve the rectification of the revenue and expenditure budget	Substantiation, approval and rectification of the revenue and expenditure budget
3.	Organizing and managing the accounting records	Financial accounting
4.	Accounting for property, plant and equipment	Financial accounting
5.	Accounting for intangible assets	Financial accounting
6.	Inventory accounting	Financial accounting
7.	Accounts receivable	Financial accounting
8.	Debt accounting	Financial accounting
9.	Accounting for personnel expenses	Budget accounting (budget execution)
10.	Accounting for expenses with goods and services	Budget accounting (budget execution)
11.	Accounting for capital expenditures	Budget accounting (budget execution)
12.	Accounting for treasury operations	Budget accounting (budget execution)
13.	Accounting for inventory results	Financial accounting

14.	Organizing and performing preventive financial control	Internal managerial control system (including CFP)
15.	Preparation of the expenditure execution account	Correspondence between financial accounting and budgetary accounting (budget execution)
16.	Completion of budget execution	Correspondence between financial accounting and budgetary accounting (budget execution)

Source: Author Processing

The structure of the retracted and reclassified dysfunctions related to the period 2015-2019, based on the information collected and those in Table 2, is summarized in the following table:

Table 3. Structure of the Dysfunctions Retracted and Reclassified from 2015-2019

No.	Retreatment and reclassification of dysfunctions from 2015-2019	2015-2019		
		Number of dysfunctions	Dysfunction structure	Value of dysfunctions (lei)
1.	Substantiation, approval and rectification of the revenue and expenditure budget	11	3%	non-quantifiable
2.	Financial accounting	149	45%	1.320.023
3.	Budget accounting (budget execution)	143	43%	789.625
4.	Correspondence between financial accounting and budgetary accounting (budget execution)	25	8%	47.621
5.	Internal managerial control system (including CFP)	3	1%	non-quantifiable
	Total	331	100%	2.157.269

Source: Author Processing

Graphically, the situation of reclassification of accounting dysfunctions is presented in **Figure 2**, as follows:

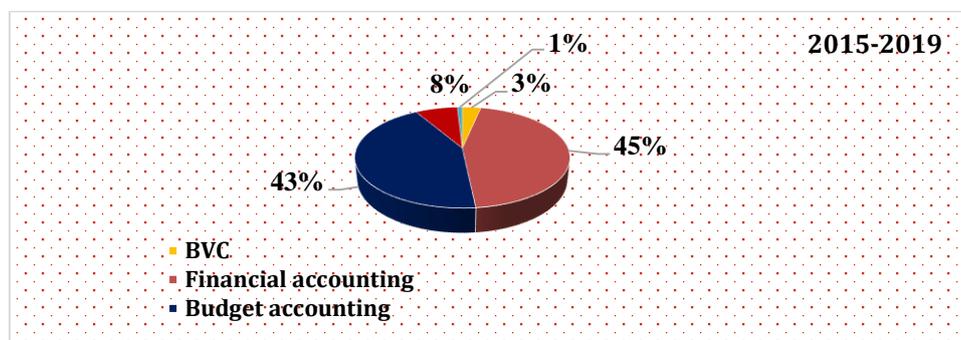


Figure 2. Structure of accounting dysfunctions related to the period 2015-2019

Source: Author Processing

In conclusion, at the level of the analysed period, most of the dysfunctions were identified in the financial accounting, in proportion of 45% and in the budgetary accounting, in proportion of 43%, while other dysfunctions found by the internal audit in the financial-accounting activity have represented a percentage of 12% in total.

As a result of this analysis of the internal audit activity related to accounting, carried out in 2015-2019, at the level of the National Institute of Statistics, as well as at the level of regional and county directorates, which have the quality of subordinated entities, the researcher found that one of the research hypotheses formulated was outlined in the direction of validation, respectively: *"Does the analysis of the internal audit activity contribute to the identification of vulnerabilities in the national statistical system?"*.

In order to finally validate this working hypothesis, the scientific approach further addressed the dysfunctions found by the internal audit in accounting, by reprocessing and reclassifying them, in order to identify strengths and weaknesses of accounting in the national statistical system, on the NIS model.

