

Newsletter No. 1 / May 2010

Twinning project “Strengthening the Public Finance Management – Support the Activity of Central Harmonization Unit for Financial and Management Control Systems (CHUFMCS) in strengthening the FMC Systems in Public Institutions”

Twinning project info

In July 2009 this EU-funded twinning project started in co-operation between the Romanian Ministry of Public Finance (MoPF) and the Dutch National Academy for Finance and Economics (part of the Ministry of Finance). Project purpose is to work on complete and unitary practices for the public finance system. The way to achieve this is by supporting the activity of Central Harmonization Unit for Financial and Management Control Systems (CHUFMCS) in strengthening the FMC systems in public institutions.

This newsletter is intended to give an update of the project activities to all involved people in this project: within the Ministry of Finance, the 10 public institutions, the participants in the training and stakeholders.

Experiences of a Dutch expert

Accelerating the development of financial management.



Rob Moioli, expert on the project and former project leader, Romanian-Dutch bilateral project

Close collaboration between the Romanian and Dutch experts is crucial to push the development of financial management forward. It helps that the contacts between the CHUFMCS and the Dutch National Academy for Finance and Economics dates back to 2005, when we cooperated on a bilateral project. For an effective implementation of new instruments and procedures we introduced the consultative body of finance directors from the line ministries in 2006, now called the working group. To create ownership in an ongoing change process and to keep on to make steps in understanding and practicing managerial responsibility this kind of peer networks are crucial; when used in a clever and proper way with mutual effort for the

agenda and open and transparent discussion. Improving financial management needs hard work and perseverance. The Dutch ministry of Finance will give the best to support her Romanian counterpart.

Project results

Indicators

Two workshops have been organized on the topic of indicators “to efficient the activity” of the public institutions. A distinction has been made between financial indicators, performance indicators and managerial indicators. During the workshops the focus was on the latter: For 9 standards of internal control managerial indicators have been developed together with the participants. These indicators may be developed further by the public institutions in order to develop a tailor-made set for own use. The indicators will be posted on www.mfinante.ro/

Procedures

During two workshops activities took place on the development and harmonization of procedures on procurement, risk management and sensitive positions. The harmonized procedures are explained by means of examples. These documents will be posted on the website as well.

Risk management

Two workshops were organized in order to exchange knowledge and information about the implementation of risk management within the Dutch and Romanian governmental organizations. In the first workshop the system of risk self assessment was explained

and put in practice. In the second workshop all the 10 Romanian pilot institutions, the invitees and the MoPF presented their way of the implementation of the standard on risk management. This brought a very broad and professional view on risk management in Romania. The closing of the component will mean a start for further exchange of knowledge and information on risk management under guidance of the MoPF.

Fiches & standards

One of standards fits all. This is impossible for fiches & standards. Neither can all standards be evaluated in this Twinning. Therefore 5 were selected. In two missions the Dutch worked on this topic together with staff of the MoPF and in workshops with representative of the pilot institutions. The fiches on objectives, monitoring performance, risk management and procedures these were extensively discussed and evaluated in smaller working groups. A new standard on ‘sensitive positions’ has been developed, other. The fiches are in its final stages and will be handed over to the MoPF soon. As one size does not fit to all organizations an observation of the experts was that the existing standards pretty much cover all things they have to cover. The challenge is to make the right choices for making standards fit for each individual organization. For example, not all organizations have the same number and ‘type’ of sensitive positions; a careful and systemized analysis per institutions is necessary. The fiches of the MoPF will help to be a guideline in not forgetting essential steps.

Training

A series of trainings has been carried out and is still ongoing. The objective is sharing experiences from peer-to-peer on internal control and financial management. The theoretical framework belonging to the PIFC concepts is highlighted and elaborated but the focus is on how to relate the framework to the day-to-day work.



Training on Internal Control, basic level, 29 - 30 April 2010, Oradea; expert Wim Kooij

An impression from a training: Oradea

Speaking with Anca Galis from Public School of Finance and Customs, regional center Oradea she says: *“The participants think that the subject of Internal Control is not a very easy one but the trainers explained so well as everything is an easy game with very good examples from work and daily life. It tastes for more and we are looking forward for the next course in June. This is a proof more than the School*

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of Public Finance from Holland is the best from Europe. We can also mention that our School of Public Finance and Customs from Romania was a result of a project of cooperation between the Ministry of Finance from Romania and the Ministry of Finance from Holland (1999 – 2002).”

Upcoming activities

Activities that are coming soon:

- Workshop internal control and internal audit, 4 – 7 May 2010;
- Advanced training in internal control (including the modules in: Bucharest, 25 – 27 May 2010; Focsani, 27 -28 May 2010; Ramnicu-Valcea, 31 May – June 1, 2010; Oradea, 3- 4 June 2010);
- Change Management, 4 May – 7 May 2010.



Training on Internal Control, basic level, 26 -27 April 2010, Ramnicu - Valcea, expert Wim Kooij