RESEARCH ARTICLE

The Preventive Financial Control Visa in EU-Funded Local Projects: Volume, Deadline and the Constraint That Actually Binds

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Received: 29 August 2026
Accepted: 30 September 2026
Published: 30 September 2026

DOI: https://doi.org/10.67276/6lyu9jt6w6

Abstract

Romanian public entities must obtain a preventive financial control visa on every budget commitment and every payment authorisation before the credit officer may approve it. This paper asks what that obligation means, in workload and in liquidity, for a small rural municipality implementing a multi-annual project financed from European funds. From the approved budgets of eleven such projects and an operational model based on the Romanian phases of public expenditure, it derives 2,934 controlled operations across the eleven projects, an average of 6.44 per municipality per month, of which 79.8 per cent are payment authorisations. A single-server queueing benchmark shows that average volume is irrelevant to the three-working-day deadline: at five operations per working day the utilisation rate is at most 0.070. The ordinary month-end batch of five or six files clears within a day, but the opening of each budget year brings between 16 and 20 files at once, and at five operations per working day the last of them is reached only after up to 3.8 working days, beyond the deadline in ten of the eleven municipalities; at ten per day every municipality complies. A second constraint binds everywhere: the person granting the visa may not be one of those initiating the operation, and in all eleven projects the initiating roles, on average 4.9 per municipality, are financed from the project while the visa is not. Each day added to the control sequence widens the aggregate financing gap of the eleven projects by approximately 45,852 RON.

Keywords: segregation of duties; queueing benchmark; rural municipalities; cohesion policy; Romania
JEL Classification: H83; M42; H72

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1. INTRODUCTION

Romanian public financial management places a mandatory checkpoint between the decision to spend and the spending itself. Before a credit officer may approve a budget commitment, a legal commitment or a payment authorisation, the document must carry a preventive financial control visa granted by a designated person who verifies its legality, its regularity and its fit within the approved appropriations. The mechanism dates from 1999 and applies to every public entity regardless of size, from a ministry

with a directorate of controllers to a commune whose financial compartment is one accountant and a cashier.

When such a commune implements a project financed from European funds, the mechanism meets a workload it was not designed around. The project runs for three and a half years, employs between eight and eleven salaried positions, contracts a catering service and a set of activities for the target group, purchases equipment, and settles indirect costs at a flat rate. Every one of those flows must be committed at the start of each budget year and authorised for payment each month, and every commitment and every authorisation must be visaed before it can proceed. The obligation is frequently described as a burden that overwhelms small beneficiaries. Whether it does is an empirical question, and to our knowledge it has not been asked with the budgets in hand.

This paper asks it for eleven rural municipalities in one Romanian county, all implementing home-care and community service projects under the same operational programme. The budgets themselves were analysed in a companion study of their cost structure (Almasan, 2026), and their contractual cash flows in a daily treasury model published in this issue (Nicolau, 2026). We build on both. Three questions organise the analysis. How many operations does a project of this kind generate for the preventive control function, once the count is built on Romanian practice rather than on a naive reading of the budget lines? Is that volume compatible with the control capacity of a small administration and with the statutory three-working-day deadline? And what does time spent in the control step cost the project in a currency other than staff time?

The answers are, in order, roughly 270 operations per project, comfortably yes on average and only marginally not at the opening of each budget year, and about 45,852 RON of additional financing gap across the eleven projects for every day the sequence is extended. The contribution we consider the most important is not any of those numbers. It is the observation that follows once capacity is set aside: the constraint that binds in every one of the eleven municipalities is the requirement that the person granting the visa be someone other than the persons initiating the operation, because the project finances the initiators and finances nobody else. Section 2 reviews the literature and sets out the Romanian legal framework, Section 3 describes the data and the models, Section 4 reports the results, Section 5 discusses them and Section 6 concludes with limitations and directions for further work.

2. LITERATURE REVIEW

2.1 Preventive Control as a Form of Commitment Control

Ex ante control of public expenditure has a long continental history and a mixed reputation. In the public financial management literature it appears under the heading of commitment control, the set of procedures that prevent an entity from entering into obligations for which no appropriation exists. Radev and Khemani (2009) describe the design choices involved and the trade-off at the centre of them: controls exercised before the obligation is created are the only ones that prevent arrears, but

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each additional checkpoint adds time to the expenditure chain and, if it is exercised by someone without the information to judge the operation, adds nothing but time. The Public Expenditure and Financial Accountability framework operationalises the same concern by scoring, within its indicator on internal controls on non-salary expenditure, whether commitment controls exist, whether they are effective and whether the segregation of duties is respected in practice (PEFA Secretariat, 2016).

The Romanian arrangement belongs to a family of systems in which a designated person, distinct from the accountant who records and the credit officer who approves, verifies each operation and signs. Power (1997) would recognise it as a ritual of verification, and the description is not dismissive: the visa produces a documented trail that can be reconstructed by an auditor and by a managing authority, which is much of its value. New public management sought to replace such procedural controls with output controls, and the replacement was partial at best in countries with a strong legal tradition. Cuadrado-Ballesteros and Bisogno (2021) find, across a panel of countries, that accounting reforms improve perceived governance only where the underlying control environment supports them, which is a reminder that a visa and a ledger are complements rather than substitutes.

