



The Romanian Court of Accounts

The Court of Accounts carries out the financial audit of the execution accounts: the state budget, the state social insurance budget, the special funds, the local budgets (the counties, Bucharest and the sectors of Bucharest, the municipalities, cities and communes), the budget of the State Treasury, the budgets of the autonomous public institutions, the budgets of public institutions financed in whole or in part from the state budget, the state social insurance budget, the local budgets and the budgets of the special funds, as the case may be, the budgets of public institutions financed entirely from their own revenues, the budget of non-reimbursable external funds, as well as other budgets provided by the legislation in force. The Court of Accounts performs compliance audit actions that verify and monitor whether the management of the public and private assets of the State and of the administrative-territorial units and the implementation of the revenue and expenditure budget of the controlled entity are consistent with the purpose, objectives and tasks provided in the normative acts through which the entity was established. The Court of Accounts carries out the audit of the performance of the use of the financial resources of the State and of the public sector; an independent assessment of the economy, efficiency and effectiveness with which a public entity, program, project, process or activity uses the public resources allocated to achieve the objectives set shall be carried out as part of the performance audit. The Court of Accounts shall notify the criminal investigation bodies in situations where during the audit missions there are facts identified for which there are indications that they have been committed in violation of the criminal law and informs the audited entity about this.

The regulations in force ensure the Court of Accounts access to information:

The law ensures the unhindered access of the Court of Accounts to the records, documents and information necessary for the verification of the entities in the area of competence. The Court of Accounts has the right to decide what information it needs to carry out its audit tasks. The audit staff of the Court of Accounts shall have the right of unhindered access to the premises of the audited entities in order to carry out the activities necessary to fulfil the mandate established by the law. At the request of the Court of Accounts, the public authorities responsible for financial control, fiscal control, as well as control or prudential supervision in other areas have the obligation to carry out specific controls as a priority.

As regards to the reporting rights and obligations, according to the Constitution and the law:

The Court of Accounts is empowered to report annually and independently to Parliament on its findings. The institution shall report annually to Parliament on the management accounts of the consolidated general budget for the expired budgetary year, including irregularities detected. The annual public report shall be published in the Official Gazette of Romania, Part III. The Court of Accounts shall forward to Parliament and, through the county chambers of accounts, the deliberative public authorities of the administrative-territorial units, reports on the areas in which it is competent, whenever it deems necessary. The legislation in force does not contain any provisions limiting the Court of Accounts' freedom to decide the content of audit reports. There are also no provisions restricting the Court of Accounts' freedom to decide when its reports are published. The only exception

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is the annual public report which the Court of Accounts submits to Parliament and which must be drawn up within 6 months from the receipt of the accounts from the bodies competent to draw them up and which are obliged to submit them for verification.

As regards to the financial independence/autonomy:

The legislation provides for a certain degree of financial independence of the Court of Accounts from the executive. The Court of Accounts prepares and approves its own budget, which it sends to the Government, in order to include it in the draft state budget subject to Parliament's approval. The Court of Accounts budget is provided separately as an annex to the annual law approving the state budget and theoretically, according to the Constitution and Law no. 94/1992, only the Parliament would be able to "censor" the draft budget approved by the Plenum of the Court of Accounts. In practice, however, the draft budget approved by the Plenum is not included by the Ministry of Finance in the form received but undergoes changes that may affect the activity of the Court of Accounts. Therefore, in this case we are only talking about "a certain degree of independence". The Court of Accounts has the right to use the funds allocated from the state budget, according to their purpose and operating needs, in compliance with the provisions of the law on public finances on budget implementation, respectively the provisions on the commitment, liquidation, ordinance and payment of expenses. Control of the budget of the Court of Accounts shall be exercised by a committee set up for this purpose by the two Chambers of Parliament and the implementation of the budget shall be submitted to Parliament for approval in the first session of each year.

In addition to the above-mentioned aspects that concern ensuring an appropriate legal framework for the functioning of the Court of Accounts, according to INTOSAI's independence principles, the Court of Accounts permanently aims to increase the trust in the institution by stakeholders, to transform into a real supreme audit institution, to increase the quality of audit reports and the transparency of the audit activity, which ultimately brings added value in the society and a change in the life of the citizen.

In recent years, an extensive reform process has started within the Court of Accounts, one of the main tools used in this process being the access of European funds through the Operational Administrative Capacity Program (POCA) and the SIPOCA 744 "Court of Accounts of Romania — SAI for Citizen" project, the implementation of which started on September 9, 2019. Through this project, the Court of Accounts aims to respond to the emerging challenges of the contemporary society that is in a permanent transformation, to redefine, through professionalism and transparency, the image it has in society and thus to become the engine of development and balance factor that brings added value in the lives of citizens in whose service the Court of Accounts operate. The overall objective of the project is to strengthen the institutional capacity of the Court of Accounts to carry out the external public audit activity in accordance with the international standards and the expectations of society. The specific objectives of the project are to improve the strategic planning at the Court of Accounts level, to update the regulations in the field of external public audit and to strengthen the professional capacity in the field of external public audit. Within the project, in the period 2020-2021, a functional review at institution level was carried out by the US Supreme Audit Institution (GAO) through its Centre of Excellence in Audit together with a Peer-Review analysis covering the quality of the audit reports, involving partners from the Supreme Audit Institutions of Poland, the Netherlands and Austria. More information on the two evaluation reports can be found on the website of the The Court of Accounts

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— www.curteadeconturi.ro - under the section "About us" subdivision "Projects financed by European funds"/RCoA -SAI for the citizen.

In 2022 under the European funded project: the process of reviewing audit regulations in partnership with the World Bank has continued. For this purpose, the methodologies, audit manuals, regulations, etc. which underpin the external public audit activity in Romania shall be analyzed and updated and, where appropriate, reorganized and simplified in relation to international auditing standards. Thus, the Plenum approved the new Financial Audit Manual on December 8, 2022 and on December 20, 2022 the Regulation on the external public audit activity; the project of changing the organizational culture was continued with the aim of modernizing the institution and increasing the quality of the specific activity. The diagnosis of organizational culture is a complex process that was started in 2021 and includes the quantitative and qualitative analysis of the Court of Accounts at all levels of activity and at the level of perceptions from the credit officers, the definition of the ideal organizational culture to support the new institutional strategy of the Court of Accounts also in relation to the credit officers and the definition of the intervention plan for the development of the organization culture at the level of the Court of Accounts in accordance with the ideal organizational culture. After the diagnosis, two categories of activities were carried out: the development the intervention plan and the ways to operationalize it and ensure the correct translation of organizational culture objectives between strategic documents and internal operational documents/procedures.