



# ROLE AND PLACE OF THE INTERNAL PUBLIC AUDIT IN THE MINISTRY OF NATIONAL DEFENCE WITHIN THE MANAGEMENT SYSTEM OF THE PUBLIC ENTITY IN THIS MINISTRY

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In this article we set out to highlight, first of all, the characteristics of the internal managerial control system in the Ministry of National Defence, as one of the resistance pieces of the entire managerial mechanism in this structure of public administration. In order to understand the whole control mechanism and its effects on the final results of each organizational structure in our army, we stopped in our research on certain connections that exist among the management system, the internal management control and the internal audit for the evaluation of the internal managerial control in these entities. The final part of our article is dedicated to the presentation of the ways to perform the initial evaluation of the internal managerial control and to follow the implementation of measures in this field by the internal audit. In this area of research undertaken by us, we have formulated certain solutions to improve this activity in the future in the Romanian Army.

**Keywords:** internal managerial control system; internal managerial control; managerial internal control standard; internal public audit; insurance mission; significance threshold; statistical survey.

## Characteristics of the internal managerial control system in the Ministry of National Defence

The management system in the army entities has as a very important component the internal managerial control system. The latter is regulated, in turn, by the *Order of the Minister of National Defence no. M.100 / 2019 for the approval of the Methodological Norms regarding the internal managerial control system in the Ministry of National Defence*<sup>1</sup> and is organized so as to ensure the achievement of the following three categories of permanent objectives: effectiveness and efficiency of operation; reliability of internal and external information; compliance with internal laws, regulations and policies.

*The internal managerial control system*<sup>2</sup> is an integral and essential component of the management of the institution that covers the entire activity, having a huge impact on the credibility of a government and the operations it carries out. The internal managerial control system is a commitment undertaken by Romania in Chapter 28<sup>3</sup>, *Financial control of negotiations with the European Union*.

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Conceptually, the internal managerial control<sup>4</sup> represents the set of forms of control exercised at the level of the public entity, including the internal audit, established by the management in accordance with its objectives and legal regulations, in order to ensure the administration of funds economically, efficiently and effectively; it also includes organizational structures, methods and procedures. The phrase "internal managerial control" emphasizes the responsibility of all hierarchical levels to keep under control all internal processes carried out to achieve the general and specific objectives.

This control system is organized within the ministry based on the following principles<sup>5</sup>: the principle of legality; the principle of adaptability; the principle of integrity; the principle of uniformity; the principle of finality; the principle of efficiency; the principle of effectiveness; the principle of economy.

In order to monitor, coordinate and methodologically guide the implementation and development of the internal managerial control system, the ministry sets up and operates, depending on the hierarchical level, the following commissions<sup>6</sup>:

- At the level of the ministry, the Monitoring Commission of the Ministry of National Defence;



- at the level of the structures of the ministry whose commanders/heads have the quality of authorizing officers, monitoring commissions in the field of internal managerial control;

- at the level of the structures of the ministry whose commanders/ heads do not have the quality of authorizing officers, a person in charge of monitoring the implementation of the internal managerial control standards is appointed, by agenda per unit.

The monitoring commission of the ministry is composed of: president – the deputy secretary general of the Ministry of National Defence; members.

The members of the Monitoring Commission on the ministry<sup>7</sup> are persons who perform important functions at this higher level, namely: the director of the Defence Staff; deputies of the heads of departments and directions from this basic structure of the ministry of defence.

The monitoring commission of the ministry has numerous attributions, of which we mention a few<sup>8</sup>: it monitors, coordinates and methodologically guides the structures of the ministry in the field of internal managerial control; it elaborates the Development Program of the internal managerial control system of the Ministry of National Defence and submits it for approval to the Minister of National Defence; it coordinates the process of updating the general and specific objectives by the structures of the ministry; it analyses and prioritizes significant risks, which may affect the achievement of the ministry's objectives, by establishing the risk profile and the risk tolerance limit.