2.2 Segregation of Duties and the Small Entity

Separating the functions of initiating, verifying, approving and recording an operation is among the oldest prescriptions of internal control and among the most consistently confirmed. The COSO framework lists it under control activities, alongside authorisations and reconciliations, as a means of reducing the opportunity for a single person to both commit and conceal an error or a fraud (Committee of Sponsoring Organizations of the Treadway Commission, 2013). The INTOSAI guidelines for the public sector adopt the same principle and note explicitly that small entities may be unable to apply it fully, in which case management must compensate through closer supervision or through rotation (INTOSAI, 2004). The Global Internal Audit Standards, in their 2024 revision, retain the separation of duties as a matter the internal audit function is expected to evaluate rather than to perform (Institute of Internal Auditors, 2024).

Empirical evidence on why the principle fails in practice points in one direction: size. Doyle et al. (2007) find that material weaknesses in internal control over financial reporting are concentrated in smaller, younger and financially weaker entities, and that the weaknesses most often reported are precisely those that require additional people, among them inadequate segregation of duties. The Association of Certified Fraud Examiners (2024) reports, on a global sample of investigated cases, that organisations with fewer than one hundred employees suffer larger median losses than larger ones and are far less likely to have the anti-fraud controls that depend on staffing. The arithmetic of separating four functions among two people simply does not close.

That observation transfers to public administration with little modification. Bracci et al. (2021), reviewing the risk management literature in the public sector, note the scarcity of studies on small local units and the tendency of frameworks designed for central government to presume

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compartments that a small municipality does not have. Cordery and Hay (2022) make a related point about audit in uncertain times: the value of verification depends on the independence of the verifier, and independence is a resource that small entities must import if they cannot produce it. Section 4.4 of this paper is, in effect, a quantification of that importation problem for one class of Romanian beneficiaries.

2.3 Internal Control in Local Government

Research on internal control in local government has mostly followed the availability of data, which means it has mostly studied the United States, where municipalities disclose control deficiencies in audited financial statements, and a set of European countries with strong accounting reform programmes. Mattei et al. (2021), reviewing three decades of public sector auditing research, record the dominance of central government and of the largest local units in the sample, and identify the smallest local governments as the least studied tier. The Romanian commune, with a population of a few thousand and a staff of a few dozen, sits close to the bottom of that tier.

The Romanian literature on the subject is thin in the international journals and exists mainly in the reports of the supreme audit institution. The Romanian Court of Accounts, in its annual public report, returns each year to the same findings at local level: commitments made without budget cover, payments authorised without complete supporting documents, and preventive control exercised formally by a person who also prepared the documents (Romanian Court of Accounts, 2023). The last of these is the finding this paper explains. We shall argue that, where an EU-funded project is present, it is a structural consequence of how the project is staffed rather than an irregularity of the municipality.

Romania has one of the more fragmented local government structures in Europe, with close to three thousand first-tier units and local government employment spread thinly across them (OECD, 2023). A control rule that is uniform across entities meets, at the bottom of that distribution, an entity for which its assumptions about staffing are simply false.

2.4 Control Systems for European Funds

Cohesion policy is implemented under shared management, which means that the beneficiary's own control environment is the first layer of a system that continues through the managing authority, the audit authority, the Commission and the European Court of Auditors. The Common Provisions Regulation for 2021 to 2027 requires beneficiaries to keep a separate accounting system or an adequate accounting code for all transactions relating to an operation, and requires managing authorities to carry out management verifications, risk-based, on the expenditure declared (European Parliament & Council of the European Union, 2021). The Commission's guidance on conflicts of interest under the Financial Regulation extends the same logic to persons, and is explicit that it applies to national bodies implementing Union funds at every level (European Commission, 2021).

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Whether this layered system is proportionate has been a standing debate. Mendez and Bachtler (2011) described an audit explosion in cohesion policy, in which each layer added controls in response to the error rates found by the layer above, without any of them removing controls elsewhere. The Court of Auditors continues to find that the estimated level of error in cohesion spending is material and that a share of the errors are detectable from the beneficiary's own documents, which suggests that the first layer is where the return on control effort is highest (European Court of Auditors, 2021, 2023, 2024). The Ninth Cohesion Report records the persistent difficulty that small and rural beneficiaries in the newer member states have in absorbing funds on schedule (European Commission, 2024), and the absorption literature locates part of that difficulty in administrative capacity at the beneficiary level (Incaltarau et al., 2020; Surubaru, 2021).

What the literature has not done is count. This paper's first contribution is to count the operations for one type of project, using the phases of Romanian public expenditure as the unit of account, and to test the burden claim against a capacity benchmark.

2.5 The Romanian Legal Framework

The governing text is Government Ordinance No. 119/1999 on internal managerial control and preventive financial control, republished in 2003 and amended since (Government of Romania, 1999). Article 6(1) lists the operations that fall under the control, opening with legal commitments and budgetary commitments under letter (a) and including the authorisation of expenditure under letter (d). Article 7 defines the control as the systematic verification of draft operations from the point of view of legality and regularity and of their fit within the budgetary appropriations or commitment appropriations established according to law. The control is a compliance check, not an assessment of whether the spending is a good idea; Article 17(2) says so explicitly for the delegated form, providing that the delegated controller does not rule on the appropriateness of operations.

