
Public internal audit – the awareness and necessity assumption. An investigation of the Romanian reality

Victoria STANCIU,
The Bucharest University of Economic Studies
e-mail: victoria.stanciu@cig.ase.ro

Abstract

Public internal audit is asked to provide assurance that the public money is well managed and the existing resources are directed, efficiently and in line with the law, towards the real problems and in respect with the public interest. The research objective was to provide an insight in the status of Romanian public internal audit by identifying its strong points and weaknesses and suggesting a set of measures aiming at improve the public internal audit and willing to help in the implementation of a strong public internal audit function. The author's investigation has scientific and practical implications aiming at attenuate the gap in the previous research, enriching the literature on the topic and suggesting ways of improvement of the public internal audit function in Romania.

Key words: public internal audit, UCAAPI, public sector, compliance, Romania

JEL Classification: M42, M480

To cite this article:

Stanciu, V. (2018), Public internal audit – the awareness and necessity assumption. An investigation of the Romanian reality, *Audit Financiar*, vol. XVI, no. 4(152)/2018, pp. 544-552, DOI: 10.20869/AUDITF/2018/152/023

To link to this article:

<http://dx.doi.org/10.20869/AUDITF/2018/152/023>
Received: 23.08.2018
Revised: 21.10.2018
Accepted: 30.10.2018

Introduction

The public sector needs strong governance aiming to direct the public entities' activities on an effective, efficient and transparent path providing "reasonable assurance that the objectives will be met and the operations are carried out in an ethical and accountable manner, reducing the risks of corruption" (Rosa et al., 2014:830). Internal audit is one of the functions sustaining the governance structures to improve risk management and operations and achieve the established results using efficiently the allocated resources and instil confidence among stakeholders. Public entities are using public money and, in many cases, EU funding. This is the reason why the citizens and stakeholders expect high quality public services and from the public entities' management part accountability and transparency in the public money use. In this context, public internal audit has an important role, and stakeholders' expectations are very high.

Public internal audit is asked to provide assurance that the public money is well managed and the resources are directed towards the real problems and public needs in an efficient manner and in the respect of the law. A strong public internal audit can help the public entities' management to improve the standards of governance, better manage the risks, strengthen the internal control systems and met the established objectives in a more effective use of resources. It is generally accepted and declared the importance and need of a strong public internal audit in Romania. The question is if there are ensured the conditions and resources for its implementation? Are all the public entities' managers aware of the importance of a strong public internal audit and its support in objectives' achievement and in the improvement of the internal control and operations? Through the performed research the author tried to respond to all these questions and to identify the real state of public internal audit in Romania.

Despite of the importance of the Romanian public internal audit (PIA) for researchers, professionals and stakeholders, the interest for this research topic was not constant. The causes are diverse but the weak transparency in the field is, in our opinion, one of the most important. There are no numerous public internal audit reports published as a result of the permissive legislation on this aspect. The main sources of information are represented by the annual reports issued

by the supervision Romanian entity in the field (UCAAPI), reports that are available with large delay – being subject of analyze of international bodies before being published (as for example at mid of 2018 the last available report is the 2016 report) and the reports of the Romanian Court of Accounts.

The analysis performed is based on the standards and best practice rules issued by the prestigious professional international bodies, Institute of Internal Auditors (IIA) and International Organization of Supreme Audit Institutions (INTOSAI). The author's research aim is to contribute to the existing empirical literature on the Romanian public internal audit and suggest ways to improve the professional field and practice of public internal audit.

General frame of public internal audit

Internal audit mission is to provide a risk-based objective assurance, in regard of risk management and internal control system, offering a clear image of the effectiveness and efficiency of the processes and activities, and to suggest recommendations for the activities' improvement and objectives' achievement (IIA et al, 2017). To achieve its role, public internal audit should benefit from the management support, which is considered to be "the internal audit foundation" (Alzeban, 2014). INTOSAI emphasized in its documents that, internal audit "has evolved from an administrative procedure with a focus on compliance, to an important element of good governance" (INTOSAI Gov 9140:3). In this respect, internal audit succeeded to gain an important role in the entities' life, being a real support for the management in the effort to improve risk management and operations and achieve the stated objectives using efficiently the existing resources and ensuring a sustainable development.

