



Romania

Measuring Cash Management and Forecasting Performance

Tirana, Albania 04-06 november 2024





Indicator 1: Cash management outcomes

Indicator	July	August	September
Percentage of the total amount (by value) of monthly payments due that are not made on the due date (as a result of the lack of liquidity)	<ul style="list-style-type: none"> - In Romania, all payments are settled in full on the date they are sent. - There are no payment operations to be rejected due to lack of liquidity. 		
Ratio of outstanding advances or other borrowing from the central bank to total monthly expenditure, %	<ul style="list-style-type: none"> - Financing through loans from the Central Bank is forbidden in Romania as in any other EU countries (due to EU Treaty provisions). - Covering the treasury gaps is done only through operations of attracting short-term deposits from commercial banks and other cash management instruments (ex. FX operations). 		



Indicator 2: TSA Coverage

Indicator	End July	End August	End September
A. Cash balances in the TSA under control of the Treasury and available to meet commitments (in local currency – million ron)	7.441	7.472	263
B. Total of the other general government balances in the banking system (in local currency – million ron)	0	0	0
C. = $A/(A+B) \times 100$ percent	100,00 %	100,00 %	100,00 %



Indicator 3: Cash Flow Forecasting

Indicator	July	August	September	Average for 3 months
Revenues (forecast), in mil. local currency	44.000	35.000	36.000	38.333
Revenues (actual), in mil. local currency	48.286	37.601	35.199	40.362
Error, revenue	8,88 %	6,92 %	-2,27 %	5,03 %
Expenditure (forecast), in mil. local currency	49.500	45.500	50.500	48.500
Expenditure (actual), in mil. local currency	55.964	47.312	47.950	50.409
Error, expenditure	11,55 %	3,83 %	-5,32 %	3,79 %
Net deviation	-4,51 %	2,10 %	4,97 %	0,30 %



Overall Comments and Recommendations

Indicator 1: Cash management outcomes:

- interest rates for short-term deposits from the money market should be as low as possible (the reference is the depo rate applied/paid by the National/Central Bank)
- FX operations and short-term deposits drawn from commercial banks must be sufficient to fulfill all payment obligations

Indicator 2: TSA Coverage:

- all the accounts of the general consolidated budget (less local government and other companies accounts opened in the Treasury)
- we are not monitoring specific indicators linked to the accounts under Treasury control vs other accounts

Indicator 3: Cash Flow Forecasting:

- we compare the budget credit openings received from the budget department with the budget payments in the electronic payment system
- we compare the budget revenue program from the revenues department with the budget receipts from the electronic payment system
- we do not have a model for estimating monthly volume for budget receipts and payments
- we compare budget receipts and payments with the similar month of the previous year and with the previous months of the current year.
- we compare the daily distribution within a month for budget receipts and payments with similar months of the previous year.
- externalities could be quite significant - inflows and outflows of funds where the information is obtained just one day before occurrence (EU funds due to FX operations or payments done by the management authorities, or payments by the local governments)



Thank you!

