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Internal Public Audit Mission Regarding *"The Assessment of the Corruption Prevention System - Year 2023"* at the Level of Local Public Entities in Paltinis Zonal Center Part I Assets Declaration and Gifts Declaration

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Abstract: *Taking into account the fact that at the level of public entities more and more varied activities are carried out, this presupposing certain more or less controllable risks, the internal audit is no longer limited to financial-accounting activity, this aspect being supported even by the provisions of art. 15 of Law no. 672/2022 on the internal public audit, republished, with subsequent amendments and additions, where it is specified that the internal audit is carried out on all activities carried out at the level of a public institution. The national anti-corruption strategy 2021-2025, approved by GD no. 1269/2021, gives priority to preventive measures in sectors that are exposed to corruption.*
In the first part of the article The internal public audit mission regarding "Evaluation of the corruption prevention system - year 2023" at the level of local public entities in the Păltiniș Zonal Center, we carried out an analysis of the implementation stage (implemented / partially implemented / not implemented) in the case of the first two preventive measures: ***declaration of assets and declaration of assets****, measures that were audited during the internal public audit mission within 14 entities of Păltiniș Zonal Center (7 administrative-territorial units and 7 secondary education units).*

Keywords: *declaration of assets, internal public audit.*

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Introduction

In Romania, the internal public audit was regulated by *Law no. 672/2002 regarding the internal public audit, republished, with subsequent amendments and additions*, and subsequently by OMPF no. 946/2005 for the approval of the internal control code at public entities and for the development of managerial control systems, but this order was only active until 16.07.2015.

According to article 2 of Law no. 672/2002, currently the internal public audit is defined as a *"functionally independent and objective, assurance and advisory activity, designed to add value and improve the activities of the public entity; helps the public entity to meet its objectives, through a systematic and methodical approach, evaluates and improves the efficiency and effectiveness of risk management, control and governance processes"* Code (Romanian Parliament, 2002).

According to the provisions of article 3 paragraph (1) from Law no. 672/2002, *"The general objective of the internal public audit in public entities is to improve their management and it can be achieved"* (Romanian Parliament, 2002).

The data processed in the article come from the internal documents of the analyzed entities, as well as from the Internal Public Audit Reports of Păltiniş Zonal Center within the Internal Public Audit Department of Botoşani County Branch of the Association of Municipalities in Romania (A.Co.R.).

The internal public audit depatment of Botoşani county branch of A.Co.R.

The Association of Romanian Municipalities (A.Co.R) was established in 1997, as an organization with the aim of representing the interests of local public administration authorities at the commune level in relations with central institutions, European and international bodies.

The County branch of internal public audit Botoşani was established by the Decision of the Botoşani Court, File no. 1118/193/2006 of 06.05.2006.

The internal audit activity in the cooperation system is carried out through cooperation within the **Botoşani County Branch of A.Co.R..** On December 31, 2022, there were 59 communes (out of a total of 71 communes) and 1 city in Botoşani County, which benefits from the internal public audit activity through cooperation with Botoşani County Branch of A.Co.R.

Currently, the Internal Public Audit Department is organized in 7 regional centers (***Dersca, Păltiniş, Pomârla, Răchiţi, Truşeşti, Ungureni, Vorona***).

Due to the protection of personal data, we will not mention the names of the entities on which the internal public audit mission is carried out. We specify that there are 14 audited structures, 7 TAU and 7 educational units.

Interpretation of the results following the performance of the internal public audit mission regarding the "Evaluation of the corruption prevention system - year 2023". Pursued objective: Declaration of assets

The first objective concerns the preventive measure **"Declaration of assets"**. The legal basis for the tests was the provisions of GEO no. 57/2019 on the Administrative Code, with subsequent amendments and additions and the provisions of Law no. 176/2010 regarding integrity in the exercise of public functions and dignities, for the amendment and completion of Law no. 144/2007 regarding the establishment, organization and operation of the National Integrity Agency, as well as for the modification and completion of other normative acts, with subsequent modifications and additions.