This extended and significant role of internal audit (IA) is the result of conjugated and permanent effort of the international professional bodies that ensured professional frameworks and standards, asking the practitioners to implement (in a creative and beneficial way) the general framework to the real conditions, facing the challenges of change, and responding in a more appropriate way to the stakeholders' expectations. Multiple conjugated factors are implied in the internal audit success (in achieving its attributions and responsibilities): chief executive of internal audit (CAE) vision and expertise, the internal auditors experience

and training, continuous and strong communication between IA and board members (or any other equivalent structures), audit committees and all the entities' employees, continuous support from the top management part (allocated resources for IA inclusively) etc.

The quality increase of the public internal audit (PIA) activities implies a schedule of successive phases, which is recommended by IIA in its document *Internal Audit Capability Model*. The implementation of this model it is a "challenge for public administration in Romania, because we consider that PIA function is only at the first level, with some exceptions (Macarie & Moldovan, 2017).

There is a stringent need for the management support in regard with public internal audit function. This support is reflected by the allocated budgets for internal audit function that ensure motivated and experienced staff, high-level specific trainings, dedicated software acquisition and, not the last, the quality and continuity of the communication with PIA structures. The management support implies the link towards "enhancing the relationship with external auditors, and having independent internal audit department" (Alzeban, 2014). It also implies clear reporting lines, functionally to the Board of Directors and administratively to senior management (Steinbart, P.J. et al, 2012). CAE (Chief of Internal Audit) must also establish free and unfettered access to the chief executive (or equivalent) and the chair of the audit committee, if the committee exists. Good and continuous communication inside and outside of the public entity is one of the keys in PIA's success.

The independence and objectivity of PIA are essential for the credibility of its assurance (INTOSAI Gov 9140). Stating, in the PIA's chart the need of its independence and attaining this goal (by the means of its implementation, reporting lines and communication) are essential for PIA's attributions' achievement.

IIA and INTOSAI gave a special attention to the public internal audit by the provided standards, documents and guidelines. The quality of the internal auditors work in public entities is essential taking into consideration the specific of these entities, which are using public money

and having the obligation to offer services of good quality to the collectivities they serve.

Insights regarding the state of the Romanian public internal audit

The research objectives and methodological coordinates

The main objective of the author's research was to design an image regarding the state of Romanian public internal audit by identifying its weak and strong points and suggesting a set of measures aiming at improve the Romanian public internal audit and help building strong public internal audit functions in Romanian public entities.

Our research started from the understanding, based on personal experience and practice, that there is a certain gap between the public internal audit visions and requirements stated by the international professional organizations on one hand and the regulatory frameworks and the implementations of the public internal audit in Romania on the other hand. We also believe that the public internal audit in Romanian still needs significant improvements aiming at consolidate its role and increase its visibility based on its contribution to the entities' objectives achievement.

A strong public internal audit is in the benefit of the public entities and their management as well as of the stakeholders – citizens being important component. In this regard our investigation has scientific and practical implications coming to fill the existing gap in the previous Romanian research, enriching the research literature on the topic and providing suggestions for the public internal audit function strengthen.

The research followed two main paths: the qualitative research on public internal audit area that requested an enlarged review of the Romanian and foreign scientific literature, international professional standards and good practice recommendations and an empirical study path on the state of Romanian public internal audit that requested a large documentation on the Romanian regulatory framework on the public internal audit and its implementations and results. The empirical study is based on the annual reports in regard with Romanian public internal audit issued by the specialized Romanian supervision entity (UCAPI) in 2016 and 2015. Other different annual public internal audits reports were analyzed – reports issued by public entities (when those

reports were published by the auditees – it should be mentioned that there is no compulsory requirement that the annual public internal audit reports to be published by the public entities). There were collected important information from different public documents as for example the PIA's strategy for 2018-2020, PIA's charts published on the sites of different central public entities (mainly ministries), procedures, guidelines published by public entities etc.

Results and conclusions of the empirical study

The research reveals several sensitive points in the PIAs' structures functioning, the most important being presented in this chapter, in which we have tried to emphasize the causes, the negative impact of these weak points and possible means of the negative impact limitation and, per consequence, means for PIA function improvement in the Romanian public entities.

