



## **FINAL REPORT**

# **AGENȚIA NAȚIONALĂ DE INTEGRITATE (National Integrity Agency)**

**External audit of the ANI management for the year 2011**

Bucharest, March 2012



## Contents

1. Executive summary .....	4
2. Objectives and scope of the project.....	7
3. Project approach .....	7
3.1. Planning .....	7
3.2. Developing the Audit plan.....	8
3.3. Performing the Audit plan .....	8
4. Reporting .....	10
5. Implementation status for action measures of ANI's Strategy for prevention and disproof of unjustified wealth, conflict of interests and incompatibility .....	10
6. Status for correcting the deficiencies found during the audit for the years 2009 and 2010 .....	11
7. IT system evaluation.....	12
8. Work methodologies specific to each verified area .....	14
8.1. ANI Management.....	14
8.2. Integrity Inspectorate .....	15
8.3. Internal Public Audit Department .....	18
8.4. Legal, Control, Public Relations and Communication Directorate.....	18
8.5. Human Resources Department.....	20
8.6. Economic Directorate .....	21
8.7. Risk management process at ANI level.....	22
9. Use of the present Report .....	23
APPENDIX 1 List of interviewed persons.....	24
APPENDIX 2 List of analyzed procedures.....	27
APPENDIX 3A List of documents analyzed during audit .....	35
APPENDIX 3B List of documents analyzed during the assessment of the IT system .....	38
APPENDIX 4 Action Plan on implementing ANI Strategy for combating and preventing the accumulation of unjustified wealth, conflicts of interest and incompatibility .....	39
APPENDIX 5A Follow up on the implementation of the recommendations related to the Information Technology Directorate included in the 2009 & 2010 External Audit Report .....	66
APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009 & 2010 External Audit Report.....	83
APPENDIX 6 Recommendations regarding the activity of the Information Technology Directorate.....	111
APPENDIX 7 Recommendations regarding operational procedures defined at ANI level.....	112
APPENDIX 8 Recommendations regarding the operational activity of Inspection of Integrity .....	113
APPENDIX 9 Recommendations regarding the operational activity of the Internal Public Audit Department.....	120

APPENDIX 11 Recommendations regarding the operational activity of Labor Protection Compartment	122
APPENDIX 11 Recommendations regarding the operational activity of Economic Directorate.....	123
APPENDIX 12 Recommendations regarding the operational activity of Legal, Control, Public Relations and Communications Directorate (DJCRPC) .....	125
APPENDIX 13 Recommendations regarding the risk management process at ANI level .....	126
Appendix 14 Lege ferenda proposal .....	128

# 1. Executive summary

## Introduction

According to the contract no. 13184 from 10th of January 2012 (hereinafter “the Contract”), SC Deloitte Audit SRL (hereinafter “Deloitte”, “we”) was engaged by the National Integrity Agency (hereinafter “ANI”, “the Agency”) to perform the external audit on ANI’s management, as prescribed in art. 32 paragraph (1) of the Law no. 144/2007 on the establishment, organization and functioning of ANI with subsequent completions and amendments (hereinafter “Law no. 144/2007”).

The agreed work phases for performing the audit engagement were:

- Understanding the client and its needs;
- Planning the audit work;
- Performing the audit work;
- Forming the conclusions and drafting the audit report.

## Audit engagement’s objectives and applicability area

The quality of ANI’s management was assessed during 23<sup>th</sup> of January and 28<sup>th</sup> of February 2012, by a team of Deloitte qualified professionals, based on interviews, examination of documentation and detailed audit tests.

During the engagement, Deloitte team performed the fieldwork in close cooperation with ANI representatives, in order to achieve the goals stated in the technical tender book.

The audit engagement was performed in conformity with:

- The terms of reference included in the technical offer “External audit on ANI’s management for the year 2011”, Appendix to the Contract;
- International Standards on Related Services (ISRS) – 4400 Engagements to perform agreed – upon procedures regarding financial information;
- Legal framework applicable to ANI.

The reference period for this report is the year 2011 exclusively, if not otherwise mentioned. There were instances when the deficiencies identified for the year 2011 were remediated during the year 2012. For these particular cases, we took note of the remediation plans, but we did not assess the effectiveness, efficiency or their compliance with the applicable legal framework.

## Specific aspects of the audit engagement for the year 2011

In respect of the specific activity of the Information Technology Directorate we mention the fact that during 2011 the implementation of the Integrated Information System for the Management of Wealth and Interests Declarations (**SIMIDAI**) has continued and has been finalized. Thus, in respect of the IT environment, we audited the new IT system **SIMIDAI** and its functionalities, as well as the process of data recovery and the afferent risks, in order to assess the manner in which the IT system responds to the necessities deriving from the specific tasks ANI has to fulfill.

## Procedures performed and factual findings

We have planned and performed the audit program in conformity with the objective and applicability area of this engagement, and with the agreed-upon procedures, as they are detailed in Chapter 3 - „Approach” of the present Report. All the procedures mentioned in Chapter 3 have been performed in accordance with the terms agreed in the Contract.

Following the audit procedures performed, we obtained sufficient and appropriate evidence to draft an audit report in accordance with the International Standards on Related Services (ISRS) – 4400 Engagements to perform agreed-upon procedures regarding financial information. The result of the audit performed consists of a total number of 21 observations and recommendations. Regarding of the observations identified, based on the impact they have on the objectives of ANI's management, they were rated as **Major**, **Medium** or **Minor** impact, in order to clearly suggest to ANI management the size of the risk implied and the urgency of corrective measures. The procedures performed in this engagement do not constitute either a financial audit or a review, as such, no assurance is expressed on the financial statements of ANI for the year ended December 31, 2011.

The overall view of our recommendations based on the impact of the observations is listed below:

Total number of recommendations for the observations with major impact	6
Total number of recommendations for the observations with medium impact	6
Total number of recommendations for the observations with minor impact	9

We have also assessed the implementation status of the recommendations made during the external audit of the ANI management for the year 2009, which were not “implemented” as of 31.12.2010, the implementation status of the recommendations made during the external audit for the year 2010, as well as the implementation status for the measures appointed in the Action Plan for the implementation of the Strategy for prevention and disproof of unjustified wealth, conflict of interests and incompatibility.

The implementation status for the recommendations made during the external audit of the ANI management during 2009 and 2010 is presented on the table as follows:

Total number of recommendations implemented	17
Total number of recommendations partially implemented	24
Total number of recommendations not implemented	10

## Conclusions

Our conclusions and recommendations, based on the agreed-upon procedures performed according with the International Standards on Related Services (ISRS) – 4400 Engagements to perform agreed-upon procedures regarding financial information, are presented in Appendixes 4 to 13.

We note that ANI management is focused on attracting European funds in order to improve the processes that form the basis for developing an institution efficient in the fight against corruption through administrative means. In this sense we mention two projects evaluated by AM PODCA:

- The project regarding the implementation of efficient public services through the simplification of the completion, archiving and analysis of the documents at ANI level and facilitating electronic access to public information co-financed through European Social Fund, the Operational Program for Developing the administrative capacity, Priority Axe 2 „Improving the quality and efficiency of public services supply with an accent on decentralization”, the intervention domain 2.2- Improving the quality and efficiency of public services as implementer and beneficiary. The major objective of this project is to develop the integrated information system of the integrity inspectors, SIMIDAI.
- The Project that will be implemented in collaboration with ANAF regarding „Developing an integrated and unitary system in the public function” PODCA – encountered in the last phase of evaluation and approval.

Following the assessment of ANI's activity performed during the year 2011, we could note ANI's functionality parameters, which are based upon ANI's management efforts to improve the process and to increase the efficiency of the activity in order to achieve the objectives planned. These efforts were:

- Standardization of the processes related to the activity performed, through elaboration and implementation of the work procedures specific to the operations performed at the institution level;
- Implementation of the measures appointed in the Action Plan for the implementation of the Strategy for prevention and disproof of unjustified wealth, conflict of interests and incompatibility;
- Obtaining Information Security Management Certification ISO 27001.

**Date**

**March 23<sup>rd</sup>, 2012**

**AUDITOR,**

**SC DELOITTE AUDIT SRL**

Address

4-8 Nicolae Titulescu Road

Sector 1, Bucharest, Romania

## 2. Objectives and scope of the project

According to the Contract, the key objectives of ANI's management external audit project are:

- Enhancement of ANI's general management performance through better and perfected working procedures;
- Improvement of the professional capacity of ANI's personnel related to the optimization and enhancement of the control activity, as regulated by the internal procedures
- Observation and documentation of the manner in which ANI's management accomplishes its responsibilities;
- Observation and documentation of ANI's internal organization;
- The analysis of the efficiency of ANI's internal organization in relation with its objectives;
- Observation and documentation of ANI's communication system;
- The analysis of ANI's over / under-staffing.

## 3. Project approach

Based on the project's specific objectives, we performed the audit during four phases, as follows:

1. Planning the audit;
2. Developing the audit plan;
3. Performing the audit plan;
4. Reporting the findings.

### 3.1. Planning

During the planning phase we performed the following steps:

- Drafted the preliminary request for information;
- Organized the „kick-off meeting“;
- Determining the professional standards applicable to the engagement;
- Obtaining the necessary information for designing the assessment program and for the preliminary analysis of the risks identified in this phase.

On 23<sup>th</sup> of January 2012, before the beginning of the fieldwork, we organized, at ANI's headquarter, a kick-off meeting with the following results:

- Presenting the team members involved in the project, both from ANI's side and Deloitte's side, and their responsibilities;
- Agreeing the deadlines for performing the audit and for reporting;
- Agreeing the communication protocol between Deloitte and ANI team.

### 3.2. Developing the Audit plan

In this phase we evaluated the internal procedures and controls in order to plan the assessment. Based on the analysis of the documents made available to us, we developed the audit plan following the structure presented below:

- **Identifying the areas to be audited**, including the main activity directions of ANI (verifying the wealth, conflicts of interests and incompatibilities) as well as the supporting activities (internal audit, finance, legal, human resources, public relation).
- **Drafting the interview plan** in order to identify the specific risks, including the format and the content of the interview templates with the relevant personnel. Please refer to Appendix 1 for the complete list of the interviews.
- **Identifying audit techniques to be used** through:
  - The preliminary analysis of the decision making process, of the actions taken during the year 2011, in order to use these in the sampling process; based on this analysis, we drafted the testing strategy so that the processes under evaluation to be relevant for the scope of our project;
  - Asserting the format and content of the detail testing.

Please refer to Appendix 3A and Appendix 3B for a complete list of the documents examined.

By the end of these two phases, on February 9<sup>th</sup>, 2012 we delivered the Initial Report to the management of ANI.

### 3.3. Performing the Audit plan

The audit of ANI's management was performed in accordance with ISRS (International Standards on Related Service) – 4400 Engagements to perform agreed-upon procedures regarding financial information over the following objectives:

- a. Study of the operations / performances of ANI's management in accordance with the prevision, organization, coordination, leadership and internal control principles.
- b. Assess the existence, at the level of the institution, of substantiated systems related to:
  - Development of some processes for the optimization the working time,
  - Chart and reporting system,
  - Decision making system,
  - Documents workflow intra and inter – institutional,
  - Written and formalized operational procedures, as well as their acknowledgment, applicability and update,
  - Optimum accountability of the personnel through the delegated and assumed tasks and responsibilities, delimitations and delegation of responsibilities organizational chart. As part of this activity we audited ANI's information system in order to evaluate the compliance with the necessities that derive from the specific tasks that ANI must fulfill.

Our audit plan included control procedures as follows:

- **Knowledge and understanding of the internal norms and procedures**

During this phase we analyzed the Organization and Working Regulation approved by ANI President through Order no 340/14.12.2010 (hereinafter "ROF") by comparing in to Law no 144/2007, as well as with the provisions of Law no 176/2010 regarding the integrity and dignity in the exercise of public functions for modifying and completing Law no 144/2007 on the establishment, organization and functioning of ANI and to amend and supplement other regulations (hereinafter "Law no 176/2010"),



we became familiar with the internal operating norms and procedures, we identified the responsibilities for each department, tasks allocation, compliance with applicable laws, etc.

We mention that the ROF is the document that sets up the organizational structure of ANI, the attributions, tasks and responsibilities of ANI's employees. The document is approved by an Order issued by the President and is in conformity with the provisions included in Law no. 176/2010, art 5, para. 4.

Please refer to Appendix 2 for a complete list of the operating procedures examined.

- **Assessment of the primary documents** (procedures, internal norms, orders, internal notes, minutes, evaluation guidelines, etc.), in order to understand the significant terms and conditions, both individually and globally, for:

- Assessing the area of applicability, and
- Assessing the correctness and operating effectiveness of the procedures.

- **Investigation, confirmation and specific detail tests**

The investigation consists of obtaining the information from competent persons inside the organization through interviews.

Confirmation consists of obtaining the answers as result of an investigation in order to corroborate it with the information from the existent procedures.

The assessment was performed on a sample of management actions divided in the following phases:

## **I. Sampling**

Based on the understanding of ANI's working procedures and internal processes, we selected a sample of management actions from each department in order to assess compliance with the legislation in force and ANI's internal procedures/manuals/regulations applicable to each organizational unit. The sample set up was based on each department's specific activity and, where we considered necessary, we stratified the population in order to ensure the evaluation of a much representative area of management actions for the respective department.

Please refer to Chapter 7 for details regarding the sampling methodology used for each department.

## **II. Assessing the implementation of the procedural rules**

We assessed ANI's internal procedures and the compliance with legal framework. The main evaluation criteria were:

- Formalization and compliance with the procedures;
- Use of template documents;
- Documentation of the analysis and evaluation indicators;

## **III. Assessing the duties achievement**

The main evaluation criteria were:

- Decision management and instrumentation process;
- Compliance with the regulation duties;
- Keeping the existing deadlines.

These points integrate all the regulation elements that must be complied with as part of the procedure. The details regarding the elements to be checked were established based on audit trails and applicable internal manuals, according to the specific situation.

## 4. Reporting

Following the assessments made, Deloitte will submit to ANI's management a Report containing the observations identified and the recommendations for improving the processes and/or procedures.

Regarding the observations identified, we followed their rating based on the impact over ANI's management objectives, namely: **Major**, **Medium** and **Minor**, in order to create a suggestive recommendation in accordance with the risk dimension implied and with the urgency of corrective actions' implementation.

Major	A management action plan and corrective actions are necessary immediately.
Medium	A management action plan and corrective actions should be considered after receiving this report.
Minor	Recommendations should be considered as added value.

## 5. Implementation status for action measures of ANI's Strategy for prevention and disproof of unjustified wealth, conflict of interests and incompatibility

After the tests that were performed in order to determine the implementation status for action measures of ANI's Strategy for prevention and disproof of unjustified wealth, conflict of interests and incompatibility, the following statistic was obtained:

Total number of measures	Implemented	Partially implemented	Not implemented
40	24	8	8

*Note: Out of the total number of 8 not implemented measures, 3 had the implementation deadline set for 2011; out of the 8 partially implemented measures 6 had the implementation deadline set for 2011.*

A detailed analysis of the progress realized by ANI regarding implementation status of these measures can be found in Appendix 4.

## 6. Status for correcting the deficiencies found during the audit for the years 2009 and 2010

As result of the tests performed in order to assess the degree of implementation of the recommendations related to the audit performed in 2009 that were not implemented as of 31<sup>st</sup> December 2010 and of the recommendations that resulted from the audit performed for 2010, we determined the summary as of the December 31<sup>st</sup>, 2011, regarding the implementation status for the recommendations presented below:

Directorate/ Department	Status/ Impact	Implemented			Partially Implemented			Not Implemented		
	Total recommendations	Major	Medium	Minor	Major	Medium	Minor	Major	Medium	Minor
Information Technology Directorate	19	3	3	1	1	6	1	2	2	-
Integrity Inspectorate	7	-	3	2	-	1	-	1	-	-
Internal Public Audit Department	3	-	-	-	-	-	-	2	1	-
Legal, Control and Public Relations Directorate	6	-	-	1	2	2	-	-	-	1
Organization and Human Resources General Directorate	6	-	3	1	-	1	-	-	1	-
Economic General Directorate	2	-	-	-	-	-	2	-	-	-
Operational Procedures	8	-	-	-	-	2	6	-	-	-
Total	51	3	9	5	3	12	9	5	4	1

Please refer to Appendix 5A, for the Information Technology Directorate, and Appendix 5B, for the other structures, for a detailed analysis of the remediation status of the deficiencies identified during the audit for the years 2009 and 2010.

## 7. IT system evaluation

The IT system audit consisted of the evaluation of the applications and processes that sustain their operations.

Also, we audited the new integrated Information System for the Management of Wealth and Interests Declarations (**SIMIDAI**) and its functionalities, as well as the process of data recovery and the related risks, in order to assess the manner in which the IT system responds to the necessities deriving from the specific tasks ANI has to fulfill.

In order to test and evaluate the IT environment, we covered the following phases:

- Understanding ANI's IT system;
- Establish the evaluation criteria and develop the testing plan;
- Perform and document the tests;
- Classify the deficiencies and document the conclusions and recommendations.

In order to understand ANI's IT system we conducted interviews to present and discuss the system functionality with IT department representatives and with the team that provides the services for constructing, administration, analysis and development of the IT system on behalf of the external partner responsible for these services.

This report includes the conclusions drawn as result of ANI's IT system audit and are based on:

- Documentation made available to us by ANI;
- Analysis of the daily activities performed by the IT department;
- Visit of the servers' room in ANI location.

### **IT environment and management of IT systems security assessment**

We assessed the manner in which IT systems architecture and structure answer the needs of their operation from the sufficient internal control implementation possibility point of view.

IT system assessment was comprised of the following steps:

- Assessment of the adequacy and operational effectiveness of general control elements;
- Review of the IT system;
- Perform a diagnosis of IT environment security.

The assessment of the adequacy and operational effectiveness of general control elements comprised of the identification of the potential risks which might adversely impact the functioning of the application, as well as the assessment of the control elements designed to mitigate these risks.

We reviewed the IT system internal control general framework, as well as the IT security standards and procedures implemented by ANI. The activities performed covered the following areas:

- Operating procedures regarding IT applications in use;
- IT environment security;
- Users management;
- Logistic access management;
- Business continuity plan;
- Backup process management for the IT systems;
- Change management policy regarding IT systems.

**During the activities performed as part of the SIMIDAI audit we paid close attention to the assessment of the:**

- Integrated IT system functionalities implemented during 2011;
- Data recovery process and corresponding risks assessment;
- Critical areas and data that must be recovered;
- Documentation and recovery procedures;
- Roles of the personnel involved in the data recovery process.

For a detailed list of documents analyzed during this process, please see Appendix 3B List of documents analyzed during the evaluation of the information system.

During 2011, the Agency has completed the implementation of the SIMDAI system and the implementation of Information Security Management System (SMSI), along with its certification according to ISO 27001 Standard. Governed by the provisions of ISO/IEC 27001:2005 Standard, SMSI provides the management with better control over information flows within ANI and also provides a unified management of IT security issues through an active control of resources and will be a useful tool for the Agency regarding the control of the internal processes and, in general, of the staff activities that interfere with or rely on the institution's IT infrastructure.

Also during 2011, the Agency developed a set of policies and procedures as part of the Information Security Management System that addresses activities undertaken by the Information Technology Service employees.

Regarding ANI's short term strategy, the Agency planned to raise the efficiency of the evaluation process of wealth and interests declarations (DAI). In this sense, ANI submitted a request for structural funds that will be used for the implementation of a new project following the development of SIMIDAI, which will assure the fulfillment of the major goals for removing the subjective factor and the down-time in the process of assessing the causes. These objectives are designed as an integrated system, based on a last generation IT technology, which will provide the following: electronic and on-line DAI forms, the automation of the preliminary assessment, as well as the implementation of an intelligent analysis module for data included.

## **Conclusion**

ANI implemented an integrated information system with a special design which allows for a strategic approach and a modern vision for the development and improvement of this institution's activity.

A key factor within ANI activity is the new Integrated Information System for the Management of Wealth and Interests Declarations (**SIMIDAI**) through which the Agency's main activity is performed.

This IT system has had a major and positive impact that led to the efficiency of the Agency's management activity by automating certain processes within ANI and to ensure objectivity in the wealth and interests declarations analysis and evaluation process.

Following the assessment of the Integrated Information System for the Management of Wealth and Interests Declarations, we identified the following areas for improvement:

- Users' and privileged access accounts management;
- The review of security logs and the review of the privileged users' activities;
- Implementation of a Business Continuity Plan and a Disaster Recovery Plan;
- Monitoring the quality level of services provided by third parties, according to the agreements.

For a complete list of the observations identified in this process, please refer to Appendix 5A: Follow up on the implementation of the recommendations related to the Information Technology Directorate included in the 2010 External Audit Report, and to Appendix 7: Recommendations regarding the information security and backup process.

## 8. Work methodologies specific to each verified area

Following the assessment of the activity performed during 2011, we noted a positive trend in the development of ANI's managerial processes resulting from management's efforts to improve processes and the efficiency of the activity performed in order to achieve the planned objectives.

Furthermore, we noted the fact that ANI management:

- Implemented the recommendations related to the major impact observations resulting from the external audit of ANI management for the years 2009 and 2010.
- Developed a strategy for prevention and disproof of unjustified wealth, conflict of interests and incompatibility, to be implemented during 2011 – 2014.

### 8.1. ANI Management

We have analyzed the responsibilities of ANI President and Secretary General as stated in the ANI Internal Organization Manual (hereinafter "ROF"), approved and updated through the Order no 340/14.12.2010 issued by the President of ANI.

ANI management adopted a modern approach based upon the elaboration and development of managerial control systems in the decision making process, proving thus an operational independence and a pro-active attitude in the management of the Agency for achieving the planned objectives.

#### 1. *President*

The President is fulfilling his responsibilities based on the provisions of the Law 144/2007, the Law no 176/2010 regarding the integrity and dignity in the exercise of public functions for modifying and completing Law no 144/2007 on the establishment, organization and functioning of ANI and to amend and supplement other regulations and the ROF. There were no discrepancies identified between the practical activity and the ROF provisions with regard to the President function.

#### 2. *General Secretary*

The General Secretary is fulfilling his responsibilities based on the conditions stipulated through the Law no 90/2001 regarding the organization and operation activity of the Government and ministries (hereinafter "Law 90/2001") and ROF. There were no discrepancies identified between the practical activity and the ROF provisions with regard to the General Secretary function.

We organized interviews both with the President and Secretary General in order to establish the conformity of the practical activities with the ROF provisions. Following these interviews we did not identify any deficiencies regarding ANI's management. Furthermore, management activity has been improved through the partial implementation of the recommendations included in the External Audit of the ANI Management for the years 2009 and 2010 Reports.

Following the interviews with ANI operational structures representatives, resulted that both the President and the General Secretary assumed and fulfilled their specific responsibilities stipulated in the legislation in force and in the ROF, noting an efficient and effective management. Also, through the procedures performed we noted the fact that ANI management focused on the Integrity Inspectorate capacity improvement as an assessment activity in accordance with the following principles: legality, confidentiality, impartiality, operational independence, celerity, good management and the right to defense.

## 8.2. Integrity Inspectorate

During 2011, Integrity Inspectorate's activity was performed in accordance with the provisions of Law no 176/2010 regarding the integrity and dignity in the exercise of public functions for modifying and completing Law no 144/2007 on the establishment, organization and functioning of ANI and to amend and supplement other regulations, published in the Official Gazette no 621 of 2.09.2010.