The first aspect verified was whether a **procedure regarding the declaration of assets** was developed at the entity level.

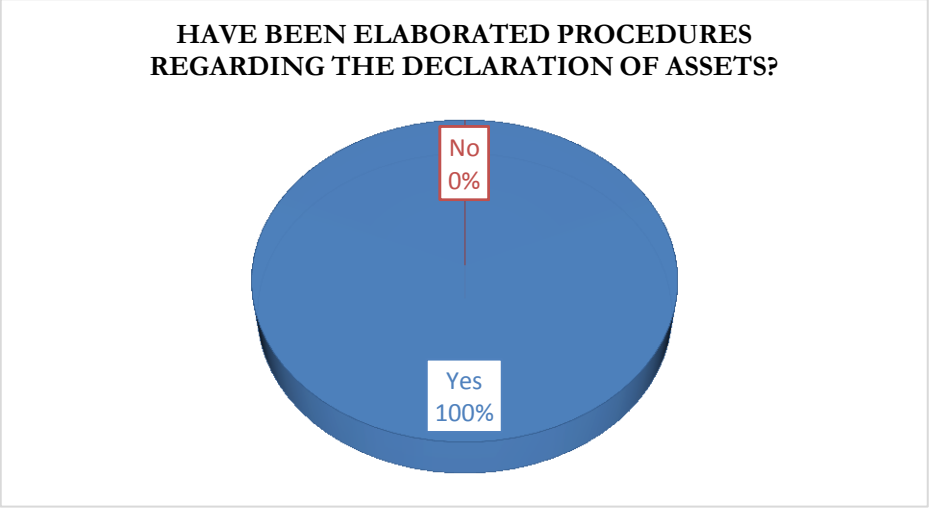


Figure no. 1. *Elaboration of the procedures regarding the declaration of assets*

According to the recorded results, it is observed that at all 14 entities (7 TAU and 7 educational units) a documented procedure was developed regarding the declaration of assets, but it should be noted that at 3 TAUs and at 2 educational units these procedures were developed during the audit mission.

The next element checked was whether **there is a person responsible for asset declarations at the entity level.**

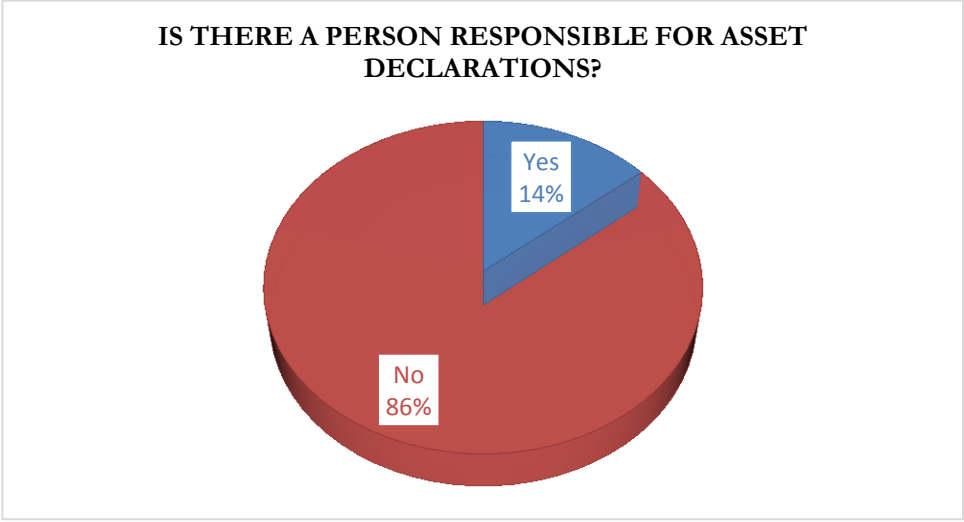


Figure no. 2. *Designation of a person responsible for the implementation of the legal provisions regarding asset declarations*

Recorded results indicate that at 12 entities, i.e. 86% of the audited entities, a person in charge has been appointed to ensure the legal provisions regarding asset declarations, while 14%, i.e. two educational units have not yet appointed such a person in charge.