The public internal audit (PIA) function should be implemented in all public entities according with the legislation. The 2016 report of UCAAPI (on public internal audit) emphasizes that the function is implemented in 79% of the public entities, not all the implemented PIA functions being functional. There are 81 entities in the central public administration where PIA function is not implemented and also more numerous cases in the local public entities. It shouldn't be forgotten that we are speaking about an imperative request of the law!

Also, it should be mentioned that the public internal audit function in a hierarchical organizational structure should perform missions in the subordinated entities if there is not implemented a PIA function, these cases not being counted in the abovementioned 79%. Only if in three consecutive years in the subordinated entities the PIA function of the above hierarchical structure have not been performed audit missions, it is considered that the PIA is organized but is not functional in the subordinated entities (the most numerous cases being registered in the local administrative structures). Maybe it is more honest to recognize the real situation that the PIA function is not implemented if the missions are performed by the up hierarchical structures.

Taking into consideration the understaffing of the most numerous PIA structures, the extension of the responsibilities over the auditable universe of the hierarchical subordinated structures determinates the

overload of the PIA function in the upper hierarchical structure and the impossibility of covering the auditable universe in the three years according with the regulations. PIA' strategy for 2018-2020 underlines the fact that "in the PIA department's implementation, in 88% of the cases, it was considered just the legal obligation of ensuring the function construct, without having in view its functionality"¹ (UCAAPI, 2017:10). This reflects a formal alignment at the imperatives of the regulations, and a gap of awareness in regard with the PIA function's necessity and its effective implementation. There are diverse and numerous possible explanations for this situation, some of them being underlined by UCAAPI in its report. In our opinion there is no real awareness on the need and importance of PIA function implementation at the level of the local administrative unites and public institutions' management and a high pressure on the public entities' budgets that determined, in some cases, the PIA structures' abolishment when restructuring the public institutions – the public internal auditors being assigned to other organizational structures (UCAAPI, 2016:5). It cannot be omitted the regulatory restrictions in regard with the number of job positions in the administrative units, those on different organizational structures and the ones in regard with the proportion between the number of public internal auditors and the total number of personnel, proportion that is not very well articulated with IIA's requirements (Urton et al., 2010). The dimension of the PIA organizational structure is very important for the effectiveness of the function, fact that stimulated the Romanian researches' interest for the topic (Dascălu, 2016). Other causes for not implementing PIA functions can be represented by the shortage of public internal auditors, lack of motivation for the existing ones to continue their activities in the public entities (see the number of the vacant PIA positions and the outgoing flow reflected by all the UCAAPI's reports), the public entities' management assumed non-compliance with the law (being no applicable penalties because of the law's (no. 672) inconsistencies – fact that determine this attitude from the management part), the UCAAPI's limited empowerment to interact with the public entities' management on PIA issues aiming at rapid solving the non-compliance issues etc. As long as the law is not providing clear penalties in case of the non-compliance (clear nominalization of those in charge with the non-

¹ Author's translation

conformities identification and penalties apply) there will be no visible changes in the attitude of the public entities' management in regard with PIA implementation. The law no. 672/2002 contains penalties in case of non-compliance, but there are no clear specifications in regard with the entity entitled to establish them; the law states that the superior hierarchical structures should nominate the representatives in charge with the non-compliances identification and penalties apply. But these superior hierarchical structures themselves are in many cases in non-compliance positions and, as a result, the penalties cannot be applied. These unclear issues exist from the moment were the law was issued 16 years ago and, in our opinion, in this large frame of time it was room for correcting the law as a response to the existing signals and the limitations emphasized by the practice (the law was updated on other issues). Even if the UCAAPI report on 2015 specified the need of a decision of the Ministry of Public Finance (MPF) in order to solve this regulatory gap, the measure was not implemented and the law remains inoperable on this issue. The author remains convinced that the MPF's specialists are aware of the need of PIA and are also interest in its implementation. In these circumstances, it is hard to understand the delay in the law correction. We also take into consideration a possible ineffective communication inside the Ministry of Public Finance or a prioritization of the issues inside the ministry that was not favorable to the PIA. Nevertheless, there are numerous situations in which the practitioners signal the impediments generated by the regulations which are not articulated with the realities in the Romanian economy or uncorroborated articles between different laws; and the laws' review process, in most of the cases, is very long.

