

INTERVIEW



INTERVIEW // Victoria Cujba, Head of the State Financial Control Inspectorate: "Without efficient financial control, trust in public administration cannot exist"

Interview with Victoria CUJBA, Head of the State Financial Control Inspectorate about the institution's mission, the team and professionals in financial control, challenges and opportunities, motivation and determination, and the lesser-known aspects of a very important authority in the governmental architecture.

Mrs. Victoria Cujba, how would you describe the State Financial Control Inspectorate, in order to make its activity understandable to everyone?

Victoria Cujba: In bureaucratic language, the Inspectorate is an administrative authority under the Ministry of Finance, conducting control regarding the compliance with the regulatory framework in the use of financial resources and public assets, external assistance and European funds.

In simpler terms, I could say that the Inspectorate is essentially a team of dedicated public servants, who have a major responsibility to oversee over 3,800 authorities, public institutions, entrepreneurial entities on how correctly, rationally, prudently, economically, and in compliance with the normative regulations, they spend public money, funds from external assistance projects, European funds and how effectively they manage public assets. And when I say public money or public assets in a broad sense, I mean these assets belong indirectly to the citizens, the people/taxpayers, who contribute to the creation of public goods through taxes, through work. This means that, through the eyes of financial inspectors, citizens can monitor that public goods are not embezzled/wasted and that public financial interests are not harmed in favor of group or personal interests.

Recently, the Inspectorate gained a new competency regarding antifraud coordination. Could you provide some details about this new segment?

Victoria Cujba: On May 7, the government approved the creation of the National Anti-Fraud System, which will strengthen the cooperation of responsible institutions in cases of suspicions or irregularities related to the use of public, European and external

funds, in order to protect the financial interests of the state, external funders and directly, the European Union. The State Financial Control Inspectorate plays a crucial role as an Anti-Fraud Unit and contact point for cooperation with the European Anti-Fraud Office (OLAF). Presently, a dedicated team of the Inspectorate is working alongside officials from the Ministry of Finance and the State Chancellery on the draft of the National Anti-Fraud Program, which will soon be consulted and coordinated with all interested parties.

What other aspects would you highlight from the inspectors' activities?

Victoria Cujba: Financial inspectors are the ones who have unrestricted access to the premises, warehouses, spaces of the entities subject to inspection, to the accounting system and financial records, those who have the right to request inventorying of assets, to ask for necessary documents and information for conducting the inspection, etc. At the same time, financial inspectors have huge responsibilities to be vigilant and to report any potential cases or suspicions of fraud, embezzlement, damages, unjustified expenses, shortages, irrational and non-compliant use of public funds and goods.

To understand the pressure on the financial inspectors, imagine files with thousands of pages and billions of lei of financial means inspected. And these inspections must be carried out within strict and correct terms. On the other hand, it must be taken into account that the inspectors' working materials can be taken/opposed/verified again and additionally, years later, in the context of legal cases/processes by law enforcement bodies.

What entities fall within the Inspectorate's scope?

Victoria Cujba: As I have said, about 3,800 entities are covered by the Inspectorate: central and local public authorities at all levels - ministries and agencies; city halls and district councils; national and territorial public institutions, from education, health, social protection, culture, sports, etc., state enterprises and joint-stock companies where the state holds at least 25 per cent, municipal enterprises; Free Economic Zones, etc.

Additionally, besides the aforementioned entities, financial inspections can be carried out at entities participating within public-private partnerships; legal entities and private persons benefiting from/utilizing external assistance funds, European funds; non-governmental organizations that benefit from national public funds. In the case of compliance inspections, so-called "mirror", parallel controls are carried out also at those private individuals and legal entities that had financial relations/service provision/goods delivery relations with the public entity subject to inspection,

confronting the primary data/documents.

How is the institution selected where financial control is initiated?

Victoria Cujba: I want to highlight that, upon assuming her position as head of the Inspectorate, the Minister of Finance ordered increased attention to planning financial inspections based on risk assessment.

For us, it is quite important that, in the process of planning and selecting entities for authorizing inspections, we adhere to certain principles and these principles are known to all, in order to ensure predictability, impartiality, fairness concerning all entities liable to inspection.

Thus, the Inspectorate team preliminarily evaluates various aspects of financial activities and risks, such as, for example: the non-collection of approved revenues; the excessive proportion of bonuses, premiums, and additions compared to the basic salary; the volume of financial resources managed; the period not subject to financial inspection; deviations related to executing public procurement procedures; allocation of financial resources contrary to the purpose, etc. Also analyzed and considered are the risks/vulnerabilities presented to the Inspectorate by law enforcement addresses, and, if necessary, through petitions, complaints, denunciations.