Regarding the question of whether *at the entity level there is a register for the consultations offered by the person in charge of receiving asset declarations*, the results recorded were identical to the previously mentioned results, the proportion of 14% being represented by the two entities that had not designated such a person in charge.

It was also tracked whether **the entity's staff participated in professional training courses on declarations of assets.**

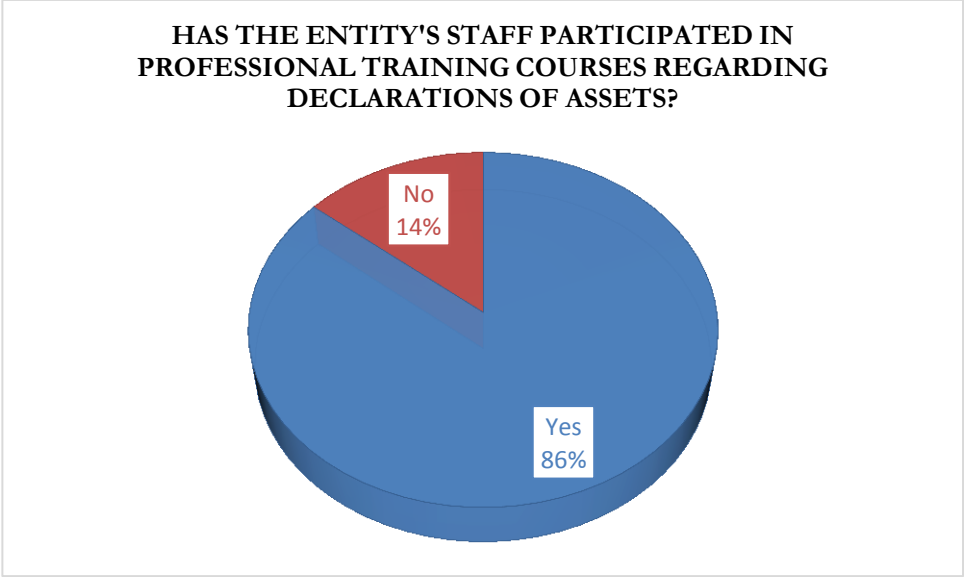


Figure no. 3. *Participation in professional training courses regarding declarations of assets*

Analyzing the diagram above, we find that only in two TAUs, more precisely in 14% of the audited entities, there were people who participated in forms of training regarding declarations of assets.

The next aspect checked was whether **the entity's staff was tested on the declarations of assets.**

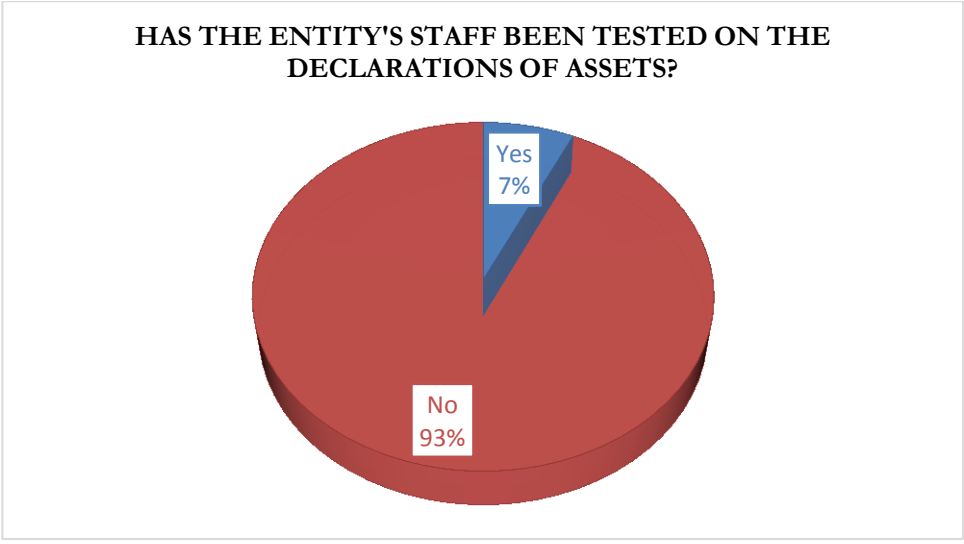


Figure no. 4. *Testing the knowledge of the entity's staff regarding the declaration of assets*