6. Proposals to Improve Expenditure Accounting

Applied research and analysis of the information currently provided by the financial-accounting system, as well as the analysis of accounting vulnerabilities have highlighted the need to improve expenditure accounting in the structure of objectives approved in the Annual National Statistical Programs (ANSP).

In this context, in the budgetary classification it is proposed to introduce distinct subdivisions, as presented in **table 4**. The proposals aimed at introducing *"restructured"* indicators in the budgetary classification will lead to the reflection in the accounting of the expenses related to the achievement of the objectives approved within the Annual National Statistical Programs.

The feasibility of these proposed indicators results from the comparative analysis of the currently existing expenditure indicators, in the structure of the budgetary classification, with the expenditure indicators proposed in **table 5**.

Table 4. Proposals for Expenditure Indicators in the Budget Classification

Name of expenditure indicators in the budget classification	
At the chapter level	At the subchapter level
1. Expenditure on the economic dimension in order to carry out statistical works and research	1.1. Agriculture Statistics
	1.2. Research-development and innovation Statistics
	1.3. Trade Statistics
	1.4. Construction Statistics
	1.5. Energy Statistics
	1.6. Enterprise Statistics
	1.7. Industry Statistics
	1.8. Environmental Statistics
	1.9. Services Statistics
	1.10. Forestry Statistics
2. Expenditures for the social dimension in order to carry out statistical works and research	2.1. Population and demography Statistics
	2.2. Living standard Statistics
	2.3. Labour Statistics
	2.4. Social Protection Statistics
	2.5. Education Statistics
	2.6. Culture Statistics
	2.7. Justice Statistics
	2.8. Health Statistics
3. Expenditure for National Accounts in order to carry out statistical works and research	3.1. National accounts
	3.2. Regional accounts
	3.3. Public debt / budget deficit
	3.4. Macroeconomic indicators
	3.5. Non-financial accounts
4. Expenditures for other programs in order to carry out statistical works and research	4.1. Price Statistics
	4.2. Statistical standardization
	4.3. Quality of the statistical system ¹
	4.4. Statistical publications

Source: Author Processing

Thus, the comparative analysis of the current expenditure indicators with the proposed expenditure indicators is presented in the table below:

¹ This type of budgetary indicators will also include the programs developed to support the national statistical system, the databases used in the activity of "production", specific statistical research, as well as the studies and statistical analyzes performed, carried out at the level of a budget year.

Table 5. Feasibility of Proposing Expenditure Indicators in the Budget Classification

Name of existing expenditure indicators	Name of proposed expenditure indicators	Feasibility
Staff expenditure	Expenditure on the economic dimension	Restructured expenditures, in line with the objectives of the ANSP and reflected in the budget execution accounts at the level of the central, regional, county and other public authorities and institutions will be more "visible" in the decision-making process.
Expenditure on goods and services	Expenditures for the social dimension	
Other transfers	Expenditure on National Accounts	
FEN post-accession	Expenditures for other programs	
FEN 2014-2020		
Other expenses		
Capital expenditures		

Source: Author Processing

The proposed indicators in the structure of the budgetary classification had to be corroborated with the information-accounting system, respectively separate accounts in financial accounting that reflect the efforts made in the national statistical system, in order to meet the objectives approved in the Annual National Statistical Programs. In this regard, the current Chart of Accounts proposes the introduction of the following accounting accounts, conclusive for quantifying the consumption of public resources in the national statistical system:

