

AUDIT OF THE IMPLEMENTATION OF THE NATIONAL ANTI-CORRUPTION STRATEGY AT THE LEVEL OF LOCAL PUBLIC ADMINISTRATION

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***Abstract:** In Romania, the impact of the National Anti-Corruption Strategy SNA approved by Government Decision No. 583/2016 was lower than expected, but positive, according to the Progress Report of the Ministry of Justice and subordinate institutions on the implementation of the National Anti-Corruption Strategy 2016 – 2020. Thus, major measures are needed to develop and implement public anti-corruption politics and means of promoting the perception of the corruption process. At the level of the administrative-territorial unit of Prahova County, the processes of implementation of the National Anti-Corruption Strategy were audited with the identification and analysis of vulnerabilities associated with general and specific objectives, the evaluation of measures of institutional transparency and prevention of corruption, evaluation indicators, and standards for the publication of information of public interest.*

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***JEL Classification:** M42, H83.*

1. Introduction

According to the Decision of the Romanian Government No. 583/2016 approved the National Anti-Corruption Strategy (NAS) for the period 2016 – 2020 in which the sets of performance indicators, the risks associated with the objectives and measures of the strategy, the sources of verification, the inventory of institutional transparency and corruption prevention measures, the evaluation indicators, as well as the standards for the publication of information of public interest.

At the level of the administrative-territorial unit of Prahova County, the processes of implementation of the National Anti-Corruption Strategy were audited with the identification and analysis of vulnerabilities associated with general and specific objectives, the evaluation of measures of institutional transparency and prevention of corruption, evaluation indicators, and standards for the publication of information of public interest. In the following I will present the methodology of the research and the results of an internal public audit mission carried out in 2019, in which I participated as an internal auditor.

2. Research methodology

In the context of the achievement of Reference Objective No 1 of the European Parliament and of the Council, the European Parliament and the Council has 4: Combating corruption at all levels, according to Recommendation No. 11 formulated in the European Commission's Progress Report in Romania under the CVM Cooperation and Verification Mechanism – "Continue the implementation of the National Anti-Corruption Strategy, in compliance with the deadlines set by the government in August 2016. The Minister of Justice should establish a reporting system on the implementation of the National Anti-Corruption Strategy (including statistics on integrity incidents in public administration, details of disciplinary procedures and sanctions and information on structural measures applied in vulnerable areas"- The European Commission being the monitoring body for the implementation of the NAS 2016-2020.

In October 2019, the European Commission published the latest report on Romania's progress under the Cooperation and Verification Mechanism, noting that "the implementation of the National Anti-Corruption Strategy has continued at technical level. Corruption prevention measures have been taken, such as internal audits by each of the participating public institutions and peer review missions planned in 2018, both within central institutions and at local level (in county councils and town halls). (...) One of the objectives of the strategy is to improve the results in the fight against corruption through the application of criminal and administrative sanctions" (European Commission, 2019, pp. 17-18).

The internal audit should be specialised in the field of corruption prevention and include in the objective audit missions on the functioning of the anti-corruption management system, according to specific objective 2.1 of the NAS: "1. internal auditing, every two years, of the corruption prevention system at the level of all public authorities".

3. Audit of the implementation of the National Anti-Corruption Strategy (NAS) 2016-2020 at the level of the Prahova County Council

In accordance with the provisions of Article 13(1). (c) of Law No.672/2002 on internal public audit, republished, with subsequent amendments and additions, to point 1.4.3.3. under the General Rules on the exercise of the internal public audit activity approved by Government Decision No. 1086/2013, Methodology for carrying out internal public audit missions on the evaluation of the corruption prevention system, developed by UCAAPI-MFP, having regard to the annual internal audit plan for 2019, an internal public audit mission was carried out at the level of the Prahova County Council.

3.1. Purpose and objective of the internal public audit mission

The purpose of the public audit mission is to verify the framework approved in Annex 3 to the National Anti-Corruption Strategy SNA 2016-2020. The audit mission aimed to provide assurance to the general management regarding the degree of implementation of preventive measures by reference to compliance with the headquarters of the matter presented in Government Decision No. 583/2016 on the approval of the National Anti-Corruption Strategy SNA 2016-2020 -Annex 3.

