

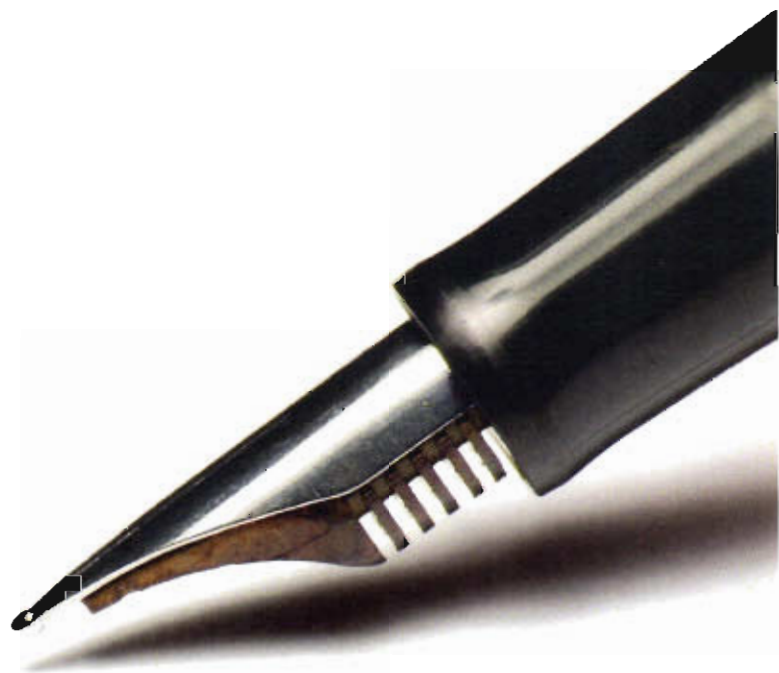


Final Report

AGENȚIA NAȚIONALĂ DE INTEGRITATE (National Integrity Agency)

External Audit of the ANI Management for the year 2009

Bucharest, April 2010



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1. Executive Summary

Introduction

According to the contract no. 234 from 1st of February 2010 (hereinafter "the Contract"), SC Deloitte Audit SRL (hereinafter "Deloitte", "we") was engaged by the National Integrity Agency (hereinafter "ANI") to perform the external audit on ANI's management, as prescribed in art. 31 paragraph (1) of the Law no. 144/2007 on setting-up, 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 2nd of February and 5th of March 2010, 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 2009", Appendix to the Contract;
- International Standards on Related Services¹ (ISRS) – 4400 ENGAGEMENTS TO PERFORM AGREED-UPON PROCEDURES REGARDING FINANCIAL INFORMATION (previously ISA 920);
- Legal framework applicable to ANI.

The reference period for this report is the year 2009 exclusively, if not otherwise mentioned. There were instances when the deficiencies identified for the year 2009 were remediated during the year 2010. For these particular cases, we took note of the remediation plans, but we did not assess the effectiveness, efficiency or their compliance with the applicable legal framework.

Procedures performed and factual findings

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

Following the audit procedures performed, we obtained sufficient and appropriate evidence to draft an audit report in accordance with the International Standards on Related Services (ISRS) – 4400 ENGAGEMENTS TO PERFORM AGREED-UPON PROCEDURES REGARDING FINANCIAL INFORMATION (previously ISA 920). The result of the audit performed consists of a total number of 70

¹ International Standards on Related Services - ISRS

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 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	8
Total number of recommendations for the observations with medium impact	31
Total number of recommendations for the observations with minor impact	31

We have also assessed the implementation status of the recommendations made during the external audit of the ANI management for the year 2008, as well as the implementation status for the measures appointed in the Action Plan approved by GD no. 1346/2007².

The implementation status for the recommendations made during the external audit of the ANI management during 2008 is presented on the table as follows:

Total number of recommendations implemented	13
Total number of recommendations partially implemented	17
Total number of recommendations non implemented	10
Total number of recommendations for which the implementation status could not be determined as a result of missing transactions during 2009	1

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 REGARDING FINANCIAL INFORMATION (previously ISA 920), are presented in Appendixes 4 to 16.

Following the assessment of ANI's activity performed during the year 2009, we have identified ANI's functionality parameters, which are based upon ANI's management efforts to improve the process and to increase the efficiency of the activity in order to achieve the objectives planned. These efforts were:

- Standardization of the processes related to the activity performed, through elaboration and implementation of the work procedures specific to the operations performed at the institution level;
- Completion of the measures relating to Benchmark no 2;
- ANI's management priority to ,urgently implement the recommendations resulted from the 2008 external audit of ANI's management.

Date

April 7th, 2010

Address

4-8 Nicolae Titulescu Road, Sector 1, Bucharest, Romania

AUDITOR,

SC DELOITTE AUDIT SRL

For signature refer to the original Romanian version

² regarding the approval of the Action Plan to implement the benchmarks issued under the cooperation and verification mechanism of the progress made by Romania in the reform of the judiciary system and fight against corruption

2. Objective and scope of the project

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

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

On 5th of February 2010, before beginning the fieldwork, we organized a kick-off meeting, at ANI's headquarter, 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;
- Obtaining the necessary information for designing the assessment program and for the preliminary analysis of the risks identified in this phase;
- Drafting the preliminary request for information and transmitting it to ANI.

3.2. Developing the Audit plan

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

- **Identifying the areas to be audited**, including the main activity directions of ANI (verifying the wealth, conflicts of interests and incompatibilities) as well as the supporting activities (internal audit, finance, legal, human resources, public relation);

- **Drafting the interview plan** in order to identify the specific risks, including the format and the content of the interview templates with the relevant personnel. Please refer to Appendix 1 for the complete list of the interviews;
- **Identifying audit techniques to be used** through:
 - The preliminary analysis of the decision making process, of the actions taken during the year 2009, 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 2 for a complete list of the documents examined.

By the end of these two phases, on 11th of February 2010 we delivered the Initial Report to the management of ANI.

3.3. Performing the audit plan

The audit of ANI's management was performed in accordance with ISRS (International Standards on Related Service) - 4400 ENGAGEMENTS TO PERFORM AGREED-UPON PROCEDURES REGARDING FINANCIAL INFORMATION (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:
 - Reporting flowchart,
 - Decision making,
 - Documents workflow,
 - Operating procedures,
 - Assignments and responsibilities, delimitations and delegation of responsibilities, organization chart, clearly recorded in the internal regulations regarding the organization and operation, and in ANI managements' mandate contracts valid during 2009. 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 norms and procedures**

During this phase we analyzed the Organization and Working Regulation approved by ANI President through Order no 660/24.02.2009 (hereinafter "ROF") by comparing in to Law no 144/2007, we became familiar with the internal operating norms and procedures, we identified the responsibilities for each department, tasks allocation, compliance with applicable laws, etc.

We mention that the ROF is the document that sets up the organizational structure of ANI, the attributions, tasks and responsibilities of ANI's employees. The document is approved by an Order issued by the President and is in conformity with the provisions included in art. 16 para. 4 of Law 144/2007.

Please refer to Appendix 3 for a complete list of the examined operating procedures

- **Assessment of the primary documents** (procedures, internal norms, orders, internal notes, minutes, evaluation guidelines, etc) in order to understand the significant terms and conditions, both individually and globally, for:
 - Assessing the area of applicability,
 - Assessing the correctness and operating effectiveness of the procedures.
- **Investigation, confirmation and specific detail tests**

The investigation consists of obtaining the information from competent persons inside the organization through interviews. Confirmation consists of obtaining the answers as result of an investigation in order to

corroborate it with the information from the existent procedures. The assessment was performed on a sample of management actions divided in the following phases:

I. Sampling

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

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

II. Assessing the implementation of the procedural rules

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

- Formalization and compliance with the procedures;
- Use of template documents;
- Documentation of the analysis and evaluation indicators;
- Quality of IT system utilization in different stages of the decision making process.

III. Assessing the duties achievement

The main evaluation criteria were:

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

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

3.4. 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
Medium
Minor

A management action plan and corrective actions are necessary immediately.

A management action plan and corrective actions should be considered after receiving this report

Recommendations should be considered as added value.

4. Status for measures implementation regarding Benchmark no 2

Following the analysis of the measures implementation status provided in the Action plan for Benchmark no 2 enacted through GD no 1346/2007³, we concluded that most of the measures have been implemented, the rest were delayed due to the low budgetary resources or late acquisition of the IT system regarding electronic management of the documents, electronic archiving system, hosting portal and related services. We consulted the statistics at 31st of December 2008 for the phases that were dated 2007 or 2008 as implementation status and for which the implementation was confirmed during the 2008 audit engagement.

The statistics at 31st of December 2009 regarding the status of measures implementation comprised in Benchmark no 2 for the year 2009 is presented below:

Total number of measures	31
Total measures implemented	24
Total measures partially implemented	5
Total measures not-implemented	1

See Appendix 4 for a detailed analysis of measures status in Benchmark no 2.

5. Status for correcting the deficiencies found during the audit for year 2008

We reviewed the Action Plan and the implementation calendar of the adequate recommendations for deficiencies found during the audit for the year 2008, these documents being provided by the ANI's management.

As result of the tests performed in order to assess the degree of implementation of the recommendation related to the audit performed in 2008 we determined the statistic as of the 31st of December 2009 regarding the implementation status for the recommendations presented below:

³ Regarding the approval of the Action Plan for achievement of the benchmarks included in the progress cooperation and verification mechanism implemented by Romania in the area of judiciary system and fighting against corruption reform.

Directorate / Department	Status/ Impact	Implemented			Partially implemented			Not-implemented			Not determined
	Total recommendations	Major	Medium	Minor	Major	Medium	Minor	Major	Medium	Minor	Minor
Information Technology Directorate	14	1	1	1	1	3	1	2	4	-	-
Integrity Inspectorate	10	-	-	1	4	4	1	-	-	-	-
Internal Public Audit Department	5	2	1	-	-	-	-	-	1	1	-
Legal, Control and Public Relations Directorate	3	1	-	1	1	-	-	-	-	-	-
Organization and Human Resources General Directorate	4	1	1	-	-	-	-	-	1	-	1
Investments and Public Acquisition General Directorate	3	1	-	-	1	-	-	1	-	-	-
Administrative Directorate	1	-	-	-	1	-	-	-	-	-	-
Communications and Protocol Directorate	1	1	-	-	-	-	-	-	-	-	-

See the Appendix 5 for a detailed analysis of the deficiencies identified during the audit for the year 2008.

6. IT system evaluation

The IT audit consisted of the evaluation of the systems/applications and processes that sustain their operation in order to assess the responsiveness of the IT system to the necessities derived from the tasks that ANI needs to fulfill.

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

- Understanding the 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 the 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 types of services.

This report includes the conclusions drawn as result of our audit at ANI and is based on:

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

IT operating analysis

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. This analysis took into consideration the adequacy of this architecture and structure to requested performances and to the specific requirements identified.

Security of information technology

We assessed the general frame of the informatics security as well as the informatics security standards and procedures implemented by ANI. For a detailed list of documents analyzed during this process, please see Appendix 6.

The activities performed covered the following areas:

- Operating processes regarding IT environment,
- IT environment security,
- Users management,
- Logistic access management,
- Business continuity plan,
- Changes management policy regarding IT systems.

IT system assessment covered the following stages:

- Generic IT control and risks elements verification,
- IT system review,
- IT environment security diagnosis.

The review of the risks and generic IT control elements consisted of identification of potential risks that might influence the application, as well as the assessment of the control elements, designed in order to mitigate this risks.

See Appendix 7 for observations and recommendations regarding the information system for 2009. Based on methodology implementation there were no other significant deficiencies identified on this department, other than those noted on Appendix 7.

7. Work methodologies specific to each verified area

7.1. ANI Management

We have analyzed the duties of ANI President and Secretary General as stated in the ANI Regulation of Organization and Operation (hereinafter ROF), approved and updated through the order no 660/24.02.2009 issued by the President of ANI .

1. President

The President is fulfilling his duties based on the conditions stipulated on the Law 144/2007 and the ROF. There were no discrepancies between the practical activity and the ROF regulations in regards with the President function.

2. Secretary General

The Secretary General is fulfilling his duties based on the conditions stipulated on the Law 90/2001 regarding the organization and operation activity of the Government and ministries (hereinafter Law 90/2001) and ROF. There were no discrepancies between the practical activity and the ROF regulations in regards with the Secretary General function.

We organized interviews both with the President and secretary general in order to establish the conformity of the practical activities with the ROF provisions.

A set of recommendations regarding the amendment of ROF provisions was issued following these meetings and the subsequent analysis, see Appendix 8.

Also, based on the ROF analysis and the discussions with ANI management we identified a group of opportunities to improve the activity of ANI, as well as the necessity to amend Law 144/2007 accordingly, as resulted from the last year experience (lege ferenda propositions). See Appendix 9 for details.

7.2. Integrity Inspectorate

Based on the documents provided by the ANI management we have analyzed the conformity of the operating procedures regarding the activity of Integrity Inspectorate with ROF and Law 144/2007. Interviews with the General Director of the Integrity Inspectorate were organized in order to clarify some aspects resulted from the analysis performed on these operating procedures.

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

- a) We requested the statistics regarding the number of ANI cases for the year 2009, based on the following structure: completed files and files in progress as of December 31, 2009. As part of each category of files, we have requested these files to be split on the following structure: causes regarding wealth, causes regarding conflicts of interests and causes regarding incompatibility with the correspondent solutions: sent to instance with sequestration request, with identified conflict of interest, with identified incompatibility, dismissed, with identified false statements of wealth or of interests, connected, incompliance with the legal regulation for filling-in and declaring the wealth and conflicts of interests and the redistributed causes.
- b) based on the statistics we have isolated the necessary number of causes to be analyzed;
- c) we requested the list of the causes that were subject to ANI verifications during 2009;
- d) Based on the list of causes, we randomly selected the sample of files subject to the analysis.