Article 8(3) establishes two forms of the control. Own preventive financial control applies at all public entities and to all operations affecting public funds or public patrimony. Delegated preventive financial control applies at the principal credit officers of the state budget and of the social insurance budgets, at the implementing agencies for Community funds and at other entities identified as high risk, and is exercised by delegated controllers of the Ministry of Finance. A rural municipality implementing a project as a beneficiary falls under the first form. Article 14(2) sets a maximum of three working days for granting or refusing the visa under the delegated form, extendable by at most five further working days in exceptional cases under Article 14(4). The methodological norms on own preventive financial control, approved by Order of the Minister of Public Finance No. 923/2014, set the same maximum of three working days for the own form (Ministry of Public Finance, 2014). Both forms are therefore subject to the same deadline, and the deadline is binding for the municipalities studied here rather than a benchmark borrowed from elsewhere.

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Under Article 9(1), public entities must organise the own preventive financial control and the record of commitments within their financial and accounting compartments. Article 9(5) provides that the control is exercised, by visa, by persons from those compartments designated by the head of the entity, that the appointment instrument must set out the limits of competence, and that the persons designated to carry out this activity are other than those who initiate the operation submitted to the visa. That last clause is the segregation-of-duties rule and it is the provision on which this paper turns. Article 10 completes the architecture: only draft operations carrying the visa may be submitted for the credit officer's approval, and Article 10(4) makes clear that obtaining a visa on documents containing unreal or inexact data does not exonerate the heads of the specialist compartments who prepared them.

Two further instruments define what the visa is applied to. The methodological norms approved by Order No. 1792/2002 organise every public expenditure into four phases, commitment, liquidation, authorisation and payment, known by the acronym ALOP, and specify the documents produced at each phase: the commitment proposal and the budget commitment, the certification of the service rendered, the payment authorisation (ordonanțare) and the instruction to the treasury that settles it (Ministry of Public Finance, 2002). The preventive control visa attaches to the commitment and to the authorisation; the treasury instruction follows an authorisation already visaed. The Code of internal managerial control approved by Order of the Secretary-General of the Government No. 600/2018 places preventive control inside a wider system of sixteen standards, one of which requires the separation of the functions of initiation, verification and approval as a general principle of the entity's organisation (Secretariat-General of the Government, 2018). Local public finance is governed by Law No. 273/2006, which reproduces the ALOP phases for local budgets and makes the mayor, as principal credit officer, responsible for their observance (Parliament of Romania, 2006).

3. METHODOLOGY

3.1 The Projects

The analysis uses the approved eligible budgets of eleven municipal projects implemented in one Romanian county under the same operational programme, financing home-care and community services for older people, contracted in 2026 for implementation to 2029. The municipalities are anonymised as M1 to M11, the same labels used in the companion papers (Almasan, 2026; Nicolau, 2026). Ten projects run for 42 months and one, M4, for 36. Each carries between 8 and 11 salaried project positions. The eleven budgets total 54.42 million RON; their composition, which is close to identical across the sample, is described in Almasan (2026) and is not repeated here. The budgets were extracted line by line from the submission forms filed in the national monitoring system, and the number of salaried positions, the number of equipment items and the presence of recurring service contracts were read from the same forms.

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3.2 From Budget Lines to Controlled Operations

Nobody records the number of operations subject to the visa, so it has to be derived. A naive derivation would count one monthly payment authorisation per salaried position, which is how the budget presents salaries but not how a municipality pays them. Under the ALOP norms, salaries are authorised on one payroll statement per project per month: the financial compartment prepares a single payment authorisation for net salaries and a second for the associated social contributions and income tax, each visaed once, whatever the number of positions on the statement (Ministry of Public Finance, 2002). The count used here is therefore built on the following rules, each stated so that the reader can vary it.

Payroll generates two payment authorisations per month per project, one for net salaries and one for contributions and taxes, regardless of the number of positions. Each recurring flow under a service contract generates one payment authorisation per month. Three such flows are present in every project: the catering service that provides meals for participants, the services contracted for target-group activities, and the flows behind the indirect-cost line, which in these municipalities are the utilities and consumables charged to the project. M6, which replaced equipment purchases with an operating lease (Almasan, 2026), has a fourth recurring flow, since a lease is invoiced and authorised monthly. The monthly recurrent block is therefore five payment authorisations per project, six at M6. Every salaried position contract and every recurring flow contract generates one budget commitment per budget year in which it is in force, and all eleven projects span the four budget years from 2026 to 2029. Each equipment item generates one commitment and one authorisation.

Equation (1) states the resulting count for a project with P salaried positions, F recurring flows, E equipment items and D months of implementation:

$$N = 4(P + F) + E + (2 + F)D + E \tag{1}$$

The first two terms are commitments under Article 6(1)(a), the last two are payment authorisations under Article 6(1)(d). For M1, with ten positions, three flows, one equipment item and 42 months, Equation (1) gives 4 × 13 + 1 = 53 commitments and 5 × 42 + 1 = 211 authorisations, 264 operations in all. For M6, with four flows and no equipment, it gives 56 commitments and 252 authorisations. The count deliberately excludes the municipality's ordinary expenditure, which passes through the same designated person; that exclusion is discussed in Section 3.4.