At the base of the activity of these persons with important management positions are, according to the *Order of the Secretary General of the Government no. 600/2018*<sup>9</sup>, the following 16 standards of internal managerial control: Standard 1 – Ethics and integrity; Standard 2 – Duties, functions, tasks; Standard 3 – Competence, performance; Standard 4 – Organizational structure; Standard 5 – Objectives; Standard 6 – Planning; Standard 7 – Performance monitoring; Standard 8 – Risk management; Standard 9 – Procedures; Standard 10 – Surveillance; Standard 11 – Business continuity; Standard 12 – Information and communication; Standard 13 – Document management; Standard 14 – Accounting and financial reporting; Standard 15 – Evaluation of the internal managerial control system; Standard 16 – Internal audit.

Internal managerial control standards define a minimum of management rules that all public entities must follow. The purpose of the standards is to create a uniform and coherent internal managerial control model, which allows comparisons between entities of the same type or within the same entity, at different times, and to make it possible to highlight the results of the entity and its evolution. The standards constitute a reference system in relation to which the internal managerial control systems are evaluated, the areas and directions of change are identified.

In the process of implementing the standards of internal managerial control, two obligatory stages are followed: the stage of self-evaluation, performed by commanders/ heads who have the quality of authorizing officers; the stage of evaluation, performed by the internal public audit structure of the ministry.

For the self-evaluation of the internal managerial control system, the structures of the ministry whose commanders/heads have the quality of credit officers go through, mainly, the following stages: convening the monitoring commission in order to self-evaluate the own internal managerial control system; completing the self-assessment questionnaire of the implementation stage of the internal managerial control standards; elaboration of the synthetic situation of the results of the self-evaluation and appreciation of the degree of conformity of the own internal managerial control system with the internal managerial control standards, in relation to the number of implemented standards.

### **Connections between the management system, the managerial internal control system and the internal evaluation audit of the internal managerial control**

The public internal audit structures ensure the independent and objective evaluation of the internal managerial control system of the ministry structures.

For the substantiation of the Annual Report on the internal managerial control system, the following responsibilities are established at the ministry level: the structures of the ministry audited by the internal/external public audit structures in the field of internal managerial control transmit to the General Secretariat, within 30 days from the

end of the audit mission, the main recommendations formulated in the public audit report, as well as the main measures in order to implement them; The Internal Audit Department submits to the General Secretariat a summary of the main findings in the field of internal managerial control, as well as elements considered relevant in the program and activity of the audit structure, until January 25 of the following year, for the previous year.

The entire management system and the two auxiliary components (internal managerial control and evaluation of this control by internal audit) at the level of all entities in the Ministry of National Defence cover a whole set of documents and responsibilities: strategies; strategic plans; procedures; manuals; internal regulations; structural projects; records; rules; appointments of persons with certain attributions; establishment and revision of management documents; quantitative and qualitative performance indicators; controls; measures/plans, etc.

In this carousel of documents, the persons with managerial role must elaborate the reference documents, to organize their dissemination to the basic level of execution, to evaluate through periodic controls, on hierarchical levels the fulfilment of all managerial orders and dispositions, to issue provisions for the correction of non-conformities and to ensure the continuity of the activity of each structure of the Ministry of National Defence.

The internal managerial control system is meant, through the entire set of standards and related procedures to help individuals and groups with an important role in this field not to omit any detail of the large and complex managerial process, in which in one way or another the whole staff is involved.

In turn, the internal audit, through the missions they perform and in which they evaluate the internal managerial control, is constituted as an additional filter, an external eye (along with the external public audit of the Court of Accounts) to supervise the managerial process, by which certain non-conformities are notified and by the recommendations made to contribute to the improvement of the managerial act.

It is appropriate to point out in this part of the article the stages of the evaluation of internal control by the auditors of the Romanian Court of Accounts, from the perspective that internal auditors must be

inspired and guided in their work by the experience and practice of this supreme public audit body in our country.

In the process of evaluating the internal control system, external public auditors must go through the following steps: knowledge and understanding of the entity and its environment, including internal control; estimating the internal control risk; testing of internal control mechanisms (control tests). In order to carry out this assessment process, the external public auditor must carry out risk assessment procedures. These are audit procedures performed to gain an understanding of the entity and its environment, including the internal control<sup>10</sup>.

According to *ISSAI 1315*, "Identifying and Assessing the Risks of a Significant Error by Understanding the Entity and Its Environment" states that: "The auditor must gain an understanding of the internal control relevant to the audit activity. The extent to which an audit, individually or in combination with others, is relevant to the audit action depends on the auditor's professional judgment".