Based on the procedures onward presented, a sample of 143 cases was formed, as follows

Causes closed during 2009 (January 1st-December 31st)⁴		Sample
Causes sent to court with sequestration request	5	2
Causes finding conflicts of interest	8	2
Causes finding incompatibilities	76	15
Causes dismissed	865	25
Causes of finding false statements of wealth or of interests	119	15
Cumulative	49	
Number of files in progress as at December 31, 2009		Sample
Verification of wealth	129	15
Verification of conflicts of interests	156	15
Verification of incompatibilities	98	15
Verification of incompatibilities and conflicts of interests	25	
Verification of incompatibilities and wealth	7	
Noncompliance with the legal regulation for filling-in and declaring the wealth and conflicts of interests	3084	25

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

With regard to the connected causes we did not select separate files because this type of causes cannot be included in one particular category. Due to this aspect, from the examined files (finalized or in progress) we selected and analyzed, for each possible solution issued by ANI, causes that were subject to connection process.

We also mention that the objective of the 50 files dismissed and redistributed was the wealth verification, conflicts of interest and incompatibilities.

This sampling method determined the sample selected for the three types of causes to exceed the size of the base sample for the 3 directions (wealth verification, conflict of interest, incompatibilities, both finalized and in progress).

The methodology for testing the sample was elaborated following the understanding and assessing 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.

⁴ This information is based on the information provided by the Integrity Inspectorate on February the 3rd 2010.

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 89 cases regarding the verification of wealth out of which:

- 60 cases derived from ANI's President ex officio notification, and
- 29 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 16 cases regarding the verification of conflicts of interests out of which:

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

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

Based on the sampling method described above we determined 36 cases regarding the verification of incompatibilities out of which:

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

A group of recommendations for amending the ROF resulted from the interviews conducted and the analysis made regarding the activity of the Integrity Inspectorate, see Appendix 8.

Based on the ROF analysis and the discussions with the Integrity Inspectorate management we also identified a group of amendments for the Law 144/2007 (motions for pending law) which can be considered by ANI in order to improve the activity if appreciated as opportune. See Appendix 9 for details.

A group of general recommendations resulted further to the assessment of the operating procedures correspondent to Integrity Inspectorate for, see Appendix 10 for details.

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

For observations and recommendations regarding the activity of the Integrity Inspectorate during 2009, see Appendix 11.

7.3. Internal Public Audit Department

We analyzed the duties 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 the personnel from this department 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 annual report for the internal public audit activity;
- Performing the audit mission" Organization, planning and reporting for the investment and public acquisitions activity for the year 2009"
- Assessment of the individual professional performances.

We mention that for this department the testing was not performed on sample basis because the activity performed in 2009 did not justify such a selection method. 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 in respect with the legal terms.

A group of general recommendations resulted from this assessment of the operating procedures within CAPI, see Appendix 10.

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, there were no other significant observations for this Directorate, except the ones mentioned in the Appendix 12.

7.4. Legal, Control and Public Relations Directorate

We have analyzed the duties of the Legal, Control and Public Relations Directorate (hereinafter DJCRP) stated in ROF approved by Order of the ANI President no. 660/24.02.2009.

We organized an interview with DJCRP Director to analyze the conformity of the practical activity from this department with the conditions of ROF and to identify the areas that might be improved in order to increase the efficiency of the activity performed in accordance with ANI's scope of foundation.

A group of recommendations for amending the ROF in regards with the DJCRP activity resulted from the interviews and the analysis performed. See Appendix 8.

The activity of DJCRP is standardized and conducted based on the specific operational procedures regarding the Public Relations Directorate, elaborated in conformity with the conditions stipulated on the OMFP 946/2005 regarding the managerial control. The legal activity is in conformity with the conditions stipulated in ROF and other documents as Internal Addresses, Memos, and Orders.

See Appendix 13 for observations and recommendation regarding the activity of DJCRP for the year 2009.

7.5. Organization and Human Resources General Directorate

We have analyzed the duties of the Organization and Human Resources General Directorate (hereinafter DGORU) within ANI, in accordance with ROF provisions and the operating procedures that documents the DGORU activity. The analysis was focused on the conformity of the valid operating procedures for 2009 with the provisions of ROF and the applicable legislation.

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

- Organizing the contest for the contractual personnel;
- Maintaining the professional file;
- Receiving, recording, tracking the wealth declarations and conflicts of interests for the personnel of ANI;
- Preparation, completing, keeping track of the records for work books;
- Preparation, certification and the circuit of the timesheets;
- Professional training – training plan for 2009 and evaluation for training activities;
- Evaluating the performance of ANI personnel;
- Confirming the permanent positions for debutant personnel;
- Preparation of the work chart of public functions plan for the year 2009;
- Promotion procedures;
- Monitoring the compliance of ANI personnel with the conduct norms.

We mention that for this department we used 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.

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

A group of recommendations for amending the ROF in regards with the DGORU activity resulted from the interviews and the analysis performed. See Appendix 8.

A group of general recommendations resulted from the assessment of the operating procedures within DGORU. Please see Appendix 10.

See Appendix 14 for observations and recommendations regarding the activity of DGORU for the year 2009. Based on methodology implementation there were no other significant deficiencies identified on this department, other than those noted on Appendix 14.

7.6. General Economic Directorate

Finance and Accounting

We analyzed the duties of General Economic Directorate (GED) as stated in ROF.

We assessed the compliance of the operating procedures valid for year 2009 with the ROF provisions and the applicable law and we organized an interview with GED Director to decide about the compliance of the practical activity with the conditions of the operating procedures.

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

- Procedure of establishing the necessary number of credits for 2009;
- Procedure of drafting the expenses budget;
- Carrying out the investment project for the year 2009;
- Procedure of engaging, liquidation, ordering and payment of the expenses;
- Internal preventive financial control;
- Delegated financial control;
- Cash Register;
- Payment Register;
- Monitoring the expenses for personnel;
- Asset count.

We mention that for this department the testing was not performed on sample basis because the activity performed in 2009 did not justify such a selection method. For each process we tested an operation from initiation to finalization.

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

Investments and Public Acquisition General Directorate

We have analyzed the duties of the General Directorate of Investments and Public Acquisitions (GDIPA) in accordance with the ROF provisions and the operating procedures that document the activity of GDIPA. The analysis was focused on the compliance of the operating procedures valid for 2009 with ROF provisions and the applicable legislation.

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

a) Public acquisitions

We have obtained and analyzed the status of the purchases commenced in 2009 of which we selected and analyzed a sample of two files assessed for the conformity with the provisions of the Government Emergency Ordinance no.34/2006 regarding the process of awarding the public acquisition contracts, contracts of concession of public works and concession of services contracts

- The acquisition procedure for the Information System of electronic management for documents, electronic archiving documents, portal hosting, related services;
- The acquisition procedure for Physical Security System and structured cabled network;

The assessment focused on the following aspects: the process of establishing the selection procedure of the bidders, the procedure of publication of the acquisition announcement, the criteria for selecting the bidders, the analysis of the proposals and substantiation of the decision regarding the selection of the winning proposal and publication of the announcement for awarding of the public acquisition contract.

b) Archiving Procedure

We assessed the conformity of operating procedures in force with the ROF provisions and the applicable legislation and we organized an interview with the representative of the Archiving and Security Structure Department.

c) Fire Fighting, Prevention, Health and Safety Department

We analyzed the duties of the Health and Safety Department as stated in the ROF approved by Order no 660/24.02.2009 by the ANI President.

We assessed the compliance of the operating procedures valid for 2009 with the ROF provisions and the applicable legislation and we organized an interview with a representative of this Department to draw the conclusions about the compliance of the practical activity with the provisions of the operating procedures.

As a result of the interviews and the analysis performed we have a number of recommendations for amending the ROF provisions regarding the department's activity, see Appendix 8.

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, there were no other significant observations for this Directorate, except the ones mentioned in the Appendix 15.

For observations and recommendations regarding the activity of this department during 2009 see Appendix 15.

7.7. Communications and Protocol Directorate

We have analyzed the duties of the Communications and Protocol Directorate (DCP) within ANI both for the compliance with the ROF and the operating procedures that tangentially document the activity of DCP. The analysis was focused on the conformity of the operating procedures valid for 2009 with ROF conditions and the applicable legislation.

To conclude about the conformity of the practical activity with the procedural procedures, we organized a number of interviews with the DCP Director and we assessed through detailed tests the following processes:

- Preparing the answers to the requests received based on the Law 544/2001 regarding the free access to the information of public interest;

- Monitoring the press publications;
- Monitoring the fulfillment status for the measures controlled by ANI in order to fulfill the benchmarks part of the cooperation and verification mechanism

On this line we obtained and assessed the applicable documentation for each process the periodicity, compliance with the legal conditions, authorization, adherence to legal terms, etc.

A list of general recommendations resulted from this assessment of the operating procedures within DCP department, see Appendix 10.

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, there were no other significant observations for this Directorate, except the ones mentioned in the Appendix 16.

8. 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 on this Report, are based upon the documentation made available to us by ANI. We cannot exclude that we may have arrived at additional or different findings had further information and documentation been provided to us. We have relied upon the contents of such documentation and information provided to us, and we have assumed the documentation and information to be accurate and complete.

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

The procedures performed by us were agreed between Deloitte and ANI. Deloitte provide no assurance regarding the sufficiency of these procedures for the purposes of ANI. Had we performed additional specified procedures other matters might have come to our attention, which would have been reported to ANI.

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

Deloitte has no responsibility to update the Report for events and circumstances occurring after December 31st 2009.

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. 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 sources⁵. 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 2009 and does not extend over ANI's financial statements.

⁵ For example the European Commission Report regarding the Benchmarks implementation status, mass-media monitoring etc.

APPENDIX 1 List of interviewed persons

Activity	Interview date	A.N.I. Contact person	Current position/ Department
Interview regarding the clarification of certain aspects related to specific activities	03.02.2010	Cristinela Grosu	STI Division Supervisor
Interview for clarifying the discussion points of the given agenda	04.02.2010	Greta Constantinescu	DGE Director
Informal interview for clarifying certain aspects related to structure	04.02.2010	Venera Butnarescu	Labor Protection Department Referee
Informal interview for clarifying certain aspects related to structure	04.02.2010	Emilia Stănescu	Arhivist
Interview regarding the clarification of certain aspects related to specific activities	11.02.2010	Cristinela Grosu	STI Division Supervisor
Interview regarding the clarification of certain aspects related to specific activities	12.02.1010	Mădălina Medelet	Organizing Division Supervisor and Human Resources for the Integrity Inspectorate
Interview with the Internal Public Audit Division	15.02.2010	Anne Marie Oncescu	Higher Auditor - CAPI
Informal interview for clarifying certain aspects related to structure	16.02.2010	Aurel Marin	Supervisor of Investments and Public Acquisitions department
Informal interview for clarifying certain aspects related to public acquisition files	16.02.2010	Cristinela Grosu	STI Division Supervisor
Interview regarding the clarification of certain aspects related to specific activities	16.02.1010	Mădălina Medelet	Organizing Division Supervisor and Human Resources for the Integrity Inspection
Interview Conduct for requesting clarifications over certain aspects related to the Training Plan	17.02.2010	Luana Moilat	DCP Director
Interview for clarifying the discussion points of the given agenda	17.02.2010	Adrian Dumitru	DJRP Director
Informal interview for clarifying different activity aspects	17.02.2010	Greta Constantinescu	DGE Director
Initial Interview conduct for understanding certain aspects related to the work procedures	17.02.2010	Ilie Ene	General Director Integrity Inspection
Interview for understanding certain aspects related to the R.O.F responsibilities and the ex officio notification mechanism	19.02.2010	Alexandru Macovei	President
Interview for understanding certain aspects related to the R.O.F.	19.02.2010	Horia Georgescu	General Secretary

Activity	Interview date	A.N.I. Contact person	Current position/ Department
responsibilities			
Interview for clarifying the discussion points of the given work agenda	19.02.2010	Luana Moilat	Protocol and Communication Division Director
		Silviu Popa	Presidential Personal Counselor
Interview for presenting the conclusions related to DGORU activities	22.02.2010	Mădălina Medelet	Organizing Division Supervisor and Human Resources for the Integrity Inspection
Interview for understanding certain aspects related to the disciplinary evaluation cases	22.02.2010	Cristina Ileana Anton	Organizing Division Supervisor and Human Resources for ANI self instrument
Interview for understanding the Administrative Services activity	22.02.2010	George Greceanu	Administrative Division Supervisor
Interview regarding the clarification of certain aspects of specific activities	22.02.2010	Dumitru Radoi Cristinela Grosu	Star Storage STI Division Supervisor
Interview for working files review of the Integrity Inspection and clarification regarding the finalized files	22.02.2010	Anca Tomulescu	Integrity Inspector
Interview regarding the clarification of certain aspects related to the DCP activity and the completion of the 2 nd Conditionality measures	23.02.2010	Luana Moilat	Protocol and Communications Division Director
Interview for the classification of certain aspects related to the Employment Contest for the Agency's Vice-President in 2009	23.02.2010	Gabriela Macra	DCP Expert
Interview for understanding certain aspects related to the evaluation of disciplinary cases	23.02.2010	Cristina Ileana Anton	Organizing Division Supervisor and Human Resources for ANI self instrument
Interview for the working files review of the Integrity Inspection and for clarifications related to the completed files	23.02.2010	Bogdan Marius Boghiu	Senior Integrity Inspector
	23.02.2010	Vasile Petrisor	Senior Integrity Inspector
	23.02.2010	Vasilica Bratu	Senior Integrity Inspector
	23.02.2010	Ana Maria Corcinschi	Integrity Inspector
	23.02.2010	Georgian Manolache	Principal Integrity Inspector
	23.02.2010	Livia-Alexandra Mazilu	Integrity Inspector
	23.02.2010	Florentina - Emilia Popescu	Integrity Inspector
	23.02.2010	Nicoleta Rusu	Senior Integrity Inspector
	23.02.201	Ioana Barabas Pricop	Principal Integrity Inspector
	23.02.2010	Romica Dinica	Integrity Inspector

