Standard Summary Project Fiche for the Transition Facility

Strengthening the public finance management

1. Basic Information

1.1 CRIS Number: 2007/19343.05.02
   RO/2007-IB/FI/03
   RO/2007-IB/FI/04
   RO/2007-IB/FI/05

1.2 Title: Strengthening the public finance management
1.3 Sector: Public Finance
1.4 Location: Ministry of Economy and Finance – Romania

2. Objectives

2.1. Overall Objective:

An improved, efficient and transparent system of the public finance fully harmonised with the EU Acquis and European Union best practices.

2.2. Project purpose:

Complete and unitary practices for public finance system that will be achieved by the following:

➢ Supporting the activity of Central Harmonization Unit for Financial and Management Control Systems (CHUFMCS) in strengthening the FMC systems in public institutions

➢ Strengthening the internal audit capacity by developing the association process for the small public entities and the attestation system for the internal auditors

➢ Improving the internal investigation capacity of the Financial Guard and National Customs Authority

2.3. Justification

The projects proposed for Transition Facility for Ministry of Economy and Finance are based on the continuing need for improvements, in terms of organisation and activities, with a view to properly functioning in the new context of Romania’s Membership.

Thus, the priorities are based on necessities identified in the European Commission Monitoring Report from September 2006, as follows:

• As regards public internal financial control, Romania has made progress in implementing its overall strategy in accordance with international standards and EU best practice. Training of controllers and internal auditors is extensive and on-going but needs to be further enhanced, in particular on risk assessment and public procurement";

• Further efforts are necessary in order to ensure the implementation of the Romania’s strategy regarding the internal financial public control;

• Progress in the area of developing public internal financial control, external audit and control over structural action expenditure has been made, although the results have been limited as years of continued efforts in accordance with adopted strategies will be required to yield such results. Romania should continue its efforts to consolidate achievements in a sustainable way, more in particular in the area of managerial accountability and of

29/11/2007
strengthening its relevant administrative organizations. Increased efforts are still needed in these areas;

- National Customs Authority made significant progress on strengthening its administrative and operational capacity, but it should maintain the fight against corruption as its top priority;
- Training at all levels within the customs administration should continue.

Also, the “2005 Comprehensive Monitoring Report for Romania” states that efforts are needed to continue combating corruption within the customs administration and increased efforts are needed to strengthen the administrative and operational capacity of the NCA. Additional efforts are needed to cover all officials and all customs rules and procedures, including basic customs procedure and to guarantee their uniform application.

In the light of the above mentioned aspects, the objective of this transition facility programme fiche seeks to strengthen the FMC systems in public institutions and internal audit capacity and also to strengthen the Financial Guard and NCA by further development of its procedures, working methods and, on that basis, to further build up its training and internal investigation capacity.

3. Description

3.1. Background and justification:

Romania has already harmonised its legislation with the acquis requirements in the majority of areas as well as developed administrative capacity to implement the acquis in a considerable number of fields, including the public finance field.

Considering the special role of the Ministry of Economy and Finance in the Romania accession to the European Union, the complexity of the various fields of activity of this institution we consider Transition Facility assistance necessary to consolidate the acquis communautaire in fields such as: internal audit, financial control, internal investigation capacity.

After the elaboration of the relevant legal acts for harmonizing the national legislation with the acquis communautaire, the MEF needs to improve its capacity to implement it.

Thus, the following areas have been defined as requiring further support through the Transition Facility programme:

Regarding the public internal financial control, the September 2006 Comprehensive Monitoring Report emphasized that Romania should continue its efforts to consolidate achievements in a sustainable way, more in particular in the area of managerial accountability and of strengthening its relevant administrative organizations.

This field supposes a long term and major effort because implies a mentality change at managerial level and takes shape in passing from a control environment based on suspicion, in which the major element is external control, to the one of trust, based on the organization of an own internal control system, established on the risk analysis which implies a significant growing of managerial responsibility and this evaluation, based on the indicators attached to the objectives.

A major importance in the frame of this process is procedurating, at ministries’ level, for all the operation categories with financial significations, a basic element for organizing an internal control system who will attribute responsibilities to the executive staff, but also managerially staff of problems - on the all operational flow.

29/11/2007
Also, keeping in view the role of the Central Harmonisation Unit of Financial and Management Control Systems in the elaboration and implementation of the policies in the financial management and control systems field, it is necessary that the activity of this structure to be, continuously, supported by foreign experts with good practice in this field in order to ensure that the staff of the CHUFMCS is able to use "trainer`s" abilities that will ensure the transmission of information linked to "good practice" to the level of the staff with financial management attributions in the line ministries and thus will contribute to the strengthening of the financial management and control systems in Romania.

Regarding the internal audit field, the International Audit Standards recommend that the number of the internal auditors should assure a minimum level of the activity carried out by the internal audit units. Talking about Romania, there are a great number of isolated internal audit units, with 1-2 auditors, due to the territorial dispersion of the public entities. There are preoccupations for attesting/certifying the internal auditors according to the international practice, in order to get the recognition of this profession, and to assure the stability of the auditors in the system and for achieving a specialized training, which is required by the international standards regarding new concepts such as risk management, corporative governance, value added, performance audit, etc.

An attestation process of the internal auditors is required because this would represent the accomplishment of a coherent system of professional training nation-wide, that cover approximately 4000 internal auditors from the public sector. The attestation is also necessary because in this period of implementing internal audit, the majority of the MS of EU have adopted a system for the attestation of the internal auditors in order to assure more qualified internal auditors and their better stability in the public system. At the same time, the system envisaged represents a certification at the national level, which will assure the internal auditors` stability. The attestation will contribute to the internal auditors protection within the organization. Currently, the legal framework does not contain elements regarding the internal auditors` attestation, except for the responsibility of CHUPIA to coordinate the professional training of the internal auditors from the public sector. This is the reason why the existing legal framework should be amended in order to cover the requirements for the public internal auditors.

In this sense, Central Harmonisation Unit for Public Internal Audit within the MoPF considers that by sharing the experience of some MS of the European Union on establishing partnerships among small public entities, for achieving the function of internal audit, the approach of promoting the association process of the small public entities will be a viable alternative for improving the existing situation.

The term of association for carrying out the function of Internal Audit, in small public institutions, should be regarded as an agreement among the interested partners that want to achieve this function. It is not intended to set up a new body/structure, but to assure the existence of this function in each of the partners.

According to the existing legal framework, at the small public institutions with a budget of < 100.000 Euro, the internal audit function it is performed by the internal auditors of the Ministry of Economy and Finance from the local territory (counties).

The association agreement is for the autonomous public institutions, with a budget >100.000 Euro, that are main spending agencies with no hierarchical subordination and who cannot assure the function of internal audit due to different reasons (isolated villages and small towns; difficulties in recruiting qualified personnel; high costs for covering the internal audit function compared to the existing risks of the organization, etc.).

By this agreement, the function of Internal Audit at lower costs is assured, but also the necessary quality required by the internal audit standards.

29/11/2007
The rapidly accelerating process of change towards the implementation of EU legislation in the field of customs has a major impact upon the institutional capacity of the NCA.

On the basis of the latest Romania’s Anti-Corruption Strategy for 2005-2007, the National Customs Authority has developed and adopted accordingly its own Anti-corruption strategy for 2005-2007, accompanied by the yearly Action plans against corruption, in which one of the main important objectives is to strengthen the investigation capacity of its specialised division.

Under the ongoing project with United Kingdom as twinning partner (Phare 2004) a revised version of the NCA’s Code of Conduct was drawn up in 2006, having in view the provisions of the latest Romania’s Anti-Corruption Strategy for 2005-2007.

Also, as a necessity to reply the European Union’s requests and in order to improve the functioning and organization of the Financial Guard, a new approach is needed.

Constant efforts should be made in order to strengthen the internal investigation capacity of NCA and Financial Guard taking into account the obligation taken by Romania on the fully alignment to the legislation and the best European practice in the fight against corruption.

To enable the FG and NCA’s structures to be fully relevant to the developing requirements of EU as well as to the Romanian Government Programme and its strategies (particularly in the fight against corruption), it is proposed that the development on Financial Guard and NCA’s procedures, tools and working methods are carried out as component of this programme.

No overlap exists with Structural and Cohesion Funding.

3.2. Linked Activities

Previous Phare assistance, received by the Ministry of Public Finance (the actual Ministry of Economy and Finance) under Phare 2002 aimed at improving the legal and administrative capacity of the MoPF regarding the elaboration and implementation of the budgetary and fiscal policies of the Government in connection with the other economics-social policies and with the accession requirements to the European Union.

In the internal audit field, the technical assistance project RO 2002/000-586.03.04.13 - “Development of system audit and performance audit in Romania” was implemented under the 2002 Phare Programme and had as objectives: to strengthen the legislative and administrative framework, to consolidate the administrative capacity in internal audit field and to train the audit staff and raise managers’ awareness. The project was finalised on March 2006. Between the results obtained within the project the following can be mentioned: a Policy Paper on Public Internal Financial Control produced by the Central Harmonization Unit for Public Internal Audit; a Performance Audit General Guidance Manual; training sessions for internal auditors.

The Financial Guard benefitted of the PHARE Twinning project 2002/000-586.03.04.10 - “The optimization of the Financial Guard’s Strategy of limiting/keeping under control of tax evasion” - RO02/IB/FL-11 (finalized on 14 November 2005) - the aim of the project was to improve the administrative capacity of the Romanian Financial Guard, in the context of the post accession realities, to adopt the suitable theoretical methods and tools, according to those existing in the similar European institutions through the harmonisation of national legal provisions and theoretical working methodology.

At the same time, within the multi-annual assistance PHARE 2004 – 2006, funds are foreseen for the financial control and internal audit fields.
At this moment, a twinning project RO/04/IB/FL-03 - "Strengthening the financial management and control system in the MoPF", having as general objective the integration of the preventive financial control into the sphere of management’s responsibility in order to ensure a good management of public finances according to the objectives of the public internal financial control (PIFC).

The results to be obtained through this project are:

- Central Harmonization Unit of Financial Management and Control Systems, reinforced;
- Development of the general standards of financial management and control and their implementation within 10 main spending agencies;
- A Club of Managers set up having the objective to collect and disseminate the best practices regarding the FMC systems;
- Development and implementation of a programme to sensitise and train the persons in charge with the financial management and control system in the public institutions;
- Deontological Code and Guides of self evaluation elaborated;
- A training programme developed for the staff working in the field of FMC;
- Functional and technical specifications of the IT system defined.

This project started on 31 May 2006, the implementation period being of 18 months.

Within the 2005 Phare Programme, the MEF benefits of the twinning project RO 2005/IB/FL/04 - "Strengthening the public internal audit function" which has as purpose to strengthen the public internal audit function, in order to ensure the protection of the EU financial interests against frauds and irregularities.