UCAAPI report on 2016 underlines that numerous public entities (182 in total) opted for the PIA function's outsourcing, being signed contracts for these services. This solution is not in compliance with the law, fact being underlined starting with 2015 UCAAPI's report (when 222 public entities opted for this solution). The law update on this issue was performed in 2012 (the Government Act no. 26/2012) being, in the author's opinion, enough time for the entities' alignment to the new requirements. Even if the number of the entities in non-compliance with this law decreased in 2016 comparing with 2015, the problem remains (the entities' management is aware and still accept the non-compliance), reflecting that the law is ignored from both parts (public entities and companies providing the

services) as a result of the non-operable law's penalties. In our opinion, **the law respect in its spirit is essential**, furthermore the implementation of a real, strong governance which would not underestimate the importance of a public internal audit. Just with this kind of approaches we can consolidate in a real manner the public entities and we can ensure that their activities will be performed transparently and responsible in relation with the stakeholders.

At national level, half of the structures of PIA (55%) cannot cover the entire audit universe in three years, as the regulation requires (UCAAPI, 2017). The author considers that the definition of the internal audit universe for API can be a generous debate subject. The impossibility to cover the internal audit universe in the time frame establish by the regulations is the consequence of the understaffing of PIA's structures, the insufficient training of the internal auditors, the CAEs expertise, limited usage of dedicated software applications (that could provide efficiency and the quality increase in the public internal auditors' work). The lack of audit committees in many cases, is a determinant factor in this issue taking into consideration its role in the coordination and monitoring of internal audit function.

The annual report on PIA's activity is compulsory for the public entities, UCAAPI providing in time the requirements aiming at ensuring uniform reporting structure that offers the base for data aggregation. Even so, the 2016 annual aggregated report issued by UCAAPI is based on less than 50% of the public entities (43% to be more precise) that should provide them, not all the reports responding to the entire set of information required. As a result, the UCAAPI report is far from reflecting truthfully the real state of public internal audit, even if it signals significant real problems and the weak points are analyzed. The UCAAPI report remains poor mainly on qualitative aspects recommended by IIA for the evaluation processes of internal audit structures. We appreciate as useful the information regarding APIs' contribution (at the local and central level) to the improvement of systems and operations, the efficient use of the public money and public assets, the limitation of fraud and corruption, the use of advanced techniques in audit (mainly based on IT tools).

In our opinion, the role of UCAAPI, as coordination and supervision entity on PIA implementation and activity, requests activities with rapid finalization and real implication in PIA's implementation, part of UCAAPI's

initiatives being proved to be insufficient. Some cases of non-compliance are emphasized year after year by UCAAPI (even if there is a decrease of the number of non-compliances in regard with some of the issues) reflecting a slow evolution in the state of PIA function, limited visibility and feeble impact of the PIA function. The regulatory inconsistencies, already mentioned, are the cause of this slow evolution next to the communication and interaction problems in regard with the management of the public entities. This fact is underlined by the missing of reaction to the notes and attention flags issued by UCAAPI.

If there is a generally admittance of the importance and need of PIA, why there is no more commitment for its implementation and strengthen? Why the actions have no effective visibility and finalization? These questions must not remain rhetorical, imposing corrective actions. The actions should focus on legislation update, aiming at solve the already signalled problems by UCAAPI and practitioners, implementation of a solid discipline in PIA field and rigor in the management of the public entities.

The diminished public entities' management interest in PIA (see the numerous cases where PIA function is not implemented or is performed with limited resources) could have multiple causes: limited financial resources, the management's insufficient awareness on the need of PIA, the PIA insufficient support provided to the management materialized in recommendations for the internal control and risk management improvement and objectives' achievement. Were the public internal auditors' work is not focus on public entity's major problems and the results of the missions still reflect compliance approach, and, as a result, the activity is still focusing on compliance issues or less important problems without providing substantial recommendations for the processes and operations' improvement, more efficient use of resources and objectives' achievement, the management is not filling the real support of PIA function and, as a result, there is formal collaboration and the missing support of the management. In central public entities PIA function is more solid and visible (noting that in 2016 there were 10 ministries in which PIA function was not implemented), more implied in the entity's problems and providing recommendations for the activity's improvement.

