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**DOCTORAL THESIS**

**ABSTRACT**

**CONTRIBUTIONS IN  
THE EUROPEAN FUNDS'  
ACCOUNTING AND AUDIT PERFECTIONING**

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## INTRODUCTION

Nowadays, the European Union goes through an identity and internal cohesion redefining period, in the context of the necessity of reaffirming itself as a competitive and dynamic actor in a continuously globalising world, but also in the context of "digesting" the fifth wave of extension, that began in 2004 with ten countries and finished on the 1st of January 2007 with the adherence of Romania and Bulgaria.

The European Union takes also part in a process of reconnecting its own citizens and of regaining their support for the European political project on basis that are linked to their preoccupations, at the beginning of the 21st century, perceived differently from the ones in the second half of the past century.

The Union has to face the challenge of permanent adaptation to the changes generated by a series of factors, internal ones (such as the deepening of the integration, together with the extension, the getting older and the lowering number of the population, the necessity of adapting to the Union's institutions, transparency and legitimacy of the decision making at a communitarian level, the communication with its own citizens), as well as external ones (the global crises of the natural resources and raw materials, the competition coming from the other poles of power, but not only, the terrorist threat, the environmental threats, such as climate changes, natural disasters, illnesses, and so on).

In conclusion, the EU is a continuously moving building in an international context characterized by an accelerated dynamics.

This means that Romania has to take into consideration the existing opportunities, in order to minimize the typical vulnerabilities of a newly entered state in the EU, to promote a coherent political position having as a target the improvement of the Romanian citizens' welfare.

After a decade of structural, legislative and institutional changes of economical and social restructuring in terms of adherence preparation, Romania must face a context that is significantly changed and a high level of interdependence between the Member States, that need a rational strategy based and efficient behaviour.

First of all, the adherence to the EU represents the opportunity and modality of improving the quality of its citizens' lives, along with all the other European citizens. The fact that Romania was at the time of the adherence to the EU a member state with a GNP much lower than the European average, strengthens the necessity of efficient use of its own resources and communitarian funds, of active stimulation of the domestic and foreign investments.

Thus, Romania needs a long period of maintaining the accelerated, balanced and long-lasting economical growth; it needs strong and efficient institutions, a coherent law system and a predictable fiscal system.

From the convergence point of view, the macro-economic frame has its own role of supporting the economical growth durability, including the financing the development of the physical infrastructure and human capital.

The assuring of a stable macro economical frame for the period between 2007-2013 represented a fundamental goal, characterized by an intense process of correlation of existing policies and the implementation of new policies, the continuing of monetary consolidation, the stopping of the inflation and the level of the budgetary deficit, according to the Union's requests.

The monetary, budget and fiscal policies, as well as the preparations for the adherence to the Euro zone will be thus included in the logics of the multiannual budgetary programming which should allocate the necessary resources for the key sectors (including the development of the private-public partnerships) and to rationalize the expenses, taking into consideration the tributaries principle.

The absorption of the communitarian funds represents an objective itself of the post-adherence strategy, taking into consideration the significant contribution that these funds will have in retrieving the gap between the levels of development of the member states in the EU. The access to these financial resources through the European policy of coherence represents one of the main economical benefits.

In order to become a net beneficiary of the communitarian funds, Romania must assure a very high level of absorption of these. The funds that Romania will get from the EU are potential, while the contribution to the communitarian funds is certain and it represents an assumed obligation as a member state.

Complementary with the communitarian funds, the budgetary resources of the state and the ones extracted from the private sector are engaged in main directions of development.

The irredeemable financing programs have empowered two branches of the economic sciences – the accountancy and the audit – because both of them represent the guarantee of our country's and of the authorities' good accomplishment of the taken engagements.

Being conscious of the implications of the present research theme in the organisation and leading of accountancy, and then of making the control on the usage of the resources, but also The acknowledgement of the reality registered in the financial documents, we are convinced of the fact that this represents the first step in the research that has as a goal the simplistic but

realistic study of the way in which an irredeemable bond turns into assets and liabilities so that every step of the irredeemable bond to find its place in the financial documents that represent the guarantee the fulfilment of the proposed goals.

