SEMINAR

on

INDEPENDENCE

OF SUPREME AUDIT INSTITUTIONS

Budapest, Hungary
March, 28, 2014
ROUNDTABLE 1

The prerequisites of independence
Organizational independence

- Where do you derive your mandate and do you consider it is enough?

- Are you subordinated or accountable to another body and do you consider it is legitimate?

- What is your organizational structure (single head, collegiality?) and do you consider it ensures the quality and independence of your SAI?
Personal / administrative independence

- What regulations are in place against conflict of interests and do you consider it is enough?

- How and for how long are the Heads and Members of your SAI appointed and is there a reflection regarding the current state of play?
Organizational independence

- Where do you derive your mandate and do you consider it is enough?

- Romanian Court of Accounts has a broad enough mandate and green light in exerting the institution’s functions.
- Romanian Court of Accounts’ mandate derives from the Constitution of Romania and from the Law no. 94 of 1992 (re-issued) on the organization and operation of the Romanian Court of Accounts.
- According to legislation, Romanian Court of Accounts is free of any influence and intervention for the part of the Parliament, Government and of the other public authorities as far as the organization and the internal functioning are concerned: on its activity program, planning, performing, reporting and follow-up of audits results.

- Romanian Court of Accounts has financial and administrative autonomy, as provided by its law on the organization and operation, according to which RCoA elaborates and approves its own budget, which it transmits to the Government, in order to be included in the draft state budget submitted to Parliament’s approval.
- Are you subordinated or accountable to another body and do you consider it is legitimate?

- The compliance, financial and performance audit missions are initiated ex officio and cannot be stopped but only by the Parliament and only in case of exceeding the competences established for RCoA by its law. The decisions of the Chamber of Deputies or of the Senate, through which RCoA is required to perform certain controls, within its competences, are mandatory according to RCoA’s law, which stipulates that no other public authority, legal body or individual can oblige the Court to that effect.
Are you subordinated or accountable to another body and do you consider it is legitimate?

RCoA has the right and the obligation to report on its activity, principle stated in Romania’s Constitution and in RCoA’s law on its organization and operation (re-issued) according to which RCoA has the following obligations to report:

- to present to the Parliament an annual report on the accounts of the general consolidated budget of the expired exercise, including the irregularities found;
- to transmit to the deliberative public authorities of the administrative-territorial units, through the chambers of accounts, annual reports concerning the local public finances;
- to present to the Parliament the findings on the management of the public resources, identified on the occasion of the checking actions performed upon the Parliament’s request and requested by decisions of each chamber’s Plenum (Chamber of Deputies / Senate);
- Are you subordinated or accountable to another body and do you consider it is legitimate?

- submission to the Parliament and through the chambers of accounts, to the local councils, of reports in its field of competence.

- RCoA has the right to decide on its activity programme, on the content of audit reports, and on their publication and dissemination. This principle is regulated by the Law no. 94 of 1992 (re-issued) on the organization and operation of the Romanian Court of Accounts, by the Regulation on the organization and conduct of the activities specific to the Court of Accounts, as well as on the follow-up of the reports resulting from these activities and by the Regulation on the drawing up the Annual Public Report, the annual reports on local public finances and other reports specific to the Court of Accounts.
What is your organizational structure (single head, collegiality?) and do you consider it ensures the quality and independence of your SAI?

The management of the Court of Accounts is enforced by the plenum of the Court of Accounts. The plenum of the Court of Accounts consists of 18 members, appointed by the Parliament, who are counselors of accounts.

The executive management of the Court of Accounts is ensured by the president, assisted by two vice-presidents, who are counselors of accounts.

The structure of the Court of Accounts comprises departments, county and Bucharest Municipality chambers of accounts and a General Secretariat. Each department is managed by a counselor of accounts, who also fulfills the position as head of department, appointed by the plenum of the Court.
What regulations are in place against conflict of interests and do you consider it is enough?

- We consider the General legal framework and the Secondary legislation include appropriate provisions regarding staff independence and provisions in place against conflict of interest.

- The Statute of the External Public Auditor regulates the career, rights and obligations of external public auditors, as well as the labor relations between them and the Court of Accounts.

- The Code of Ethics and Professional Conduct of the Court of Accounts’ Staff sets ethical and professional conduct norms and establishes principles to be followed to increase the authority and prestige of the Court of Accounts as a Supreme Audit Institution.

- On drafting the Code of Ethics and Professional Conduct of the Court of Accounts’ Staff, consideration was given to the recommendations included in the INTOSAI Code of Ethics, in compliance with the principles adopted at the Congress of Lima in 1977.

- The Ethics Committee was set up and the independence statement was introduced for external public auditors.
How and for how long are the Heads and Members of your SAI appointed and is there a reflection regarding the current state of play?

The members of the Court of Accounts are appointed by the Parliament, upon proposal of the permanent commissions for budget, finances and banks of the two Chambers, for a nine year term of office, which may not be extended or renewed.

The Court of Accounts is renewed by a third of the counselors of accounts appointed by the Parliament, every three years, as of expiry of the current counselors of accounts’ term of office.

The management of the Court of Accounts is enforced by the plenum of the Court of Accounts. The executive management of the Court of Accounts is ensured by the president, assisted by two vice-presidents, who are counselors of accounts.
How and for how long are the Heads and Members of your SAI appointed and is there a reflection regarding the current state of play?

The Parliament appoints the presidents and the vice-presidents of the Court of Accounts and of the Audit Authority from among the counselors of accounts.

The following conditions are to be fulfilled for the appointment in the position as a counselor of accounts: economic or legal academic studies, seniority of minimum ten years in the specialty of the graduated studies and professional expertise.

The members of the Court of Accounts are independent in the exercise of their powers and duties and irremovable on the whole term of office. They are state dignitaries and under the same incompatibilities as the ones provided by law for judges.

The members of the Court of Accounts may not be members of political parties or unfold public political activities.
Thank you for your kind attention!