

METHODS AND TECHNIQUES USED TO EVALUATE THE PERFORMANCE OF INTERNAL PUBLIC AUDIT

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In order to elucidate some essential aspects regarding the evaluation of the performances of the internal public audit, we had to highlight for the first time some defining issues in the area of internal management control activity.

A second issue that we focused on relates to some fundamental aspects regarding the requirements of the missions of evaluation in the internal public audit activity, where we pointed out some relevant things such as: internal and external evaluations of the quality and performance of internal public audit.

The final part was dedicated to highlighting the considerations regarding the evaluation of the performances of the entities of the Ministry of National Defence with the help of the internal public audit.

Keywords: internal managerial control; internal public audit; evaluating the quality; Balanced Scorecard (BSC); performance indicators;

Considerations regarding the definition of the control of internal managerial nature and the connection with the performance evaluation in this process

First, we are going to try to define the concept of internal managerial control. We find a definition of internal managerial control in the Government Ordinance no. 119/1999¹. According to this normative act the **internal/managerial control**² represents "the set of the control forms exercised at the level of the public entity, including the internal audit, established by the management, in accordance with its objectives and with the legal regulations, in order to ensure the administration of the public funds in an economical, efficient and effective manner; it also includes organizational structures, methods and procedures"³.

Analyzing this definition it can be observed that it highlights some very important characteristics: a) it covers all the forms, methods and control procedures that are carried out at the level of the public entities and all the organizational structures

within them; b) it includes internal audit as an activity which is not viewed separately, as distinct from control; c) the forms of control are established by the management of each public entity, but appropriate to the specific activity of each individual, yet, in accordance with the normative acts and the objectives of each entity; d) it emphasizes the purpose of internal control over the administration of public funds in an economical, efficient and effective manner, which is a major objective of any entity, whether it is public or private.

We could conclude that it is a modern, comprehensive definition and of great conceptual depth.

The organization of the internal management control system of any public entity considers the achievement of **three categories of objectives**: a) *operational*; b) *reporting*; c) *compliance*.

The design, implementation and continuous development of a viable internal control system are possible only if the **system meets the following requirements**:

a) to be adapted to the size, complexity and specific environment of the entity; b) to target all levels of management and all activities / operations; c) to be built with the same "instruments" in all public entities; d) to ensure that the objectives of

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the entity will be achieved; e) from the beginning to strictly follow the observance of the condition, according to which the costs of introducing this control system are lower than the benefits obtained from this activity; f) to be subordinated to the general minimum management requirements stipulated in the profit standards.

The **internal management control tool** can be classified into the **following large groups**: 1) objectives pursued; 2) means (resources) used; 3) information system used; 4) chosen organization; 5) procedures that can be used; 6) the control mode to be executed.

The design of a viable internal management control system is a process that has an important duration, which requires a remarkable activity from the personnel of the public institutions and, especially, from the personnel holding management positions.

Public institutions that have introduced a quality management system can satisfy the requirements stipulated by the Code of internal managerial control, by means of the own principles of the established management system, with the requirement that the principles be applied in a unitary way on the whole of this entity of this nature.

Next, we will point to the content of the **Standard 7 of internal/managerial control** which refers to the **Performance evaluation of all the standards of internal managerial control**.

The head of the public entity arranges the monitoring of the performances for the objectives and/or the activities of the compartments, through quantitative and/or qualitative indicators, including those on economics, efficiency and effectiveness.

This standard implies the following **requirements** from the compartment managers: 1) to monitor the performances of the activities under coordination, by developing a system adapted to the size and specificity of the compartment's activity; 2) to ensure that at least one performance indicator is established for the objectives set and the activities foreseen in the plan and/or carried out, with which the achievements are monitored and reported; 3) based on the reports that are performed annually on the monitoring of the performances transmitted by the profile structures, to prepare a set of information regarding the monitoring of the performances of the state entities for the benefit of

their leaders; 4) the organizational chart and the depth of the way of monitoring the performances is conditioned by the size and particularities of the activity of the public entity, by the change of objectives and indicators, by the way of employees having access to the information they need.

The management of the public institutions decides on a regular basis the evaluation of the performances, detects the possible deviations from the objectives established initially and initiates measures of prevention and of correction that are necessary.