The results to be obtained are:

- Up-dating the strategy for improvement and development of CHUPIA;
- Implementation of the secondary legislation within public internal audit field for assuring the protection of the financial interests for EC funds;
- Professionally trained auditors;
- Strengthened role and functions of the public internal audit units;
- Strengthened cooperation between units involved in public internal audit from different main line ministries and Romanian Court of Accounts;
- Improved networking relations of CHUPIA with the internal audit units in the line ministries in order to provide proper guidance and coordination and between the internal audit units within the line ministries;
- Trainers trained in the field of protection of EU financial interests.

The project will be implemented with the French administration.

Other donors

Dutch bilateral PSO Pre-accession Program (on short time) is required to provide specialized assistance for Financial Guard from Ministry of Economy and Finance. There is a proposal agreed by the Dutch authorities for "The implementation of basic procedural rules for better protection of the European Communities’ financial interests".

At this moment the project is under preparation. The project aims to enhance the Financial Guard’s practical ability, both at central and local level, to perform controls in order to discover, combat and suppress tax evasion and smuggling.

Regarding the customs, NCA’s efforts to strengthen its administrative and operational capacity have begun to bear fruits. Significant progress has been made, also through the consistent support provided by the Phare programmes.
RO 99/IB/JH/03 twinning project – “Reinforce the capacity to fight corruption and organised crime” under coordination of the General Prosecutor’s Office, in which the main beneficiaries were the state institutions with responsibilities in combating corruption (the Ministry of Justice, Control Department of Prime Minister, Ministry of Administration and Interior and National Customs Authority) had as main results: Legal framework amended; Awareness and training for the involved personnel within the beneficiary institutions; IT tools implemented to support the exchange of information between institutions; Operative access of the prosecutors to the information managed by the institutions with responsibilities in combating corruption.

The twinning project RO03/IB/FI-08 with Spanish assistance “Enhancement of the customs participation into the integrated border management system and alignment in implementation of EC simplified customs procedures to EC standards” had among its activities two activities focused on the fight against corruption (Analysis of current situation on fight against corruption and, respectively, Preparation of proposals for improvement of fight against corruption methods) for gathering information referring to legal instruments, internal controls, control environment etc in order to analyze it, to identify the requirements, to prepare the report draft on findings etc.

The twinning project RO04/IB/JH-07 coordinated by the Ministry of Administration and Interior- Anticorruption General Directorate- AGD) with Spanish assistance has as purpose the development of effective anti-corruption measures in the NCA (respectively AGD and RBP). The main expected results focused on: devising and delivering an Action Plan on effective measures to prevent and detect corruption within the mentioned institutions; advise for AGD personnel and specially selected RBP and NCA managers in performing day-to-day managerial and anti-corruption activities; design of curricula in management and anticorruption issues for top and middle managers and operative personnel; improvement of cooperation with public and business community.

Other donors for National Customs Authority

1. French bilateral co-operation programmes provided specialized training to strengthen the operational capacity of the NCA.

2. Assistance given to the Romanian Customs Authority during February 2004 March 2006 by Mr. Tom McGoona, British Counsellor of Prime Minister on anticorruption issues.

3. Starting up, at the beginning of June 2006, of the project “Reducing the bureaucratic barriers leading to the corruption in customs”, financed through the programme Global Opportunities Fund Reunifying Europe, administered by the British Embassy in Romania as a result of the partnership between the nongovernmental organisation The Centre for Institutional Analysis and Development in partnership and the NCA- Internal Verification Division. The project has as main objective elaborating an Action Plan for preventing and fighting corruption in the Romanian customs sector, based on surveys among both customs civil servants and private companies with import/export operations representatives. In addition, the project aims at rendering a regular basis for meetings between NCA officials and employers/business associations’ representatives, so as for both parties to effectively discuss their problems.

All the projects programmed under the Transition Facility Programme will be developed by correlating and completing the results/conclusions of the above-mentioned projects in order to improve the administrative capacity and the public finance system.
3.3. Results

I. Supporting the activity of CHUFMCS in strengthening the FMC systems in public institutions

1. Relevant indicators attached to objectives of public institutions in central government sector, at the main spending agencies, in order to efficient the activity;
2. Specific procedures for 10 public institutions related to their procedural activities;
3. Financial management and internal control generalised in the central government sector, based on risk analysis;
4. Analytical fiches for 5 standards of financial management/internal control;
5. Professional training for 500 persons from public institutions (inclusive from CHUFMCS), in order to create awareness for an unitary approach, regarding: the importance of internal control, communication, using internal control instruments;
6. Updated legislation, according to changes appeared in the acquis communautaire.

II. Strengthening the internal audit capacity by developing the association process for the small public entities and the attestation system for the internal auditors

1. The association of the public entities in order to assure the internal audit function:
   1.1. Improved methodological norms for carrying the audit activity within association system;
   1.2. Association contract model;
   1.3. Improved paying system for the members of the association;
   1.4. Training for the auditors that will be part of the association (min 10 persons/judet);
   1.5. 8 pilot associations in which will be applied the improved legal framework.

2. Functional national accreditation system for the internal auditors from the public sector:
   2.1. Improved curricula for the education system of the internal auditors (min 7 modules: corporate governance, public management, accounting, IT, public finance, law, internal audit);
   2.2. Evaluation system for the universities that have expressed the interest to be part of the accreditation system, on internal audit training (established evaluation criteria, protocol of collaboration etc);
   2.3. Training for the high school teachers involved in the attestation system (min 10 universities x minimum 7 lecturers);
   2.4. System of attestation of the internal audit for their professional certification;
   2.5. Periodical system for refreshing the knowledge of the internal auditors in order to extend the viability for the attestation.

III. Improving the internal investigation capacity of the Financial Guard and National Customs Authority

1. NCA and FG internal investigation capacity and improving requirements assessed;
2. New/Revised policy, methodology and procedures of internal investigation designed and implemented;
3. Methods for investigating the corruption phenomenon segregated. The methods will take into account the specific of the customs activity and Financial Guard activity: own resources, excises, customs debt etc;

29/11/2007
4. Methods of preventing corruption adjusted used by NCA and Financial Guard. The respective methods will be in line with the EU Member States standards and requirements;

5. Adjusted Action plan for fight against corruption in place at the National Customs Authority’s level. The adjusted action plan is referring to the post accession period and it will be in accordance with the objectives stipulated in the Anticorruption Strategy of the National Customs Authority; Action Plan for fight against corruption for Financial Guard;

6. New department in Financial Guard in charge with the internal control;

7. Training programmes designed and delivered for 30 persons from Customs. The programmes are designed for the customs personnel in charge with internal investigations and are focused on the new internal investigation rules; Training programmes designed and delivered for 30 persons from Financial Guard. The programmes are designed for the Financial Guard personnel in charge with internal investigations and are focused on the new internal investigation rule;

8. A educational manual prepared and distributed. The manual is one of the support used in training purpose only for the Customs and Financial Guard staff and it will be focused on corruption behaviours methods for investigating the corruption cases, recognition conflict of interests etc;

9. Training documents delivered and used in training purpose for customs and Financial Guard. The training documents will deal with issues concerning anticorruption measures in public sector and in particular in customs and financial guard sector;

10. Positive awareness of the International Trade Community about the adequate quality of the Romanian customs services and Financial Guard services.

3.4. Activities

I. Supporting the activity of CHUFMCS in strengthening the FMC systems in public institutions

1. Analysing the legal framework and the organization of the financial management and control systems (2 missions of 5 days, involving 3 experts);

2. Organizing workshops together with the public institutions, for elaborating the indicators relevant for the objectives of the public institutions (3 workshops of 5 days, involving 3 experts);

3. Organizing workshops together with representatives of 10 public institutions, for elaborating the specific procedures for each of these public institution for the activities which is recommended to elaborate the procedures (is not possible to elaborate procedures for all the activities) (3 workshops of 5 days, involving 3 experts);

4. Workshops for draw up recommendations/proposals aiming to support the organisation, by the public institutions, of the financial management and internal control, based on risk analysis (2 workshops of 5 days, involving 3 experts);

5. Workshops for elaborating the analytical fiches for 5 financial standards (3 workshops of 5 days, involving 3 experts);

6. Preparing, supporting and follow up of the professional training (10 sessions of 5 days each) in order to create awareness for an unitary approach, regarding: the importance of internal control, communication, using internal control instruments; evaluation of the knowledge acquired and evaluation of the training by the participants (2 missions of 5 days, involving 2 experts for training materials preparation and 10 seminars of 5 days for training delivered by 2 experts);

29/11/2007
7. Updating the legislation and monitoring its application:
   7.1 Workshops for making proposals for updating the legislation according to changes appeared in the acquis communautaire (3 workshops of 5 days, involving 3 experts)
   7.2 Monitoring the application of the new legislation and draw up recommendation for improvement if the case is (3 missions of 5 days, involving 3 experts).

A team of minimum 5 short-term experts (405 man-days in total) are required having a minimum of 5 years experience in financial control field.

Profile for the short term experts:

Expert 1 and 2 (for the activities 1-7)
- Experience in financial management and control systems
- Excellent computer skills (Word, Excel)
- Very good command of English and/or French (oral and written)
- University degree

Expert 3 (for the activities 1 and 4)
- Experience in assessing the set-up of public administration and management
- Excellent computer skills (Word, Excel)
- Very good command of English and/or French (oral and written)
- University degree

Expert 4 (for the activities 1 and 7)
- Wide knowledge of related legislation
- Excellent computer skills (Word, Excel)
- Very good command of English and/or French (oral and written)
- University degree

Expert 5 (for the activity 6)
- Experience in training strategies
- Experience in organizing similar training courses
- Excellent computer skills (Word, Excel)
- Very good command of English and/or French (oral and written)
- University degree

The secondment of a Resident Twinning Adviser (RTA) will be necessary for the entire duration of the project of 12 months.

The main tasks for the RTA are:
- Analysing the legal framework and the organization of the financial management and control systems;
- Participating in the activities aiming to support the organisation, by the public institutions, of the financial management and internal control;
- Participating in the activities related to the elaboration of indicators and procedures for the public institutions involved in the project;
- Project management and coordination of the activities of the team members in line with the agreed work programmes to enable timely completion of project outputs
- Preparation of project progress reports and supervision of the preparation and production of tasks reports.
Requirements for the RTA who will be responsible for the twinning project:

- Minimum 10 years of experience in financial control field and at least 3 years in FMC systems;
- Wide knowledge of related good practice/acquis communautaire;
- Proven ability to communicate with seniors decision-makers in the public sector and to get the cooperation of other institutions involved;
- Ability to communicate with the other RTAs in order to ensure interconnectivity with the other project related to this;
- Proven ability to transfer know-how;
- Excellent command of English and/or French;
- Excellent computer literacy (Word, Excel, Power Point);
- Proven abilities of manager in forming an appropriate team of short-term experts.
- Experience in developing similar projects implemented in other countries;
- Experience within the Central-East European administrative climate would be a plus;
- Good knowledge regarding the situation and the administrative structures from Romania would be a plus.