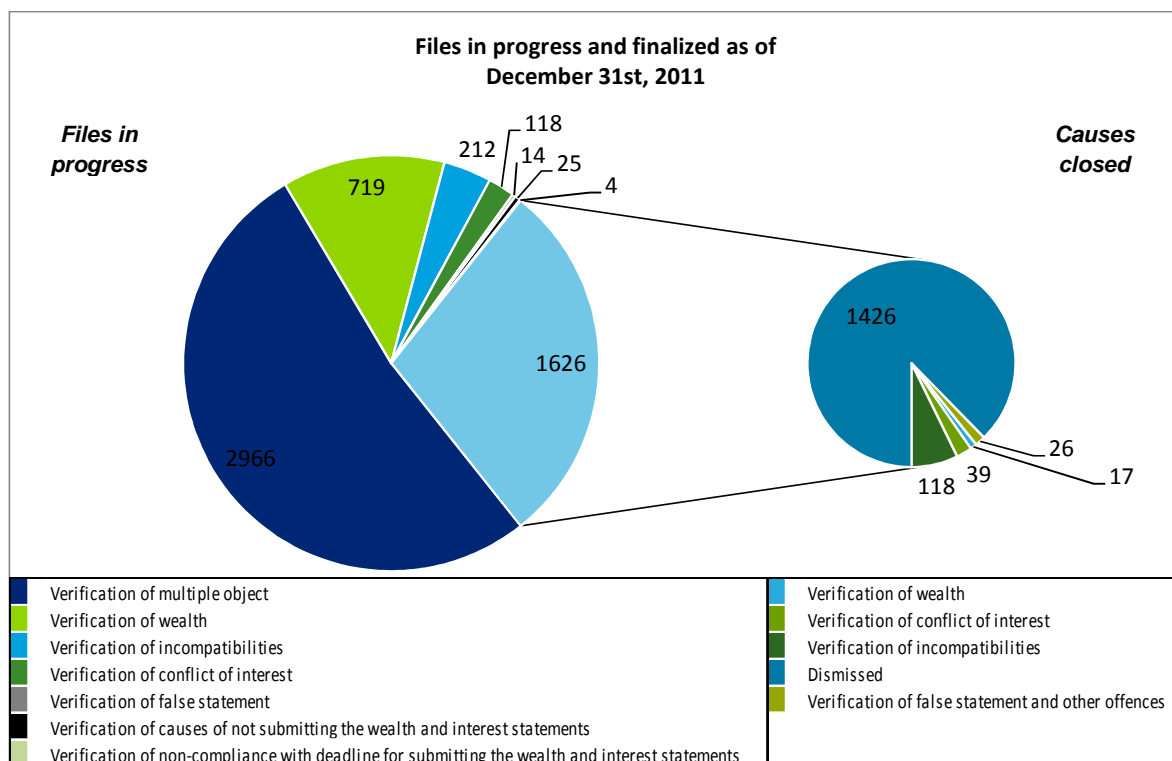
In order to assess the managerial actions taken within the Integrity Inspectorate, we selected a sample based on the following audit procedure:

- a) We requested the statistics regarding the number of ANI cases verified during 2011, on the following structure: files finalized and files in progress as at December 31st, 2011. We have requested the distribution of the files considering the following categories: causes regarding wealth, causes regarding conflicts of interests, causes regarding incompatibility, causes regarding multiple-objects, causes regarding false statements, causes regarding not submitted wealth or interests' statements and causes on late submission of statements of wealth and conflicts of interests.
- b) Based on the statistics we determined the size of the sample of causes to be analyzed.
- c) We requested the list of causes in progress as of 31.12.2011.
- d) Based on the list of causes we randomly selected the sample of files subject to the analysis.

Following performing the procedures presented above, it resulted in a sample of 171 files, distributed as follows:

Causes closed during 2011 (January – December) <sup>1</sup>		Sample
Verification of wealth	17	5
Verification of conflicts of interest	39	5
Verification of incompatibilities	118	15
Verification of false statements and other offences	26	5
Causes dismissed	1426	25
Number of files in progress as of December 31 <sup>st</sup> , 2011		Sample
Verification of wealth	719	25
Verification of conflicts of interest	118	15
Verification of incompatibilities	212	15
Verification of false statements	14	5
Verification of causes for not-submitting the wealth and interest statements	25	5
Verification of causes for non-compliance with the deadline for submitting the wealth and interest statements	4	1
Verification of multiple objectives	2.966	25

<sup>1</sup> These data are based upon the statistics provided by the Integrity Inspectorate during the audit period.



In order to assess the effectiveness of the process regarding the redistribution of the causes of the files, we added to the sample selected above, a sample of 25 files dealing with the redistribution of causes.

This sampling method determined the sample selected for the different types of objects of ANI activities (wealth, conflicts of interest and incompatibilities verification) to exceed the base sample for the three activities regardless of the stage of the verification process (finalized or in progress). The methodology for testing the sample was elaborated following the understanding and assessing of the operating procedures. We analyzed the content of the operating procedures to identify the activities within the Integrity Inspectorate and to determine the relevant criteria to stratify the sample for testing, based on department's specific activities.

Thus, we verified the documents included in the files according to the steps determined based on the operating procedures regarding the activities of wealth, conflicts of interests and incompatibilities verification.

### Aspects regarding the activity of the Integrity Inspectorate

#### Aspects noted from the analysis of the sample of cases regarding the verification of wealth

Based on the sampling method described above we determined 107 cases regarding the verification of wealth out of which:

- 81 cases derived from ANI ex officio notification, and
- 26 cases derived from a notification made by an individual or legal entity.

#### Aspects noted from the analysis of the sample of cases regarding the verification of conflicts of interests

Based on the sampling method described above we determined 29 cases regarding the verification of conflicts of interests out of which:

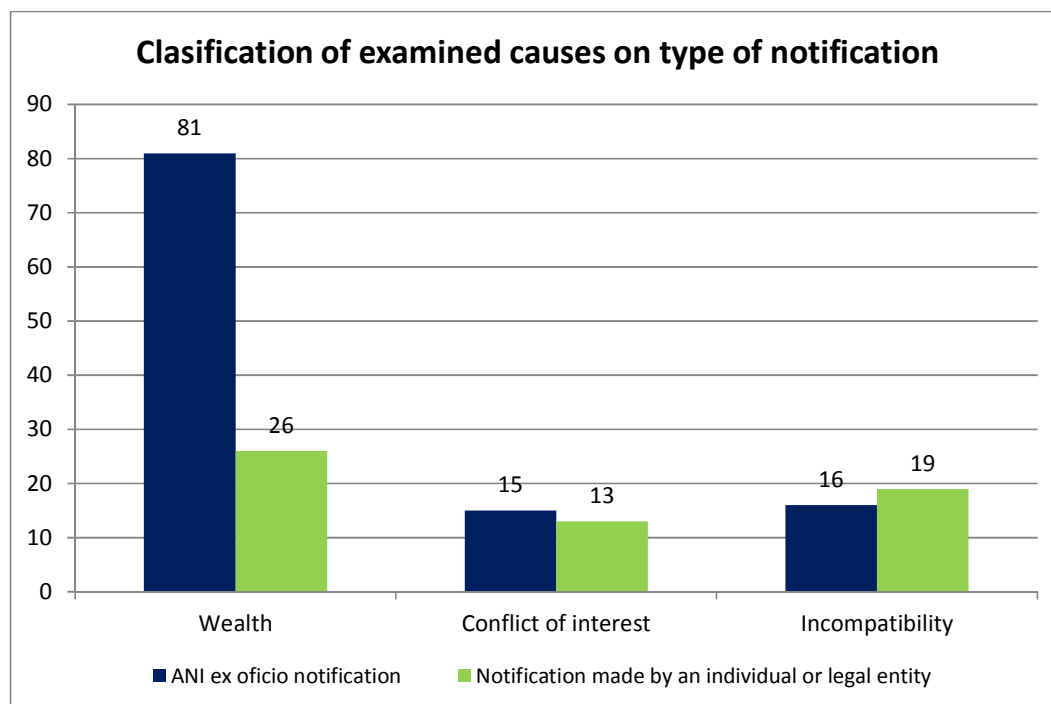
- 15 cases derived from ANI ex officio notification, and
- 14 cases derived from a notification made by an individual or legal entity.



Aspects noted from the analysis of the sample of cases regarding the verification of incompatibilities

Based on the sampling method described above we determined 35 cases regarding the verification of incompatibilities out of which:

- 16 cases derived from ANI ex officio notification, and
- 19 cases derived from a notification made by an individual or legal entity.



In order to gain an understanding of the manner in which SIMIDAI application is used in the verification process performed by the Integrity Inspectorate we traced in the application all the stages for the flow of the process, from recording the notification till the finalization of the verification and issuance of the assessment report. We recommended ways to prevent and detect all the observations identified following the analysis of the sampled files, as well as to make the process more efficient by utilizing SIMIDAI application functionalities.

The activity of the Integrity Inspectorate is standardized and conducted based on the specific operational procedures elaborated in conformity with the OMFP no 946/2005 regulations regarding the managerial control.

Following the assessment of the operational procedures and based upon the methodology mentioned above no observations and recommendations were made regarding the Integrity Inspectorate other than those noted in Appendix 5B and Appendix 8.

### 8.3. Internal Public Audit Department

We analyzed the responsibilities within ANI of the Internal Public Audit Department (hereinafter "CAPI") in accordance with the ROF provisions and the "Methodological Norms regarding the Exertion of the Internal Public Audit Activity within ANI" and the operating procedures that document CAPI activity.

The analysis was focused on the compliance of the ROF, internal norms and operating procedures with the applicable laws.

We organized a number of interviews with the personnel from this department in order to assess the compliance of the activity in practice with the procedures' provisions and we performed a number of detailed tests on the following processes within CAPI:

- Elaborating the annual internal public audit plan;
- Elaborating the strategic internal public audit plan;
- Elaborating the annual report over the internal public audit activity;
- Elaborating the quality assurance and improvement program
- Performing the audit mission "Analysis IT infrastructure management activity";
- Assessment of the individual professional performances.

We mention that for this department the testing was not performed on a statistic sample basis because the activity performed during 2011 did not justify such a selection method. Thus, for each process we tested an operation from initiation to finalization.

To this effect, we obtained and assessed the documentation applicable for each process in respect to the following criteria: frequency, compliance with the legal provisions, authorization and compliance with the legal terms, relevance and completeness of information.

During 2011, the activity within CAPI has been performed by only one employee, due to the fact that the senior internal auditor was unavailable, being on maternity leave.

The activity of this structure is standardized and conducted based on the specific operational conditions elaborated in conformity with the OMFP no 946/2005 regulations regarding the managerial control.

Following the assessment of the operational procedures and based upon the methodology mentioned above no observations and recommendations were made regarding the Internal Public Audit Department other than those noted in Appendix 5B and Appendix 9.

### 8.4. Legal, Control, Public Relations and Communication Directorate

We have analyzed the responsibilities of the Legal, Control, Public Relations and Communication Directorate (hereinafter DJCRPC) stated in ROF approved by Order of ANI President no 340/2010. Also, we performed detail testing on a sample of 15 files of the 154 files in progress in Courts and before the Appeal Courts Wealth Investigation Commissions as at December 31<sup>st</sup>, 2011, in order to analyze and verify the following procedural aspects:

- The manner in which the legal files are recorded and assigned;
- Presentation or preparation, within the specific timelines of procedural documents pertaining to the case's stage in court, by the legal consultant who was assigned the case to represent ANI;
- Compliance with DJCRPC internal procedures.

We organized an interview with DJCRPC Director to analyze the conformity of the department's activity in practice with the conditions stipulated in the ROF and to identify the areas that might be improved in order to increase the efficiency of the activity performed in accordance with ANI's scope of establishing.

Following the interview and the analysis performed we were able to determine that, opposed to 2010, DJCRPC's activity has been standardized through the elaboration of thirteen (13) operational procedures regarding DJCRPC attributions, procedures elaborated in conformity with the conditions stipulated in the OMFP 946/2005 regarding the managerial control. With regard to the legal activity, we noted that this activity is performed in accordance with the ROF and other documents such as Internal Notes, Memos, Orders, as well as in accordance with six (6) specific operational procedures designed for this activity.

The activity volume of the Administrative Disputed Claims Compartment has an ascendant trend, while the level of the human resources is basically the same as in the prior years, which may have a negative impact over the good management of the cases in Court and before the investigation commissions. Furthermore, following this compartment's activity analysis, we noted that the efficient coverage of responsibilities and the management of its specific issues were provided with a minimum personnel scheme and an additional effort of existing staff.

We consider that a plus value will be added by organization of joint meetings between the legal councils of DJCRPC and integrity inspectors to analyze the legal and formal matters regarding the reports issued by the integrity inspectors and raised in front of legal bodies in order to dispose the necessary measures to improve the activities of both directorates.

### ***Control Compartment***

Although for the DJCRPC Control Compartment a Control Strategy for the years 2011 – 2013 was developed, as required through the ROF, during 2011, this Compartment did not operate any activities. Moreover, this Compartment's responsibilities are partially procedural. For those stated above, ANI's management will need to consider this Compartment's responsibilities and activities, as well as the human resources necessary for its operation.

### ***Communication, Public Relations and Strategy Compartment***

We have analyzed the responsibilities of the Communication, Public Relations and Strategy Compartment (hereinafter "CCRPS") within ANI both for compliance with the ROF and the operating procedures. The analysis was focused on the conformity of the operating procedures valid during 2011 with ROF conditions and the applicable legislation.

To conclude on the conformity of the practical activity with the procedural provisions, we organized a number of interviews with the CCRPS representative and we assessed through detailed tests the following processes:

- Preparing the answers to the requests received based on the Law no. 544/2001 regarding the free access to the information of public interest;
- Monitoring the press publications;
- Implementing the action plan measures for implementing ANI Strategy on combating and prevention of unjustified wealth, conflicts of interest and incompatibility.

To this effect, we obtained and assessed the applicable documentation for each process in respect to the periodicity, compliance with the legal conditions, authorization, adherence to legal terms, etc.

The activity of this structure is standardized and conducted based on the specific operational conditions elaborated in conformity with the OMFP no 946/2005 regulations regarding the managerial control.

Following the assessment of the operational procedures and based upon the methodology mentioned above no observations and recommendations were made regarding the Legal, Control, Public Relations and Communication Directorate, other than those noted in Appendix 5B and Appendix 12.

## 8.5. Human Resources Department

We have analyzed the responsibilities of the Human Resources Department (hereinafter "SRU") within ANI, in accordance with ROF provisions and the operating procedures that document SRU activity. The analysis was focused on the conformity of the valid operating procedures during 2011 with the provisions of ROF and the applicable legislation.

We organized a number of interviews with the SRU representative to analyze the conformity of the practical activity with the procedural provisions and we assessed through detailed tests the following processes:

- Maintaining the professional file, for both public servants and contractual personnel;
- Organizing contests for employment and promotion within ANI;
- Receiving, recording, tracking the wealth and interests declarations for the personnel of ANI;
- Preparation, certification and the circuit of the timesheets, including inventory of the paid, medical and unpaid leaves etc.;
- Professional training – training plan for 2011 and evaluation for training activities;
- Evaluating the performance of ANI personnel;
- Preparation of the work chart of public functions plan for the year 2011;
- Promotion procedures;
- Procedure for terminating work relations;
- Monitoring the compliance of ANI personnel with the conduct norms;
- The activity of the Disciplinary Commission at ANI level

We mention that for this department we used two (2) methods of testing, based on the nature of the assessed activity:

1. Test an operation from initiation to finalization;
2. Stratify the population and test for each segment an operation from initiation to finalization.

To this effect, we obtained and assessed the applicable documentation for each process in respect to the periodicity, compliance with the legal conditions, authorization, adherence to legal terms, and errors handling.

Furthermore, following the interviews held with the department's representatives and ANI management, as well as from the analysis performed over SRU activity during 2011, we noted the fact that the personnel from this department has a good professional background adequate to the complexity of the tasks to be performed.

Also, we performed an analysis of the responsibilities depicted in the job descriptions and noted that these are differentiated according to the professional position held and with the provisions stipulated in the national legal framework specific to each specialization, and we noted that there are distinct responsibilities for the coordinators of the structures, which leads to an improvement of control managerial function.

### ***Labor Protection Compartment***

We assessed the compliance of the operating procedures valid during 2011 with the ROF provisions and the applicable legislation and we organized an interview with the representative of the Labor Protection Compartment (hereinafter "CPM") to draw the conclusions about the compliance of the practical activity with the provisions of the operating procedures.

The activity of this structure is standardized and conducted based on the specific operational conditions elaborated in conformity with the OMFP no 946/2005 regulations regarding the managerial control.

Following the assessment of the operational procedures and based upon the methodology mentioned above no observations and recommendations were made regarding the Human Resources Department, other than those noted in Appendix 5B and Appendix 10.

## 8.6. Economic Directorate

### **Financial and Accounting Department (SFC) – Accounting Compartment**

We assessed the compliance of the operating procedures valid during 2011 with the ROF provisions and the applicable legislation and we organized an interview with the Economic Directorate (hereinafter “DE”) Director to draw the conclusions about the compliance of the practical activity with the provisions of the operating procedures.

In order to assess the managerial actions within DE we performed detailed test on the following processes:

- Procedure of establishing the necessary credits for 2011;
- Procedure of drafting the expenses budget;
- Carrying out the investment project for the year 2011;
- Procedure of engaging, liquidation, ordering and payment of the expenses;
- Internal preventive financial control;
- Delegated preventive financial control;
- Cash Register;
- Monitoring the expenses for personnel;
- Asset count.

To this effect, we obtained and assessed the applicable documentation for each process in respect to the periodicity, compliance with the legal conditions, authorization, adherence to legal terms and errors management.

### **Investments and Public Acquisition Compartment**

We have analyzed the responsibilities of the Investments and Public Acquisitions Compartments (hereinafter “CIAP”) in accordance with the ROF provisions and the operating procedures that document the activity of CIAP. The analysis was focused on the compliance of the operating procedures valid during 2011 with ROF provisions and the applicable legislation. During 2011 the operational procedures were not updated compared with 2010.

In order to conclude about the conformity of the practical activity with the procedural provisions we organized a number of interviews with CIAP representative and we assessed through detailed tests the following processes:

#### a) Public acquisitions

We have obtained the status of public acquisitions commenced in 2011. Following the analysis of this status we noted the fact that during 2011 there were purchased goods, services and assignments through the processes of request for offer, open bid and direct acquisition. We performed detail tests over a sample of goods, services and works purchased through direct acquisition, as well as over the acquisition procedure for consulting and security certification services (ISO 27000).

To this effect, we determined the sample size for the detailed tests (25 purchases), relating to the total number of public acquisitions purchased in 2011 through the process of direct acquisition. Also, we stratified the population so that the sample would include different types of goods and services and works purchased through direct acquisition.

The assessment of the purchases included in the sample aimed the conformity of the activities performed with the operational procedure for direct acquisition, valid during 2011.

#### b) Archiving procedure

We assessed the conformity of operating procedures valid during 2011 with the ROF provisions and the applicable legislation. During 2011, the Archiving Compartment was not functional, due to the fact that the vacant position of archivist was not filled since June 2010.

The activity of the Economic Directorate is standardized and conducted based on the specific operational conditions elaborated in conformity with the OMFP no 946/2005 regulations regarding the managerial control.

Following the assessment of the operational procedures and based upon the methodology mentioned above no observations and recommendations were made regarding the Economic Directorate, other than those noted in Appendix 5B and Appendix 11.

## **8.7. Risk management process at ANI level**

To ensure compliance with Standard 11 of the OMFP (Ordinul Ministrului Finantelor Publice – Minister of Public Finances Order) no 946 / 2005, in June 2010, at ANI level, a permanent Commission has been established with roles and responsibilities on the management of risks identified as being associated with activities performed at the level of every functional structure within the institution.

In assessing the adequacy and effectiveness of the risk management process at ANI level, we assessed the following through the actions taken during 2011:

- Unique Risk Register prepared at ANI level;
- The process of risks identification, reporting, assessment and monitoring;
- Existence of procedures / internal norms to formalize the risk management process;
- Quarterly reports submitted to the Central Unit for Harmonization of Financial and Control Management Systems (hereinafter "UCASMFC) regarding the implementation status of internal control management system.

To perform these procedures we also used the "Assessment of implementation status of the control management system, including the formalized procedures on activities, at ANI level" internal audit report issued by CAPI, following an audit which covered the period 2009 – September 2011.

Following the assessment performed no observations and recommendations were made regarding this process, other than those noted in Appendix 13.

## 9. Use of the present Report

This report is intended for the internal use of ANI management, for its communication to the National Council for Integrity and publication on ANI website. As such, the findings included in this report should not constitute a basis for any type of action.

Our findings, as presented in this Report, are based upon the documentation made available to us by ANI.

We cannot exclude that we may have arrived to additional or different findings had further information and documentation been provided to us. We have relied upon the contents of such documentation and information provided to us, and we have assumed the documentation and information to be accurate and complete.

Should further information and/or documentation and/or data exist, which was not divulged or provided to us, or if any of the verbal statements or explanation are incorrect or misleading, any findings, interpretations or opinions contained herein may be incomplete and may have generated different results, which would require further or amended procedures outside of the applicability area of the present engagement.

The procedures performed by us were agreed between Deloitte and ANI. Deloitte provides no assurance regarding the sufficiency of these procedures for the purposes of ANI.

Had we performed additional specified procedures other matters might have come to our attention, which would have been reported to ANI.

This Report must not be construed as expressing opinions on matters of law, which are outside our expertise.

Deloitte has no responsibility to update the Report for events and circumstances occurring after December 31<sup>st</sup>, 2011.

This Report or its contents should not be used, reproduced or circulated to any other party or for any other purpose than that for which it was intended, in whole or in part, without our prior written consent, except those provisions stipulated in the first paragraph. Furthermore, we do not accept responsibility to any third parties for any breach of this obligation or for any opinion expressed, or information included within this Report. The information within this Report is provided on the basis that the recipient will not rely upon it as the sole basis for any action or decision. This Report relates only to the items specified above and does not extend to any other financial information.

Some of the information included in this Report has been provided by external sources<sup>2</sup>. We were unable to test the accuracy and completeness of the information obtained from these external sources in all the cases. Therefore, we take no responsibility and we do not provide any assurance upon the accuracy and completeness of the information provided by these external sources.

This report refers only to the audit of ANI's management quality for the year 2011 and does not extend over ANI's financial statements.

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<sup>2</sup> For example: the European Commission Report regarding the Benchmarks implementation status, mass-media monitoring etc.

## APPENDIX 1 List of interviewed persons

Activity	ANI representative	Current position / Department
Interview regarding DJCRPC activity	<b>Adrian DUMITRU</b>	Director of Legal, Control, Public Relations and Communications Directorate
Interview regarding ANI management	<b>Alexandru Cătălin MACOVEI</b>	President
Interview regarding ANI management	<b>Horia GEORGESCU</b>	Secretary General
Interview regarding CCRPS activity	<b>Silviu POPA</b>	Counselor, President's Cabinet
Interview regarding STI activity	<b>Cristinela Grosu</b>	Head of Department, Information Technology Department
Interview regarding Human Resources Department activity	<b>Madalina VARDARU</b>	Head of Office, Human Resources Department
Interview regarding Internal Public Audit Department activity	<b>Anne Marie ONCESCU</b>	Senior auditor - CAPI
Interview to clarify some aspects regarding integrity inspection files	<b>Mihai POPESCU</b>	Integrity Inspector, Integrity Inspectorate
Interview to clarify some aspects regarding integrity inspection files	<b>Romica DINICA</b>	Integrity Inspector, Integrity Inspectorate
Interview to clarify some aspects regarding integrity inspection files	<b>Puita BECUT</b>	Integrity Inspector, Integrity Inspectorate
Interview to clarify some aspects regarding integrity inspection files	<b>Silviu SOROCEANU</b>	Integrity Inspector, Integrity Inspectorate
Interview to clarify some aspects regarding integrity inspection files	<b>Catalin GULES – STANCIU</b>	Integrity Inspector, Integrity Inspectorate
Interview to clarify some aspects regarding integrity inspection files	<b>Cristina Ileana GRIGORE</b>	Integrity Inspector, Integrity Inspectorate
Interview to clarify some aspects regarding integrity inspection files	<b>Livia NEGOESCU</b>	Integrity Inspector, Integrity Inspectorate
Interview to clarify some aspects regarding integrity inspection files	<b>Maria MODREA</b>	Integrity Inspector, Integrity Inspectorate
Interview to clarify some aspects regarding integrity inspection files	<b>Nicoleta Elena CRETU</b>	Integrity Inspector, Integrity Inspectorate
Interview to clarify some aspects regarding integrity inspection files	<b>Mihaela IONESCU</b>	Integrity Inspector, Integrity Inspectorate
Interview to clarify some aspects regarding integrity inspection files	<b>Alina TARNA</b>	Integrity Inspector, Integrity Inspectorate
Interview to clarify some aspects regarding integrity inspection files	<b>Anca Tomulescu</b>	Integrity Inspector, Integrity Inspectorate
Interview to clarify some aspects regarding integrity inspection files	<b>Ana-Luiza DOMNITEANU</b>	Integrity Inspector, Integrity Inspectorate
Interview to clarify some aspects regarding integrity inspection files	<b>Georgian MANOLACHE</b>	Integrity Inspector, Integrity Inspectorate
Interview to clarify some aspects	<b>Romeo CRISTEA</b>	Integrity Inspector, Integrity



regarding integrity inspection files		Inspectorate
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## APPENDIX 1 List of interviewed persons (continuance)

Activity	ANI representative	Current position / Department
Interview to clarify some aspects regarding integrity inspection files	<b>Daniela MINCU</b>	Integrity Inspector, Integrity Inspectorate
Interview to clarify some aspects regarding integrity inspection files	<b>Vasilica BRATU</b>	Integrity Inspector, Integrity Inspectorate
Interview to clarify some aspects regarding integrity inspection files	<b>Delia BALTARETU</b>	Integrity Inspector, Integrity Inspectorate
Interview to clarify some aspects regarding integrity inspection files	<b>Mihai FENTZEL</b>	Integrity Inspector, Integrity Inspectorate
Interview to clarify some aspects regarding integrity inspection files	<b>Magdalena MIHAILA</b>	Integrity Inspector, Integrity Inspectorate
Interview to clarify some aspects regarding integrity inspection files	<b>Ioana – Alina GULES – STANCIU</b>	Integrity Inspector, Integrity Inspectorate
Interview to clarify some aspects regarding integrity inspection files	<b>Anamaria ANGHELESCU</b>	Integrity Inspector, Integrity Inspectorate
Interview to clarify some aspects regarding integrity inspection files	<b>Elena GALAN</b>	Integrity Inspector, Integrity Inspectorate
Interview to clarify some aspects regarding integrity inspection files	<b>Andrada BOCA</b>	Integrity Inspector, Integrity Inspectorate
Interview to clarify some aspects regarding integrity inspection files	<b>Ligia MURESIANU</b>	Integrity Inspector, Integrity Inspectorate
Interview to clarify some aspects regarding integrity inspection files	<b>Luisa BADIU</b>	Integrity Inspector, Integrity Inspectorate
Interview to clarify some aspects regarding integrity inspection files	<b>Vasilica BRATU</b>	Integrity Inspector, Integrity Inspectorate
Interview to clarify some aspects regarding integrity inspection files	<b>Nicoleta Elena CRETU</b>	Integrity Inspector, Integrity Inspectorate
Interview to present preliminary conclusions and observations	<b>Ilie ENE</b>	General Director, Integrity Inspectorate
Interview to present preliminary conclusions and observations	<b>Venera BUTNARESCU</b>	Labor Protection Compartment
Interview to present preliminary conclusions and observations	<b>Greta Constantinescu</b>	Director, Economic department
Interview to present preliminary conclusions and observations	<b>Gabriel Panait</b>	Head of office, Acquisitions department