Activity	Interview date	A.N.I. Contact person	Current position/ Department
	23.02.2010	Dan Mantu	Integrity Inspector
	23.02.2010	Ovidiu Vajjala	Principal Integrity Inspector
	23.02.2010	Elena Galan	Junior Integrity Inspector
Interview for presenting the conclusions on CAPI Division activity	24.02.2010	Anne Marie Oncescu	Higher Auditor

APPENDIX 1 List of interviewed persons (continuance)

Activity	Interview date	A.N.I. Contact person	Current position/ Department
Interview related to the working files review of the Integrity Inspection and clarifications regarding the completed files	24.02.2010	Florin Moraru	Integrity Inspector
	24.02.2010	Livia Negoescu	Integrity Inspector
	24.02.2010	Mihai Popescu	Integrity Inspector Assistant
	24.02.2010	Alina Tarna	Integrity Inspector
	24.02.2010	Laurentia Georgeta Tortora	Integrity Inspector Assistant
	24.02.2010	Andrada Boca	Integrity Inspector
	24.02.2010	Andreea Bucheanu	Principal Integrity Inspector
	24.02.2010	Codrin Dan Oprisor	Principal Integrity Inspector
	24.02.2010	Violeta Florica Agop	Senior Integrity Inspector
	24.02.2010	Nicoleta Elena Cretu	Principal Integrity Inspector
	24.02.2010	Benone Visan	Principal Integrity Inspector
	24.02.2010	Ana Maria Anghelescu	Integrity Inspector Assistant
	24.02.2010	Catalin Gabriel Ciobanu	Senior Integrity Inspector
	24.02.2010	Mihai Fentzel	Integrity Inspector Assistant
Interview related to the working files review of the Integrity Inspection and clarifications regarding the completed files	25.02.2010	Cristina Ileana Grigore	Integrity Inspector Assistant
	25.02.2010	Ligia Iulia Muresianu	Integrity Inspector
	25.02.2010	Ionela Alina Ulmeanu	Senior Integrity Inspector
Interview related to the working files review of the Integrity Inspection and clarifications regarding the completed files	25.02.2010	Magdalena Georgeta Mihaila	Senior Integrity Inspector
	25.02.2010	Maria Modrea	Integrity Inspector
	25.02.2010	Ioana - Alina Stanciu	Integrity Inspector
	25.02.2010	Romeo Cristea	Senior Integrity Inspector
	25.02.2010	Bogdan Stan	Integrity Inspector
	25.02.2010	Mihaela Ionescu	Senior Integrity Inspector
	25.02.2010	Cornelia Dicianu	Principal Integrity Inspector
Interview for presenting the conclusions over DGE activity	26.02.2010	Greta Constantinescu	DGE Director
Interview regarding the administration procedures of the classified information	26.02.2010	Marian Boata	Classified Informations Division Supervisor

APPENDIX 1 List of interviewed persons (continuance)

Activity	Interview date	A.N.I. Contact person	Current position/ Department
Interview regarding the 2 nd Conditionality measures completion	26.02.2010	Adrian Dumitru	D.J.R.P. Director
Interview related to the working files review of the Integrity Inspection and clarifications regarding the completed files	26.02.2010	Puita Becut	Senior Integrity Inspector
	26.02.2010	Stefan Lazar	Integrity Inspection Deputy Director
	26.02.2010	Florin - Dan Mincu	Senior Integrity Inspector
	26.02.2010	Anca Tomulescu	Principal Integrity Inspector
Interview related to the working files review of the Integrity Inspection and clarifications regarding the completed files	01.03.2010	Raluca Mogos	Integrity Inspector
	01.03.2010	Anca Delia Baltarescu	Integrity Inspector
	01.03.2010	Felix – Florin Braniste	Integrity Inspector Assistant
	01.03.2010	Luisa Badiu	Integrity Inspector
	01.03.2010	Ilie Ene	Integrity Inspection General Director
Interview for presenting the conclusions related to the Integrity Inspection's activity	02.03.2010	Ilie Ene	Integrity Inspection General Director
Interview for clarifying certain aspects related to the DGE activity	03.03.2010	Greta Constantinescu	DGE Director
Interview for obtaining clarifications related to the Integrity Inspection files	03.03.2010	Ilie Ene	Integrity Inspection General Director
Interview for presenting the conclusions regarding the DCP activity	03.03.2010	Luana Moilat	DCP Director
Interview for obtaining clarifications related to the Integrity Inspection files	04.03.2010	Ilie Ene	Integrity Inspection General Director

APPENDIX 2 List of Analyzed Procedures

Operational Procedure	Date
Internal Public Audit Department	
PO 01/CAPI The Development of the Annual Plan of Internal Public Audit	10.03.2009
PO 02/CAPI The Development of the Annual Report of Internal Public Audit Activity	25.03.2009
PO 03/ CAPI Human Resources Management	13.03.2009
PO 04/ CAPI Performing the Internal Public Audit Engagements	25.03.2009
PO05/ CAPI Preparing the Internal Audit Mission	25.03.2009
PO 05.01/CAPI Order of Work Performed	16.03.2009
PO 05.02 / CAPI Auditor's Independence Statement	27.03.2009
PO 06/ CAPI On-site Interventions	26.02.2009
PO 07/ CAPI The issuance of the Internal Public Audit Mission Report	31.03.2009
PO 08/CAPI Recommendations Follow-up	17.03.2008
PO 09/CAPI Supervising the Audit Engagements	18.03.2008
PO 10/CAPI: The Evaluation of the Individual Professional Performances	27.05.2008
Organization and Human Resources General Directorate	
PO 01/ DGORU: The Evaluation of Individual Professional Performances of Public Servants	07.04.2009
PO 02/ DGORU: Appointment on a Vacant Job Position	05.05.2009
PO 03/ DGORU: The Implementation, Completion and Maintenance and management of the Labor Books	Date Not Specified
PO 04/ DGORU: Organization of the Contest or Examination for Occupying the Integrity Inspector the Position	Date Not Specified
PO 05/ DGORU: Organization of the Contest or Examination for Occupying a Contracted Position within ANI	Date Not Specified
PO 06/ DGORU: Confirming the permanent positions for debutant personnel	05.05.2009
PO 07/ DGORU: Scheduling and granting of Vacations/ Time Off for ANI Employees	20.05.2009
PO 08/ DGORU: Assigning Work Attributions within ANI	17.05.2009
PO 09/DGORU Implementation, Authorization and Flow of Collective Time Sheets (Clocking) Regarding the Authorization Transmission/ Approval and Its Distribution to ANI Departments	30.09.2009
PO 10/DGORU Communication of the ANI Internal Rulebook to ANI	21.12.2009
PO 01 SA The Release, Completion, Verification and Calculation of millage sheets	22.04.2009
PO 02 SA The testing of the Technical State and Vehicle Investigation before leaving	22.05.2009
PO 03/SA Organization, Planning and Realizing the Technical Maintenance Work of Vehicle	20.05.2009
Economic General Directorate	
PO 01/ANI Assets and Liabilities Inventory	05.04.2009 30.10.2009

APPENDIX 2 List of Analyzed Procedures (continuance)

Operational Procedure	Date
Economic General Directorate	
PO 6.1/F/DGE Expenses Employment activity	23.04.2009
PO 6.2/F/DGE Expenses liquidation activity	04.05.2009
PO 6.3/F/DGE Expenses Ordering activity	06.05.2009
PO 08/F/DGE The Evidence and Maintenance of the Original Version of the Contracts and Tracking the Development of the Contract Terms	29.04.2009
PO 14/C/DGE Annual Inventory Organization of the Agency's Endowment, valuation of the Results of the Inventory and recording them in the Annual Financial Statements	02.04.2009 10.04.2009 30.10.2009
PO 15/C/DGE Preparing the Inventory Register	18.05.2009
PO 16.1/DGE Preparing the Situations Regarding the Personnel Monthly Expenses Approved for the Year...	25.03.2009
PO 16.2/F/DGE Quarterly Monitoring of the Personnel Expenses	27.03.2009
PO 11.1/C/DGE- Value of the Quantitative Records for Material Stocks	
PO -6.4/F/DGE- Expenses Payment Activity	13.05.2009
PO -10/F/DGE Filling the Cash Book	18.05.2009
PO-11/F/DGE Preparation of the Payment Order for Completed Payments from the Expenses and Availabilities Accounts Open on the Agency and State Treasury, Based on Payment Orderings approved by OPC	29.04.2009
PO-12/F/DGE Completing the Paying-In Slips and Submitting them to the State Treasury	14.05.2009
PO-9/F/DGE Performing the Cash Operations in LEI and Foreign Exchange	26.05.2009
PO- 13/F/DGE Obtaining the Account Statements from the State Treasury and from Credit Europe Bank	25.08.2009
Public Acquisitions Department	
PO-01/SIAP Procedure Regarding the Public Acquisitions – Offer Requests	21.05.2009
PO-02/SIAP Monitoring the Public Acquisitions Contracts Implementations from the Technical Specifications Perspective	06.05.2009
PO-03/SIAP Flow of an Invoice	22.06.2009
Labor protection	
PO-01/CPM General Introductory Training in the Domain of Work Security and Health	17.03.2009
PO-02/CPM Work Environment Training in the Domain of Work Security and Health	26.03.2009
PO-03/CPM Periodic Training in the Domain of Work Security and Health	26.03.2009
PO-04/CPM Training in the Domain of Work Security and Health	05.05.2009
PO-05/CPM Collective Training in the Domain of Work Security and Health	11.05.2009
Archiving department	
PO 01 Documents Archiving	24.03.2009

APPENDIX 2 List of Analyzed Procedures (continuance)

Operational Procedure	Date
Protocol and Communication Directorate	
PO- CRPMM-01 Operating Procedure Regarding the Elaboration of Responses for the Requests Formulated based on the Law 544/ 2001	31.03.2009
PO- CRPMM-02 Operating Procedure Regarding the Elaboration of Mass-Media Materials	04.05.2009
PO- CRPMM-03 Operating Procedure Regarding the Mass-Media Monitoring	04.05.2009
PO- CRPMM-04 Operating Procedure Regarding the Organization of Protocol Activities (Receptions, Official and Work Dinners, Gifts) at Management Level for the Agency	04.05.2009
PO- CRPMM-05 Operating Procedure Regarding the Organization of Internal and International Travel of ANI Representatives	04.05.2009
PO- CRPMM-06 Operating Procedure Regarding the Status of the Measurements Completion Retained within ANI Tasks of Concluding the Co-operations and Verifications Mechanism Conditions	11.05.2009
Integrity Inspectorate	
PO - II/01 (version 1) Activity regarding the verification of the Wealth and Interests Statements Received by the General Registry of the Agency	29.04.2008
PO - II/02 (Version 01) Application of Contravention Sanctions for Not Submitting the Wealth and Interests Statements in Legal Terms	06.05.2009
PO - 03/II (version 02) Verification of the wealth obtained in the period of mandate exercise or performing official job responsibilities	21.05.2009
PO - 04/II (version 01) Verification of compliance with the Legal Dispositions regarding the interests conflicts within the period of mandate exercise or performing official job responsibilities	27.05.2009
PO-05/II (version 01) Verification of compliance with the legal provisions regarding the incompatibilities Behavior within the Period of Mandate Exercise or fulfillment of public functions or dignities	10.06.2009
PO - 06/II (version 01) Wealth Statement and Interests Statement fill in methodology	12.06.2009
PO - 07/II (version 02) Redistribution of Causes Assigned to Integrity Inspectors, in accordance with Art. 17. Paragraph 2 of Law No. 144/ 2007 republished	21.12.2009
PO - 08/II (version 01) Request of seizure of a part of earned wealth or of a given good	23.12.2009
P -09/II (version 02) Publishing on ANI's Website Page the Ascertainment Documents	28.12.2009
PO-10/II (version 01) Introduction of the legal documents' absolute nullity declaration action and Requesting to the Competent Court to Enforce the Complementary Sanction of Restricting the Exercise of any Job/ Official Position, other than elective ones, for a period of 3 years, in the case where it was determined that the verified person was in a conflict of interests.	23.12.2009
PO 11/II (version 01) Documents Flow between the Integrity Inspectorate and Legal, Control and Public Relations General Department	22.12.2009
PO-12/II Random Allocation of Causes, minute regarding the random allocation and the independence and impartiality statement of the Integrity Inspector	22.12.2009

APPENDIX 3 List of documents analyzed during the audit

No	Type of document	Name of document
1	{M} ⁶	Access Authorization to Working Secrets – Table
2	{M}	Hand-over Note from ANI related to Documents
3	{M}	ROF, Related Organizational chart and the its Approval Order (valid from 24.02.2009)
4	{M}	Internal Notes of Applying the Provisions of Law 544/ 2001
5	{M}	Internal Notes regarding the effectiveness of ANI activity
6	{M}	Notes regarding the Training Strategy of ANI personnel for 2009 (includes attached the ANI staff training strategy), Action Plan regarding the training strategy, Training and Professional Development plan, including approval notes of the changes due to Organizational chart modifications
7	{M}	Questionnaire on the realization of a research that will be the base preparation of the Image and Communication Strategy of ANI
8	{M}	Address regarding the assignment of personnel for participating at the "Corruption Prevention" courses in the period of 2-3. 09.2009
9	{M}	Address regarding the designation of a person for participating at the "Tracing and Recovering Stolen Assets" courses
10	{M}	Collaboration Protocol ANI - ONRC
11	{M}	Collaboration Protocol ANI - MIRA
12	{M}	Collaboration Protocol ANI - ONPCSB
13	{M}	Order regarding the organizational structure modification and the ANI employees list
14	{M}	The Committee's Report to the European Parliament and Council regarding the progress reached by Romania as a part of the Cooperation and Verification Mechanism
15	{M}	Order regarding the designation of responsible personnel with ensuring the registry activities of ANI, Job Description
16	{M}	Address regarding the data and information related to the personnel number of ANI as of 31.12.2009
17	{M}	ANI Employees List that have participated in training courses during 2009
18	{M}	Internal note regarding the participation on foreign languages courses organized by the Bucharest University
19	{M}	Certificates regarding the participation at courses and trainings during 2009
20	{M}	Address regarding the proposals for the Occupying of Public Jobs Plan for 2009
21	{M}	Job Description no. 200
22	{M}	Order regarding the salary promotion of two integrity inspectors
23	{M}	Reports on the salary promotion of ANI public employees for the period of January-September 2009