Historically and geographically speaking, the accountancy and the audit have appeared in the context of very different and far civilizations. If an ingression in the history of accountancy reveals the theoretical and practical use of this theme, it is also expected that the study of audit evolution to underline a development course imposed by practical necessities.

In the present paper, the identification of the area of study has begun from the convulsions of our country since the pre-adherence period. Moreover, after the adherence moment, our country has made and is still making continuous efforts to answer as well as it can the requests of the communitarian acquits. In this context, we find the economical and social adherence policy (PCES) led at EU level by means of which the reduction of economical and social development gaps is wanted between the EU member states/regions, the improvement of the unique market functioning and the promoting of a stable and durable EU development.

The choosing of a research theme in the very vast context of this European policy is a real challenge. We have thus begun from the PCSE objectives that are implemented at the level of the member states by the help of the Structural and Cohesion Funds or of the European funds, named shortly. Because of the fact that our country accessed these funds in the exercise between 2007 and 2013, and because of the fact that it confidently looks at new horizons of European funds between 2014 and 2020, we have thought that it would be an interesting and useful research theme in the appreciation of the usage of these funds and the opinion formation in order to enhance the absorption of the future European funds. And the tools considered to be the best in achieving this goal are accounting and audit because we consider both the guarantee of the good accomplishment made by our country but also by the public authorities of the taken commitments.

The choosing of the research modalities as well as the form of the plan, the data and information collecting the analyse and the interpretation of the data, as well as the results' presentation is singularized in every chapter according to the approached themes.

Because of the variety and complexity of the approached themes, we appealed to several methods and techniques, the research perspective being both a fundamental and an applicative one, both descriptive and explanatory, both qualitative and quantitative.

As a content analyse alternative we used the one called "meaning oriented" (Smith, 2006:148), thus, from this point of view, having a phenomenon type research.

The data collection technique is a direct one that is the observation. More exactly, the data and information collection has been done through documentation. The documents used have been mainly the primary ones because this research study, of the European funds doesn't have a rich scientific foundation but a regulated one.

Beginning with the statement of Prof. Ionel Haiduc, according to which "the fundamental research is, first of all, a source of new knowledge, the fundamental research represents a school, it is a prestige source for the countries, communities and institutions that support it, but also for individuals (researchers)". (Haiduc, 2009:22). By the help of the fundamental economical research we aimed to the clarifying of the theoretical basis for the concepts specific for the European funds as well as for their accounting and audit.

Thus, in the first chapter, our perspective has been more a descriptive one for the elementary knowledge on a basis of identification and mentioning of regulation and institutional aspects that create the whole frame of appearance and development of the European funds, reasoning their necessity and utility. We also used a qualitative approach by gathering information from the specific literature and legislation and thus we formulated coherent presentations, opinions and generalizations on induction basis.

The second chapter makes the transitions from the qualitative analysis to the quantitative one, in order to better evaluate the errors and issues occurred in the applicability of the European funds' accounting and audit, in general, and then in our country, in detail. Taking into consideration the fact that the theoretical part has been built from general to particular, the same approach has been applied in the case of the practical study. Thus, beginning from the major goals of the financing period between 2007 and 2013, we have searched to evaluate the proportion in which these have been achieved. This represents a very important step in the achievement of the goals of the present paper, because it is able to highlighten the sector where there have been problems in the application of the European funds. So, the present paper is a source of vital information for the further present research. The quantitative methods used belong to the econometric spectrum, on two levels: related to space and related to **panel**.

The evaluation of the structural funds' effects on the economies of the member states in the European Union and especially on the Romanian economy has been done in the second chapter, taking into consideration the spatial interdependences that exist between them. This is why there have been used methods and techniques that belong to the statistics and spatial econometric (see Mare, 2014, Dall'Erba & Le Gallo, 2008). For this part we have used the spatial analysis' soft OpenGeoDa, variant 10.



In chapter 3, the qualitative method has helped us to depict conceptual aspects and aspects regarding the treatment of accounting and audit, in general, and accounting and audit of the European funds especially. In this chapter our perspective has been more an explanatory one because we have searched for the discovery of causative relationships between accounting and the financial mechanism of the European funds, more exactly the financial regulations at a communitarian level as well as at a national level, the input of the European funds of their observance. By means of these relationships we have wanted to check the statements above and to encourage prediction.