This guidance, which refers to external public auditors when seeking to identify and assess risks through understanding the entity and its environment, is also appropriate for internal public auditing, who must also go through such a step in assessing internal control in the public entities they audit.

We will point out from all 3 stages only the one that refers to the types of procedures used by these auditors to test the functioning of the internal control mechanisms at the externally audited entities. In practice, four types of testing procedures are used, namely: questioning the employees of the entity; examination of documents, records and reports; it is used for the control mechanisms that are materialized in the documents; observation of the control activities; it is used for control mechanisms that are not specified in the documents; reconstitution of the entity's procedures (assumes that the auditor restores the control activity)<sup>11</sup>.

Following the evaluation of the internal control system in the audited public entity, the external public auditors conclude whether it has been designed and operates in accordance with legal requirements, awarding ratings (very good, good, satisfactory, unsatisfactory).



Internal public auditors, including those in the Ministry of National Defence, must consider and apply (with the necessary customizations required for such an audit) these steps and procedures, which are of great refinement and essence and ensure their compatibility with the activity of the external auditors, whose mission is to evaluate their activity as well.

**Ways to perform the initial assessment by the internal audit of the internal managerial control and to follow the implementation of measures in the army entities**

Next we will point out some significant elements through which the public internal audit evaluates the internal managerial control and the way how, through the tools and procedures specific to this activity, it detects non-conformities and makes appropriate recommendations for the managerial act in the army entities to perform as well as possible.

As it is known, according to GD no. 1086<sup>12</sup> of 2013 for the approval of the General Norms regarding the exercise of the public internal audit activity, the assurance missions are performed in accordance with the types of internal audit regulated by law and can be: regularity/compliance audit missions; performance audit missions; system audit missions.

Based on this normative act, the customization of the internal audit missions in the army was carried out by the Order of the Minister of National Defence no. M67 from 17.06.2014<sup>13</sup>.

The internal public audit represents, for the military field, the functional-independent and objective activity, of insurance and counselling, designed to add value and to improve the activities carried out within the Ministry of National Defence; the public internal audit helps the ministry leadership, audited military structures, and units to achieve their objectives through a systematic and methodical approach, it evaluates and improves the efficiency and effectiveness of risk management, control and governance processes<sup>14</sup>.

An assurance mission in military entities, regardless of the type of audit used (regularity/compliance, performance or system) involves several moments or stages: mission preparation; on-site intervention; reporting internal audit missions; following the recommendations.

This normative act brings several novelties compared to the previous regulations, but we point out some of them related to the issue of evaluation by internal audit of internal managerial control and which were highlighted by specialists from the Internal Audit Department of the Ministry of National Defence.

A first issue of novelty refers to the implementation of the missions of evaluation of the internal public audit activity, which represents a step forward in terms of ensuring a quality audit, given that this activity aims to provide an independent and objective opinion with on the degree of compliance and performance achieved by the public internal audit department, in order to formulate corrective recommendations and/or to contribute to increasing the efficiency and effectiveness of the public internal audit activity<sup>15</sup>. According to this new provision, the Internal Audit Department must carry out this assessment through periodic verifications, at least once every 5 years, in conditions of independence, of the audit departments in the subordinate territory.

A novelty of major importance brought by this normative act refers to the risk assessment and ranking and the configuration of the audit mission according to these elements as well.

Regarding the issue of risk assessment, in the opinion of another specialist from the Internal Audit Department of the Ministry of National Defence there are at least 3 aspects of novelty:

- *Establishing the risk analysis criteria*; in this case, risk factors associated with the elements that make up the audit universe are defined, depending on the specifics of the entity, as well as a scale for establishing their level. For example, risk factors can be the *value of the operations performed, the allocated budget, the complexity of the operations, the number of operations, the image/reputation*, etc. A level rating scale is established for each factor, as well as a weight;

- *determining the total risk score on each process/activity/structure/program and their ranking*; in this case, each element of the audit universe (for example, each structure) is assessed in relation to each established risk factor; on each element is added up, weighed, the level associated with each risk factor and thus the total risk score are determined, that is the risk assessment at macro level;

• *establishing the way of covering/distributing the internal public audit missions in the plan / drawing up the justification report*; in this stage the way is mentioned in which the multi-annual audit plan and the annual plan are drawn up, by specifying the method of selection in the plan; for example, the inclusion in the first year of the audit of high risk structures (total high risk score)<sup>16</sup>.

