

## → Analysing, budgeting and communication in financial management

**Country** Romania

**Project title** A.B.C. in financial management (Where A = analysing, B = budgeting, C = Communication)

**Twinning** Municipality Skarsterlân (the Netherlands)  
Municipality Mediaş (Romania)

**Project period** 1 January 2008 to 30 June 2009

**Project budget** € 67.167,14

### **Project objective**

Developing a sound and transparent internal financial management system in the town hall of Mediaş.

### **Project summary**

The project focused on the financial management system of Mediaş with specific emphasis on integrity, transparency, and communication with citizens. Models for multi-annual planning, strategic planning and sound budgetary, and financial procedures were developed. Communication instruments were developed to create a comprehensive, accurate, timely, and transparent budget for the citizens of Mediaş.

### **Core information**

Mediaş, with a population of 55,000 inhabitants is the second largest town in Sibiu County, and the second largest regional industrial centre, especially in marsh gas exploitation. The town has an impressive and diverse architecture. With its medieval fortifications it is one of the best preserved historical centers in the region.

### **Problem analysis**

The governing bodies of Mediaş are faced with the national obligation to adopt European financial management systems within their municipality.

### **Project implementation**

At the start of the project an analysis of the current situation of financial management in the town hall of Mediaş was made. This analysis was presented to the local council and management team of Mediaş, thus to assure political and organisational support for the suggested changes. Following this, a practical guide was designed comprising of all the discussed topics about (financial) planning and improvement of the financial management. Furthermore, two brochures, targeting at citizens, were elaborated during the

project: 'Taxes and duties in Mediaş for 2009' and 'Investments in Mediaş in 2009'. New equipment for the taxes desks was purchased and 15 representatives of the city hall's departments were trained in project management: planning, strategies, and tactics.

### **Process management**

The project was designed in order to combine the Romanian financial management of a classic hierarchic administration with the Dutch creative and result-oriented management model. The proposed result was a unitary, integrated organisation of public affairs, in which all actors have a clear role and responsibility. During the project implementation the civil servants instinctively rejected the initiative despite of the internal will, interest, and enthusiasm of the management team to reform. The most efficient instruments to implement a new management system have been searched, however more time is needed to become effective. A sound internal financial management is still in process in the town hall of Mediaş. The challenge lies in finding structural lucrative instruments and means (both human and financial), and in accepting a more client-friendly oriented language.

### **Recommendations: do's and don'ts**

- Assure the support of key decision makers to avoid 'forcing' the heads of departments to implement the project.
- Communicate the changes carefully and clearly to the management team and the civil servants and allow to give feedback
- Use experiences of other municipalities (in this case Skarsterlân) to explain what advantages these kind of reforms may bring.
- Organise meetings on regularly basis with the heads of all departments and elaborate measures and changes together.
- Ensure good communication with citizens.