**MS Project Leader (12 working days in Romania over 12 consecutive months)**

Tasks:
- Overall co-ordination of the project;
- Leading the project activities.

Profile:
- Long-term civil servant from an EU Member State tax administration;
- Educated and experienced in the field of management and organization;
- At least 3 years working experience in a leading management;
- Very good command of English (oral and written);
- Excellent computer skills (Word, Excel).

**Means: Twinning Contract - 12 months**

**II. Strengthening the internal audit capacity by developing the association process for the small public entities and the attestation system for the internal auditors**

1. Drafting the legal framework for the association of the small public entities for assuring the audit function

1.1. Analysing the current situation related to the regulation and organization of internal audit (2 missions of 5 days, involving 2 experts);

1.2. Organizing workshops for presenting models of association of the small public entities for assuring the audit function (2 workshops of 5 days, involving 2 experts);

1.3. Workshops for improving methodological norms for carrying the audit activity within association system (2 workshops of 5 days, involving 2 experts);

1.4. Organizing workshops for designing an association contract model (2 workshops of 5 days, involving 2 experts);

1.5. Organizing workshops for designing a paying system for the members of the association (2 workshops of 5 days, involving 2 experts);

1.6. Preparing the training materials and organizing a training for the auditors that will be part of the association (8 training sessions of 5 days each x 52 persons);

Evaluation of the knowledge acquired and evaluation of the training by the...
participants (2 missions of 5 days, involving 2 experts for training materials preparation and 8 seminars of 5 days for training delivered by 2 experts);

1.7. Set up min 8 pilot associations in which it will be applied the improved legal framework (8 missions of 5 days, involving 2 experts);

1.8. Monitoring the appliance of the legal framework and recommend improvements if the case is (4 missions of 5 days, involving 2 experts).

A team of minimum 5 short-term experts (320 man-days in total) are required having a minimum of 5 years experience in internal audit field.

Profile for the short term experts:

Expert 1 and 2 (for the activities 1.2 – 1.8)
- Experience in association process of public entities for assuring the audit function
- Excellent computer skills (Word, Excel)
- Very good command of English and/or French (oral and written)
- University degree

Expert 3 (for the activities 1.1, 1.2, 1.5 and 1.7)
- Experience in assessing the set-up of public administration and the internal audit organization
- Excellent computer skills (Word, Excel)
- Very good command of English and/or French (oral and written)
- University degree

Expert 4 (for the activities 1.1, 1.3, 1.4 and 1.8)
- Wide knowledge of related legislation / standards
- Excellent computer skills (Word, Excel)
- Very good command of English and/or French (oral and written)
- University degree

Expert 5 (for the activities 1.6)
- Experience in organizing similar training courses
- Experience in training strategies
- Excellent computer skills (Word, Excel)
- Very good command of English and/or French (oral and written)
- University degree

2 - Designing a national accreditation system for the internal auditors from the public sector

2.1. Analysing the current situation related to attesting/certifying in the internal audit field (2 missions of 5 days, involving 2 experts);

2.2. Organizing workshops for drafting the curricula for the education system of the internal auditors (min 7 modules: corporate governance, public management, accounting, IT, public finance, law, internal audit) (3 workshops of 5 days, involving 3 experts);

2.3. Carrying out the evaluation system for the universities that have expressed the interest to be part of the accreditation system, on internal audit function (setting out evaluation criteria, drafting protocol of collaboration (3 missions of 5 days, involving 3 experts);

2.4. Preparing the training materials and organizing the training for the high school teachers involved in the attestation system (min 10 universities x minimum 7 lecturers trained within 2 training sessions of 5 days); evaluation of the knowledge acquired and evaluation of the training by the participants (2 missions...
of 5 days, involving 2 experts for training materials preparation and 2 seminars of 5 days for training delivered by 2 experts);

2.5. Workshops for establishing a system of attestation of internal audit for their professional certification (2 workshops of 5 days, involving 2 experts);

2.6. Organizing a periodical system for refreshing the knowledge of the internal auditors in order to extend the viability for the attestation (2 missions of 5 days, involving 2 experts).

A team of minimum 5 short-term experts (190 man-days in total) are required having a minimum of 5 years experience in internal audit field.

Profile for the short term experts:

Expert 1 and 2 (for the activities 2.3, 2.4, 2.5 and 2.6)
- Experience in accreditation and evaluation systems
- Excellent computer skills (Word, Excel)
- Very good command of English and/or French (oral and written)
- University degree

Expert 3 (for the activities 2.1, 2.2 and 2.3)
- Experience in assessing the internal audit organization
- Excellent computer skills (Word, Excel)
- Very good command of English and/or French (oral and written)
- University degree

Expert 4 (for the activities 2.5 and 2.6)
- Wide knowledge of related legislation / standards
- Excellent computer skills (Word, Excel)
- Very good command of English and/or French (oral and written)
- University degree

Expert 5 (for the activities 2.2 and 2.4)
- Experience in organizing similar training courses
- Experience in training strategies
- Experience in drafting curricula related to the modules mentioned at the activity 2.2
- Excellent computer skills (Word, Excel)
- Very good command of English and/or French (oral and written)
- University degree

The secondment of a Resident Twinning Adviser (RTA) will be necessary for the entire duration of the project of 15 months.

The main tasks for the RTA are:
- Analysing the current situation related to the organization of internal audit
- Monitoring the appliance of the legal framework and recommend improvements if the case is
- Analysing the current situation related to attesting/certifying in the internal audit field
- Organizing a periodical system for refreshing the knowledge of the internal auditors in order to extend the viability for the attestation
- Project management and coordination of the activities of the team members in line with the agreed work programmes to enable timely completion of project outputs

26/11/2007
- Preparation of project progress reports and supervision of the preparation and production of tasks reports.

Requirements for the RTA who will be responsible for the twinning project:
- Minimum 8 years of experience in public internal audit field;
- Wide knowledge of related good practice/standards/acquis communautaire;
- Experience in association process and accreditation and evaluation systems related to internal audit;
- Proven ability to communicate with seniors decision-makers in the public sector and to get the cooperation of other institutions involved;
- Ability to communicate with the other RTAs in order to ensure interconnectivity with the other project related to this;
- Proven ability to transfer know-how;
- Excellent command of English;
- Excellent computer literacy (Word, Excel, Power Point);
- Proven abilities of manager in forming an appropriate team of short-term experts, in particular on public internal audit field;
- Experience in developing similar projects implemented in other countries;
- Experience within the Central-East European administrative climate would be a plus;
- Good knowledge regarding the situation and the administrative structures from Romania would be a plus.

**MS Project Leader** (15 working days in Romania over 15 consecutive months)

**Tasks:**
- Overall co-ordination of the project;
- Leading the project activities.

**Profile:**
- Long-term civil servant from an EU Member State tax administration;
- Educated and experienced in the field of management and organization;
- At least 3 years working experience in a leading management;
- Very good command of English (oral and written);
- Excellent computer skills (Word, Excel).

**Means: Twinning Contract - 15 months**

**III. Improving the internal investigation capacity of the Financial Guard and National Customs Authority**

1. Assessment of the related legal framework (level II, III). The assessment will be focused on the methodologies, working procedures and practices related to the investigation specific activity (2 missions of 5 days, involving 4 experts);
2. Workshops for designing and implementation of the related legal framework amendments (level II, III). The related legal framework amendments will focused on methodologies, working procedures and practices (2 workshops of 5 days, involving 4 experts);
3. Producing a Gap analysis referring to the methods for investigating the corruption phenomenon segregation. The gap analysis will take into account the specific of the customs activity: performing the physical control, applying the simplified procedures, monitoring the movement of the excised products etc (2 missions of 5 days, involving 2 experts);
4. The following activities are related to the result 4:
4.1 Organizing workshops for perfection of the methods of preventing corruption in line with the EU Member States standards (2 workshops of 5 days, involving 2 experts);

4.2 Evaluation of the anti-corruption measures for customs and FG sector in EU countries. The evaluation will be made in terms of: efficiency, benefits and risks used for applying this knowledge to identify and prevent particular corruption risks within customs activity (2 missions of 5 days, involving 3 experts);

4.3 Organizing workshops for evaluation of international instruments on combating corruption and synthesizing their relevance (2 workshops of 5 days, involving 3 experts);

4.4 Elaboration of well documented and comparative case studies. The case studies will be produced (taking into account efficiency, benefits and risks) and focused on the anti-corruption measures in customs and FG sector in relevant EU countries and on civil servant/customs officers misbehavior, describing typical corruption cases in great detail as a means of facilitating a better understanding of how corruption actually occurs (2 missions of 5 days, involving 2 experts).

5. Organizing workshops for elaboration of an adjusted action plan, on the basis of clear procedures for fight against corruption. The action plan will be in accordance with the objectives stipulated in the Anticorruption Strategy of the National Customs Authority. Organizing workshops for elaboration of an Action Plan for Financial Guard (2 workshops of 5 days, involving 3 experts);

6. Workshops for establishing a new department in Financial Guard in charge with the internal control: establishing the organizational chart, designing the job description, establishing the relations with the others departments of Financial Guard (3 missions of 5 days, involving 2 experts);

7. Designing, preparing training materials and delivering of the training programmes for 30 persons from customs and 30 persons from Financial Guard. The training programmes (e.g. curricula, manuals, evaluation criteria) are targeted on the customs and Financial Guard staff in charge with internal investigations; evaluation of the knowledge acquired and evaluation of the training by the participants (2 missions of 5 days, involving 2 experts for training materials preparation and 2 seminars of 5 days for training delivered by 2 experts);

8. Preparing and distributing an educational manual. The manual is one of the support used in training purpose only for the Customs and Financial Guard staff and it will be focused on the corruption behaviors methods for investigating the corruption cases, the recognition conflict of interests etc (2 missions of 5 days, involving 4 experts);

9. Elaboration of the training documents jointly with the materials about international and Romanian anticorruption practices. The training documents will have particularly in view the practices in the customs and FG area (2 missions of 5 days, involving 3 experts);

10. Workshops for designing programmes to improve the International trade community trust level in customs and Financial Guard services quality (2 missions of 5 days, involving 3 experts).

A team of minimum 5 short-term experts (390 man-days in total) is required having a minimum of 5 years experience in customs administration and Financial Guard.