In some public entities, two auditors form PIA departments. This organizational structure is not in compliance with the regulations (it is permitted by Law

672/2002 republished but is not corroborated with Law 161/2003); it is a compromise solution that cannot solve the real problem. In this situation it cannot be nominated the CAE (because of the non-compliance with the regulation) and a public internal auditor, not remunerated for this work, performs the CAE's attributions. This "solution" reflects the effort of some of the public entities to implement PIA function. In 2016 report, UCAAPI expressed its openness to initiate discussions with the National Agency of Civil Servants aiming at solving this legal problem. In the two years frame, already closed, there is no change. The UCAAPI strategy for 2018-2020 emphasizes that there are numerous cases in which just one job position was approved for PIA function (UCAAPI, 2017). In addition to the important issue of the compliance with the regulations there is the effectiveness problem. How can an understaffed public internal auditor team respond to the expectations, sometimes not having the needed expertise and training? Can we expect, in these circumstances, to be covered, in the three years frame, the audit universe and the function's visibility ensured based on its recommendations and support offered to the management?

The weaknesses reflected by the annual reports on PIA are not limited to the organizational matters. They also imply qualitative and sensitive issues and performance aspects of PIA.

A sensitive issue is the one in regard with the PIA's independence. UCAAPI reports emphasize cases of non-compliance with the regulations in regard with CAEs' dismissal or their approval on the job, as well as cases of public internal auditors' implication auditable activities. An important significance has the fact that one third of the annual reports on 2016 received by UCAAPI does not provide information on the independence of PIA. If the reported cases of breaking the ethical rules are just a few, the numerous reports that did not reported information on this topic should be a flag alert. We appreciate as beneficial the use of the good practices that showed their efficiency in time. The whistleblowing applications at UCAAPI and the top hierarchical organizational levels could provide the means for public internal auditors (in the subordinated structures) to report cases of independence affectation or the ethical issues. The independence can be affected by the limitation of the auditors to include in the audit plan or/and to perform certain missions or determine

them “missing” some objectives in their missions, or their limitation access to documents, information or persons. In the situation in which there are not numerous audit committees implemented (the regulations imposing a small number of entities to have audit committees – and not in all these cases the audit committees exist) that CAEs should address, the whistleblowing applications could provide their utility. For the independence limitations the UCAAPI report does not request detailed information, even if this information is important to reveal the real independence of PIA function. This information could be provided by whistleblowing applications.

The UCAAPI report emphasizes issues in regard with the knowledge and understanding of specific concepts for IA – managerial control system for example and acquiring risk-based approach. This fact is the result of the slightly knowledge of some public internal auditors (reflected by the data in the UCAAPI's report in regard with public internal auditors initial training – academic training) as well as the ones in regard with the continuous training. These problems induce the limited performance at the level of some PIA structures and the unproductive relation registered sometimes between management and public internal auditors.

The quality assurance and improvement program, according with the UCAAPI's reports, was issued by 64% of the entities, but the worst fact is UCAAPI's conclusion that this program, in many cases, is formal, “without being an effective document for the self-assessment and PIA function's development”¹ (UCAAPI, 2016:13). This is another issue reflecting insufficient knowledge in regard with the professional framework as a result of the non-adequate selection of the public internal auditors and continuous learning programs that are not always focusing on key elements. CAEs have the attribution to prepare and apply the quality assurance program. The 2016 report of UCAAPI emphasize that 25% of CAE positions are free, 81% of CAEs have a five year experience, 86% have economic academic studies, 54% are not members in the national professional bodies and 93% are not members in international professional bodies. All these aspects can explain the existing quality of quality assurance programs and defined vision for PIA ensured by CAEs and suggest CAEs' inadequate existing profile comparing with the importance of the function. CAE is

asked to define the strategy for the function development anticipating trends in the requirements and expectations of the stakeholders and the need to implement evolved techniques and methods (IT-based inclusively – necessary in the case of proactive techniques in fraud identification) aiming at improve PIAs' results and its better alignment to the organizations' requirements. Even if these quality assurance programs are correctly and coherent stated, the high rate of CAEs' turnover cannot ensure the implementation and/or evolvement processes' continuity. Another cause can be the PIA budgets.