Such standard has as **main references** the following **normative acts**: Law no. 500/2002⁴, Law no. 273/2006⁵; budget laws that are approved each year; Government Emergency Ordinance no. 86/2014⁶; Government Decision no. 611/2008⁷; Government Decision no 478/2016⁸; Government Ordinance no. 119/1999⁹; Order of the Minister of Public Finance no. 1.159/2004¹⁰.

These normative acts are added those that appear during the course and complement constructively or almost completely replace some of the older ones, which no longer retain their validity in the new circumstances.

The leaders of the public entities must adequately answer at least the following questions and challenges: 1) Is there a performance monitoring and reporting system established, based on the indicators associated with the specific objectives? 2) Is there an examination and ranking of the performances based on the performance indicators set maintained? 3) If there is a possible deviation from the requirements of the objectives, are preventive and corrective measures taken necessary?

To these questions each manager or head of compartment at all the hierarchical levels of each public entity must be able to answer, in an appropriate manner, precisely. This means that at each hierarchical level there must be an adequate and relevant system of performance indicators that each employee must reach, regardless of the position occupied in the hierarchy. There is also a need for a very precise and realistic system for monitoring and reporting the performance of each structure and of each employee that is part of them, and if deviations from the required objectives and performances are found, the heads of structures should be able to propose and, respectively, to

decide the necessary corrective measures, without resorting at any price to the sanctioning or dismissal of the persons of management or execution who did not reach the required performances.

Some defining aspects regarding the mission whose purpose is to evaluate the activity of internal public audit

The main objectives of the internal public audit activity are as follows: 1) risk management assessment; 2) evaluation of the functionality of the internal control system; 3) management advice. For this activity to be carried out as efficiently and responsibly as possible, its evaluation is also required.

Evaluation of the internal public audit activity, according to the Government Decision no. 1086 of December 11, 2013¹¹ constitutes an assessment, on analytical grounds, of the internal audit function in public institutions, in order to ensure the achievement of the objectives, according to the profile standards.

Examining or evaluating the quality or performance of the internal public audit activity is an ex-post activity.

This evaluation has its origin in the examination of the internal audit activity according to the compliance and the performance against certain criteria, such as the provisions of the normative framework specific to the field, the established objectives and so on.

Evaluation of the quality or performance of the internal public audit (including in the Ministry of National Defence) is performed through **internal and external evaluations**:

Internal evaluations are performed by the head of the internal audit structure and can be of two types: 1) *periodic evaluations*; 2) *continuous evaluations*¹².

External evaluations are periodic assessments performed by UCAAPI/internal public audit departments constituted at the level of hierarchically superior public entities, through:

a) Verification of compliance with the norms, instructions, Code on the ethical conduct of the internal auditor;

b) Evaluation of the quality of the internal audit, on the basis of criteria set in relation to the normative framework that is applied in the field;

c) Expressing an opinion, in relation to the

levels of appreciation granted and by formulating recommendations aimed at correcting non-conformities and improving activities, in each internal public audit mission¹³.

The problem of internal audit evaluation (public and private entities) is met professionally and at two Romanian brand specialists in the field: Ghiță Marcel¹⁴ and Boța-Avram Cristina¹⁵.

The carrying out and completion of the internal public audit evaluation missions involve at least the following actions:

a) objectively measuring the internal audit carried out in public entities, with the help of an in-depth analysis, to see the extent to which the compliance and performance requirements with the previously established criteria are met, through the normative acts and other supporting instruments specific to this activity;

b) the delivery by the internal auditors carrying out the evaluation of this activity of profile, of an independent opinion and objectives related to the extent to which the audit departments have reached the degree of compliance and performance;

c) Making recommendations for raising the bar of internal public audit activity, in order to increase its efficiency and effectiveness.

Internal auditors formulate their opinion on the internal audit activity evaluated in relation to the levels of appreciation granted and the results of the recorded findings, taking into account the following requirements: a) the extent to which the specific general and methodological norms regarding the exercise of this activity are respected; b) the extent to which the compliance of the internal audit activities with the procedures of the profile compartment is respected; c) the level of coverage of all the processes and activities of the state entity through the audit missions carried out; d) examining the level of effectiveness of the internal audit; e) the added value brought by the internal audit in the activity of the public entity.