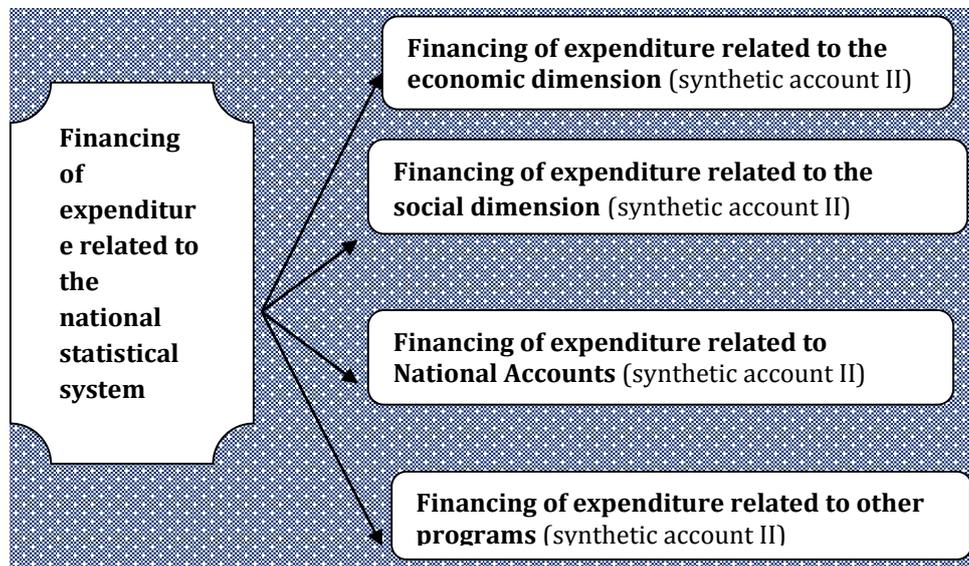


Figure 3. Financing of Expenditure Related to the National Statistical System - Proposal

Source: Author Processing

7. A New Approach to Internal Audit in the National Statistical System

Applied research and analysis of the information currently provided by the internal audit performed at the level of the national statistical system highlighted the need to improve the internal audit activity, in the sense of moving to the performance audit in order to assess the achievement of objectives approved in the Annual National Statistics Programs (ANSP).

In this context, a new approach to internal audit in the national statistical system involves compliance with the general requirements and stages of the specific methodology for conducting public internal performance audit missions¹, but the novelty derives from the approach to the performance of specific programs/objectives of the national statistical system².

By referring to the concept of internal performance audit, defined as “*an independent and objective activity of analysis of activities/processes/programs/projects/policies carried out within the public entity, designed to add value by evaluating the results obtained and comparing with those proposed or expected, in terms of economy, efficiency and effectiveness*”³, as well as by referring to the main objective of this type of internal audit mission⁴, a new approach is proposed, as presented below: identifying the criteria to which to report the results of the evaluation of the objectives of the ANSP; assessment of criteria based on an evaluation grid in order to identify existing vulnerabilities within the objectives of the ANSP; comparative analysis of the performance indicators associated with the objectives of the ANSP field⁵ with the criteria identified for reporting the results of the evaluation of the ANSP objectives; analysis and interpretation of evaluation results; formulating conclusions and recommendations related to the internal performance audit mission.

¹ Ministry of Public Finance, UCAAPI, General Guide on the specific methodology for conducting public internal performance audit missions approved by OMPF no. 1624/2014.

² The term programs/objectives refers to the content of the Annual National Statistical Programs approved by Government Decision, in order to achieve the assets specific to the national statistical sector, sector represented both by the National Statistical Institute with the regional and county directorates, as well as by other public authorities and institutions with attributions in carrying out statistical reporting

³ Ministry of Public Finance, UCAAPI, General Guide on the specific methodology for conducting public internal performance audit missions, p. 2.

⁴ The main objective of internal performance audit missions is to assess how the public entity complies with the principles of economy, efficiency and effectiveness in the use of public funds, to provide management with independent assurance on the achievement of expected results and to formulate recommendations on ways and means to improve the audited activity

⁵ Performance indicators defined within public entities (central, regional and county directorates, other public authorities and institutions with statistical reporting attributions) in the process of development and implementation of the internal managerial control system.

Next, the new approach in performing an internal performance audit mission¹ in the statistical system, presented in **table 6**, targets the areas of statistical “*production*”, the proposal being in line with the proposal of expenditure indicators from the budget classification and the proposal of new accounting accounts from financial accounting.

The feasibility of the new approach of an internal audit mission results from the comparative analysis of the types of internal audit actions performed within the statistical system, currently and the proposal to address specific activities in terms of assessing the objectives met in the Annual National Statistical Programs. In this sense, the situation of 2018 was retained, year in which the internal audit performed a number of 15 assurance missions, respectively compliance/regularity audit on the following areas: one mission in the field of economic statistics, 6 missions in NIS support areas (financial-accounting, human resources, community funds), 6 missions in areas with financial implications within the subordinated entities and 2 missions in the fields of communication and public policies². Consequently, the internal audit approach was mainly oriented towards performing compliance/regularity audit missions and not at all oriented towards performing performance audit missions.