⁶ {M} - we received a hard-copy of the document

No	Type of document	Name of document
24	{M}	Note regarding the salary promotion process of ANI public employees

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

No	Type of document	Name of document
25	{M}	Report regarding the salary promotion of Integrity Inspectors
26	{M}	Evaluation report of individual professional work performed by the Integrity Inspector
27	{M}	Order regarding the designation of the ethical counsel of ANI
28	{M}	ANI public employees code of conduct
29	{M}	Annual report regarding the compliance of the code of conduct by the ANI personnel for 2009
30	{M}	Table containing all the employees that have been made aware of the internal rule book of ANI
31	{M}	Order regarding the designation of a definitive execution public employee
32	{M}	Hand-over note of timesheets to DGE for the month of August 2009
33	{M}	List of promotions and advancements 2009
34	{M}	List of contracted personnel 2009
35	{M}	Joiners status for 2009
36	{M}	Evidence report of public employees
37	{M}	Requests for Dismissals
38	{M}	Trade list of ANI personnel
39	{M}	Order regarding the completion of the ANI disciplinary commission
40	{M}	Evaluation forms of individual performances
41	{M}	Order regarding the ANI internal rule book approval
42	{M}	Protection plan of information leakage – draft version
43	{M}	Order regarding the assignation of the personnel responsible with the coordination of CAPI specific activities
44	{M}	Report regarding the justification of the internal audit strategic plan for 2010 - 2012
45	{M}	Internal Public Audit Plan for 2009
46	{M}	Notification regarding the deployment of the internal audit assignment
47	{M}	Internal auditor Independency Declaration
48	{M}	Senior Internal auditor Independency Declaration
49	{M}	Annual Audit Report 2009
50	{M}	Note regarding the action plan and the calendar of recommendations implementation
51	{M}	Internal Public Audit Report
52	{M}	Quality Assurance and Development Program for the audit activity in 2009 and 2010
53	{M}	Request note regarding the participation of CAPI personnel at ECDL courses

No	Type of document	Name of document
54	{M}	Request note for the action plan and the calendar of recommendations implementation
55	{M}	Professional Performances Evaluations 2009 – Internal Auditors
56	{M}	Nota regarding the necessity memos for each directorate, department or department in order to issue the annual public acquisitions program for 2009
57	{M}	Note regarding the budgetary propositions for 2009, including the substantiating notes
58	{M}	Note regarding the necessity memos of the specific departmentss
59	{M}	Note regarding approval of budgetary rectification
60	{M}	Note regarding the approval of the modification of the volume and structure of the budget
61	{M}	Note regarding the detailed presentation of the influences on the budgetary expenses on titles, articles and paragraphs
62	{M}	Note regarding the change of the annual public acquisitions program
63	{M}	Annual public acquisitions program for 2009
64	{M}	Annual public acquisitions program modified/ completed in accordance with OUG 34/2009
65	{M}	Note regarding the transfer the situation of the approved credits in October 2009
66	{M}	Note regarding the transfer the situation of the approved credits in November 2009
67	{M}	The list of investment objectives that are entirely or partially financed from the state budget, position "Other investment expenses".
68	{M}	Monitoring the personnel expenses in September 2009
69	{M}	Summary regarding the personnel expenses related to contractual personnel – payments cumulated over 9 month during 2009
70	{M}	Report regarding the financial preventive control for the third quarter
71	{M}	Order regarding the appointment of the Stock Count Commission and the count of ANI patrimony on December 31 st 2009
72	{M}	Order regarding the appointment of mar Grosu Mihai Bogdan as president of the stock count commission replacing mar Aldea Nicolae (includes the order regarding the cease of the labor contract of Mr. Nicolae Aldea)
73	{M}	Inventory register as at 31.12.2009
74	{M}	Acquisition documentation for RA Rasirom
75	{M}	Acquisition documentation for Star Storage
76	{M}	Annual public acquisitions program for 2010
77	{M}	ANI Budget for 2009
78	{M}	Register of operations submitted to the financial preventive control for 2009
79	{M}	Order regarding the ANI legal engagements
80	{O} ⁷	Note for substantiating the budget for 2009

⁷ Documentul a fost primit spre examinare în varianta originală

No	Type of document	Name of document
81	{O}	Financial statements 30.09.2009
82	{O}	Cash register for November 2009
83	{O}	Payment orders register for 2009
84	{O}	Operating evidence – payments, engagements- September
85	{O}	Trial Balance-September
86	{O}	Payroll files - August 2009
87	{O}	Stock count minute
88	{O}	The administrators' statements before the stock count process
89	{O}	List of factual data filled in by the Stock count commission and confirmed by the administrator
90	{O}	Stock count reports containing reconciliation between the factual data and the accounting data
91	{O}	Internal audit engagement file "Organization, planning and reporting in the public acquisitions activity"
92	{O}	Acquisition file for the information system for electronic management of the documents
93	{O}	Acquisition file for the system of physical security and cabled structured networks
94	{O}	Professional file of debuting servant
95	{O}	Professional file-public servants
96	{O}	Professional file –contractual personnel
97	{O}	Contest file – contractual personnel
98	{O}	Claim for disciplinary investigation 7/03.03.2009
99	{O}	Claim for disciplinary investigation 2/02.03.2009
100	{O}	Claim for disciplinary investigation 4/02.03.2009
101	{O}	Claim for disciplinary investigation 3590/29.05.2009
102	{O}	Claim for disciplinary investigation 46/04.06.2009
103	{O}	Minute 34/10.03.2009 Disciplinary board meeting
104	{O}	Minute of the Disciplinary Board meeting 59/17.03.2009, Hearing minute 60/17.03.2009
105	{O}	Minute of the Disciplinary board meeting 152/09.06.2009
106	{O}	Disciplinary board report 90/01.04.2009
107	{O}	Disciplinary board report 91/01.04.2009
108	{O}	Disciplinary board report 113/05.05.2009
109	{O}	Disciplinary board report 186/22.06.2009 transmitted to the President
110	{O}	Order regarding disciplinary sanction 711/14.05.2009
111	{O}	Order 726/22.06.2009 regarding the sanction in accordance with art. 77 lit. e from Law188

No	Type of document	Name of document
112	{O}	Disciplinary deviation claim DGE 280/14.05.2009
113	{O}	Disciplinary Board minute 129/20.05.2009
114	{O}	Disciplinary Board minute 131/21.05.2009
115	{O}	Payments reports register 2009
116	{O}	Memo 206/31.08.2009 August Attendance Sheets for the Information Technology department approved by the head of department
117	{O}	Memo 4377/31.08.2009 to submit the Attendance Sheet related to the President's cabinet for August
118	{O}	Memo to submit the Attendance Sheet related to the Integrity Inspectorate for August, approved by the Chief of department
119	{O}	The individual instruction file regarding the labor safety and health correspondent to an employee from the administrative department
120	{O}	The individual instruction file regarding the labor safety and health correspondent to an employee from the Integrity Inspectorate
121	{O}	Specific instructions for drivers' labor security
122	{O}	Specific instructions for office activity labor security

APPENDIX 4 Implementation of the measures regarding Benchmark no. 2

Activity	Stage	Deadlines	Status as of December 31st, 2009 ⁸	Deloitte Assessment
1. Ensuring sufficient financial resources for carrying out its mandate	1.1 Ensuring the ANI budget	Annually, starting with December 2007	ANI budget for 2009 (18,176 thousand lei) was approved through Law no. 18/2009 dated February 27th, 2009. The budget was decreased through the Government Emergency Ordinance no. 34/11.04.2009 with the amount of 1,9 thousand lei for Title 1 "Personnel Expenses", Title 2 "Goods and Services", Title 71 "Non-financial Assets" and through the Government Emergency Ordinance no. 19/31.08.2009 with the amount of 860 thousand lei for Title 1 "Personnel Expenses".	Status as of December 31st, 2009: Implemented
2. Ensuring sufficient human resources for carrying out its mandate	2.1 Ensuring sufficient human resources until the agency becomes operational	November 2007	As of February 5th, 2009 ANI's personnel consisted of 126 employees. As of October 30th, 2009 ANI had 117 employees, 83 vacancies, 126 budgeted positions and 74 not budgeted. The personnel's structure as of October 30th, 2009 was the following: <ul style="list-style-type: none"> ➤ 1 official: ANI President; ➤ 1 high public official: ANI General Secretary; ➤ 6 seconded staff (according to Law 303/2004 and 53/2003); ➤ 23 contracted personnel; ➤ 29 public servants transferred or appointed through competitive employment; ➤ 57 integrity inspectors. Within the period of February – October 2009 9 employees have terminated their labor agreements with ANI: 7 integrity inspectors, 1 employee with contracted personnel status, 1 public official transferred or appointed through competitive	Status as of December 31, 2009: Implemented

⁸ This information is taken from the reports that ANI prepared for the Ministry of Justice regarding the implementation status as of 31st of December 2009 of the measures included in Benchmark no. 2

Activity	Stage	Deadlines	Status as of December 31st, 2009 ^a	Deloitte Assessment
			employment.	

APPENDIX 4 Implementation of the measures regarding Benchmark no. 2 (continuance)

Activity	Stage	Deadlines	Status as of December 31st, 2009 ⁹	Deloitte Assessment
2. Ensuring sufficient human resources for carrying out its mandate	2.1 Ensuring sufficient human resources until the agency becomes operational		Based on the Government Emergency Ordinance 223/2009 regarding the rejection of GEO 1/2009 for setting up some financial-budgeting measures, the process of occupying the existent job vacancies through competition or examination was suspended until December 31st 2009.	
	2.2 Adopting and implementing the procedures for organizing the tests for ANI personnel	December 2007	On August 31st, 2009 the National Integrity Council approved the start-up of occupying through tests the job vacancy of ANI Vice-President position. A written test and interview took place and the final list was announced, after the contestations were solved. Once the Government Emergency Ordinance 223/2009 was enforced, the process of occupying the ANI Vice-President position was suspended; currently the ANI Vice-President position is not occupied	Status as of December 31st, 2009: Implemented
	2.3 The organization of the tests for positions within the Agency	January 2008	The financing of another job position, other than the 126 budgeted ones, was not allowed. In 2009 it was organized a test to occupy a driver's position; it was also organized a test to occupy the Vice-President position that was cancelled as a consequence of the Government Ordinance 19/31.08.2009 related to the state budget rectification for 2009. Due to this decision, the financing process for the job vacancies was blocked for ANI. One employee transfer took place in 2009, to the position of Personal Adviser within the President's Office.	Status as of December 31st, 2009: Implemented

⁹ This information is taken from the reports that ANI prepared for the Ministry of Justice regarding the implementation status as of 31st of December 2009 of the measures included in Benchmark no 2

APPENDIX 4 Implementation of the measures regarding Benchmark no. 2 (continuance)

Activity	Stage	Deadlines	Status as of December 31st, 2009 ¹⁰	Deloitte Assessment
3. Ensure adequate infrastructure for ANI	3.1 Ensuring the necessary minimum equipment (computers, printers, infrastructure)	December 2007	In 2009 there were two public acquisition contracts concluded, having as objective ANI's equipment with: <ul style="list-style-type: none"> personal computers, software solutions for the database and operating systems, and package utilities: 100 desktops, 8 laptops, 108 operating systems, 112 software packages for PC and 203 software security packs; physical security systems and structured wired networks for ANI Head Office. Information system and connected services 	Status as of December 31st, 2009: Implemented
	3.2. Acquisition of services for web design and web hosting	December 2007	The portal component of the site will be integrated with the documents electronic management system, electronic archiving services, portal hosting and associated services. The acquisition process of the IT system and associated services was started during the year of 2009.	Status as of December 31st, 2009: Implemented
	3.3. Launch of the website	January 2008	There were no such actions performed during 2009. The ANI website was launched during 2008.	Status as of December 31st, 2009: Implemented
1. Establishing the strategic capacity of ANI	1.2. Establishing a strategy to consolidate the management and functioning of ANI and to put the basis for a medium term approach of the priorities	January 2008	1. On March the 2nd 2009 the President of ANI issued the Order no. 670 related to the development of a management control system in ANI. 2. As of June 30th, 2009 41% of the activities estimated to be documented until the process finalization were formalized in working procedures. On May 18th, 2009 the operating procedures manual was certified. A new set of procedures was sent in order to be certified/ approved through the Note CAPI 195/ 19.10.2009. The Note is certified by the General Secretary and approved by the President.	Status as of December 31st, 2009: Implemented

¹⁰ This information is taken from the reports that ANI prepared for the Ministry of Justice regarding the implementation status as of 31st of December 2009 of the measures included in **Benchmark no 2**

Activity	Stage	Deadlines	Status as of December 31st, 2009 ¹⁰	Deloitte Assessment
			<p>At the end of 2009, 49% of the estimated activities were transposed into operating procedures.</p> <p>The entire activity of standardizing the processes within ANI is quarterly supervised by the Finance Ministry through its specialized structure UCASMF.</p> <p>3. On 19th of June 2009 the Agency elaborated and presented at CNI The Operational Strategy for the year 2009. In the second half of the year 2009 the Agency elaborated and presented the strategic objectives for the period 2009-2010.</p>	

APPENDIX 4 Implementation of the measures regarding Benchmark no. 2 (continuance)

Activity	Stage	Deadlines	Status as of December 31st, 2009 ¹¹	Deloitte Assessment
2. Establish the internal organization and rules of the procedures	2.1. Adoption of the regulation on internal procedures including the organizational chart	December 2007	During 2009 the Institution Organizational chart was approved through the Order 556/ 08.02.2009 of the ANI President and the Rules of Organizing and Functioning were approved through the Order 660/ 24.02.2009.	Status as of December 31st, 2009: Implemented
	2.2 Drafting the employees register	December 2007	The Employees Register was approved on February 18 th , 2009 through the Order 656, released by the ANI President.	Status as of December 31st, 2009: Implemented
3. Improving the professional training of ANI staff	3.1.Evaluation of training needs, developing the training curricula and training materials	February 2008	The evaluation of training needs was performed based on a questionnaire addressing two areas of interest: the feedback structuring related to the training activities that involved ANI employees during 2008, respectively, the individual wishes and expectations in the field of professional training and personal development, as well as based on the evaluation reports of individual professional performance of public servants.	Status as of December 31st, 2009: Implemented Both the development of evaluation questionnaires of the need of training as well as training plan elaboration for 2009 have been performed within DCP and not DGORU, although the last unit is the entity in charge with the necessary attributions according to ROF provisions.