The scope of the evaluations of the internal public audit activity includes, at least the following aspects: a) the content of the mission, competences and responsibilities of the internal public audit department; b) the degree of independence of the internal audit structure within the public entity; c) the level of competence and professional awareness of the internal auditors; d) how the management of the internal audit activity is performed; e) the nature

of the internal audit activity; f) the coordinates of the quality assurance and improvement program of the internal public audit activity; g) the extent to which the specific norms are respected in carrying out the internal public audit missions; h) objectively establishing and operationally communicating the results of the internal public audit missions.

The methodology for carrying out the missions for evaluating the internal public audit activity involves following the specific procedures (which include: initiation of the internal audit; drawing up the statement of independence; developing the notification regarding to the start of the evaluation operation; organizing the opening of the mission session; collecting and processing information; developing the evaluation mission program; collecting and analyzing the audit evidence; reviewing documents and setting up the audit evidence; closing session; drawing up the draft report of the evaluation mission; elaboration of the evaluation mission report); and making related documents, as required in the pattern presented in the Government Decision no. 1086 of December 11, 2013¹⁶.

A very useful tool for evaluating performance in different fields, including in internal public audit is "Balanced scorecard" (BSC).

"Balanced scorecard" (BSC) is a performance management tool, initially developed by Kaplan and Norton (1992). These two specialists introduced the Balanced Scorecard in an article in 1992 on the Harvard Business Review (Kaplan and Norton, 1992). Since the publication of the HBR article in 1992, several companies have quickly adopted the Balanced Scorecard, providing the initiators deeper and broader information about their power and potential.

This article describes the roots and motivation for the original Balanced Scorecard article, as well as the subsequent innovations that connected it to a larger management literature¹⁷.

The "balanced scorecard" can be successfully applied for both commercial and non-commercial activities, having a double quality, to be at the same time both a working tool and a management model¹⁸.

In principle, the **Balanced Scorecard** as an appropriate tool can be used for evaluation, performance improvement, and as an element of the reporting system, in order to add value to the

activity, but also to prove responsibility.

It is time to mention that a project with European funding implemented in our country aimed to use such an instrument for evaluating the performances of a very important structure of the central state apparatus – the Ministry of Public Finance¹⁹.

According to the manual elaborated after the completion of this project, performance management includes activities that ensure the achievement of objectives in an effective and efficient manner. It can be oriented towards the performance of the institution, a department, an employee or even the process implemented to obtain a service. Performance management refers to the way in which both behaviors and outcomes are managed, two basic elements in defining performance.

Performance is viewed as behavior through the way institutions, teams and individuals act to perform their tasks. Performance management is a strategic and integrated approach to ensure lasting success in the activity of institutions, by improving the performance of the institution, teams and individuals.

Performance management brings the following benefits: 1) It offers a structured approach oriented to results and profit, not to the activities; 2) It involves the parties - beneficiaries, employees, management structures, other stakeholders - in the performance planning and evaluation process; 3) It proposes an ethical mode of behavior; 4) It facilitates the achievement of the objectives, the orientation of the entire staff towards the common goals of the institution, the adoption of better decisions, in a shorter time, the assurance of trust and motivation among the managers and the staff.

The stages of a performance management system are as follow: 1) Establishing objectives and standards; 2) Defining a performance measurement system; 3) Setting an agreement of responsibilities; 4) Establishing a system for collecting data on performance; 5) Establishing a system for analyzing and comparing data on actual and objective achievements; 6) Making a decision on corrective actions.

A performance management system is oriented to the following directions: a) to help to better understand the needs of the beneficiaries; b) to help their institutions and employees to become result-oriented; c) to contribute to improving the quality of services by improving processes

and practices; d) to create links between the individual objectives and those of the institution; e) to translate the strategic priorities into measures and targets of the performance; f) to signal the individual contribution to the achievement of the institution's objectives by involving the parties in the performance planning and evaluation process; g) to identify the strengths and areas that can be improved; h) to facilitate internal and external communications.

The Balanced Scorecard (BSC) is used as a management and guidance tool for the organization for pursuing certain strategic objectives. In comparison with the mission and vision of the institution (which appear as essential in the strategic plan), BSC proposes the creation of measurable strategic objectives through performance indicators, in order to achieve this strategic plan; next, BSC proposes to carry out activities/initiatives for the implementation of these objectives.

Depending on the type of organization, the fundamental perspectives are: 1) clients (beneficiaries); 2) financial perspective; 3) internal processes; 4) innovation, learning and development.