Table 6. New Approach of an Internal Audit Mission

Internal audit mission proposed as a new approach	Name of auditable objectives
Internal audit of the performance of the economic dimension of statistical research in the period	Agriculture Statistics
	Research-development and innovation Statistics
	Trade Statistics
	Construction Statistics
	Energy Statistics
	Enterprise Statistics
	Industry Statistics
	Environmental Statistics
	Services Statistics
	Forestry Statistics
Internal audit of the performance of the social dimension of statistical research in the period ...	Population and demography Statistics
	Living standard Statistics
	Labour Statistics
	Social Protection Statistics
	Education Statistics

¹ This scheme proposal aims, in fact, the new approach to internal audit from the perspective of evaluating the objectives of the Annual National Statistical Programs and not the stages of a classic internal performance audit mission based on the specific methodology, approved by OMPF no. 1624/2014

² NIS, Annual Report 2018, p.54

	Culture Statistics
	Justice Statistics
	Health Statistics
Internal audit of the performance of National Accounts Statistics in the period	National accounts
	Regional accounts
	Public debt / budget deficit
	Macroeconomic indicators
	Non-financial accounts
Internal audit of the performance of other programs carried out in the national statistical system in the period...	Price Statistics
	Statistical standardization
	Quality of the statistical system ¹
	Statistical publications

Source: Author Processing

In this context, **table 7** presents the arguments for achieving performance audit missions in an approach oriented towards the objectives approved in the Annual National Statistical Programs. According to the researcher, the internal audit activity in a future approach perspective, will have to be oriented, mainly, towards the performance of internal system audit missions. The argument of this perspective is that this type of internal audit mission addresses both the specific aspects of the statistical system in terms of compliance, regularity with the regulatory framework governing them, and specific aspects of the performance of activities such as achieving objectives/programs from the contents of the Annual National Statistical Programs.

Table 7. Feasibility of Proposing to Approach an Internal Audit Mission

Internal audit mission proposed as a new approach	Name of auditable objectives	Feasibility of auditable objectives
Internal audit of the performance of the economic dimension of statistical research in the period...	Agriculture Statistics	- Assessment of the degree of fulfilment of the objectives attached to each field related to the economic dimension of the statistical surveys carried out at the level of an analysed period, in terms of respecting the principles of economy, efficiency and effectiveness in using allocated public funds; - Formulation of reliable recommendations in order to improve
	Research and development statistics	
	Trade Statistics	
	Construction Statistics	
	Energy Statistics	
	Enterprise Statistics	
	Industry Statistics	
	Environmental Statistics	
Services Statistics		

¹ This topic will also take into account the aspects related to the programs developed in order to support the statistical system, the databases used, the studies and statistical analyzes carried out at the level of a budget year

Internal audit mission proposed as a new approach	Name of auditable objectives	Feasibility of auditable objectives
	Forestry Statistics	statistical activities specific to the economic dimension.
Internal audit of the performance of the social dimension of statistical research in the period ...	Population and demography statistics	- Assessing the degree of fulfilment of the objectives attached to each field related to the social dimension of statistical surveys conducted at the level of an analysed period, in terms of compliance with the principles of economy, efficiency and effectiveness in the use of allocated public funds; - Formulation of reliable recommendations in order to improve statistical activities specific to the social dimension.
	Living standard statistics	
	Labour Statistics	
	Social Protection Statistics	
	Education Statistics	
	Culture Statistics	
	Justice Statistics	
Health Statistics		
Internal audit of the performance of National Accounts Statistics in the period ...	National accounts	- Ensuring management's compliance with the principles of economy, efficiency and effectiveness in the field of national accounts, public debt reporting under ESA 2010 ¹ in the context of the excessive deficit procedure ² ; - Formulation of reliable recommendations in order to improve the statistical activities specific to the National Accounts.
	Regional accounts	
	Public debt / budget deficit	
	Macroeconomic indicators	
	Non-financial accounts	
Internal audit of the performance of other programs carried out in	Price Statistics	- Ensuring management on compliance with the principles of economy, efficiency and effectiveness in carrying out other specific statistical programs; - Formulation of reliable recommendations in order to improve the
	Statistical standardization	
	Quality of the statistical system ³	
	Statistical publications	