The objective of the internal public audit mission approved by the Methodology for carrying out internal audit missions on the evaluation of the corruption prevention system (developed by the Central Unit for the Harmonization of Internal Public Audit of the Ministry of Public Finance) is to evaluate the degree of implementation of the following measures: elaboration of the ethical/deontological/conduct code, designation of ethics adviser and identification of sensitive functions.

3.2. Methodology for carrying out the internal public audit mission

The internal public audit mission was carried out at 23 public entities respectively: the Prahova County Council, 18 subordinate public entities and 4 companies to which the county council is a shareholder.

The implementation of preventive measures was assessed by issuing checklists - model no. 2 contained The general rules on the exercise of the internal public audit activity approved by Government Decision No. 1086/2013, for each entity and on each objective.

The internal public audit mission was carried out through the following steps: preparation of the evaluation mission, on-site intervention, reporting of the results of the audit mission and follow-up of the implementation of the recommendations made.

The verification sample consisted of 100% consisting of 23 entities with legal personality (19 public entities and 4 public enterprises) and the Prahova County Council with all units under its subordination and under authority.

In order to obtain compliant findings on how to prepare and issue documents, the internal audit techniques used were physical verification and observation.

The documents developed during the audit were: the programme of the internal public audit mission, checklists and identification and analysis sheets of the problems identified, structured on objectives and drawn up for each entity.

The documents on the basis of which findings and recommendations were made were the rules of organization and operation, the code of ethics/deontological/ethical conduct, as appropriate, the job descriptions, management decisions, operational procedures on reporting irregularities and inventorying sensitive functions, self-assessment questionnaires on the implementation of the internal management control system .

3.3. Issues and recommendations

3.3.1. Issues

a. Issues negative in terms of the preventive measure "Code of Ethics /Deontological/Ethical Conduct":

The Code of Ethics/Deontological/Ethical Conduct has not been updated to 5 audited entities, does not contain information on: general principles/rules of conduct, monitoring and monitoring the application of professional conduct rules, liability rules, sanctions and final provisions.

The staff employed has not been regularly tested on knowledge of the provisions of the code of ethics/deontological/ethical conduct.

On 3 verified entities it was found that a procedure for reporting irregularities had not been developed.

Possible causes of the deficiencies presented are: failure to apply or omit aspects of the implementation of Standard No. 1 "Ethics and integrity" approved by the Order of the General Secretariat of the Government No. 600/2018 for the approval of the Code of Internal Management Control of Public Entities, the non-designation of the person/persons responsible for testing employees on the provisions of the Code of Ethics/deontological/Ethical Conduct.

b. Issues negative in terms of the preventive measure "Ethics Board" :

Post sheets have been identified that do not contain tasks specific to the ethics board's work, the possible causes of this failure being the lack of staff, the volume and complexity of the activities.

c. Issues negative in terms of the preventive measure "Sensitive functions":

Of the total verified entities, 16 entities have implemented the "Sensitive Functions" measure the rest of the entities are being implemented (partially implemented).

Entities that have not developed an operational procedure for the identification and management of sensitive functions have been identified.

Post sheets which do not contain tasks relating to the identification and management of sensitive functions have been identified.

Possible causes of the deficiencies presented are the small number of personnel, the non-application of the procedure on the identification and management of sensitive functions by all functional components.

3.3.2. Recommendations

a. Recommendations to the preventive measure "Code of Ethics /Deontological/Ethical Conduct":

Updating the Code of Ethics/Deontological/Ethical Conduct in accordance with the rules of organization and operation and internal regulations approved at the level of verified entities, in the following structure: introduction, general principles/rules of conduct, provisions on monitoring and monitoring the application of the rules of professional conduct, rules on liability, sanctions and final provisions.

Designation of persons responsible for the evaluation of employees with regard to the Code of Ethics/Deontological/Ethical Conduct.

The management of entities will order the testing and evaluation of the jumpers, periodically on the knowledge of the Code of Ethics /deontological / Ethics Conduct.

Elaboration of an operational procedure for reporting irregularities.

b. Recommendations to the preventive measure "Ethics Advisor":

The job descriptions for staff appointed as Ethics Advisor will be updated with attributes specific to this quality.

c. Recommendations to the preventive measure "Sensitive functions":

Develop a procedure for the identification and management of sensitive functions.