Another novelty that we want to highlight and is related to the topic of our research is related to changes to the procedure for following up on recommendations.

The possibility was established for the auditors to analyse and evaluate the action plan elaborated by the audited entity for the implementation of the recommendations and, as the case may be, to propose possible modifications. At the same time, a maximum term is established for the transmission of the action plan for the implementation of the recommendations by the audited entity, of 15 days from the receipt of the internal public audit report. The implementation of these measures may lead to a reduction in the risks of improper implementation of the recommendations made in the internal public audit report.

Regarding the reporting of the progress made in the implementation of the recommendations, the following elements can be used: problem/finding (in summary), recommendation, implementation stage, activities/actions performed, results obtained and their evaluation, reason for non-implementation or partial implementation of recommendations, responsible, deadline.

In the model of the *Monitoring Sheet for the implementation of the recommendations (FUIR)*, proposed by the *Methodological Norms regarding the exercise of the internal public audit in the Ministry of National Defence*, approved by the Order of the Minister of National Defence no. M.67/2014, it is provided that novelty (in the form of a separate section in FUIR) and the added value brought by the internal audit (the head of the public internal audit department must assess the added value of the internal audit by implementing the recommendations and include this information in periodic reports)<sup>17</sup>.

Next, we will focus on the methodology for evaluating the internal managerial control by the internal audit of the army.

After the moment of risk assessment and their ranking in the internal audit process, the important moment is the initial evaluation of the internal control and the establishment of the objectives of the public internal audit mission. The initial assessment of internal control is based on the internal control questionnaire.

The internal control questionnaire allows, through the questions asked and the answers received, the identification of the internal control activities established by the management and the appreciation of their functionality.

The initial evaluation of the internal control supposes the completion of the following stages: the determination of the functioning modalities of each identified activity/action; identification of the existing internal controls, based on the internal control questionnaire and the collected documents; establishing the internal controls expected for each activity/action and identified risk; establishing the conformity of the internal control.

For the initial evaluation of the internal control, a scale is used, on 3 levels, as follows: compliant internal control; partially compliant internal control; non-compliant internal control.

The initial evaluation of the internal control and the establishment of the audit objectives are performed on 3 levels of risks: activities/actions with high level risks, regardless of the result of the internal control evaluation; activities/actions with medium level risks and partially compliant or non-compliant internal controls; activities/actions with low risks and non-compliant internal controls.

The audit may include other activities/actions with medium or low risks, depending on the available audit resources.

According to *Procedure P-08-Initial evaluation of internal control and establishing the objectives of the internal public audit mission in the Ministry of National Defence*, the internal auditors have the following obligations: establish the modalities of operation of each activity/action; establish the planned internal controls for each activity/action; conceive and elaborate the Internal Control Questionnaire used in identifying the existing internal controls; obtain the answers to the questions formulated in the Internal Control Questionnaire; identify the existing internal controls for each action/operation; perform the initial evaluation of the internal control; establish the objectives of the



public internal audit mission; elaborate the form regarding the Initial Evaluation of the internal control and the establishment of the objectives of the internal public audit missions; make any changes established in the working meeting; file the documents elaborated within the risk analysis procedure in the file of the public internal audit mission.

The Head of the Internal Audit Department or the Head of the subordinated territorial structure or the Supervisor, in his turn, will have to: analyse and evaluate the expected internal controls identified; analyse and review the developed internal control questionnaire; analyse and evaluate the existing identified internal controls; organize a working meeting with the internal audit team to analyse the way in which the internal control was evaluated; supervise the form regarding the Initial Evaluation of the internal control and the establishment of the objectives of the internal public audit missions.

Examining carefully the criteria on the basis of which the risks of an audited entity are assessed, we find that they need to be measured more accurately, both in terms of the probability of occurrence of risks and in terms of the impact of risks.