## APPENDIX 2 List of analyzed procedures

Operational procedure	Date
<b>Integrity Inspectorate</b>	
PO 01/II – Activity of checking the statements of wealth and conflicts of interests received from ANI Registry	29.04.2008 05.10.2010
PO 02/II – Apply contravention sanctions for : I. Not lodging DA/DI within the timeframe stipulated under the law; II. Not lodging amended DA/DI within the timeframe stipulated under the law; III. Not stating, in the statement of wealth, the amount of income obtained or not stating them with cross reference to other documents; IV. Not fulfilling legal obligations by the persons responsible with the implementation of provisions regarding the statements of wealth and conflicts of interests; VI. Not applying disciplinary sanctions or not contesting suspension of public function, as appropriate, when the evaluation report remains final	06.05.2009 01.10.2010
PO 03/II – Activity of evaluation of statements of wealth, of data and information regarding existing wealth, as well as of patrimonial changes appeared existing in the exercise of public functions or dignity	21.05.2009 05.08.2010
PO 04/II – Evaluation of compliance with legal provisions regarding conflicts of interest in the exercise of public functions or dignity	27.05.2009 01.10.2010
PO 05/II – Checking compliance with legal provisions regarding incompatibility regime in the exercise of mandates or public functions or dignity	10.06.2009 05.08.2010
PO 06/II – How to fill in the statements of wealth and interests	12.06.2009 07.10.2010
PO 07/II – Redistribution of the works assigned to the integrity inspectors, in conformity with article 9 paragraph 2 of Law no 176/01.09.2010	21.12.2009 30.09.2010
PO 08/II – Execution of extrajudicial expertise I. Execution of extrajudicial expertise with the agreement of the person whose wealth is subject to evaluation; II. Execution of extrajudicial expertise in case the person whose wealth is subject to evaluation does not agree with the execution of the expertise	01.10.2010
PO 09/II – Taking action in ascertain absolute nullity of legal or administrative acts concluded infringing legal obligations regarding conflict of interests by the person subject to evaluation	22.12.2009 08.10.2010
PO 10/II – The documents flow between Integrity Inspectorate and Legal, Control and Public Relations Directorate	05.10.2010
PO 11/II – Random distribution of causes in conformity with article 9 paragraph 1 of Law no 176/2010	22.12.2009 01.10.2010
PO 12/II – Exercise of control and supervision, performed by Heads of Service of the Integrity inspection	15.08.2011
<b>Human Resources Directorate</b>	
PO 01/DGORU – Evaluation of public servants individual professional performance	07.04.2009
PO 02/DGORU – Appointment in a vacant public function	05.05.2009
PO 03/DGORU – Drafting, filling in, keeping and recording of labor book	26.02.2009
PO 04/DGORU – Organization of the contest for occupying the integrity inspector function	01.04.2009

## APPENDIX 2 List of analyzed procedures (continuance)

Operational procedure	Date
<b>Human Resources Directorate</b>	
PO 05/DGORU – Organization of the contest for occupying a contractual position within ANI	29.03.2009
PO 06/DGORU – Confirmation on the job of debutant	05.05.2009
PO 07/DGORU – Scheduling and attribution of vacations to ANI personnel	20.05.2009
PO 08/DGORU – Delegation of work tasks within ANI	17.05.2009
PO 09/DGORU – Drafting, approval and submission of collective timesheets	25.09.2009
PO 10/DGORU – Communication of ANI Internal Regulation to employees	21.12.2009
PO 11/DGORU – Promotion of public servants	07.10.2010
PO 12/SRU – Development of annual training plan and of action plan for professional development of ANI staff	07.10.2010 22.09.2011
PO 13/DGORU – Registering and recording of medical certificates within ANI	18.10.2010
PO 14/SRU – Preparation and approval of list of functions for ANI	19.10.2010 26.09.2011
PO 15/DGORU – Drafting and maintenance of public servant professional file	20.10.2010
PO 16/DGORU – Fulfilling the legal obligations regarding statements of wealth and conflicts of interests by ANI personnel	25.10.2010
PO 17/SRU – Preparation and update of job descriptions	26.10.2010 03.10.2011
PO 18/SRU – Approval of overtime for ANI staff	28.10.2010 26.09.2011
PO 19/DGORU – Termination of workplace relations	09.11.2010
PO 20/SRU – Evaluation of professional performance of employed personnel	26.09.2011
<b>Labor Protection Compartment</b>	
PO 01/CPM – Introductory - general training in safety and health at work	17.03.2009 05.08.2010
PO 02/CPM – On the job training in safety and health at work	26.03.2009
PO 03/CPM – Periodical training in safety and health at work	26.03.2009
PO 04/CPM – Training in safety and health at work	05.05.2009
PO 05/CPM – Collective training in safety and health at work	11.05.2009
PO 06/CPM – Activity of examination, recording and records keeping of work accidents and occupational diseases	23.06.2010 12.12.2011
PO 07/CPM – Preparing the Prevention and Protection Plan	21.06.2010 12.12.2011
PO 08/CPM – Risk assessment	22.06.2010 12.12.2011
PO 09/CPM – Activity of drafting the list with protection equipment of employees	07.07.2010 12.12.2011
PO 10/CPM – Activity of drafting the guidelines for safety and health at work	08.07.2010 12.12.2011

## APPENDIX 2 List of analyzed procedures (continuance)

Operational procedure	Date
<b>Archive compartment</b>	
PO 01/CA – Archiving of documents	24.03.2009
<b>Administration service</b>	
PO 01/SA – Elaboration, preparation, verification and calculation of the millage sheets	22.04.2009 04.10.2010
PO 02/SA – Testing vehicle technical and exploitation state before leaving on a course	22.05.2009 04.10.2010
PO 03/SA – Organizing, planning and performing the vehicles technical maintenance services	20.05.2009 04.10.2010
PO 04/SA – Ensuring the daily cleaning of ANI headquarters and additional buildings	04.10.2010
PO 05/SA – Ensuring the daily cleaning of ANI headquarters and additional buildings through selective waste collection	04.10.2010
PO 06/SA – Preparation of goods receiving note	04.03.2011
PO 07/SA – Preparation of supply/ material record	04.03.2011
PO 08/SA – Preparation of supply/ material requisition form	04.03.2011
<b>President / Vice-president Cabinet</b>	
PO 01/CP – Flow of authorization and approval of the documents	25.03.2009 05.08.2010
PO 02/CP – Issuing orders	30.03.2009 05.08.2010
PO 03/CP – Recording and archiving documents	08.04.2009 05.08.2010
PO 04/CP – Communication of orders	10.04.2010 05.08.2010
PO 05/CP – Making appointments to President	26.02.2009 05.08.2010
PO 06/CP – Keeping records of the working hours	04.05.2009 05.08.2010
<b>Information Technology Directorate</b>	
PO 01/CAII – Distribution of technical and communication equipment	30.03.2009 20.05.2010
PO 02/CAII – Installation and configuration of the operating system	20.05.2010
PO 03/CAII – Installation and configuration of software packages	20.05.2010
PO 04/CAII – Integration of TCC equipment in the network	20.05.2010
PO 05/CAII – Configuration of the security solution on a workstation	20.05.2010
PO 06/CAII – Configuration of the security solution in the computer network	20.05.2010
PO 07/CAII – Consulting in data management with software packages support	20.05.2010
PO 08/CAII – Preparing usage and functioning guidelines for computing and communication techniques	20.05.2010
PO 09/CAII – TCC packages administration	20.05.2010

## APPENDIX 2 List of analyzed procedures (continuance)

Operational procedure	Date
<b>Information Technology Directorate</b>	
PO 10/CAII – Preparing opportunity studies for the acquisition of IT products	20.05.2010
PO 11/CAII – Consulting in drafting technical specifications for the acquisition of IT products	20.05.2010
PO 12/CAII – Preparing necessity reports for IT products	20.05.2010
PO 13/CAII – Supplying TCC services	20.05.2010
PO 14/CAII – Enunciation of proposals for design and plant of IT cable sections	20.05.2010
PO 15/CAII – Ensure technical support for various events organized at ANI headquarters	20.05.2010
PO 16/CAII – Create and ensure ANI corporate visual identity	20.05.2010
PO 17/CAII – Drafting ANI visual identity manual	20.05.2010
PO 18/CAII – Ensure update and maintenance of ANI webpage	20.05.2010
PO 19/CAII – Protection and maintenance of e-mail personal accounts on the web domain "integritate.eu"	20.05.2010
PO 01/CIC – ANI security measures implementation	
<b>Internal Public Audit Department</b>	
PO 01/CAPI – Annual audit plan	10.03.2009 10.06.2010
PO 02/CAPI – Annual report of Internal Public Audit	25.03.2009
PO 03/CAPI – Human resources management	13.03.2009
PO 04/CAPI – Performance of internal public audit missions	25.03.2009
PO 05/CAPI – Prepare internal public audit missions	25.03.2009
PO 05.1/CAPI – Order of work	16.03.2009
PO 05.2/CAPI – Independence statement	27.03.2009
PO 06/CAPI – Performing the fieldwork	26.02.2009
PO 07/CAPI – Audit mission report	31.03.2009
PO 08/CAPI – Follow up on the implementation of recommendations	17.03.2008
PO 09/CAPI – Supervision of audit missions	18.03.2008 25.06.2010
PO 10/CAPI – Personnel evaluation	27.05.2008 20.09.2010
PO 11/CAPI – Quarterly reporting to UCASMFC	25.03.2009 05.07.2010
<b>Legal, Control, Public Relations and Communication Directorate</b>	
PO 01/DJCRP – Drafting the documents and ANI representation before courts	26.03.2010
PO 02/DJCRP – Procedure regarding the approval of ANI contracts	26.03.2010
PO 03/DJCRP – Procedure regarding the approval of ANI internal documents	26.03.2010
PO 04/DJCRP – Recording / Archiving of DJCRP documents	26.03.2010

## APPENDIX 2 List of analyzed procedures (continuance)

Operational procedure	Date
<b>Legal, Control, Public Relations and Communication Directorate</b>	
PO 05/DJCRP – Security of personnel from public authorities, institutions and others who whistle blow law infringements	28.10.2010
PO 01/CC/DJCRP – Pre-examination of disciplinary contraventions of ANI personnel	06.10.2010
<b>Communication, Public Relations and Strategy Compartment</b>	
PO 01/CRPMM – Drafting the answers to the requests made based on Law 544/2001	31.03.2009 06.10.2010
PO 02/CRPMM – Drafting media materials	04.05.2009 06.10.2010
PO 03/CRPMM – Performance of media monitoring activities	04.05.2009 08.06.2010
PO 04/CRPMM – Organization of protocol events (welcomes, receptions, formal and work dining, gifts) at Agency management level	04.05.2009 06.10.2010
PO 05/CRPMM – Organization of domestic and international travels of ANI representatives	04.05.2009
PO 06/CRPMM – Status of measures implementation in ANI's responsibility for implementation of benchmark within Cooperation and Verification Mechanism	11.05.2009 06.10.2010
PO 07/CRPMM – Drafting ANI communication strategy	06.10.2010
<b>Economic Directorate</b>	
PO 01/DGE – Activity of preventive financial control	21.09.2009 25.01.2010
PO 01/ANI – Inventory of assets and liabilities	05.04.2009 31.10.2010
PO 01/S/DE – Receipt and controlled distribution of DE correspondence	12.07.2011
PO 01/F – Grounding and approval of Annual Investments Program	08.10.2010
PO 01/C – Accounting records of fixed assets and depreciation	08.10.2010
PO 02/F – Grounding of monthly credit needs in order to request the opening of budgetary credits	07.10.2010
PO 02/C – Accounting records of consumptions of materials	08.10.2010
PO 03/F – Performance of credit transfers within approved expenses budget	12.10.2010
PO 04/C – Accounting records of material collaterals constituted under the law	08.10.2010
PO 04/F – Opening of investments financing approved through the expenses budget of the Agency	12.10.2010
PO 05/F – Activity of preparing and grounding the project of expenses budget of the Agency	09.12.2010
PO 06/C – Accounting records of salary expenses on the budgetary classification structure	01.09.2010
PO 06.1/F – Activity of expenses commitment	23.04.2009
PO 06.2/F – Activity of expenses clearance	04.05.2009 15.07.2011
PO 06.3/F – Activity of expenses authorization	06.05.2009
PO 06.4/F – Activity of expenses payment	13.05.2009

## APPENDIX 2 List of analyzed procedures (continuance)

Operational procedure	Date
<b>Economic Directorate</b>	
PO 06.5/F – Organization, recording and reporting of budgetary appropriations, legal appropriations, approved commitment appropriations and commitment appropriations	03.06.2009 17.06.2010
PO 07/C – Accounting records of bank payments of the expenses for goods and services and capital expenditure related to the budgetary exercise, on the budgetary classification structure	01.09.2010
PO 7.1/F – Preparing the pay sheet for the salaries and other personnel benefits	29.09.2010 21.07.2011
PO 08/F – Monitoring and storage of Contract original copy and follow up on the development of the contract terms	29.04.2009
PO 08.1/C – Keeping the record of the expenses related to international travel, on the budgetary classification structure	01.09.2010
PO 08.2/C – Keeping the record of the documents related to the cash collections and payments in “lei”	07.10.2010
PO 09.1/F – Performing the Cash operation in “lei”	26.05.2009 21.06.2010 12.01.2011
PO 09.2/F – Performing the Cash operations in foreign currency	26.05.2009 01.06.2010
PO 10/C – The monthly, quarterly and annually activity of editing the general ledger, account details and synthetically and analytical balance sheet, using the accounting software	08.10.2010
PO 10.1/F – Filling in and verification of the “lei” Cash Registry	18.05.2009 24.06.2010
PO 10.2/F – Filling in and verification of the foreign currency Cash Registry	18.05.2009 09.08.2010
PO 11/F – Preparing the payment orders for the payments performed from the expenses and availabilities accounts, opened by the Agency at the State Treasury, based upon the payment authorizations approved by the credit release authority	29.04.2009
PO 11.1/C – Keeping the record of consumables inventories in the commercial management program	29.04.2009 17.06.2010
PO 11.2/C – Keeping the record of tangible and intangible assets in CIEL assets IT program	01.09.2010
PO 11.3/C – Keeping the record of inventory items in CIEL assets IT program	13.10.2010
PO 11.4/C – Preparing the Inventory Numbers Registry (cod: 14-2-1)	12.10.2010
PO 11.5/C – Decommissioning and discarding of the fixed assets and inventory items in use	07.10.2010
PO 12/C – Preparing, signing, submitting, composition, and instructions on filling in ANI quarterly and annual financial statements	02.09.2010
PO 12/F – Preparing the payment sheets and submitting them to the State Treasury	14.05.2009
PO 13/F – Obtaining the account statements from the State Treasury and Credit Europe Bank	25.08.2009
PO 14/C – Agency patrimony annual inventory organization, valuation of inventory results and recording them in the annual financial statements	30.10.2009



## APPENDIX 2 List of analyzed procedures (continuance)

Operational procedure	Date
<b>Economic Directorate</b>	
PO 15/C – Preparing the Inventory Registry	30.03.2009
PO 16.1/F – Preparing the Situation regarding the monitoring of personnel expenses in the month ... year ...	25.03.2009
PO 16.2/F – Quarterly monitoring of the expenses	27.03.2009
PO 16.3/F – Preparation and submission of the Statement regarding the payment obligations to the state budget, code 14.13.01.99/bs	05.08.2010
PO 16.4/F – Preparation and submission of the Statement regarding the payment obligations to the social insurance and special funds budgets, code 14.13.01.40	11.08.2010
PO 16.5/F – Preparation and submission to the Treasury of the Planned Payments Status for the decade ... month ... / year ...	17.08.2010
PO 16.6/F/DE – Preparation and submission of the Monthly Statement on individual insurer's evidence and payment obligations to the state budget's social security	10.12.2010
PO 16.7/F/DE – Preparation and submission of the Monthly Statement on individual insurer's evidence and payment obligations to the state budget's unemployment fund	07.12.2010
PO 16.8/F/DE – Preparation and submission of the Statement on the payment obligations to the state budget's health insurance regarding health insurance contribution	06.12.2010
PO 16.9/F/DE – Preparation and submission of the Statement on payment obligations to the budget of the Unique National Fund of health insurance regarding vacations and salaries	06.12.2010
PO 16.10/F/DE – Preparation and submission of the Statement on payment obligations of the social contributions, income tax and individual evidence of insured persons	07.07.2011
PO 17/F – Checking the domestic and international travel expenses	04.10.2010
PO 18/F – Archiving and storage of financial – accounting registries and documents	20.12.2010
<b>Investments and Public Acquisition Compartment</b>	
PO 01/SIAP – Procurement through the “request for offer” procedure of goods / services / assignments	21.05.2009 05.10.2010
PO 02/SIAP – Monitoring the execution of a public acquisition contract in respect of the technical specifications	06.05.2009 05.10.2010
PO 03/SIAP – Invoice flow	22.06.2009
PO 04/SIAP – Procurement through direct acquisition of goods / services / assignments	12.01.2010
PO 05/SIAP – Elaboration and update of the Public Acquisition Annual Program	30.07.2010 05.10.2010
PO 06/SIAP – Procurement through “open bidding” procedure of goods / services / assignments	05.10.2010
PO 07/SIAP – Preparation of tender documentation within the public acquisition procedures	26.10.2010

## APPENDIX 2 List of analyzed procedures (continuance)

Operational procedure	Date
<b>General registry</b>	
PO 01/RG – Receiving, sorting, checking and distribution of mail from Romanian Post and Courier within ANI	19.12.2011
PO 02/RG – Preparation and delivery of correspondence	19.12.2011
PO 03/RG – Circulation of petitions at ANI level	19.12.2011
PO 04/RG – Circulation and record of requested correspondence during Integrity Inspection evaluations	19.12.2011
PO 05/RG – Processing Wealth and Interest Declarations	19.12.2011

## APPENDIX 3A List of documents analyzed during audit

No	Type	Document name
1	{M} <sup>3</sup>	ANI Internal Organization Manual 2011
2	{M}	Order of ANI President on the approval of the ANI Internal Organization Manual 2011, published in the Official Gazette #35/14.01.2011
3	{M}	Order of ANI President on the approval of the ANI Internal Regulation
4	{M}	Order of ANI President regarding modifying ANI organizational structure and functions status
5	{M}	Order of ANI President on the approval of the Training Strategy for ANI staff 2011 – 2014 and of the Action Plan
6	{M}	ANI Training staff Strategy for 2011 – 2014
7	{M}	Internal note on the approval of the project regarding the measures plan for the professional development of ANI civil servants and of the project regarding ANI annual draft plan for professional development of civil servants
8	{M}	Internal note on the approval of the updated ANI annual plan for professional development of civil servants
9	{M}	Analysis of ANI structures training requirements
10	{M}	Order of ANI President on designating the person responsible for implementing the legal provisions regarding wealth and interests statements
11	{M}	List of vacations for 2010 and 2011
12	{M}	The civil servants register
13	{M}	The plan for ANI public functions occupancy for 2011, including the updates, and internal notes for its approval
14	{M}	The annual public procurement plan for 2011, including the notes for its amendment, and the Modified / Updated Plans during 2011
15	{M}	ANI budget for 2011, including addresses received and sent to the Ministry of Finance regarding the quarterly distribution of budgetary provisions, approved credit transfers, budgetary credits, modifications to the volume and structure of ANI budget, modifications to the Public investments program
16	{M}	Stock keeper's statement, prepared before the stock count process as at December 31st, 2011
17	{M}	List of files under the responsibility of the Legal, Control, Public Relations and Communications Directorate
18	{M}	ANI activity reports issued during 2011
19	{M}	List of requests and corresponding responses regarding public interest information received by CRPC during 2011

<sup>3</sup> {M} – a copy of the document was received

### APPENDIX 3A List of documents analyzed during audit (continuance)

No	Type	Document name
20	{O} <sup>4</sup>	List detailing ANI personnel acknowledgement of the Internal Organization Manual, for ANI structures
21	{O}	Individual list of participants to operating programs during 2011, at the level of ANI structures
22	{O}	Internal note on the status of implementation of planned measures regarding the professional development of ANI civil servants
23	{O}	Internal notes regarding the approval of the updated ANI annual professional development plan for civil servants and addresses to the National Agency of Civil Servants sending the updates
24	{O}	List of contests organized by ANI during 2011
25	{O}	List of ANI debutants during 2011
26	{O}	List of ANI contracted personnel during 2011
27	{O}	List detailing ANI personnel acknowledgement of the Code of Ethical and Professional Conduct of ANI personnel, at the level of ANI structures
28	{O}	The Code of Ethical and Professional Conduct of ANI personnel
29	{O}	Human resources files including the supporting documentation regarding courses and seminars attended by ANI employees during 2011
30	{O}	List detailing ANI personnel acknowledgement of the ANI Internal Regulation, at the level of ANI structures
31	{O}	ANI Internal Regulation
32	{O}	List of ANI personnel promoted during 2011
33	{O}	Professional files of civil servants and contracted personnel selected for testing
34	{O}	Files of employment and promotion contests organized by ANI during 2011
35	{O}	Supporting documentation regarding the timesheets prepared by ANI in March 2011 and August 2011
36	{O}	Supporting documentation regarding the termination of employment at ANI level during 2011, for selected cases
37	{O}	Supporting documentation regarding the disciplinary investigations conducted on ANI personnel during 2011
38	{O}	Supporting documentation for the sample selected regarding the Individual training files on labor security and health
39	{O}	ANI instructions for labor safety – office activity for 2011
40	{O}	ANI instructions for labor safety – attendant for 2011
41	{O}	ANI instructions for labor safety – driver for 2011
42	{O}	Internal rules for labor safety and health for 2011
43	{O}	Safety and prevention plan prepared for 2011
44	{O}	Financial statements as at 30.09.2011

<sup>4</sup> {O} – the original document was examined by the audit team

### APPENDIX 3A List of documents analyzed during audit (continuance)

No	Type	Document name
45	{O}	Addresses to the Ministry of Finance regarding the appointment of the person responsible with undertaking the delegated preventive financial control, the operations that are subject to the CFPD visa and the value limits
46	{O}	List for the position "Other investment expenses" on categories of assets for 2011, including appropriate updates
47	{O}	Request for admission to financing of the investments for 2011, including corresponding updates
48	{O}	Order of ANI President regarding the hiring, liquidation, approval and payment of budgetary expenses
49	{O}	ANI Petty cash register for 2011
50	{O}	Supporting documentation to a sample of 25 payments made during 2011
51	{O}	Reports and statements regarding the monitoring of staff costs for 2011
52	{O}	Supporting documentation regarding organizing and exercising of internal preventive financial control, including the registry regarding operations that were presented for the preventive financial control visa and reports regarding preventive financial control activity during 2011
53	{O}	Order of ANI President regarding the appointment of the stock count commission and performing the stock count of ANI patrimony as at December 31st, 2011
54	{O}	Stock count lists as at 31.12.2011
55	{O}	Stock count register as at 31.12.2011
56	{O}	Public procurement list performed at ANI level during 2011
57	{O}	Files corresponding to the public procurements selected for testing at SIAP level
58	{O}	Annual internal public audit plan for 2011, as well as the updates made during the year
59	{O}	Files for the internal public audit mission selected for testing at CAPI level
60	{O}	Files selected for testing from the list of files under DJCRPC responsibility
61	{O}	Requests received, as well as the corresponding responses, regarding public interest information selected for testing at CRPC level
62	{O}	Documentation corresponding to the procurement process "Consulting and certification services in information security"
63	{M}	Order of ANI President for the approval of ANI Strategy for combating and preventing the accumulation of unjustified wealth, conflicts of interest and incompatibility
64	{M}	Documents corresponding to a sample of 25 acquisitions through direct buying (necessity reports, justifying notes, contracts)
65	{O}	Unique Risk Register
66	{O}	Quarterly summary statements, regarding the status of the SCM implementation

### APPENDIX 3B List of documents analyzed during the assessment of the IT system

No	Type	Document name
1	{M}	Star Storage subsequent contract S14 12.01.2011
2	{M}	Star Storage subsequent contract 26.02.2010
3	{M}	Firewall equipment maintenance contract – E-Factor Solutions
4	{M}	Computer equipment maintenance contract – Alliance Computers SRL 453/15.02.2011
5	{M}	Internet access contract – Vodafone 213/24.01.2011
6	{M}	Call center maintenance – T&T Consulting 249/26.01.2011
7	{M}	Policy POL-01/SI Information Security Management System Policy
8	{M}	Policy POL-02/SI Business Continuity Management Policy
9	{M}	Policy POL-06/SI Physical Security Policy
10	{M}	General System Procedure PS – 02 DOCUMENTS CONTROL
11	{M}	General System Procedure PS – 03 RECORDS CONTROL
12	{M}	General System Procedure PS – 04 INTERNAL AUDIT
13	{M}	General System Procedure PS – 05 NONCONFORMITIES, CORRECTIVE AND PREVENTIVE ACTIONS
14	{M}	Operational Procedure PO – 01/SI INFORMATION SECURITY RISKS MANAGEMENT
15	{M}	Operational Procedure PO – 02/SI INCIDENT MANAGEMENT
16	{M}	Operational Procedure PO – 03/SI INFORMATION RESOURCES MANAGEMENT
17	{M}	Operational Procedure PO – 04/SI CHANGE MANAGEMENT

#### APPENDIX 4 Action Plan on implementing ANI Strategy for combating and preventing the accumulation of unjustified wealth, conflicts of interest and incompatibility

Objective	Measure	Deadline	ANI Evaluation indicators	Deloitte Assessment as at 31.12.2011
1.1. Activity effectiveness (reducing the timing / costs for investigating cases) through the use of IT solutions	1.1.1. Acquisition, delivery and installment of hardware products designed to simplify the procedure for completing, archiving and automatic analysis of documents	2011 – 2014	<b>Data security component:</b> <ul style="list-style-type: none"> <li>➤ Access to secure databases;</li> <li>➤ Monitored and audited access to information;</li> <li>➤ Assured protection against unauthorized database access attempts;</li> </ul> <b>Network type component:</b> <ul style="list-style-type: none"> <li>➤ Private internal network;</li> <li>➤ Secure external network;</li> <li>➤ Communication between networks;</li> </ul> <b>Protection and access component:</b> <ul style="list-style-type: none"> <li>➤ Accelerated encrypted SSL communication;</li> <li>➤ Applications protection;</li> <li>➤ Network trafficking load distribution;</li> <li>➤ Servers and storage;</li> <li>➤ Extended online storage capacity for existing system;</li> <li>➤ Long-time storage for statements in „nearline” type storage devices;</li> <li>➤ Hardware infrastructure to accommodate proposed solution.</li> </ul>	<b>Partially implemented</b> The private internal network and the external network are separated but there is no communication between them.