These perspectives can be adapted to the specifics and needs of the organizations. 1) Customers/Beneficiaries/Partners – the strategic development area where the organization must develop and improve its services; 2) **Financial perspective** – the strategic development area regarding the own financial management; 3) **Internal processes** – strategic area regarding the way the organization functions from the point of view of internal bureaucracy and management systems; 4) **Innovation, learning and development** – strategic area that refers to the satisfaction and retention in the institution of employees, training systems for employees, motivation systems for employees.

The balancing of this indicator plan is done by two methods: 1) by choosing several indicators for each objective of a perspective for which BSC operates; 2) by the fact that the fulfilment or non-fulfilment of an objective within a perspective leads to the fulfilment or non-fulfilment of another objective within another perspective, a relationship highlighted by the Strategic Map of an organization.

BSC allows institutions to manage their

Strategic Plan by interconnecting objectives, activities/initiatives, indicators and targets at all levels and, at the same time, centralizing sets of measures and targets for monitoring progress in the key areas.

The reasons for BSC implementation can be oriented towards 1) Formulating and refining the strategy; 2) Communicating the strategy and priorities in the organization; 3) Creating links between long-term strategic objectives and budget; 4) Monitoring progress and applying measures to improve performance.

Within each classical perspective there are 4 important concepts: 1) **Strategic objectives** – represents the main component of a Balanced Scorecard and ensures the concrete strategic directions assumed by the institution by implementing the Strategic Plan; 2) **Indicators** – represents the unit of measure of the strategic objective; 3) **Targets** – the targets represent the value assigned to each indicator; 4) **Initiatives (activities)** – represents the way to achieve the proposed objective, through a sum of actions, measures (possibly even corrective measures, if the values of the indicators are far from the proposed target values).

Using this very useful tool in our country was also realized in a study entitled "**Balanced Scorecard in Romania 2010**" published in May 2011 by ACUMEN INTEGRAT. People. Systems. Technology, in Cluj-Napoca, through the efforts of the following researchers: Adrian Brudan, Alexandra Moldovan, Sorina Mone and Nicoleta Dorina Racolța-Paina²⁰.

Also worth mentioning is another study by specialists Turcu Dan Radu and Turturea Mihaela²¹.

We cannot omit the conclusions drawn from the article written by a group of leading specialists with a person endorsed in the field Dascălu Elena Doina who held the position of vice-president of the Court of Accounts of Romania²², from which we will point out some defining elements, which are useful for the topic we are currently analyzing.

The objective of the research aimed to establish the way of performing the performance monitoring in the internal public audit departments in order to identify possible solutions for improving the internal public audit activity.

The research methodology was based on

questioning the auditors of the public sector regarding the way of monitoring the performances of the internal public audit activity.

The questionnaire included 18 questions, out of which 10 referred to performance monitoring indicators in the internal audit activity.

These questions referred to the following issues:

a) General information: 1) Type of public entity (central public institution/ministry, public institution under the subordination/coordination/under the authority of a central public institution/ministry, local public institution, other types of public sector organizations); 2) The number of employees of the public entity (on different ranges of values); 4) The size of the internal audit compartment (total number of auditors); 5) International certifications held regarding internal audit; 6) Experience in internal audit (years); 7) Position as auditor: execution, management; 8) Age.

b) Questions regarding the performance monitoring indicators in the internal audit activity (these questions were established in accordance with Standard 7 - Performance Monitoring, the Code of internal management control of public entities), as follows: 1) Within the internal audit compartment have you defined performance monitoring indicators? 2) How many indicators for monitoring the performance of the internal audit

objectives and how many activities associated with these objectives (according to Standard 5 - Objectives and Standard 6 - Planning from the Code of internal managerial control of public entities) have you defined/identified during the mentioned period (for the years: 2012, 2013, 2014, 2015, 2016)?

4) What is the frequency of measurement of these indicators (daily, weekly, at 2 weeks, monthly, bi-monthly, quarterly, semi-annually, annually)?

5) To whom do the people in the organization communicate the level of these indicators and the frequency of communications (the head of the organization, the audit committee, the head of the internal audit department, the monitoring committee of the control system, others (detailed)?