In the part of probabilities of occurrence of risks, one of the criteria from these probabilities refers to the analysed risk, in the sense that it can be located in 3 variants; it has not previously manifested in the audited entity/domain audited (and then the probability of occurrence is low); it has rarely manifested in the past in the audited entity/audited domain (and then the probability of occurrence is average); it has often manifested in the past in the audited entity/audited domain (and then the probability of occurrence is high).

We consider that this risk should be supplemented here by specifying frequency intervals from the previous audit mission to the one to be carried out (for example if the frequency was between 1-5 within 3 years of the previous audit to medium risk is considered and if the frequency of manifestation of this risk was higher than 5 within 3 years from the previous audit to be considered high risk).

On the impact side, loss of assets and impairment of operating costs are provided as criteria. There are also 3 levels of impact: low impact (no loss of assets; operating costs are not affected); medium impact (asset losses are low;

operating costs increase is moderate); high impact (significant asset losses; high operating costs).

Some amendments should be made to this part of the impact assessment, in accordance with the above criteria we have referred to.

For asset losses, a significance threshold<sup>18</sup> of their value must be established, in order to be able to classify them in one of the impact classes.

To set the significance threshold, you can go for a certain percentage (usually 1-2% of the value of the total assets of the unit according to the annual financial statements submitted in the years from the last internal audit to the next). If there is no damage to assets (found in annual inventories, inspections and controls performed or as a result of extraordinary events and reflected in the annual financial statements) then the impact is low. If there is damage to assets below or at the materiality threshold (found in annual inventories, inspections and controls performed or as a result of extraordinary events and reflected in the annual financial statements) then the impact is medium. If there is damage to assets above the significance level (found in annual inventories, inspections and controls or as a result of extraordinary events and reflected in the annual financial statements) then the impact is high.

For operating costs, two aspects should be taken into account: the costs planned through budgets and the actual costs of the audited activities/areas, in order to see the relationship between them, correlated with the affectation or not of the quality of the activity carried out by the audited entity.

The values of the costs of the activities must be taken from official documents validated and reported by the management to the audited entities to the higher hierarchical structures (such as the quarterly and annual financial statements, the projected budgets and their execution).

If the ratio between planned and realized costs is equal to one and the result of the entity is the one established by the operational documents then the impact is low.

If the ratio between planned and realized costs is unitary and the result of the entity (translated by specific quality indicators of the activity or services provided by the entity) is the one established by the operational documents then the impact is average.

If the ratio between planned and realized costs is sub-unitary and the entity's result is below that



established by the operational documents then the impact is high.

We consider that by doing so and giving a greater weight to these two criteria in all 5 criteria to the impact side (to give them a higher weight than the other criteria in all those that measure the impact) and correlating the criterion of operating costs with the fulfilment result or quality indicators of the activity by the entity) a risk determination and ranking can be made more in line with reality and performance criteria and, on this basis, a focus of the audit mission on auditable activities and areas, in order the hierarchy of risks.

In order to increase the performance of the internal audit activity, we consider that it is very important to receive feedback from those audited, in order to see their opinion regarding the degree of necessity and usefulness of the audit mission in their entity.

We consider that after the period of implementation of the recommendations by the audited entity, within the missions of evaluation of the internal audit activity carried out by the subordinated territorial audit sections, it is very appropriate for the *Internal Audit Department* to carry out a statistical survey study on the basis of a questionnaire for assessing the contribution of internal audit to the evaluation and improvement of internal managerial control in military units and other structures audited by the teams of these departments.

The statistical survey is a procedure that characterizes a population, based on the research of a part of it, so a sample taken from the population of origin (total community)<sup>19</sup>. The community in such a survey can be composed even of the persons from the audited entity who had responsibilities and were directly involved in the internal audit process.

A model of such a questionnaire will be addressed to persons directly involved in the internal audit activity of the entity subject to such examination (such as commanders, their deputies, chief accountants, lawyers, other heads of independent structures who have been audited internally by the teams of the territorial sections in the missions carried out previously), must include, in our opinion, in the area of the evaluation of the internal managerial control, the following kinds of questions:

• How do you assess whether the audit team performed the evaluation of the internal managerial control at your unit?

- a) At a higher level of objectivity;
- b) At average level of objectivity;
- c) At a low level of objectivity;
- d) At a very low level of objectivity;
- e) I cannot estimate.

• Did the questionnaire that was sent to you for the prior evaluation of the internal managerial control seem relevant to you through the questions that were asked?

