
Performance Audit of Public Revenues of the Administrative Territorial Units

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Abstract

The financial indicators reported in the budget execution accounts of the local public administrations have implications in the assessment of the level of performance regarding the achievement of the own revenues of these public entities. The objective of the paper is to examine the causal link between the level of performance in achieving own revenues and that of the financial autonomy of local public administrations. The paper includes a summary of the evolution of legal regulations in Romania specific to local public administration and own revenue management, as well as an analysis of information highlighted in budget execution accounts published by entities for 2018-2020, and the latest annual reports published by the Court of Accounts of Romania regarding the deviations found and the audit opinion formulated following the financial audit missions in order to identify the aspects that may influence the level of performance in achieving its own revenues at the level of local public administrations. The sample consists of territorial administrative units classified as cities in the Western Region of Romania, which are not municipalities and are found in Arad County. The results of the study revealed that some cities had a fairly high level of performance in generating their own revenues, and some reported increasing capital expenditures from year to year, but in most cases the degree of achievement of their own revenues still remains quite low. The conclusion is that the degree of achievement of own revenues is in most cases at a level that needs to be improved, and payments for capital expenditures are still quite low, so none of the cities in the selected sample have the opportunity to be financed exclusively from own revenues.

Key words: performance audit; own revenues; expenditures; public sector; territorial administrative units;

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