The management of the verified entities will order the designation of the persons responsible for carrying out the process of identifying sensitive functions and completing the job descriptions with the specific tasks of this process.

Inventory of sensitive functions at the level of the compartments and elaboration of the Plan of Measures on the management of sensitive functions .

3.3.3. Evaluation of preventive measures on verified entities :

Based on verified documents and findings, the opinion of the audit expressed at the level of each preventive measure is presented in Table No.1

Table No.1. Evaluation of preventive measures

Name of preventive measure	Implemented	Partially Implemented	Unimplemented
<i>"Code of Ethics / Deontological /Ethical Conduct"</i>	11 entities	12 entities	-
<i>Ethics Board</i>	11 entity	1 entitate	11 unenforceable
<i>Sensitive functions</i>	16 entities	7 entities	-

Source: own conception

3.3.4. Positive aspects identified in the implementation of anti-corruption measures

In order to comply with Specific Objective 3.8 "Increased integrity, reducing vulnerabilities and risks of corruption in local public administration", from the National Anti-Corruption Strategy for the period 2016-2020 taking into account the provisions of the Methodology for identifying risks and vulnerabilities to corruption developed by the Ministry of Regional Development and Public Administration, the implementation of public anti-corruption measures and policies established by the approved Integrity Plan continued at the level of the audited entity.

The activities carried out at the entity level are aimed at improving public services offered to citizens and implementing their own working procedures in accordance with the principles of transparency, legality, effectiveness, the primacy of the public interest and the promotion of integrity in the exercise of public office, in the context of the regulatory and institutional framework for preventing corruption.

Encouraging integrity, corruption prevention and decision-making transparency are priority objectives of the entity's management, thus identifying permanent monitoring of preventive anti-corruption measures, approved in the Prahova County Council Integrity Plan to the National Anti-Corruption Strategy (NAS) 2016-2020, transmitted publicly on the entity's website in the Decision Transparency module (Prahova County Council, 2020).

At the entity level there are 167 operational procedures, and the level of appreciation of the internal/managerial control system is Good.

With regard to the monitoring of anti-corruption indicators, operational procedures are implemented, as set out in Table No. 2 .

Table no. 2. Operational procedures for monitoring anti-corruption indicators

• Code of Conduct of civil servants
• Code of Conduct of contract staff
• Monitoring of the implementation of rules of conduct by civil servants and disciplinary procedures
• Management of conflict of interest
• Reporting irregularities in the ethics of employees
• Risk management
• Elaboration of own process
• Risk management of own website
• Management Of the online transmission of public information
• Resolution of requests made under Law No. 544/2001.

Source: own conception

According to the provisions of Government Ordinance No. 75/2003, at the entity level, the Official Gazette of the Prahova County Council is drawn up, which contains administrative acts of a general and normative nature.

Citizens' satisfaction with the conduct of officials shall be assessed annually by providing a questionnaire to highlight the issues concerned. The results are found in the management analysis. The county council meetings are attended by representatives of the press, being recorded and broadcast on local television stations. Draft judgments of a normative nature are posted on the institution's website for consultation by citizens, according to the law.

4. Conclusions

Codes of Conduct and reports on the entity's strategy and policies must specify the values, purposes of the entity and the measures taken to build a compatible organizational culture in relation to its legal, ethical and citizen responsibilities.

The internal audit is intended to actively contribute to the support of ethical culture and to determine the management and employees within the entity, to respect these responsibilities, depending on the position occupied within the entity.

Thus, internal auditors must determine the management of the entity and the staff to comply with and fulfil their obligations and responsibilities in accordance with the established duties.

In this context, internal auditors who show confidence and integrity also have the necessary levers to get managers and other employees to comply with their obligations in carrying out the tasks set out in the posts. Thus, the heads of public entities can implement various legal forms, structures, strategies and procedures to ensure:

- a. compliance with the laws and regulations;
- b. respect for citizens' ethical principles and social expectations; comprehensive and honest
- c. information of hierarchical levels, the public and reporting on decisions, actions, management and results obtained.

Compared to those presented, we believe that a leading role in internal auditing is to evaluate the governance process of the public organization, with the aim of underpinning recommendations aimed at improving them, actively supporting the preservation of the organization's values, promoting ethical conduct and prompting leaders and other employees to comply with their obligations.

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