- b) At medium level of relevance;
- c) At a low level of relevance;
- d) At a very low level of relevance;
- e) I cannot estimate.

• Do you consider that the answers you gave to this questionnaire were in line with reality, in order to help improve the management activity?

- a) At the maximum level of compliance;
- b) At average compliance level;
- c) Low level of compliance.

• Do you estimate that in their mission in your unit, the audit teams focused on the most important issues and with the highest risks for the smooth running of the activity of the unit you belong to?

- a) Yes, to a very large extent;
- b) Yes, to a large extent;
- c) Yes, to an acceptable extent;
- d) No, they did not focus on the major problems and the greatest risks of the unit.

• How do you assess the findings of the internal audit team on the area of non-conformities detected in the activity of internal managerial control at the entity you are part of?

- a) At a higher level of objectivity;
- b) At average level of objectivity;
- c) At a low level of objectivity;
- d) At a very low level of objectivity;
- e) I cannot estimate.

• How do you assess the recommendations of the internal audit team to eliminate the non-conformities detected in the internal management control activity at the entity you belong to?

- a) At a higher level of adequacy;
- b) At the average level of adequacy;
- c) At a low level of adequacy;
- d) At a very low level of adequacy;
- e) I cannot estimate.



• How do you assess the degree of implementation of the audit team's recommendations as compliance with the deadlines established according to the recommendation form, for the entity you are part of?

- a) At the higher level of implementation;
- b) At the average level of implementation;
- c) At low implementation level;
- d) At a very low level of implementation;
- e) I cannot estimate.

These possible questions in the proposed questionnaire as well as others must comply with the scientific requirements imposed by the science of statistics and provide substantial and useful information for decision makers in the Internal Audit Department of the Ministry of National Defence, to correct shortcomings in the profile missions performed by subordinate department teams and remarkably increase the added value that these professionals can bring to the audited units.

### Conclusions

The internal managerial control represents the set of control forms exercised at the level of the public entity, including the internal audit, established by the management in accordance with its objectives and legal regulations, in order to ensure the administration of funds economically, efficiently and effectively; it also includes the organizational structures, methods and procedures, and the control system is organized within the Ministry of Defence, based on the following principles: the principle of legality; the principle of adaptability; the principle of integrity; the principle of uniformity; the principle of finality; the principle of efficiency; the principle of effectiveness; the principle of economy.

In the process of implementing the standards of internal managerial control there are two obligatory stages: the stage of self-evaluation, performed by commanders/heads who have the quality of authorizing officers; the stage of evaluation, performed by the internal public audit structure of the ministry; for the self-evaluation of the internal managerial control system, the structures of the ministry whose commanders/heads have the quality of authorizing officers mainly go through the following stages: convening the monitoring commission in order to self-evaluate the own internal managerial control system; completion of the Self-

assessment Questionnaire of the implementation stage of the internal managerial control standards; elaboration of the Synthetic Situation of the self-evaluation results and assessment of the degree of conformity of the own internal managerial control system with the internal managerial control standards, in relation to the number of implemented standards;

The entire management system and the two auxiliary components (internal managerial control and evaluation of this control by internal audit) at the level of all entities in the Ministry of National Defence cover a whole set of documents and responsibilities: strategies; strategic plans; procedures; manuals; internal regulations; structural projects; records; rules; appointments of persons with certain attributions; establishment and revision of management documents; quantitative and qualitative performance indicators; controls; measures/plans, etc.;

The internal public audit represents, for the military field, the functional-independent and objective activity, of insurance and counselling, designed to add value and to improve the activities carried out within the Ministry of National Defence; public internal audit helps the ministry leadership, audited military structures and units to achieve their objectives through a systematic and methodical approach; it evaluates and improves the efficiency and effectiveness of risk management, control and governance processes;

The initial evaluation of the internal control supposes the completion of the following stages: the determination of the modalities of functioning of each identified activity/action; identification of the existing internal controls, based on the internal control questionnaire and the collected documents; establishing the internal controls expected for each activity/action and identified risk; establishing the conformity of the internal control; for the initial evaluation of the internal control a scale is used, on 3 levels, as follows: compliant internal control; partially compliant internal control; non-compliant internal control;

Examining carefully the criteria on the basis of which the risks of an audited entity are assessed, we note that they must be measured more accurately, both in terms of the probability of occurrence of risks and in terms of the impact of risks; in the part of probabilities of occurrence of risks one of

the criteria from these probabilities refers to the analysed risk, in the sense that it can be located in 3 variants depending on whether it: has not previously manifested in the audited entity/domain audited (and then the probability of occurrence is low); has rarely manifested in the past in the audited entity/audited domain (and then the probability of occurrence is average); has often manifested in the past in the audited entity/audited domain (and then the probability of occurrence is high).