At last, in order for the fundamental hypothesis to develop further from the level of information in the "library" (data bank) of theoretical solutions and in order to see what has been the source of the problems mentioned in Chapter 2, we have searched in Chapter 4 to practically implement the valences of the European funds' audit, by the help of the applied economical research. Thus, we have wanted to test if the goal and the objectives of the system audit and of the operations' audit are followed and fulfilled by the „actors" implied in such a mission. In this respect, we have appealed to a quantitative rational approach of measuring the achievement level of the proposed objectives by the audit missions, quantized from the point of view of the issues found at the level of the Intermediary Organisms and of the Audit Authorities at the level of the seven Operational programmes implemented in our country between 2007 -2013.

## **Chapter 1 Synthesis**

### **CONCEPTUAL AND REGULATORY ASPECTS REGARDING THE EUROPEAN FUNDS**

This chapter has dealt with the elementary knowledge based on the identification and recording of the regulatory and institutional aspects that create the whole frame of appearance and development of the European funds, reasoning their necessity and utility.

The European Union is an economical and political union, developed in Europe, being presently composed of 28 states. This union of countries being situated on different levels of development has imposed in time, while other member states were adhering and the disparity was getting deeper and deeper, a policy of convergence whose main goal to be the reduction of the difference between the development levels of different regions.

In this context, The Policy of Economical and Social Cohesion (PCES) finds its place. Thus, PCES represents the fundamental policy of the European Union whose goal is the reduction of the disparity in economical and social development between the member states/EU regions; the improvement of the unique Market's functioning; the promoting of a stable and durable development of the EU. 1/3 of the European Union's budget has been allocated for this policy.

The PCSE's interference objectives are the following:

- Convergence – for the regions where the GIP/inhabitant is under 75% from the EU average;
- Regional competitive and labour force employment – for the regions that are not eligible for the Convergence objective;
- European territorial cooperation – for regions, counties and trans-national areas (Regulation CE 1083/2006, art.3)

The financial means by which the PCES is implemented are called Structural Tools and contain: Structural funds (The European Fund of Regional Development and the European

Social Fund) and the Cohesion Fund (FSC). These three funds are known under the generic name of Structural and Cohesion Funds (FSC).

The structural and Cohesion funds contribute, each of them, to the fulfilment of the three objectives, thus:

- The convergence objective is financed from the European Fund of Regional Development (FEDR), the European Social Fund (FSE) and the Cohesion Fund (FC);
- The regional competitiveness objective and labour force employment is financed from the European Fund of Regional Development (FEDR), The European Social Fund (FSE);
- The European territorial cooperation objective is financed by the European Fund of Regional Development (FEDR).

The irredeemable financial assistance in the Policy of Economical and Social Cohesion of the European Union is given to Romania by means of Structural and Cohesion Funds within the "Convergence" and "European territorial cooperation".

The programming documents that form the foundation of the FSC implementation at a national level are: The National Development Plan 2007-2013 (PND), The National Reference Strategic Frame 2007-2013 (CSNR) and The Operational Programs (PO).

In order to access the Structural and Cohesion Funds of the European Union, Romania has developed The National Development Program 2007-2013, based on development area strategy and on the national strategy of regional development, thus achieving a programming of the country's economical and social development, similar to the one achieved by the European Union's member states. (Reference book of Structural and Cohesion Funds 2007-2013)