3.3 The Queueing Benchmark

Control capacity is modelled as a single-server queue in the M/M/1 form, with arrival rate λ equal to the project's monthly operation count divided by twenty-one working days and service rate μ equal to an assumed capacity in operations per working day. The model serves as a benchmark rather than as a description: it answers the question of what the workload would imply if arrivals were spread randomly across the month, which is the assumption implicit in any claim about average burden. The

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utilisation rate and the expected waiting time in the queue follow from the standard results, as in Equation (2), and the expected number of operations awaiting the visa follows from Little's law, Equation (3), which relates the average number in the system to the arrival rate and the average time spent there (Little, 1961; Gross et al., 2008).

$$\rho = \lambda/\mu, \quad W_q = \rho/(\mu - \lambda) \tag{2}$$

$$L = \lambda W, \quad W = 1/(\mu - \lambda) \tag{3}$$

Three capacity scenarios are examined: five, ten and twenty operations per working day. A visa on a payment authorisation whose supporting documents are in order takes minutes; the time-consuming cases are the ones where something is missing. Five operations per day corresponds to a designated person who devotes a couple of hours a day to control work alongside other duties, which is the situation of a commune accountant. Ten and twenty correspond to a person for whom control is a principal task or to a compartment with two such persons. All three are realistic for a small municipality's finance department, and none is generous.

3.4 The Burst Model and the Treasury Linkage

The M/M/1 form assumes memoryless arrivals, and the real process is not memoryless. Payroll authorisations and the invoices for recurring services fall due together at the end of each month, and at the opening of each budget year every commitment for every contract falls due at once, together with that month's authorisations. Rather than treat this as a caveat, we model it as a deterministic burst and report it alongside the random-arrival benchmark. For a burst of n operations received on the same day and cleared at μ per day, the last file is reached after (n − 1)/μ working days; the deadline is breached when that figure exceeds three. Two bursts are computed for each project: the ordinary month-end burst of 2 + F authorisations, and the budget-year opening burst of (P + F) commitments plus (2 + F) authorisations.

A simplification remains and is stated rather than corrected. The designated person is treated as devoting the assumed capacity to project operations alone. In practice the same person visas the municipality's own expenditure, which has its own month-end and year-opening bursts. The scenarios should therefore be read as the capacity available to the project, and the reader who believes that a commune accountant can spare less than five project operations per day should read the results at five as an upper bound on compliance.

The financial dimension of control time is taken from the companion daily treasury model of the same eleven projects (Nicolau, 2026). That model spreads expenditure at daily resolution, credits prefinancing and reimbursement on their contractual dates net of the recovery of advances, and reports the aggregate financing gap as a near-linear function of any uniform delay applied to the reimbursement cycle, with a slope of approximately 45,852 RON per day across the eleven projects. Time spent in the control step sits inside the sequence that ends in a payment and therefore inside the

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sequence that ends in a reimbursement claim, so the same slope applies. We use it directly, holding the validation delay at the central assumption of 45 calendar days used in the companion model, and report the resulting gap at 0, 3, 5, 8, 10 and 15 additional days.

4. RESULTS

4.1 The Volume

Over their lifetime the eleven projects generate 2,934 operations subject to the preventive financial control visa: 592 commitments and 2,342 payment authorisations. The arithmetic can be checked from Table 1, which reports the count by municipality together with the inputs to Equation (1). Five projects with ten positions, three flows, one equipment item and 42 months contribute 264 operations each, or 1,320; M4 contributes 238, M6 308, the three projects with four equipment items 270 each, or 810, and M9 258. The sum is 2,934. Payment authorisations account for 79.8 per cent of the total, a share that follows from the monthly rhythm of authorisation against the annual rhythm of commitment. The average monthly load is 6.44 operations per municipality, ranging from 6.14 at M9, which has the fewest positions, to 7.33 at M6, whose lease adds a monthly authorisation. The average value behind one controlled operation is 18,548 RON. Figure 1 shows the split between commitments and authorisations for each project.

Table 1.
Preventive control workload implied by the eleven project budgets

Municipality	Duration (months)	Salaried positions	Recurring flows	Equipment items	Commitments	Payment authorisations	Total operations	Operations per month	RON per operation
M1	42	10	3	1	53	211	264	6.29	18,843
M2	42	10	3	1	53	211	264	6.29	18,845
M3	42	10	3	1	53	211	264	6.29	18,843
M4	36	11	3	1	57	181	238	6.61	20,895
M5	42	10	3	1	53	211	264	6.29	18,114
M6	42	10	4	0	56	252	308	7.33	16,115
M7	42	10	3	4	56	214	270	6.43	18,342
M8	42	10	3	4	56	214	270	6.43	18,297
M9	42	8	3	2	46	212	258	6.14	19,269
M10	42	10	3	4	56	214	270	6.43	18,321
M11	42	10	3	1	53	211	264	6.29	18,816

Note: Operations derived from the approved budgets under the rules in Section 3.2 and Equation (1). Commitments are budget and legal commitments under Article 6(1)(a) of Government Ordinance No. 119/1999; payment authorisations (ordonanțări) fall under Article 6(1)(d). Commitments are counted once per contract per budget year over four budget years. The fourth recurring flow at M6 is an operating lease. RON per operation is the approved eligible budget divided by total operations.

Source: Author's own calculations on the approved project budgets.