The results obtained indicate that only at a percentage of 7% at (a single educational unit) of the 14 entities, assessments of the entity's staff regarding the knowledge of the legislation on the declaration of assets were carried out.

Another element monitored was whether **the deadline for submitting declarations of assets** was respected at the entity level.

Of the 14 structures audited, only 2 of them did not respect the annual deadline for submitting asset declarations, until June 15, but a superficial approach to the legislation regarding compliance with the deadline of 30 days from the date of appointment is noted according to the position or from the date of the start of the activity, observing from the table above how in the case of 11 entities this term was not respected, either because these declarations were submitted late, or these declarations were not submitted at all. We can also observe that in the case of four audited structures, the deadline for submitting asset declarations within 30 days from the start of the suspension or from the date of return from the suspension was not respected either.

The next element tracked was whether, at the entity level, **the asset declarations were uploaded on their own website**, by anonymizing personal data.

Within 9 audited structures, the declarations of assets exist on their own web pages, by anonymizing personal data, at 3 audited structures these declarations were not uploaded on their own web pages, and 2 educational units still do not have their own web pages.

Another aspect checked was whether **the declarations of assets were received and registered in the Register of declarations of assets**.

We can state that 11 audited structures have a register of asset declarations, and 3 structures do not have such a register.

The next aspect checked was whether **the proof of receipt** was issued at the entity level **to the filer of the asset declaration.**

According to the data obtained, there is a superficial approach to the legislation regarding the release of evidence of receipt of asset declarations, as only 3 audited structures released such evidence.

On the last element verified under Objective 1, namely whether **NIA issued evaluation reports**, the representatives of all audited entities stated that there were no situations in which the National Integrity Agency issued evaluation reports for people within the entity as a result of analyzing asset declarations, and there are no NIA decisions implemented such as resignations, dismissals, termination of employment contracts, etc.

Interpretation of the results following the performance of the internal public audit mission regarding the "Evaluation of the corruption prevention system - year 2023". Objective: Declaration of gifts

The second objective is aimed at evaluating the implementation stage of the preventive measure regarding **"Declaration of gifts"**. The legal basis for the tests was the provisions of Law no. 251/2004 regarding some measures regarding the goods received free of charge on the occasion of protocol actions in the exercise of the mandate or function, with subsequent amendments and additions and the provisions of GD no. 1126/2004 for the approval of the Regulation implementing Law no. 251/2004 regarding some measures regarding the goods received free of charge on the occasion of some protocol actions in the exercise of the mandate or function. The first aspect verified within this objective was whether at the level of public entities **there is a procedure regarding the implementation of the legal provisions regarding the declaration of gifts.**