¹¹ This information is taken from the reports that ANI prepared for the Ministry of Justice regarding the implementation status as of 31st of December 2009 of the measures included in Benchmark no 2

APPENDIX 4 Implementation of the measures regarding Benchmark no. 2 (continuance)

Activity	Stage	Deadlines	Status as of December 31st, 2009 ¹²	Deloitte Assessment
3. Improving the professional training of ANI staff	3.2 Implementation of training activities for ANI staff as provided by twinning project with Finland: "Improving the Fight against Corruption"	March – April 2008	There were no such actions taken during 2009 since the measure was implemented during 2008.	Status as of December 31st, 2009: Implemented
	3.3 Drafting the annual training plan	June 2008	<p>1. The Training and Improvement Strategy, the related Plan as well as the Strategy Action Plan were performed and approved (internal notes no. 16.06.02.2009 and 231/27.02.2009).</p> <p>2. During 2009 there were elaborated and approved 2 programs sponsored with external funds that stipulates training and professional specialized courses for ANI's personnel. Along with the partnerships projects with SAR and IPP there is also the Project of the Prosecutor Office attached to The Highest Court of Cassation on Justice, to which ANI is entitled.</p> <p>I. The Program Twinning Light "Consolidating the Romanian Practical and legal framework in the field of confiscation and assets recovery". The project was initiated by the Prosecutor Office attached to The Highest Court of Cassation and Justice as a common project with ANI with an implementation period of 6 months, starting with January 15th 2010.</p> <p>II. The Project " The improvement of the controlling mechanisms for the incompatibilities and conflicts of interests at the level of the local/county councils from Romania</p> <p>The Project was initiated by IPP as a partnership with ANI, the implementation was a period of 9 months starting from the</p>	Status as of December 31st, 2009: Implemented

¹² This information is taken from the reports that ANI prepared for the Ministry of Justice regarding the implementation status as of 31st of December 2009 of the measures included in Benchmark no 2

Activity	Stage	Deadlines	Status as of December 31st, 2009 ¹²	Deloitte Assessment
			approval date. III. The Project " Strengthening the capacity of the National Integrity Agency. A partnership project of institutional development initiated with the Romanian Academic Society with the implementation period of 18 months having the main objective to increase the responsibility for the persons who have the obligation to declare the wealth and interests	
	3.4 Drafting a code of conduct for ANI personnel	January 2008	<p>The ANI Internal Regulation was approved on January 4th, 2008. It contains provisions related to standards of conduct applicable within the institution, the rights and obligations of employees, work time organization, disciplinary deviations, incompatibilities and prohibitions, access within the institution, etc.</p> <p>The Agency elaborates a draft of the Code of Conduct related to ANI personnel, by analyzing the codes of conduct for personnel categories existing at Agency level and by consulting the provisions contained in the code of conduct of institutions having control or investigation attributions.</p>	Status as of December 31st, 2009: Partially Implemented

APPENDIX 4 Implementation of the measures regarding Benchmark no. 2 (continuance)

Activity	Stage	Deadlines	Status as of December 31st, 2009 ¹³	Deloitte Assessment
3. Improving the professional training of ANI staff	3.5 Implementation of the specialization training plan	On a permanent basis, starting with August 2008	<p>ANI requested and established an agreement with CSM and ANAF the methods of collaboration regarding the training/ professional improvement of integrity inspectors.</p> <p>During 13-14th of May 2009 ANI representatives attended a seminar on recovery of assets, organized under the cooperation project "Continuing the fight against corruption in public administration" along with representatives of DNA, DGA within MAI, ONPCSB, etc.</p> <p>On September 3rd, 2009 as a part of the PHARE project "Improving the investigation abilities of DNA" there was organized the seminary on "Detection and recovery of assets derived from committing offenses". ANI representatives were present at the seminary.</p>	<p>Status as of December 31st, 2009:</p> <p>Partially Implemented</p> <p>The training and development plan could not be implemented in 2009 because, due to budget corrections, no required sums could be allocated to cover the approved training and development activities. However, the ANI personnel participated at several seminars organized during the year.</p>
4. Evaluating the quality of ANI's management	4.1 Organizing the public tender for the independent external audit, in accordance with the provisions of art. 31 Law 144/2007	December 2008	The acquisition procedure for external audit services of ANI's management for 2009 was realized during the period of December 2009 – January 2010.	<p>Status as of December 31st, 2009:</p> <p>Implemented</p>
	4.2 Performing an independent external audit	March 2009	During the period September – December 2009 the external audit engagement of ANI's management for 2008 took place.	<p>Status as of December 31st, 2009:</p> <p>Implemented</p>

¹³ This information is taken from the reports that ANI prepared for the Ministry of Justice regarding the implementation status as of 31st of December 2009 of the measures included in Benchmark no 2

APPENDIX 4 Implementation of the measures regarding Benchmark no. 2 (continuance)

Activity	Stage	Deadlines	Status as of December 31st, 2009 ¹⁴	Deloitte Assessment
1. Centralization of wealth and interest statements	1.1 Nomination of contact persons responsible for transmission of wealth and interest statements from the persons mentioned by art. 39 of Law 144/2007 perform their activity and institutions mentioned in art. 40, Law 144/2007	December 2007	<p>1. The guide for completing the wealth and interests statements was developed.</p> <p>2. On July 29th of 2009, the National Council of Integrity made a recommendation to ANI regarding the finalization of a training strategy for designated personnel in different public institutions on the implementation of legal provisions of wealth and interests statements according to Law 144/2007 republished.</p> <p>3. In 2009, ANI considered the CNI recommendation and based on the context of the regulation adopted by the Romanian Government regarding the cutting of budgetary funds, a partnership with SAR was started for the Project of institutional development " Strengthening the capacity of the National Integrity Agency" that stipulates for the period 2010-2011 a number of 20 activities for training the assigned personnel as an alternative method to fulfill the recommendations on this issue.</p>	<p>Status as of December 31st, 2009: Implemented</p> <p>It was not carried out the training strategy of assigned personnel from different public institutions mentioned in the CNI recommendation, however in addition to publishing on the Agency's website of the guide of completing the wealth and interests statements, ANI had the initiative of transmitting this guide to different public institutions.</p>
	1.2. Drafting the module for allowing storing and archiving the wealth and interest declarations, including establishing the parameters of the data base and specific indicators	January 2008	<p>During the month of October 2009 a frame contract for 4 years with SC STAR STORAGE SRL was concluded in order to implement the IT system for the electronic management of documents, electronic archiving services, portal hosting and associated services. The portal became operational starting with November 30th, 2009.</p> <p>Taking in consideration the objective of the frame contract with Star Storage, the scanning process, conversion and electronic storage for wealth declarations is permanent with budget limitation. The implementation for drafting the storage and archiving module was 100% until November 30th 2009 and it was considered as a structure when the first DAI were posted on the portal.</p>	<p>Status as of December 31st, 2009: Partially Implemented</p> <p>The scanning process regarding the wealth and conflict of interests started at the end of 2009 and has not been finalized yet.</p>

¹⁴ This information is taken from the reports that ANI prepared for the Ministry of Justice regarding the implementation status as of 31st of December 2009 of the measures included in Benchmark no. 2

APPENDIX 4 Implementation of the measures regarding Benchmark no. 2 (continuance)

Activity	Stage	Deadlines	Status as of December 31st, 2009 ¹⁵	Deloitte Assessment
1. Centralization of wealth and interest statements	1.3 Inserting the wealth and interests declaration in the data base of the created module.	On a permanent basis, starting with February 2008	During the entire period of 2009 the wealth and interests statements were manually recorded and stored, in a primary database. All the DAI from 2009 were recorded in the databases of the created module until November 30 th 2009.	Status as of December 31st, 2009: Implemented
	1.4 Drawing up the module for data analysis and management and its gradual development in accordance with the implementation of stages 1.2 and 1.3	Starting with February 2008	There was no such module implemented until October 2009. Starting with October 20 th 2009 since the first subsequent contract with Star Storage was signed there were carried out the following activities: analysis, drawing, configuration, installation and training for a correct use of the solution for 5 users with administrators rights. The implementation period for the solution started in 2009 and is in progress.	Status as of December 31st, 2009 Partially implemented The data management module is in process to be implemented
2. Control of assets, potential conflicts of interest and incompatibilities	2.1. Designing the electronic system of random distribution of cases according to art. 16 para. 1 of the Law no. 144/2007	January 2008	The random distribution module will be introduced within the "IT system for electronic management of documents, electronic archiving services, portal hosting and associated services". There was no such module implemented during 2009. It was developed the OP 12 / II/22.12.2009 regarding the random allocation, as an additional measure of sustaining the lack of an IT module. The random distribution module is part of the IT system, being in the analysis stage in 2009. In practical work, until the implementation within the electronic application, the random distribution of cases is performed based on a procedure developed by the Integrity Inspection, issued under the 2008 audit recommendations. The distribution is completed as follows: - record files (ex officio notifications and self performed notifications) as well as their random distribution to the	Status as of December 31st, 2009: Not Implemented The information system module is not implemented.

¹⁵ This information is taken from the reports that ANI prepared for the Ministry of Justice regarding the implementation status as of 31st of December 2009 of the measures included in Benchmark no. 2

Activity	Stage	Deadlines	Status as of December 31st, 2009 ¹⁵	Deloitte Assessment
			<p>inspectors of the Integrity Inspection (except junior inspectors) is completed using Microsoft Office Excel component, as follows:</p> <ul style="list-style-type: none"> - first page: database of files and records and the random distribution containing the following areas: 1. File number; 2. Entry date; 3. Distribution date; 4. Integrity Inspector Identification Number - randomly generated number; 5. The resulted identification number; 6. The full name of the Integrity Inspector – that has assigned the related identification number - ID assigned according to the second page; 7. Observations. - second page: database containing the Integrity Inspectors to whom it could be distributed files to solve - contains the identification numbers associated with their names (in the order they are found in Functions Book) as well as their number of assigned files. 	
2.2 Carrying out controls observing the principles of legality, impartiality, independence, celerity and right to be defended		On a permanent basis, starting with February 2008	<p>Based on the scanning performed since October 2009 until now of the wealth and interest statements declared at ANI during 2008 and 2009 a number of 1,500,000 statements were registered by the information system.</p> <p>During 2009 ANI received a number of 503,000 wealth and interest statements.</p> <p>For 2080 persons the solution was the contravention and until October 30th, 2009 courts have ruled irrevocable sentences on 309 cases (280 won – 82.1% and 60 lost – 17.9%).</p> <p>Until December 30th, 2009 the ANI performed verifications regarding 4614 persons. The verification activities were triggered by notifications sent by individuals or legal entities (947 notifications) respectively of ex officio notifications (3667).</p> <p>Until December 30th ANI had solved 1080 files (611 ex officio notifications and 469 notifications received from other entities).</p>	Status as of December 31st, 2009: Implemented

APPENDIX 4 Implementation of the measures regarding Benchmark no. 2 (continuance)

Activity	Stage	Deadlines	Status as of December 31st, 2009 ¹⁶	Deloitte Assessment
3. Ensuring the exchange of information and operational support necessary for ANI control activities	3.1 Analysis regarding the need and sources of information for performing ANI's activity, with permanent update	January 2008	The information requirement was analyzed and sources of information were identified. ANI has signed in the month of January 2009 a collaboration protocol with the National Office for Preventing and Combating Money Laundering that allows the cooperation in the field of exchanging information. After signing the protocols with ONRC, MIRA, ANAF and ONPCSB there were assigned and trained ANI employees, responsible with the exchange of information and access to the relevant database.	Status as of December 31st, 2009: Implemented
	3.2 Concluding cooperation agreements regarding the exchange of information with the partners identified based on the analysis performed.	On a permanent basis, starting with February 2008	ANI has signed collaboration protocols with: - ONRC, a protocol based on which ANI has free access to the RECOM service of ONRC; - MAI, a protocol that allows the provision of information from databases maintained and administered by MIRA structures, based upon a motivated request coming from ANI; - ANAF, a protocol that ensures the free access of the Agency to the information related to taxpayers (individual and legal taxpayers); - ONPCSB, a protocol that permits the cooperation in the field of general information exchange. - Separate protocol with DGA. Because ONPCSB motivated declines the communication of data to ANI, the Agency requested support in enacting an amendment to Law 656/2002 regarding the prevention and sanction for money laundering, as well for enacting several regulations for preventing and fighting against financing the terrorism, with modifications and subsequent additions, through which the entities that are stipulated as interested parties on the art 8 from Law, to enlist ANI between the beneficiaries of the information from the ONPCSP.	Status as of December 31st, 2009: Implemented