6) What are the main indicators for monitoring the performances used in the internal audit activity (indicator name, measurement frequency, calculation mode)? 7) Estimate the degree of difficulty regarding the definition of performance monitoring indicators (very easy, easy, medium, difficult, very difficult); 8) Indication of the extent to which you agree with the following statements regarding the usefulness of performance monitoring indicators (DT - completely disagree; D - disagree; N - neutral/do not know; DA - agree; FD - strongly agree), according to the table below:

9) What are the main difficulties you face in defining performance monitoring indicators and

Assessments regarding the usefulness of performance monitoring indicators	DT	D	N	DA	FD
<i>The performance monitoring indicators are useful for the audit activity in the compartment in which I operate</i>					
<i>Performance monitoring is not useful in relation to the time allocated to it</i>					
<i>I have at least one performance monitoring indicator that I monitor</i>					
<i>Performance indicators are always fulfilled</i>					

activity have you used for the years: 2012, 2013, 2014, 2015, and 2016? 3) How many specific

monitoring them? 10) Do you think it would be necessary to establish a set of minimum indicators

for the internal audit departments in the public sector (yes, no)?

The answers to the questions were requested subject to anonymity. Replies to 46 questionnaires were received from auditors from various internal audit departments in the public sector.

From this study we selected for example some of the most important conclusions.

Regarding the number of performance monitoring indicators defined within the internal public audit departments: most respondents (about 36%) defined between 4 and 8 indicators; about 17% defined over 12 indicators; there were also cases of internal audit departments that defined 20 respectively 38 performance monitoring indicators.

Regarding the periodicity analysis of the measurement of the defined indicators: over 72% of the respondents measure the defined indicators only once a year, and approx. 16% quarterly.

Regarding the level of reporting of the obtained performances: over 58% of the respondents communicate the level of the indicators obtained in the internal audit activity at the highest level, respectively to the head of the entity, approx. 33% communicates the level of indicators to both the entity's manager and the commission for monitoring the internal management control system, and about 5% only to the mentioned commission.

Regarding the defined performance monitoring indicators: from the questionnaires, about 67 indicators regarding the performance of the internal public audit activity were identified. Among the frequently used indicators, the following are mentioned: 1) The degree of accomplishment of the internal audit plan; 2) The degree of implementation of the recommendations made; 3) Number of days of professional training; 4) Number of accepted recommendations in relation to the number of recommendations made; 5) Number of deviations from the ethical code; 6) The percentage of ad-hoc missions from the total of the missions carried out; 7) Number of endorsed recommendations relative to the number of recommendations made; 8) Number of audit reports.

A few performance monitoring indicators are not clearly defined or their relevance to the performance of the internal public audit activity can be considered as low. For example, the following indicators are mentioned: 1) Dynamics of risks

related to the audited activities; 2) Updating the list of activities to change the legislation; 3) Compliance with the minimum structure of the audit reports; 4) Number of procedures developed; 5) Decreasing the share of risks associated with the objectives; 6) The total number of identified risks; 7) Providing a unitary framework for carrying out audit missions; 8) The number of risks in the audit department should be as small as possible; 9) The degree of achievement of the evidence; 10) Participation in the meetings of the SCIM monitoring committee; 11) The added value added through the efficiency of the audit reports.

Regarding the identification of the main difficulties that the auditors face in defining the indicators. The processing of the results of the questionnaire did not indicate a major difficulty; the identified difficulties were punctuated by several aspects such as: 1) the lack of a set of minimum indicators for the audit; 2) personnel shortage; 3) lack of confirmation from the higher hierarchical body; 4) lack of models; 5) lack of a methodology for establishing the indicators; 6) measurement difficulties; 7) lack of long-term strategies; 8) staff fluctuation; 9) poor communication; 10) lack of legal provisions.

On the need to establish a set of minimum performance monitoring indicators for the internal audit departments in the public sector: over 69% of the respondents pointed out the usefulness of such a set of indicators for monitoring the performance of the internal public audit activity.

With respect to the degree of difficulty regarding the definition of performance indicators: over 72% of the respondents mentioned a medium level, a level that may indicate a certain indecision in this; in detail, the answers were polarized as follows: very slightly - 5.56%; slightly - 11.11%; medium - 72.22%; difficult - 11.11% and very difficult - 0%.

In view of the resulting aspects, in order to improve the monitoring of the performances of the internal public audit activity in the public sector, the authors of the study consider it interesting to promote the following directions of action:

1) Elaboration of a guide regarding the monitoring of the performances in the activity of internal public audit in Romania by a team of specialists with experience in this field, which will ensure the improvement of the performance monitoring indicators in the public sector;

2) Establishing a minimum set of indicators regarding the monitoring of the performances in the activity of internal public audit in Romania that will ensure the comparability of the results obtained by different departments of internal public audit and allow the improvement in this field;

3) Organizing workshops with the auditors (within the professional training activities) to improve the skills in establishing the indicators for monitoring the performance of the internal audit activity.