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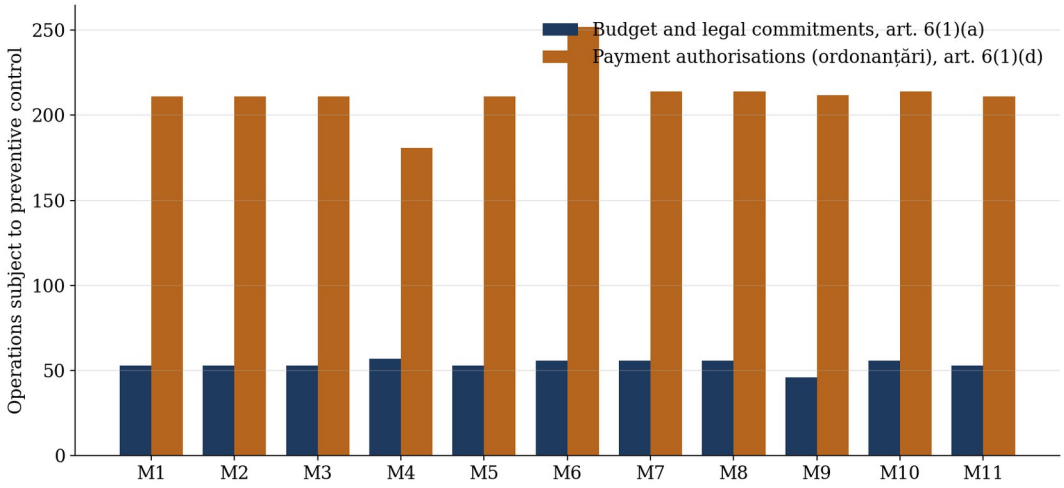


Figure 1. Operations subject to the preventive financial control visa over the life of each project, split between commitments and payment authorisations.

Source: Author's own elaboration on the approved project budgets and Equation (1).

This count is a fraction of the one produced by the naive model, which treated every salaried position as a monthly authorisation and arrived at roughly six hundred operations per project. The difference is one of practice, not of assumption: the payroll statement is one document, and the visa is applied to the authorisation drawn on it, not to the lines within it.

4.2 Average Volume Is Not the Constraint

Table 2 reports the queueing benchmark. At five operations per working day the utilisation rate averages 0.061 and reaches 0.070 at M6, the busiest municipality, with an expected queueing time of at most 0.015 working days, or a few minutes. By Little's law the expected number of project operations awaiting the visa at any moment is 0.075 at most, which is to say that the in-tray is almost always empty. At ten and twenty operations per day the figures are smaller still. No municipality comes within two orders of magnitude of the three-working-day deadline at any capacity examined. Figure 2 plots the expected queueing time by municipality on a logarithmic scale, with the deadline marked; the three capacity lines sit far below it.

Taken on its own, this result contradicts the burden claim. On average volume, a project of this kind does not strain the control function of even a very small administration. The average is, however, the wrong statistic, and the next subsection explains why.

4.3 The Average Hides Two Peaks

The arrival process in a project of this kind is nothing like the random stream the benchmark assumes. Salaries and recurring invoices fall due together at month end; commitments for every contract fall due together when the budget year opens. Table 2 reports the wait for the last file in each burst.

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Under the corrected count the ordinary month-end burst is small: five authorisations in ten projects and six at M6. At five operations per day the last of them is reached within one working day, and at higher capacities within half a day. The month-end peak, which under the naive count appeared to breach the deadline at every municipality, does not exist once salaries are authorised on a payroll statement.

Opening the budget year is a different matter. In January the designated person receives, for the project alone, one budget commitment for each salaried position, one for each recurring flow, and that month's authorisations: 18 operations in most projects, 16 at M9, 19 at M4 and 20 at M6. At five operations per day the last file is reached after 3.4 working days in most projects, after 3.6 at M4 and after 3.8 at M6, beyond the three-working-day deadline in ten of the eleven municipalities; M9, at exactly 3.0 days, is the one that complies. At ten operations per day the maximum falls to 1.9 days and every municipality is within the deadline, and at twenty the maximum is under one day.

Table 2.
Control capacity under random arrivals and under the two bursts

Capacity (operations per working day)	Mean utilisation ρ	Maximum ρ	Max expected queueing time, random arrivals (working days)	Max wait for last file, month-end burst (working days)	Max wait for last file, budget-year opening burst (working days)	Municipalities beyond the 3-day deadline, opening burst
5	0.061	0.070	0.015	1.00	3.80	10
10	0.031	0.035	0.004	0.50	1.90	0
20	0.015	0.017	0.001	0.25	0.95	0

Note: Random arrivals: single-server queue in the M/M/1 form, Equation (2), with the arrival rate equal to the monthly operation count over twenty-one working days. Month-end burst: the 2 + F monthly authorisations received on one day. Budget-year opening burst: the (P + F) annual commitments and the (2 + F) authorisations of the opening month received on one day. The wait for the last file is (n − 1)/μ. The three-working-day deadline is set by Article 14(2) of Government Ordinance No. 119/1999 for the delegated form and by the norms approved by Order No. 923/2014 for the own form.

Source: Author's own calculations.