#### APPENDIX 4 Action Plan on implementing ANI Strategy for combating and preventing the accumulation of unjustified wealth, conflicts of interest and incompatibility (continuance)

Objective	Measure	Deadline	ANI Evaluation indicators	Deloitte Assessment as at 31.12.2011
1.1. Activity effectiveness (reducing the timing / costs for investigating cases) through the use of IT solutions	1.1.2. Improving the process of filling in the wealth and interests statements, simplifying work procedures and improving the evaluation process through the use of advanced software technology.	2011 – 2014	<p><b>E-forms component – Smart forms</b></p> <p>Smart forms for electronic completion of implemented statements;</p> <p>Electronic signature with a qualified digital certificate used:</p> <ul style="list-style-type: none"> <li>➤ <i>Digital certificate for signing statements implemented at institutional level;</i></li> <li>➤ <i>Digital certificate of the institution, used by each employee;</i></li> <li>➤ <i>Procedure for verifying the signature when processing an implemented statement.</i></li> </ul> <p>Temporal mark type signature for every applied archived statement (a predefined time period before expiring – ex: 90 days).</p> <p><b>Open source Monitoring aspect:</b></p> <ul style="list-style-type: none"> <li>➤ Multiple-source of information search procedure, with aggregation of results in an unified, implemented interface;</li> <li>➤ Monitoring of web-sites;</li> <li>➤ Monitoring of news agencies (RSS fluxes, etc.).</li> </ul>	<p><b>Not implemented</b></p> <p>During 2011, no such facilities were implemented in the process of electronic filling in and evaluation of wealth statements.</p> <p>For one of the objectives that will be implemented through a project financed from structural funds ANI signed a financing contract in the beginning of 2012.</p>



#### APPENDIX 4 Action Plan on implementing ANI Strategy for combating and preventing the accumulation of unjustified wealth, conflicts of interest and incompatibility (continuance)

Objective	Measure	Deadline	ANI Evaluation indicators	Deloitte Assessment as at 31.12.2011
1.1. Activity effectiveness (reducing the timing / costs for investigating cases) through the use of IT solutions	1.1.2. Improving the process of filling in the wealth and interests statements, simplifying work procedures and improving the evaluation process through the use of advanced software technology.		<b>Intelligent data analysis component</b> Automatic analysis: <ul style="list-style-type: none"> <li>➤ <i>Reports and analysis performed on collected data;</i></li> <li>➤ <i>Implemented process for monitoring stabile performance indicators at institutional level;</i></li> <li>➤ <i>Use of other data sources for reporting;</i></li> </ul> Visual analysis: <ul style="list-style-type: none"> <li>➤ <i>Visual investigation model based on collected data and external data sources (ANAF, ONRC etc.).</i></li> </ul>	
	1.1.3. Analysis of risk factors and vulnerable sectors	2011	<ul style="list-style-type: none"> <li>➤ Identified risk factors;</li> <li>➤ Identified vulnerable sectors;</li> <li>➤ Risk analysis integrated in SIMIDAI.</li> </ul>	<b>Partially implemented</b> <p>Currently, no prioritization of evaluated files based on risk factors analysis corresponding to the complaints received is being performed.</p> <p>At the end of 2011 (September) ANI started the process to issue an analysis at local public administration level (89 entities analyzed) in order to identify potential conflicts of interest and incompatibilities. The analysis was finalized and approved in 2012 and the specific evaluation procedures will be realized in 2012.</p> <p>Based on the information offered by ANI representatives during 2011 a series of</p>

Objective	Measure	Deadline	ANI Evaluation indicators	Deloitte Assessment as at 31.12.2011
				discussions were held with the World Bank experts regarding performance of an analysis of the risk factors and the vulnerable sectors in order to improve the wealth and interests declaration evaluation process.

#### APPENDIX 4 Action Plan on implementing ANI Strategy for combating and preventing the accumulation of unjustified wealth, conflicts of interest and incompatibility (continuance)

Objective	Measure	Deadline	ANI Evaluation indicators	Deloitte Assessment as at 31.12.2011
1.1. Activity effectiveness (reducing the timing / costs for investigating cases) through the use of IT solutions	1.1.4. Insuring continuity regarding publishing the wealth and interests statements by resuming the bid procedure for SIMIDAI	2013 – 2014	<ul style="list-style-type: none"> <li>➤ Resumed auction procedure;</li> <li>➤ Assigned contract.</li> </ul>	<b>Not implemented</b> The implementation deadline is 2013-2014.
1.2. Increasing the celerity of evaluation procedures	1.2.1. Using and improving standard operative evaluation procedures	March 2011	<ul style="list-style-type: none"> <li>➤ Improved investigational check-list</li> </ul>	<b>Implemented</b> The Integrity Inspectorate has standardized all work procedures according to the investigational stages provided by law and there is a concern for their permanent update to changes that appear following the continuous use of SIMIDAI.

#### APPENDIX 4 Action Plan on implementing ANI Strategy for combating and preventing the accumulation of unjustified wealth, conflicts of interest and incompatibility (continuance)

Objective	Measure	Deadline	ANI Evaluation indicators	Deloitte Assessment as at 31.12.2011
1.2. Increasing the celerity of evaluation procedures	1.2.2. Training of integrity inspectors in the use of information technologies – work flow processing through SIMIDAI	March 2011	➤ 5 training sessions	<p><b>Implemented</b></p> <p>SIMIDAI represented a strategic priority for ANI, in the sense of optimizing all operative modules of the activity performed by the integrity inspectors.</p> <p>On 24.02.2011, it was completed the information module of SIMIDAI that manages inspectors' work flows, from receiving a case to finalizing it.</p> <p>In order to implement this module, <i>two training and workshop sessions were held for the integrity inspectors in the test environment, between 24.02.2011 – 25.02.2011. All integrity inspectors attended these sessions.</i></p> <p>On 02.06.2011, at the Agency's headquarters, <i>a training session was held for integrity inspectors regarding the reporting module; 31 integrity inspectors attended the training.</i></p>

#### APPENDIX 4 Action Plan on implementing ANI Strategy for combating and preventing the accumulation of unjustified wealth, conflicts of interest and incompatibility (continuance)

Objective	Measure	Deadline	ANI Evaluation indicators	Deloitte Assessment as at 31.12.2011
1.3. Continuous professional development of integrity inspectors and DJCRPC personnel, departments that are directly or indirectly involved in the evaluation or monitoring of cases investigated by ANI	1.3.1. Training of ANI personnel in the use of new technologies corresponding to the project <i>"Efficient public services by simplifying the procedure for filling in, archiving and analysis of documents within ANI and the facilitation of electronic access to public interest information"</i>	2011 – 2014	<ul style="list-style-type: none"> <li>➤ One course for professional development / official certification for data and information analysis / five integrity inspectors trained;</li> <li>➤ Two study visits;</li> <li>➤ Five training sessions – familiarization with "work-flow" processes / ten persons trained.</li> </ul>	<b>Implemented</b> <ul style="list-style-type: none"> <li>➤ For the purpose of implementing the information modules of SIMIDAI, training and workshop sessions were held for the integrity inspectors between 23 and 25 February 2011.</li> <li>➤ On 02.06.2011, at the Agency's headquarters, a training session was held for integrity inspectors regarding the reporting module; 31 integrity inspectors attended the training.</li> <li>➤ Workshop on Preventing conflicts of interest, instruments and measures - High Inspectorate for the Declaration and Audit of Assets, Tirana (Albania) – two integrity inspectors attended the workshop.</li> <li>➤ Seminar on "Public procurement legislation in Romania" – organized by SAR.</li> </ul>
	1.3.2. Training of newly employed integrity inspectors, on IT and procedures	Permanent	<ul style="list-style-type: none"> <li>➤ Minimum two training sessions per newly employed inspector</li> </ul>	<b>Implemented</b> <p>In 2011 an integrity inspector was employed and attended seminars covering the following themes:</p> <ul style="list-style-type: none"> <li>➤ Seminar on Public procurement legislation in Romania – organized by SAR;</li> <li>➤ European Computer Driving License course – ECDL;</li> <li>➤ Seminar – project "Increasing the capability of the Romanian judicial system to approach unjustified wealth" – SAR / INM.</li> </ul>

#### APPENDIX 4 Action Plan on implementing ANI Strategy for combating and preventing the accumulation of unjustified wealth, conflicts of interest and incompatibility (continuance)

Objective	Measure	Deadline	ANI Evaluation indicators	Deloitte Assessment as at 31.12.2011
1.3. Continuous professional development of integrity inspectors and DJCRPC personnel, departments that are directly or indirectly involved in the evaluation or monitoring of cases investigated by ANI	1.3.3. Training of integrity inspectors on “train the trainers”, to allow them to teach and instruct new employees, to maintain the exchange of experience and best practices at international level, etc.	Permanent	<ul style="list-style-type: none"> <li>➤ 5 inspectors trained on the program „train the trainers”;</li> <li>➤ New staff trained on IT and procedures</li> </ul>	<p><b>Partially implemented</b></p> <p>In November 2011, the National Agency of Civil Servants requested ANI to designate 2 trainers within the institution to present one of the major interest themes, debated within the development program “<i>Modern Public Management for local dignitaries</i>”, namely “<i>Incompatibility and conflict of interest regarding the local dignitaries</i>”.</p> <p>Since not all local authorities followed up on the invitation from the National Agency of Civil Servants to designate trainers, the development program for local dignitaries was canceled.</p> <p>During 2011, ANI personnel were not involved in other train the trainers’ type of programs.</p>
1.4. Monitoring the progress of causes redirected by the Agency to the competent institutions / authorities	1.4.1. Monitoring the progress and finalization of causes redirected by the Agency to the competent institutions / authorities by using the reporting module – end to end process within SIMIDAI	Weekly	<ul style="list-style-type: none"> <li>➤ Statistics performed;</li> <li>➤ Daily updated SIMIDAI reporting matrix.</li> </ul>	<p><b>Not implemented</b></p> <p>Currently, the monitoring of progress and finalization of causes redirected by the Agency to the competent institutions / authorities is performed outside SIMIDAI application.</p> <p>Presently, an analysis is being performed of how the database, currently in use, can be integrated in SIMIDAI application.</p> <p>For 2012 ANI has the objective to implement an integrated information system for administrative support. This information system will include a legal module that will communicate through a Data Warehouse with SIMIDAI which will allow the monitoring of the causes finalized by ANI and sent to appropriate institutions to be performed by Legal department and by the Integrity Inspectors. Currently this monitoring is</p>

Objective	Measure	Deadline	ANI Evaluation indicators	Deloitte Assessment as at 31.12.2011
				performed trough and xls file (a database) that is accessed by inspectors and legal department through a file share.

#### APPENDIX 4 Action Plan on implementing ANI Strategy for combating and preventing the accumulation of unjustified wealth, conflicts of interest and incompatibility (continuance)

Objective	Measure	Deadline	ANI Evaluation indicators	Deloitte Assessment as at 31.12.2011
1.4. Monitoring the progress of causes redirected by the Agency to the competent institutions / authorities	1.4.2. The development and consolidation of ANI database on cases currently in Courts, Prosecutors Offices and disciplinary commissions, legal files on litigations as well as solutions given by legal, jurisdictional and institutional entities	Permanent	➤ Completed database	<b>Implemented</b> A complex database exists at DJCRP level that manages causes currently in Court. The permanent updating of this database is controlled by the Directorate's coordinator. The database is not an integrated part of SIMIDAI.
	1.4.3. Data and statistic reports analysis obtained following monitoring and identifying legal issues regarding the application of relevant laws	Quarterly	➤ Completed analysis reports	<b>Not implemented</b> During 2011 informal discussions took place at the level of Legal Directorate.
1.5. Efficient planning of Agency resources, to boost the operational activities	1.5.1 Priority planning of evaluation activity after identifying vulnerable areas	Permanent	<ul style="list-style-type: none"> <li>➤ Evaluation reports</li> <li>➤ Analysis on risk areas</li> </ul>	<b>Partially implemented</b> <p>Currently, no prioritization of evaluated files is performed through an analysis of the risk factors corresponding to the received complaints.</p> <p>In the end of 2011 (September) ANI started the process to issue an analysis at local public administration level (89 entities analyzed) in order to identify potential conflicts of interest and incompatibilities. The analysis was finalized and approved in 2012 and the specific evaluation procedures will be realized in 2012.</p> <p>Based on the information offered by ANI representatives during 2011 a series of discussions were held with the World Bank</p>



Objective	Measure	Deadline	ANI Evaluation indicators	Deloitte Assessment as at 31.12.2011
				experts regarding performance of an analysis of the risk factors and the vulnerable sectors in order to improve the wealth and interests declaration evaluation process.

#### APPENDIX 4 Action Plan on implementing ANI Strategy for combating and preventing the accumulation of unjustified wealth, conflicts of interest and incompatibility (continuance)

Objective	Measure	Deadline	ANI Evaluation indicators	Deloitte Assessment as at 31.12.2011
1.5. Efficient planning of Agency resources, to boost the operational activities	1.5.2. Founding the Agency's budget according to stringent necessities	Permanent	➤ Insured budget	<b>Implemented</b> Through the 2011 State budget Law no 286 / 28.12.2010, the ANI income and expenses budget was approved, in the amount of RON 11.024.000. By middle April, additional funds of RON 7.384.000 were requested, of which RON 2.700.000 were approved.
2.1. Improving the process of communicating of public interest information	2.1.1. Extending the information capacity of citizens and of institutions interested in the services offered by the Agency, through developing the Portal type facilities	2011- 2014	<b>Portal development component</b> <ul style="list-style-type: none"> <li>➤ Upgrading the existing Portal platform to an Enterprise type Portal platform;</li> <li>➤ Hosting the portal and the site in the same location;</li> <li>➤ Published intelligent forms for subsequent completion;</li> <li>➤ Summaries, reports and statistic statements intended for general public.</li> </ul> <b>Digitization services component</b> <ul style="list-style-type: none"> <li>➤ Electronic statements conversion.</li> </ul>	<b>Partially implemented</b> Extending the information capacity of citizens through the development of Portal type activities was implemented by the Agency in 2011. The Portal Development Component is planned to take place in 2012, by moving the web-site to the same location as the Portal. The portal development component is planned to be realized through the project financed through structural funds based on the contract no. 300/ 09.02.2012 concluded between ANI and MAI AM PO DCA, during the period 2012-2014.
	2.1.2. Publishing, on ANI website, of evaluation reports and court orders remained Acts, published final rulings and decisions, as well as final decisions of disciplinary commissions	Permanent	➤ Acts, rulings and decisions published	<b>Implemented</b> Evaluation reports and court orders that remained acts, and published final rulings and decisions, as well as final decisions of disciplinary commissions, are published on the ANI web-site.

#### APPENDIX 4 Action Plan on implementing ANI Strategy for combating and preventing the accumulation of unjustified wealth, conflicts of interest and incompatibility (continuance)

Objective	Measure	Deadline	ANI Evaluation indicators	Deloitte Assessment as at 31.12.2011
2.1. Improving the process of communicating of public interest information	2.1.3. Publishing on the ANI web-site of the status of cases currently in court, for causes regarding the evaluation of wealth, conflicts of interest and incompatibilities, as well as decisions given by the disciplinary commissions	Permanent	➤ Permanent updating of „Court files” section	<b>Implemented</b> Following the work performed, we noted that the last update of the “Court files” section dates from the 20th of February 2012. Updating is performed weekly.
	2.1.4. Improving the process of access to information regarding the method of submitting / completing wealth and interests statements through the use of direct telephone lines	May 2011	➤ Assigned people responsible; ➤ List of telephone numbers and people responsible posted on the website.	<b>Implemented</b> Contact data for the President, Secretary General and all ANI Directorates are posted on ANI web-site.
2.2. Improving the understanding of mechanisms used in the correct submission of wealth and interests statements	2.2.1. Updating and improving the Guide for completing wealth and interests statements	Permanent	➤ Updated Guide published on ANI web-site	<b>Implemented</b> The updated Guide for completing wealth and interests statements is published on ANI web-site since November 2010, following the issuance of Law 176/2010.
	2.2.2. Creating video tutorials for filling in wealth and interests statements	January 2012	➤ Video tutorials published on ANI web-site	<b>Not implemented</b> At the time of the audit, there were no video tutorials for completing wealth and interests statements on ANI web-site.
	2.2.3. Updating and improving the frequently asked questions section (F.A.Q.)	Permanent	➤ Updated section published on ANI web-site	<b>Implemented</b> The last update of the FAQ section took place on the 25th of October 2010.

#### APPENDIX 4 Action Plan on implementing ANI Strategy for combating and preventing the accumulation of unjustified wealth, conflicts of interest and incompatibility (continuance)

Objective	Measure	Deadline	ANI Evaluation indicators	Deloitte Assessment as at 31.12.2011
2.2. Improving the understanding of mechanisms used in the correct submission of wealth and interests statements	2.2.4. Training people from the public institutions / authorities, responsible for implementing the legal provisions regarding wealth and interests statements	Permanent	<ul style="list-style-type: none"> <li>➤ 50 training sessions;</li> <li>➤ 1.000 people responsible trained.</li> </ul>	<p><b>Implemented</b></p> <p>Within the project “Increasing the accountability in the public administration and consolidating ANI capacity” performed in partnership with SAR, training sessions took place with the persons responsible for implementing the legal provisions regarding wealth and interests statements.</p> <p>On the 16th of March 2011, ANI, in collaboration with SAR, published “The guide regarding incompatibilities and conflicts of interests”, prepared in accordance with the provisions of Law no 176/2010 regarding the integrity and exercise of public functions and dignities, to modify and complete Law no 144/2007 regarding the organization and functioning of the National Integrity Agency, as well as the modification and completion of other normative acts.</p>
2.3. Stimulating the civic attitude of citizens, leading to making notifications addressed to ANI	2.3.1. Developing the facilities of the public Portal for wealth and interests statements	2011-2014	<ul style="list-style-type: none"> <li>➤ Portal development component;</li> <li>➤ Improved existing Portal – ergonomics, look &amp; feel.</li> </ul>	<p><b>Implemented</b></p> <p>We recommend to ANI management to establish quantifiable indicators to allow for an objective evaluation of the degree to which measures are implemented.</p>
	2.3.2 Dissemination of information regarding methods of notifying the Agency	Permanent	<ul style="list-style-type: none"> <li>➤ Information materials posted on the web-site</li> </ul>	<p><b>Implemented</b></p> <p>Methods of notifying ANI are published on ANI web-site, under complaints section <a href="http://www.integritate.eu/home/sesizari.aspx">http://www.integritate.eu/home/sesizari.aspx</a>.</p>

#### APPENDIX 4 Action Plan on implementing ANI Strategy for combating and preventing the accumulation of unjustified wealth, conflicts of interest and incompatibility (continuance)

Objective	Measure	Deadline	ANI Evaluation indicators	Deloitte Assessment as at 31.12.2011
2.3. Stimulating the civic attitude of citizens, leading to making notifications addressed to ANI	2.3.3 Giving specialized assistance to individuals and legal entities that make notifications	Permanent	➤ Number of replies (written and by telephone) to requests and petitions addressed to the Agency	<b>Implemented</b> During the analysis of the files, we identified replies through which persons that issued notifications were advised in regards to what elements should be included in notifications in order to allow for the process of evaluation to begin.
2.4. Consolidating the standards of integrity and ethics of the Romanian public function, in accordance to the levels established by European Union member states	2.4.1. Implementing the project "Developing an integrated and unified integrity system in public function"	24 months since the project's approval	<ul style="list-style-type: none"> <li>➤ Civil servants with improved standards of expertise and knowledge;</li> <li>➤ 1.200 civil servants trained in the program for ethical training: <ul style="list-style-type: none"> <li>○ Qualification certificates;</li> <li>○ 20 civil servants instructed in the field of train the trainers;</li> <li>○ Defined integrity systems;</li> <li>○ Information system for monitoring the activity of ethics counselors;</li> <li>○ Study visit;</li> <li>○ Awareness campaign "BE ETHICAL, BE HONEST!"</li> <li>○ TV commercial.</li> </ul> </li> </ul>	<b>Not implemented</b> The financing for this project, whose beneficiaries are the National Agency of Civil Servants and ANI, through the Operational Program Development of Administrative Capacity is pending evaluation.

