



FINAL REPORT

AGENȚIA NAȚIONALĂ DE INTEGRITATE (National Integrity Agency)

External audit of the ANI management for the year 2012

Bucharest, April 2013



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1. Executive summary

Introduction

According to the contract no. 14068 from February 27, 2013 (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 March 12, 2013 and of April 12, 2013, 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 2012”, Appendix to the Contract;
- International Standards on Related Services (ISRS) – 4400 ENGAGEMENTS TO PERFORM AGREED-UPON PROCEDURES (previously ISA 920);
- Legal framework applicable to ANI.

The reference period for this report is the year 2012 exclusively, if not otherwise mentioned. There were instances when the deficiencies identified regarding the activity performed during the year 2012 were remediated during the year 2013. For these particular cases, we took note of the remediation plans, but we did not assess their effectiveness, efficiency or compliance with the applicable legal framework.

Specific aspects of the audit engagement for the year 2012

In respect of the specific activity of the Information Technology Directorate we mention the fact that during 2012 the Integrated Information System for the Management of Wealth and Interests Declarations (**SIMIDAI**) was fully operational, the entire activity of integrity inspectors being managed in **SIMIDAI**. Thus, in respect of the IT environment, the scope of procedures performed during the engagement was the **SIMIDAI** IT system and its functionalities, as well as the process of data recovery and the related risks, in order to assess the way in which the IT system responds to the necessities derived 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 this 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 (previously ISA 920). The result of the audit performed consists of a total number of 9 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 during this engagement are neither a financial audit, nor a review and thus we do not express any assurance regarding ANI financial statements for the year ended December 31, 2012.

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	0
Total number of recommendations for the observations with medium impact	4
Total number of recommendations for the observations with minor impact	5

We have also assessed the implementation status of the recommendations made during the external audit of ANI management for the year 2009 and the year 2010 that were not assessed as "implemented" as at 31.12.2011, the implementation status of the recommendations for the 2011 external audit of ANI management, as well as the implementation status for the measures within the Action Plan for the implementation of the Strategy for control and prevention in accumulating unjustified wealth, conflicts of interest and incompatibilities.

The implementation status for the recommendations made during the external audit of the ANI management for the years 2009, 2010 and 2011 is presented within the table below:

Total number of recommendations implemented	34
Total number of recommendations partially implemented	13
Total number of recommendations not implemented	5
Total number of recommendations that are not applicable considering the legislative provisions in force	3

Conclusions

Our conclusions and recommendations, based the agreed-upon procedures performed according with the International Standards on Related Services (ISRS) – 4400 ENGAGEMENTS TO PERFORM AGREED-UPON PROCEDURES (previously ISA 920), are presented in Appendixes 4 to 10.

Following the assessment of ANI's activity performed during the year 2012, we have identified ANI's functionality parameters, which are based upon ANI's management efforts to improve the processes 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 work procedures specific to the operations performed at the institution level;
- Implementation of the measures within the Action Plan for the implementation of the Strategy for control and prevention in accumulating unjustified wealth, conflicts of interest and incompatibilities.

Date

May 21, 2013

AUDITOR,

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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;
- Improvement of the professional capacity of ANI's personnel regarding optimization and enhancement of the control activity, as regulated by internal procedures;
- Observation and documentation of the manner in which ANI's management accomplishes its responsibilities;
- Observation and documentation of ANI's internal organization and 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 12th of March 2013, 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 assessed 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 support 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 interviewed personnel.
- **Identifying audit techniques to be used** through:
 - The preliminary analysis of the decision making process, of the actions taken during the year 2012, 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 March 19th, 2013, we delivered the Initial Report to ANI management.

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 (former ISA 920) 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 specific compliance audit control procedures as follows:

- **Knowing and understanding the internal regulations and procedures**

During this phase we analyzed the Internal Organization Manual approved by ANI President through Order no 340/14.12.2010 (hereinafter "ROF") and updated through ANI President Order no 436/23.12.2010 by comparing their provisions 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 regulations 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 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 regulations, orders, internal notes, minutes, evaluation guidelines, etc.), in order to understand the significant terms and conditions, both individually and globally, for:

- Assessing their area of applicability, and
- Assessing the accuracy 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 and Chapter 8 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;
- Meeting 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. Status of action measures implementation corresponding to ANI Strategy for control and prevention regarding accumulation of wealth, conflicts of interest and incompatibilities

Following the tests performed for determining the degree of measures' implementation status corresponding to ANI Strategy for control and prevention regarding accumulation of wealth, conflicts of interest and incompatibilities, the following statistics resulted:

Total measures	Implemented	Partially implemented*	Not implemented*
40	25	11	4

**Note: of the 4 measures not implemented for 2 the implementation deadline was set for 2012, and of the 11 measures partially implemented for 4 the implementation deadline was set for 2012 and for 7 the implementation deadline was set for 2011 – 2014.*

Please refer to Appendix 4 for a detailed analysis of the progress recorded by ANI in implementing these measures.

6. Status for correcting the deficiencies identified during the audits for the years 2009, 2010 and 2011

Following the tests performed in order to assess the degree of implementation for the recommendations related to the audit missions for the years 2009 and 2010, which were not assessed as "implemented" as at December 31st, 2011, as well as the recommendations related to the audit performed for the year 2011 we prepared the below statistics on recommendations implementation status as at December 31st, 2012:

Directorate/ Department	Status/ Impact	Implemented			Partially implemented			Not implemented			Recommendation not applicable ¹
	Total recommendations	Major	Medium	Minor	Major	Medium	Minor	Major	Medium	Minor	
Operational Procedures	9	-	2	7	-	-	-	-	-	-	-
Risk management process	2	-	1	1	-	-	-	-	-	-	-
Legislation proposal	1	-	-	-	-	-	-	-	-	-	1
Information Technology Directorate	14	1	3	1	2	6	-	1	-	-	-
Integrity Inspectorate	12	-	1	5	-	3	-	2	-	-	1
Internal Public Audit Department	4	1	2	-	1	-	-	-	-	-	-
Legal, Control, Public Relations and Communication Directorate	6	1	1	1	-	1	-	-	1	-	1
Human Resources Department	2	-	2	-	-	-	-	-	-	-	-
Labor Protection Compartment	1	-	-	1	-	-	-	-	-	-	-
Economic Directorate	1	-	-	1	-	-	-	-	-	-	-
Investments and Public Acquisition Compartment	2	-	-	2	-	-	-	-	-	-	-
Office Management	1	-	-	-	-	-	-	-	1	-	-
Total	55	3	12	19	4	10	-	3	2	-	2

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.

¹Recommendation not applicable given legal provisions in force.

7. IT system evaluation

The IT system audit consisted of the evaluation of the applications and process that sustains its operations.

Also, we audited the 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 way in which the IT system responds to the necessities derived 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:

- Information and documentation made available by the employees of the Information Technology Directorate;
- Analysis of the daily activities performed by the IT department;
- Visit and check of the servers' room at 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 IT system general controls;
- Review of the IT system;
- Perform a diagnosis of IT environment security.

Review of the IT general controls 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 part of the SIMIDAI audit we paid close attention to the assessment of the:

- Integrated IT system functionalities;
- 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 refer to Appendix 3B List of documents analyzed during the evaluation of the information system.

The Agency implemented SIMIDAI system and Information Security Management System (SMSI) certified 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 2012, the Agency developed a set of policies and procedures that complement the Information Security Management System and addresses activities undertaken by the Information Technology Service employees.

During the fourth quarter of 2012, the Agency started the process for implementing SAP – ERP (Enterprise Resources Planning) application in order to ensure effective administrative activity, to make personnel responsible, to use adequate resources for Agency's scope and strategy and reaching objective in the shortest timeframe.

Regarding ANI's short term strategy, the Agency planned to increase the efficiency of the evaluation process of wealth and interest declarations (DAI) by finalizing the implementation of electronic forms and data intelligent analysis. In this sense, ANI has been approved a budget through European Social Fund – "Enhancement of Administrative Capacity" Operational Program (PO DCA) – Project "Efficient public services by simplifying the procedure for filling-in, archiving and analysis of documents within the National Integrity Agency and facilitating electronic access to public interest information". Up to now, the following general activities have been performed: finalization of equipment, licenses and services acquisition for implementing project objectives by signing the contract with the winning tenderer; delivery of equipment and licenses for the IT system and their installation, configuration and integration within existing infrastructure; finalizing the first stage of electronic and online forms analysis, with a pilot test of the information system being promoted until mid-March 2013.

Also, within the process of making more efficient the overall Agency activity, ANI's short term objective is to extend servers' storing capacity given that data volume is growing.

Conclusion

ANI uses 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.

Thus, a key factor within ANI activity is the Integrated Information System for the Management of Wealth and Interests Declarations (**SIMIDAI**) which became more efficient and is successfully used by the integrity inspectors.

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:

- User accounts, and privileged users accounts, management process;
- Security logs review process, as well as the process for privileged users accounts activity review;
- Designing of a Business Continuity Plan and a Disaster Recovery Plan;
- Monitoring the quality of third party services according to the signed agreements;
- Back-up process management;
- Incident management;
- Logic access parameters.

Also, ANI is in process of implementing SAP application, integrated solution for Agency's resources management in order to make more efficient the Agency's support activity. The objective of this system is the enhancement of the following areas: to make personnel responsible, to use adequate resources for Agency's scope and strategy and reaching objectives in the shortest timeframe.

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 previous years' External Audit Reports, and to Appendix 6 – Recommendations regarding the Information Technology Directorate activity.

8. Work methodologies specific to each verified area

Following the assessment of the activity performed during 2012, we noticed a positive evolution in the development of ANI managerial processes resulted from management efforts for improvement of processes and for the efficiency of the activity performed in order to achieve the planned objectives.

Furthermore, we noticed the fact that ANI management:

- Implemented 90% of the recommendations related to the observations resulted from the external audit of ANI management for the years 2009, 2010 and 2011.
- Developed a Management Plan representing National Integrity Agency's strategic vision for the period 2012 – 2016, harmonized with the Strategy for control and prevention regarding accumulation of wealth, conflicts of interest and incompatibilities for the period 2011 – 2014.

8.1. ANI Management

We have analyzed the responsibilities of ANI President and Vice-President as stated in the ANI Internal Organization Manual (hereinafter "ROF"), approved and updated by ANI President Order no 340/14.12.2010 and ANI President Order no 436/23.12.2010.

ANI management adopted a modern approach based upon the elaboration and development of managerial control systems in the decision making process, proving thus efforts focused on opportunities, operational independence and a pro-active attitude, ensuring the implementation on short, medium and long term of some clear and coherent objectives undertaken by Agency's management through the Management Plan for 2012 – 2016 and ANI Strategy for control and prevention regarding accumulation of wealth, conflicts of interest and incompatibilities (2011 – 2014).

Furthermore, the National Integrity Agency represents a fundamental pillar of the National Anticorruption Agency 2012 – 2015 ("SNA"), approved by the Romanian Government through Government Decision ("GD") no 215/2012.

During 2012, the Agency sent biannually the status of implementation for the measures and objectives set by SNA action plan, as well as the status of the preventive measures taken by the institution, in conformity with GD no 215/2012 Appendix.

The Agency's contribution to the SNA has been materialized in the active involvement to the preparation of the Strategy, as well as in the assessment process which will take place at central and local public administration level, within ministries and anticorruption institutions. Two of the subjects proposed for assessment in 2013 refer to declaration of wealth and conflicts of interest, domains related to ANI's object of activity.

Also, through the procedures performed, we note 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.

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.

The efforts focused on implementation of a complex of measures for prevention and awareness led to concrete results in fighting corruption by administrative means, as well as in strengthening the integrity in performing public functions and dignities.

As a result of strengthening ANI image on international level too, this institutional pattern has been perceived as a best practice model, for both developing countries and consolidated democracies.

2. Vice-President

The Vice-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 Vice-President function.

We organized interviews both with the President and Vice-President in order to assess 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 implementation of majority recommendations included in the External Audit of the ANI Management for the years 2009, 2010 and 2011 Reports.

Following the interviews with ANI operational structures representatives, resulted that both the President and the Vice-President assumed and fulfilled their specific responsibilities stipulated in the legislation in force and in the ROF.

8.2. Integrity Inspectorate

During 2012, 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, as well as to amend and supplement other regulations, published in the Official Gazette no 621/02.09.2010.

As to the activity performed by Integrity Inspectorate personnel during 2012, we noticed the following two periods:

- September 2011 – February 2012: period in which preliminary verifications have been performed at the level of local public administration (89 entities have been analyzed for which local and county councilmen and their IV degree relatives have been identified) for the purpose of identifying possible conflicts of interest and incompatibilities. At the end of the preliminary verifications the assessment procedures have been launched for 190 local and county councilmen, in order to verify the conformity with legal regime of conflicts of interest and incompatibilities during 2008 – 2012 mandates.
- June – December 2012: period in which local and parliament elections took place, a number of 21,575 addresses have been recorded at ANI level, submitting wealth and interest declarations for the candidates, as well as for the persons that ought to submit the declarations by the deadline provided in Law 176/2010. Thus, during 2012, 1,177,047 wealth and interest declarations have been processed by ANI, for which preliminary verifications have been performed for the purpose of identifying the compliance with the deadlines for declarations' submission.