¹⁶ This information is taken from the reports that ANI prepared for the Ministry of Justice regarding the implementation status as of 31st of December 2009 of the measures included in Benchmark no 2

APPENDIX 4 Implementation of the measures regarding Benchmark no. 2 (continuance)

Activity	Stage	Deadlines	Status as of December 31st, 2009 ¹⁷	Deloitte Assessment
3. Ensuring the exchange of information and operational support necessary for ANI control activities	3.3 Documenting, creating, testing and training of personnel and launching the module for connection of electronic systems of ANI and partner institutions through: - exchange of information - access to relevant databases	September 2008	1. Based on the approaches made during August 2009, the Information System within ANI have implemented SMEC from STS, an operational service for the Integrity Inspection. The information from the MAI database can be accessed by using this application 2. According to the protocols concluded with MAI, ONRC, ANAF, the access to their databases is allowed on-line, hard copy or SMEC.	Status as of December 31st, 2009 Implemented On the present legal framework the Agency signed communication protocols with all the related institutions, ensuring the information exchange and the access to all the relevant information.
	3.4 Drafting a analysis report regarding the compliance and the way of performing the operational activity in relation with the partners according to the cooperation agreements concluded	November 2008	In 2009 there were no non-compliances found on how to carry out the operational activities in relation with partners, according to the signed protocols.	Status as of December 31st, 2009: Implemented

¹⁷ This information is taken from the reports that ANI prepared for the Ministry of Justice regarding the implementation status as of 31st of December 2009 of the measures included in Benchmark no 2

APPENDIX 4 Implementation of the measures regarding Benchmark no. 2 (continuance)

Activity	Stage	Deadlines	Status as of December 31 st , 2009 ¹⁸	Deloitte Assessment
1. Public communication and PR activities	1.1 Drafting the manual of visual identity, including a set of standards related to the communication with the general public, media and other bodies and to external reunions (expert groups, conferences, seminars)	March 2008	<p>It was developed, approved and published on the Agency's website the manual regarding the visual identity of ANI through the Note 164/ 23.07.2009.</p> <p>There were established internal procedures of communication with the public, mass-media and other institutions.</p> <p>The average time to respond media requests was between 3 and 6 hours.</p> <p>The average time to respond requests coming from individual entities was between 12 and 36 hours.</p> <p>The communication channels of the requests based on the Law 544/ 2001 were: e-mail 60%, fax 10%, through direct presentation at ANI's office 5%, post office 5%, over telephone 20%.</p> <p>During 2009 there were received a total number of 643 requests for information of public interest.</p>	Status as of December 31 st , 2009: Implemented

¹⁸ This information is taken from the reports that ANI prepared for the Ministry of Justice regarding the implementation status as of 31st of December 2009 of the measures included in Benchmark no 2

APPENDIX 4 Implementation of the measures regarding Benchmark no. 2 (continuance)

Activity	Stage	Deadlines	Status as of December 31st, 2009 ¹⁹	Deloitte Assessment
1. Public communication and PR activities	1.2 Development of a network of institutional and non-institutional partners with similar responsibilities within EU member states and other states	September 2008	<p>On May 20th, 2009 ANI has received the visit of a German delegation; during the visit discussions were held related to certain aspects regarding the organization and functions of ANI.</p> <p>On August 31st, 2009 a visit took place from the part of a delegation of Seoul Metropolitan Government – Public Official Ethics Committee, related to the documentation having as purpose ANI's activity as well as the realization of an experience exchange in matter of assurance of complying with public positions and dignities in conditions of impartiality, integrity and transparency.</p> <p>The President of ANI has participated during the period of 15 – 16 of October 2009 to the first seminary of the project "Asset declaration for Public Officials as a tool against corruption" organized in Belgrade and Serbia by OECD, CECD – SIGMA along with OSCE.</p> <p>On October 19 – 20 the ANI representatives have attended the regional seminary "Identification and prevention of illicit enrichment" organized in Sofia.</p> <p>Within November 23 – 26, 2009 a visit was performed in Romania by the delegation of the Integrity Committee of the Republic of Iraq.</p> <p>On December 2-4, 2009 Star has organized in Sofia a round table having as a theme lessons from the European Union and the European Council – "Discussing the cases of goods retrieval, lessons learned and best practices", an event to which a participation was performed in order to represent the Agency.</p>	Status as of December 31st, 2009: Implemented

¹⁹ This information is taken from the reports that ANI prepared for the Ministry of Justice regarding the implementation status as of 31st of December 2009 of the measures included in Benchmark no 2

APPENDIX 4 Implementation of the measures regarding Benchmark no. 2 (continuance)

Activity	Stage	Deadlines	Status as of December 31st, 2009 ²⁰	Deloitte Assessment
2. Developing partnerships, including through granting assistance and dissemination of good practices	2.1 Drafting an analysis report of the application of the legal framework incident to ANI activities, in view of solving potential problems arisen from practice	Biannual, starting with June 2008	<p>Following the risk analysis and the identification of weak points regarding the applicability of incidental law of ANI, it is intended to solve the issues raised from practice.</p> <p>It is partially implemented through measures reflected in:</p> <ul style="list-style-type: none"> - the elaboration of a written proposal of modifying the Law no. 144/2007 depending on the justice rules gathered up to a certain point and the practice of Integrity Inspectors. - the fact of accumulating the defenses formulated in different cases and on different issues (themes). In the same time it was gathered in a significant justice rules collection of the Courts in order to complete an analysis. <p>During 2009, there were elaborated and approved two programs with external financing stipulating activities of training for the Agency's personnel. Beside the partnership programs with SAR and IPP there is another program with the General Prosecution office.</p>	Status as of December 31st, 2009: Partially Implemented
	2.2 Drafting good practices guide regarding the enforcing of the procedures specific to ANI's activity, including the cooperation with the partners and interpretation of the legal framework	January 2009	The Guide of best practices /The procedures manual was completed and is updated according to the operative practice.	Status as of December 31st, 2009: Implemented

²⁰ This information is taken from the reports that ANI prepared for the Ministry of Justice regarding the implementation status as of 31st of December 2009 of the measures included in Benchmark no 2

APPENDIX 5 Follow up on the implementation of 2008 Deloitte report recommendations

No	Observation	Impact	Recommendation included in Deloitte Report for 2008	Action plan and A.N.I. Implementation responsible ²¹	Deloitte Evaluation
Security of the Information Technology					
1.	<p>ANI has not developed a policy or procedure regarding the IT security. The IT activities are governed by internal orders and normative issued by the management that covers various areas regarding the IT security.</p> <p>The lack of a security procedure can lead to security breaches, loss of data or delays in the activities performed. In case of a major incident, the procedure should be the basic structure of the security system that sets up the personnel attributions and responsibilities, and also the reconstruction of the security system through the constant improvement in a line with potential new events.</p> <p>When there is no formalized process of training the users with regard to the Security Policy and when the users do not sign to confirm that they have acknowledged the provisions of the Security Policy, there might be a risk that in case of an incident the user involved might not be held responsible.</p>	Major	<p>We recommend that ANI should implement the IT Security Policy at the level of the entire Agency, which should include all the measures and norms ordered by now and cover all the areas regarding the information security. All ANI employees should sign to acknowledge the policy and the compliance with the security rules. Each user should be familiar with the contents of the policy and should sign a document to prove their understanding and acceptance of the policy.</p> <p>Also, we recommend that ANI should implement an active program of training and information of the users with regard to the rules that must be complied with regard to the information security.</p>	<p>Implementation responsible: Cristinela Grosu – Head of S.T.I. Service</p> <p>Deadline: 2009, 2010</p> <p>Since November/December, A.N.I. has structured wired network. Starting with 2010 the entity will perform all necessary steps in order to implement the Security Policy along with the implementation of the computer networks. The IT services related to the network used by the integrity inspectors have been outsourced in order to implement an information system for wealth and interests declarations.</p>	<p>Status as of December 31, 2009 Not Implemented</p>

²¹ This information is taken from the Action Plan and the recommendations implementation calendar certified by the Secretary general and approved by the President through the Note CAPI 265/18.02.2010

APPENDIX 5 Follow up on the implementation of 2008 Deloitte report recommendations (continuance)

No	Observation	Impact	Recommendation included in Deloitte Report for 2008	Action plan and A.N.I. Implementation responsible ²²	Deloitte Evaluation
Security of the Information Technology					
2.	<p>During our audit, we have noted that ANI has implemented a process to make various changes to the IT environment. In case of acquisition, the process is in accordance with the public acquisition law.</p> <p>However, we have noted that this process is not formally described in a change management policy with regard to IT.</p> <p>Also, we noted that there is no journal of changes including all the changes made to the production environment.</p> <p>An environment in which there is no procedure or policy of change management cannot provide assurance that the changes made to the systems are in agreement with the requirements and intentions of the management.</p>	Major	<p>The management should consider the development and implementation of a formalized procedure of change management. Thus, the changes made could be better controlled. The details which should be included in this document are:</p> <ul style="list-style-type: none"> The life cycle of the software implementation and development processes such as: initiation, definition of formal functional specification, development/change, testing, implementation and final acceptance. The quality standards which the developers should meet: programming, documenting, testing etc. standards. These standards are applicable both for the internal development activities and for the software developments made by third parties. 	<p>Implementation responsible: Cristinela Grosu – Head of S.T.I. Service</p> <p>Deadline: 2009, 2010</p> <p>In October 2009 ANI purchased services for implementing a computer system and the supplier benefit of ISO certification. Based on this, A.N.I. is implementing quality standards for the software development by third-parties.</p> <p>Development function is outsourced.</p> <p>Operational actions –at the moment A.N.I has a collaboration agreement with Star Storage Company.</p>	<p>Status as of December 31, 2009</p> <p>Partially implemented</p> <p>A change management related to the newly acquired IT system was started in accordance with the technical specifications and the conversion methodology.</p> <p>For the other IT environment related changes there was no change management policy in force in 2009.</p>

²² This information is taken from the Action Plan and the recommendations implementation calendar certified by the Secretary general and approved by the President through the Note CAPI 265/18.02.2010

APPENDIX 5 Follow up on the implementation of 2008 Deloitte report recommendations (continuance)

No	Observation	Impact	Recommendation included in Deloitte Report for 2008	Action plan and A.N.I. Implementation responsible ²³	Deloitte Evaluation
Security of the Information Technology					
2.			<ul style="list-style-type: none"> The implementation of an effective segregation between the software development function and the operational activities within the IT Service. The necessity of completing and updating the relevant system documentation to ensure the continuity and maintenance of the systems. <p>These controls should be applied equally to all software development activities, both internal and external and to the changes made to the software</p>		
3.	<p>ANI does not have a procedure to define the norms and rules that need to be applied in the administration of the IT users, applications and systems. In case of a new employee, the application for the hardware equipment and installation of various applications is requested by the line manager, this activity not being formalized.</p> <p>In 2009, there was issued an Order (no. 202/2009) regarding the implementation of norms in case of employees that leave ANI. However, in 2009, in case of a terminated employee, the IT Department was not</p>	Medium	<p>We recommend that ANI should implement the Users Administration Procedure.</p> <p>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</p>	<p>Implementation responsible: Cristinela Grosu – Head of S.T.I. Service Deadline: 2009, 2010 Along with creating the IT infrastructure of the both network for A.N.I., STI Service will develop operational procedures that will include formalizing user administration, as recommended by external audit team. For the Integrated Information</p>	<p>Status as of December 31, 2009 Not Implemented An Order (No 202/2009) was issued during 2009. This order refers to the implementation of rules for employees who leave the Agency. During 2009 A.N.I. did not have an</p>

²³ This information is taken from the Action Plan and the recommendations implementation calendar certified by the Secretary general and approved by the President through the Note CAPI 265/18.02.2010

APPENDIX 5 Follow up on the implementation of 2008 Deloitte report recommendations (continuance)

No	Observation	Impact	Recommendation included in Deloitte Report for 2008	Action plan and A.N.I. Implementation responsible ²⁴	Deloitte Evaluation
Security of the Information Technology					
3.	<p>notified formally by the Human Resources Directorate or by the line manager of the respective employee.</p> <p>An improper process of administering the users can lead to unauthorized access to data, namely:</p> <ul style="list-style-type: none"> without a formalized procedure of administering 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. 		<p>Management of the users' administration activities.</p> <p>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).</p> <p>The access rights (roles) should be formally approved by the ANI Management.</p> <p>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.</p>	<p>System of the Integrity Inspection - the formalization of user rights involves two stages:</p> <ul style="list-style-type: none"> An internal phase which will be developed in 2010, The second phase at the IT services provider. 	<p>implemented procedure to define the norms and rules which need to be applied for user management process for applications and IT systems.</p> <p>In practice there is a user management procedure that is not documented in a manual.</p>

²⁴ This information is taken from the Action Plan and the recommendations implementation calendar certified by the Secretary general and approved by the President through the Note CAPI 265/18.02.2010

APPENDIX 5 Follow up on the implementation of 2008 Deloitte report recommendations (continuance)