## **Chapter 2 Synthesis**

### **THE STRUCTURAL FUNDS IN THE EUROPEAN UNION AND IN ROMANIA AND THEIR ECONOMICAL EFFECTS**

Every state that has adhered to the European Union has benefited of structural funds. This is why, the present chapter has as a goal to evaluate the funds absorbed by the member states and by Romania and their impact on the national economies. The reason of this is the fact that the declared reason of these funds have been to reduce the existent disparities between the states and the different regions of the European Union, having as a direct consequence a more rapid convergence process. Thus, the main beneficiaries of these funds should have been the poorer region this being the modality in which they are supported in their process of diminishing the differences between them and the richer regions. Since the appearance of these funds, a lot of studies have been done, on the different levels of development of the European Union. However, it is interesting to notice that their highlighten, since the beginning of the European financial support, a weaker effect that the one that has been expected (Dall'erba & Le Gallo, 2003) or even a lack of an effectively visible convergence process (Rodríguez-Pose & Fratesi, 2004). Using different types of analysis methods, the studies of this spectrum underline the fact that a great part of the allocated sums have been used in the infrastructure and not in the actual economical environment. This could be one of the main reasons that have led to the "failure" in fulfilling the final goal, because the investments in infrastructure do not generate significant results (Rodríguez-Pose & Fratesi, 2004). In another group of studies, such as the ones made by Mare et al. (2013) and Litan et al. (2013) on Romania, an extremely significant aspect is underlined by econometric and spatial methods in the first case, and by panel analysis in the second one – that is, the main beneficiaries of the structural funds are not, in fact, the poor countries for which these funds have been created. Basically, these funds are accessed by the richer regions because they have, among other things, the ability of sustaining the beneficiary's contribution.

The goal of this chapter is to evaluate at the level of the European Union, the amounts given through structural funds (both in figures and in their absorption level) and their impact on the receiving economies, on one hand, but also at the level of the European Union, on the other hand. How much have these achieved of their goal of increasing the convergence level

between the countries of the European Union, on one hand, and to increase their competitiveness on an international level, especially by supporting the labour force, on the other hand. The idea has emerged from the fact that the opinions in this domain are extremely different (Katsarova, 2013). The following parts of the present paper will analyse in detail the problem of the European funds from the accounting and audit of these, regarding Romania. Evaluating their impact on the national economies, the problem arises from the fact if the different issues that have appeared could have been solved by audit processes at a project level of a better quality. The increasing of the audit procedure's efficiency could generate a bigger impact in economy (a bigger efficiency in using the funds)?

The analysis that has been undergone in this chapter has revealed the fact that at the level of the European Union there is a process of convergence, but this is not conditioned by the absorption degree or by the effective amounts used by each member state. Sooner, the goal of these European structural funds' constitution is achieved by contagion and diffusion, based on the close connexions between the member states. The effects are not felt on the spot in the national economies but financially by the increase of the GIP's level.

## Chapter 3 Synthesis

### PARTICULARITIES REGARDING THE EUROPEAN FUNDS' ORGANISATION OF ACCOUNTING AND AUDIT

In this chapter we have analyzed the conceptual and treatment aspects connected to accounting and audit, in general, that is the accounting and audit of the European funds, especially. In the present chapter, our perspective has been a rather explanatory one, because we have searched for finding out the causative relationships between accounting and the financial mechanism of the European funds, more exactly, the regulations of financial nature at a communitarian level as well as at a national one, and the contribution of the European funds to their abeyance.

According to the rule in the Regulation CE 1083/2006, the member states must take the proper measured in order to guarantee the good functioning of the administration and control systems. In this respect, art.63 of the above mentioned regulation foresees the necessity of naming an unique administrative authority for each operational program, as well as the necessity of naming the responsibilities and functions of the Audit Authority.

The accounting of a project must reflect both the eligible expenses as well as the illegible ones. It is not recommended to introduce other expenses with the implementation of the project in its accounting, expenses that have been supported from its own budget, but which have not been taken into consideration at the project's budget conceiving.

We cannot finish a conversation regarding the organization of the accounting without talking about the *accounting documents* that is the justificative financial-accounting documents on the basis of which we register in accounting the expenses that have been done during the project. These documents must be preserved in their original form at the financial-accounting department or by the accountant of the organization.

All these documents must be preserved, as a rule, over a period of 5 years beginning with the end of the Operational Program from which the project has been financed. But, in the financing contract, there can be other specifications also regarding the compulsory period of preserving the accounting documents.

Regarding the implementation level and the setting up of the supervision functions, financial management and audit applied to the communitarian funds within the implementation agencies, we have proceeded to the following:

- The organization of proper financial supervision, which is organized and exercised upon all the operational projects by persons authorized in this respect, in the area of management responsibility. The delegated prevention financial supervision is organized and exercised by the Ministry of Public Finances, by means of the Department of the delegated supervisors, in all the communitarian funds' implementation agencies.
- The application of the procedures regarding the internal public audit for those financial instruments of pre and post adherence.
- The setting up of the Audit Authority near the Accounts' Court, with attributions regarding the audit of the funds given to Romania by the European Union, having its own attributions, more exactly its own labour procedures.