#### APPENDIX 4 Action Plan on implementing ANI Strategy for combating and preventing the accumulation of unjustified wealth, conflicts of interest and incompatibility (continuance)

Objective	Measure	Deadline	ANI Evaluation indicators	Deloitte Assessment as at 31.12.2011
2.5. Cooperation with magistrates from the investigation of wealth Commissions from the Courts of Appeal in regards to instrumenting cases submitted by the Agency	2.5.1. Organizing formal meetings between integrity inspectors and magistrates assigned by the investigation of wealth Commissions, in order to familiarize them with the investigative procedures used by integrity inspectors	December 2011	<ul style="list-style-type: none"> <li>➤ Number of meetings organized;</li> <li>➤ Exchange of best practices performed.</li> </ul>	<p><b>Implemented</b></p> <p>Project – “Increasing the Romanian judicial system’s capacity to address unjustifiable wealth”, financed by the Embassy of the United Kingdom of Great Britain and Northern Ireland in Romania and the Embassy of the United States of America in Romania.</p> <p>Partners: Romanian Academic Society, National Integrity Agency, National Institute of Magistracy.</p> <p><u>Project objective:</u> Increasing the Romanian judicial system’s capacity in regards to addressing legislature in the field of evaluating wealth and interests statements and unjustifiable wealth in a unified way.</p> <ul style="list-style-type: none"> <li>➤ Consultations were held with representatives from SAR, ANI and the Magistracy from the Wealth Investigation Commissions of Appeal Courts or Administrative Dispute Claims Departments of Appeal Courts;</li> <li>➤ On the 9th of August – preliminary discussions with the Supreme Magistracy Council;</li> <li>➤ October – National Institute of Magistracy prepared: <ul style="list-style-type: none"> <li>○ Training curriculum;</li> <li>○ Trainers;</li> <li>○ Events calendar.</li> </ul> </li> </ul>

**APPENDIX 4 Action Plan on implementing ANI Strategy for combating and preventing the accumulation of unjustified wealth, conflicts of interest and incompatibility (continuance)**

Objective	Measure	Deadline	ANI Evaluation indicators	Deloitte Assessment as at 31.12.2011
2.5. Cooperation with magistrates from the investigation of wealth Commissions from the Courts of Appeal in regards to instrumenting cases submitted by the Agency	2.5.1. Organizing formal meetings between integrity inspectors and magistrates assigned by the investigation of wealth Commissions, in order to familiarize them with the investigative procedures used by integrity inspectors			<p>Between the 14th of November and the 9th of December, 5 training sessions were held for a number of 80 magistrates from the Wealth Investigation Commissions from the Appeal Courts or from the Administrative Disputed Claims Department of Appeal Courts.</p> <p>Also, CSM (Superior Council of Magistracy) has issued an action plan to fulfill the European Commission's recommendations from the Report regarding the Cooperation and Verification mechanism issued in July 2011.</p> <p>Part of the objectives included in the plan refers to cooperation with ANI. Until the end of 2011, one measure from the CSM plan has been implemented, namely conclusion of collaboration protocol between ANI and CSM on December 21 2011.</p> <p>The objective of the protocol is to consolidate the prevention and awareness components in the activity of combating the corruption through increase of the adequate proactive mechanisms.</p>

#### APPENDIX 4 Action Plan on implementing ANI Strategy for combating and preventing the accumulation of unjustified wealth, conflicts of interest and incompatibility (continuance)

Objective	Measure	Deadline	ANI Evaluation indicators	Deloitte Assessment as at 31.12.2011
2.5. Cooperation with magistrates from the investigation of wealth Commissions from the Courts of Appeal in regards to instrumenting cases submitted by the Agency	2.5.2. Organizing roundtables between ANI management, Supreme Magistracy Council (CSM) management and management of Appeal Courts, in order to identify problems that may occur in investigating cases submitted to Investigation of Wealth Commissions	Permanent	<ul style="list-style-type: none"> <li>➤ Number of meetings organized;</li> <li>➤ Identified issues.</li> </ul>	<p><b>Implemented</b></p> <p>Improving operational activity and assuring an active monitoring of progress for pending cases at Investigation of Wealth Commissions and Courts were targeted through the project <i>"Increasing the Romanian judicial system's capacity to address unjustifiable wealth"</i>, carried out by ANI in collaboration with the Romanian Academic Society and the National Institute of Magistracy.</p> <p>Work meeting with representatives of CSM.</p> <p>Taking into consideration the recommendations included in the European Commission Report to the European Parliament and European Council of 20.07.2011, on the 26th of September 2011, ANI management organized a work meeting with the representatives of CSM, regarding the possibility to create an integrated action plan, undertaken by all institutions targeted by MCV, to answer to recommendations by the European Commission in the field of justice reform.</p>



#### APPENDIX 4 Action Plan on implementing ANI Strategy for combating and preventing the accumulation of unjustified wealth, conflicts of interest and incompatibility (continuance)

Objective	Measure	Deadline	ANI Evaluation indicators	Deloitte Assessment as at 31.12.2011
2.5. Cooperation with magistrates from the investigation of wealth Commissions from the Courts of Appeal in regards to instrumenting cases submitted by the Agency	2.5.3. Preparing, in collaboration with CSM, of orientation guidelines regarding instrumentation procedures for cases of confiscation of wealth, for magistrates and prosecutors of the Investigation of Wealth Commissions from the Appeal Courts	December 2011	➤ Guidelines prepared and disseminated for magistrates and prosecutors	<p><b>Not implemented</b></p> <p>As the result of common points of view between magistrates and integrity inspectors that concluded from discussion sessions, a guide will be elaborated to help concerned parties in interpreting the law in this field. The guides will be electronically distributed to the 15 Appeal Courts.</p> <p>According to discussions held with ANI representatives, these guidelines have not been issued yet because, in order to beneficiate from a comprehensive approach it was decided to wait for the Courts to issue final decisions for the cases where ANI identified unjustified differences between wealth and incomes.</p>
3.1. The development and consolidation of partnerships with public institutions and nongovernmental organizations at national and international level, with the purpose of professional training of operational personnel	3.1.1. Maintaining a permanent connection with courts of law and prosecution bodies, in accordance to art. 19 para. (2) of Law no 176/2010	Quarterly	➤ Number of quarterly notifications submitted to prosecution bodies on measures taken in files transmitted by the Agency	<p><b>Partially implemented</b></p> <p>In order to complete this measure, on 01.11.2011 the Agency signed a collaboration protocol with the Prosecutor's Office attached to the Supreme Court. The purpose of this protocol is to consolidate the operational activity of ANI and of investigations made by Prosecutor's Offices in regards to notifications submitted by ANI.</p> <p>This protocol is intended to assure a unitary practice in cases in which prosecutors are notified by ANI, reducing the work time, analyzing solutions given by prosecutors. In accordance to legal provisions, ANI can request the examination of legality for solutions, indicating violated provisions, from the General</p>

Objective	Measure	Deadline	ANI Evaluation indicators	Deloitte Assessment as at 31.12.2011
				Prosecutor from the Supreme Court. Taxation bodies and prosecution bodies did not send centralized quarterly notifications in regards to the measures taken.

#### APPENDIX 4 Action Plan on implementing ANI Strategy for combating and preventing the accumulation of unjustified wealth, conflicts of interest and incompatibility (continuance)

Objective	Measure	Deadline	ANI Evaluation indicators	Deloitte Assessment as at 31.12.2011
3.1. Development and consolidation of partnerships with public institutions and nongovernmental organizations at national and international level, with the purpose of professional training of operational staff	3.1.2. Issuing points of view in regards to legislative projects currently under public debate / in front of specialized Parliament commissions, regarding ANI field of activity	Permanent	➤ Number of points of view issued	<p><b>Implemented</b></p> <p>At the request of the Department for Parliament Relations of the Romanian Government, the Agency constantly expresses its points of view in regards to legislative projects that regulate ANI activity.</p> <p>Thus, in 2011, ANI issued 4 points of view in regards to legislative projects regarding the institution's activity:</p> <ul style="list-style-type: none"> <li>➤ Legislative proposal regarding the regulation of lobby activities in Romania;</li> <li>➤ Legislative proposal for the modification and completion of Law 176/2010 regarding the integrity of exercising public functions and dignities;</li> <li>➤ The amendments of the Discipline and Immunity Legal Commission under the Chamber of Deputies to the proposed legislature to modify and complete Law 176/2010 regarding integrity in exercising public functions and dignities;</li> <li>➤ Legislative proposal to complete Law 144/2007 regarding the creation, organization and functioning of ANI, republished, with subsequent modifications and completions.</li> </ul>

**APPENDIX 4 Action Plan on implementing ANI Strategy for combating and preventing the accumulation of unjustified wealth, conflicts of interest and incompatibility (continuance)**

Objective	Measure	Deadline	ANI Evaluation indicators	Deloitte Assessment as at 31.12.2011
3.1. Development and consolidation of partnerships with public institutions and nongovernmental organizations at national and international level, with the purpose of professional training of operational staff	3.1.3. Identifying the necessity for professional training of operational staff through the Training Strategy	Yearly, first quarter	➤ Centralized data regarding the necessary professional training	<p><b>Implemented</b></p> <p>According to current legal provisions, the Human Resources Department, in collaboration with the Communication, Public Relations and Strategy Department, carried out, between <b>4 and 15 January 2011</b>, an investigation at ANI level with the purpose of defining the necessary professional training for personnel and to identify <b>“risk areas”</b> – where training activities should be prioritized over the course of 2011.</p> <p>The research was performed through a questionnaire that consisted of a set of 23 questions, structured to offer an overview in regards to training activities attended by Agency staff during 2010, as well as individual expectations and wishes of Agency staff regarding the professional training plan.</p> <p>Following the centralization and analysis of data obtained through the research, the Human Resources Department, in collaboration with the Communication, Public Relations and Strategy Department developed:</p> <ol style="list-style-type: none"> <li>1. The training strategy for ANI personnel for 2011;</li> <li>2. Measures plan regarding professional training of civil servants for 2011;</li> <li>3. The project of the Annual Plan for professional development of civil servants during 2011.</li> </ol>

#### APPENDIX 4 Action Plan on implementing ANI Strategy for combating and preventing the accumulation of unjustified wealth, conflicts of interest and incompatibility (continuance)

Objective	Measure	Deadline	ANI Evaluation indicators	Deloitte Assessment as at 31.12.2011
3.1. Development and consolidation of partnerships with public institutions and nongovernmental organizations at national and international level, with the purpose of professional training of operational staff	3.1.4. Identification of possible training suppliers and the start-up of acquisition procedures for services, split according to the interest domains	Yearly	<ul style="list-style-type: none"> <li>➤ Training suppliers identified;</li> <li>➤ Services acquired.</li> </ul>	<b>Implemented</b> During 2011, training sessions were held: <ul style="list-style-type: none"> <li>➤ Project management training – Best Smart Consulting SRL;</li> <li>➤ Information systems auditor Simtex Certification Body;</li> <li>➤ British Council;</li> <li>➤ European Academy for Taxes, Economics and Law;</li> <li>➤ MMFES &amp; MEC;</li> <li>➤ Forum Media Publishing;</li> <li>➤ Group Management SRL;</li> <li>➤ ANAF.</li> </ul>
	3.1.5. Implementing partnerships	Yearly	<ul style="list-style-type: none"> <li>➤ Training plan performed;</li> <li>➤ All operational staff trained.</li> </ul>	<b>Implemented</b> On the 9th of August and the 10th of November 2011, 2 work meetings have been scheduled and organized following the cooperation protocol signed between ANI and ONPCSB.  The objectives of the meetings were an exchange of best practices and case studies regarding the activities performed by each institution, as well as identifying the best methods for increasing inter-institutional cooperation, in the field of combating corruption and money laundering.

#### APPENDIX 4 Action Plan on implementing ANI Strategy for combating and preventing the accumulation of unjustified wealth, conflicts of interest and incompatibility (continuance)

Objective	Measure	Deadline	ANI Evaluation indicators	Deloitte Assessment as at 31.12.2011
3.2. Cooperation with European Union institutions, for the fulfillment of assumed objectives	3.2.1. Information exchange with external institutions with which the Agency signed collaboration protocols regarding institutional developments	Every 6 months	➤ Progress reports submitted to partner institutions	<b>Implemented</b> Progress reports have been issued to the European Commission during 2011.
	3.2.2. Improving the collaboration with diplomatic missions in Romania by regularly submitting progress reports and inviting them to events to which the Agency participates	Permanent	<ul style="list-style-type: none"> <li>➤ Number of reports sent per diplomatic mission per year;</li> <li>➤ Number of participations by foreign mission representatives to Bucharest per event.</li> </ul>	<b>Partially implemented</b> At the request of the Ministry of Justice, ANI submits progress reports according to recommendations by the European Commission as part of the cooperation and verification mechanism. ANI submits press releases regarding the results of operational or administrative activities to diplomatic missions. In 2011 a number of informal meetings have been scheduled between representatives of the Embassies of Great Britain, USA and Germany and ANI management. In 2011, ANI did not organize public events to allow the opportunity for foreign diplomatic missions' representatives to attend.
	3.2.3. Facilitating access to the wealth and interests statements Portal to external environments (journalists, institutions, foreign dignitaries, etc.)	Semester 1, 2011	➤ Sections of the wealth and interests statements Portal translated into English	<b>Implemented</b> The ANI web-site includes sections of the wealth and interests statements Portal translated into English.

#### APPENDIX 4 Action Plan on implementing ANI Strategy for combating and preventing the accumulation of unjustified wealth, conflicts of interest and incompatibility (continuance)

Objective	Measure	Deadline	ANI Evaluation indicators	Deloitte Assessment as at 31.12.2011
3.3. Increasing the Agency's operational capacity through collaboration with the civil society	3.3.1. Achieving an active connection with the civil society's environments, especially the informing, training, prevention and identification of best practices Components	Permanent	<ul style="list-style-type: none"> <li>➤ Number of common actions carried out (projects carried out in partnership, roundtables on providing consultancy, etc.)</li> </ul>	<p><b>Implemented</b></p> <p>Between the 14th of November and the 9th of December, 5 training sessions were held for a number of 80 magistrates from the Wealth Investigation Commissions from the Appeal Courts or from the Administrative Disputed Claims Department of Appeal Courts.</p> <p>Between the 22nd – 23rd of November 2011 – a seminar "Legislation of public procurement in Romania" took place – carried out as part of the program <i>The Initiative for Clean Justice</i>, a project of the Romanian Academic Society and of the Freedom House Romania Foundation, financed by the Embassy of the United States of America in Romania through the Grants for Democracy program.</p> <p>Speakers:</p> <ul style="list-style-type: none"> <li>➤ Frederic TEILLET – French magistrate, Romanian Ministry of Justice</li> <li>➤ Cicerone STAN – General Director – Oversight and Evaluation Directorate - ANRMAP</li> <li>➤ Georgiana TUDOR – Judge, Bucharest Court</li> <li>➤ Sorin FUSEA – Specialist, DNA</li> <li>➤ Daniel MORAR – Chief Prosecutor, DNA</li> </ul> <p>12 integrity inspectors participated on behalf of ANI.</p>

#### APPENDIX 4 Action Plan on implementing ANI Strategy for combating and preventing the accumulation of unjustified wealth, conflicts of interest and incompatibility (continuance)

Objective	Measure	Deadline	ANI Evaluation indicators	Deloitte Assessment as at 31.12.2011
3.3. Increasing the Agency's operational capacity through collaboration with the civil society	3.3.1. Achieving an active connection with the civil society's environments, especially the informing, training, prevention and identification of best practices Components			<p>Among the themes discussed within the seminar:</p> <ul style="list-style-type: none"> <li>➤ French courts' practices on public procurement;</li> <li>➤ Irregularities regarding public procurements identified by ANRMAP;</li> <li>➤ Criminal implications of non-compliance with public procurement laws in Romania;</li> <li>➤ Issue and legal handling of fraud and corruption in public procurement.</li> </ul>
	3.3.2. Carrying out research studies, in partnership with the civil society, on the causes that generate conflicts of interest or of states of incompatibility, erroneous completion of wealth and interests statements etc.	June 2012	➤ Research study carried out	<p><b>Not implemented</b></p> <p>During 2011, no research studies with regards to the causes that generate conflicts of interest or of states of incompatibility were carried out.</p>



#### APPENDIX 4 Action Plan on implementing ANI Strategy for combating and preventing the accumulation of unjustified wealth, conflicts of interest and incompatibility (continuance)

Objective	Measure	Deadline	ANI Evaluation indicators	Deloitte Assessment as at 31.12.2011
3.4. Implementing recommendations from the GRECO evaluation report, <i>on acts of corruption and transparency of political party funding in Romania</i> , issued during the third round of evaluation and approved in Strasbourg in December 2010	3.4.1 Establishing the contract and commencing the procedures for cooperation and coordination, at operational and executive level, with the Permanent Electoral Authority, the Court of Auditors and the National Agency for Fiscal Administration	May 2011	<ul style="list-style-type: none"> <li>➤ Official correspondence at an inter-institutional level;</li> <li>➤ Signed collaboration protocols.</li> </ul>	<b>Partially implemented</b> <ul style="list-style-type: none"> <li>➤ Signed collaboration protocol with the Permanent Electoral Authority;</li> <li>➤ Signed protocol with the National Agency for Fiscal Administration;</li> <li>➤ Work meeting with technical experts between the 11th and 18th of May 2011 – Status of completion for Recommendation X of the GRECO Report;</li> <li>➤ 14th of December 2011 – Roundtable on Transparency and anti-corruption in funding the activities of political parties and electoral campaigns with the Permanent Electoral Authority.</li> </ul>

**APPENDIX 5A Follow up on the implementation of the recommendations related to the Information Technology Directorate included in the 2009 & 2010 External Audit Report**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
1	<p>ANI has not developed a policy or procedure regarding the IT security. The IT activities are governed by internal orders and normative issued by the management that covers various areas regarding the IT security.</p> <p>The lack of a security procedure can lead to security breaches, loss of data or delays in the activities performed. In case of a major incident, the procedure should be the basic structure of the security system that sets up the personnel attributions and responsibilities, and also the reconstruction of the security system through the constant improvement in a line with potential new events.</p> <p>When there is no formalized process of training the users with regard to the Security Policy and when the users do not sign to confirm that they have acknowledged the provisions of the Security Policy, there might be a risk that in case of an incident the user involved might not be held responsible.</p>	Major	<p><i>We recommend that ANI should implement the IT Security Policy at the level of the entire Agency, which should include all the measures and norms ordered by now and cover all the areas regarding the information security. All ANI employees should sign to acknowledge the policy and the compliance with the security rules. Each user should be familiar with the contents of the policy and should sign a document to prove their understanding and acceptance of the policy.</i></p> <p><i>Also, we recommend the implementation of an active program of training and information of the users with regard to the rules that must be complied with for the information technology insurance.</i></p>	<p><b>Implemented</b></p> <p>During 2011 ANI implemented a System for IT Security Management, along with IT Security policies and procedures.</p>

**APPENDIX 5A Follow up on the implementation of the recommendations related to the Information Technology Directorate included in the 2009 & 2010 External Audit Report (continuance)**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
2	<p>During our audit, we have noted that ANI has implemented a process to make various changes to the IT environment. In case of acquisition, the process is in accordance with the public acquisition law.</p> <p>However, we have noted that this process is not formally described in a change management policy with regard to IT.</p> <p>Also, we noted that there is no journal of changes including all the changes made to the production environment.</p> <p>An environment in which there is no procedure or policy of change management cannot provide assurance that the changes made to the systems are in agreement with the requirements and intentions of the management.</p>	<b>Major</b>	<p><i>The management should consider the development and implementation of a formalized procedure of change management. Thus, the changes made could be better controlled. The details which should be included in this document are:</i></p> <ul style="list-style-type: none"> <li><i>• The life cycle of the software implementation and development processes such as: initiation, definition of formal functional specification, development/change, testing, implementation and final acceptance.</i></li> <li><i>• The quality standards which the developers should meet: programming, documenting, testing etc. standards. These standards are applicable both for the internal development activities and for the software developments made by third parties.</i></li> <li><i>• The implementation of an effective segregation between the software development function and the operational activities within the Information Technology Directorate.</i></li> <li><i>• The necessity of completing and updating the relevant system documentation to ensure the continuity and maintenance of the systems.</i></li> </ul> <p><i>These controls should be applied equally to all software development activities, both internal and external and to the changes made to the software.</i></p>	<p><b>Implemented</b></p> <p>During 2011, ANI implemented a System for IT Security Management, along with a change management procedure defining the change process that can exist in developing and expanding the IT resource infrastructure of the Agency, as well as mechanisms for the control, monitoring and evaluation of flow modifications, in order to reduce the negative impact some modifications regarding users and other processes might have.</p>

**APPENDIX 5A Follow up on the implementation of the recommendations related to the Information Technology Directorate included in the 2009 & 2010 External Audit Report (continuance)**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
3	<p>ANI does not have a procedure to define the norms and rules that need to be applied in the administration of the IT users, applications and systems. In case of a new employee, the application for the hardware equipment and installation of various applications is requested by the line manager, this activity not being formalized.</p> <p>In 2009, there was issued an Order (no. 202/2009) regarding the implementation of norms in case of employees that leave ANI. However, in 2008, in case of a terminated employee, the IT Department was not notified formally by the Human Resources Directorate or by the line manager of the respective employee.</p> <p>An improper process of administrating the users can lead to unauthorized access to data, namely:</p> <ul style="list-style-type: none"> <li>• Without a formalized procedure of administrating the users, ANI cannot make sure that the activities of users' administration are carried out in a proper manner.</li> <li>• Without using formalized requests, the Management cannot make sure that the users' administration activity is consistent and that only the authorized users have access to the IT systems.</li> </ul>	Medium	<p><i>We recommend that ANI should implement the Users Administration Procedure.</i></p> <p><i>The creation of user accounts and the allocation of access rights must be made only based on a formal request sent by the line manager of the person for which the account is created or the rights are allocated in the system. The requests for creating accounts and/or allocating access rights should be kept as evidence of approval by the Management of the users' administration activities.</i></p> <p><i>The Human Resources Department should inform the persons in charge with users' administration when an employee is terminated or changes their position with the organization in order to deactivate/change the user account(s).</i></p> <p><i>The access rights (roles) should be formally approved by the ANI Management. The user accounts and access rights should be periodically reviewed and any inconsistencies between the access rights and responsibilities of the users should be reported to the management.</i></p>	<p><b>Partially implemented</b></p> <p>During 2011, ANI implemented a System for IT Security Management. However, this system did not define a procedure to address exclusively the process of user account management.</p> <p>In practice there is a procedure of user management, but it is not formalized in a manual of procedures.</p> <p>Some procedures stating what applications will be installed on the computers of new employees, or what rights they have in regards to creating system accounts have been formally defined.</p>

**APPENDIX 5A Follow up on the implementation of the recommendations related to the Information Technology Directorate included in the 2009 & 2010 External Audit Report (continuance)**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
4	<p>With regard to the access to the work stations, there is no defined password policy configured such as the passwords meet certain complexity conditions.</p> <p>We understood that CIEL application has been installed and configured according to contracts no 90/01.04.2008 and 3129/30.03.2009.</p> <p>However, regarding the CIEL application, we noted that the password policy provides for a minimum length of five (5) characters and there are no other settings regarding the complexity of the password.</p> <p>All passwords of the CIEL users are known by the network administrator.</p> <p>The lack of rules to impose a proper level of complexity to the passwords can lead to unauthorized access to the critical data and systems of ANI.</p> <p>When a password is known by several persons the non-repudiation of the transactions cannot be ensured and the Management cannot know for sure who has used a certain account at a certain time.</p>	<b>Major</b>	<p><i>The following rules for passwords, generally accepted as security standard, should be considered by ANI management for implementation:</i></p> <ul style="list-style-type: none"> <li>• <i>Maximum validity period: 45 to 60 days;</i></li> <li>• <i>Minimum validity period: 1 day;</i></li> <li>• <i>The system should remember the last 12 passwords used;</i></li> <li>• <i>The password should meet complexity criteria (at least three characters from the following groups: non capital letters, capital letters, figures and special characters);</i></li> <li>• <i>Maximum number of failed authentication attempts allowed: 3;</i></li> <li>• <i>Only a privileged user with administrative rights can unlock a locked account;</i></li> <li>• <i>The password must be changed by the user upon the first accessing of the system.</i></li> </ul> <p><i>The password rules mentioned above must be imposed by the information systems (application and operating systems).</i></p> <p><i>Also, the IT staff should not know the passwords of other employees and the users should be trained to maintain the confidentiality of the passwords, in order to avoid the access of unauthorized personnel to the information resources.</i></p>	<p><b>Partially implemented</b></p> <p>The password policy for the Active Directory, as well as for access to SIMIDAI application has the following parameters:</p> <ul style="list-style-type: none"> <li>• The maximum availability period: 42 days;</li> <li>• The minimum availability period: 1 day;</li> <li>• The system memorizes the last 24 passwords used;</li> <li>• The password length is 7 characters;</li> <li>• The password follows complexity requirements;</li> <li>• No maximum number of failed login attempts is defined</li> </ul> <p>No screensaver or screen-lock option is implemented after a predefined period of time within the public network.</p>

**APPENDIX 5A Follow up on the implementation of the recommendations related to the Information Technology**  
**Directorate included in the 2009 & 2010 External Audit Report (continuance)**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
5	<p>ANI does not have a defined policy regarding the backup activity to define the scope of the systems, the regularity of this activity as well as the storage period of the safety copies.</p> <p>The lack of a backup policy cannot provide assurance that the backup activity is carried out in accordance with the requirements of the management.</p>	Medium	<p><i>The management should implement an assessment activity regarding the importance of the systems in carrying out the activity of ANI.</i></p> <p><i>Further to this assessment there should be defined the systems which need backup, and for each of them there should be defined the frequency of the backup and the period of keeping the safety copies. This policy should be approved by the management as well as by the data owners.</i></p>	<p><b>Not implemented</b></p> <p>There is a backup process designed by Star Storage for SIMIDAI system.</p> <p>For data in the Agency's IT system, other than within SIMIDAI, no process and no procedure to formalize the backup process is designed at Agency level.</p>
6	<p>Further to our review of the equipment in the server room, we have noted the following deficiencies:</p> <ul style="list-style-type: none"> <li>the lack of fire sensors to activate the alarm system and to set off a system of putting out fires</li> <li>there are no automated systems of fire extinction, there is a manual extinguisher in the vicinity of the server room</li> <li>there are no elevated floors;</li> <li>there is no system of monitoring temperature and humidity;</li> <li>there is a carpet and wooden desks.</li> </ul> <p>At the time of our audit, the server room was used for storing cardboard boxes.</p> <p>The presence of the cardboard boxes and wooden desks corroborated with the absence of fire detection and extinction system increases the risk of a possible fire.</p>	Medium	<p><i>We recommend that the server room be equipped with the following facilities:</i></p> <ul style="list-style-type: none"> <li><i>smoke/fire sensors;</i></li> <li><i>an automated fire extinction system;</i></li> <li><i>a system of monitoring and adapting temperature and humidity;</i></li> <li><i>elevated floors;</i></li> </ul> <p><i>We recommend that ANI should remove the flammable materials such as the wooden desks and cardboard boxes.</i></p>	<p><b>Partially implemented</b></p> <p>Starting with the end of 2009, the server room has been changed.</p> <p>The new server room is equipped with a climate-control system, smoke/fire sensors, an anti-break-in system and an access control system. The server room is equipped with exterior windows, wood flooring, wood desks and radiators. Also, a water pipe serving the radiators passes through the server room.</p>