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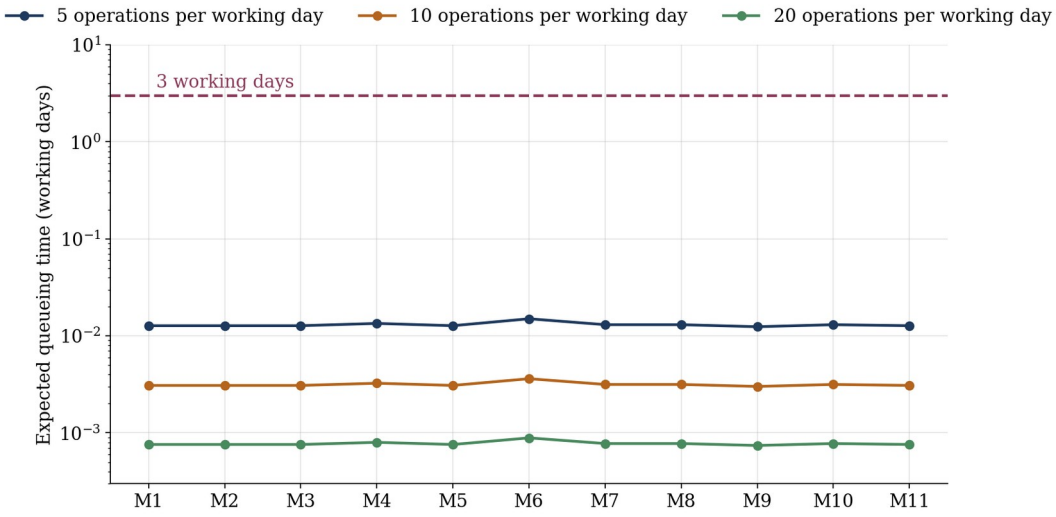


Figure 2. Expected queueing time by municipality at three assumed control capacities, on a logarithmic scale. The dashed line marks the three-working-day deadline.

Source: Author's own elaboration.

Neither model is the truth; together they bracket it. Real arrivals are neither perfectly random nor perfectly synchronised: procurement documents and equipment invoices fall through the month, and a municipality may stagger its annual commitments over the first week of January rather than sign them all on one morning. What the pair establishes is that capacity is sufficient in every ordinary month at every scenario, and becomes tight once a year, at the lowest scenario, precisely when the municipality's own budget commitments for the whole year arrive on the same desk. That is a scheduling problem with a scheduling solution, and it is the only capacity problem the data reveal.

4.4 A Second Constraint, Binding Everywhere

Article 9(5) requires the person granting the visa to be someone other than the persons initiating the operation. Under the ALOP norms the initiating compartment is the one that prepares the commitment proposal, certifies the service rendered and draws up the payment authorisation (Ministry of Public Finance, 2002). In a project of the kind analysed here those tasks belong to the project team, and the project team is on the project payroll. In all eleven projects the roles that initiate operations, the project manager, the financial manager, the procurement officer, the management assistant and the social service coordinator, appear as salaried lines in the budget, with an average of 4.9 such roles per municipality and the financial manager present in all eleven.

The consequence is arithmetical. The project brings its own initiators and no visa-granting capacity, because Article 9(1) locates the control in the financial and accounting compartment of the entity and Article 9(5) excludes the initiators from it. The designated person must therefore come from the municipality's existing establishment, and in a rural commune that establishment is small: a chief accountant, sometimes one further accountant, a cashier and a tax inspector. Two common

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configurations push the pool of eligible persons to zero. In the first, the project's financial manager is the commune's chief accountant, paid a fraction of her time from the project; she now initiates the operations she would otherwise visa, and the second accountant, if there is one, is the only candidate left. In the second, the commune has one accountant, who by joining the project team disqualifies herself from the project's operations with nobody to replace her. The Court of Accounts' recurring finding of preventive control exercised by the person who prepared the documents (Romanian Court of Accounts, 2023) is what that configuration looks like from the outside.

Spending more of the project's money cannot satisfy the rule. Adding a control position to the project budget would place the controller on the project payroll and under the project manager, which is not independence in any sense the framework recognises, and would in any case run against Article 9(1). Nor can the mayor satisfy it, since as credit officer the mayor approves the operation after the visa and cannot also grant it. The Commission's guidance on conflicts of interest reaches the same result from the European side: persons who take part in the preparation of an operation financed from Union funds must not verify it (European Commission, 2021). Standard 2 of the Code of internal managerial control makes the separation of initiation, verification and approval a general organisational requirement (Secretariat-General of the Government, 2018). Every layer of the framework, national and European, agrees on the rule, and none of them supplies the person.

This is a structural feature rather than a local failing, and it is the point at which the preventive control framework and the design of European project teams interact badly. The framework assumes an entity with several specialist compartments among which duties can be separated. The standard project budget, which the companion study found to be the same template applied eleven times (Almasan, 2026), funds a complete management team and no control function, because eligibility rules treat control as an overhead of the beneficiary. The template therefore presumes that separation is available for free, and in the smallest beneficiaries it is not available at any price the project can pay.

4.5 What a Day of Control Costs the Project

The control step has a financial dimension beyond staff time. It sits inside the sequence that ends in a payment, and a payment must be made before the expenditure can be claimed, so a day spent in control is a day added to the interval between spending and reimbursement. The companion treasury model of the same eleven projects estimates that each day of uniform delay in that cycle adds approximately 45,852 RON to the aggregate financing gap that the eleven municipalities must bridge from their own resources (Nicolau, 2026). We apply that slope to the control step. Table 3 reports the result and Figure 3 plots it.

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Table 3.
Aggregate financing gap as a function of additional days in the control step

Additional days in the control step	Aggregate financing gap (million RON)	Increment over the baseline (RON)
0	9.003	0
3	9.141	137,556
5	9.232	229,260
8	9.370	366,816
10	9.462	458,520
15	9.691	687,780

Note: Baseline computed on the daily treasury model of the eleven projects with the validation delay at its central assumption of 45 calendar days (Nicolau, 2026). Increments equal 45,852 RON multiplied by the number of additional days. The gap is the maximum cumulative deficit over the project life, summed across the eleven projects.