Following the examinations performed over Integrity Inspectorate's activity, namely the files included in the tested sample as defined below, we identified a number of 99 cases of 193 unique files tested, of which the pace of issuing the documents by the Inspectors did not comply with the 30-day term required by art.9 of Law no.176/2010 (in this respect the 30-day term required as pace of issuing is equal to the maximum term provided for the same normative act for answers to Agency's requests aspect that might trigger irregularities in the activity of the integrity Inspectors).

Integrity Inspectorate's activity stands by the volume of files assessed by integrity inspectors, indicating an average of over 200 files in progress per inspector during 2012 (with a maximum number of 400 files in progress per inspector). Regarding the activity performed by Heads of Department/Director/General Director we noted that they performed assessment activities for the files distributed to them, as well as supervision and monitoring activities for the integrity inspectors who have a direct reporting line to them.

Based on the interviews with the integrity inspectors to whom the files were randomly allocated, we have noted that the majority of these files are under scrutiny and the Inspectors are to issue assessment reports of dismissal according to the legal provisions as further to the analysis of the answers received to the latters submitted, no indications have been identified in respect of unjustified wealth, conflicts of interest, incompatibilities.

One other aspect resulting from our analysis over the activity of the Integrity Inspectorate Department is regarding the complexity of the file assessment activity, given that in some cases the assessment objectives (wealth, incompatibility, conflicts of interest) are multiple.

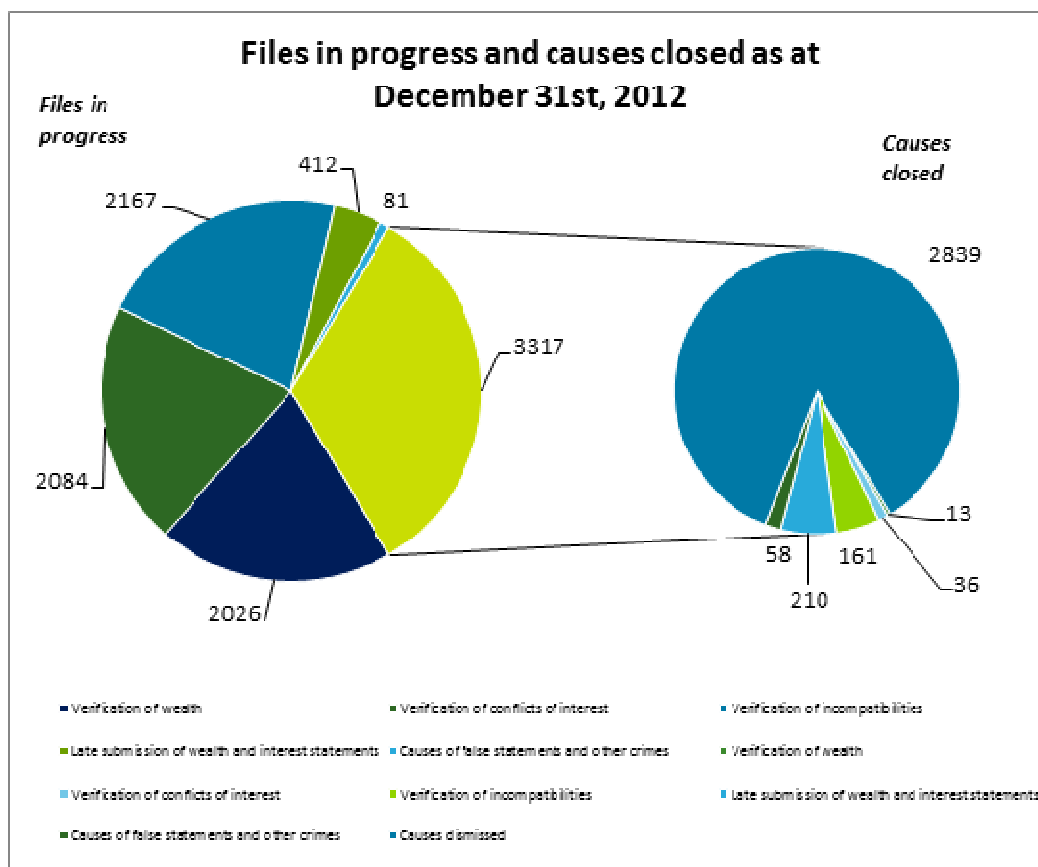
In order to assess the managerial actions taken within the Integrity Inspectorate, we selected a sample based on the following audit procedure:

- a) We requested the statistics regarding the number of causes verified during 2012, on the following structure: files finalized and files in progress as at December 31st, 2012. For each category of files, we have requested their distribution considering the following sub-categories: causes regarding wealth, causes regarding conflicts of interests, causes regarding incompatibility, causes regarding not submitted wealth and interest statements, causes on late submission of wealth and interest statements and causes in which crimes have been identified.
- 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 31.12.2012.
- d) Based on the list of causes we randomly selected the sample of files subject to the analysis

Following the procedures above, a sample of 195 cases has been identified (193 unique files), as follows:

Causes closed by ANI during 2012 (January 1st – December 31st)²		Sample
Verification of wealth	13	5
Verification of conflicts of interest	36	5
Verification of incompatibilities	161	15
Late submission of wealth and interest statements	210	15
Causes of false statements and other crimes	58	15
Causes dismissed	2,839	25
Number of files in progress as at December 31st, 2012		Sample
Verification of wealth	2,026	25
Verification of conflicts of interest	2,084	25
Verification of incompatibilities	2,167	25
Late submission of wealth and interest statements	412	25
Causes of false statements and other crimes	81	15

² These data are based upon the statistics provided by the Integrity Inspectorate during the audit period.



The methodology for testing the sample was elaborated based on the understanding and assessment 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 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 verification the wealth, conflicts of interests and incompatibilities.

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 59 cases regarding the verification of wealth out of which:

- 49 cases derived from ANI ex officio notification, and
- 10 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 40 cases regarding the verification of conflicts of interests out of which:

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

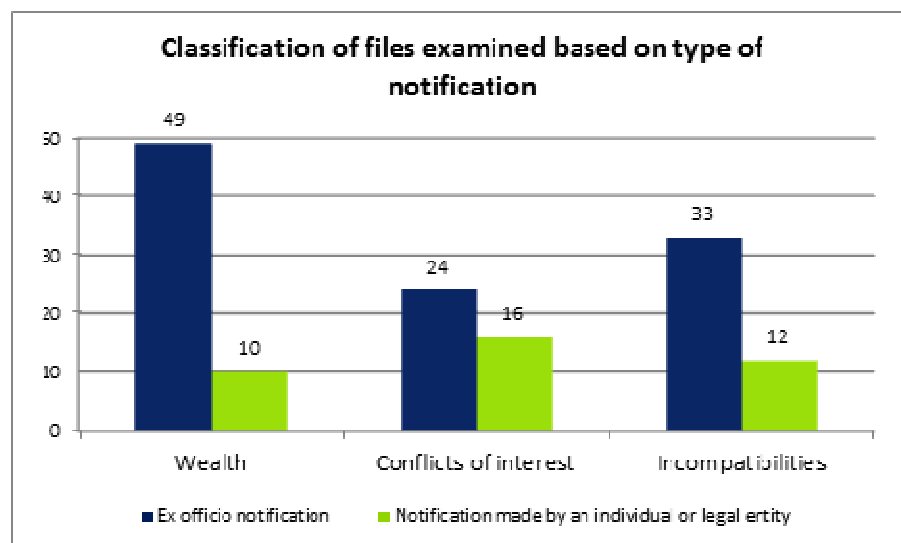
Aspects noted from the analysis of the sample of cases regarding the verification of incompatibilities

Based on the sampling method described above we determined 45 cases regarding the verification of incompatibilities out of which:

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

Aspects noted from the analysis of the sample of cases regarding late submission of wealth and interest statements

Based on the sampling method described above we determined 49 cases regarding the verification of late submission of wealth and interest statements.



For all observations identified following the analysis of the sample of files we recommended ways to prevent and detect these observations, as well as to make the process more efficient by use of 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.

8.3. Internal Public Audit Department

We analyzed the responsibilities within ANI for 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 documents the 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 this department’s representative in order to assess the compliance of the practical activity 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 quality assurance and improvement program;
- Elaborating the annual report over the internal public audit activity;
- Performing the audit mission “Existence, functionality and effectiveness of the internal control in the activity of wealth control and conflicts of interest verification”;
- 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 2012 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.

During 2012 the activity within CAPI has been performed by 2 internal auditors:

- A senior internal auditor, CAPI Coordinator, starting 15.02.2012,
- A senior internal auditor starting 22.02.2012, the date when the auditor started the activity within ANI.

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.

Based on the methodology applied and following the assessment of the operational procedures, there were no other observations identified and there were no other recommendations issued for this department, except the ones noted in Appendix 5B and Appendix 7.

8.4. Legal, Control, Public Relations and Communication Directorate

Administrative Disputed Claims Compartment

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 347 files in progress in Courts and before the Appeal Courts Wealth Investigation Commissions as at December 31st, 2012, 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 which 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 2011, DJCRPC's activity has been standardized through the elaboration of fourteen (14) operational procedures regarding DJCRPC attributions, including Communication, Public Relations and Strategy Compartment, 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 seven (7) specific operational procedures designed for this activity.

As to Administrative Disputed Claims Compartment's activity, we noticed a quantitative increase of the number of files won in court. Additionally, we understood that within this department's activity a legal practice has been started to be develop regarding the cases concerning Agency's operational activity, practice that is made available to the Integrity Inspectorate in order to be evaluated in respect of the manner in which files in progress are being analyzed.

Also, added value in DJCRP's management activity has been brought by organizing weekly operational meetings at the level of Administrative Disputed Claims Compartment in order to foresee issues raised during files in progress in courts.

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 2012 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 public interest information;
- Monitoring the press publications;
- Reporting to Ministry of Justice on the status of implementation of the measures belonging to ANI for the fulfillment of MCV (Cooperation and Verification Mechanism) Benchmarks;
- 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 documentation applicable to each process in respect to the frequency, 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 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 8.

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 2012 with provisions of ROF and 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 2012 and evaluation for training activities;
- Confirming the permanent positions for debutant personnel during 2012;
- Evaluating the performance of ANI personnel;
- Preparation of the work chart of public functions plan for the year 2012;
- Promotion operational procedure;
- 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 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 2012, 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 as per 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 managerial control function.

Labor Protection Compartment

We assessed the compliance of the operating procedures valid during 2012 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 9.

8.6. Economic Directorate

Financial and Accounting Department (SFC) – Accounting Compartment

We assessed the compliance of the operating procedures valid during 2012 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 for establishing the necessary credits for 2012;
- Procedure for drafting the expenses budget;
- Carrying out the investment project for the year 2012;
- Procedure of engaging, liquidation, ordering and payment of the expenses;
- Internal preventive financial control;
- Cash Register;
- Monitoring the expenses of 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 – CIAP

We have analyzed the responsibilities of the Investments and Public Acquisitions Compartment (hereinafter “CIAP”) in accordance with ROF provisions and operating procedures that document the activity of CIAP. The analysis was focused on the compliance of the operating procedures valid during 2012 with ROF provisions and the applicable legislation. During 2012 the operational procedures were not updated compared to 2011.

To conclude on 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 public procurement process.

We have obtained the list of public acquisitions started in 2012. Following the analysis of this status we noted the fact that during 2012 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 2012 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 2012.

Archiving procedure

We assessed the conformity of operating procedures valid during 2012 with the ROF provisions and the applicable legislation.

During 2012, 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.

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.

Additionally, by ANI President Order no 435/18.10.2012 it has been established the structure with responsibilities for monitoring, coordinating and methodological guidance of the managerial control system – SCM Committee. Also, ANI procedures manual contains the system procedure regarding risk management for a unitary implementation of the principles to identify and control risks within all ANI functional structures.

Also, we noted that, at ANI level, a System Procedure named “Risk Management” containing provisions regarding:

- Implementation and development of implementation for Standard 11 of OMFP 946/2005 on managerial control standards;
- Risk management process at ANI level;
- Setting and implementation of control actions/measures/devices.

In assessing the adequacy and effectiveness of the risk management process at ANI level, we assessed the following aspects through the actions taken during 2012:

- 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.

Following the assessment performed no observations and recommendations were made regarding this process, other than those noted in Appendix 5B and Appendix 10.

9. Use of the present report

This report is intended for the internal use of the management of ANI, 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 verification procedures performed by us were agreed between Deloitte and ANI. Deloitte provides no assurance regarding the sufficiency of these verification procedures performed 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 31st, 2012.

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 sources³. 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 2012 and does not extend over ANI's financial statements.