## **Chapter 4 Synthesis**

# **DISORDERS IN THE AUDIT OF THE STRUCTURAL AND COHESION FUNDS**

The management system of the disorders represent the totality of the national and European institutions involved in the process of prevention, depiction, notification, investigation, reporting and supervision of the disorders and the redeeming of the amount unjustifiably paid, as well as the established relationships between these during this entire process.

The management of the disorders is a participative process that involves a permanent alert position and the contribution of the following actors in the funds' management:

- The beneficiaries
- The intermediate organisms
- The Management Authorities
- The Authentication and Payment Authority
- The Audit Authority
- The Antifraud Department
- The National Department Against Corruption
- The European Court of Accounts
- The European Department of Fight Against Fraud

In order to achieve our goal, more exactly, that one to depict the errors occurred in the operational programs, by the help of the audit mission carried on by the Audit Authority, we have analyzed the annual Public Reports of the Court of Accounts in Romania, at the section entitled *The External Public Audit carried on by the Audit Authority* , over a period of four years, between 2008-2012, and we have made a results' structuring of these 3 missions, on 3 levels, from the point of view of the **system's audit**:

- 1) **Organizational/administrative disorders** referring to some aspects regarding the period before the signing of the agreement, that is disorders met during the process of projects' evaluation, disorders in the organizing and functioning of the Management Authorities at the level of the Operational Programs.



- 2) **Procedural disorders** - these bringing into discussion the cases of not respecting or even infringement of the legal regulations, beginning with the communitarian regulation and arriving to some procedures issued by the Management Authority at the level of the Operational Programs.
- 3) **Implementation disorders** - as their name tells us, they deal with aspects regarding the actual implementation of the projects, wrongly administrated either by the beneficiaries, or by the Management Authority or by the Intermediary Organisms.

The results of these missions regarding the ascertained disorders are presented in Table 9, as follows:

**Table 9. The number of disorders for PO in the period between 2008-2012**

PO	2008			2009			2010			2011			2012		
	NO	NP	NI	NO	NP	NI	NO	NP	NI	NO	NP	NI	NO	NP	NI
POSCCE	7			4			6			6			9		
	2	5	0	1	2	1	0	4	2	3	2	1	4	1	4
POR	14			4			6			1			3		
	5	3	6	4	0	0	1	3	2	0	0	1	0	0	3
POSM	17			7			8			6			5		
	10	5	2	1	6	0	4	3	1	1	4	1	2	2	1
POST	-			5			4			3			6		
	-	-	-	2	2	1	1	1	2	0	1	2	0	1	5
POSDRU	-			6			11			12			16		
	-	-	-	4	1	1	5	4	2	2	4	6	1	2	13
PODCA	5			3			3			3			4		
	4	1	0	1	2	0	0	1	2	1	0	2	0	0	4
POAT	4			-			-			2			4		
	4	0	0	-	-	-	-	-	-	1	1	0	0	2	2

NO - organizational disorders, NP - procedure disorders, NI - implementation disorders

Source - the author's projection

From the analyze of these data, we can notice that besides 2 operational programs, that is POR and POSM, at the level of other 5 operational programs, the disorders have increased as

the time passed. In the attempt of offering an explanation, we formulate two possible hypotheses:

Hypothesis 1: on one hand, we could wait that the amount of these disorders to lower as we gain more experience in the implementation of the funds, that is to say, as the audit missions have been more and more from one year to another (See Table 2 - The Evolution of the Audit Missions). We venture to notice, thus, a weakness of the audit system of the European funds, in the way that this is preoccupied to record the disorders and it does not follow the applicability if the corrections that must be done from one year to another.

Hypothesis 2: On the other hand, we could promote the idea that it is somehow natural for the number of disorders to grow as more and more funds are attracted (See Table no.3 - The evolution of the Funds' Contracting Degree and of Payments' to Beneficiaries) more and more varied, more and more extended.

In this context we consider that at least one of the mission of the audit, that is the one to "supervise the modality of implementation by the audited entities, of the recommendations formulated by the Audit Authority in the prior missions" is not fulfilled.