Source: Author's own calculations on the treasury model of Nicolau (2026).

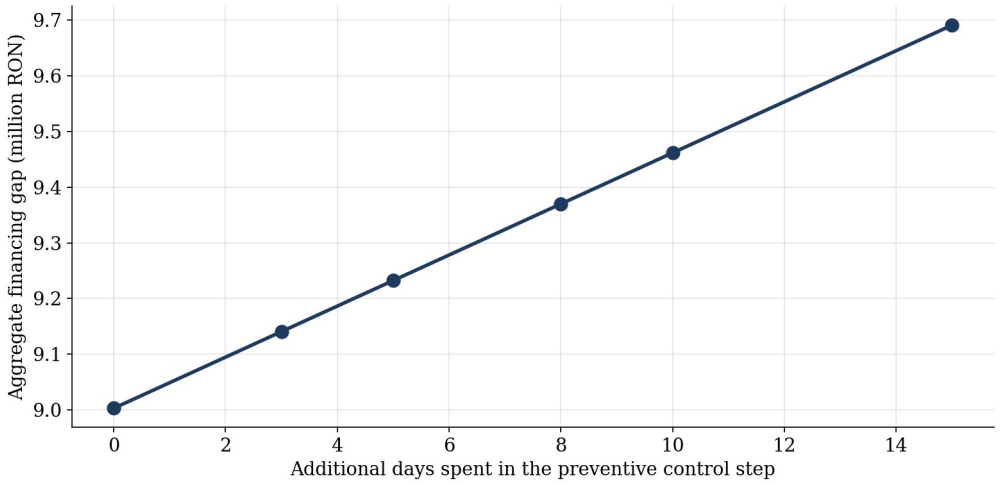


Figure 3. Aggregate financing gap of the eleven projects as a function of the time spent in the preventive control step.

Source: Author's own elaboration on the treasury model of Nicolau (2026).

Moving from no additional control time to fifteen additional days raises the aggregate gap from 9.003 to 9.691 million RON, an increment of 687,780 RON, which is fifteen times 45,852. For a single municipality the slope is about 4,168 RON per day of delay. That is not a large number against a project of five million RON, but it is a real one, and no participant currently attributes any part of it to the control step. A designated person who returns an authorisation for a missing signature and receives it back a week later imposes a cost on the municipality's treasury that appears nowhere in the control record.

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5. DISCUSSION

5.1 Redirecting the Design Question

Two constraints, and two different remedies. The peak constraint is narrow and has a scheduling answer. The budget-year opening burst breaches the deadline only at the lowest capacity scenario and only because every commitment arrives on the same day. Signing the annual commitments over the first week of the year rather than on its first morning, or preparing the project's commitments in the last days of December so that they are visaed before the municipality's own arrive, brings the last file inside three working days without an additional person. The recommendation lies entirely within the beneficiary's control and addresses the only point at which the data show capacity to be tight.

The incompatibility constraint has no scheduling answer. It has an appointment answer, and the appointment must be made before implementation begins rather than discovered at the first payroll. The instrument required by Article 9(5) should identify a person outside the project's initiating roles, set out the limits of competence, and name a substitute for absence, since a single designated person on leave in January is the same as none. Where the establishment contains such a person, the cost of the arrangement is the time of the appointment. Where it does not, the framework offers a route that Romanian local government already uses for other functions: the Administrative Code permits communes to cooperate through intercommunity development associations and through agreements for the shared provision of services (Government of Romania, 2019). A designated person shared between two or three neighbouring communes, each implementing a project of the same template, would satisfy Article 9(5) for all of them. The eleven projects examined here are implemented in one county under one programme, and the uniformity of their budgets (Almasan, 2026) means that a person who learns one project's operations has learned them all.

This redirection matters for the managing authority as well. An authority that reads the control burden as a capacity problem responds with training and calls for simplification. One that reads it as a segregation problem asks, at contracting, who the designated person will be, and treats a project whose financial manager is also the commune's only accountant as a project with a control deficiency from day one. The absorption literature has long attributed slow implementation in small beneficiaries to administrative capacity in the abstract (Incaltarau et al., 2020; Surubaru, 2021). The finding here is that part of that capacity problem is a single named provision with a single named remedy.

5.2 The Refusal of Visa Is a Live Instrument

The norms provide that, except where the refusal is due to appropriations being exceeded, an operation refused the visa may nevertheless be carried out on the personal responsibility of the head of the entity, who must inform the hierarchically superior body by transmitting a copy of the decision and of the refusal (Ministry of Public Finance, 2014). The route exists, it is documented, and it transfers responsibility explicitly rather than dissolving it. Radev and Khemani (2009) note that a commitment

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control which can never be overridden will be circumvented informally, and the Romanian arrangement avoids that by making the override formal and visible.

For a project financed from European funds the override is consequential in a way it is not for ordinary expenditure. An operation carried out over a refusal remains subject to the management verifications of the managing authority, which applies its own eligibility criteria, and to the audit authority and the Court of Auditors behind it (European Parliament & Council of the European Union, 2021; European Court of Auditors, 2023). A recorded refusal is, in that context, a documented warning that the beneficiary chose to disregard, and any subsequent financial correction will find it in the file. A refusal signed by someone who reports to the project manager is not the same document as a refusal signed by someone who does not.