³ 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 on ANI management	Horia GEORGESCU	President
Interview on ANI management	Bogdan STAN	Vice-President
Interview on DJCRPC activity	Ioana LAZĂR	Director – Legal, Control, Public Relations and Communications Directorate
Interview on CCRPS activity	Silviu POPA	Counselor – President's Cabinet
Interview on STI activity	Cristinela Grosu	Head of Department – Information Technology Directorate
Interview on SRU activity	Mădălina VARDARU	Head of Department – Human Resources Department
Interview on CAPI activity	Anne Marie ONCESCU	Senior auditor – Internal Public Audit Department
Interview on Administrative Department activity	George Viorel GRECEANU ANGHEL ACASANDRI	Head of Department – Administrative Department
Interview on CPM activity	Venera BUTNĂRESCU	Representative – Labor Protection Compartment
Interview on CIAP activity	Gabriel PANAIT	Senior Consultant – CIAP
Interview on DE activity	Greta CONSTANTINESCU	Director – Economic Directorate
Interview on Integrity Inspectorate activity	Elena GALAN	General Director – Integrity Inspectorate
Interview to clear up some aspects regarding the integrity inspection files	Magdalena MIHAILĂ	Director – Integrity Inspectorate
Interview to clear up some aspects regarding the integrity inspection files	Mihai POPESCU	Integrity Inspector, Integrity Inspectorate
Interview to clear up some aspects regarding the integrity inspection files	Romică DINICĂ	Integrity Inspector, Integrity Inspectorate
Interview to clear up some aspects regarding the integrity inspection files	Puița BECUȚ	Integrity Inspector, Integrity Inspectorate
Interview to clear up some aspects regarding the integrity inspection files	Silviu SOROCEANU	Integrity Inspector, Integrity Inspectorate
Interview to clear up some aspects regarding the integrity inspection files	Maria MODREA	Integrity Inspector, Integrity Inspectorate
Interview to clear up some aspects regarding the integrity inspection files	Nicoleta Elena CREȚU	Integrity Inspector, Integrity Inspectorate
Interview to clear up some aspects regarding the integrity inspection files	Mihaela IONESCU	Integrity Inspector, Integrity Inspectorate

APPENDIX 1 List of interviewed persons (continuance)

Activity	ANI representative	Current position / Department
Interview to clear up some aspects regarding the integrity inspection files	Alina TÂRNĂ	Integrity Inspector, Integrity Inspectorate
Interview to clear up some aspects regarding the integrity inspection files	Anca TOMULESCU	Head of Department, Integrity Inspectorate
Interview to clear up some aspects regarding the integrity inspection files	Ana-Luiza DOMNIȚIANU	Integrity Inspector, Integrity Inspectorate
Interview to clear up some aspects regarding the integrity inspection files	Georgian MANOLACHE	Integrity Inspector, Integrity Inspectorate
Interview to clear up some aspects regarding the integrity inspection files	Romeo CRISTEA	Integrity Inspector, Integrity Inspectorate
Interview to clear up some aspects regarding the integrity inspection files	Daniela MINCU	Integrity Inspector, Integrity Inspectorate
Interview to clear up some aspects regarding the integrity inspection files	Vasilica BRATU	Integrity Inspector, Integrity Inspectorate
Interview to clear up some aspects regarding the integrity inspection files	Delia BĂLTĂREȚU	Integrity Inspector, Integrity Inspectorate
Interview to clear up some aspects regarding the integrity inspection files	Miuța Mirela ȚURLACU	Integrity Inspector, Integrity Inspectorate
Interview to clear up some aspects regarding the integrity inspection files	Andrei CHIOCHIU	Integrity Inspector, Integrity Inspectorate
Interview to clear up some aspects regarding the integrity inspection files	Mihai FENTZEL	Head of Department, Integrity Inspectorate
Interview to clear up some aspects regarding the integrity inspection files	Ioana – Alina GULEȘ – STANCIU	Integrity Inspector, Integrity Inspectorate
Interview to clear up some aspects regarding the integrity inspection files	Mihaela RĂDESCU	Head of Department, Integrity Inspectorate
Interview to clear up some aspects regarding the integrity inspection files	Ana Luisa BADIU	Head of Department, Integrity Inspectorate
Interview to clear up some aspects regarding the integrity inspection files	Daniela MITUȚOIU	Integrity Inspector, Integrity Inspectorate
Interview to clear up some aspects regarding the integrity inspection files	Andra Lavinia CÎMPEANU	Integrity Inspector, Integrity Inspectorate
Interview to clear up some aspects regarding the integrity inspection files	Georgiana DUMITRAȘCU	Integrity Inspector, Integrity Inspectorate
Interview to clear up some aspects regarding the integrity inspection files	Ionuț PÂNDARU	Integrity Inspector, Integrity Inspectorate
Interview to clear up some aspects regarding the integrity inspection files	Anamaria ANGHELESCU	Head of Department, Integrity Inspectorate
Interview to clear up some aspects regarding the integrity inspection files	Andrada BOCA	Integrity Inspector, Integrity Inspectorate

APPENDIX 2 List of analyzed procedures

Operational procedure	Date
Integrity Inspectorate	
PO 01/II – Activity of checking the statements of wealth and conflicts of interests received from ANI Registry	29.04.2008 05.10.2010 25.10.2012
PO 02/II – Apply contravention sanctions for: I. Not submitting DA/DI within the timeframe stipulated under the law; II. Not submitting 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 25.10.2012
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 25.10.2012
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 25.10.2012
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 25.10.2012
PO 06/II – How to fill in the statements of wealth and interests	12.06.2009 07.10.2010 25.10.2012
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 25.10.2012
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 25.10.2012
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 25.10.2012
PO 10/II – The documents flow between Integrity Inspectorate and Legal, Control and Public Relations Directorate	05.10.2010 25.10.2012
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 25.10.2012

APPENDIX 2 List of analyzed procedures (continuance)

Operational procedure	Date
Human Resources Department	
PO 01/SRU – Evaluation of public servants individual professional performance	07.04.2009 25.10.2012
PO 02/SRU – Appointment in a vacant public function	05.05.2009 25.10.2012
PO 03/SRU – Preparing and maintaining the record for contractual employees	25.10.2012
PO 04/SRU – Organization of the contest for occupying the integrity inspector function	01.04.2009 25.10.2012
PO 05/SRU – Organization of the contest for occupying a contractual position within ANI	29.03.2009 25.10.2012
PO 06/SRU – Confirmation on the job of debutant	05.05.2009 25.10.2012
PO 07/SRU – Scheduling and attribution of vacations for ANI personnel	20.05.2009 25.10.2012
PO 08/SRU – Delegation of work tasks within ANI	17.05.2009 25.10.2012
PO 09/SRU – Drafting, approval and submission of collective timesheets	25.09.2009 25.10.2012
PO 10/SRU – Communication of ANI Internal Regulation to employees	21.12.2009 25.10.2012
PO 11/SRU – Promotion of public servants	07.10.2010 25.10.2012
PO 12/SRU – Drafting the Annual Plan of Professional Training and of the plan of measures for professional development of ANI personnel	07.10.2010 22.09.2011 25.10.2012
PO 13/SRU – Registering and recording of medical certificates within ANI	18.10.2010 25.10.2012
PO 14/SRU – Drafting and approval of ANI functions list	19.10.2010 26.09.2011 25.10.2012
PO 15/SRU – Drafting and maintenance of public servant professional file	20.10.2010 25.10.2012
PO 16/SRU – Fulfilling the legal obligations regarding statements of wealth and conflicts of interests by ANI personnel	25.10.2010 25.10.2012
PO 17/SRU – Drafting and updating job descriptions	26.10.2010 03.10.2011 25.10.2012
PO 18/SRU – Approval of overtime for ANI personnel	28.10.2010 26.09.2011 25.10.2012
PO 19/SRU – Termination of workplace relations	09.11.2010 25.10.2012

APPENDIX 2 List of analyzed procedures (continuance)

Operational procedure	Date
Human Resources Department	
PO 20/SRU – Evaluation of contractual personnel's professional performances	25.10.2012
PO 21/SRU – Plan for occupancy of public functions	25.10.2012
PO 22/SRU – Monitoring compliance with conduct norms of public servants within ANI	25.10.2012
PO 23/SRU – Granting salaries to ANI personnel	25.10.2012
PO 24/SRU – Organizing and development of competition/exam for recruiting execution public function within ANI	25.10.2012
Labor Protection Compartment	
PO 01/CPM – Activity of training regarding the domain safety and health at work	05.08.2010 06.03.2012
PO 02/CPM – Introductory – general training in safety and health at work	17.03.2009 06.03.2012
PO 03/CPM – Training activity on safety and health at work	26.03.2009 06.03.2012
PO 04/CPM – Periodical training in safety and health at work	05.05.2009 06.03.2012
PO 05/CPM – Collective training in safety and health at work	11.05.2009 06.03.2012
PO 06/CPM – Activity for preparing own instruction in safety and health at work	12.12.2011 06.03.2012
PO 07/CPM – Activity of examination, recording and records keeping of work accidents and occupational diseases	12.12.2011 06.03.2012
PO 08/CPM – Risk assessment	12.12.2011 06.03.2012
PO 09/CPM – Preparing the Prevention and Protection Plan	12.12.2011 06.03.2012
PO 10/CPM – Activity of drafting the list with protection equipment of employees	12.12.2011 06.03.2012
Administrative Compartment	
PO 01/SA – Elaboration, preparation, verification and calculation of the millage sheets	22.04.2009 04.10.2010 25.10.2012
PO 02/SA – Testing vehicle technical and exploitation state before leaving on a course	22.05.2009 04.10.2010 25.10.2012
PO 03/SA – Organizing, planning and performing the vehicles technical maintenance services	20.05.2009 04.10.2010 25.10.2012

APPENDIX 2 List of analyzed procedures (continuance)

Operational procedure	Date
Administrative Compartment	
PO 04/SA – Ensuring the daily cleaning of ANI headquarters and additional buildings	04.10.2010 25.10.2012
PO 05/SA – Ensuring the daily cleaning of ANI headquarters and additional buildings through selective waste collection	04.10.2010 25.10.2012
PO 06/SA – Preparation of goods receiving note	04.03.2011 25.10.2012
PO 07/SA – Preparation of supply/ material record	04.03.2011 25.10.2012
PO 08/SA – Preparation of supply/ material consumption form	04.03.2011 25.10.2012
President / Vice-President Cabinet	
PO 01/CP – Flow of authorization and approval of the documents and internal and external correspondence in/out ANI	25.03.2009 05.08.2010 30.10.2012
PO 02/CP – Issuing orders	30.03.2009 05.08.2010 30.10.2012
PO 03/CP – Recording and archiving documents at President Cabinet	08.04.2009 05.08.2010 30.10.2012
PO 04/CP – Communication of orders, dispositions, answers and resolutions issued by the President to ANI management	10.04.2010 05.08.2010 30.10.2012
PO 05/CP – Making appointments to dignitaries cabinets	26.02.2009 05.08.2010 30.10.2012
PO 06/CP – Keeping records of the working hours for personnel from dignitaries Cabinets	04.05.2009 05.08.2010 30.10.2012
Information Technology Directorate	
PS 02 – Documents' control	19.03.2013
PS 03 – Records' control	19.03.2013
PS 04 – Internal audit	19.03.2013
PS 05 – Non-conformities, corrective and preventive actions	19.03.2013
PO 01/SI – Information security risks management	19.03.2013
PO 02/SI – Incidents management	19.03.2013
PO 03/SI – Information resources management	19.03.2013
PO 04/SI – Changes management	19.03.2013

APPENDIX 2 List of analyzed procedures (continuance)

Operational procedure	Date
Internal Public Audit Department	
PO 01/CAPI – Internal public audit annual plan	10.03.2009 10.06.2010 25.10.2012
PO 02/CAPI – Preparation of the Annual report of Internal Public Audit	25.03.2009 25.10.2012
PO 03/CAPI – Human resources management within CAPI	13.03.2009 25.10.2012
PO 04/CAPI – Performance of internal public audit missions based on the Internal public audit annual plan	25.03.2009 25.10.2012
PO 05/CAPI – Prepare internal public audit missions	25.03.2009 25.10.2012
PO 05.1/CAPI – Order of work preparation and circulation	16.03.2009 25.10.2012
PO 05.2/CAPI – Auditor's independence statement	27.03.2009 25.10.2012
PO 05.3/CAPI – Notification of audited structure on the start of audit mission	25.10.2012
PO 05.4/CAPI – Opening/Kick-off meeting for audit missions	25.10.2012
PO 06.1/CAPI – Performing on-site fieldwork	26.02.2009 25.10.2012
PO 06.2/CAPI – Preparation and circulation of Opening meeting minute	25.10.2012
PO 07/CAPI – Audit mission report preparation	31.03.2009 25.10.2012
PO 08/CAPI – Follow up on the implementation of recommendations from previous missions reports	17.03.2008 25.10.2012
PO 09/CAPI – Supervision of audit missions	18.03.2008 25.06.2010 25.10.2012
PO 10/CAPI – Personnel evaluation	27.05.2008 20.09.2010 25.10.2012
PO 11/CAPI – Quarterly reporting to UCASMFC on implementation and development of managerial control systems	25.03.2009 05.07.2010 25.10.2012
PO 12/CAPI – Internal auditors national attestation process	25.10.2012
PO 13/CAPI – Performing consulting missions	25.10.2012
PO 14/CAPI – Preparation and update of "Incident legislation on auditable domains" Registry	25.10.2012

APPENDIX 2 List of analyzed procedures (continuance)