In the case of the **System's Audit**, the results of the noticed disorders by the help of the audit missions that have been undertaken by the Audit Authority, from the analyze of the annual public reports of the Court of Accounts of Romania, at the section *External Public Audit undertaken by the Audit Authority*, over a period between 2008-2012, are presented in Table 46 and refer to the following things:

**Table 46. The list of the mostly noticed disorders**

**N1 - Wrong usage of the "experts' experience"**

**N2 - Inobservance of the principle of public acquisitions**

**N3 - Interest conflict**

**N4 - Inobservance of "unforeseeable circumstances"**

**N5 - Inobservance of the BLS acquisitions' conditions**

**N6 - Inobservance of the eligibility conditions**

**N7 - Deficiencies regarding the salaries and the fees**

## **N10 - other disorders**

*Source: Author's projection*

As we have already noticed in the analysis of the system's audit, in this case too, of the operations' audit, we can observe that the disorders having a noticeable weight are repeated continuously from one year to another. Of course, we can also notice the fact that some disorders, just like the case of N1 that appear in 2009 in at the top, in 2010 it lowers significantly, following that in 2011 and 2012 not to appear again in the Public Reports of the Court of Accounts that we have studied and out of which we have taken our information.

However, the disorders that appear frequently at the level of public acquisitions, especially, persist, this thing allowing us to conclude that the coercitive force of the audit missions do not act properly, without supervising the way of implementation by the audited authorities of the formulated recommendation by the Audit Authority during the prior missions.

We consider that if these audit missions had put a stronger stress on the applicability of the recommendations made in the prior missions, more and more noticed disorders would not have been repeated again. Moreover, we consider that the alarm signals drawn by the audit missions must have a result in the national regulations, that have to be improved, have to be brought up to date and continuously adapted in order to avoid their misinterpretation.

## CONCLUSIONS

The European funds have been conceived having as a goal the idea to help the member states to diminish the disparities between them. Thus, the net beneficiaries of these should have been the poorer states. The undertaken analyses showed us the fact that the most developed countries, such as Germany, have absorbed significant amounts. This is the given result of the spatial analyses undertaken on maps. Moreover, exactly Germany, the country which has absorbed the biggest amount among the newly entered countries, has suffered the most because of the international crisis, putting into danger the stability of the European Union, in general, and the stability of the Euro Zone, especially.

An evaluation of the structural funds' effects and of the economical implication is very important in the discussion of the problems regarding the audit mission of these funds. This happens because the structural funds must be considered as a whole along with the declared objectives of these programs. It is important to acknowledge whether or not these objectives have been achieved. And, of course, how much of these objectives have been achieved. If not, how much of the failure is the result of different errors that can occur, obviously, in this paper, putting a stress on the problem regarding the audit of the European funds?

Two objectives have been taken into consideration within this analyse – the convergence and the labour market. The literature in this domain evaluates the first aspect using, in general as proxy GIP in the per capita variant. Beginning with this idea, the present research extends the analyse by taking into consideration some other aspects, too, which are less material and can provide details connected to the standard of living and the intensity of the differences' diminishing process in the European Union.

Thus, using econometrical, spatial and panel techniques, the level of convergence induced by the European funds has been studied in connection with the GIT per inhabitant as well as in connection with the of human development factor. The last mentioned one has been created by using both monetary aspects as well as qualitative one, which are harder to be quantified. The goal of using this factor has been the one to see if the influence of the structural funds manifests itself on a short run on the quality of life, too, not only on the increase of the GIP.

The results obtained in Chapter 2 show us clearly an increased sensibility of the GIP in front of the used amounts and of the absorption degree, in comparison with the human development

factor. Thus, the monetary effects occur immediately, but the effective improvement at a qualitative level takes place only subsequently, having a lower intensity.

Another explanation is tightly connected to the present research theme and it refers to an inaccurate use of the European funds, a fact that can negatively influence the achievement of their final goal. What is the proportion of the error discovery of the audit missions, what types of errors are we talking about and what is the proportion of considering these errors in the further implementation of the financing programs from structural funds.