Profile of the short-term experts:

Expert 1 - internal investigations for Customs (for the activities 1, 2, 3, 4, 5, 7, 8, 9, 10) - Experience in the internal investigation related to customs administration
- Experience in combating corruption, dealing on a daily basis with the theoretical and practical aspects of the corruption
- University degree and specializations in the field of internal control and investigation
- Working experience in similar projects
- Excellent computer skills (Word, Excel)
- Very good command of English and/or French (oral and written)
- University degree

Expert 2 – internal investigations for Financial Guard (for the activities 1, 2, 4, 5, 6, 7, 8, 9, 10)
- Experience in internal investigation related to Financial Guard
- Experience in combating corruption, dealing on a daily basis with the theoretical and practical aspects of the corruption
- Working experience in similar projects
- Excellent computer skills (Word, Excel)
- Very good command of English and/or French (oral and written)
- University degree

Expert 3 – legislation (for the activities 1, 2, 6)
- Deep Knowledge of the European legislation, especially related to the internal investigation and fighting corruption
- Deep knowledge of the Member State’s customs administration and Financial Guard
- Working experience in similar projects
- Excellent computer skills (Word, Excel)
- Very good command of English and/or French (oral and written)
- University degree

Expert 4 – public administration organizing (for the activities 4, 3, 5, 6, 10)
- Experience in assessing the internal organization within public administration
- Deep knowledge of the Member State’s Financial Guard/relevant entity organizing
- Experience in the field of internal control within public administration focused on Financial Guard activity
- Experience in combating corruption, dealing on a daily basis with the theoretical and/or practical aspects of the corruption
- Working experience in similar projects
- Excellent computer skills (Word, Excel)
- Very good command of English and/or French (oral and written)
- University degree

Expert 5 – training (for the activities 7, 8, 9)
- Experience in organizing similar training courses
- Experience in training strategies
- Good communicator
- Working experience in similar projects
- Excellent computer skills (Word, Excel)
- Very good command of English and/or French (oral and written)
- University degree
The secondment of a **Resident Twinning Adviser** (RTA) will be necessary for the entire duration of the project of 12 months.

The main tasks for the RTA are:

- Assessment of the related legal framework (level II, III). The assessment will be focused on the methodologies, working procedures and practices related to the investigation specific activity
- Producing a Gap analysis referring to the methods for investigating the corruption phenomenon segregation
- Evaluation of the anti-corruption measures for customs and FG sector in EU countries. The evaluation will be made in terms of: efficiency, benefits and risks used for applying this knowledge to identify and prevent particular corruption risks within customs activity
- Elaboration of well documented and comparative case studies. The case studies will be produced (taking into account efficiency, benefits and risks) and focused on the anti-corruption measures in customs and FG sector in relevant EU countries and on civil servant/customs officers misbehavior, describing typical corruption cases in great detail as a means of facilitating a better understanding of how corruption actually occurs
- Project management and coordination of the activities of the team members in line with the agreed work programmes to enable timely completion of project outputs
- Preparation of project progress reports and supervision of the preparation and production of tasks reports.

Requirements for the RTA who will be responsible for the twinning project:

- Minimum 10 years of experience in internal control and investigation field;
- Solid background in inter-agency co-operation in the EU Member States in ethics and law enforcement area;
- Experience in preventing and combating corruption acts in an EU Member State;
- Sound knowledge of relevant EU anticorruption legislation and best practice, as well as institutional requirements;
- Very good command of English and/or French (oral and written);
- Excellent computer literacy (Word, Excel, Power Point);
- Good communication skills; previous experience of working in a multi-disciplinary and multi-national team would be a plus;
- Previous experience as project coordinator/project manager would be a plus;
- Understanding of the Romanian environment would be a plus;
- University degree and specializations in the field of internal control and investigation;
- Good communicator.

**MS Project Leader** (12 working days in Romania over 12 consecutive months)

**Tasks:**
- Overall co-ordination of the project;
- Leading the project activities.

**Profile:**
- Long-term civil servant from an EU Member State tax administration;
- Educated and experienced in the field of management and organization;
- At least 3 years working experience in a leading management;
- Very good command of English (oral and written);
- Excellent computer skills (Word, Excel).
Means: 12 months twinning contract

3.5. Lessons learned:

A table on Lessons Learnt is annexed to this Project Fiche (See Annex 5).

4. Institutional Framework

Following the Parliament Decision no. 19/2007 regarding the amendment of the structure and the composition of the Government and Government Ordinance no. 24/2007 regarding the establishment of the measures for the reorganization within the central public administration, the Ministry of Public Finance became the Ministry of Economy and Finance by the union of MoPF and the Department of Economy from the Ministry of Economy and Commerce.

The Ministry of Economy and Finance is managed by the Minister, who leads the whole activity of this institution and represents it in relation to the other Ministries, to the domestic public authorities and organisations, to similar agencies in other countries, as well as to legal and natural persons.

The Minister directly co-ordinates six Secretaries of State, the NATA President and three Vice-presidents (who are also Secretaries of State) and the General Secretary, who have assignments and tasks specific to the Ministry's activities and are appointed by order of the Minister. Also, under the supervision of the minister of economy and finance are the territorial general directorates of public finance, General Directorate for Large Taxpayers Assistance from the Bucharest and Ilfov County.

Under the subordination of the Ministry of Economy and Finance, there is operating the National Agency of Tax Administration which is a public institution with legal personality and its own budget, run by a president, who is also a State Secretary in Ministry of Public Finance and include the National Customs Authority coordinated by a under State Secretary. The NATA is the main engine for the collection of budgetary revenues to the state budget. It administers the following budgetary revenues: state's budget, social security budget, unemployment fund and the national fund for health insurances. The Financial Guard is directly subordinated to the NATA President and is operating on entire national territory through General Commissariat and 9 regional commissariats (including Bucharest commissariat). FG exercises an unannounced and operative audit (that except the fiscal side concerning establishing, pursuit and cash in of budget incomes), regarding prevention, discovery and struggle against any actions and facts from economic, financial domain that can generate evasion and/or fiscal fraud.

The National Customs Authority is part of the Ministry of Economy and Finance and is responsible for the collection of customs duties, excise duties and VAT on imports, and the prevention of illegal imports and exports. The National Customs Authority is led by the Vice-President of the National Agency of Fiscal Administration.

Through the Minister of public finance Order no. 1343/2002, the General Directorate of Legal Approximation and European Integration (at the present time the General Directorate ECOFIN and Community Assistance) was designated as Programmes Implementation Unit for the programmes of this institution.

The main role of the PIU is to monitor the project deployment and to solve issues concerning the management and progress of the projects for MoPF target groups, including planning and identification of tasks, reporting, preparation of project Terms of Reference, monitoring and
evaluation of the activities executed. The PIU will also keep track of the timely completion of the project activities of present and previous Phare supported programmes.

The projects will be implemented within the Ministry of Economy and Finance in the following directorates, which represent the beneficiaries:

2. Central Harmonization Unit for Public Internal Audit (CHUPIA)
3. Financial Guard (within MEF) and Internal Control Division (within the National Customs Authority).

The MEF will respectively appoint a Project Co-ordinator for each of the components within the project that relate solely to that administration, and two Project Co-ordinators for joint project.

The MEF and NCA will support the implementation of the proposed project by assuring the necessary organisational environment, making available the necessary personnel and by covering the cost of the required infrastructure and equipment, and the related running and administrative costs.

5. Detailed Budget

<table>
<thead>
<tr>
<th>MEuro</th>
<th>Transition Facility Support</th>
<th>Co-financing</th>
<th>Total cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investme nt Support</td>
<td>Institutio n Building</td>
<td>Total Transiti on Facility (=I+IB)</td>
</tr>
<tr>
<td>1.</td>
<td>Support the activity of CHUFMCS in strengthening the FMC systems in public institutions - Twinning</td>
<td>-</td>
<td>0.80</td>
</tr>
<tr>
<td>2.</td>
<td>Strengthening the internal audit capacity by developing the association process for the small public entities and the attestation system for the</td>
<td>-</td>
<td>1.00</td>
</tr>
<tr>
<td>internal auditors Twinning</td>
<td>0.80</td>
<td>0.80</td>
<td>-</td>
</tr>
<tr>
<td>---------------------------</td>
<td>------</td>
<td>------</td>
<td>---</td>
</tr>
<tr>
<td>Improving the internal investigation capacity of the Financial Guard and National Customs Authority Twinning</td>
<td>-</td>
<td>2.60</td>
<td>2.60</td>
</tr>
</tbody>
</table>

(*) Contributions from the Romanian administration for effective implementation of the twinning will be further detailed in the twinning contract.

To ensure smooth implementation of the project, the beneficiary will provide adequately equipped office space with telephone, PC (Internet) and fax. Photocopier and access to the necessary information as well as secretarial support will be ensured during the project life-time. In addition the beneficiary will provide space and facilities for workshops (training), consultations and seminars. The national co-financing will be specified in the twinning contract.

VAT is not an eligible expenditure under both the Transition Facility and national cofinancing funds indicated in the above budget table. Where contracts are subject to VAT due to provisions of national legislation, these funds have to be provided from national resource outside and in addition to the amounts indicated in the budget table.

6. Implementation Arrangements

6.1. Implementing Agency

The Central Finance and Contracts Unit (CFCU) will be the Implementing Agency and as such be responsible for all procedural aspects of the tendering process, contracting matters and financial management (including payments) of the project activities.

Contact:
Central Finance and Contracts Unit (CFCU)
Director (PAO): Mrs. Carmen Rosu
Address: 44th Mircea Voda St, Entrance B, Bucharest 3, Romania
Phone: +4021 326 55 55
Fax: +4021 326 87 30
e-mail: carmenrosu@cfcu.ro

Implementing Authority

The responsibility for technical project preparation, implementation and control will remain with the Implementing Authority that will be the Ministry of Economy and Finance, by the NCA and the beneficiaries directorates.

Ministry of Economy and Finance

29/11/2007
Contact person: Mrs. Lenuta Stefanescu – Deputy General Director – Head of PIU
General Directorate ECOFIN and Community Assistance (Programme Implementation Unit)
Address: Apolodor Street, 17 Bucharest, Romania
Tel/fax + 40 21 319 98 58
e-mail: lenuta.stefanescu@mfinante.ro

National Customs Authority
Contact person: Marcel Simion Mutescu – Director, SPO
Address: 13 Matei Millo Street, Sector 1, 010144 Bucharest, Romania
Tel: 00-40-21-315 58 58/315 58 59
Fax: 00-40-21-313 82 51
e-mail: mmutescu@customs.ro

Steering Committee

A Project Steering Committee consisting in the representatives of the parties involved will be established to coordinate all the activities that are carried out inside the Project and will meet at quarterly intervals or whenever deemed necessary by its members. Other relevant parties affected by the project will be invited. The representatives of the Administrative Office, of the National Aid Coordinator and of the Programme Implementation Unit will be invited as observers at the SC meetings.