Operational procedure	Date
Internal Public Audit Department	
PO 15/CAPI – Preparation of scorecard – as a basis for discussions scheduled at President & Vice-President's Cabinet	25.10.2012
PO 16/CAPI – Preparation of Operational Procedures specific to the activities performed within ANI	25.10.2012
PO 17/CAPI – Risk management	25.10.2012
Legal, Control, Public Relations and Communication Directorate	
PO 01/DJCRPC – Drafting the documents and ANI representation before courts	26.03.2010 28.11.2012
PO 02/DJCRPC – Procedure regarding the approval of ANI contracts	26.03.2010 11.12.2012
PO 03/DJCRPC – Procedure regarding the approval of ANI internal documents	26.03.2010 28.11.2012
PO 04/DJCRPC – Procedure ways and conditions to keep, record and archive DJCRP documents (started/prepared by)	26.03.2010 28.11.2012
PO 05/DJCRPC – Security of personnel from public authorities, institutions and others who whistle blow law infringements	28.10.2010 28.11.2012
PO 06/DJCRPC – Procedure on identifying by the control compartment of ANI personnel's deviations from legality, deficiencies and wrong-doings	06.10.2010 28.11.2012
PO 07/DJCRPC – Monitoring, analysis and dissemination of subject matter jurisprudence, specific to ANI activity	28.11.2012
Communication, Public Relations and Strategy Compartment	
PO 01/CCRPS – Drafting the answers to the requests made based on Law 544/2001	31.03.2009 06.10.2010 25.10.2012
PO 02/CCRPS – Drafting media materials	04.05.2009 06.10.2010 25.10.2012
PO 03/CCRPS – Performance of media monitoring activities	04.05.2009 08.06.2010 25.10.2012
PO 04/CCRPS – Organization of protocol events (welcomes, receptions, formal and work dining, gifts) at Agency management level	04.05.2009 06.10.2010 25.10.2012
PO 05/CCRPS – Organization of domestic and international travels of ANI representatives	04.05.2009 25.10.2012
PO 06/CCRPS – Status of measures implementation in ANI's responsibility for implementation of benchmark within Cooperation and Verification Mechanism	11.05.2009 06.10.2010 25.10.2012
PO 07/CCRPS – Drafting ANI communication strategy	06.10.2010 25.10.2012

APPENDIX 2 List of analyzed procedures (continuance)

Operational procedure	Date
Economic Directorate	
PO 01/DE – Activity of preventive financial control	21.09.2009 25.01.2010 30.12.2011
PO 01/ANI – Inventory of assets and liabilities	05.04.2009 31.10.2010 02.07.2012
PO 01/S/DE – Receipt and allocation of correspondence in DE	12.07.2011
PO 01/F/DE – Justification and approval of Annual Investments Program	08.10.2010 25.05.2012
PO 01/C/DE – Accounting records of fixed assets and depreciation	08.10.2010 03.09.2012
PO 02/F/DE – Justification of monthly credit needs in order to request the opening of budgetary credits	07.10.2010 20.09.2012
PO 02/C/DE – Accounting records of consumptions of materials	08.10.2010 03.09.2012
PO 03/F/DE – Processing the credit transfers within approved expenses budget	12.10.2010 17.05.2012
PO 04/C/DE – Accounting records of material collaterals constituted under the law	08.10.2010 03.09.2012
PO 04/F/DE – Start of investments financing approved through the expenses budget of the Agency	12.10.2010 29.12.2012
PO 05/F/DE – Activity of preparation and justification of the budgeted expenses of the Agency	09.12.2010 19.03.2012
PO 06/C/DE – Accounting records of salary expenses on the budgetary classification structure	01.09.2010 03.09.2012
PO 06.1/F/DE – Activity of expenses commitment	23.04.2009 16.05.2012
PO 06.2/F/DE – Activity of expenses clearance	04.05.2009 15.07.2011 16.05.2012
PO 06.3/F /DE – Activity of expenses authorization	06.05.2009 16.05.2012
PO 06.4/F/DE – Activity of expenses payment	13.05.2009 16.05.2012
PO 06.5/F/DE – Organization, recording and reporting of budgetary appropriations, legal appropriations, approved commitment appropriations and employed commitment appropriations	03.06.2009 17.06.2010 21.05.2012
PO 07/C/DE – 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 03.09.2012

APPENDIX 2 List of analyzed procedures (continuance)

Operational procedure	Date
Economic Directorate	
PO 7.1/F/DE – Preparing the pay sheet for the salaries and other personnel benefits	29.09.2010 21.07.2011
PO 08/F/DE – Monitoring and storage of Contract original copy and follow up on the development of the contract terms	29.04.2009 20.06.2012
PO 08.1/C/DE – Keeping the record of the expenses related to international travel, on the budgetary classification structure	01.09.2010 03.09.2012
PO 08.2/C/DE – Keeping the record of the documents related to the cash collections and payments in “lei”	07.10.2010 03.09.2012
PO 09.1/F/DE – Performing the Cash operation in “lei”	26.05.2009 21.06.2010 12.01.2011
PO 09.2/F/DE – Performing the Cash operations in foreign currency	26.05.2009 01.06.2010 20.06.2012
PO 10/C/DE – 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 03.09.2012
PO 10.1/F/DE – Filling in and verification of the “lei” Cash Registry	18.05.2009 24.06.2010 20.06.2012
PO 10.2/F/DE – Filling in and verification of the foreign currency Cash Registry	18.05.2009 09.08.2010 20.06.2012
PO 11/F/DE – 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 20.09.2012
PO 11.1/C/DE – Keeping the record of consumables inventories in the commercial management program	29.04.2009 17.06.2010 19.03.2012
PO 11.2/C/DE – Keeping the record of tangible and intangible assets in CIEL assets IT program	01.09.2010 17.09.2012
PO 11.3/C/DE – Keeping the record of inventory items in CIEL assets IT program	13.10.2010 22.02.2012
PO 11.4/C/DE – Preparing the Inventory Numbers Registry (cod: 14-2-1)	12.10.2010 22.02.2012
PO 11.5/C/DE – Decommissioning and discarding of the fixed assets and inventory items in use	07.10.2010 22.02.2012
PO 12/C/DE – Preparing, signing, submitting, composition, and instructions on filling in ANI quarterly and annual financial statements	02.09.2010 01.09.2012
PO 12/F/DE – Preparing the payment sheets and submitting them to the State Treasury	14.05.2009 20.09.2012
PO 13/F/DE – Obtaining the account statements from the State Treasury and Credit Europe Bank	25.08.2009 27.09.2012

APPENDIX 2 List of analyzed procedures (continuance)

Operational procedure	Date
Economic Directorate	
PO 14/C/DE – Agency patrimony annual inventory organization, valuation of inventory results and recording them in the annual financial statements	30.10.2009
PO 15/C/DE – Preparing the Inventory Registry	30.03.2009
PO 16.1/F/DE – Preparing the Situation regarding monitoring of personnel expenses in the month ... year ...	25.03.2009 02.07.2012
PO 16.2/F/DE – Quarterly monitoring of the personnel expenses	27.03.2009 02.07.2012
PO 16.3/F/DE – Preparation and submission of the Declaration regarding the payment obligations to the state budget, code 14.13.01.99/bs and D100	05.08.2010 29.10.2012
PO 16.5/F/DE – Preparation and submission to the Treasury of the Planned Payments Status for the decade ... month ... / year ...	17.08.2010 22.02.2012
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/DE – Checking the domestic and international travel expenses	04.10.2010 28.02.2012
PO 18/F/DE – Archiving and storage of financial – accounting registries and documents	20.12.2010 17.05.2012
Investments and Public Acquisition Compartment	
PO 01/CIAP – Procurement through the “request for offer” procedure of goods / services / works	21.05.2009 05.10.2010 25.10.2012
PO 02/CIAP – Monitoring the execution of a public acquisition contract in respect of the technical specifications	06.05.2009 05.10.2010 25.10.2012
PO 03/CIAP – Invoice flow	22.06.2009 25.10.2012
PO 04/CIAP – Procurement through direct acquisition of goods / services / works	12.01.2010 25.10.2012
PO 05/CIAP – Elaboration and update of the Public Acquisition Annual Program	30.07.2010 05.10.2010 25.10.2012
PO 06/CIAP – Procurement through “open bidding” procedure of goods / services / works	05.10.2010 25.10.2012
PO 07/SIAP – Preparation of tender documentation within the public acquisition procedures	26.10.2010 25.10.2012

APPENDIX 2 List of analyzed procedures (continuance)

Operational procedure	Date
General Registry	
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 25.10.2012
PO 03/RG – Circulation of petitions at ANI level	19.12.2011 25.10.2012
PO 04/RG – Circulation and record of requested correspondence during Integrity Inspection evaluations	19.12.2011 25.10.2012
PO 05/RG – Processing Wealth and Interest Declarations	19.12.2011 25.10.2012

APPENDIX 3A List of documents analyzed during audit

No	Name of document
1	ANI Internal Organization Manual 2012
2	ANI Internal Regulation applied in the period 1 Ianuarie 2012 – 31 Decembrie 2012 and the Internal Order of approval
3	The status of the implementations of the recomandations made in the previous year
4	Detailed rules concerning the internal audit activity for ANI
5	Internal Audit Plan with supporting documents for 2012, Memo Order submission and Approval Order, including later versions
6	Supporting documents for CAPI's activity plan for 2012.
7	Assurance program and quality improvement of the internal audit activity in 2012 and Forwarding Address
8	Auditors evaluation (for the 2012 activity) and Forwarding Address
9	Annual report regarding the public internal audit in 2012 and Forwarding Address
10	Public functions employment plan for 2012
11	List of ANI contracted personnel during 2012
12	Situation of debutants in 2012 and to the hired debutants in 2012
13	Register of public officials
14	List of contests organized by ANI during 2012
15	List of termination employment contracts in 2012
16	List of ANI personal who attended the training / professional development seminars in 2012
17	Addresses and notes of participation in training courses
18	Staff training strategy for 2012
19	Staff training and professional development plan in 2012
20	Order of ANI President for the approval of ANI Strategy for combating and preventing the accumulation of unjustified wealth, conflicts of interest and incompatibility
21	The Code of Ethical and Professional Conduct of ANI personnel
22	Annual report regarding the compliance of the staff with the code of conduct in 2012
23	List detailing ANI personnel acknowledgement of the Code of Ethical and Professional Conduct of ANI personnel, at the level of ANI structures
24	Documentation for 2012 from the Disciplinary Committee of ANI
25	Prevention and protection plan drawn up in 2012 in accordance with safety and health law no 319/2006 and GD 1425/2006
26	Internal rules for labor safety and health for 2012
27	Files selected for testing from the list of files under DJCRPC responsibility

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

No	Name of document
28	Annual internal public audit plan for 2012, as well as the updates made during the year
29	List of acquisitions made in 2012
30	Report with initiated and contracted public acquisitions
31	List of investment in 2012
32	Order of ANI President regarding the hiring, liquidation, approval and payment of budgetary expenses
33	Addresses to the Ministry of Finance regarding the list personal in 2012
34	List for the position "Other investment expenses" on categories of assets for 2011, including appropriate updates
35	Reports and statements regarding the monitoring of staff costs for September 2012
36	Report regarding the preventive financial control for the third trimester
37	Financial Statements at 31.12.2012
38	Order regarding the hiring, liquidation, approval and payment of budgetary expenses (in 2012)
39	ANI budget for 2012 and rectifications
40	Notes regarding the rectification of budget
41	Payment reports 01.01-31.12.2012
42	Inventory order in 2012
43	Order of appointing the inventory committee
44	Instruction regarding the general patrimony inventory
45	Minutes of patrimony inventory in 2012
46	List of files finalized and in progress at 31.12.2012 at II Department on each object tested
47	List of vacations for 2012
48	Management plan for 2012
49	Analysis of ANI structures training requirements
50	Registry for recording requests and answers regarding access to public interest information during 2012
51	Communication strategy in 2012
52	Supporting documentation regarding the timesheets included in testing
53	Files of contests included in testing
54	Supporting documentation regarding the work reports included in testing
55	Supporting documentation regarding training and professional development included in testing
56	Supporting documentation for the professional personal selected for testing

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

No	Name of document
57	Professional files of civil servants and contracted personnel selected for testing
58	Reports for press monitoring as per selection for testing
59	Documentation of the audit mission "Existence, functionality and effectiveness of the internal control in the activity of wealth control and conflicts of interest verification"
60	Individual training charts for health and safety at work selected for testing
61	Accidents evidence Registry for the year 2012
62	Internal norms for work health and safety for 2012
63	Prevention and protection plan for 2012
64	Own instructions for work safety prepared during 2012
65	Scope of work health and safety training during 2012
66	Cash registries, including corresponding documentation, for the months selected for testing
67	Internal note for implementation, within ANI of Law no 176/2010 provisions, regarding the constraint to submit wealth and interest statements
68	Wealth statements Registry for statements prepared in 2012
69	Interest statements Registry for statements prepared in 2012
70	Documentation regarding confirmation on the position for the debutant selected
71	List of overtime during 2012
72	Delegations of responsibilities from the President to the Vice-President
73	ANI President Orders on delegation Vice-President's responsibilities

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

No	Name of document
1	Star Storage S14 12.01.2011 Subsequent contract
2	Star Storage 26.02.2010 Subsequent contract
3	Contract firewall equipment maintaining services – E-FactorSolutions 275/ 19.01.2012
4	Equipment and IT&C maintenance Contract SRL 146/12.01.2012
5	Vodafone internet access contract 290/ 23.01.2012
6	Call center maintenance T&T Consulting 128 / 12.01.2012
7	Policy POL-01/SI Information Security Management System Policy
8	Policy POL-02/SI Business Continuity Management Policy
9	Policy POL-06/SI Physical Security Policy
10	General System Procedure PS – 02 Documents control
11	General System Procedure PS – 03 Records Control
12	General System Procedure PS – 04 Internal audit
13	General System Procedure PS – 05 Nonconformities, Corrective and preventive action
14	Operational procedure PO–01/SI Information security risks management
15	Operational procedure PO 02/SI Incident management
16	Operational procedure PO–03/SI Information resources management
17	Operational procedure PO–04/SI Change management
18	Disaster recovery plan
19	SIMTEX Audit Report
20	Contract for providing services 2029/31.05.2012 – Star Storage

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 31.12.2012
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	<p>Data security component:</p> <ul style="list-style-type: none"> ➤ Access to secure databases; ➤ Monitored and audited access to information; ➤ Assured protection against unauthorized database access attempts; <p>Network type component:</p> <ul style="list-style-type: none"> ➤ Private internal network; ➤ Secure external network; ➤ Communication between networks; <p>Protection and access component:</p> <ul style="list-style-type: none"> ➤ Accelerated encrypted SSL communication; ➤ Applications protection; ➤ Network trafficking load distribution; ➤ Servers and storage; ➤ Extended online storage capacity for existing system; ➤ Long-time storage for statements in „nearline” type storage devices; ➤ Hardware infrastructure to accommodate proposed solution. 	<p>Partially implemented</p> <p>The activity included in this measure has been integrated in ANI contracted project – <i>“Efficient public services by simplifying the procedure for filling-in, archiving and analysis of documents within National Integrity Agency and facilitating electronic access to public interest information”</i>.</p> <p>The following activities have been performed, that led to partially implementing the evaluation indicators – data security component, network type component, protection and access component:</p> <ul style="list-style-type: none"> – Acquisition of equipment, licenses and services, – Delivery of IT equipment and licenses and their installation, configuration and integration into the existent infrastructure, – Finalizing the first analysis phase of electronic and online forms.