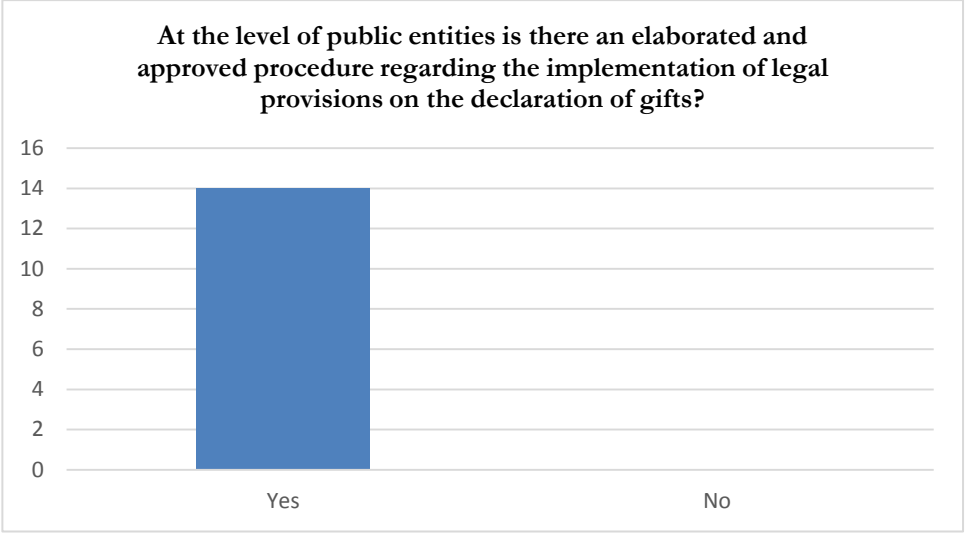


Figure no. 5. *Elaboration of the procedures regarding the declaration of gifts*

According to the recorded results, it can be observed that at all 14 entities (7 TAUs and 7 educational units) a procedure was developed regarding the implementation of the legal provisions regarding the declaration of gifts.

The next aspect concerned was whether **a commission was appointed at the entity level to evaluate and inventory the goods received free of charge**.

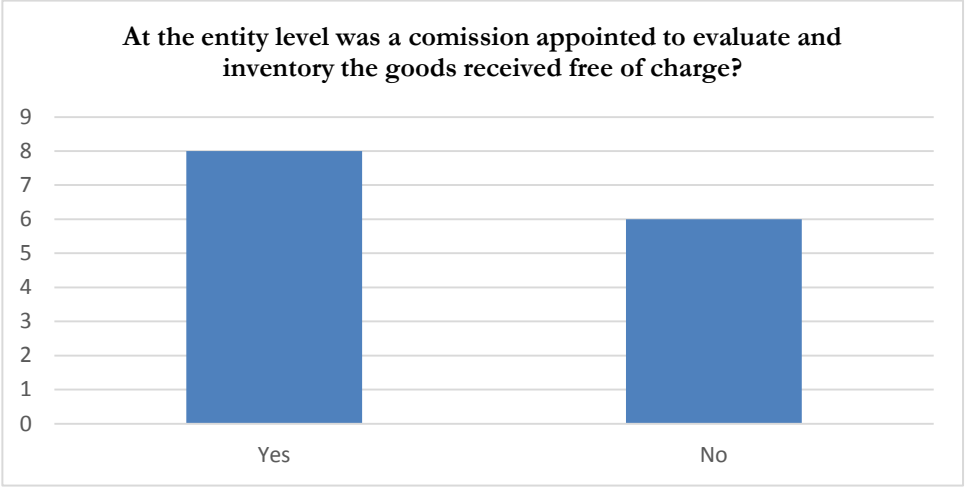


Figure no. 6. *Establishment of a comission for the evaluation and inventory of goods received free of charget*

Based on these results, we can deduce that at the level of 8 entities a commission was appointed for the evaluation and inventory of goods received free of charge, while at the level of 6 entities no such commission was appointed.

Next, it was checked whether **the staff within the entity participated in professional training courses regarding the declaration of gifts.**