¹ ESA 2010 represents the Standard for the Economic Classification of Government Activities - Classification of the Functions of Governments; the internal audit will assess how the requirements of the new Regulation of the European Parliament and of the Council of 21 May 2013 on the European System of Accounts (ESA 2010), no. 549/2013

² The internal audit will assess how the provisions of the Public Debt and Budget Deficit Manual have been applied, as well as the Eurostat decisions in the field of public finances in the context of the excessive deficit procedure in accordance with Article 11 of Regulation (EC) no. 479/2009, amended by Regulation (EU) no. 679/2010

³ This topic will also take into account the aspects related to the programs developed in order to support the statistical system, the databases used, the statistical studies and analyzes carried out at the level of a budget year, respectively financial year.

Internal audit mission proposed as a new approach	Name of auditable objectives	Feasibility of auditable objectives
the national statistical system in the period...		statistical activities specific to the programs carried out.

Source: Author Processing

The internal system audit is defined in the national reference¹, in force, as an activity of “*in-depth*” evaluation of the management and internal control systems in order to determine whether they operate in compliance with the principles of economy, efficiency and effectiveness.

The general objective of public internal system audit missions is to “*provide reasonable assurance as to the functioning of the public entity as a whole by examining its components (subsystems)*”². The purpose of a system audit mission is to identify inconsistencies, non-conformities and existing vulnerabilities points in the activities specific to the national statistical system and the formulation of recommendations to improve the activities/processes that it manages and that the general management implements within the entity, so that it, as a whole, but also its subsystems to be efficient and effective³.

If we compare this definition with that of internal performance audit we find that there is no clear delimitation between the two types of audit. This finding is argued by the very definition of performance auditing: “*Performance auditing is an independent and objective activity of analysing the activities/processes/programs/projects/policies carried out within the public entity, designed to add value by evaluating the results obtained and comparing them with those proposed or expected, in conditions of economy, efficiency and effectiveness*”. If we also refer to the compliance/regularity audit which represents “*the examination of the processes, activities and actions carried out within the public entity, based on a frame of reference, so designed to enable assurance on the effectiveness of risk management, control and governance processes*”⁴ we find that it interferes with the other two types of missions, the difference between them being the approach of the internal audit mission. The evaluation of the degree of implementation of the

¹ Law no. 672/2002 on public internal audit, updated

² UCAAPI, General Guide on the specific methodology for conducting public internal performance audit missions approved by OMPF no. 1624/2014

³ UCAAPI, General guide regarding the specific methodology for carrying out the internal public audit missions of the system approved by OMPF no. 758/2014

⁴ UCAAPI, General guide regarding the specific methodology for carrying out the public internal audit missions of regularity/compliance approved by OMPF no. 757/2014

objectives approved in the Annual National Statistical Programs cannot be performed, “*measured*” without the use of the specific instruments of expenditure accounting and internal audit within the national statistical system.

8. Conclusions

The results of the empirical research confirmed that the internal audit, through its specific activity, identified and evaluated the current dysfunctions in the accounting of the public entity and, in particular, in the use of public funds allocated to the statistical system through annual revenue and expenditure budgets. Dynamic analysis of budget execution and comparative analysis of the reflection of dysfunctions found by the internal audit in accounting, as well as comparative analysis of the assessment of the vulnerability of accounting with the degree of reflection of dysfunctions in budget execution and the degree of budget execution validated the hypothesis that expenditure accounting is the basis for substantiating the resources needed to carry out specific activities in the national statistical system. Based on the findings of the internal audit, the accounting dysfunctions were restated and reclassified according to the research need. **Applied research and analysis of the information provided**, currently by the internal audit performed at the level of the national statistical system, highlighted the need to improve the internal audit activity, in the sense of moving to performance audit in order to assess the degree of achievement of objectives approved in the Annual National Statistics Programs (ANSP).

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