No	Observation	Impact	Recommendation included in Deloitte Report for 2008	Action plan and A.N.I. Implementation responsible ²⁵	Deloitte Evaluation
Security of the Information Technology					
4.	<p>The computer network of ANI is protected by a Firewall provided by the Internet provider. However, we have noted that ANI has not implemented a Firewall, IDS (Intrusion Detection System), IPS (Intrusion Prevention System) or other own means to protect the internal network from possible attacks from the Internet.</p> <p>The lack of an own protection system such as a Firewall, IDS, IPS or other methods exposes the ANI network from the internet.</p>	Major	<p>ANI management should consider the implementation of an own protection system with regard to the protection of the computer network and which could comprise Firewall, IDS, IPS.</p>	<p>Implementation responsible: Cristinela Grosu – Head of S.T.I. Service Deadline: 2009, 2010 In November 2009 the implementation procedures were started, but because of the lack of budgeted funds, the acquisition was postponed.</p>	<p>Status as of December 31, 2009 Not Implemented</p>
5.	<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>With regard to the CIEL application, the password policy provides for a minimum length of five (5) characters and there are not 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>	Major	<p>The following rules for passwords, generally accepted as security standard, should be considered by ANI management for implementation:</p> <ul style="list-style-type: none"> • Maximum validity period: 45 to 60 days; • Minimum validity period: 1 day; • The system should remember the last 12 passwords used; 	<p>Implementation responsible: Cristinela Grosu – Head of S.T.I. Service Deadline: Implemented in 2009 The configuration of the new computers allocated to the integrity inspectors, was performed taking into consideration the passwords rules recommended by the external audit team.</p>	<p>Status as of December 31, 2009 Implemented The password policy for CIEL application was changed, so the user's passwords.</p>

²⁵ This information is taken from the Action Plan and the recommendations implementation calendar certified by the Secretary general and approved by the President through the Note CAPI 265/18.02.2010

APPENDIX 5 Follow up on the implementation of 2008 Deloitte report recommendations (continuance)

No	Observation	Impact	Recommendation Included In Deloitte Report for 2008	Action plan and A.N.I. Implementation responsible ²⁶	Deloitte Evaluation
Security of the Information Technology					
5.	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.		<ul style="list-style-type: none"> The password should meet complexity criteria (at least three characters from the following groups: non capital letters, capital letters, figures and special characters); Maximum number of failed authentication attempts allowed: 3; Only a privileged user with administrative rights can unlock a locked account; The password must be changed by the user upon the first accessing of the system. <p>The password rules mentioned above must be imposed by the information systems (application and operating systems). 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.</p>		

²⁶ This information is taken from the Action Plan and the recommendations implementation calendar certified by the Secretary general and approved by the President through the Note CAPI 265/18.02.2010

APPENDIX 5 Follow up on the implementation of 2008 Deloitte report recommendations (continuance)

No	Observation	Impact	Recommendation Included in Deloitte Report for 2008	Action plan and A.N.I. Implementation responsible ²⁷	Deloitte Evaluation
Security of the Information Technology					
6.	<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>The management should implement an assessment activity regarding the importance of the systems in carrying out the activity of ANI.</p> <p>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.</p>	<p>Implementation responsible: Cristinela Grosu – Head of S.T.I. Service Deadline: 2009, 2010.</p> <p>Since October 2009 the procedures creation of a database were started. In the same time the appropriate IT infrastructure was acquired, taking into consideration importance of this project. The computer system was created in this purpose. For this reason, equipments were purchased in order to provide back-up. Starting 2010, when the computer system will be 100% operational, operational procedures which will include back-up policy will also be created.</p>	<p>Status as of December 31, 2009 Partially implemented</p> <p>There are 2 computer networks at ANI level. The network used by the inspectors that supports the application that is used for the wealth and interests statements. There is a back up policy issued by Star Storage. For ANI public network, because of budgetary restrictions, in 2009 no domain server was acquired. Part of the documents were scanned as part of the implementation of the new IT system. The wealth and interests statements received by ANI in 2009 were scanned and processed as part of the IT system. Some</p>

²⁷ This information is taken from the Action Plan and the recommendations implementation calendar certified by the Secretary general and approved by the President through the Note CAPI 265/18.02.2010

No	Observation	Impact	Recommendation included in Deloitte Report for 2008	Action plan and A.N.I. Implementation responsible ²⁷	Deloitte Evaluation
					of these documents were also stored on optical device (DVD)

APPENDIX 5 Follow up on the implementation of 2008 Deloitte report recommendations (continuance)

No	Observation	Impact	Recommendation included in Deloitte Report for 2008	Action plan and A.N.I. Implementation responsible ²⁸	Deloitte Evaluation
Security of the Information Technology					
7.	<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>We recommend that the server room be equipped with the following facilities:</p> <ul style="list-style-type: none"> smoke/fire sensors; an automated fire extinction system; a system of monitoring and adapting temperature and humidity; elevated floors; <p>We recommend that ANI should remove the flammable materials such as the wooden desks and cardboard boxes.</p>	<p>Implementation responsible: Cristinela Grosu – Head of S.T.I. Service</p> <p>Deadline: 2009, 2010.</p> <p>The room where servers are installed is equipped, starting with 2009, with sensors, smoke / fire and a burglary system and an access control system.</p> <p>Automatic fire suppression system, monitoring system and the systems for adjusting the temperature and humidity are targets included in the ITS Strategic Plan 2010.</p> <p>Raised floors cannot be implemented due to the building structure and architecture taking into consideration that the building is part of the national treasures.</p>	<p>Status as of December 31, 2009 Partially Implemented</p> <p>Starting with the end of 2009 the server room was moved.</p> <p>The new room where servers are installed is provided with sensors for smoke / fire and a burglary system and an access control system.</p> <p>The server room is equipped with hardwood floors, windows to the outside and radiators. Also, the server room is crossed by a water pipe that supplies the radiators.</p>

²⁸ This information is taken from the Action Plan and the recommendations implementation calendar certified by the Secretary general and approved by the President through the Note CAPI 265/18.02.2010

APPENDIX 5 Follow up on the implementation of 2008 Deloitte report recommendations (continuance)

No	Observation	Impact	Recommendation Included in Deloitte Report for 2008	Action plan and A.N.I. Implementation responsible ²⁹	Deloitte Evaluation
Security of the Information Technology					
8.	<p>ANI does not have a formalized procedure regarding the review of the security logs and the necessary measures in case of security events.</p> <p>The review of logs is irregular and the process is not formalized.</p> <p>Certain incidents that jeopardize the integrity of the data can go unnoticed and can degenerate in critical situations with a major impact, due to the lack of monitoring the logs of the systems that allow or have already implemented such facilities.</p> <p>Also, without a regular review of the logs there is a risk that the erroneous or fraudulent transactions might go undetected.</p> <p>Without a formal record of these monitoring activities, ANI management cannot make sure that the monitoring is carried out in a consistent and regular manner, ensuring the protection of data/information efficiently.</p>	Medium	<p>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.</p> <p>Also, all the incidents identified during the monitoring should be recorded and reported periodically to the management of the IT Service.</p>	<p>Implementation responsible: Cristinela Grosu – Head of S.T.I. Service</p> <p>Deadline: Implemented in 2009.</p> <p>The newly implemented computer system is provided with feature for auditing and monitoring logs (which is part of the standard platforms of File Net).</p>	<p>Status as of December 31, 2009 Not Implemented</p> <p>During 2009 there was no policy to define procedures related to security log monitoring activity and no measures are defined in case security incidents are noted.</p>

²⁹ This information is taken from the Action Plan and the recommendations implementation calendar certified by the Secretary general and approved by the President through the Note C.A.P.I. 265/18.02.2010

APPENDIX 5 Follow up on the implementation of 2008 Deloitte report recommendations (continuance)

No	Observation	Impact	Recommendation Included In Deloitte Report for 2008	Action plan and A.N.I. Implementation responsible ³⁰	Deloitte Evaluation
Security of the Information Technology					
9.	<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>ANI management should consider the development and implementation of a business continuity plan in case of disasters, which should include the following detailed information:</p> <ul style="list-style-type: none"> list of the persons involved and their contact data (name, address, telephone number, etc.) as well as the order of contacting them 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 this software; a detailed procedure of restoring the database data connections (local network and internet), as well as settings and instructions regarding their configuration. <p>Also, ANI management should consider the implementation of a process of testing the components of the business continuity plan in case of disasters.</p>	<p>Implementation responsible: Cristinela Grosu – Head of S.T.I. Service Deadline: 2010.</p> <p>The recommendation is an objective contained in the STI Strategic Plan for 2010.</p>	<p>Status as of December 31, 2009</p> <p>Not Implemented</p>

³⁰ This information is taken from the Action Plan and the recommendations implementation calendar certified by the Secretary general and approved by the President through the Note CAPI 265/18.02.2010.

APPENDIX 5 Follow up on the implementation of 2008 Deloitte report recommendations (continuance)

No	Observation	Impact	Recommendation included in Deloitte Report for 2008	Action plan and A.N.I. Implementation responsible ³¹	Deloitte Evaluation
Security of the Information Technology					
9.			The results of the tests should be analyzed and, if necessary, the business continuity plan should be updated accordingly.		
10.	<p>ANI does not have a procedure and formalized process of treating the IT incidents. Such incidents are reported by the users by 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, in the lack of a formalized recording of the IT incidents, there is no history of the problems encountered to be used as basis for a rapid solving of the future IT incidents.</p>	Minor	<p>ANI should consider the development and implementation of an IT Incidents Management Policy to address the incidents occurred in the IT environment.</p> <p>All the exceptions reported should be recorded, resolved and analyzed.</p> <p>ANI management should make sure that all exceptions are resolved in due course in order to ensure a good operation of the IT system.</p>	<p>Implementation responsible: Cristinela Grosu – Head of S.T.I. Service Deadline: 2009, 2010.</p> <p>The integrated information system has an incident management system provided by the software vendor in December 2009.</p> <p>The computer system is operational only starting with October 2009.</p>	<p>Status as of December 31, 2009 Partially implemented</p> <p>During 2009 there was no formalized internal process for IT incidents management.</p> <p>The process is not implemented for ANI public network, but it is implemented for the Integrity Inspectorate computer system.</p> <p>There is a practice of IT incidents management but is not formalized.</p> <p>There is a help desk available for the information system.</p>

³¹ This information is taken from the Action Plan and the recommendations implementation calendar certified by the Secretary general and approved by the President through the Note CAPI 265/18.02.2010

APPENDIX 5 Follow up on the implementation of 2008 Deloitte report recommendations (continuance)

No	Observation	Impact	Recommendation Included in Deloitte Report for 2008	Action plan and A.N.I. Implementation responsible ³²	Deloitte Evaluation
Security of the Information Technology					
11.	<p>Upon the arrival of a new employee, the IT Service is in charge with allocating a computer and installing the necessary applications. We have noted that this activity takes place without a formal request of the line manager and without having a defined catalogue to describe the applications that should be installed on the computers of the employees according to the department into which they belong.</p> <p>When there is no catalogue approved by the management to specify the applications that should be installed on the computers of the new employees there is a risk that some users might have on their computers applications for which they are not eligible.</p>	Medium	<p>The management of the IT Service should make an assessment of the applications that should be installed on the work stations for each department.</p> <p>Further to this assessment, a catalogue should be prepared to describe the applications that should be installed on the employees' computers according to the department into which they belong.</p>	<p>Implementation responsible: Cristinela Grosu – Head of S.T.I. Service</p> <p>Deadline: The formalization will be achieved by 2010.</p> <p>This process was conducted effectively, but it is not reflected in formalized documents.</p>	<p>Status as of December 31, 2009 Not Implemented</p>
12.	<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 informatics 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>	Medium	<p>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.</p>	<p>Implementation responsible: Cristinela Grosu – Head of S.T.I. Service</p> <p>Deadline: The formalization will be achieved by February/March 2010.</p> <p>IT service provider has a test environment similar to the production one and a release management procedure.</p>	<p>Status as of December 31, 2009 Partially implemented</p> <p>Based on the discussions had with Star Storage team we were informed that a test environment for the information system exists.</p> <p>The testing process is not formalized for the</p>

³² This information is taken from the Action Plan and the recommendations implementation calendar certified by the Secretary general and approved by the President through the Note CAPI 265/18.02.2010

No	Observation	Impact	Recommendation Included in Deloitte Report for 2008	Action plan and A.N.I. Implementation responsible ¹²	Deloitte Evaluation
					software producers.