If the number of recommendations is significant (with the mention that the number of the recommendations not implemented is too high – being registered an incorrect understanding of the term “not implemented”, according with UCAAPI's report), the number of the findings (a bit more than 500) cannot convince on the PIA missions' efficiency. If we corroborate the findings of PIA structures with the ones of the Romanian Court of Accounts we can retain another understanding of the real state.

The documentation included, as we already mentioned, an extended set of public documents on strategies, PIA charts, procedures, frameworks etc.

We analyzed PIA charts (when the documents had public access) for the ministries, as central administrative structures having significant PIA resources and evaluation role over the subordinated structures. We appreciate that, not in all cases, the chart was issued in line with the best practice requirements, synthesized by IIA recommendations. The (direct) reference, in the chart, mainly at the Law 672 and less to the IIA recommendations is visible and not quite beneficial and this conclusion is sustained by the fact that the law offers a general frame that cannot cover all the aspects and procedural elements. Including procedures' elements in the chart is not suited for this document. In many analyzed documents the form of presentation seems to be more important than the content (to be seen the excessive number of pages – in many cases a good chart has 2-3 pages). The reporting paths, coordination and monitor elements (where the audit committee exists) should be more clearly defined. The auditable universe should be more detailed. The requirements of the law 672 in regard with the “source and usage of the public funds and public assets' administration” could provide the possibility to include in

¹ Author's translation

PIA's auditable universe assessments in regard with fraud and corruption prevention and identification (based on the public interest on the topic and the responsibilities emphasized by IIA on this subject).

PIA strategy for 2018-2020 has the merit to emphasize the UCAAPI's conclusions on PIA's weak points and good aspects, threats and opportunities. The document offers more space for the synthesis of the 2016 report's conclusions than the space allocated for the directions of PIA development. Even so, the document has the merit to retain the main objectives and their implementations paths (sometimes being drawn in general lines, being needed more elaborated details). For increasing the implementation rate of PIA structures, the strategy retains the need of strengthen of the collaboration for the function implementation. The objective to increase the rate of PIA structures' implementation is corroborated with the one in regard with the management' awareness on PIA importance. It is omitted the fact that there are financial and regulatory constraints in regard with the number of public internal auditor jobs for example. These aspects are not retained in the strategy. The objective of legal base consolidation does not retain the update of the Law 672. There are not clear measures for public internal auditors' attraction, being known the significant number of unoccupied PIA positions. For the entities obliged by the regulation to have internal audit committees and being not complied with the request, the strategy states the objective to guide the entities in this regard, at the PIA structures' request, by issuing methodologies for the audit committees' establishment. Why not the direct implication of UCAAPI in solving the problem by dialog within the Ministry of Public Finance and with the public entities?

The strategy has no mentions in regard with the need to increase the use of IT tools, to implement modern methods in public internal audit (issues that could solve – in some limits- the understaffing problem) and could increase the quality and efficiency of the auditors' work. The strategy is not making reference to the internal audit capability model, recommended by IIA. Its use could facilitate the evolution process of the PIA structures and

provide correct evaluation criteria for the assessment of the evolution stage of PIA structures.

Conclusions

A high performance public internal audit function creating new value cannot be realized without professionals with experience and a profound understanding and openness towards the new elements in profession and a good knowledge of the public sector. Internal audit, next to professionalism, requires rigor and discipline. These elements, together, ensure the function's success, its visibility inside the organization, being known the fact that the recommendations and the problems emphasized by IA help to the organization's support and the objectives' achievement in an efficient way. Well-prepared professionals, with experience should be remunerated accordingly. We cannot have performance with a limited number of employees with weak experience, with a frail professional profile and missing the motivation. INTOSAI standard (Gov 9140) underlines the need of an adequate remuneration based on the responsibilities and the importance of the job. The new remuneration frame for the public entities is a step forward in solving this problem and an important element in the specialists' motivation to look towards public internal audit.