Some considerations regarding the evaluation of the performances of the entities of the Ministry of National Defence with the help of the internal public audit

For a structure of the nature of the Ministry of National Defence, its general and specific objectives are of utmost importance for the knowledge and evaluation of the performances of the entities that make up this ministry.

General objectives compete in the fulfilment of the ministry's mission and are stipulated in the law of its organization and functioning or in the normative acts and the specific planning documents.

Specific objectives are the objectives resulted by deriving from the general objectives and contribute to the achievement of the corresponding general objective.

These are customized by each commander or chief of military structure, in accordance with the activity and duties of each structure and are incorporated in the plan with their main activities or in other appropriate planning documents.

The hypotheses or premises are logical constructions between variables, based on complete information from the quantitative and qualitative point of view, which highlight the possible changes in the internal or external environment of the components of the ministry.

The objectives are configured in such way, so that they meet the S.M.A.R.T. requirements which we referred to earlier in the article.

The general and specific objectives are required to be set in such a way that their completion can be tracked and verified with measurable performance indicators.

The measurement of performance is generally

oriented either to the results of the activity (output) or to the impact of the program (out-come) in the long term.

The types of performance indicators are characterized by the following parameters:

a) Quantity is an indicator of what the activity / program will actually produce;

b) Quality measures the quality of the results produced in the military structures;

c) Duration depends on the nature of the result, being very useful when the time factor is a very important parameter in the course of the activity or program;

d) Efficiency is a measure of contributions, such as cost per unit of output;

e) Effectiveness is an indicator of the extent to which a program has achieved its objectives.

In the process of selecting performance indicators, the following aspects must be taken into account: a) correlation of indicators - the objectives set to be as clear as possible; b) specifying the reference values among the most current historical values of an indicator; c) regular activities are required to collect information on relevant indicators; d) setting the target values for each quarter of the current financial year²³.

When introducing and developing systems of the nature of internal managerial control within entities of the Ministry of National Defence, the following principles must be respected: a) the principle of legality; b) the principle of adaptability; c) the principle of completeness; d) the principle of uniformity; e) the principle of finality; f) the principle of efficiency; g) the principle of effectiveness; h) the principle of economics²⁴.

For monitoring, coordination and methodological guidance of the implementation and improvement of the internal management control system, the **following commissions** are set up and functioning, according to the hierarchical level, in the Ministry of National Defence:

a) At the level of the Ministry of National Defence – the monitoring commission of the ministry;

b) At the level of the organizational components of the ministry, where commanders or heads fulfil the function of authorizing officers - the monitoring commissions;

c) In the structures of the ministry whose commanders or chiefs do not have the quality of

authorizing officers – a person responsible for monitoring the implementation of the internal management control standards²⁵.

The monitoring commission of the Ministry of National Defence has the following composition: a) chairman – the deputy secretary general of the Ministry of National Defence or the deputy general secretary of this ministry; b) members – the director of the General Staff of the Defence and the deputies of the departments and directions of the ministry.

Internal public audit has an extremely important role on the line of evaluating in an independent and objective manner the internal management control system of the components of the Ministry of National Defence.

In order to substantiate the Report on the internal management control system at the end of each year, according to the annex no. 4.3 of the instruction that is part of the Order of the Secretary General of the Government no. 600/2018²⁶, the following responsibilities are set at the level of the ministry:

a) The entities audited by the specific structures (internal or external audit) in the field of the managerial internal control transmit to the General Secretariat, within 30 days from the conclusion of the mission, the main recommendations and measures arranged in order to implement them;

b) The Internal Audit Department sends, in its turn, to the General Secretariat a summary of the main findings in the field of managerial internal control and elements considered relevant in the program and activity of the audit structure, until January 25 of the following year, for the previous year²⁷.

From the ones presented by us from this normative act we can draw some conclusions regarding this type of control in the army: 1) it clearly establishes the organizational structures meant to monitor the internal managerial control in the army; 2) it rigorously establishes the general and specific objectives of this type of control according to the requirements of type SMART; 3) it specifies precisely the indicators for measuring the performances of the entities subject to internal control and why particular aspects must be taken into account; 4) it stipulates the principles that must be respected in the process of implementation and development of this activity in all military structures.