Its function will be to provide guidance and supervision to the Project throughout its implementation, and to decide on corrective actions whenever needed. The Steering Committee will review project progress, verify the achievement of the outputs and mandatory results and discuss actions to be undertaken in the following quarter. The Project Steering Committee will also discuss the draft of the quarterly report submitted to it beforehand, recommend corrections.

The Steering Committee will also make decisions about possible proposals of changes to the timetable, task plans and in the budget-related issues.

The responsibility for the organisation of the Project Steering Committee meeting lies with both Project Leaders.

6.2. Twinning
The twinning schemes will be implemented in the following beneficiary directorates which will provide a contact person / project leader to work with the experts and also necessary office space and equipment.

1. Support the activity of CHUFMCS in strengthening the FMC systems in public institutions
Beneficiary: Central Harmonization Unit of Financial Management and Control Systems

Romanian Project Leader
Mrs. Letitia Taloi – Deputy Chief Financial Controller
Phone: (+4021) 319 96 52 / ext 1185
Fax: (+4021) 319 96 51
E-mail: letitia.taloi@mfinante.ro

29/11/2007
2. Strengthening the internal audit capacity by developing the association process for the small public entities and the attestation system for the internal auditors
   Beneficiary: Central Harmonization Unit for Public Internal Audit

   Romanian Project Leader
   Mr. Mihai Spranceana - General Director
   Address: 12 Libertatii St., Bucharest 5, Romania
   Phone: +4021 319.98.98
   Fax: +4021 319.96.50
   e-mail: mihai.spranceana@mfinante.ro

3. Improving the internal investigation capacity of the Financial Guard and National Customs Authority
   The twinning project will have 2 beneficiaries: the National Customs Authority and the Financial Guard.

   Romanian Project Leader
   Mr. Gabriel Carbunaru, Deputy General Commissary of Financial Guard
   Address: 17th Apolodor Street, sector 5, Bucharest
   Telephone: (+4021) 316 57 61
   Fax: (+4021) 316 57 62
   e-mail: gabriel.carbunaru@mfinante.ro

   Deputy Romanian Project Leader
   Mr. Stefan Puica, Head of Internal Verification Division
   National Customs Authority
   Matei Millo street 13
   Sector 1, 010144 Bucharest, Romania
   Tel / Fax: 00-40-21-3125875
   e-mail: puicas@customs.ro

6.3. Non-standard aspects
For the twinning project, the Twinning Manual provisions will be strictly followed.

6.4. Contracts

<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
<th>Type of assistance</th>
<th>Allocated budget</th>
<th>Co-financing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Support the activity of CHUFMCS in strengthening the FMC systems in public institutions</td>
<td>Twinning 12 months</td>
<td>0.80</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Strengthening the internal audit capacity by developing the association process for the small public entities and the attestation system for the internal auditors</td>
<td>Twinning 15 months</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Improving the internal investigation capacity of the Financial Guard and National Customs Authority</td>
<td>Twinning 12 months</td>
<td>0.80</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td><strong>2.60</strong></td>
<td></td>
</tr>
</tbody>
</table>

29/11/2007
7. Implementation Schedule

7.1. Start of tendering/call for proposals
January 2008

7.2. Start of project activity
September 2008

7.3. Project completion
March 2010

8. Sustainability
The assistance required under the Transition Facility programme is meant to complete the enhancement of the Romanian administration capacity to implement the acquis communautary with a view to properly functioning in the new context of Romania’s Membership.
The Guidelines and Manuals delivered under the project will be used as supporting material for the future training of the staff.
The train the trainers programmes delivered under this project will be integrated into the MoPF’s training system.
Also, the resources in terms of staff and budget to secure the sustainability of the projects after their completion will be ensured.

9. Conditionality and sequencing
The implementation of the twinning project “Strengthening the internal audit capacity by developing the association process for the small public entities and the attestation system for the internal auditors” will start after the finalization of the twinning project RO 2005/ 017-553.03.01.02.02 – “Strengthening the public internal audit function (RO05 / IB/FI – 04)” and will be based on the results obtained under the mentioned project.

ANNEXES TO PROJECT FICHE
1. Logical framework matrix in standard format – Annex 1
2. Detailed implementation chart – Annex 2
3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period) – Annex 3
4. List of relevant Laws and Regulations - Annex 4
5. Lessons learnt from previous years - Annex 5
6. Indicative budget breakdowns – Annex 6

29/11/2007
**ANNEXES**

**Annex 1 - Log frame**

Transition Facility programme for Romania

<table>
<thead>
<tr>
<th>LOGFRAME PLANNING MATRIX FOR Project Fiche</th>
<th>Programme name and number</th>
<th>Disbursement period expires: 15 12 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengthening the public finance management</td>
<td>2007/19343.05.02</td>
<td></td>
</tr>
<tr>
<td>Contracting period expires: 15 12 2009</td>
<td>Total budget: 2.60 Meuro</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TF budget: 2.60 Meuro</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Overall objective</th>
<th>Relates to Copenhagen criterion and acquis chapter¹</th>
<th>List of other projects with same objective</th>
</tr>
</thead>
</table>
| An improved, efficient and transparent system of the public finance fully harmonised with the EU Acquis and European Union best practices. | • May 2006 Comprehensive Monitoring European Commission Report (pages 37,38) | • RO/04/IB/FI-03 “Strengthening the financial management and control system in the MoPF”.  
• RO 2002/000-586.03.04.13 “Development of system audit and performance audit in Romania”  
• RO 2005/IB/FI/04 “Strengthening the public internal audit function”.  
• 2002/000-586.03.04.10 – “The optimisation of the Financial Guard’s Strategy of limiting/keeping under control |

¹ Please specify here the recommendation made in Comprehensive Monitoring Report or other relevant documents (SIGMA (financial control, procurement, Peer Reviews, Evaluation reports, Final reports of TW projects)
<table>
<thead>
<tr>
<th>Project purpose</th>
<th>Objectively verifyable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complete and unitary practices for public finance system that will be achieved by the following:</td>
<td>• Increased number of institutions implementing the management and control systems</td>
<td>Activity reports</td>
<td>Cooperation with other public institutions</td>
</tr>
<tr>
<td>➢ Supporting the activity of Central Harmonization Unit for Financial and Management Control Systems (CHUFMCS) in strengthening the FMC systems in public institutions</td>
<td>• Increased number of institutions having the internal audit function</td>
<td>Audit Reports of the Internal audit units, member of the association</td>
<td>Voluntary association of the small public institutions</td>
</tr>
<tr>
<td>➢ Strengthening the internal audit capacity by developing the association process for the small public entities and the attestation system for the internal auditors</td>
<td>• Reduced risk in the management of the public institution.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>➢ Improving the internal investigation capacity of the Financial Guard and National Customs Authority</td>
<td>• Enhanced internal investigation capacity of the National Customs Authority and Financial Guard by the: a) prevention capacity extended to all professional groups</td>
<td>Regular Customs Administrative and Operational Capacity Monitoring Reports, within the SMSC3</td>
<td>Government maintains consistent policy viz. the Customs Authority, in line with the accession to EU requirements.</td>
</tr>
<tr>
<td></td>
<td>b) information dissemination among</td>
<td>DG TAXUD technical inter-</td>
<td>National legislation, compliant with the EU</td>
</tr>
<tr>
<td>Results</td>
<td>Objectively verifiable indicators</td>
<td>Sources of Verification</td>
<td>Assumptions</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>I - Supporting the activity of CHUFMCS in strengthening the FMC systems in public institutions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Relevant indicators attached to objectives of public institutions in central government sector, at the main spending agencies, in order to efficient the activity;</td>
<td>A set of relevant indicators that will be considered as necessary</td>
<td>Orders approved by MoPF management</td>
<td>Cooperation with other public institutions</td>
</tr>
<tr>
<td>2. Specific procedures for 10 public institutions related to their procedural activities;</td>
<td>Specific procedures that will be considered as necessary for 10 public institutions</td>
<td>Activity reports within the project Final report, including the text of all individual tasks Reports related to internal control activity</td>
<td></td>
</tr>
<tr>
<td>3. Financial management and internal control generalised in the central government sector, based on risk analysis;</td>
<td>Instruments of risks analysis, specific to public institutions internal approved</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Analytical fiches for 5 standards of financial management/ internal control;</td>
<td>Analytical fiches for 5 standards of financial management/ internal control posted on the Internet, for the use of the public institutions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Professional training for 500 persons from public institutions (inclusive from CHUFMCS), in order to create awareness for an unitary approach,</td>
<td>At least 500 persons, from public institutions (inclusive from CHUFMCS), trained as such: 10 sessions of 5 days, in</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
regarding: the importance of internal control, communication, using internal control instruments;
6. Updated legislation, according to changes appeared in the acquis communautaire.

**II - Strengthening the internal audit capacity by developing the association process for the small public entities and the attestation system for the internal auditors**

1. **The association of the public entities in order to assure the internal audit function:**
   1.1. Improved methodological norms for carrying the audit activity within association system;
   1.2. Association contract model;
   1.3. Improved paying system for the members of the association;
   1.4. Training for the auditors that will be part of the association (min 10 persons/judet);
   1.5.8 pilot associations in which will be applied the improved legal framework.