5.3 The Burden Claim Revisited

The literature reviewed in Section 2 records a persistent complaint that control obligations overwhelm small beneficiaries of European funds, and the audit explosion described by Mendez and Bachtler (2011) gave the complaint an institutional explanation. The results here refine it. For the preventive control visa, the burden in volume is modest: six or seven operations a month, cleared in minutes each, with an in-tray that is empty most of the time. What overwhelms the small beneficiary is not the number of files but the number of people, and the framework's silence on where the second person comes from. This is consistent with the evidence on internal control weaknesses in small entities (Doyle et al., 2007; Association of Certified Fraud Examiners, 2024), and with the INTOSAI guidance that small entities must compensate for the segregation they cannot achieve (INTOSAI, 2004). What the guidance does not say, and what the results here suggest, is that in the case of an EU-funded project the compensation cannot be found inside the project, because the project is the source of the problem.

Power's (1997) ritual reading deserves one further comment. A visa granted by a person who prepared the documents produces a signature and no verification; a visa granted by an independent person produces a trail that a managing authority can rely on. The difference between the two is exactly the one Article 9(5) draws.

6. CONCLUSIONS

A multi-annual European project in a small Romanian municipality generates, once the count is built on the way municipalities actually authorise expenditure, on the order of 270 operations subject to the preventive financial control visa, about 6.44 per month, four fifths of them payment authorisations. Spread evenly, that volume occupies a designated person for minutes a day. It is not spread evenly, and the one point at which it strains capacity is the opening of the budget year, when 16 to 20 commitments and authorisations arrive on the same desk and, at five operations per working day, the last of them is reached only after 3.4 to 3.8 working days in ten of the eleven municipalities. At ten

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operations per day the strain disappears. Capacity binds once a year, at the lowest realistic scenario, and a change in the timing of commitments removes it.

The constraint that binds everywhere is the one in Article 9(5): the person who grants the visa cannot be one of those who initiate the operation, and the project funds the initiators, on average 4.9 of them per municipality, while leaving the visa to an establishment that may not have a second qualified person to spare. Alongside it, each day added to the control sequence costs the eleven projects approximately 45,852 RON in additional financing gap, roughly 4,168 RON per municipality per day, a cost that is currently invisible to everyone involved.

Two recommendations follow, both narrow and inexpensive. Schedule the annual commitments across the opening days of the budget year, or prepare the project's commitments ahead of the municipality's own, so that the January burst clears within the deadline without an additional person. And designate the person and the substitute before implementation starts, from outside the project's initiating roles; where the establishment cannot supply them, arrange the function jointly with a neighbouring administration under the cooperation instruments the Administrative Code already provides, and ask the managing authority to check, at contracting, that the arrangement exists.

The study has limitations that qualify these conclusions. The operation count is a model, not an observation; it rests on the rules in Section 3.2 and a municipality that commits its service contracts more often, or splits its payroll between funding sources, will generate a different count. The queueing benchmark assigns the whole of the assumed capacity to the project, when the same designated person also visas the municipality's own expenditure, so the compliance results at five operations per day are an upper bound. The burst model treats every commitment as arriving on one day, which is the worst case and not necessarily the typical one. The treasury linkage inherits every assumption of the companion model from which the slope is taken. And the sample is eleven projects from one call in one county, prepared by the same consultant, so the magnitudes are specific even where the mechanism is general.

Three lines of further work follow. The first is verification against executed operations: once the first reimbursement claims have been validated, the number of visaed documents in each municipality's register can be compared with the count derived here and the rules in Section 3.2 corrected where they are wrong. The second is a survey of designated persons across a larger set of rural beneficiaries, recording who holds the appointment and whether that person also sits on a project team. The third is a comparison across member states with similar ex ante control traditions, to establish whether the incompatibility documented here is a Romanian peculiarity or a general feature of how standardised project templates meet small administrations.

ACKNOWLEDGMENTS

The author used Claude (Anthropic, 2026 version) for data processing support, checking of computations and language editing. All output was reviewed and verified by the author, who takes full responsibility for the content. The author thanks the anonymous reviewers, whose comments on the operational model led to the corrected count reported in Section 4.1.

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AUTHOR CONTRIBUTIONS

Conceptualisation, A.A.; methodology, A.A.; software, A.A.; formal analysis, A.A.; data curation, A.A.; writing, original draft, A.A.; writing, review and editing, A.A. The author has read and agreed to the published version of the manuscript.

DATA AVAILABILITY

The analysis uses the approved eligible budgets and contractual disbursement schedules of eleven municipal projects, as filed in the national monitoring system for European funds, together with the staffing and equipment schedules annexed to the submission forms. Municipality identities are withheld and results are reported in anonymised form. The operation count, the queueing computations and the treasury linkage are available from the author on reasonable request. Legal provisions were verified against the consolidated texts published on the official legislative portal.

DECLARATION OF INTEREST

The author has no financial interest in the projects analysed and receives no benefit from their implementation. The project documents were obtained through an advisory relationship with a consultancy that assisted the beneficiary municipalities in preparing their applications; the municipalities are not named and are reported only in anonymised and aggregated form. The same dataset is used in two related papers, Almasan (2026) and Nicolau (2026), which are cited in the text; the three papers address different questions and report no overlapping results. The manuscript was handled by an independent editor and evaluated through the journal's double-blind peer review process. The author declares no other competing interests.

FUNDING

This research received no external funding.

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