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 31.12.2012
1.1. Activity effectiveness (reducing the timing / costs for investigating cases) through the use of IT	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>E-forms component – Smart forms</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"> ➤ <i>Digital certificate for signing statements implemented at institutional level</i> ➤ <i>Digital certificate of the institution, used by each employee</i> ➤ <i>Procedure for verifying the signature when processing an implemented statement</i> <p>Temporal mark type signature for every applied archived statement (a predefined time period before expiring - ex: 90 days).</p> <p>Open source Monitoring aspect:</p> <ul style="list-style-type: none"> ➤ Multiple-source of information search procedure, with aggregation of results in an unified, implemented interface; ➤ Monitoring of web-sites; ➤ Monitoring of news agencies (RSS fluxes, etc.). <p>Intelligent data analysis component</p> <p>Automatic analysis:</p> <ul style="list-style-type: none"> ➤ <i>Reports and analysis performed on collected data;</i> ➤ <i>Implemented process for monitoring stabile performance indicators at institutional level;</i> ➤ <i>Use of other data sources for reporting;</i> <p>Visual analysis:</p> <ul style="list-style-type: none"> ➤ <i>Visual investigation model based on collected data and external data sources (ANAF, ONRC etc.).</i> 	<p>Partially implemented</p> <p>The activity included in this measure has been integrated in ANI contracted project – <i>“Efficient public services by simplifying the procedure for filling-in, archiving and analysis of documents within National Integrity Agency and facilitating electronic access to public interest information”</i>.</p> <p>The following activities have been performed:</p> <ul style="list-style-type: none"> – Acquisition of equipment, licenses and services, – Delivery of IT equipment and licenses and their installation, configuration and integration into the existent infrastructure, – Finalizing the first analysis phase of electronic and online forms. <p>While the following evaluation indicators have been partially implemented:</p> <ul style="list-style-type: none"> – E-forms/Smart forms component: by acquiring equipment, licenses and services and finalization of first analysis phase of electronic and online forms, – Open source monitoring aspect: and intelligent data analysis component: by acquiring equipment, licenses and services.

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 31.12.2012
1.1. Activity effectiveness (reducing the timing / costs for investigating cases) through the use of IT	1.1.3. Analysis of risk factors and vulnerable sectors	2011 – 2014	<ul style="list-style-type: none"> ➤ Identified risk factors; ➤ Identified vulnerable sectors; ➤ Risk analysis integrated in SIMIDAI. 	<p>Partially implemented</p> <p>At ANI level, risk factors have been identified regarding local public administration, respectively lack of transparency in the decisional process locally, low access level to public interest information of majority people from urban and rural environment. One of the main corrosive factors of local authorities' image and their perception by population is represented by cases brought forward to the public by mass-media, namely local dignitaries who perform economic activities with local public administration, influencing, formally or informally, given their position of local dignitaries. This situation led to the necessity of approaching preventively conflicts of interest.</p> <p>Thus, during September 2011 – February 2012, ANI performed preliminary verifications at the level of local public administration (89 entities were analyzed for which local and county councilmen have been identified, including their IV degree relatives) in order to identify possible conflicts of interest and incompatibilities.</p> <p>At the end of the preliminary verification ANI started the evaluation procedures for 190 local and county councilmen, in order to verify compliance with conflicts of interest and incompatibilities legal regime during the mandate 2008 – 2012, and upon finalizing the actual verifications in 78 cases of local and county councilmen there were identified breaches of administrative / legal conflicts of interest and incompatibilities legal regime.</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 31.12.2012
1.1. Activity effectiveness (reducing the timing / costs for investigating cases) through the use of IT	1.1.4. Insuring continuity 2013 – 2014 regarding publishing the wealth and interests statements by resuming the bid procedure for SIMIDAI	2013 – 2014	<ul style="list-style-type: none"> ➤ Resumed auction procedure; ➤ Assigned contract. 	Not implemented 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"> ➤ Improved investigational check-list 	Implemented During 2012, the Operational Procedures Manual was re-issued, 22 procedures being eliminated, while 18 new operational procedures have been prepared. Also, ANI Risks unique Registry has been updated following identification of risks pertaining to activities performed.

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 31.12.2012
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>Implemented</p> <p>The integrated Information System for the Management of Wealth and Interests Declarations (SIMIDAI) represented a strategic priority for National Integrity Agency, 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, 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.</p> <p>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.</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 31.12.2012
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"> ➤ One course for professional development / official certification for data and information analysis / five integrity inspectors trained; ➤ Two study visits; ➤ Five training sessions – familiarization with “work-flow” processes / ten persons trained. 	<p>Partially implemented</p> <p>During 2012, in April, ANI participated at a study visit in UK in order to document best practices on methods to implement project’s objective.</p> <p>Also, regarding professional development trainings for 5 inspectors, ANI agreed a preliminary contract with National Policing Improvement Agency (NPIA); the implementation deadline was set for Autumn 2013.</p> <p>Additionally, training/familiarization sessions shall be sustained subsequent to finalizing project components’ acquisition procedures.</p>
	1.3.2. Training of newly employed integrity inspectors, on IT and procedures	Permanent	<ul style="list-style-type: none"> ➤ Minimum two training sessions per newly employed inspector 	<p>Implemented</p> <p>Newly hired in 2012 integrity inspectors participated to the following professional training/development programs:</p> <ul style="list-style-type: none"> ➤ Training course “Diplomacy in public administration and international relations” ➤ Professional development course “Public acquisitions”

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 31.12.2012
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"> ➤ 5 inspectors trained on the program “<i>train the trainers</i>”; ➤ New staff trained on IT and procedures 	<p>Partially implemented</p> <p>During 2012, one employee of Legal, Control, Public Relations and Communications Directorate participated at a train the trainers course organized within the StAR program (Stolen Asset Recovery Initiative) developed by World Bank and United Nations Bureau for fighting Drugs and Crimes.</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 31.12.2012
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"> ➤ Statistics performed; ➤ Daily updated SIMIDAI reporting matrix. 	<p>Partially implemented</p> <p>The monitoring of progress and finalization of causes redirected by the Agency to the competent institutions / authorities is performed by the use of a database (excel type file) that allows access for personnel of Integrity Inspectorate and Legal, Control, Public Relations and Communications Directorate, by use of a file share.</p> <p>The statistics prepared by DJCRPS on ANI's activity are included in Agency's management activity reports, as well as in progress reports submitted to the European Commission for Cooperation and Verification Mechanism.</p>
	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	<ul style="list-style-type: none"> ➤ Completed database 	<p>Implemented</p> <p>At DJCRP level, a daily updated database has been implemented that manages causes currently in Court.</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 31.12.2012
1.4. Monitoring the progress of causes redirected by the Agency to the competent institutions / authorities	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	<p>Partially implemented</p> <p>At end of July 2012, upon European Commission request, ANI started the process to prepare an analysis over the efficiency of the Romanian legislative framework on conflicts of interest.</p> <p>During the preparation of this analysis, ANI shall take into consideration instrumented cases history regarding administrative and legal conflicts of interest, the development of these cases, competent institutions point of view, as well as court practices.</p> <p>Also, DJCRPC is in process of preparing a selection of court decisions, classified based on forfeiture wealth objects, incompatibilities and conflicts of interest.</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 31.12.2012
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"> ➤ Evaluation reports ➤ Analysis on risk areas 	<p>Implemented</p> <p>During September 2011 – February 2012, ANI performed preliminary verifications at the level of local public administration (89 entities were analyzed for which local and county councilmen have been identified, including their IV degree relatives) in order to identify possible conflicts of interest and incompatibilities.</p> <p>At the end of the preliminary verification ANI started the evaluation procedures for 190 local and county councilmen, in order to verify compliance with conflicts of interest and incompatibilities legal regime during the mandate 2008 – 2012, and upon finalizing the actual verifications in 78 cases of local and county councilmen there were identified breaches of administrative / legal conflicts of interest and incompatibilities legal regime.</p> <p>Also, at the beginning of 2013, Romanian Government approved the “Memorandum for ensuring an efficient ex-ante verification mechanism for conflicts of interest in the process of awarding public acquisition contracts [...]”.</p> <p>IT system for prevention and identifying conflicts of interest shall ensure avoidance of blocking some failed evaluation procedures undertaken during very long period, resulting in increasing European funds absorption rate, institutions being thus able to remedy situations on potential conflicts of interest.</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 31.12.2012
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	Implemented Through the 2012 State budget Law no 293/21.12.2011, the ANI income and expenses budget was approved, in the amount of RON 20,610,000.
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	2011- 2014	Portal development component <ul style="list-style-type: none"> ➤ Upgrading the existing Portal platform to an Enterprise type Portal platform; ➤ Hosting the portal and the site in the same location; ➤ Published intelligent forms for subsequent completion; ➤ Summaries, reports and statistic statements intended for general public. Digitization services component <ul style="list-style-type: none"> ➤ Electronic statements conversion. 	Partially implemented Extending the information capacity of citizens through the development of Portal type activities was implemented by the Agency in 2011, while the public procurement procedure for components is in progress.
	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	Implemented 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 31.12.2012
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	Implemented Update of the “Court files” section 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.	Implemented Contact data for the President, Vice-President and all ANI Directorates are posted on ANI web-site, as well as the procedure for registering for meetings / online form for registering for meetings.

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 31.12.2012
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	Implemented 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	Not implemented 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	Implemented The frequently asked questions section shall be improved once the Agency's website new design shall be implemented.

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 31.12.2012
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"> ➤ 50 training sessions; ➤ 1,000 responsible people trained. 	<p>Implemented</p> <p>During 2012, ANI organized a seminar within the project “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”, co-funded from the Social European Fund. The seminar was aimed at persons from public institutions / authorities responsible with implementing the legal provisions on wealth and interest declaration. 20 persons from the target group participated at the seminar.</p> <p>As to the deadline for implementing this measure, ANI considers “permanent” as being by the end of strategy implementation period, namely 2014, date upon which set evaluation indicators shall be accomplished.</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	<p>Portal development component</p> <ul style="list-style-type: none"> ➤ Improved existing Portal – ergonomics, look & feel. 	<p>Partially implemented</p> <p>The public procurement procedure for components in ongoing.</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 31.12.2012
2.3. Stimulating the civic attitude of citizens, leading to making notifications addressed to ANI	2.3.2 Dissemination of information regarding methods of notifying the Agency	Permanent	➤ Information materials posted on the web-site	Implemented Methods of notifying ANI are published on ANI web-site, under complaints section http://www.integritate.eu/home/sesizari.aspx .
	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	Implemented During 2012, ANI conferred specialized assistance to individual persons and legal entities that requested clarifications regarding normative acts on ways to fill in and submit wealth statements, legal regime of incompatibilities and conflicts of interest. Thus, 537 points of view have been issued, as follows: <ul style="list-style-type: none"> ○ 88 points of view regarding legal regime of conflicts of interest; ○ 393 points of view regarding legal regime of incompatibilities; – 56 points of view regarding ways to fill in / submit wealth and interest statements.