We consider that after the period of implementation of the recommendations by the audited entity, within the missions of evaluation of the internal audit activity carried out by the subordinated territorial audit sections, it is very appropriate to carry out by the *Internal Audit Department* a statistical survey study on the basis of a questionnaire for assessing the contribution of internal audit to the evaluation and improvement of internal managerial control in military units and other structures audited by the teams of these departments. A model of such a questionnaire as the one presented above (which can be supplemented with other appropriate questions) may be addressed to persons directly involved in the internal audit activity of the entity subject to such examination (such as commanders, their deputies, chief accountants, lawyers, other heads of independent structures who were audited internally by the teams of the territorial sections in the missions performed previously) and can help a lot in improving the internal public audit activity in the area of deep evaluation of internal managerial control in army entities.

#### NOTES:

1 Official Gazette of Romania, Part I, no. 456 from 06.06.2019.

2 PODCA project entitled "Improving the organizational effectiveness of MEN and subordinated institutions through the development of the internal management control system (IMCS)", p. 5.

3 [http://ec.europa.eu/romania/documents/eu\\_romania/tema\\_20.pdf](http://ec.europa.eu/romania/documents/eu_romania/tema_20.pdf)

4 *Order of the Secretary General of the Government no. 600/2018*, Glossary.

5 *Order M100/2019*, Art. 3.

6 *Order M100/2019*, Art. 5.

7 *Order M100/2019*, Art. 6.

8 *Order M100/2019*, Art. 9.

9 *Official Gazette of Romania*, Part I (the approval of the Code of internal managerial control of public entities), no. 387 of May 7, 2018.

10 [Romanian Court of Accounts], *Guide for evaluating the internal control system in public entities*, Bucharest, 2011, p. 31.

11 *Ibidem*, p. 40.

12 *Official Gazette of Romania*, Part I, no. 17 of January 10, 2014.

13 *Official Gazette of Romania*, Part I (For the approval of the Methodological Norms regarding the exercise of the internal public audit in the Ministry of National Defence), no. 463 of June 25, 2014.

14 *Order of the Minister of National Defence no. M67* from 17.06.2014, Art. 2.

15 Radu-Viorel Marcu, "Evoluții în legislația națională în domeniul auditului public intern și analiza cadrului național de reglementare", *Finanțe publice și contabilitate*, no. 6/2015, p. 19.

16 Marius-Gabriel Tomoială, „Principalele modificări aduse metodologiei de audit intern prin Hotărârea Guvernului nr. 1086/2013”, *Finanțe publice și contabilitate*, no. 6/2014, p. 35.

17 Radu-Viorel Marcu, *op.cit.*, p. 21.

18 [International Accounting Standards Committee], *General Framework for the Preparation and Presentation of Financial Statements*; *Significance Threshold* is defined: "Information is significant if its omission or misstatement could influence users' economic decisions made on the basis of financial statements. The significance threshold depends on the size of the item or error, judged in the specific circumstances of the omission or misstatement. Thus, the significance threshold provides a limit rather than a primary qualitative feature that information must have in order to be useful".

19 Mariana Balu, *Bazele statisticii*, Fundația "România de Măine" Publishing House, Bucharest, 2007, pp. 129-130.

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\*\*\* *Order of the Minister of National Defence no. M67 of 17.06.2014 for the approval of the Methodological Norms regarding the exercise of the internal public audit in the Ministry of National Defence*, Official Gazette of Romania, Part I, no. 463 of June 25, 2014.

\*\*\* *Îmbunătățirea eficacității organizaționale a MEN și a instituțiilor subordonate prin dezvoltarea sistemului de control managerial intern (SCMI)*, proiect PODCA.



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