To maximize the efficiency of financial inspections, we aim to focus on entities with the highest risk level and avoid unnecessary financial inspections, for example, in cases when preliminary analysis confirms a minor risk. I am confident that this approach would contribute to minimizing inspecting interventions, for example, in local public authorities, which largely comply with normative acts and regulations; it would encourage the overall alignment of local public authorities to the normative acts' requirements. At the same time, it would increase the optimal use of human and time resources in the financial inspection activity.

It is also important to note that the Inspectorate is obliged to conduct complex or topic-related financial inspections at the request of the Prime Minister, the Minister of Finance, and the Court of Accounts. Therefore, the Inspectorate intervenes promptly in cases sensitized by empowered authorities.

What are the most common irregularities found by financial inspectors?

Victoria Cujba: For example, in the local public authorities field: the management of public assets often encounters errors with the determination of rent payments; rental fees; normative prices on land purchase and sales; unauthorized use of public goods; leasing land without organizing an auction, with subsequent alienation as land adjacent to private objects; goods rented without public auctions; failing to determine

the market value of land exposed for alienation or lease. In public procurement (non-compliance with procedures; incomplete/lacking accompanying documentation; dividing procurements through separate contracts, not requesting justification for abnormally low prices). Each segment has its particularities, but also elements of systemic deviations.

But what would be some unusual situations?

Victoria Cujba: In some financial inspections, obviously dubious operations and transactions, frauds, damages, embezzlements are detected, for which the Inspectorate immediately informs the competent law enforcement bodies. For example: received and paid repair works that were not actually carried out; fictitious tabulation with the appropriation of funds for fictitious work; fictitious procurement of services, including consultancy services; purchasing goods at exaggerated prices that exceed by several times the market offer; paying for personal interest services (children's studies, personal insurance, loans), etc. Unusual is when people with public prerogatives, responsible for managing budgets, have parallel personal/family businesses/through interposed people and perform such transactions, about which we have the obligation to immediately inform empowered institutions, and financial inspectors' materials become cases in the legal system that we are legally restricted from making public.

Likewise, it is unusual when inspectors are restricted from accessing information, from entering premises are threatened, intimidated or slandered.

What follows after identifying the irregularities, what does the inspectors' activity result in?

Victoria Cujba: After the control conducted, a Report on the results of the financial inspection is compiled, which also includes the findings and reasoning of the established facts, and inspectors are responsible for the completeness and veracity of those stated. Inspection materials referring to identified damages are submitted for examination to law enforcement bodies.

I want to emphasize that the results of the inspections are quantified through recoverable values identified (damages, shortages, unwarranted expenses, lost revenues, funds used contrary to the destination, etc.); unrecoverable identified; sums with expired prescription period, etc. Based on the Financial Inspection Reports, Prescriptions are issued for eliminating identified infringements, which are mandatory in nature.

What would you recommend to those responsible for managing financial resources, public assets, resources from external assistance, European

funds?

Victoria Cujba: Never forget the necessity of strict compliance with the normative provisions and to always be aware of the enormous responsibilities, as well as the consequences of faulty activities or practices. Public goods must be managed prudently, efficiently and rationally, ensuring conform accounting records with accuracy and precision.

How would you describe a working day at the Inspectorate?

Victoria Cujba: Every day in the Inspectorate is both a new challenge and a new opportunity. A challenge because the range of issues is quite varied and extensive, and an opportunity because here there is an exceptional practice for professional development. Specialists at the Inspectorate are some of the most recognized professionals in the financial field.

Could you tell us, please, what would be three priorities you would like to highlight?

Victoria Cujba: I would prioritize activities (i) of preventing non-compliant, underperforming, irrational, or fraudulent management of national and European public funds; (ii) informing/training/popularizing the regulations in the domain; (iii) promoting vigilance and responsibility in the process of administering public goods.

What would you tell young graduates, in order to encourage them to pursue a career at the Inspectorate or what arguments would you present to them?

Victoria Cujba: We are currently at an important stage of recruiting new members for the Inspectorate team. We have launched a competition for six vacant public positions and I would like to take this opportunity, in order to encourage young people who want to build a nice career in public administration, with promotion prospects, to pay attention to this opportunity, which doesn't open often. At the State Financial Control Inspectorate, you will have the privilege of working in a professional environment, based on mutual respect and collaboration. You will be able to gain experience from the most appreciated professionals in the financial domain. More information can be found on the official ICFS website: <https://icfs.gov.md/content/icfs-anuntat-concursul-pentru-ocuparea-sase-functii-publice-vacante> and www.cariere.gov.md (<https://cariere.gov.md/ro/job/inspector-principal-directia-nr-3-directia-general-a-inspectare-financiara-centru/29082>.)

What message would you convey to the team as the leader of the Inspectorate?

Victoria Cujba: A message of appreciation and gratitude for the honest work carried out, for professionalism, for fairness and impartiality, for integrity and team spirit, which I have noticed within this dedicated financial control team. Thank you and good luck to everybody in the daily work!

Thank you!