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 31.12.2012
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"> ➤ 1,080 civil servants with improved standards of expertise and knowledge; ➤ 1,200 civil servants trained in the program for ethical training/qualification certificates; ➤ 20 civil servants instructed in the train the trainers domain: <ul style="list-style-type: none"> ○ Defined integrity systems; ○ Information system for monitoring the activity of ethics counselors; ○ Study visit; ○ Awareness campaign "BE ETHICAL, BE HONEST!" ○ TV commercial. 	<p>Not implemented</p> <p>The financing request 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.</p>
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"> ➤ Number of meetings organized; ➤ Exchange of best practices performed. 	<p>Implemented</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>Project objective: 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>

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 31.12.2012
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, 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"> ➤ Number of meetings organized; ➤ Identified issues. 	Implemented During 2012, two roundtables have been organized by Ministry of Justice at which participated ANI representatives, CSM representatives and judges from Courts of Appeal.
	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	<ul style="list-style-type: none"> ➤ Guidelines prepared and disseminated for magistrates and prosecutors 	Partially implemented Following combined magistrates and integrity inspectors points of view which were concluded within discussion sessions, a guide shall be prepared that will help parties involved in interpreting the legislation in this area. These guidelines shall be electronically distributed to Courts of Appeal. These guideline were not yet prepared, given that, in order to have a comprehensive approach, ANI shall wait for courts issuing decisions in cases where ANI identified unjustified differences between wealth and revenues.

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 31.12.2012
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>Partially implemented</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.</p> <p>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 Prosecutor from the Supreme Court.</p> <p>Taxation bodies and prosecution bodies did not send centralized quarterly notifications in regards to the measures taken.</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 31.12.2012
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	3.1.2. 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>Implemented</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>During 2012, the Agency send points of view regarding proposals to modify normative acts that affect ANI's object of activity:</p> <ul style="list-style-type: none"> – Legislative proposal for modifying Law no 144/2007 on ANI establishment, organizing and functioning, republished, with subsequent changes and additions; – Law project for changing and adding provisions to Law no 161/2003 on some measures to ensure transparency in performing public dignities, public functions and within business environment, prevention and sanctioning of corruption.
	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>Implemented</p> <p>In 2012, training needs analysis and training plan were updated in accordance with National Integrity Agency Strategy 2011 – 2013 provisions, as well as with the objectives included in the new National Anticorruption Strategy 2012 – 2015.</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 31.12.2012
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	3.1.4. 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"> ➤ Training suppliers identified; ➤ Services acquired. 	<p>Implemented</p> <p>During 2012, the following trainings have been recorded:</p> <ul style="list-style-type: none"> ➤ Stolen Asset Recovery Initiative (StAR) – Professional development program on recovery of debts from crimes ➤ Clean Justice Initiative – conference “Investigating and judging crime of abuse at work and conflicts of interest” ➤ Seminar organized by European Partners Against Corruption (EPAC) and National Anticorruption Directorate – Best practices and strategies in detecting, investigating and punishing corruption and fraud in public acquisition domain ➤ Seminar organized by CECOFORMA and ANAF – Legislation on transparency, ethics and integrity in public administration ➤ Seminar organized by Freedom House – Integrity in the legal system ➤ Seminar Ministry of European Affairs – Exchange of experience on prevention, identification and solving conflicts of interest in public acquisition procedures for projects funded from Structural and Cohesion Funds ➤ Project management training – Best Smart Consulting SRL; ➤ IT systems auditor Simtex Certification Organism ➤ British Council; European Tax, Economics and Law Academy; MMFES & MEC; Forum Media Publishing; Grup management SRL; ANAF.

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 31.12.2012
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	3.1.5. Implementing partnerships	Yearly	<ul style="list-style-type: none"> ➤ Training plan performed; ➤ All operational staff trained 	<p>Implemented</p> <p>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.</p> <p>In 2012, training needs analysis and training plan were updated in accordance with National Integrity Agency Strategy 2011 – 2013 provisions, as well as with the objectives included in the new National Anticorruption Strategy 2012 – 2015.</p>
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	<ul style="list-style-type: none"> ➤ Progress reports submitted to partner institutions 	<p>Implemented</p> <p>During 2012, ANI submitted seven progress reports and updates to these reports within Cooperation and Verification Mechanism.</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 31.12.2012
3.2. Cooperation with European Union institutions, for the fulfillment of assumed objectives	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"> ➤ Number of reports sent per diplomatic mission per year; ➤ Number of participations by foreign mission representatives to Bucharest per event. 	<p>Implemented</p> <p>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.</p> <p>ANI submits press releases regarding the results of operational or administrative activities to diplomatic missions.</p> <p>Also, at the Launch Conference for the Project "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" the following attended: UK Ambassador to Bucharest, as well as representatives of Germany and Finland Embassies.</p>
	3.2.3. Facilitating access to the wealth and interests statements Portal to external environments (journalists, institutions, foreign dignitaries, etc.)	Semester 1 2011	<ul style="list-style-type: none"> ➤ Sections of the wealth and interests statements Portal translated into English 	<p>Implemented</p> <p>The ANI web-site includes sections of the wealth and interests statements Portal translated into English.</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 31.12.2012
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	➤ Number of common actions carried out (projects carried out in partnership, roundtables on providing consultancy, etc.)	Implemented During 2012, ANI representatives attended the following: <ul style="list-style-type: none"> • The conference organized by Freedom House: „Vulnerabilities in using European funds in Romania”, • Courses, seminars organized by Konrad-Adenauer Foundation, Public Politics Institute, Romanian Academic Society: with subjects regarding anticorruption, • The conference organized by Freedom House and Expert Forum in which subjects regarding investigation and counsel crimes on abuse during service and conflicts of interest.
	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	Not implemented During 2012, no research studies with regards to the causes that generate conflicts of interest or of states of incompatibility were carried out.

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 31.12.2012
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"> ➤ Official correspondence at an inter-institutional level; ➤ Signed collaboration protocols. 	<p>Implemented</p> <p>Following implementing the recommendations within GRECO Evaluation report, National Integrity Agency signed a collaboration protocol with the Permanent Election Authority.</p> <p>Also, at the end of 2011, a roundtable was organized by Permanent Election Authority, addressing the subject “Transparency and anticorruption in funding political parties’ activities and election campaigns”, roundtable at which ANI representatives participated alongside representatives of Court of Accounts, National Fiscal Administration Agency, Ministry of Justice and NGOs.</p>

APPENDIX 5A Follow up on the implementation of the recommendations related to the Information Technology Directorate included in the 2009, 2010 & 2011 External Audit Reports

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
1	<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"> • 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. • 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. 	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>Implemented</p> <p>A set of procedures have been defined at entity level that present the applications that will be installed on new employees' working stations and the rights granted to these users at application accounts' creation.</p> <p>Additionally, during 2012 the entity has designed a specific policy regarding logical access control that sets the responsibilities for user accounts creation and access approval to ANI information systems. The management has also defined an operational procedure regarding IT resources that details the process of granting users' privileges to ANI information systems.</p>

APPENDIX 5A Follow up on the implementation of the recommendations related to the Information Technology Directorate included in the 2009, 2010 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
2	<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>	Major	<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"> • <i>Maximum validity period: 45 to 60 days;</i> • <i>Minimum validity period: 1 day;</i> • <i>The system should remember the last 12 passwords used;</i> • <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> • <i>Maximum number of failed authentication attempts allowed: 3;</i> • <i>Only a privileged user with administrative rights can unlock a locked account;</i> • <i>The password must be changed by the user upon the first accessing of the system.</i> <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>Partially implemented</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"> • The maximum availability period: 42 days (inspectors' network), 45 days (Agency network) respectively; • The minimum availability period: 1 day (both networks); • The system memorizes the last 24 passwords used (both networks); • The password length is 7 characters (inspectors' network) and 9 characters (Agency network); • The password follows complexity requirements (both networks); • After three failed login attempts, user account is blocked for 30 minutes (inspectors' network). <p>At the level of Agency's network, Active Directory, by group policy the options for blocking account is not active upon a maximum allowed number of failed login attempts.</p>

APPENDIX 5A Follow up on the implementation of the recommendations related to the Information Technology Directorate included in the 2009, 2010 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
3	<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>Implemented</p> <p>A backup procedure for CIEL application, Active Directory, file server and equipment configuration is enforced at Agency level. This document includes details regarding backup jobs frequency and also backup copies retention period.</p> <p>For SIMIDAI application, a procedure that describes the tool used for backup performance and retention periods for backup files has been agreed between the Agency and Star Storage.</p>
4	<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"> the lack of fire sensors to activate the alarm system and to set off a system of putting out fires there are no automated systems of fire extinction, there is a manual extinguisher in the vicinity of the server room there are no elevated floors there is no system of monitoring temperature and humidity there is a carpet and wooden desks <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"> <i>smoke/fire sensors;</i> <i>an automated fire extinction system;</i> <i>a system of monitoring and adapting temperature and humidity;</i> <i>elevated floors;</i> <p><i>We recommend that ANI should remove the flammable materials such as the wooden desks and cardboard boxes.</i></p>	<p>Partially implemented</p> <p>The server room is appropriately equipped with an air-conditioning system, smoke/ fire sensors, anti-theft system and an access control system. The exterior windows located within the data center have been covered during 2012, for protection. However, wooden floors, wooden desks and also water-based heater and water pipes exist within the Agency's server room.</p>

APPENDIX 5A Follow up on the implementation of the recommendations related to the Information Technology Directorate included in the 2009, 2010 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
5	<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 or in case of an incident, 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>Implemented</p> <p>During 2012, the Agency has designed and implemented an IT resources monitoring procedure that describes security logs monitoring activities and also the actions to be taken in case security events should be identified. This document includes roles and responsibilities involved in logs' review process. As per this procedure, application systems, network status and databases are subject to the monitoring process.</p>

APPENDIX 5A Follow up on the implementation of the recommendations related to the Information Technology Directorate included in the 2009, 2010 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
6	<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>	Major	<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"> <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> <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> <i>a detailed procedure of restoring the database;</i> <i>data connections (local network and internet), as well as settings and instructions regarding their configuration.</i> <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>	<p>Partially implemented</p> <p>A Business Continuity Plan and a Disaster Recovery Plan have been defined; however, these plans have not been tested by the time of our audit. The design phase has been completed and as per our inquiry of the documents, we noted that they include the general management framework for ensuring business continuity, in case a disaster should occur.</p> <p>Additionally, a Continuity Management Policy has been defined and describes the actions to be taken in disaster situations.</p> <p>Furthermore, a Disaster Recovery Procedure that details the data restoration process and methods of data replication on the disaster recovery server.</p>

APPENDIX 5A Follow up on the implementation of the recommendations related to the Information Technology Directorate included in the 2009, 2010 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
7	<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>Implemented</p> <p>During 2012, an Incident Management Procedure has been designed and implemented at entity level. This document describes the recommended method for incidents' documentation and also the personnel responsible for resolving the reported issues. Moreover, a half-yearly review of security incident types, consequences and resolution methods is performed. For hardware incidents an incident log that records events files is available. For SIMIDAI application system, a ticketing application is available for incidents reporting. On a monthly basis, a review is performed in order to verify whether incidents have been resolved within the timeframes agreed between the Agency and Star Storage.</p>

APPENDIX 5A Follow up on the implementation of the recommendations related to the Information Technology Directorate included in the 2009, 2010 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
8	<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 IT 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>Partially implemented</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> <p>Furthermore, at the time of the audit the Agency was in process of testing WSUS solution implementation.</p>

APPENDIX 5A Follow up on the implementation of the recommendations related to the Information Technology Directorate included in the 2009, 2010 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
9	In Active Directory the screen saver options (time-out policy configuration) is not defined. 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.	Medium	<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>	Partially implemented 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.
10	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>	Partially implemented 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 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
11	<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>Not implemented</p> <p>In December there was a review of users' accounts in order to identify accounts active after employees left the Agency.</p> <p>For a sample of one user (Bucleanu Andreea – left since 01.02.2012) the account has been identified as still active at Active Directory level within integrity inspectors' network after the date of labor contract termination or suspension.</p>

APPENDIX 5A Follow up on the implementation of the recommendations related to the Information Technology Directorate included in the 2009, 2010 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
12	<p>Currently, there is no off-site location available for storing the backup files for work data and operational systems.</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 (delivery-receiving tapes).</i></p>	<p>Partially implemented</p> <p>Since January 2013 SIMIDAI servers and back-up activity has been transferred to Star Storage. Thus, back-up tapes are deposited in ANI's location safe, while the production server is at a Star Storage location.</p> <p>However, there is no evidence on frequency of back-up copies transportation to ANI location.</p> <p>Also, as to the Agency's network, back-up copies are deposited in the same location as server room.</p>

APPENDIX 5A Follow up on the implementation of the recommendations related to the Information Technology Directorate included in the 2009, 2010 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
13	<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	<p><i>The Information Technology Service and the service provider should consider defining individual user accounts, with administrative rights, for all IT responsible personnel.</i></p>	<p>Implemented</p> <p>For employees of Star Storage services supplier individual users' accounts have been defined.</p>
14	<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	<p><i>The Information Technology service should consider including agreements that establish the level of quality for each outsourced service.</i></p> <p><i>Moreover, these services should be monitored, in order to ensure that the minimum level of quality agreed is met.</i></p>	<p>Partially implemented</p> <p>Although supplier contracts were not changed by adding some agreements on the quality level of services provided by them, a third party relations management procedure has been prepared. This procedure provides for supervision of third party services conformity in order to cover potential risks in case services can no longer be delivered.</p>

APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009, 2010 & 2011 External Audit Reports

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
Operational procedures				
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.	Medium	<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"> ➤ <i>To be specific to the activity they refer to;</i> ➤ <i>To be measurable, in order to objectively determine their degree of achievement ;</i> ➤ <i>To be achievable;</i> ➤ <i>To be relevant for the targeted activity;</i> ➤ <i>To be timely monitored to detect and correct any misconduct / poor performance.</i> <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>Implemented</p> <p>Following the examination of updated operational procedures and the newly prepared at ANI level during 2012, we noticed that performance indicators are specific, measurable, achievable and relevant.</p> <p>Also, we noticed that ANI departments' activity performance 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 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
Operational procedures				
2	We noted the lack of definitions under "Abbreviations and definitions" chapter, in procedures such as: 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.	Minor	<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>	Implemented Following the examination of operational procedures prepared at ANI level during 2012 and those updated during the period in scope, we noticed that this observation has been addressed by implementing Deloitte recommendation.
3	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: 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.	Minor	<i>We recommend the update of the procedures with the missing information in the chapter "Main activities in chronological steps". 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>	Implemented Following the examination of operational procedures prepared at ANI level during 2012 and those updated during the period in scope, we noticed that this observation has been addressed by implementing Deloitte recommendation.

APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009, 2010 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
Operational procedures				
4	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: PO CRPMM 03; PO CRPMM 06; PO DGORU 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	Minor	<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>	Implemented Following the examination of operational procedures prepared at ANI level during 2012 and those updated during the period in scope, we noticed that this observation has been addressed by implementing Deloitte recommendation.
5	We noted the lack of information under "Alternative activities in the business operating procedures" chapter, in procedures such as: 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	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 the situation is not applicable for some procedures this fact should be mentioned.</i>	Implemented Following the examination of operational procedures prepared at ANI level during 2012 and those updated during the period in scope, we noticed that this observation has been addressed by implementing Deloitte recommendation.

APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009, 2010 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
Operational procedures				
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.	Medium	<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. 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>	Implemented Following the examination of operational procedures prepared at ANI level during 2012 and those updated during the period in scope, we noticed that this observation has been addressed by implementing Deloitte recommendation.
7	We noted the lack of information under "Connections with other activities" chapter, in procedures such as: PO- CRPMM-01; PO- CRPMM-03; PO- CRPMM-04; PO- CRPMM-05; PO- CRPMM 06; PO-DGORU 02; PO 04 DGORU; PO 05 DGORU; PO-DGORUI 01; PO 03/R; PO 03/CP; PO 04/CP; PO – II/02 (version 01)	Minor	<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>	Implemented Following the examination of operational procedures prepared at ANI level during 2012 and those updated during the period in scope, we noticed that this observation has been addressed by implementing Deloitte recommendation.

APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009, 2010 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
Operational procedures				
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>	Implemented Following the examination of operational procedures prepared at ANI level during 2012 and those updated during the period in scope, we noticed that this observation has been addressed by implementing Deloitte recommendation.
9	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>	Implemented Following the examination of operational procedures prepared at ANI level during 2012 and those updated during the period in scope, we noticed that this observation has been addressed by implementing Deloitte recommendation.

APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009, 2010 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
Internal Public Audit Department – Observations on performed activity				
10	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.	Major	<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>Implemented</p> <p>During testing of CAPI activity during 2012, we noticed that starting March 2012 CAPI headcount was of 2 senior internal auditors, one of which was appointed CAPI Coordinator.</p> <p>Also, during performing internal audit engagement in 2012 ANI management approved that the audit team be formed of both CAPI auditors, the supervising activity being performed by cross verifications.</p>

APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009, 2010 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
Internal Public Audit Department – Observations on performed activity				
11	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. 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.	Medium	<i>We recommend compliance with the methodological norms regarding the internal auditors' statement of independence.</i>	Implemented Following the assessment of CAPI activities during 2012, we noticed that during the 2012 engagement “Existence, functionality and efficiency of internal control in the activity of wealth control and conflicts of interest verification”, the internal auditors responsible with performing the internal audit engagement prepared and signed the independence statement.

APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009, 2010 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
Internal Public Audit Department – Observations on performed activity				
12	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.	Major	<i>We recommend ANI management to act in accordance with the legal provisions regarding the internal auditors' professional development.</i>	<p>Partially implemented</p> <p>Following interviews held with CAPI representative, we understood that given the budgetary restrictions internal auditors attended one professional development course during 2012, “Role and importance of internal public audit in public institutions” respectively, totaling 5 days of professional development versus 15 days as per procedure provisions.</p> <p><i>One alternative of continuous professional development might be represented by Internal Auditors' Association in Romania membership by which auditors might have access to latest news in the internal audit domain, on-line trainings, materials, article free of charge of Association members.</i></p>

APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009, 2010 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
Internal Public Audit Department – Observations on performed activity				
13	<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"> ➤ Examination of the following elements: ensuring the IT infrastructure, necessary for performing ANI activities; ➤ Provision of hardware equipment, existence of application systems necessary for every ANI employee's activity, existence of software security systems; ➤ Network access security, by assigning a username and a password; ➤ IT subsystems interconnection. <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"> ➤ <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> <p><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></p>	<p>Implemented</p> <p>Following the assessment of CAPI activity during 2012, we noticed that Deloitte recommendation has been implemented during performing engagement "Existence, functionality and efficiency of internal control in the activity of wealth control and conflicts of interest verification" in 2012.</p>

APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009, 2010 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
Internal Public Audit Department – Observations on performed activity				
13	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.			
Legal, Control, Public Relations and Communication Directorate – Observations regarding operational procedures				
14	<p>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:</p> <ul style="list-style-type: none"> ➤ The procedure regulating the activity of the Control Department. <p>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.</p>	Major	<i>We recommend the formalization of the procedures regulating the Control Department activity and the elaboration of this department's annual activity plan.</i>	<p>Not applicable</p> <p>During 2012, following the evaluations performed at ANI level, Agency's management approved the dissolution of Control Compartment.</p>

APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009, 2010 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
Legal, Control, Public Relations and Communication Directorate – Observations regarding operational procedures				
15	<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>	Minor	<p><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>	<p>Implemented</p> <p>Following the examination of operational procedures, we noticed that this operational procedure has been updated as per Deloitte recommendation.</p>
Legal, Control, Public Relations and Communication Directorate – Observations regarding the activity performed				
16	<p>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.</p>	Major	<p><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></p>	<p>Implemented</p> <p>During 2012, all budgeted positions have been occupied within DJCRPC.</p>

APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009, 2010 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
Legal, Control, Public Relations and Communication Directorate – Observations regarding the activity performed				
17	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.	Medium	<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>	<p>Not implemented</p> <p>Following the analysis performed at ANI level, we noticed that the management of legal files was not integrated in SIMIDAI system.</p> <p>ANI is currently developing SIMIDAI application, correlating it with the IT application for management of legal files; the deadline for this process in October 2013.</p>
18	<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>	Medium	<i>We recommend the formalization of the procedures that regulates DJCRP activity.</i>	<p>Implemented</p> <p>During 2012, the operational procedures have been prepared in conformity with Deloitte recommendations.</p>

APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009, 2010 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
Legal, Control, Public Relations and Communication Directorate – Observations regarding the activity performed				
19	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. 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.	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>	Partially implemented Although an operational procedure has been prepared for Control Department, only starting 2013 the Department's activity shall be implemented.
Human Resources Department – Observations regarding the activity performed				
20	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: ➤ Overtime approval; ➤ Cease of the labor relation; ➤ Promotion process; ➤ The implementation of the Law 144/2007 provisions for ANI employees; ➤ Preparation and certification of the functions report; ➤ Preparation and maintenance of the professional files; ➤ Preparation and update of the job descriptions; ➤ Keeping the medical leaves; ➤ Granting the payroll and other personnel benefits; ➤ Monitoring compliance with the code of conduct.	Medium	<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>	Implemented During 2012, SRU operational procedures have been updated and new procedures have been prepared, amongst which: ➤ Monitoring compliance with the code of conduct; ➤ Granting the payroll and other personnel benefits.

APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009, 2010 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
Human Resources Department – Observations regarding the activity performed				
21	<p>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.</p> <p>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.</p>	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"> ➤ <i>To be specific to the activity that it refers to;</i> ➤ <i>To be measurable in order to be able to determine the realization degree in an objective manner;</i> ➤ <i>To be realizable;</i> ➤ <i>To be relevant to the evaluated activity;</i> ➤ <i>To be monitored in due time in order to detect and correct eventual deviations/low performances.</i> <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>Implemented</p> <p>Following the examination of ANI personnel individual professional performances evaluation reports for the period 01.01.2012 – 31.12.2012 for a sample of 15 employees, we noticed that the performance indicators achieve specific, measurable and realizable criteria.</p>

APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009, 2010 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
Human Resources Department – Observations regarding the activity performed				
21	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.			
Labor Protection Department - Observations regarding operational procedures				
22	<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>	<p>Implemented</p> <p>Following the examination of Individual training files regarding labor safety and health for 15 ANI employees, we noticed that these were signed by the person responsible with verifying the training inclusively, CPM responsible person respectively.</p>

APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009, 2010 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
Integrity Inspectorate – Observations regarding operational procedures				
23	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.	Medium	<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>	Implemented Following the examination of operational procedures we noticed that deadlines have been implemented for certain procedural acts (e.g.: 48 hours for preparing Impartiality and independence statement from the date of file distribution, namely generation of Random distribution report, 15 days from receiving confirmation for the Notification to the evaluated person requesting a point of view on the file and the Evaluation report, etc.).

APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009, 2010 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
Integrity Inspectorate – Observations regarding operational procedures				
24	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>	Not applicable Following the interview held with the General Director of Integrity Inspectorate we understood that this recommendation cannot be applied given that by implementing certain criteria for the start of ex officio evaluation the independence of integrity inspectors is lost.

APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009, 2010 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
Integrity Inspectorate – Observations regarding the files verified				
25	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>	<p>Partially implemented</p> <p>Following the examination of 193 files, we identified 8 cases in which 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 complied with.</p> <p>Additionally to those mentioned under point 8.2 Integrity Inspectorate, we mention that one other cause for this delay is the scheduling of vacations at inspectorate's level.</p> <p>Also, we mention that in the period between the date of the Random Distribution Report and the date of the Impartiality and Independence Statement integrity inspectors did not prepare other documents for the respective files, thus complying with the provisions of legislation in force.</p>

APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009, 2010 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
Integrity Inspectorate – Observations regarding the files verified				
26	In 74 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. Thus, the provisions of the valid operational procedures, as well as of Law 176 / 2010, were not conformed to.	Medium	<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. 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>	Partially implemented Following the examination of 193 files, we identified 34 cases in which 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.
27	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. Thus, the provisions of the valid operational procedures, as well as of Law 176 / 2010, were not conformed to.	Medium	<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. 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>	Partially implemented Following the examination of 193 files, we identified 4 cases in which 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. Given that this year we identified fewer instances than previous year, we changed the impact of the observation from major to medium.

APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009, 2010 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
Integrity Inspectorate – Observations regarding the files verified				
28	<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>	<p>Not implemented</p> <p>Following the examination of 193 files, we identified 2 cases in which 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>
29	<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>	<p>Not implemented</p> <p>Following the examination of 193 files, we identified 99 cases 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>Following the interviews held with integrity inspectors we understood that this situation has been caused by the great volume of file, complexity of distributed files, vacations, etc.</p>

APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009, 2010 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
Integrity Inspectorate – Observations regarding the files verified				
30	<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>	<p>Implemented</p> <p>Following the examination of 193 files this deficiency was not identified anymore.</p>
31	<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. 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>	<p>Implemented</p> <p>Following the examination of 193 files this deficiency was not identified anymore.</p>

APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009, 2010 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
Integrity Inspectorate – Observations regarding the files verified				
32	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. Thus, the provisions of the valid operational procedures, as well as of Law 176 / 2010, were not conformed to.	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>	<p>Implemented</p> <p>Following the examination of 193 files this deficiency was not identified anymore.</p>
33	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. Thus, the provisions of the valid operational procedures were not conformed to.	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>	<p>Implemented</p> <p>Following the examination of 193 files this deficiency was not identified anymore.</p>

APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009, 2010 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
Integrity Inspectorate – Observations regarding the files verified				
34	<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>	<p>Implemented</p> <p>Following the examination of 193 files this deficiency was not identified anymore.</p>

APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009, 2010 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
Economic Directorate – Observations regarding operational procedures				
35	<p>31 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; PO 11.4/C/DGE; PO 11.5/C/DGE; PO 12/C/DGE</p>	Minor	<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>Implemented</p> <p>Following the examination of operational procedures prepared at ANI level during 2012 and those updated during the period in scope, we noticed that this observation has been addressed by implementing Deloitte recommendation.</p>
Investments and Public Procurement Department – Observations regarding operational procedures				
36	<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"> - The employees responsible with performing the activities, as well as the employees responsible with performing the control activity; - The deadlines for performing the activities, as well as the periodicity of these activities. 	Minor	<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>Implemented</p> <p>Following the examination of operational procedures prepared at ANI level during 2012 and those updated during the period in scope, we noticed that this observation has been addressed by implementing Deloitte recommendation.</p>

APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009, 2010 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
Investments and Public Procurement Department – Observations regarding activity performed				
37	<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"> ➤ We identified 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; ➤ 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; ➤ 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. 	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. 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>	<p>Implemented</p> <p>Following testing a sample of 25 public acquisitions through direct buying, we noticed that these have been performed in compliance with valid operational procedures.</p> <p>Also, the examination of operational procedures prepared at ANI level during 2012 and those updated during the period in scope, we noticed that this observation has been addressed by implementing Deloitte recommendation.</p>

APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009, 2010 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
Administrative Department – Observations regarding activity performed				
38	<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>	Medium	<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"> – <i>directorate,</i> – <i>service,</i> – <i>name of file, including a short description of the topics addressed,</i> – <i>deadline for keeping the file,</i> – <i>observations.</i> 	<p>Not implemented</p> <p>Following the interview held with SRU representative, we understood that Deloitte recommendation was not implemented.</p>

APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009, 2010 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
Risk management process in conformity with Order no 946 / 2005				
39	<p>Following the analysis of the Risk Register established at ANI level we noted the following:</p> <ul style="list-style-type: none"> ➤ 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. ➤ 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. risk: personnel turnover; risk prevention measures: 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). 	Medium	<ul style="list-style-type: none"> ➤ <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> ➤ <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> ➤ <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> 	<p>Implemented</p> <p>Following the examination of the documentation for ANI Risks unique Register we noticed that it was updated in November 2012, and during the update process Deloitte recommendations have been considered.</p> <p>Also, at Agency's level it was implemented a System Procedure called "Risks management" detailing the following:</p> <ul style="list-style-type: none"> – Standard 11 of OMFP 946/2005 on managerial control standards implementation and development of implementation; – Risks management process at ANI level; – Setting and implementing control actions/measures/devices.