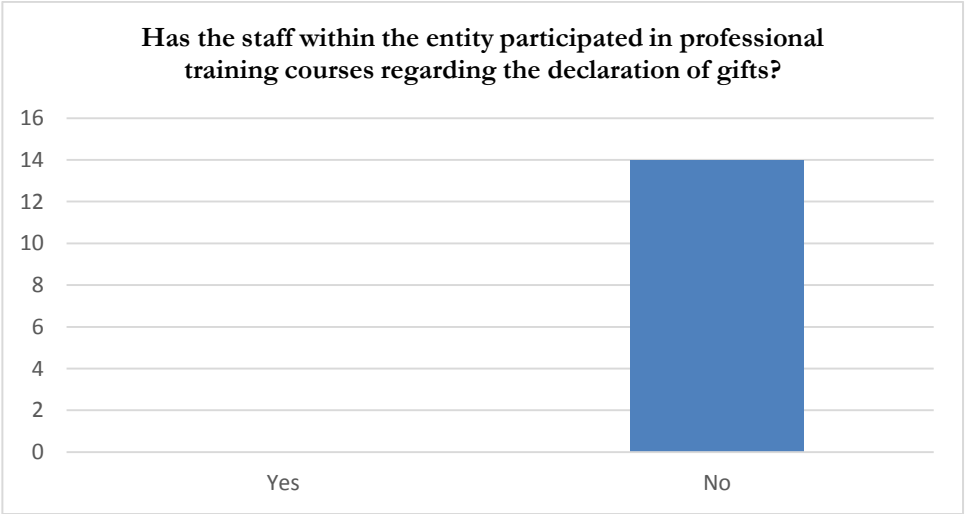


Figure no. 7. *Staff training regarding the declaration of gifts*

Analyzing the data above, it can be observed that 100% of the staff within the 14 audited structures did not participate in any form of training or professional training regarding the declaration of gifts.

It also looked at whether **the entity's staff was tested on the declaration of gifts.**

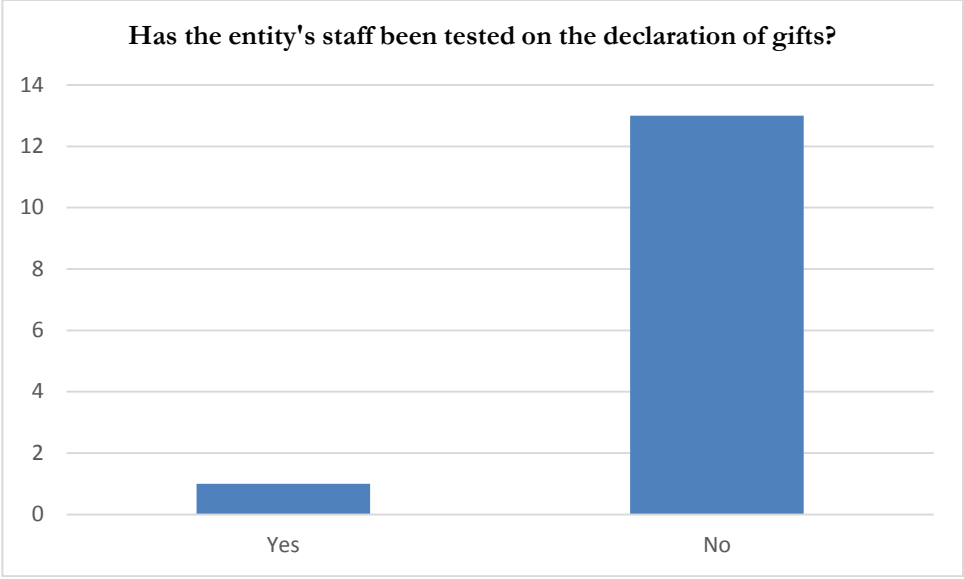


Figure no. 8. *Testing staff knowledge regarding the declaration of gifts*

Based on the analysis carried out, we deduce that only at the level of a single entity were staff evaluations carried out regarding the knowledge of the provisions regarding the declaration of gifts.