2. **Functional national accreditation system for the internal auditors from the public sector:**
   2.1. Improved curricula for the education system of the internal auditors (min 7

<table>
<thead>
<tr>
<th>Romania;</th>
<th>Legal acts of approval the legislation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Orders approved by MoPF. Activity reports within the project. Final report, including the text of all individual tasks. Reports related to audit activity. |
| The association members will cooperate for setting up the audit unit. |

- Methodological norms, model of association contract, paying system approved by order of the Minister of Public Finance
- Min 10 persons/judet (41 judet) total 410 persons
- 1 Evaluation Report of the results achieved in the last 6 months regarding the functioning of the association

- Min 7 curricula for education system elaborated and approved by the
modules: corporate governance, public management, accounting, IT, public finance, law, internal audit;
2.2 Evaluation system for the universities that have expressed the interest to be part of the accreditation system, on internal audit training (established evaluation criteria, protocol of collaboration etc);
2.3 Training for the high school teachers involved in the attestation system (min 10 universities x minimum 7 lecturers);
2.4 System of attestation of the internal audit for their professional certification;
2.5 Periodical system for refreshing the knowledge of the internal auditors in order to extend the viability for the attestation.

| III - Improving the internal investigation capacity of the Financial Guard and National Customs Authority |
|---|---|---|
| 1. NCA and FG internal investigation capacity and improving requirements assessed; | 1.1 Report on internal investigation capacity delivered and approved | Internal investigation methodology, procedures and action plan |
| | 1.2. Gap analysis delivered and adopted | Investigation Activity Reports |
| | 1.3. Improving requirements approved | NCA Orders enacted for approval of the working methodology and procedures |
| | 1.4. Not less than 70% degree of covering the EU standards by the | Full commitment of the parties involved. Required professional level for the appointed staff |
| | | Timely and adequate resources available (organisation, human and financial). |
2. New/Revised policy, methodology and procedures of internal investigation designed and implemented;
   improving requirements
   2.1. Revised policy approved
   2.2. All the methodologies and working procedures approved and implemented in the internal verification activity
   2.3. Not more than 50% percentage of updated internal investigation procedures
   3. Methods for investigating the corruption phenomenon segregated. The methods will take into account the specific of the customs activity and Financial Guard activity: own resources, excises, customs debt etc;
   3.1. 100% methods of investigation segregated for specific customs activities (excises, own resources, CAP, customs debt, etc)
   3.2. 100% job description approved and agreed by the management staff
   3.3. 100% percentage of staff appointed for covering the new procedures
   4. Methods of preventing corruption adjusted used by NCA and Financial Guard. The respective methods will be in line with the EU Member States standards and requirements;
   4.1. Methods of preventing corruption 100% adjusted to the EU Member States standards
   4.2. Job description 100% approved and agreed by the management staff
   4.3. 100% of staff (from the NCA-Internal Verification Division and from the Financial Guard) appointed for covering the prevention of corruption
   5. New department in Financial Guard in charge with the internal control;
   6. Adjusted Action plan for fight against
   6.1. Adjusted Action Plan (referring the
   Commitment of the customs staff to improve their performances.

The monthly progress reports and the quarterly and final reports elaborated within the projects related services contracts

Project deliverables

Regular Customs Administrative and Operational Capacity Monitoring Reports, within the SMSC3

Regular reports for FG – SMSC no. 4

Interim evaluations of EC
corruption in place at the National Customs Authority's level. The adjusted action plan is referring to the post accession period and it will be in accordance with the objectives stipulated in the Anticorruption Strategy of the National Customs Authority; Action Plan for fight against corruption for Financial Guard;

7. Training programmes designed and delivered for 30 persons from Customs. The programmes are designed for the customs personnel in charge with internal investigations and are focused on the new internal investigation rules; Training programmes designed and delivered for 30 persons from FG. The programmes are designed for the Financial Guard personnel in charge with internal investigations and are focused on the new internal investigation rules.

8. An educational manual prepared and distributed. The manual is one of the support used in training purpose only for the Customs and Financial Guard staff and it will be focused on corruption behaviours methods for investigating the corruption cases, recognition conflict of interests etc;

9. Training documents delivered and used.

post accession period) for fighting against corruption delivered approved and implemented in the internal verification activity.

6.2. Degree of conformance with the existing Anticorruption Strategy of the National Customs Authority

6.3. No of adjustments proposed to be included in the Anticorruption Strategy

7.1. Training programmes 100% approved and delivered

7.2. No of staff appointed for covering the new procedures

7.3. The 100% degree of integration the programmes delivered into the customs and Financial Guard training plan in the 1st training year after the twinning completion

8. One educational training manual prepared and distributed (20 pieces)

9. Related training documents 100%
<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
</tr>
</thead>
<tbody>
<tr>
<td>10. Positive awareness of the International Trade Community about the adequate quality of the Romanian customs services and Financial Guard services.</td>
<td>approved</td>
</tr>
<tr>
<td>10.1. 2 seminars dedicated to the key players</td>
<td></td>
</tr>
<tr>
<td>10.2. 2 conferences dedicated to the trade representatives</td>
<td></td>
</tr>
</tbody>
</table>

**Assumptions**
<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>I. - Support the activity of CHUFMCS in strengthening the FMC systems in public institutions</td>
<td></td>
<td>Adequate expertise of the partners; Good cooperation with other involved directorates and institutions.</td>
</tr>
<tr>
<td>1. Analysing the legal framework and the organization of the financial management and control systems (2 missions of 5 days, involving 3 experts);</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Organizing workshops together with the public institutions, for elaborating the indicators relevant for the objectives of the public institutions (3 workshops of 5 days, involving 3 experts);</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Organizing workshops together with representatives of 10 public institutions, for elaborating the specific procedures for each of these public institution for the activities which is recommended to elaborate the procedures (is not possible to elaborate procedures for all the activities) (3 workshops of 5 days, involving 3 experts);</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Workshops for draw up recommendations/proposals aiming to support the organization, by the public institutions, of the financial management and internal control, based on risk analysis (2 workshops of</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>5 days, involving 3 experts;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Workshops for elaborating the analytical fiches for 5 financial standards (3 workshops of 5 days, involving 3 experts);</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Preparing, supporting and follow up of the professional training (10 sessions of 5 days each) in order to create awareness for an unitary approach, regarding: the importance of internal control, communication, using internal control instruments; evaluation of the knowledge acquired and evaluation of the training by the participants (2 missions of 5 days, involving 2 experts for training materials preparation and 10 seminars of 5 days for training delivered by 2 experts);</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Updating the legislation and monitoring its application:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.1 Workshops for making proposals for updating the legislation according to changes appeared in the acquis communautaire (3 workshops of 5 days, involving 3 experts);</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.2 Monitoring the application of the new legislation and draw up recommendation for improvement if the case is (3 missions of 5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
days, involving 3 experts).
II - Strengthening the internal audit capacity by developing the association process for the small public entities and the attestation system for the internal auditors

1 - Drafting the legal framework for the association of the small public entities for assuring the audit function

1.1 Analysing the current situation related to the regulation and organization of internal audit (2 missions of 5 days involving 2 experts);

1.2 Organizing workshops for presenting models of association of the small public entities for assuring the audit function (2 workshops of 5 days, involving 2 experts);

1.3 Workshops for improving methodological norms for carrying the audit activity within association system (2 workshops of 5 days, involving 2 experts);

1.4 Organizing workshops for designing an association contract model (2 workshops of 5 days, involving 2 experts);

1.5 Organizing workshops for designing a paying system for the members of the association (2 workshops of 5 days involving 2 experts);

1.6 Preparing the training materials and organizing a training for the auditors that...
will be part of the association (8 training sessions of 5 days each x 52 persons).
Evaluation of the knowledge acquired and evaluation of the training by the participants (2 missions of 5 days involving 2 experts for training material preparation and 8 seminars of 5 days for training delivered by 2 experts);
1.7 Set-up min 8 pilot associations in which it will be applied the improved legal framework (8 missions of 5 days involving 2 experts);
1.8 Monitoring the appliance of the legal framework and recommend improvements if the case is (4 missions of 5 days, involving 2 experts).

2 - Designing a national accreditation system for the internal auditors from the public sector
2.1 Analysing the current situation related to attesting/certifying in the internal audit field (2 missions of 5 days, involving 2 experts);
2.2 Organizing workshops for drafting the curricula for the education system of the internal auditors (min 7 modules: corporate governance, public management, accounting, IT, public finance, law, internal audit) (3 workshops of 5 days, involving 3 experts);
2.3 Carrying out the evaluation system for the universities that have expressed the interest to be part of the accreditation system, on internal audit function (setting out evaluation criteria, drafting protocol of collaboration (3 missions of 5 days, involving 3 experts);
2.4 Preparing the training materials and organizing the training for the high school teachers involved in the attestation system (min 10 universities x minimum 7 lecturers trained within 2 training sessions of 5 days); evaluation of the knowledge acquired and evaluation of the training by the participants (2 missions of 5 days, involving 2 experts for training materials preparation and 2 seminars of 5 days for training delivered by 2 experts);
2.5 Workshops for establishing a system of attestation of internal audit for their professional certification (2 workshops of 5 days, involving 2 experts);
2.6 Organizing a periodical system for refreshing the knowledge of the internal auditors in order to extend the viability for the attestation (2 missions of 5 days, involving 2 experts).
III - Improving the internal investigation capacity of the Financial Guard and National Customs Authority

1. Assessment of the related legal framework (level II, III). The assessment will be focused on the methodologies, working procedures and practices related to the investigation specific activity (2 missions of 5 days, involving 4 experts);

2. Workshops for designing and implementation of the related legal framework amendments (level II, III). The related legal framework amendments will be focused on methodologies, working procedures and practices (2 workshops of 5 days, involving 4 experts);

3. Producing a Gap analysis referring to the methods for investigating the corruption phenomenon segregation. The gap analysis will take into account the specific of the customs activity: performing the physical control, applying the simplified procedures, monitoring the movement of the excised products etc (2 missions of 5 days, involving 2 experts);

4. The following activities are related to the result 4:

4.1 Organizing workshops for perfection of the methods of

Twinning contract

Adequate expertise of the partners;
Availability of qualified experts;
Human and financial resources;
Good cooperation with other involved directorates and institutions.
preventing corruption in line with the EU Member States standards (2 workshops of 5 days, involving 2 experts);

4.2 Evaluation of the anti-corruption measures for customs and FG sector in EU countries. The evaluation will be made in terms of: efficiency, benefits and risks used for applying this knowledge to identify and prevent particular corruption risks within customs activity (2 missions of 5 days, involving 3 experts);

4.3 Organizing workshops for evaluation of international instruments on combating corruption and synthesizing their relevance (2 workshops of 5 days, involving 3 experts);

4.4 Elaboration of well documented and comparative case studies. The case studies will be produced (taking into account efficiency, benefits and risks) and focused on the anti-corruption measures in customs and FG sector in relevant EU countries and on civil servant/customs officers misbehavior, describing typical corruption cases in great detail as a means of facilitating a better
5. Organizing workshops for elaboration of an action plan for fight against corruption. The action plan will be in accordance with the objectives stipulated in the Anti-Corruption Strategy of the National Customs Authority. Organizing workshops for elaboration of an Action Plan for Financial Guard involving 3 experts.

6. Workshops for establishing a new department in Financial Guard in charge with the internal control: establishing the organizational chart; establishing the job description; establishing the relations with the others departments of Financial Guard (3 missions of 5 days, involving 2 experts).