There are premises for a strong public internal audit construction: a consistent regulatory framework needing just some updates, already implemented structures and experience that can direct towards the correct path of the implementation process of PIA function in all the public entities, focus and structures for continuous training of the public internal auditors, a new remuneration system that can motivate the auditors etc. We consider that there is a need for more willingness at the Ministry of Public Finance management and central and local administrative structures to strengthen the PIA function. An effort to improve rigorously the regulations, adequate budgets for PIA function, real independence of public internal auditors (not just declared), rigor, discipline and responsibility; these are, in our opinion, the ingredients for a successful public internal audit in Romania. The Romanian internal public audit needs significant improvements aiming at consolidate its role and increase its visibility by the contribution provided for the public entities' objectives' achievement.

REFERENCES

1. Alzeban A., Gwilliam D. (2014) Factors affecting the internal audit effectiveness: A survey of the Saudi public sector. *Journal of International Accounting, Auditing and Taxation* 23(2014), pp.74-86.
2. Dascălu E. D. (2016) Model for dimensioning the audit structures in the public sector, *Audit Financiar*, vol. XIV, no. 8(140)/2016, pp. 909-917, DOI: 10.20869/AUDITF/2016/140/909
3. Dascălu E.D. (2016), Factors supporting and adequate sizing of internal audit departments in the public sector, *Audit Financiar*, vol. XIV, no. 6(138)/2016, pp. 642-650, DOI: 10.20869/AUDITF/2016/138/642
4. Institute of Internal Auditors Research Foundation (2009), Internal Audit Capability Model (IA-CM) for the Public Sector. Available online at <https://na.theiia.org/iiaif/Public%20Documents/Internal%20Audit%20Capability%20Model%20IACM%20for%20the%20Public%20Sector%20Overview.pdf>, accessed at 30th of August 2017
5. Institute of Internal Auditors et al. (2017) Public sector IA standards. Applying the IIA International Standards to the UK Public Sector. Available online at www.gov.uk/government/publications/public-sector-internal-audit-standards, accessed at 5th of June 2018
6. INTOSAI INTOSAI GOV 9140. Internal audit independence in public sector. Available on line at www.intosai.org, accessed at 14th of May 2018
7. OECD (2011) Internal control and internal audit: Ensuring public sector integrity and accountability. Available online at www.oecd.org, accessed at 14th of April 2018
8. Macarie C. F., Moldovan O. (2017) Evoluția auditului public intern în perioada 2006-2015. Introducere în IA-CM (Modelul de Măsurare a Capacității Auditului Public Intern. *Revista Transilvană de Științe Administrative* 2(41)/2017, pp.14-33.
9. Rosa P.C. et al. (2014) Could Performance Audits Promote Governance Effectively? The Case of Spanish Municipalities. *Lex Localis –Journal of Local Self-Government* Vol. 12, no.4, pp.829-849.
10. Steinbart, P. J. et al. (2012) The relationship between internal audit and information security: An exploratory investigation. *International Journal of Accounting Information Systems* 13(2012), pp. 228-243.
11. UCAAPI (2017) Strategia dezvoltării auditului public intern pentru 2018-2020. Available online at www.mfinante.gov.ro/pagina.html, accessed at 10th of March 2018
12. UCAAPI (2016) Raport privind activitatea de audit intern din sectorul public din România, pentru anul 2016. Available online la www.mfinante.gov.ro/pagina.html, accessed at 10th of May 2018
13. UCAAPI (2015) Raport privind activitatea de audit intern din sectorul public pentru anul 2015. Available online at www.mfinante.gov.ro/pagina.html, accessed at 10th of May 2017
14. Urton A. et al. (2010) Effective sizing of internal audit departments. IIA. Available online at www.iaa.nl/Sitefiles/IIA_leden/EFFECTIVE%20SIZING%20ORGANIZATION.DL.pdf, accessed at 10th of July 2018
15. Legea 672/2002 privind auditul public intern cu modificările ulterioare.
16. Law No. 672/2002 on Public Internal Audit with Subsequent Amendments, republished in 2011, Romanian Official Gazette No. 856 from Dec.5, 2011
17. discutii.mfinante.ro/static/10Mfp?audit/legislatie/carta_auditului.pdf Carta auditului public intern din cadrul Ministerului Finanțelor Publice, accessed at 10th of May 2018
18. www.mai.gov.ro/index03_2_02.html Carta auditului intern în Ministerul Afacerilor Interne , accessed at 10th of May 2018