It was followed whether **the goods received free of charge were declared and presented to the head of the institution.**

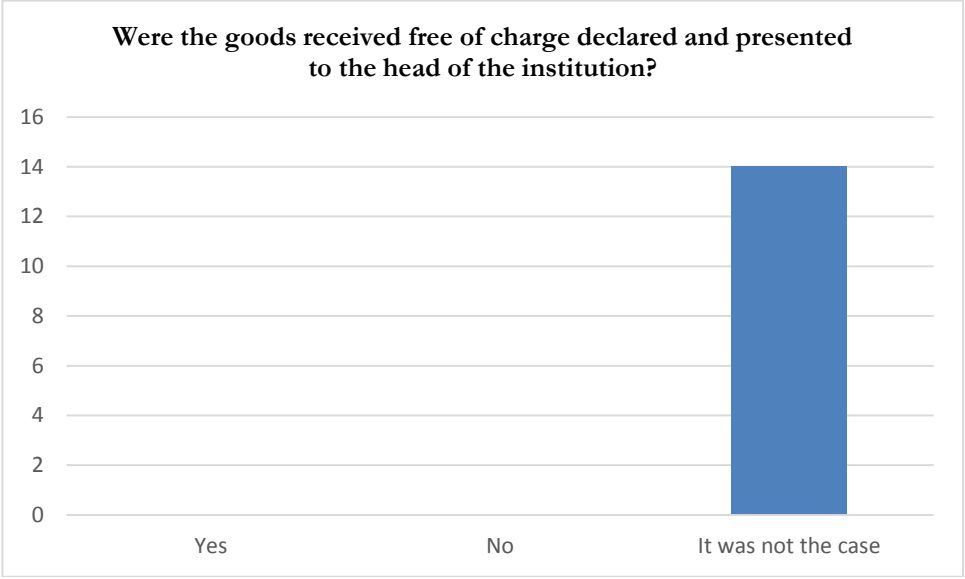


Figure no. 9. *Goods received free of charge during certain protocol activities*

The recorded results indicate that at the level of the 14 entities, during the audited period, there were no cases in which goods were received free of charge acquired as a result of carrying out some protocol activities. Therefore, it was not the case of gifts received and kept by the people within the entity.

Conclusions

In the first part of this article, we carried out an analysis of the implementation stage (implemented / partially implemented / not implemented) in the case of the first two preventive measures, such as: ***Declaration of assets, Declaration of gifts***, measures that were audited during the public audit mission internal regarding the ***"Evaluation of the corruption prevention system - year 2023"*** within 14 entities (7 territorial administrative units and 7 secondary education units). In 2023, the third stage of auditing the measures to prevent corruption was carried out, the first stage was carried out in 2019, and the second stage was carried out in 2021. The fourth stage of auditing these preventive measures will be carried out in 2025.

The internal audit, once every two years, of the corruption prevention system at the level of all public authorities, was the first main action of *Specific Objective 2.1 - Improving the capacity to manage management failure by correlating the tools that have an impact on the early identification of risks and institutional vulnerabilities* from the National Anti-Corruption Strategy for the

period 2016-2020, approved by GD no. 583/2016 (normative act repealed on 22.12.2021) (Romanian Government, 2016).

NAS 2021 – 2025, approved by HG no. 1269/2021, maintained this measure, namely that the internal public audit structures in public entities plan and carry out, once every two years, internal audit missions regarding the evaluation of the corruption prevention system. This activity was provided for in *Specific Objective no. 3.3. - Improving the capacity to manage management failure by correlating the tools that have an impact on the early identification of institutional risks and vulnerabilities* in the 2021-2025 NAS.