7. Designing, preparing training materials and delivering of the training programmes for 30 persons from Financial Guard and 30 persons from customs. The training programmes (e.g. curricula, manuals, evaluation criteria) are targeted on the customs and Financial Guard staff in charge with internal investigations; evaluation of the knowledge acquired and evaluation of the understanding of how corruption actually occurs (2 missions of 5 days, involving 2 experts).
the training by the participants (2 missions of 5 days, involving 2 experts for training materials preparation and 2 seminars of 5 days for training delivered by 2 experts);
8. Preparing and distributing an educational manual. The manual is one of the support used in training purpose only for the Customs and Financial Guard staff and it will be focused on the corruption behaviors methods for investigating the corruption cases, the recognition conflict of interests etc (2 missions of 5 days, involving 4 experts);
9. Elaboration of the training documents jointly with the materials about international and Romanian anticorruption practices. The training documents will have particularly in view the practices in the customs and FG area (2 missions of 5 days, involving 3 experts);
10. Workshops for designing programmes to improve the International trade community trust level in customs and Financial Guard services quality (2 missions of 5 days, involving 3 experts).
2. Strengthening the internal audit capacity by developing the association process for the small public entities and the attestation system for the internal auditors

Annex 3a - Cumulative contracting schedule

<table>
<thead>
<tr>
<th></th>
<th>31/03/07</th>
<th>30/06/07</th>
<th>30/09/07</th>
<th>31/12/07</th>
<th>31/03/08</th>
<th>30/06/08</th>
<th>30/09/08</th>
<th>31/12/08</th>
<th>31/03/09</th>
<th>30/06/09</th>
<th>30/09/09</th>
<th>31/12/09</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONTRACTED</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Twinning contract</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NB:</td>
<td>All contracting should normally be completed within 6-12 months and must be completed within 24 months of signature of the FA.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Annex 3b - Cumulative disbursement schedule

<table>
<thead>
<tr>
<th></th>
<th>31/03/08</th>
<th>30/06/08</th>
<th>30/09/08</th>
<th>31/12/08</th>
<th>31/03/09</th>
<th>30/06/09</th>
<th>30/09/09</th>
<th>31/12/09</th>
<th>31/03/10</th>
<th>30/06/10</th>
<th>30/09/10</th>
<th>31/12/10</th>
</tr>
</thead>
<tbody>
<tr>
<td>DISBURSEMENT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Twinning contract</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| NB:           | All disbursements must be completed within 36 months of signature of the FA.
3. Improving the internal investigation capacity of the Financial Guard and National Customs Authority

Annex 3a - Cumulative contracting schedule

<table>
<thead>
<tr>
<th></th>
<th>31/03/07</th>
<th>30/06/07</th>
<th>30/09/07</th>
<th>31/12/07</th>
<th>31/03/08</th>
<th>30/06/08</th>
<th>30/09/08</th>
<th>31/12/08</th>
<th>31/03/09</th>
<th>30/06/09</th>
<th>30/09/09</th>
<th>31/12/09</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONTRACTED Twinning contract</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.80</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

NB: *All contracting should normally be completed within 6-12 months and must be completed within 24 months of signature of the FA.*

Annex 3b - Cumulative disbursement schedule

<table>
<thead>
<tr>
<th></th>
<th>31/03/08</th>
<th>30/06/08</th>
<th>30/09/08</th>
<th>31/12/08</th>
<th>31/03/09</th>
<th>30/06/09</th>
<th>30/09/09</th>
<th>31/12/09</th>
<th>31/03/10</th>
<th>30/06/10</th>
<th>30/09/10</th>
<th>31/12/10</th>
</tr>
</thead>
<tbody>
<tr>
<td>DISBURSEMENT Twinning contract</td>
<td></td>
<td></td>
<td>0.64</td>
<td>0.64</td>
<td>0.72</td>
<td>0.72</td>
<td>0.80</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

NB: *All disbursements must be completed within 36 months of signature of the FA.*
## Annex 2 - Detailed time implementation chart

<table>
<thead>
<tr>
<th>Calendar months</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support the activity of CHUFMCS in strengthening the FMC systems in public institutions</td>
<td>D D D D D D D D D D D D D C C C C C C C C I I I I I</td>
<td>I I I I I</td>
<td>I I I I I I I I I</td>
<td>I I I I I I I</td>
</tr>
<tr>
<td>Strengthening the internal audit capacity by developing the association process for the small public entities and the attestation system for the internal auditors</td>
<td>D D D D D D D D D D D D D D D D D D D C C C C C C C C C C C C C I I I I I I I I I I</td>
<td>I I I I I I I I I I I I I</td>
<td>I I I I I I I I I I I I I</td>
<td></td>
</tr>
<tr>
<td>Improving the internal investigation capacity of the Financial Guard and National Customs Authority</td>
<td>D D D D D D D D D D D D D D D D D D D C C C C C C C C C C C C I I I I I I I I I I I</td>
<td>I I I I I I I I I I I I I</td>
<td>I I I I I I I I I I I I I</td>
<td>I I I I I I I I I I I I I</td>
</tr>
</tbody>
</table>

D = Design  
C = Contracting  
I = Implementation
ANNEX 3 - CONTRACTING AND DISBURSEMENT SCHEDULE

1. Support the activity of CHUFMCS in strengthening the FMC systems in public institutions

Annex 3a - Cumulative contracting schedule

<table>
<thead>
<tr>
<th></th>
<th>31/03/07</th>
<th>30/06/07</th>
<th>30/09/07</th>
<th>31/12/07</th>
<th>31/03/08</th>
<th>30/06/08</th>
<th>30/09/08</th>
<th>31/12/08</th>
<th>31/03/09</th>
<th>30/06/09</th>
<th>30/09/09</th>
<th>31/12/09</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONTRACTED Twinning contract</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.80</td>
</tr>
</tbody>
</table>

NB: *All contracting should normally be completed within 6-12 months and must be completed within 24 months of signature of the FA.*

Annex 3b - Cumulative disbursement schedule

<table>
<thead>
<tr>
<th></th>
<th>31/03/08</th>
<th>30/06/08</th>
<th>30/09/08</th>
<th>31/12/08</th>
<th>31/03/09</th>
<th>30/06/09</th>
<th>30/09/09</th>
<th>31/12/09</th>
<th>31/03/10</th>
<th>30/06/10</th>
<th>30/09/10</th>
<th>31/12/10</th>
</tr>
</thead>
<tbody>
<tr>
<td>DISBURSEMENT Twinning contract</td>
<td>0.64</td>
<td>0.64</td>
<td>0.72</td>
<td>0.72</td>
<td>0.80</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

NB: *All disbursements must be completed within 36 months of signature of the FA.*
ANNEX 4 - REFERENCE LIST OF RELEVANT LAWS AND REGULATIONS

1. Government Ordinance no. 119/1999 regarding the internal control and preventive financial control, republished, O.J. no. 779/12.11.2003;
2. Order of Minister of Public Finance no. 522/16.04.2003 approving General Methodological Standards regarding the practice of the financial preventive control, with subsequent modifications and completions, published into O.J. no. 320/13.05.2003;
3. Order of Minister of Public Finance no. 946/4.07.2005 approving the Internal Control Code, including the management standards/internal control at public entities and for the development of the managerial control systems, with subsequent modifications and completions, published into O.J. no. 675/28.07.2005;
5. Council Resolution of December 5, 2003 for endorsing the Communication by the Commission on a simple and paperless environment for customs and trade, OJ No C 305/2003;
6. Commission’s proposal to the Council and the European Parliament for a Decision on the implementation of a paperless environment for customs and trade (Electronic Customs Decision), COM(2005) 609;
7. The Electronic Customs Multi-annual Strategic Plan (MASP) of the Commission, Working document TAXUD/477/2004 Rev.7;
13. Government’s Decision no.1.552 of 01.11.2006 concerning the reorganisation and functioning of the National Customs Authority. O.J. Part I no.207 of 08.11.2006.
### ANNEX 5 - LESSONS LEARNT FROM PREVIOUS YEARS

<table>
<thead>
<tr>
<th>Identified Gaps or Recommended courses of intervention</th>
<th>Action for covering the Gap or implement the recommended intervention</th>
<th>Phare Programming (Project Reference)</th>
<th>Transition Facility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter 28</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Further efforts are necessary in order to ensure the implementation of the Romania’s strategy regarding the internal financial public control.</td>
<td>- Elaboration, together with the public institutions, of indicators and the specific procedures for each public institution for the activities which is recommended to elaborate the procedures</td>
<td>2004/016-772.03.01.02.03 - Strengthening of the financial management and control system in the MoPF (RO04/IB/FI-01) - Twinning</td>
<td></td>
</tr>
<tr>
<td>- Training of controllers and internal auditors is extensive and on-going but needs to be further enhanced, in particular on risk assessment and public procurement.</td>
<td>- Supporting the organization, by the public institutions, of the financial management and internal control, based on risk analysis</td>
<td>RO 2005/IB/FI/04 - “Strengthening the public internal audit function” – Twinning</td>
<td>Strengthening the public finance management</td>
</tr>
<tr>
<td>- Progress in the area of developing public internal financial control, external audit and control over structural action expenditure has been made, although the results have been limited as years of continued efforts in accordance with adopted strategies will be</td>
<td>- Preparing, supporting and follow up of the professional training</td>
<td></td>
<td>Supporting the activity of Central Harmonization Unit for Financial and Management Control Systems (CHUFMCS) in strengthening the FMC systems in public institutions</td>
</tr>
<tr>
<td></td>
<td>- Drafting the legal framework for the association of the small public entities for assuring the audit function</td>
<td></td>
<td>Strengthening the internal audit capacity by developing the association process for the small public entities and the attestation system for the internal auditors</td>
</tr>
</tbody>
</table>
required to yield such results, Romania should continue its efforts to consolidate achievements in a sustainable way, more in particular in the area of managerial accountability and of strengthening its relevant administrative organizations. Increased efforts are still needed in these areas.

<table>
<thead>
<tr>
<th>2005 Comprehensive Monitoring Report for Romania</th>
<th></th>
<th>Improving the internal investigation capacity of the Financial Guard and National Customs Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Chapter 25</strong></td>
<td><strong>- Designing a national accreditation system for the internal auditors from the public sector</strong></td>
<td><strong>RO04/IB/FI-07 “Assistance to the NCA for the improvement of Human Resources policies including training and ethics”</strong></td>
</tr>
<tr>
<td><strong>- Efforts are needed to continue combating corruption within the customs administration and increased efforts are needed to strengthen the administrative and operational capacity of the NCA. Additional efforts are needed to cover all officials and all customs rules and procedures, including basic customs procedure and to guarantee their uniform application.</strong></td>
<td><strong>- Design and implementation of the related legal framework amendments that will be focused on methodologies, working procedures and practices</strong></td>
<td><strong>ROIB/JI/07 “Anticorruption measures for Border Police and Customs”</strong></td>
</tr>
<tr>
<td></td>
<td><strong>- Designing and delivering training programmes for Customs and Financial Guard staff</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>- Designing programmes to improve the International trade community trust level in Customs and Financial Guard services quality</strong></td>
<td></td>
</tr>
</tbody>
</table>
Chapter 25
- National Customs Authority made significant progress on strengthening its administrative and operational capacity, but it should maintain the fight against corruption as its top priority.
- Training at all levels within the customs administration should continue.