The conclusions drawn from the global analysis have opened the door for the basic analyse of this research – the structural funds’ evaluation from the point of view of the audit procedures. Thus, the basic idea has been the fact that structural funds have not been used correctly, a performant audit procedure should discover this fact. If even the audit mission does not reveal the source of the errors, this means that the audit mission itself is undertaken with mistakes that must be found and corrected.

In order to fulfil these goals, the Court of Accounts of Romania, by the Audit Authority exercises mission of audit by which it “stands over” the orderliness of the institutions implied in the administration of the structural and cohesion funds of the communitarian legislation, of the national laws in force, of the contract’s stipulations, and so on. Between the AA attributions we find, and our attention is more focused on the modality of implementation by the audited entities, of the recommendations formulated by the AA in the prior missions.

Analysing the annual public Reports of the Court of Accounts of Romania, between 2008-2012, we have acknowledged the fact that, many disorders persist, they are repeated one year after another, this being a strong argument for sustaining the first hypothesis. Another argument in favour of the first hypothesis comes exactly from the structure of the disorders on the three levels. Thus, we consider that it would be absolutely innate that, as time passes by and while gaining experience in irredeemable funds’ administration, at least at the levels of NO and NP, the disorders to lower from one year to another.

But things are not like that, even if on certain PO’s we can acknowledge, at a certain moment, an attempt of decrease, in the last 2 years the situation gets back, and at a level of NI, the tendency is clearly upwards on all the POs.

In this context, we consider that, at least one of the goals of the audit missions, the one of “standing over the implementation modality by the audited entities of the recommendations formulated by the Audit Authority in the prior missions” is not fulfilled.

As we have acknowledged in the analyse of the system audit's results, in this case, too, of the operations' audit, we notice the fact that the disorders having the heaviest weighting are continuously repeated year after year. Of course, we have noticed the fact that these disorders, being the case of the N1, which was on the first place in the top in 2009, in 2010 it decreases significantly, following that in 2011 and in 2012 not to appear anymore. However, the most common disorders persist especially at the level of public acquisitions, this fact reasoning us to conclude that the coercitive force of the audit missions do not act accurately, without following the modality of implementation by the audited entities of the formulated recommendations by the AA in the prior missions.

The fact that we want to underline here, in this paper, is that there are no critics towards the regulations in force, there is no blame at the level of the beneficiaries, there is no remark regarding the audit's attributions at the FSC level. As improvement suggestions of the audit activity, we consider that the audit missions in the implementation period of the projects is absolutely necessary, and in a proper way, not in a hurry, not without phrasing some suggestions for correction, for improving the implementation activity of the FSC, a good aspect for all the parties involved.

Another recommendation is regarding the unification of the data registering modality and of their reports. A standardization of the entire process is asked for, if we want to make the European structural funds to be used more efficiently. Because only this way, the results can be accomplished and the disorders can be corrected, in connection with the audit missions.

## **Limitations and perspectives of the research**

The limitations of the research consist in the fact that the research part based on science is rather weak in this domain. The regulation's research is primary and this has, most of the times, a very high degree of impermanency and interpretability. Moreover, the information source, either official sites or reports of the authorised institutions to stand over the good development and implementation of FSC, contain sometimes different errors and thus they are implicitly confusing.

Another important limit is the one connected to the lack of data regarding the amounts that have been absorbed and used in Romania. Besides the official statistics of the European Union, the national data on the 7 big types of projects are reported by each authority in another format, a fact that makes their comparison and their common usage impossible in analyses. Thus, the modality and the proportion in which the objectives are indeed fulfilled by means of these projects cannot be evaluated. The authorities' intervention should, thus, appear, first of all, in unifying the modality of results' reference.

The research's perspective should be one to continue the study of the disorders, errors and weaknesses, beginning with the European Court of Accounts, in order to check if, from this point of view, the situation in which Romania is, is the same with the situation met all over the European Union. Moreover, we would like to undertake a survey whose objective is to see if the regulations in the domain of public acquisitions, for example, because this is the sector where we have acknowledged most of the persistent disorders, takes into account the AA's suggestions. In other words, we would like to check if there is a correlation between the legislative changes, that occur rather often, and the intimations of the system's audit and operations' audit, because very often the cause of the expenses' illegibility has been the communitarian and national regulations' wrong understanding or interpretation by the persons involved in the implementation process of the FSC.

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