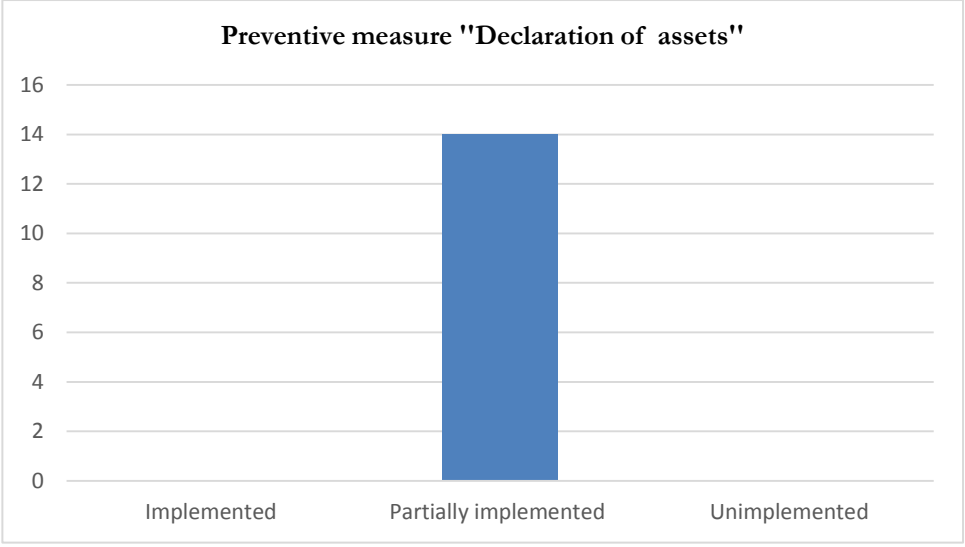


Figure no. 10. *Preventive measure"Declaration of assets"*

The recorded results indicate that following the centralization of the data, it was found that the preventive measure ***"Declaration of assets"*** was **partially implemented** at the level of all audited entities.

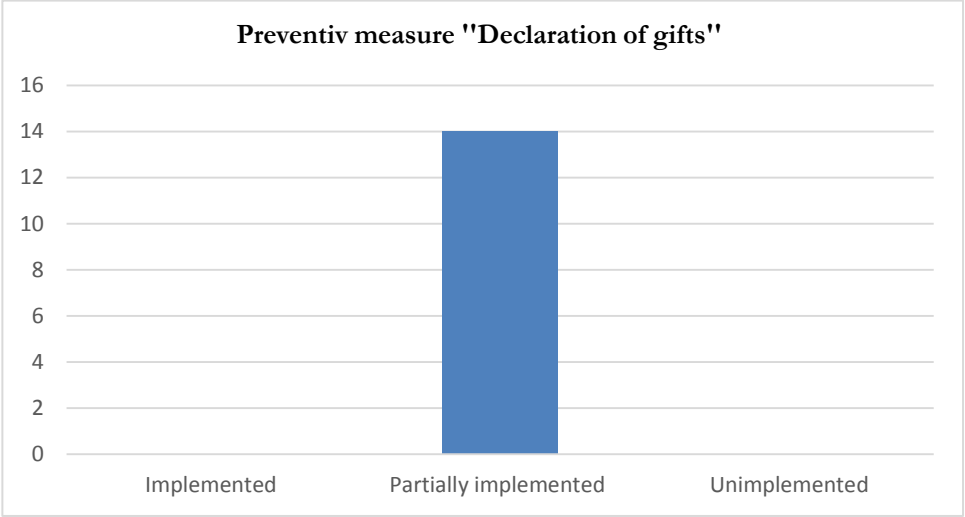


Figure no. 11. *Preventive measure "Declaration of gifts"*

The recorded results indicate that following the centralization of the data, it was found that the preventive measure ***"Declaration of gifts"*** was **partially implemented** at the level of all audited structures.

Therefore, following the centralization of the data analyzed during the case study, it was found that the recorded results indicate that the two preventive measures: **Declaration of assets and Declaration of gifts** were **partially implemented** at the level of all audited structures.

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Romanian Government. (2016). HG nr. 583/2016 privind aprobarea Strategiei naţionale anticorupţie pe perioada 2016 - 2020, a seturilor de indicatori de performanţă, a riscurilor asociate obiectivelor şi măsurilor din strategie şi a surselor de verificare, a inventarului măsurilor de transparenţă instituţională şi de prevenire a corupţiei, a indicatorilor de evaluare, precum şi a standardelor de publicare a informaţiilor de interes public [GEO no. 583/2016 regarding the approval of the National Anti-corruption Strategy for the period 2016 - 2020, the sets of performance indicators, the risks associated with the objectives and measures in the strategy and the sources of verification, the inventory of institutional transparency and corruption

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