APPENDIX 5B Follow up on the implementation of the recommendations included in the 2009, 2010 & 2011 External Audit Reports (continuance)

No	Observation	Impact	Recommendation included in previous years' Deloitte Reports	Deloitte Assessment as at 31.12.2012
<i>Risk management process in conformity with Order no 946 / 2005</i>				
40	<p>As of December 31st, 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"> ➤ Contains the steps to be performed, the persons responsible for managing and updating the risk register; ➤ Establishes the preventive and detective measures; ➤ Details the monitoring process on the implementation and effectiveness of these actions. 	Minor	<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"> ➤ <i>Steps to be performed,</i> ➤ <i>The persons responsible for managing and updating the risk register,</i> ➤ <i>Establishing the preventive and detective measures,</i> ➤ <i>The monitoring process on the implementation and effectiveness of these actions.</i> 	<p>Implemented</p> <p>At ANI level it was implemented the System Procedure called "Risks management" containing information regarding:</p> <ul style="list-style-type: none"> – Steps to be performed; – Responsible persons; – Preventive and detective measures; – Monitoring measures' implementation and effectiveness.
<i>Lege ferenda proposal</i>				
41	<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	<p><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></p>	<p>Not applicable</p> <p>Following the interviews held with Integrity Inspectorate and DJCRPC representatives we understood that this recommendation is no longer pertinent.</p>

APPENDIX 6 Recommendations regarding the activity of the Information Technology Service

No.	Observation	Impact	Recommendation	ANI management response
1	<p>There is a set of generic users of SAP (web based Document Management Service – DMS):</p> <ul style="list-style-type: none"> – Cabinet Director – used by Bianca Pană and George Clapa; – Inspection Registry – used by Elena Gălan and Magdalena Mihăilă. <p>Management accepts they exist, but there is no formal document in this respect.</p> <p>Generally, the use of the generic accounts provides anonymity to the users, which increases the risk of unauthorized interventions in the system. Furthermore, the identification of the persons that enter erroneous data becomes difficult or even impossible.</p>	Medium	<p><i>We recommend that each employee should be allocated an individual account and a related password (as possible).</i></p> <p><i>If the management accepts a series of generic users as part of the configuration of the operational system, the accounts should be formalized and approved to ensure their confirmation.</i></p> <p><i>Generic accounts should be periodically revised to determine whether they can be associated specifically to an employee.</i></p>	

APPENDIX 6 Recommendations regarding the activity of the Information Technology Service (continued)

No.	Observation	Impact	Recommendation	ANI management response
2	<p>The password policy for SAP presents certain deficiencies: complexity parameters are not set, the password does not require periodical change and only the last 5 passwords are retained by the system. Thus, the password policy of this system is not compliant with the logical access policy approved by the management.</p> <p>Improper password rules expose the company to the risk of unauthorized access to its systems and information. This might lead to fraudulent transactions conducted by users by using other accounts but their own.</p>	Medium	<p><i>The following password rules, generally accepted as security standard, should be considered by the management of ANI for implementation in SAP:</i></p> <ul style="list-style-type: none"> ➤ <i>Maximum validity period: 45 to 60 days;</i> ➤ <i>The system should retain the last 12 passwords used;</i> ➤ <i>Passwords should meet the complexity requirements (at least 3 characters of the following groups: minuscule letters, block capital letters, digits and special characters);</i> ➤ <i>Password should be changed by user upon first accessing of the system.</i> 	
3	<p>Star Storage employees in charge with the back-up process make tests of restoring the back-up tapes. Still, there is no formalization of those tests. Furthermore, the process is not conducted according to specific procedures.</p> <p>If the tests regarding the restoration of the back-up tapes are not properly documented, there might be instances where the data are prematurely loss because of deterioration of the storage media. Data storage media are predisposed to a gradual degradation as the materials of which they are made can wear out.</p>	Minor	<p><i>Agency management should consider that the degradation of the data storage media must be identified on time. Thus, the tests regarding the restoration of the back-up tapes should be conducted with a well-defined frequency. Furthermore, the formalization of those tests should specify the tested tapes, the date of testing and the signature of the person that made the testing.</i></p>	

APPENDIX 7 Recommendations regarding the Internal Public Audit Department

No.	Observation	Impact	Recommendation	ANI management response
Observations regarding the activity performed				
1	Further to the examination of the public internal audit report prepared after conducting the internal audit engagement "Existence, Operation and Efficiency of Internal Control in the Activity of Fortunes Control and Verification of Conflicts of Interests" we have found that the scope of the engagement was to "[...] to add value by the formulation and implementation of the recommendations [...]". According to the international standards for the practice of the internal audit activity, in order for the internal auditors to remain independent and unbiased, they should not get involved in the process of implementation of the recommendations made during the audit engagement.	Minor	<i>We recommend that in the process of preparation of the public internal audit report, special attention should be paid to expressing the scope of the audit engagement, avoiding phrasing that can suggest the involvement of the internal auditors in the implementation of the recommendations made further to the internal audit engagements, but only in monitoring the implementation.</i>	

APPENDIX 7 Recommendations regarding the Public Internal Audit Department (continued)

No.	Observation	Impact	Recommendation	ANI management response
2	<p>Further to examining the documentation pertaining to the internal audit engagement "Existence, Operation and Efficiency of Internal Control in the Activity of Fortunes Control and Verification of Conflicts of Interests" we have found that the recommendations made and included in the report of the audit engagement are not prioritized. In order for the audited structure to pay special heed to the implementation of the recommendations resulted from the identification of various deficiencies with major impact on its activity, the recommendations included in the internal audit report should be prioritized according to the impact of the deficiencies identified.</p> <p>Further to examining the documentation pertaining to the internal audit engagement "Existence, Operation and Efficiency of Internal Control in the Activity of Fortunes Control and Verification of Conflicts of Interests" we have found that the audited structure sent CAPI the Calendar for Implementation of the Recommendations, mentioning strict deadlines for their implementation. Furthermore, we have found that as at the date set by the audited structure for the implementation of the recommendations, CAPI did not undertake any action to request the status of the implementation of the recommendations from the audited structure.</p> <p>Further to interviewing the Coordinator of CAPI we have understood that for the year 2013 there have been included engagements aiming at monitoring the implementation of the</p>	Minor	<p><i>We recommend that in the process of preparing the public internal audit report, the recommendations should be prioritized according to the impact of the deficiencies identified.</i></p> <p><i>We recommend CAPI that it should send the audited structures letters requesting the status of implementation of the recommendations as at the dates mentioned by the audited structures in the Calendar for Implementation of the Recommendations, so that CAPI can make sure that the recommendations made based on the deficiencies with major impact are implemented in a timely manner.</i></p>	

No.	Observation	Impact	Recommendation	ANI management response
	recommendations included in the report of the audit engagement.			

APPENDIX 8 Recommendations regarding the activity of the Legal, Control, Public Relations and Communication Directorate

No.	Observations	Impact	Recommendations	ANI management response
Department for Communication, Public Relations and Strategy – observations regarding the activity performed				
1	<p>Further to the testing made on a sample of 25 answers to requests of individuals or legal entities for information of public interest, we have found 2 requests (information not related to the activity of ANI) to which CCRPS sent answers after the maximum 30 days of registering the request, according to operational procedure PO 01/CCRPS.</p> <p>Failure to send on time the answers to requests for public interest information can result in legal actions against the Agency initiated by the person that sent the request.</p>	Minor	<i>We recommend that the request for public information should be treated with priority to ensure the compliance with the terms included in the operational procedures.</i>	

APPENDIX 9 Recommendations regarding the Human Resources Department

No.	Observation	Impact	Recommendation	ANI management response
Human Resources Service – observations regarding the activity performed				
1	<p>Further to the analysis made in respect of the activity of the ethics advisor, we have found that their activity for the year 2012 consisted in preparing reports regarding the compliance with the norms of conduct within ANI.</p> <p>According to the operational procedure "Monitoring the compliance with the norms of conduct by the public servants of ANI", which regulates the activity of the ethics advisor, their activities include also the monitoring of the application of the provisions of the Code of Conduct by the public servants of ANI. However, in 2012, there were recorded no requests for advice and no other measures were undertaken in respect of the activity of giving advice on issues of ethics, conduct and integrity.</p>	Medium	<p><i>We recommend the continuation of the efforts regarding the activity of the ethics advisor, who, together with ANI management, should assess the advisability of reaching the following goals:</i></p> <ul style="list-style-type: none"> ➤ <i>Participation by the ethics advisor in professional training courses in the field;</i> ➤ <i>Preparation of the annual minimal plan of activities, which should include a monitoring plan and a plan of ethics advisory services;</i> ➤ <i>Organization of individual study meetings for the ANI employees in respect of the legislative regulations in the field;</i> ➤ <i>Organization of meetings, seminars/workgroups with ANI employees on aspects regarding conduct, ethic and sound behavior in exerting a public office;</i> ➤ <i>Preparation and sending questionnaires for the collection of data regarding the ethic behavior of the Agency employees from the persons/institutions/commercial companies with which the ANI employees interact – posting on the ANI website.</i> 	

APPENDIX 9 Recommendations regarding the Human Resources Department (continuance)

No.	Observation	Impact	Recommendation	ANI management response
<i>Human Resources Service – observations regarding the activity performed</i>				
			<p>Furthermore, the working principles in the activity of the ethics advisor, listed below should be made known to the employees of the Agency:</p> <ul style="list-style-type: none"> • Confidentiality, • Non-discrimination, • Transparency of the results (statistics, types of cases and ethical dilemmas). 	

APPENDIX 10 Recommendations regarding the Risk Management Process within ANI

No.	Observation	Impact	Recommendation	ANI management response
Observation regarding the system procedure				
1	<p>Further to examining the system procedure "Risk Management", we have found the following:</p> <ul style="list-style-type: none"> – inherent risk is not defined; – in respect of the attitude towards risk, it is not mentioned the possibility of "eliminating" it, although in practice this attitude is commonly used; – performance indicators include: "number of risks for which prevention, control and treatment measures have been identified – a structure shall identify at least 4 risks". 	Minor	<p><i>We recommend the updating of the system procedure, as follows:</i></p> <ul style="list-style-type: none"> ➤ <i>to include in chapter 4 the definition of inherent risk",</i> ➤ <i>to detail the cases where a risk can be eliminated from the Sole Registry of Risks, mentioning that this process can take place only after the conditions for its eliminations are maintained after a second evaluation,</i> <p><i>We recommend the elimination from the definition of the performance indicator mentioned above of the mention "a structure shall identify at least 4 risks" to ensure the implementation of a qualitative process of identifying the risks and not a quantitative one.</i></p> <p><i>In respect of the monitoring of the performance indicators, the system procedure should mention the fact that on a monthly/quarterly basis the person in charge should monitor the performance indicators and order relevant measures. Also, the result of such monitoring should be included in the activity reports submitted to the management of the Agency.</i></p>	

APPENDIX 10 Recommendations regarding the Risk Management Process within ANI (continuance)

No.	Observation	Impact	Recommendation	ANI management response
Observations regarding the activity performed				
2	<p>Further to the examination of the Sole Registry of Risks, updated in November 2012, we have found the following:</p> <ul style="list-style-type: none"> – the "treatment" of the risks having the same exposure is not correlated (elimination/monitoring): two risks with the same exposure had two different ways of response: one was eliminated and one was monitored; – there are not observed the procedural provisions regarding the response to risk – we have identified cases where the risk having exposure above 4 are eliminated and there are not implemented medium/long control measures according to the provisions of the procedure; – the structure of the Chairperson Cabinet has identified two redundant (identical) risks, having, however, different exposure. 	Medium	<p><i>We recommend that the management of ANI should consider the opportunity of organizing risk management courses for all the employees of the Agency.</i></p> <p><i>We recommend the implementation of an unitary approach in respect of the treatment of risks and the correlation of the practice activities with the provisions of the system procedure, mentioning the cases where a risk can be eliminated.</i></p>	

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