**APPENDIX 5A Follow up on the implementation of the recommendations related to the Information Technology Directorate included in the 2009 & 2010 External Audit Report (continuance)**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
7	<p>ANI does not have a formalized procedure regarding the review of the security logs and the necessary measures in case of security events.</p> <p>The review of logs is irregular and the process is not formalized.</p> <p>Certain incidents that jeopardize the integrity of the data can go unnoticed and can degenerate in critical situations with a major impact, due to the lack of monitoring the logs of the systems that allow or have already implemented such facilities.</p> <p>Also, without a regular review of the logs there is a risk that the erroneous or fraudulent transactions might go undetected.</p> <p>Without a formal record of these monitoring activities, ANI management cannot make sure that the monitoring is carried out in a consistent and regular manner, ensuring the protection of data/information efficiently.</p>	Medium	<p><i>ANI management should consider the implementation of a policy to regulate the monitoring of logs, which should specify also the necessary measures in case of identification of security events.</i></p> <p><i>Also, all the incidents identified during the monitoring should be recorded and reported periodically to the management of the Information Technology Directorate.</i></p>	<p><b>Partially implemented</b></p> <p>During 2011, no formal policy existed to define procedures involving the revision of security logins and measures to be taken in the event that security issues are identified.</p> <p>However, ANI has acquired equipment that monitors the traffic network; this equipment communicates on email daily incident reports to the Chief of IT department.</p>

**APPENDIX 5A Follow up on the implementation of the recommendations related to the Information Technology Directorate included in the 2009 & 2010 External Audit Report (continuance)**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
8	<p>ANI has not implemented a business continuity plan in case of disasters.</p> <p>When there is no business continuity plan in case of disasters, there is a risk that when needed the recovery process might not be able to ensure the resumption of the processes in an efficient manner and in a reasonable period of time.</p> <p>Also, when the components of the Business continuity plan in case of disasters are not tested, there is a risk that the data recovery process might not be complete or carried out in an optimal period of time in order to restore the critical systems.</p>	<b>Major</b>	<p><i>ANI management should consider the development and implementation of a business continuity plan in case of disasters, which should include the following detailed information:</i></p> <ul style="list-style-type: none"> <li><i>the list of the persons involved and their contact data (name, address, telephone number, etc.) as well as the order of contacting them;</i></li> <li><i>a detailed list of the necessary software and settings that must be made, as well as a set of instructions regarding the installation and configuration of these software;</i></li> <li><i>a detailed procedure of restoring the database</i></li> <li><i>data connections (local network and internet), as well as settings and instructions regarding their configuration.</i></li> </ul> <p><i>Also, ANI management should consider the implementation of a process of testing the components of the business continuity plan in case of disasters.</i></p> <p><i>The results of the tests should be analyzed and, if necessary, the business continuity plan should be updated accordingly.</i></p>	<b>Not implemented</b>



**APPENDIX 5A Follow up on the implementation of the recommendations related to the Information Technology Directorate included in the 2009 & 2010 External Audit Report (continuance)**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
9	<p>ANI does not have a procedure and formalized process of treating the IT incidents. Such incidents are reported by the users via telephone or email.</p> <p>IT incidents are not recorded in any registry or database and there is no analysis process of these incidents implemented. These are resolved locally without being recorded and made known to the management.</p> <p>When the reporting of IT incidents is not formalized, there is a risk that the process of resolving such incidents might not be followed until solving.</p> <p>Also, lacking a formalized recording of the IT incidents, there is no history of the problems encountered to be used as basis for a rapid resolution of future IT incidents.</p>	Minor	<p><i>ANI should consider the development and implementation of an IT Incidents Management Policy to address the incidents occurred in the IT environment.</i></p> <p><i>All the exceptions reported should be recorded, resolved and analyzed. ANI management should make sure that all exceptions are resolved in due course in order to ensure a good operation of the IT system.</i></p>	<p><b>Partially implemented</b></p> <p>During 2011, there was no formalized internal process for dealing with IT incidents.</p> <p>In practice, a management process for IT incidents is implemented, but not formalized.</p> <p>There is a help-desk available for SIMIDAI system.</p>

**APPENDIX 5A Follow up on the implementation of the recommendations related to the Information Technology Directorate included in the 2009 & 2010 External Audit Report (continuance)**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
10	<p>Upon the arrival of a new employee, the IT Service is in charge with allocating a computer and installing the necessary applications. We have noted that this activity takes place without a formal request of the line manager and without having a defined catalogue to describe the applications that should be installed on the computers of the employees according to the department into which they belong.</p> <p>When there is no catalogue approved by the management to specify the applications that should be installed on the computers of the new employees there is a risk that some users might have on their computers applications for which they are not eligible.</p>	Medium	<p><i>The management of the IT Service should make an assessment of the applications that should be installed on the work stations for each department.</i></p> <p><i>Further to this assessment, a catalogue should be prepared to describe the applications that should be installed on the employees' computers according to the department into which they belong.</i></p>	<p><b>Implemented</b></p> <p>During 2011, a basic configuration was defined for the work stations of new Agency employees.</p> <p>Thus, depending on the position and department in which the new employee is part of, a specific predefined configuration is selected.</p>

**APPENDIX 5A Follow up on the implementation of the recommendations related to the Information Technology Directorate included in the 2009 & 2010 External Audit Report (continuance)**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
11	<p>There is no formalized process for the IT department to monitor the occurrence of the security updates for the operating systems.</p> <p>The Agency does not have a network controlled neither by network management software or an integrated i system that allows the IT department to monitor the up-dates for the operating systems. Due to this aspect, the Windows updates are downloaded and installed directly on the servers without a prior testing of compatibility with the already existing software.</p> <p>Following the procedure described above, there is a risk that certain updates applied might lead to an incompatibility between the operating system and other software installed on the ANI computers, which could lead to loss of data, inoperability of the system or data leakages.</p>	Medium	<p><i>The management of the IT Service should implement a consistent process of monitoring the patches from the software manufacturers. Before the implementation in production of a patch, this should be tested in a testing environment so that any incompatibility with other software installed to be detected. The process should be formalized.</i></p>	<p><b>Partially implemented</b></p> <p>This activity is realized only for the Inspection of Integrity application that is managed by Star Storage. For the public network, no formal process exists for monitoring security updates of the operating systems by the IT Directorate.</p>

**APPENDIX 5A Follow up on the implementation of the recommendations related to the Information Technology Directorate included in the 2009 & 2010 External Audit Report (continuance)**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
12	<p>As of 2009 ANI has a regulation regarding the physical access.</p> <p>However, during 2008, ANI did not have available a regulation to define the rules regarding the access to and circulation of persons inside the ANI premises.</p> <p>An environment that does not have security procedures and policies regarding the physical access cannot provide assurance that the norms regarding the physical access are complied with by all employees. Also, in the absence of a regulation regarding the physical access there is no certainty that this activity is consistent and in accordance with the requirements and intentions of the management.</p>	<b>Minor</b>	<p><i>The management should consider a constant review and updating of a policy which defines the rules regarding the access and circulation of persons inside ANI premises.</i></p> <p><i>This policy should be constantly endorsed and revised in order to be pertinent.</i></p> <p><i>Also, the users should be trained with regard to this regulation in order to avoid the access of unauthorized personnel to the ANI premises or IT resources.</i></p>	<p><b>Implemented</b></p> <p>ANI has a policy regarding physical access within the Agency.</p> <p>Also, during 2011, Order 224 / 12.05.2011 was issued regarding circulation and physical access within ANI.</p>
13	<p>In Active Directory the screen saver options (time-out policy configuration) is not defined.</p> <p>If a working station is not protected by an efficient policy of logging off a user and requiring the authentication window upon his return, there is an increased risk of unauthorized access being obtained more easily. In addition, the user's confidentiality can be easily broken and critical data altered.</p>	<b>Medium</b>	<p><i>The Information Technology Directorate may take into consideration the effective definition of the password policy at operating system level for users' working stations, by activating the option of blocking the screen saver through the authentication window when the computer is not used for a predefined period of time.</i></p>	<p><b>Partially implemented</b></p> <p>In Active Directory the password screen saver option for the users working stations is not active in the public network, namely the activation of the screen locking option for the cases when the work station is inactive during a period of time.</p>

**APPENDIX 5A Follow up on the implementation of the recommendations related to the Information Technology Directorate included in the 2009 & 2010 External Audit Report (continuance)**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
14	At Active Directory level, the password policy does not have enabled the settings of accounts lockout after a predefined number of failed attempts of introducing the password. If the password policy is not effectively defined, there is a risk of unauthorized access being more easily obtained by unauthorized individuals, others from the assigned personnel to an account, critical information being more easily alterable and stored information becoming thus unreliable.	Medium	<i>The Information Technology Directorate may take into consideration enforcing the account lockout policy's parameters of blocking an account after a predefined number of failed attempts of introducing a given password. Also, the password policy should be defined and approved by management in for all security parameters to be enabled as per its intentions.</i>	<b>Partially implemented</b> The recommendation is implemented for the private network but is not implemented for the public network.

**APPENDIX 5A Follow up on the implementation of the recommendations related to the Information Technology Directorate included in the 2009 & 2010 External Audit Report (continuance)**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
15	<p>Through ANI President Order no 707/2009, it is designed the process and specified how the operations should be conducted in the event of an employee leaving the institution.</p> <p>However, we identified that domain accounts for two leavers selected (Stanescu Emilia – Archivist and Visan Benone – integrity inspector) were still enabled in the public network of Active Directory, after the termination of the employment. The account of the integrity inspector mentioned above was active in the private network of Active Directory and at SIMIDAI application level, as well.</p> <p>Both accounts have been inactivated after our IT audit.</p> <p>The lack of controls over leavers' accounts raises the risk of unauthorized actions that do not comply with internal procedures and management's intentions.</p> <p>If formalized and periodical assessments over the users' accounts and access rights defined in the systems used are not performed, there is a risk that leavers' accounts remain active after their termination date and they can be used by other individuals for initiating unauthorized actions.</p>	Major	<p><i>We recommend to ANI management to consider the implementation of a review process over the active users' accounts and their corresponding access rights, in order to identify extensive access rights and leavers' accounts that are still enabled.</i></p> <p><i>This process could be performed periodically, at least annually, so that leavers' accounts enabled at IT system level (network systems and financial applications) are timely inactivated.</i></p>	<p><b>Not implemented</b></p> <p>For 3 selected users active accounts were found in the Active Directory of the public network, after the termination or suspension of employment (maternity leave, transfer, retirement).</p>

**APPENDIX 5A Follow up on the implementation of the recommendations related to the Information Technology Directorate included in the 2009 & 2010 External Audit Report (continuance)**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
16	<p>At Active Directory level, within the private and the public network domain, we noted the existence of generic user accounts (e.g. anifs_user, inspector, inspector admin, registrator, inspectori203, inspectori205, inspectori207, etc.).</p> <p>No formal documentation is available detailing the accounts utility in order to ensure the fact that the management approves their set-up and activity.</p> <p>By the use of generic accounts, unauthorized activities may be performed by the users without the ability of assigning responsibility of these actions to only one individual.</p> <p>When accountability cannot be traced to a single identifiable user there is an increased risk for data to become unreliable and this may lead to unsure / unclear information recorded in the critical information systems.</p>	Medium	<p><i>We recommend to ANI management to consider the assignment of a unique account to every employee associated with a complex password.</i></p> <p><i>If management accepts the existence of generic user accounts within the production module of the IT systems, these accounts should be formally defined, detailed and approved accordingly so that management would approve their existence and utility.</i></p> <p><i>Generic accounts should be periodically reviewed, so that management would ensure proper assignment of the responsibility of actions performed by these accounts.</i></p>	<p><b>Implemented</b></p> <p>Generic accounts were eliminated from Active Directory, for both the public and the private network.</p>

**APPENDIX 5A Follow up on the implementation of the recommendations related to the Information Technology Directorate included in the 2009 & 2010 External Audit Report (continuance)**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
17	<p>Following the assessment of the backup process, we noted that backup files are kept only for a period of one month.</p> <p>In situations when backup files are kept for a short period of time, there is a possibility that in case of significant problems/ operational interruptions, which require restoration of older data, there cannot be obtained due to unavailability of backups. These may lead to loss in terms of critical work information/ data.</p> <p>Additionally, the restoration process in case of a disaster may be more difficult if the reprocessing of all working data is required, if these are available on physical support.</p>	<b>Medium</b>	<p><i>We recommend to ANI management to consider the extension of backups retention period.</i></p> <p><i>The necessity of retaining backup archives may be discussed with the process owners in order to properly determine the criticality of data and the corresponding necessity/ utility. This information will be used in order to properly determine the corresponding retention period of production data backup files.</i></p>	<p><b>Implemented</b></p> <p>The maximum period for retaining backup archives was extended to 3 months.</p>



**APPENDIX 5A Follow up on the implementation of the recommendations related to the Information Technology Directorate included in the 2009 & 2010 External Audit Report (continuance)**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
18	<p>Currently, there is no off-site location available for storing the backup files.</p> <p>The backup archives are written on tapes that are stored constantly within the tapes management library located within the server room.</p> <p>Storage of the backup media in the same building as the production servers exposes the Company to the risk of losing both the live servers and the backup media in case a significant operational procedures interruption or it makes it very difficult to restore the operations on a timely manner.</p> <p>Also, the unavailability of the backup tapes raises the risk of delays in the applications and information recovery in the case of a major system interruption</p>	Medium	<p><i>We recommend to ANI management to consider the implementation of a procedure that requires the transfer of backup files within a dedicated off-site location, so that they will be available in a critical event.</i></p> <p><i>Additionally, the backups' transfer process should be formalized, so that the responsibility of the sending / receiving activities would be properly assigned.</i></p>	Not implemented

**APPENDIX 5A Follow up on the implementation of the recommendations related to the Information Technology Directorate included in the 2009 & 2010 External Audit Report (continuance)**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
19	<p>We noted that due to the large amount of data within the IT system, the backup process requires a large time frame (sometimes 2-3 days) to be completed.</p> <p>Because of this and because of the existence of a single drive that writes the backup, all other backup jobs remain in a queue so that the period mentioned above does not have a backup.</p> <p>In situations when the backup solution is not properly dimensioned there is a possibility that timely recovery in case of a disaster situation is not possible. This has a direct impact on the availability of data and the capability of restoring the system.</p> <p>Moreover, due to the short retention period of backup files (1 month), there is a risk, that when needed, backup files older than one month may not be available.</p>	<b>Major</b>	<p><i>We recommend to ANI management to consider analyzing the current backup process and to properly dimension the necessities in this regard. After analyzing the current situation, management may consider the reorganization of the existing backup solution and the evaluation of existing automated jobs enabled for creating the backup files at any time.</i></p> <p><i>Additionally, the existing storing and working capacities may be extended by acquiring new equipment dedicated for the backup job and that would cover the process needs.</i></p>	<p><b>Implemented</b></p> <p>By changing the backup solution, the period of time necessary for recovery has been significantly reduced.</p>

## APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009 & 2010 External Audit Report

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
<b>Operational procedures</b>				
1	The performance indicators presented in the operating procedures are not measurable and the responsibility of their monitoring is not recorded. This observation applies to all existing ANI operating procedures in 2009.	<b>Medium</b>	<p><i>We recommend that the performance indicators presented in the procedures to be formulated so as to have the following characteristics:</i></p> <ul style="list-style-type: none"> <li>➤ <i>To be specific to the activity they refer to;</i></li> <li>➤ <i>To be measurable, in order to objectively determine their degree of achievement ;</i></li> <li>➤ <i>To be achievable;</i></li> <li>➤ <i>To be relevant for the targeted activity;</i></li> <li>➤ <i>To be timely monitored to detect and correct any misconduct / poor performance.</i></li> </ul> <p><i>For a greater effectiveness of these indicators it should be specified in the procedures the responsibility of department performance monitoring correlated to these indicators.</i></p>	<p><b>Partially Implemented</b></p> <p>Following the examination of operational procedures designed and implemented during 2011, we noted the fact that this observation, and the corresponding recommendation, is applicable to the new procedures as well.</p> <p>However, we noted that the performance of ANI departments' activity is monitored weekly and quarterly through activity reports which include performance indicators.</p>

**APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009 & 2010 External Audit Report (continuance)**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
<b>Operational procedures</b>				
<b>2</b>	<p>We noted the lack of definitions under “Abbreviations and definitions” chapter, in procedures such as:</p> <p>PO 01/DGORU; PO 02/DGORU; PO 04/DGORU; PO 05/DGORU; PO 07/DGORU; PO 08/F/DGE; PO 14/C/DGE; PO 15/C/DGE; PO 6.4/F/DGE; PO 10/FDGE; PO 12/F/DGE; PO 9/F/DGE; PO 13/F/DGE; PO 07/ CAPI; PO 08/CAPI; PO 09/CAPI; PO 10/CAPI; PO 01/CP; PO 02/CP; PO 05/CP; PO 06/CP; PO 05/II (version 01); P 09/II (version 02); PO II/02(version 01); PO 03/II (version 02); PO02/CPM; PO03/CPM; PO04/CPM; PO05/CPM.</p>	<b>Minor</b>	<p><i>We recommend the update of the procedures with the missing information, and if the process is not applicable for some procedures this fact should be mentioned.</i></p>	<p><b>Partially Implemented</b></p> <p>Following the examination of the operational procedures we noted that the procedures mentioned below are still to be updated accordingly:</p> <p>PO 01/DGORU; PO 02/DGORU; PO 04/DGORU; PO 05/DGORU; PO 07/DGORU; PO 08/F/DGE; PO 14/C/DGE; PO 15/C/DGE; PO 12/F/DGE; PO 13/F/DGE; PO 07/ CAPI; PO 08/CAPI; PO 09/CAPI; PO 10/CAPI; PO 01/CP; PO 02/CP; PO 05/CP; PO 06/CP; PO02/CPM; PO03/CPM; PO04/CPM; PO05/CPM; PO 02/II; PO 03/II; PO 05/II.</p>
<b>3</b>	<p>We noted the lack of traces related to the persons responsible with the activities under “Main activities in chronological steps” chapter, in procedures such as:</p> <p>PO CRPMM 01; PO 04 DGORU; PO 09/DGORU; PO 6.4/F/DGE; PO 11/F/DGE; PO II/01 (version 01); PO II/02 (version 01); PO 07/II (version 02); PO 13/F/DGE, PO 14/C/DGE; PO15/C/DGE.</p>	<b>Minor</b>	<p><i>We recommend the update of the procedures with the missing information in the chapter “Main activities in chronological steps”.</i></p> <p><i>We also recommend that, in presenting the main activities of the processes described in the procedure, to be avoided the use of impersonal phrases like “it is checked”, “it is communicated”, etc., and to be replaced with wordings through which one can identify information regarding the person that initiates the activity, the result of the activity and the person who receives the result of the activity.</i></p>	<p><b>Partially Implemented</b></p> <p>Taking into consideration that our recommendations regarding the procedures are not likely to modify the process flow and as result of the tests performed during the last two years no deficiencies were identified as consequence of these observations we consider that this year the impact of missing this information in the procedure is minor and it represents a formal, presentation aspect.</p> <p>As result of the examination performed over the operating procedures we noted that the following procedures still need to be appropriately updated:</p> <p>PO 11/F/DGE- the chapter “Involved human</p>

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
				<p>resources" mentions ANI President, DGE General Director, The Chief of Finance Accounting department; from the presentation of the 10 procedural steps it is not clear which resource is involved in what step.</p> <p>PO 14/C/DGE- the persons that realize the activities are not clearly presented; the chapter Involved Human Resources mentions the main credit release authority and DGE personnel; taking into account the fact that the Economic Directorate includes two departments (Finance Accounting and Administrative) and two compartments (Investments and acquisitions and Archiving) it is necessary to be mentioned (the position, department/ compartment) of the personnel involved in the activities presented in the procedure.</p> <p>PO15/C/DGE- the chapter "human resources involved" mentions "the person that prepares the document". The procedure should mention at least the compartment/ department that the involved person is part of.</p>

**APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009 & 2010 External Audit Report (continuance)**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
<b>Operational procedures</b>				
4	<p>Under "Events over the procedural activities" chapter we noted that, during the presentation of alternative actions, there are some procedures that do not explicitly mention the course of activities in each case. Amongst these procedures are:</p> <p>PO CRPMM 03; PO CRPMM 06; PODGORU 02; PO 04 DGORU; PO 05 DGORU; PO 06 DGORU; PO 9/F/DGE; PO 16.2/F/DGE; PO 11/F/DGE; PO 02/CAPI; PO 07/CAPI; PO 08/CAPI; PO 09/CAPI; PO 10/CAPI; PO 01/R; PO 02/R; PO 03/R; PO 04/R; PO 05/R; PO 06/R; PO 07/II</p>	Minor	<p><i>We recommend the explicit mention of the course of action in each case if alternative ways of action are presented during the procedural activity. Also, we recommend the avoidance of vague formulations like: "if the request is approved the procedure continues, if not the procedure ends".</i></p>	<p><b>Status at 31.12.2011</b>  <b>Partially Implemented</b></p> <p>Taking into consideration that our recommendations regarding the procedures are not likely to modify the process flow and as result of the tests performed during the last two years no deficiencies were identified as consequence of these observations we consider that this year the impact of missing this information in the procedure is minor and it represents a formal, presentation aspect.</p> <p>Following the examination of the operational procedures we recommend that the procedures mentioned below to be updated accordingly, with the explicit mentioning of operational flux:</p> <p>PO 02/DGORU; PO 05/DGORU; PO 06/DGORU; PO 9/F/DGE; PO 16.2/F/DGE; PO 11/F/DGE; PO 02/CAPI; PO 07/CAPI;</p> <p>Additionally we mention the following aspects:</p> <ul style="list-style-type: none"> <li>➤ PO 01/C/DGE; in the chapter "Events during the activities presented in the procedure" included in the procedure it is mentioned: the documents submitted to be recorded in</li> </ul>

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
				<p>accounting are not approved by the credit release authority" without being mentioned which are the steps to be performed in such cases;</p> <ul style="list-style-type: none"> <li>➤ PO 04/C/DGE; in the chapter "Events during the activities included in the procedure" it is mentioned: the documents submitted to be recorded in accounting are not approved by the credit release authority" without being mentioned which are the steps to be performed in such cases;</li> <li>➤ PO 8.2/C/DGE; in the chapter "Events during the activities included in the procedure" it is mentioned: the documents submitted to be recorded in accounting are not approved by the credit release authority" without being mentioned which are the steps to be performed in such cases;</li> <li>➤ PO 10/C/DGE- in the chapter "Events during the activities included in the procedure" it is mentioned: job description, the compulsoriness given by the legal provisions</li> </ul>
5	We noted the lack of information under "Alternative activities in the business operating procedures" chapter, in procedures such as:	Minor	<i>We recommend the update of the procedures with the missing information in the chapter "Alternative activities in the business operating procedures", and if</i>	<p><b>Partially Implemented</b></p> <p>Taking into consideration that our recommendations regarding the</p>

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
	PO- CRPMM-04; PO 04 DGORU; PO DGORU 05; PO 09/CAPI; PO 10/CAPI; PO 02/R; PO 03/R; PO 04/R; PO 05/R; PO 06/R; PO 03/CP; PO 04/CP; PO 11/II (version 01); PO-04/CPM		<i>the situation is not applicable for some procedures this fact should be mentioned.</i>	<p>procedures are not likely to modify the process flow and as result of the tests performed during the last two years no deficiencies were identified as consequence of these observations we consider that this year the impact of missing this information in the procedure is minor and it represents a formal, presentation aspect.</p> <p>Following the examination of the operational procedures we noted that the procedures mentioned were updated accordingly.</p> <p>However, the operational procedures designed and implemented during 2010, mentioned below, are still to be updated considering the chapter mentioned:</p> <p>For the procedures PO 12/C/DGE; PO 16.3/F/DGE; PO 16.4/F/DGE according to the procedure there are no alternative activities in the process presented in the procedure</p> <p>One of the alternative activities that could be included is: in case of a control performed by the Ministry of Finance in case errors are identified in the Statements submitted sanctions are applied in accordance with provisions for false of public documents crime.</p>



**APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009 & 2010 External Audit Report (continuance)**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
<b>Operational procedures</b>				
6	We noted the lack of information under "Rules/ Constraints" chapter, in procedures such as: PO- CRPMM-04; PO 04 DGORU; PO 05; PO 02/R; PO 03/R; PO 04/R; PO 05/R; PO 06/R; PO 05/CP; PO - II/01 (version 1); PO - 07/II (version 02); PO - 04/II (version 01); PO -09/II (version 02); PO-12/II.	<b>Medium</b>	<i>We recommend the update of the procedures with the missing information in the chapter "Rules/ Constraints", and if the situation is not applicable for some procedures this fact should be mentioned.</i> <i>For a greater effectiveness, these rules should be specific and provided with deadlines, and there should be explicitly mentioned the person / division responsible for monitoring their compliance.</i>	<b>Partially Implemented</b>  Following the examination of the operational procedures we noted that the procedures mentioned were updated accordingly.  However, the operational procedure designed and implemented during 2010, mentioned below, is still to be updated considering the chapter mentioned: PO 10/C/DGE  Taking into consideration that our recommendations regarding the procedures are not likely to modify the process flow and as result of the tests performed during the last two years no deficiencies were identified as consequence of these observations we consider that this year the impact of missing this information in the procedure is medium.  After examining the operational procedures we found that these have been updated accordingly.  However, operational procedure OP 10/C/DGE should be further updated in the mentioned chapter.  During this procedure, rules and constraints are mentioned, but in the Rules and Constraints chapter appears that "none were identified".  ➤ In addition to the rules already