The Evaluation Report on Romania, adopted by GRECO in October 2005 underlines that the ministries which have not yet done so are encouraged to conduct analyses of vulnerable sectors and specific risks in matters of corruption, to publish them and to devise anti-corruption strategies and sectoral action plans, accompanied by practical measures and training courses, embracing the customs services.
ANNEX 6

1. Budget breakdown for the twinning project - “Support the activity of CHUFMCS in strengthening the FMC systems in public institutions”  
   (Estimated budget 800,000 Euro)

<table>
<thead>
<tr>
<th>Current number</th>
<th>Project preparation and coordination costs (RTA, RTA allowances, RTA training, RTA assistant, Project Preparation and Coordination Costs, Audit, Visibility)</th>
<th>Amount (Euro)</th>
</tr>
</thead>
<tbody>
<tr>
<td>II. Project activities</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Activity 1 - 30 man-days in total  
(Fees: 10 m/d X 250; 20 m/d X 350; PMC: 9500 x 1,5; Travel: 6 X 700; Per diem: 6 x 7 x 228) | 559,101      |
| Activity 2 - 45 man-days in total  
(Fees: 15 m/d X 250; 30 m/d X 350; PMC: 14250 x 1,5; Travel: 9 X 700; Per diem: 9 x 7 x 228) | 56,289       |
| Activity 3 - 45 man-days in total  
(Fees: 15 m/d X 250; 30 m/d X 350; PMC: 14250 x 1,5; Travel: 9 X 700; Per diem: 9 x 7 x 228) | 56,289       |
| Activity 4 - 30 man-days in total  
(Fees: 10 m/d X 250; 20 m/d X 350; PMC: 9500 x 1,5; Travel: 6 X 700; Per diem: 6 x 7 x 228) | 37,526       |
| Activity 5 - 45 man-days in total  
(Fees: 15 m/d X 250; 30 m/d X 350; PMC: 14250 x 1,5; Travel: 9 X 700; Per diem: 9 x 7 x 228) | 56,289       |
| Activity 6 - 120 man-days in total  
(Fees: 60 m/d X 250; 60 m/d X 350; PMC: 36000 x 1,5; Travel: 24 X 700; Per diem: 24 x 7 x 228) | 145,104      |
| Activities 7.1 - 7.2 - 90 man-days in total  
Activity 7.1 - Fees: 45 m/d X 350; PMC: 15750 x 1,5; Travel: 9 X 700; Per diem: 9 x 7 x 228) | 120,078      |
| Activity 7.2 - Fees: 45 m/d X 350; PMC: 15750 x 1,5; Travel: 9 X 700; Per diem: 9 x 7 x 228) |              |
| III. Translation/Interpretation, printing materials |                                                                                                                                | 50,000       |
| Reserves |                                                                                                                                | 15,000       |
| TOTAL |                                                                                                                                | 800,000       |
2. Budget breakdown for the twinning project - “Strengthening the internal audit capacity by developing the association process for the small public entities and the attestation system for the internal auditors”

*(Estimated budget 1,000,000 Euro)*

<table>
<thead>
<tr>
<th>Current number</th>
<th>Project preparation and coordination costs (RTA, RTA allowances, RTA training, RTA assistant, Project Preparation and Coordination Costs, Audit, Visibility)</th>
<th>Amount (Euro)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I.</td>
<td>Member State</td>
<td>292,058</td>
</tr>
<tr>
<td>II.</td>
<td>Project activities</td>
<td>687,942</td>
</tr>
<tr>
<td></td>
<td><strong>Activities 1.1 – 1.8</strong> - 320 man-days in total</td>
<td>396,944</td>
</tr>
<tr>
<td></td>
<td>Activity 1.1 - Fees: 20 m/d X 350; PMC: 7000 x 1,5; Travel: 4 X 700; Per diem: 4 x 7 x 228)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Activity 1.2 - Fees: 10 m/d X 250; 10 m/d X 350; PMC: 6000 x 1,5; Travel: 4 X 700; Per diem: 4 x 7 x 228)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Activity 1.3 - Fees: 10 m/d X 250; 10 m/d X 350; PMC: 6000 x 1,5; Travel: 4 X 700; Per diem: 4 x 7 x 228)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Activity 1.4 - Fees: 20 m/d X 350; PMC: 7000 x 1,5; Travel: 4 X 700; Per diem: 4 x 7 x 228)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Activity 1.5 - Fees: 10 m/d X 250; 10 m/d X 350; PMC: 6000 x 1,5; Travel: 4 X 700; Per diem: 4 x 7 x 228)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Activity 1.6 - Fees: 50 m/d X 250; 50 m/d X 350; PMC: 30000 x 1,5; Travel: 20 X 700; Per diem: 20 x 7 x 228)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Activity 1.7 - Fees: 40 m/d X 250; 40 m/d X 350; PMC: 24000 x 1,5; Travel: 16 X 700; Per diem: 16 x 7 x 228)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Activity 1.8 - Fees: 40 m/d X 350; PMC: 14000 x 1,5; Travel: 8 X 700; Per diem: 8 x 7 x 228)</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Activities 2.1 – 2.6</strong> - 190 man-days in total</td>
<td>240,998</td>
</tr>
<tr>
<td></td>
<td>Activity 2.1 - Fees: 20 m/d X 350; PMC: 7000 x 1,5; Travel: 4 X 700; Per diem: 4 x 7 x 228)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Activity 2.2 - Fees: 30 X 350, 15 m/d X 250; PMC: 14250 x 1,5; Travel: 9 X 700; Per diem: 9 x 7 x 228)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Activity 2.3 - Fees: 30 X 350, 15 m/d X 250; PMC: 14250 x 1,5; Travel: 9 X 700; Per diem: 9 x 7 x 228)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Activity 2.4 - Fees: 20 X 250; 20 m/d X 350; PMC: 12000 x 1,5; Travel: 8 X 700; Per diem: 8 x 7 x 228)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Activity 2.5 - Fees: 20 m/d X 350; PMC: 7000 x 1,5; Travel: 4 X 700; Per diem: 4 x 7 x 228)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Activity 2.6 - Fees: 20 m/d X 350; PMC: 7000 x 1,5; Travel: 4 X 700; Per diem: 4 x 7 x 228)</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Translation/Interpretation, training (materials)</strong></td>
<td>50,000</td>
</tr>
<tr>
<td>III.</td>
<td>Reserves</td>
<td>20,000</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>1,000,000</td>
</tr>
</tbody>
</table>
### 3. Budget breakdown for the twinning project - “Improving the internal investigation capacity of the Financial Guard and National Customs Authority”

*(Estimated budget 800,000 Euro)*

<table>
<thead>
<tr>
<th>Current number</th>
<th>Amount (Euro)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I.</strong> Project preparation and coordination costs (RTA, RTA allowances, RTA training, RTA assistant, Project Preparation and Coordination Costs, Audit, Visibility)</td>
<td><strong>Member State</strong> 238,412</td>
</tr>
<tr>
<td><strong>II.</strong> Project activities</td>
<td><strong>BC</strong></td>
</tr>
<tr>
<td>Activity 1 - 40 man-days in total (Fees: 40 m/d X 350; PMC: 14000 x 1.5; Travel: 8 X 700; Per diem: 8 x 7 x 228)</td>
<td>546,588</td>
</tr>
<tr>
<td>Activity 2 - 40 man-days in total (Fees: 40 m/d X 350; PMC: 14000 x 1.5; Travel: 8 X 700; Per diem: 8 x 7 x 228)</td>
<td>53,368</td>
</tr>
<tr>
<td>Activity 3 - 20 man-days in total (Fees: 20 m/d X 350; PMC: 7000 x 1.5; Travel: 4 X 700; Per diem: 4 x 7 x 228)</td>
<td>26,684</td>
</tr>
<tr>
<td><strong>Activities 4.1 - 4.4 - 90 man-days in total</strong></td>
<td></td>
</tr>
<tr>
<td>Activity 4.1 - Fees: 20 m/d X 350; PMC: 7000 x 1.5; Travel: 4 X 700; Per diem: 4 x 7 x 228</td>
<td>117,578</td>
</tr>
<tr>
<td>Activity 4.2 - Fees: 20 m/d X 350; PMC: 7000 x 1.5; Travel: 4 X 700; Per diem: 4 x 7 x 228</td>
<td></td>
</tr>
<tr>
<td>Activity 4.3 - Fees: 10 m/d X 250; 20 m/d X 350; PMC: 9500 x 1.5; Travel: 6 X 700; Per diem: 6 x 7 x 228</td>
<td></td>
</tr>
<tr>
<td>Activity 4.4 - Fees: 20 m/d X 350; PMC: 7000 x 1.5; Travel: 4 X 700; Per diem: 4 x 7 x 228</td>
<td></td>
</tr>
<tr>
<td>Activity 5 - 30 man-days in total (Fees: 10 m/d X 250; 20 m/d X 350; PMC: 9500 x 1.5; Travel: 6 X 700; Per diem: 6 x 7 x 228)</td>
<td>37,526</td>
</tr>
<tr>
<td>Activity 6 - 30 man-days in total (Fees: 15 m/d X 250; 15 m/d X 350; PMC: 9000 x 1.5; Travel: 6 X 700; Per diem: 6 x 7 x 228)</td>
<td>36,276</td>
</tr>
<tr>
<td>Activity 7 - 40 man-days in total (Fees: 20 m/d X 250; 20 m/d X 350; PMC: 12000 x 1.5; Travel: 8 X 700; Per diem: 8 x 7 x 228)</td>
<td>48,368</td>
</tr>
<tr>
<td>Activity 8 - 40 man-days in total (Fees: 20 m/d X 250; 20 m/d X 350; PMC: 12000 x 1.5; Travel: 8 X 700; Per diem: 8 x 7 x 228)</td>
<td>48,368</td>
</tr>
<tr>
<td>Activity 9 - 30 man-days in total (Fees: 10 m/d X 250; 20 m/d X 350; PMC: 9500 x 1.5; Travel: 6 X 700; Per diem: 6 x 7 x 228)</td>
<td>37,526</td>
</tr>
<tr>
<td><strong>Activity 10 - 30 man-days in total</strong></td>
<td>37,526</td>
</tr>
<tr>
<td>Description</td>
<td>Amount</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>---------</td>
</tr>
<tr>
<td>Translation/Interpretation, printing materials</td>
<td>50,000</td>
</tr>
<tr>
<td>Total Reserves</td>
<td>15,000</td>
</tr>
<tr>
<td>Total</td>
<td>800,000</td>
</tr>
</tbody>
</table>