Regarding the evaluation of the internal

management control system, in order to increase the performances of the entities of the Ministry of National Defence, we consider that the activity of internal public audit must take into account at least the following aspects:

1) Begin any internal public audit mission, starting from the requirements of the internal/managerial control standards and the international internal audit standards;

2) Provide the necessary resources (human, financial, time, etc.) for each audit team descending into internal public audit missions to be carried out in entities of the Ministry of National Defence, for the full completion and with future favorable effects for those audited;

3) Assure judicious establishment of each internal audit mission to the entities that will be audited in the ministry, after a very rigorous assessment of the risks that may arise as a result of shortcomings in the internal/managerial control activity;

4) Establish with high realism and wisdom the recommendations after the completion of each audit mission and then, tenaciously pursue the implementation of the recommendations agreed between the parties (the audit team and the audited entity);

5) Periodically evaluate the performances of the internal public audit teams from the Internal Audit Directorate and its territorial structures within the Ministry of National Defence, taking into account the concrete results obtained subsequently by the audited entities, also using for this purpose the formidable valences of the Balanced Scorecard which we made some references at in the article.

Conclusions

The evaluation of the performances of the internal public audit is directly related to the internal/managerial control with all the elements that define it, starting with the concept of internal/managerial control, continuing with the instrumentation of internal managerial control, the content of the Standard 7 of internal/managerial control, normative acts which refers to internal/managerial control and ending with questions and challenges to which the leaders of public entities must respond.

In order to understand the defining aspects of the mission of evaluating the internal public audit activity, we had to try to clarify some things of overwhelming importance for the topic of the article, such as: internal and external evaluations of the quality and performance of internal public audit; what involves the carrying out and implementation of the evaluation missions of the internal public audit activity; the possibilities of using the „Balanced scorecard” (BSC) as a tool for evaluating the performance of the internal public audit.

The evaluation of the performances of the entities of the Ministry of National Defence with the help of the internal public audit is an extremely important and natural necessity and it cannot be done without the knowledge and operationalization and the following defining aspects such as: considering with all the attention and responsibility of the general and specific objectives of this governmental structure and the components that come into its composition; better reviewing and improving the adequacy of the types of performance indicators for public entities in the military; enhancing the role of the internal public audit on the line of independent and objective evaluation of the internal management control system of the army structures and constructive review of the elements that this audit must take into account, including the use as a research tool in this field, of „Balanced scorecard” (BSC) method for the significant increase of the added value that the internal audit can bring in the activity of the army entities.

NOTES:

1 It refers to internal/managerial control and preventive financial control and was published in the Official Gazette of Romania, Part I, no. 799 of November 12, 2003.

2 According to the definition in Art.2 of the Government Ordinance no.119/1999.

3 According to the definition in Art. 2 of the Government Ordinance no. 119/1999.

4 Concerning the public finances, republished with subsequent amendments and completions, published in the Official Gazette of Romania, Part I, no. 597 of August 13, 2002.

5 Concerning the local public finances, published in the Official Gazette of Romania, Part I, no. 618 of July 18, 2006.

6 It refers to the establishment of reorganization

measures at the central public administration level and for the modification and completion of some normative acts, published in the Official Gazette of Romania, Part I, no. 920 of December 17, 2014.

7 To approve the rules regarding the organization and development of the career of civil servants, published in the Official Gazette of Romania, Part I, no. 530 of July 14, 2008.

8 To amend and supplement the Methodological Norms for the application of Law no. 544/2001 regarding the free access to the information of public interest, approved by the Government Decision no. 123/2002, published in the Official Gazette of Romania, Part I, no. 516 of July 8, 2016.

9 Regarding internal/managerial control and preventive financial control, published in the Official Gazette of Romania, Part I, no. 430 of August 31, 1999.

10 To approve the Instructions on the content, presentation form and structure of the programs elaborated by the main authorizing officers for the purpose of financing certain actions or set of actions, published in the Official Gazette of Romania, Part I, no. 1100 of November 25, 2004.

11 According to Chapter V entitled “Misiunea de evaluare a activității de audit public intern” of the Government Decision no. 1086 of December 11, 2013 for the approval of the General Norms regarding the exercise of the internal public audit activity, published in the Official Gazette of Romania, Part I, no. 17 of January 10, 2014.

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