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
				<p>mentioned in the procedure that should be presented under the Rules and Constraints chapter could also include:</p> <ul style="list-style-type: none"> <li>➤ checks should not be made by the same person who made the accounting records;</li> <li>➤ should not be allowed (accounting software should not allow) insertions, delete or modify data for a closed period;</li> <li>• open two accounts with the same symbol;</li> <li>• change the symbol of account where data were recorded in the account;</li> <li>• suppression of an account in the current financial year or previous financial year, if it contains records or balance;</li> <li>• editing of two or more documents of the same type, same number but different contents information;</li> <li>➤ The chief accountant does not close the month and Economic Director does not approve checklists until all errors are corrected.</li> </ul>
7	<p>We noted the lack of information under “Connections with other activities” chapter, in procedures such as:</p> <p>PO- CRPMM-01; PO- CRPMM-03; PO- CRPMM-04; PO- CRPMM-05; PO- CRPMM 06; PO- DGORU 02; PO 04 DGORU; PO 05 DGORU;</p>	Minor	<p><i>We recommend the update of the procedures with the missing information in the chapter “Connections with other activities”, and if the situation is not applicable for some procedures this fact should be mentioned.</i></p>	<p><b>Partially Implemented</b></p> <p>Taking into consideration that our recommendations regarding the procedures are not likely to modify the process flow and as result of the tests performed during the last two years no deficiencies were identified</p>

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
	PO-DGORUI 01; PO 03/R; PO 03/CP; PO 04/CP; PO - II/02 (version 01)			<p>as consequence of these observations we consider that this year the impact of missing this information in the procedure is minor and it represents a formal, presentation aspect.</p> <p>Following the examination of the operational procedures we noted that the procedures mentioned were updated accordingly.</p> <p>However, the operational procedures designed and implemented during 2010, mentioned below, are still to be updated considering the chapter mentioned:</p> <p>PO 16.3/F/DGE; PO 16.4/F/DGE; PO 18/F/DGE</p> <p>Procedures 16.3 and 16.4 are not independent of the other processes realized at ANI level. They take the output of other activities that are described in other procedures. The purpose of chapter "Connections with other activities" is to acknowledge these relationships. For these procedures the connection is made through the procedure 6/C/DGE Payroll Accounting records on the structure of budgetary classification (ROM: Evidenta contabila privind cheltuielile cu salariile pe structura clasificatiei bugetare).</p> <p>The procedure PO 18/F/DGE should have connections with all processes that generate documents subject to archiving. The statement that "there have not been identified connections with other activities" is</p>

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
				not applicable.
8	We noted the lack of detailed information regarding the decisional factors, in procedures such as: PO- CRPMM-03; PO 03/R; PO 04/CP	Minor	<i>We recommend the update of the procedures with the missing information regarding the decision making factors.</i>	<p><b>Partially Implemented</b></p> <p>Taking into consideration that our recommendations regarding the procedures are not likely to modify the process flow and as result of the tests performed during the last two years no deficiencies were identified as consequence of these observations we consider that this year the impact of missing this information in the procedure is minor and it represents a formal, presentation aspect.</p> <p>After examining the operational procedures we found that the following procedure should be further updated accordingly.</p> <p>PO 03/CRPMM- We consider that decision making in the media monitoring process should be related to the setting / changing the search criteria, the site on which the press is monitored etc.</p>

**APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009 & 2010 External Audit Report (continuance)**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
<b>Internal Public Audit Department</b>				
<b>9</b>	Based on the tests realized we noted that the Public Internal Audit Department staff is insufficient comparing to the correspondent activity volume. This was one of the reasons for modifying the Internal Audit plan three times in 2009. By excluding some areas from the initially approved plan. According to the Methodological Norms, the internal audit plan is modified based on legal or organizational changes that modify the degree of significance of certain operations, activities or actions of the system. Internal audit team unavailability for some planned engagements should not be reason to eliminate areas of the audit plan. One of the factors that impeded the remediation for this circumstance was that in 2009, because of budget restrictions, it was not possible to finance additional positions in ANI.	<b>Major</b>	<i>We recommend the staff from public Internal Audit Department to be supplemented in order to permit the activities to be realized in optimal conditions and the internal audit plan to be followed.</i>	<p><b>Not Implemented</b></p> <p>Following the tests performed over CAPI activities during 2011, we noted that the personnel employed in the Internal Public Audit Department is insufficient compared to the afferent workload. The aspect mentioned above was also one of the reasons that the Audit Plan has been amended three times during 2011 by excluding some areas initially approved in the audit plan.</p> <p>During 2011, one of the two internal auditors from CAPI was on maternity leave for the period between February 2011 and 31st of December 2011, thus, in addition to not covering the planned workload, internal audit missions were not supervised.</p>

**APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009 & 2010 External Audit Report (continuance)**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
<b>Internal Public Audit Department (CAPI)</b>				
<b>10</b>	<p>According to the Methodological Norms and the operating procedure regarding the disclosure of internal auditor's independence, before each audit mission the internal auditor must sign the impartiality statement which needs to be countersigned by the ANI president. Based on the checks performed, we noted that the impartiality statement signed by the internal auditor before the internal audit mission „Organization, planning and reporting regarding the activity of investment and public acquisitions in 2009” was not countersigned by the President.</p> <p>In the absence of a confirmation from the ANI President regarding the impartiality of the person assigned on the internal audit mission there is an increased risk that some impartiality circumstances go undetected with impact over the final result of the audit, contravening the public internal audit legislation.</p>	<b>Medium</b>	<i>We recommend compliance with the methodological norms regarding the internal auditors' statement of independence.</i>	<p><b>Not implemented</b></p> <p>Following the assessments performed over CAPI activities during 2011, we noted that during the mission „Analysis of the activity IT infrastructure management” performed during 2011, the internal auditor responsible with the supervision of the internal audit mission did not sign the impartiality statement.</p>

**APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009 & 2010 External Audit Report (continuance)**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
<b>Internal Public Audit Department (CAPI)</b>				
11	According to the Methodological Norms and the operating procedure regarding the evaluation of individual professional performances, the auditor must realize at least 15 days of professional development each year. Although the for CAPI personnel training activities were recorded in the „Training and professional development plan” because of the budget restrictions, the internal auditors did not attend any professional course during 2009. We noted that there was a request sent by CAPI regarding attendance to classes to obtain European Computer Driving License but no answer was received from DGORU until the end of 2009.	<b>Major</b>	<i>We recommend ANI management to act in accordance with the legal provisions regarding the internal auditors’ professional development.</i>	<b>Not implemented</b> Following the interviews held with CAPI representative, we understand that due to budgetary constraints internal auditors did not attend any professional training courses during 2011.
<b>Legal, Control, Public Relations and Communication Directorate – Observations regarding operational procedures</b>				
12	During our assessment we noted that some operational procedures formalizing the following DJCRPC processes are missing, although these were taken into consideration in the elaboration of procedures process: ➤ The procedure regulating the activity of the Control Department. However, although the ROF states the elaboration of an annual internal control plan approved by ANI President, we noted that during the period under audit this plan was not issued nor any other notes or reports were prepared planning the optimization of the administrative activity and of the controlled structures management.	<b>Major</b>	<i>We recommend the formalization of the procedures regulating the Control Department activity and the elaboration of this department’s annual activity plan.</i>	<b>Partially implemented</b> During 2011, a procedure was designed regarding the Preliminary investigation of perceived misconduct of ANI personnel.

**APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009 & 2010 External Audit Report (continuance)**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
<b>Legal, Control, Public Relations and Communication Directorate – Observations regarding operational procedures</b>				
<b>13</b>	<p>The procedure PO01/DJCRPC regarding the formulation of the documents and representation of ANI before the courts provides no method of choosing the bailiff when the party that lost the trial doesn't willingly comply with the final and irrevocable court decision.</p> <p>However, the procedure provides no stipulations regarding the possibility of mediation when it is the case of a court decision forced execution, although this is a quicker and less costly alternative for the dispute / litigation resolution.</p>	<b>Minor</b>	<i>We recommend integrating a set of provisions into the procedure regarding the method for selecting the bailiff and the possibility of mediation, in the causes and situations provided by Law no 96/2006 regarding the organization of mediation, as well as in the situations provided by the Law no 202/2010 regarding some measures to accelerate the settlement process ("Small reform Law").</i>	<p><b>Not implemented</b></p> <p>Following the examination of the operational procedures, we noted that the operational procedure was not updated according to Deloitte recommendation.</p>
<b>14</b>	Following the changes of ROF provisions by adapting it to the new legislative provisions, DJCRPC is responsible for the Council secretariat, thus requiring an update of the ANI President Order no 270/10.06.2008.	<b>Minor</b>	<i>We recommend the update of ANI President Order no 270/10.06.2008, by adapting it to the new ROF provisions following the dissolution of the International Relations General Directorate, its responsibilities being fulfilled by DJCRPC.</i>	<p><b>Implemented</b></p> <p>Following our interview with the Legal Directorate's Director, we understood that the President Order has been updated according to Deloitte recommendation.</p> <p>Furthermore, we examined ANI President Order no 5 / 04.01.2011 for organizational measures regarding the secretarial activity of the National Council for Integrity, as well as ANI President Order no 382 / 08.11.2011 to modify and complete Order no 5 / 04.01.2011.</p>



**APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009 & 2010 External Audit Report (continuance)**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
<b>Legal, Control, Public Relations and Communication Directorate – Observations regarding the activity performed</b>				
<b>15</b>	Based on the interviews had we noted that the DGJRP staff is insufficient comparing to the correspondent activity volume of this structure which had a significant increase comparing to the previous year. In 2009 the Claim department had 705 active files in the entire country.	<b>Major</b>	<i>We recommend the supplementation of the DJCRP staff by hiring new personnel or reallocating the existent one in order to for the activities to be realized in optimal conditions.</i>	<b>Partially implemented</b> During 2011, funds were obtained for two additional consultant positions within ANI; the recruitment procedure is in progress.
<b>16</b>	Based on the information received as result of the interview had with the DJCRP Director, we noted that there still has not been implemented an automated evidence of the pending causes which make the monitoring in real time very difficult, leading to an increased risk of missing certain terms with undesired consequences over the final results of the legal actions that might have a negative impact on ANI image. The pending files are currently maintained in an Excel type document.	<b>Medium</b>	<i>We recommend the legal files to be managed in an integrated system module which allows monitoring of the terms, the status of the files and action in due time.</i>	<b>Partially implemented</b> Following the impact analysis within ANI resulted that the management of legal files cannot be integrated in SIMIDAI system, a more efficient method being the development of a separate IT system; the procedure for obtaining funding for implementing this system has been initiated.

**APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009 & 2010 External Audit Report (continuance)**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
<b>Legal, Control, Public Relations and Communication Directorate – Observations regarding the activity performed</b>				
<b>17</b>	<p>We noted that the following activities performed by DJCRP are not formalized in operating procedures, although they were considered in the process started by ANI: Procedure regarding the issuance of orders related to DCJRP; Procedure regarding certification of the documents issued by ANI directorates and departments; Procedure regarding the archiving of the legal files and other acts regarding DCJRP activity; Procedure that regulates the activity of Control department.</p> <p>The absence of procedures that formalize: information flow, relationship with other departments, responsibilities correspondent to these processes and performance indicators might lead to less standardized practices at DJCRP level and to the impossibility to objectively evaluate DJCRP activities.</p>	<b>Medium</b>	<i>We recommend the formalization of the procedures that regulates DJCRP activity.</i>	<p><b>Partially Implemented</b></p> <p>During 2010 and 2011, most of the operational procedures have been developed as recommended by Deloitte, except the procedure governing the activities of the Control Department, for which a single procedure was issued regarding the Preliminary investigation of perceived misconduct of ANI personnel.</p>

**APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009 & 2010 External Audit Report (continuance)**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
<b>Human Resources Department – Observations regarding operational procedures</b>				
<b>18</b>	Following the examination of the procedures “Elaboration of the Annual Training Plan and the Action plan for the training of ANI personnel” and “Preparation and approval of ANI functions report”, designed and implemented during 2010, we noted that the deadlines for performing the activities are not mentioned nor the periodicity for performing these activities.	<b>Medium</b>	<i>We recommend the update of the operational procedures with the deadlines for performing these activities so that the monitoring – control activity to be facilitated.</i>	<b>Implemented</b> Following the examination of the operational procedure, we noted that it has been updated as per Deloitte recommendation.
<b>19</b>	Following the examination of the procedure “Overtime approval for ANI personnel”, we noted that it refers to the <i>Joint Commission</i> without defining this concept and without specifying its duties and responsibilities.	<b>Minor</b>	<i>We recommend the update of the operational procedure so that this term is defined, and the duties and responsibilities of the commission are presented.</i>	<b>Implemented</b> Following the examination of the operational procedure, we noted that it has been updated as per Deloitte recommendation.

**APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009 & 2010 External Audit Report (continuance)**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
<b>Human Resources Department – Observations regarding the activity performed</b>				
<b>20</b>	<p>We noted that the following processes that occur inside DGORU have not been formalized in procedures during 2009, although they were considered in the procedures creation process started by ANI in 2009:</p> <ul style="list-style-type: none"> <li>➤ Overtime approval;</li> <li>➤ Cease of the labor relation;</li> <li>➤ Promotion process;</li> <li>➤ The implementation of the Law 144/2007 provisions for ANI employees;</li> <li>➤ Preparation and certification of the functions report;</li> <li>➤ Preparation and maintenance of the professional files;</li> <li>➤ Preparation and update of the job descriptions;</li> <li>➤ Keeping the medical leaves;</li> <li>➤ Granting the payroll and other personnel benefits;</li> <li>➤ Monitoring compliance with the code of conduct</li> </ul> <p>The absence of procedures that formalize: information flow, relationship with other departments, responsibilities correspondent to these processes and performance indicators might lead to less standardized practices at DGORU level and to the impossibility to objectively evaluate DGORU activities.</p>	<b>Medium</b>	<p><i>We recommend the formalization of these procedures in order to ensure the standardization of these activities in DGORU, formalization of the documents flow and definition of the responsibilities and relationships with other departments.</i></p>	<p><b>Partially implemented</b></p> <p>The listed processes have been formalized, except for:</p> <ul style="list-style-type: none"> <li>- Monitoring compliance with the code of conduct;</li> <li>- Granting the payroll and other personnel benefits.</li> </ul> <p>During the audit field work we received the proposal regarding the procedure to monitor the compliance with Code of conduct that will be submitted to ANI President for approval.</p>

## APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009 & 2010 External Audit Report (continuance)

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
<b>Human Resources Department – Observations regarding the activity performed</b>				
21	Based on the examination of the evaluation reports regarding the professional performances of ANI employees for a sample of employees we noted that the performance indicators do not comply with the specificity, measurability and timeliness criteria. The performance indicators included in the evaluation report of a debutant integrity inspector are: number of causes realized in due time, number of realized checks, number of solved notifications, number of expertise used, timely realization of the plan, number of notifications and solved causes, correctness of the reports, number of causes promoted in court and accepted. In these cases the indicators are presented as absolute values, while a relative presentation reported to the entire population would provide a real image over the performance of the evaluated person. (e.g.: number of causes solved in due time out of total number of causes; number of causes promoted in court and accepted out of total number of causes etc.). The indicators, "timely realization of the plan" and „correctness of the reports", are not specific and measurable. The following indicators are included in the evaluation report for an IT expert: ANI site update, realize events without major technical incidents. Issue strategies regarding data security politics optimal functioning of the computers, optimal functioning of IT software's configuration and installation of TCC equipment for Integrity Inspectorate. The following performance indicators are included in the evaluation report for an employee from the	Medium	<p><i>We recommend the performance indicators included in the professional performances evaluation reports for ANI personnel (except the public servants that are governed by the provisions of the Law188/1999 to be designed in order to meet the following criteria meant to ensure a high degree of objectivity and transparency in the evaluation process:</i></p> <ul style="list-style-type: none"> <li>➤ <i>To be specific to the activity that it refers to;</i></li> <li>➤ <i>To be measurable in order to be able to determine the realization degree in an objective manner;</i></li> <li>➤ <i>To be realizable;</i></li> <li>➤ <i>To be relevant to the evaluated activity;</i></li> <li>➤ <i>To be monitored in due time in order to detect and correct eventual deviations/low performances</i></li> </ul> <p><i>We recommend corroborating these indicators with the performance indicators mentioned in the operating procedures correspondent to each process in ANI.</i></p>	<p><b>Not Implemented</b></p> <p>Following the examination of individual professional performance evaluation reports for the period 01.01.2011 – 31.12.2011, of ANI employees for a sample of 3 employees, we noted that the performance indicators included do not meet the specific and measurable criteria, as well as deadlines for realizing these targets, and in one of the cases selected the performance indicators are not mentioned at all in the performance evaluation report.</p> <p>Also, we recommend that these indicators are presented as an Appendix to the evaluation report.</p>

**APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009 & 2010 External Audit Report (continuance)**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
<b>Human Resources Department – Observations regarding the activity performed</b>				
	Vice-president office: realization of the executed performance standards, volume of works and activities; number of disputes/ claims received; quality of the rendered; undertaking responsibility. These indicators are not measurable, specific and timely. In the absence of performance indicators that meet the specificity, measurability and achievability criteria, there is a probability that the evaluation process lacks objectivity and transparency that might distort the final result.			

**APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009 & 2010 External Audit Report (continuance)**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
<b>Labor Protection Department – Observations regarding operational procedures</b>				
<b>22</b>	<p>Following the examination of the procedures “The activity of research, record, declaration and keeping an evidence of work accidents and professional diseases”, “Elaboration of the Prevention and protection plan”, “Risk assessment”, “Activity of elaboration of the list for supplying the personnel with protection equipment” designed and implemented during 2010, we noted that the following aspects are not presented:</p> <ul style="list-style-type: none"> <li>- The employees responsible with performing the activities, as well as the employees responsible with performing the control activity;</li> <li>- The deadlines for performing the activities, as well as the periodicity of these activities.</li> </ul>	<b>Medium</b>	<i>We recommend the update of the operational procedures so that these provide the employees responsible with performing these activities and the respective deadlines.</i>	<p><b>Implemented</b></p> <p>Following the examination of the operational procedure, we noted that it has been updated as per Deloitte recommendation.</p>
<b>23</b>	<p>Following the examination of the operational procedures “Risk assessment” and “The activity of labor security and health own instructions elaboration”, we noted that it refers to the <i>Risk assessment form template</i> attached to the GD 1425/2006. Upon the examination of the respective GD, we noted that, throughout its Appendixes there is no such model.</p>	<b>Medium</b>	<i>We recommend the update of the operational procedures by removing the references to the GD 1425/2006 – Risk assessment form template.</i>	<p><b>Implemented</b></p> <p>Following the examination of the operational procedure, we noted that it has been updated as per Deloitte recommendation.</p>

**APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009 & 2010 External Audit Report (continuance)**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
<b>Integrity Inspectorate – Observations regarding operational procedures</b>				
<b>24</b>	Upon the examination of the operational procedures designed and implemented at the level of Integrity Inspectorate, we noted that they don't stipulate the terms in which the integrity inspector should fill in the independence statements and the terms for fulfillment of other procedural activities, which might have a negative impact over ANI activity by non-compliance with the celerity principle and rhythmicity of cause resolution. Thus, the probability of the cause's redistribution risk might grow preventing the good management of the causes due to the actions of the integrity inspectors.	<b>Medium</b>	<i>We recommend the introduction, in all operational procedures, of stipulations regarding reasonable terms for a timely performance of the procedural acts and stipulations regarding the necessity of Integrity Inspectorate management monitoring the compliance with these terms.</i>	<p><b>Partially implemented</b></p> <p>Following the examination of the operational procedures, we noted that the procedure "Activity of evaluation of statements of wealth, of data and information regarding existing wealth, as well as of patrimonial changes appeared existing in the exercise of public functions or dignity" has been updated and a deadline of 48 hours has been introduced for preparing the Impartiality and Independence Statement since the distribution of the case, respectively the generation of the Report for random distribution.</p> <p>Nevertheless, this term has not been included in the other procedures that provide for the preparation of the Impartiality and Independence Statement.</p>



**APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009 & 2010 External Audit Report (continuance)**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
<b>Integrity Inspectorate – Observations regarding operational procedures</b>				
25	Upon the examination of the procedure regarding the Contravention sanctioning (PO 02/II) and in accordance with the stipulations of art. 29 para 1 of Law no 176/2010, we noted that it stipulates the fact that it can be disposed the beginning of the ex officio evaluation and to this extent the integrity inspector elaborates an internal note. In order to ensure the consistency of the activity in practice, the Integrity Inspectorate elaborate a template form, which lacks the field designed to contain details regarding the reasons why the evaluation is planned to start. Following the interviews with the management of the structure, and integrity inspectors, we understood the basis of the ex officio notification for the start of the evaluation consists of objective criteria which are not formalized in the procedure nor specified in the integrity inspector's internal note. In the absence of these provisions there is a risk of creating an appearance of bias in choosing cases to have the onset of evaluation.	Major	<i>We recommend the update of the operational procedure regarding the application of contravention sanctions with objective criteria in respect of the start of the ex officio evaluation procedure and the update of the template form with a field in which the integrity inspector should fill in the motive for submitting the ex officio notification.</i>	<b>Not implemented</b> Following the examination of the operational procedures, we noted that they were not updated as per Deloitte recommendation.

**APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009 & 2010 External Audit Report (continuance)**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
<b>Integrity Inspectorate – Observations regarding the files verifies</b>				
<b>26</b>	In 2 out of 25 causes solved by the Integrity Inspectorate before the legislative amendments intervened following Constitutional Court Decision and examined during the audit, we noted the fact that the notes / addressed / documents attached to the file were prepared by 2 separate integrity inspectors without a redistribution / allocation resolution.  Also, the same situation has been identified in 2 out of 70 causes in progress as of 31.12.2010 examined, where we noted the fact that the redistribution to a different integrity inspector act is not attached to the file.	<b>Medium</b>	<i>We recommend the implementation in the operational procedures of a set of internal controls under the responsibility of the Head of Integrity, designed to monitor the implementation of the steps designed in the operational procedures and the completeness of the documentation attached to the file.</i>	<b>Implemented</b>  Following the examination of the operational procedures, we noted that during 2011 it a procedure was implemented on the Exercise of control and guidance by the Heads of departments.
<b>27</b>	In 2 out of 70 causes in progress as of 31.12.2010 examined, we noted the fact that the causes were not redistributed in spite the fact that the frequency of the documents in the files exceeded 30 working days.	<b>Medium</b>	<i>We recommend the implementation of a set of provisions in the operational procedures regarding the monitoring of the causes „not worked” in order to identify the cases where this situation occurs without a justification and take corrective actions.</i>	<b>Implemented</b>  Following the examination of the operational procedures, we noted that during 2011 a procedure was implemented on the Exercise of control and guidance by the Heads of departments.

**APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009 & 2010 External Audit Report (continuance)**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
<b>Integrity Inspectorate – Observations regarding the files verifies</b>				
<b>28</b>	<p>In 3 out of 70 causes in progress as of 31.12.2010 examined, we noted the fact that the Note regarding the motion for ex officio notification, prepared by the integrity inspector and approved by the Integrity Inspectorate management, was missing from the file examined.</p> <p>Following the interviews held with the integrity inspectors we understood the fact that these files were re-opened once the Integrity Inspectorate resumes work, and the evaluation procedures have been performed by the inspectors to which these causes have been initially randomly distributed.</p>	<b>Medium</b>	<i>We recommend the implementation in the operational procedures of a set of internal controls under the responsibility of the Head of Integrity, designed to monitor the implementation of the steps designed in the operational procedures.</i>	<p><b>Implemented</b></p> <p>Following the examination of the operational procedures, we noted that during 2011 a procedure was implemented on the Exercise of control and guidance by the Heads of departments.</p>
<b>29</b>	<p>In 6 out of 70 causes in progress as of 31.12.2010 examined, we noted the fact that the Address towards the work place was not send, requesting the identification data of the evaluated person, while the preparation of this document is a procedural step.</p> <p>Following the interviews held with the integrity inspectors and the Integrity Inspectorate management, we understood the fact that this procedural step isn't in all cases mandatory if the documentation attached to the file documents this information.</p>	<b>Minor</b>	<i>We recommend the update of the operational procedures with a provision stating that this procedural step should be viewed as optional activity, imposed only by the need to complete the missing information.</i>	<p><b>Implemented</b></p> <p>Following the examination of the operational procedure, we noted that it has been updated as per Deloitte recommendation.</p>

**APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009 & 2010 External Audit Report (continuance)**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
<b>Integrity Inspectorate – Observations regarding the files verifies</b>				
<b>30</b>	<p>In 6 out of 70 causes in progress as of 31.12.2010 examined, we noted the fact that the files were missing the Address sent to the Personal Records Directorate and the Database Administration, requesting the identification data of the evaluated person, while the preparation of this document is a procedural step.</p> <p>Following the interviews held with the integrity inspectors and the Integrity Inspectorate management, we understood the fact that this procedural step isn't in all cases mandatory if the documentation attached to the file documents this information.</p>	<b>Minor</b>	<i>We recommend the update of the operational procedures with a provision stating that this procedural step should be viewed as optional activity, imposed only by the need to complete the missing information.</i>	<p><b>Implemented</b></p> <p>Following the examination of the operational procedure, we noted that it has been updated as per Deloitte recommendation.</p>
<b>Economic Directorate – Observations regarding operational procedures</b>				
<b>31</b>	<p>Following the examination of the abovementioned operational procedures, designed and implemented during 2010, we noted that the following information are missing: employees responsible with performing the activities, the employees responsible with performing the control activity, deadlines for performing the activities, as well as the periodicity of these activities.</p> <p>PO 01/F/DGE; PO 02/F/DGE; PO 03/F/DGE; PO 04/F/DGE; PO 05/F/DGE; PO 7.1/F/DGE; PO 16.3/F/DGE; PO 16.4/F/DGE; PO 16.5/F/DGE; PO 17/F/DGE; PO 18/F/DGE; PO 01/C/DGE; PO 02/C/DGE; PO 04/C/DGE; PO 06/C/DGE; PO 07/C/DGE; PO 8.1/C/DGE; PO 8.2/C/DGE; PO 10/C/DGE; PO 11.2/C/DGE; PO 11.3/C/DGE;</p>	<b>Minor</b>	<i>We recommend the update of the operational procedures so that these provide the employees responsible with performing these activities and the respective deadlines.</i>	<p><b>Partially implemented</b></p> <p>Taking into consideration that our recommendations regarding the procedures are not likely to modify the process flow and as result of the tests performed during the last two years no deficiencies were identified as consequence of these observations we consider that this year the impact of missing this information in the procedure is minor.</p> <p>We noted that the following procedures were not updated in accordance with Deloitte recommendation:</p> <ul style="list-style-type: none"> <li>➤ PO01/F-DGE, PO02-F-DGE, PO04/F/DGE, PO16.3F/DGE, 16.4F/DGE, PO17/F/DGE, PO01/DGE, PO06/C/DGE,</li> </ul>

	PO 11.4/C/DGE; PO 11.5/C/DGE; PO 12/C/DGE			<p>PO07/C/DGE, PO 10/C/DGE, PO11.2/C/DGE, PO 11.3/C/DGE, PO 12/C/DGE do not have mentioned the deadlines for the activities although one of the performance indicators is the process duration;</p> <ul style="list-style-type: none"> <li>➤ PO/F/3 DGE- it is not clear for what activity each of the human resources mentioned in chapter „Involved human resources” intervene or if different persons are involved.</li> <li>➤ PO7.1/F/DGE- it is not clear who is the person that prepares the „Summary report (ROM: Situația recapitulativa) nor who issued the payment order</li> <li>➤ PO1/C/DGE- the procedure distribution page does not clearly state who should apply the procedure</li> <li>➤ PO 11.4/C/DGE it is not clear for which activity the Chief of Administrative department is</li> <li>➤ PO 11.5 it is not clear what department/ person inside DGE is involved in the process of fixed assets cassation; deadlines regarding the fixed assets cassation process are not mentioned in the procedure although one of the performance indicators is compliance by the cassation commission with the deadlines for disposing the fixed assets</li> </ul>
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**APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009 & 2010 External Audit Report (continuance)**

No	Observation	Impact	Recommendation	Deloitte Assessment as at 31.12.2011
<b>Investments and Public Procurement Department – observations regarding operational procedures</b>				
32	<p>Following the examination of the operational procedures designed and implemented during 2010, we noted that these does not stipulate the following information:</p> <ul style="list-style-type: none"> <li>- The employees responsible with performing the activities, as well as the employees responsible with performing the control activity;</li> <li>- The deadlines for performing the activities, as well as the periodicity of these activities.</li> </ul>	Minor	<p><i>We recommend the update of the operational procedures so that these provide the employees responsible with performing these activities and the respective deadlines.</i></p>	<p><b>Partially implemented</b></p> <p>Taking into consideration that our recommendations regarding the procedures are not likely to modify the process flow and as result of the tests performed during the last two years no deficiencies were identified as consequence of these observations we consider that this year the impact of missing this information in the procedure is minor.</p> <p>Following the examination of the operational procedures, we noted that the following aspects need to be updated in accordance with Deloitte recommendations:</p> <p>For the procedure PO 01 for the activity 8.2 – request of offers procedure- it is not indicated who the person that performs each step is: it is not clear where is the Acquisitions department involved or where is the person who requested the acquisition involved, who appoints the evaluation commission etc.</p> <p>For the procedure PO 03 / SIAP the persons responsible with performance of the control activities are not mentioned.</p> <p>The timeframes for performing the activities are not defined although some of the performance indicators are: time for issuance of involved documents (procedure PO01/SIAP, PO 04/SIAP and PO05/SIAP), duration of response period to written requirements, duration of the (PO02/SIAP), and compliance with timeframe of invoice flow (PO03/SIAP).</p>

## APPENDIX 6 Recommendations regarding the activity of the Information Technology Directorate

No	Observation	Impact	Recommendation	ANI Management response
1	<p>For the purpose of the management of integrity inspection network, as well as SIMIDAI, the service provider's employees (Star Storage Company), responsible with the backup process, application management and substitute personnel, are using the same administration account for performing all the above mentioned activities.</p> <p>When several employees are using the same user account, it is impossible to assign the responsibility for any potential damage to a specific person.</p> <p>When the responsibility cannot be allocated to a single user, there is a significant risk that data becomes unreliable. This may lead to unreliable information or to difficult work processes, even more as the user account has administrative rights.</p>	Major	<i>The Information Technology Service and the service provider should consider defining individual user accounts, with administrative rights, for all IT responsible personnel.</i>	
2	<p>The agency has concluded several contracts with third parties, on providing maintenance and communication services.</p> <p>However, agreements over the quality level of the services have not been established within all the contracts. Moreover, these services are not monitored by IT management.</p> <p>The absence of contractual agreements regarding the quality level of services that are outsourced to third parties, may lead to interruption of business work activity, causing financial or reputational damage.</p>	Medium	<i>The Information Technology service should consider including agreements that establish the level of quality for each outsourced service. Moreover, these services should be monitored, in order to ensure that the minimum level of quality agreed is met.</i>	

## APPENDIX 7 Recommendations regarding operational procedures defined at ANI level

No	Observation	Impact	Recommendation	ANI Management response
1	Following the examination of operational procedures manuals, prepared at ANI Directorate, Compartment and Department levels, we noted that the updates/ modifications/ additions to these procedures are not separately identified, hardening the process of monitoring the updates/ modifications/ additions.	Minor	<i>We recommend that ANI management to implement a summary, containing specific details related to updates, modifications and additions to procedures, at all operational procedures level. The summary should be considered as the first page of the procedure and should be replaced every time an update, modification or addition occurs.</i>	



## APPENDIX 8 Recommendations regarding the operational activity of Inspection of Integrity

No	Observation	Impact	Recommendation	ANI Management response
1	In 76 cases out of the 171 files selected for testing, we noted that the 48 hour term from the Random Distribution Report and the Impartiality and Independence Statement as requested by the valid operational procedures was not conformed with.	Medium	<p><i>We recommend that the Heads of Departments supervise and monitor the activity of integrity inspectors in order as to ensure compliance with procedural provisions.</i></p> <p><i>Furthermore, we recommend the improvement of SIMIDAI application so that it incorporates a field dedicated to the Independence and Impartiality Statement that registers directly the result of the Statement and, depending on the response given by the inspector, either the normal work flow of activity is being performed or the file is redistributed following the approval of the General Director of the Inspection of Integrity.</i></p> <p><i>Moreover, this field should compel the integrity inspector to submit the Independence and Impartiality Statement at the time when confirming the receipt of the Random Distribution Report.</i></p>	

## APPENDIX 8 Recommendations regarding the operational activity of Inspection of Integrity

No	Observation	Impact	Recommendation	ANI Management response
2	<p>In 73 cases out of the 171 files selected for testing, we noted the fact that integrity inspectors did not prepare and forward second requests to the institutions that did not respond within 30 days to the initial ANI addresses, which constitutes a contravention according to the legal provisions applicable to ANI.</p> <p>Thus, the provisions of the valid operational procedures, as well as of Law 176 / 2010, were not conformed to.</p>	Medium	<p><i>We recommend improving the SIMIDAI application so that Heads of Department can generate reports detailing the cases in which second requests were not prepared and forwarded within 30 days.</i></p> <p><i>Through the monthly generation of these reports by Heads of Department, the process of monitoring and supervising the activity performed by integrity inspectors would be facilitated, thus respecting the provisions of the valid operational procedures and legislature.</i></p>	
3	<p>In 21 cases out of the 171 files selected for testing, we noted the fact that integrity inspectors did not prepare and forward notices to courts for the purpose of fining the institutions, in accordance to the provisions of art. 27, para. 1 rep. to art. 15 para. 2, Law 176 / 2010, corresponding to the cases in which institutions did not reply to second requests from ANI within 30 days.</p> <p>Thus, the provisions of the valid operational procedures, as well as of Law 176 / 2010, were not conformed to.</p>	Major	<p><i>We recommend that the Heads of Departments supervise and monitor the activity of integrity inspectors so as to ensure compliance with procedural terms and steps.</i></p> <p><i>This could be performed through monitoring several reports generated from SIMIDAI which detail the cases in which the integrity inspectors did not sent notices to the Court, in the cases when the institutions from which information was requested did not respond in more than 30 days since the second request was sent.</i></p>	

## APPENDIX 8 Recommendations regarding the operational activity of Inspection of Integrity

No	Observation	Impact	Recommendation	ANI Management response
4	<p>In 3 cases of the 171 files selected for testing, we noted that the notifications were randomly distributed to some inspectors, and then, through a motivated request by these inspectors, approved by the General Director of the Inspection of Integrity, were redistributed to other integrity inspectors.</p> <p>The new inspectors prepared closing reports for these files because it was noted that the statute of limitation had expired, respectively the 3 year period since the cessation of office or mandate.</p>	Major	<p><i>We recommend improving the SIMIDAI application by implementing a mandatory field in which the integrity inspectors input either the statute of limitation or the period in question for the evaluation.</i></p> <p><i>Also, we recommend that integrity inspectors prioritize files so that files with shorter statutes of limitation have a greater priority in evaluation.</i></p> <p><i>Furthermore, we recommend improving the SIMIDAI application so that Heads of Department can generate reports containing information regarding the statute of limitation of files, to allow for a more efficient and effective monitoring of these cases.</i></p>	

## APPENDIX 8 Recommendations regarding the operational activity of Inspection of Integrity

No	Observation	Impact	Recommendation	ANI Management response
5	<p>In 48 cases of the 171 files selected for testing, we noted that they had been left un-worked by the integrity inspectors for more than 30 days and that the redistribution of the files did not take place.</p> <p>Thus, the provisions of the valid operational procedures, as well as of Law 176 / 2010, were not conformed to.</p> <p>Also, not respecting deadlines can lead to the expiration of the statute of limitation, respectively the 3 year period since the cessation of office or mandate, leading to dismissal of the case.</p>	Major	<p><i>We recommend improving the SIMIDAI application by implementing an automatic notification, forwarded to the General Director of the Inspection of integrity on a regular basis (for example weekly), that contains a list of files left un-worked for more than 30 days proposed for redistribution.</i></p> <p><i>Also, the number of files redistributed from each inspector can be used as a performance indicator in the annual evaluation of integrity inspectors' activity.</i></p>	

## APPENDIX 8 Recommendations regarding the operational activity of Inspection of Integrity

No	Observation	Impact	Recommendation	ANI Management response
6	<p>In one case of the 171 files selected for testing, we noted the fact that the 5 days term was not respected between the random distribution report and the forwarding report to the competent institution, this being a case where ANI is partially competent.</p> <p>Also in this case we noted the fact that, although ANI partially assumed competence, the petitioner was not notified in regards to forwarding a copy of his complaint to the other institution partially competent.</p> <p>Thus, the provisions of the valid operational procedures, as well as of Law 176 / 2010, were not conformed to.</p>	Minor	<i>We recommend that the Heads of Departments supervise and monitor the activity of integrity inspectors in order as to ensure compliance with procedural terms and steps.</i>	
7	<p>In one case of the 171 files selected for testing, we noted that the integrity inspector's Independence and Impartiality Statement was not attached to the physical file, although it had been uploaded into SIMIDAI application.</p> <p>Thus, the provisions of the valid operational procedures were not conformed to.</p>	Minor	<i>We recommend compliance with the operational procedure that stipulates that the Independence and Impartiality Statement must be attached to the physical file.</i>	

## APPENDIX 8 Recommendations regarding the operational activity of Inspection of Integrity

No	Observation	Impact	Recommendation	ANI Management response
8	<p>In 2 of the 171 files selected for testing, we noted the fact that integrity inspectors did not prepare Notes to the Registry for changing the object of the notification. These files were connected, and following this process the object of verification became multiple; however this fact was not accurately reflected in the SIMIDAI application object of verification field.</p> <p>Thus, the provisions of the valid operational procedures, as well as of Law 176 / 2010, were not conformed to.</p>	Minor	<p><i>We recommend improving the SIMIDAI application so that changing the object of verification for the case of connected files is done automatically when the connection report is approved, during the flow, by the General Director of the Inspection of Integrity.</i></p> <p><i>Furthermore, for facilitating the process of identifying persons being verified in SIMIDAI application, respectively to accomplish the connection process more quickly, we recommend improving the SIMIDAI application so that when the identification data (CNP) of the person being verified are entered by the integrity inspector in the application, this automatically notifies the inspector if there are ongoing works in regards to the person being verified throughout the Inspection of Integrity.</i></p>	

## APPENDIX 8 Recommendations regarding the operational activity of Inspection of Integrity

No	Observation	Impact	Recommendation	ANI Management response
9	<p>In 10 cases of the 171 files selected for testing, we did not find the random distribution report (signed by the integrity inspector) in the physical file, although this was uploaded into the SIMIDAI application.</p> <p>Thus, the provisions of the valid operational procedures were not conformed to.</p>	Minor	<p><i>We recommend modifying the procedure so that the random distribution report is found exclusively within the SIMIDAI application and its printing, signing and attachment to the physical file are no longer mandatory, except in situations where the files are sent to the court or other competent authorities.</i></p>	
10	<p>In 52 cases of the 171 files selected for testing, we noted that the integrity inspectors did not prepare the note regarding the result of consulting the database from the Agency's IT system. Following interviews held with the inspectors, we understood that consulting the database was no longer necessary because the wealth and interests statements were obtained directly from the petitioner or other sources (ex: workplace of the person verified).</p> <p>Also, according to operational procedure, in addition to the result of consulting the database, integrity inspectors prepare an address to the workplace requesting, among other information, legal copies of wealth and interests statements submitted by the person being investigated.</p> <p>Thus, the provisions of the valid operational procedures were not conformed to.</p>	Minor	<p><i>We recommend revising the operational procedure and, if case, transforming the step of consultation of ANI database into an optional step.</i></p> <p><i>Furthermore, for streamlining the activity, we recommend improving the SIMIDAI application so that, at the moment complaints are registered, the system automatically executes a search of the person being verified in the registry of wealth and interests statements and notifies the integrity inspector to whom the complaint was randomly distributed, if the person is already in the ANI database.</i></p>	

## APPENDIX 9 Recommendations regarding the operational activity of the Internal Public Audit Department

No	Observation	Impact	Recommendation	ANI Management response
1	<p>Following the examination of the working papers related to the internal audit engagement "Analysis of information infrastructure administration activity", we noted the following, regarding the testing method and the manner of documentation for internal audit tests: the object and the objective of tests are vague, general and the performed tests do not fully cover the established objective:</p> <p>For example:</p> <p><i>Test objective:</i> The adequacy of the information system to the activity specific</p> <p><i>Testing:</i></p> <ul style="list-style-type: none"> <li>➤ Examination of the following elements: ensuring the IT infrastructure, necessary for performing ANI activities;</li> <li>➤ Provision of hardware equipment, existence of application systems necessary for every ANI employee's activity, existence of software security systems;</li> <li>➤ Network access security, by assigning a username and a password;</li> <li>➤ IT subsystems interconnection.</li> </ul> <p>In the above described case, the performed tests targeted only the existence of certain elements of the information system, and not their adequacy or their operational effectiveness.</p>	Medium	<p><i>We recommend that the following aspects should be considered when preparing the working papers for internal audit engagements:</i></p> <ul style="list-style-type: none"> <li>➤ <i>According to best practices in the field, the working papers for internal audit engagements should include a sufficiently detailed description of the verifications performed and of examined documents, so that any person that was not involved in the audit engagement, would reach the same conclusion as the person who performed the audit, after consulting the working papers and examining the evidence.</i></li> <li>➤ <i>Also, as a testing method, the interview without corroboration with other audit procedures, does not provide sufficient evidence to sustain the audit conclusion.</i></li> </ul>	



## APPENDIX 9 Recommendations regarding the operational activity of the Internal Public Audit Department (continuance)

No	Observation	Impact	Recommendation	ANI Management response
	Also, for certain aspects, the only testing method consisted of interviewing the audited structure manager (relation note), without corroboration with information obtained from independent sources. In case the audit tests are not sufficient to address the objective, there is a risk that the audit conclusion might be wrong.			

## APPENDIX 11 Recommendations regarding the operational activity of Labor Protection Compartment

No	Observation	Impact	Recommendation	ANI Management response
<b>Labor Protection Compartment – operational activity</b>				
1	<p>Following detailed tests on a sample of 15 Individual training files regarding labor safety and health, we identified a number of 12 cases in which the person responsible for verifying the training, respectively the person responsible from CPM, did not sign the verification of these files.</p> <p>According to Governmental Resolution no 1425 / 2006, with subsequent modifications and completions, art 81, para. 3 “After completing the training, the individual training file is signed by the trained worker and by the persons that carried out and verified the training”.</p>	Minor	<i>We recommend that the valid legal provisions are conformed with.</i>	

## APPENDIX 11 Recommendations regarding the operational activity of Economic Directorate

No	Observation	Impact	Recommendation	ANI Management response
<b>Archiving Service – operational activity</b>				
1	<p>Following the interview held with the SRU representative, we understood the fact that the employee responsible with performing the archiving activity has terminated the work report with ANI on 06/19/2010.</p> <p>The archiving activity has been performed during 2011 at the level of every directorate / compartment of ANI, however we noted that at ANI level there is no archival classification papers list / archival nomenclature in conformity with the provision of National Archives Law 16 / 1996, Section I – Documents record keeping, with the subsequent changes and additions.</p> <p>As per the provisions of the legislation in force, art. 29 and art. 30, the lack of an archival nomenclature is considered a crime and is punishable by a “fine from RON 1,000 to RON 25,000”.</p>	Major	<p><i>We recommend that ANI should implement an archival classification papers list / archival nomenclature detailing at least the following elements:</i></p> <ul style="list-style-type: none"> <li>– <i>directorate,</i></li> <li>– <i>service,</i></li> <li>– <i>name of file, including a short description of the topics addressed,</i></li> <li>– <i>deadline for keeping the file,</i></li> <li>– <i>Observations.</i></li> </ul>	

## APPENDIX 11 Recommendations regarding the operational activity of the Economic Directorate (continuance)

No	Observation	Impact	Recommendation	ANI Management Response
<b><i>Investments and Public Acquisition Compartment – observations regarding detail testing</i></b>				
1	<p>Following performing detail testing over a sample of 25 public procurement through direct buying we noted the following:</p> <ul style="list-style-type: none"> <li>➤ We identified a number of 4 public procurement for which the documentation underlying the need did not nominate the responsible employee for performing the task by the Economic Directorate Director, contrary to the provisions of the procedure;</li> <li>➤ Neither of the 25 public procurement documentation underlying the need did not depict the following information: the deadline for performing the acquisition, the confirmation / invalidation of the existence of the goods / services / works in the Public Procurement Annual Plan, contrary to the provisions of the procedure;</li> <li>➤ In 2 out of the 25 cases we did not identify the Justification Notes performing the acquisition, contrary to the provisions of the procedure. It should be noted that those two Justification Notes represent exceptions: the lack of these documents was compensated by the Necessity memoranda approved by the Management that lead to a sufficient and justified confirmation of the acquisition.</li> </ul>	Minor	<p><i>We recommend that ANI should implement an activity flow for public procurement through direct buying comprised of all steps that are performed in practice. Furthermore, we recommend that ANI should update the operational procedure to incorporate the activity flow.</i></p> <p><i>Also, the procedure should state the cases when the acquisitions are not performed through the Investments and Public Acquisition Compartment, but directly by the requesting structure, and to enumerate the cases when the justification document is not required (if case).</i></p>	

## APPENDIX 12 Recommendations regarding the operational activity of Legal, Control, Public Relations and Communications Directorate (DJCRPC)

No	Observation	Impact	Recommendation	ANI Management response
<b><i>Legal, Control, Public Relations and Communication – operational activity</i></b>				
1	<p>Following the interview sustained with DJCRPC Director and the examination of the documentation regarding the Control Compartment, we noted that this compartment did not perform any activities during 2011.</p> <p>The attributions of this structure were partially covered by the Commission for monitoring, coordination, and methodological guidance of the managerial control system of the Agency created in June 2011.</p>	Medium	<i>We recommend that ANI should analyze the adequacy, efficiency and effectiveness and, if case, the re-organization or dissolution of the Control Compartment.</i>	

## APPENDIX 13 Recommendations regarding the risk management process at ANI level

No	Observation	Impact	Recommendation	ANI Management response
<b><i>Risk management process in conformity with Order no 946 / 2005</i></b>				
1	<p>Following the analysis of the Risk Register established at ANI level we noted the following:</p> <ul style="list-style-type: none"> <li>➤ The process for identifying the risks for each structure is under improvement, currently there is an incipient form of the risk register, and the risks have not been entirely identified; the most recent general update of the risk register has been performed in September 2010. In 2011 there were two actions performed to identify new risks related to the Economic Directorate.</li> <li>➤ The measures for preventing and detecting the situations in which the risks have materialized are not always quantifiable in order to perform an objective monitoring of the degree of implementation (e.g. <b>risk</b>: personnel turnover; <b>risk prevention measures</b>: loyalty of employees, creating favorable conditions for employees, freedom of expression, rotation of personnel so that each employee is able to work on any position).</li> </ul>	Medium	<ul style="list-style-type: none"> <li>➤ <i>We recommend that ANI should continue with the process of improving and complete the Risk register through comprehensive risk identification for each structure within ANI.</i></li> <li>➤ <i>Furthermore, we recommend that the scores for risk impact and likelihood to be granted reasonably detailing the rationale behind a certain score or behind changing the score.</i></li> <li>➤ <i>In establishing the preventive and detective measures to minimize risk, we recommend that ANI should mention the persons responsible, as well as the specific actions to be performed, so that their implementation could be objectively monitored.</i></li> </ul>	

## APPENDIX 13 Recommendations regarding the risk management process at ANI level (continuance)

No	Observation	Impact	Recommendation	ANI Management response
<b><i>Risk management process in conformity with Order no 946/ 2005</i></b>				
<b>2</b>	<p>As of December 31<sup>st</sup>, 2011, the process of monitoring the control management system was governed only by the Internal Organization Manual of the Commission for monitoring, coordination and methodological guidance of ANI control management system that generally presents the attributions of the Commission for this process and does not detail how the process is to be implemented in a formalized procedure that:</p> <ul style="list-style-type: none"> <li>➤ Contains the steps to be performed, the persons responsible for managing and updating the risk register;</li> <li>➤ Establishes the preventive and detective measures;</li> <li>➤ Details the monitoring process on the implementation and effectiveness of these actions.</li> </ul>	<b>Minor</b>	<p><i>We recommend that ANI should implement a control management system procedure detailing the following information:</i></p> <ul style="list-style-type: none"> <li>➤ <i>Steps to be performed,</i></li> <li>➤ <i>The persons responsible for managing and updating the risk register,</i></li> <li>➤ <i>Establishing the preventive and detective measures,</i></li> <li>➤ <i>The monitoring process on the implementation and effectiveness of these actions.</i></li> </ul>	

## Appendix 14 Lege ferenda proposal

<i>Lege ferenda proposal</i>				
3	<p>At ANI level, there is no subject matter independent assessment of the resolutions given by the integrity inspectors in the cases of the assessed files.</p> <p>The files that are submitted in court are assessed / controlled during the trial. This type of subsequent control is not applicable to the files closed, which are not sent outside ANI. In this case, there is the risk that certain files can be closed by the integrity inspectors in the condition in which there is ground for issuing another solution.</p>	Major	<i>We recommend introduction of legal provisions that allow a subsequent independent analysis of the validity of the closure solution established by the Integrity Inspection as well as legal provisions that allow invalidation of those solutions that are not in compliance with the procedure provisions.</i>	



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