APPENDIX 5 Follow up on the implementation of 2008 Deloitte report recommendations (continuance)

No	Observation	Impact	Recommendation Included in Deloitte Report for 2008	Action plan and A.N.I. Implementation responsible ³³	Deloitte Evaluation
Security of the Information Technology					
12.	Further to 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.				
13.	<p>As of 2009 ANI has a regulation regarding the physical access. However, during 2008, ANI did not have available a regulation to define the rules regarding the access to and circulation of persons inside the ANI premises.</p> <p>An environment that does not have security procedures and policies regarding the physical access cannot provide assurance that the norms regarding the physical access are complied with by all employees. Also, in the absence of a regulation regarding the physical access there is no certainty that this activity is consistent and in accordance with the requirements and intentions of the management.</p>	Minor	<p>The management should consider a constant review and updating of a policy which defines the rules regarding the access and circulation of persons inside ANI premises.</p> <p>This policy should be constantly endorsed and revised in order to be pertinent.</p> <p>Also, the users should be trained with regard to this regulation in order to avoid the access of unauthorized personnel to the ANI premises or IT resources.</p>	<p>Implementation responsible: Cristinela Grosu – Head of S.T.I. Service Deadline: 2010.</p> <p>After the implementation of the physical security systems the process for establishing rules and regulations was started too (and improve it).</p> <p>Partially Implemented 2010</p>	<p>Status as of December 31, 2009 Partially implemented</p> <p>Since 2009 A.N.I. has in place an internal regulation regarding physical access. The document is a preliminary version and is not approved. In practice there are access rules imposed by the physical security system implemented in November 2009.</p> <p>For the same purpose ANI has signed a collaboration protocol with the Romanian Gendarmerie.</p>

³³ This information is taken from the Action Plan and the recommendations implementation calendar certified by the Secretary general and approved by the President through the Note CAPI 265/18.02.2010

APPENDIX 5 Follow up on the implementation of 2008 Deloitte report recommendations (continuance)

No	Observation	Impact	Recommendation included in Deloitte Report for 2008	Action plan and A.N.I. Implementation responsible ³⁴	Deloitte Evaluation
Security of the Information Technology					
14.	<p>The access to the server room is permitted through the office of the manager of the IT Service. ANI does not have antitheft systems or systems of control and monitoring of the physical access.</p> <p>During our audit, the door to the server room was not locked.</p> <p>When the access to the server room is not strictly controlled and monitored, there is a risk that an unauthorized person might enter the server room without being detected. Also, the security of the data/information is jeopardized.</p>	Minor	<p>We recommend ANI to ensure the security of the server room by implementing antitheft systems and/or installed systems of access control and monitoring.</p>	<p>Implementation responsible: Cristinel Grosu – Head of S.T.I. Service</p> <p>Deadline: Implemented in 2009</p>	<p>Status as of December 31, 2009 Implemented</p> <p>The server room has a new location, and the access is based on access cards.</p>
Integrity Inspectorate					
15.	<p>We note that during January – December 2008, the provisions of the ROF in force, approved by Order of ANI President no. 27/04.01.2008, are not in conformity with Law no 90/2001, according to which the Secretary General is responsible with the Integrity Inspectorate.</p> <p>By the approval of the new ROF by Order of ANI President no. 555 dated December 5, 2008, the Integrity Inspectorate was removed from the coordination of the Secretary General and moved under the coordination</p>	Minor	<p>We recommend the change of the Organizational Chart in order to be compliant with the provisions of ROF adopted under Order of ANI President no. 555/5.12.2008.</p>	<p>Implementation responsible: Mădălina Medelet</p> <p>Deadline: Implemented in 2009</p> <p>Implemented through A.N.I. President's Order No 660/24.02.2009, regarding the approval of the R.O.F. change and the associated organizational chart.</p>	<p>Status as of December 31, 2009 Implemented</p>

³⁴ This information is taken from the Action Plan and the recommendations implementation calendar certified by the Secretary general and approved by the President through the Note CAPI 265/18.02.2010

No	Observation	Impact	Recommendation Included in Deloitte Report for 2008	Action plan and A.N.I. Implementation responsible ³⁴	Deloitte Evaluation
	of the President. Nevertheless, the Organizational Chart of this ROF, adopted as Annex to Order 555/5.12.2008, does not include the new form of organization.				

APPENDIX 5 Follow up on the implementation of 2008 Deloitte report recommendations (continuance)

No	Observation	Impact	Recommendation included in Deloitte Report for 2008	Action plan and A.N.I. implementation responsible ³⁵	Deloitte Evaluation
Integrity Inspectorate					
16.	<p>Although Law no. 144/2007 provides for a random distribution of cases within an information system, in 2008 there was no such automated system in place. As it was not possible from a technical point of view, the random distribution in 2008 was the exclusive responsibility of the General Director of Integrity Inspectorate. The distribution procedure was not formalized in writing as per MoPFO no. 946/2005 regarding the approval of the Internal Control Code, including the management/internal control standards for public entities and for the development of the management control systems (hereinafter MoPFO no. 946/2005), being described during the interview. For details see procedure 2.1 Designing the system of random distribution of cases according to Law 144/2007, art 16, paragraph 1. from the Action Plan for meeting the conditions part of the mechanism of cooperation and review of the progress realized by Romania in the field of legal system reform and of the fight against corruption.</p> <p>The failure to adopt a formalized and transparent procedure regarding the random distribution of cases can lead to suspicions</p>	Major	<p>Until the information system of random distribution provided by the law is implemented, we recommend the implementation of a written formalized operational procedure (complied with OMFP 946/2005) regarding the random distribution of the cases to the integrity inspectors, which should describe the process used in practice by the Integrity Inspection during 2008.</p>	<p>Implementation responsible: Ene Ilie Deadline: 2009 The development of PO 07/III</p>	<p>Status as of December 31, 2009 Partially Implemented We have obtained and examined the procedure regarding the distribution of complaints. The procedure was issued on 21st of December 2009 and was not brought to integrity inspectors' attention by the time of our audit. The recommendations after the examination the procedure were detailed within Appendices 10 and 11. In practice, the random distribution process was performed in accordance with the procedure that was subsequently formalized. As an additional step ANI</p>

³⁵ This information is taken from the Action Plan and the recommendations implementation calendar certified by the Secretary general and approved by the President through the Note CAPI 265/18.02.2010

No	Observation	Impact	Recommendation included in Deloitte Report for 2008	Action plan and A.N.I. Implementation responsible ³⁵	Deloitte Evaluation
	regarding the verification of files and independence of the inspectors.				acquired in 2009 a module that includes the random distribution in integrated information system functionality. Currently this module is not functional.

APPENDIX 5 Follow up on the implementation of 2008 Deloitte report recommendations (continuance)

No	Observation	Impact	Recommendation Included in Deloitte Report for 2008	Action plan and A.N.I. Implementation responsible ³⁶	Deloitte Evaluation
Integrity Inspectorate					
17.	<p>There is no formalized procedure regarding the declaration of the personal and/or asset interests in assigning the files. Moreover, in practice there is no such work procedure. The inspectors are subject only to the provisions of Law no. 144/2007 regarding the obligation of declaring wealth and interests. From the interviews, we have found that the integrity inspector is the one that announces a possible conflict of interests/incompatibility during the resolution of a file.</p> <p>The lack of such a procedure has a direct impact on the rules regarding the redistribution of cases, the law mentioning incompatibility and conflict of interests among the reasons for reassigning a case.</p>	Major	<p>We recommend the introduction of a procedure under which the integrity inspectors should declare, upon the assignment of each case, whether they are in circumstances of incompatibility or conflict of interests with regard to the verified person.</p>	<p>Implementation responsible: Ene Ilie</p> <p>Deadline: Implemented in 2009 The development of PO 12/II</p>	<p>Status as of December 31, 2009 Partially implemented</p> <p>We have evaluated the procedure elaborated on 21/12/2009 with regards to the random distribution of cases, the minutes of random distribution and the declaration of independence and impartiality of the integrity inspectors. The procedure was not made known to inspectors until our audit. In practice, we noted that there were cases when the integrity inspectors made written statements regarding the conflict of interest, using a template created for this purpose. In these cases the causes were</p>

³⁶ This information is taken from the Action Plan and the recommendations implementation calendar certified by the Secretary general and approved by the President through the Note CAPI 265/18.02.2010

No	Observation	Impact	Recommendation included in Deloitte Report for 2008	Action plan and A.N.I. implementation responsible ³⁶	Deloitte Evaluation
					redistributed in accordance with the article 17 of the Law 144/2007.

APPENDIX 5 Follow up on the implementation of 2008 Deloitte report recommendations (continuance)

No	Observation	Impact	Recommendation included in Deloitte Report for 2008	Action plan and A.N.I. Implementation responsible ³⁷	Deloitte Evaluation
Integrity Inspectorate					
18.	With regard to the publication on the internet page of ANI of the ascertaining documents for the completed cases, we have noted that among the tested files, there was no document providing information with regard to posting such files on the website. By direct observation of the website of ANI, it can be noted that there are certain ascertaining documents that are not published. However, for the files included in the sample we could not verify whether the publication conditions provided for by the law are met, as such files have not been maintained at the 2008 level. In the absence of a history of the documents published on the website of ANI, there is a risk of non conformity with the laws in force.	Medium	<p>We recommend the introduction in the Procedure of the formalization of the process of publication of the documents on the website of ANI.</p> <p>This procedure should include at least, without limitation, the following:</p> <ul style="list-style-type: none"> - the time span up to the communication to the IT Department (DTI) of the document (to be uploaded on the website), - the format of the Ascertaining document (what data/information should not be made public), - the type of substantiation documents that need to be attached to the file in order to prove the sending of the Document to be uploaded on the website by DTI. <p>Also, we consider useful the existence on the website in the field dedicated to Ascertaining Documents of a history including all the Documents posted.</p>	<p>Implementation responsible: Ene Ilie</p> <p>Deadline: Implemented in 2009 The development of PO 09/II</p>	<p>Status as of December 31, 2009 Partially Implemented</p> <p>We obtained and reviewed the procedure, elaborated on 28/12/2009, with regard to the process of publishing on the internet the final ascertaining documents. The procedure was not made known to integrity inspectors until the time of our audit. The assessment of sample files proved that the files did not comply with this rule. Please see note no. 3 on Annex 11.</p>

³⁷ This information is taken from the Action Plan and the recommendations implementation calendar certified by the Secretary general and approved by the President through the Note CAPI 265/18.02.2010

APPENDIX 5 Follow up on the implementation of 2008 Deloitte report recommendations (continuance)

No	Observation	Impact	Recommendation Included In Deloitte Report for 2008	Action plan and A.N.I. Implementation responsible ³⁸	Deloitte Evaluation
Integrity Inspectorate					
19.	<p>The most important internal cooperation within the Integrity Inspectorate is the one with DGJ, given that the latter is the specialized directorate which ensures the representation of the ANI in front of courts of law and other jurisdictional bodies. However, there is no formal procedure regarding the circuit of the documents between the two directorates³⁹.</p> <p>The lack of a formalized procedure including clear provisions regarding the deadlines for the communication between the two directorates can lead to losing various legal procedural rights of ANI.</p>	Medium	<p>With regard to the communication with DGJ, we recommend the implementation of a formalized procedure regarding the flow of communication between DGJ and the Integrity Inspectorate.</p>	<p>Implementation responsible: Ene Ilie</p> <p>Deadline: Implemented in 2009 The development of PO 11/II</p>	<p>Status as of December 31, 2009 Partially Implemented</p> <p>We obtained and reviewed the procedure on the flow of documents between DJCRP and Integrity Inspection elaborated on 22/12/2009. The procedure was not made known to integrity inspectors by the time of our audit. Based on the interviews we identified a number of inadvertencies with practical activity, they are detailed in observation No. 7 of Annex 11.</p>

³⁸ This information is taken from the Action Plan and the recommendations implementation calendar certified by the Secretary general and approved by the President through the Note CAPI 265/18.02.2010

³⁹ Except for the work procedure in case of verification of wealth. With regard to DGJ, at the level of this directorate there is a procedure regarding the cooperation with the other directorates of ANI, which only provides for the responsibilities of DGJ.

APPENDIX 5 Follow up on the implementation of 2008 Deloitte report recommendations (continuance)

No	Observation	Impact	Recommendation Included in Deloitte Report for 2008	Action plan and A.N.I. Implementation responsible ⁴⁰	Deloitte Evaluation
Integrity Inspectorate					
20.	<p>There is no formalized procedure regarding the files connection process. In practice, the connecting is made in case of identical person, object and case. Before the verification process related to a case begins the secretariat of the directorate checks to see whether there is also another complain/investigation regarding the respective person. The new files are connected to the old ones. As basis for connection, a memo is prepared to motivate the reassignment of the case.</p> <p>In case the integrity inspectors do not know the procedure to be applied in case of connecting files, there might be instances where two different investigations have the same object, case and persons.</p>	Medium	<p>We recommend the preparation of a formalized procedure regarding the institution of connecting the files.</p>	<p>Implementation responsible: Ene Ilie Deadline: Implemented in 2009 The elaboration of PO 07/II</p>	<p>Status as of December 31, 2009 Partially Implemented We obtained and reviewed the procedure that was elaborated on 21.12.2009, but until the time the audit it was not made known to the integrity inspectors. The evaluation of procedure has resulted in a number of recommendations detailed in Annexes 10 and 11. In practice the connection process was realized through the document "Connection memo" issued and communicated to the Integrity Inspectors by the General Director of the Integrity Inspectorate.</p>

⁴⁰ This information is taken from the Action Plan and the recommendations implementation calendar certified by the Secretary general and approved by the President through the Note CAPI 265/18.02.2010

APPENDIX 5 Follow up on the implementation of 2008 Deloitte report recommendations (continuance)

No	Observation	Impact	Recommendation Included in Deloitte Report for 2008	Action plan and A.N.I. Implementation responsible ⁴¹	Deloitte Evaluation
Integrity Inspectorate					
21.	<p>There is no formalized obligation of the integrity inspector to request that the relevant court applies the complementary punishment of forbidding the exertion of any other public position/dignity apart from the elective ones for a period of three years along with seizing the part of wealth ascertained not to be justified.</p> <p>From the interviews conducted by us, we have found that the interviewed inspectors would request such a punishment. Further to the analysis of the chosen sample, it cannot be concluded that this the practice and that it is consistent, given the fact that in 2008 there was one single file regarding the verification of wealth, with regard to which ANI requested the seizing of a part of wealth.</p> <p>The absence of the request of the complementary punishment – forbidding any public function except the elective ones for 3 year period could lead to a non-unitary practice in ANI and the lack of discouraging sanctions in the causes managed by ANI.</p>	Major	<p>We recommend the introduction in the procedure of the obligation to request the complementary punishment of forbidding the exertion of any public position/dignity apart from the elective ones for a period of three years along with seizing the part of wealth ascertained not to be justified.</p> <p>Also, with regard to the practical applicability of the interdiction, we suggest the ANI should consider the setting up of a database containing persons that had been applied the punishment of forbidding the exertion of any public position/dignity apart from the elective ones for a period of three years, as well as the initiation of an inter-institutional action with the institutions in charge of appointing persons in positions of public dignity.</p>	<p>Implementation responsible: Ene Ilie</p> <p>Deadline: Implemented in 2009 The elaboration of PO 08/II</p>	<p>Status as of December 31, 2009 Partially Implemented</p> <p>We obtained and reviewed the procedure regarding the request of the confiscation of the acquired property or part of a specific good, which has been elaborated on 23/12/2009. By the time the audit the procedure was not made known to the integrity inspectors</p>

⁴¹ This information is taken from the Action Plan and the recommendations implementation calendar certified by the Secretary general and approved by the President through the Note CAPI 265/18.02.2010