

PROCEDURES GUIDE

In IPA CBC 1251 project

I. Legal framework

The internal control system of the ACTIVITY Foundation, comprise measures, methods and procedures that were undertaken in each structure of the organization, in order to achieve the objectives established at an appropriate qualitative level and to fulfill regularly, economically, efficiently and effectively its mission.

The following normative acts have been considered when elaborating the guide:

- Law. 672/2002 on public internal audit, further amended and supplemented;
- Labor Code, Law no.53/2003, further amended and supplemented;
- procedure manuals of various EU funding lines.

Internal control of the ACTIVITY Foundation aims to:

- achieve tasks at each structure in an economical, efficient and effective way;
- protect public funds;
- compliance with laws, rules, standards and regulations in force;
- development of systems for collecting, storing, updating and dissemination data and financial and management information.

By applying means of internal control, the head of the institution finds irregularities regarding achievement of the objectives, causes that determined them and the necessary measures to remove them and achieve the objectives.

Stages of internal control are the following:

1. Finding existing irregularities at every level in the organization structure, irregularities that make impossible the achievement of the intended objectives;
2. Identifying the causes that determined the identified violations;
3. Disposal of measures in order to fulfill the objectives in an economic, effective and efficient way.

The objectives of the guide

The general objectives of the guide are:

1. Intensifying control monitoring activities, carried out at each structure, in order to eliminate existing risks and for the efficient use of assigned resources.
2. Development of prevention and control activities for the protection of allocated resources against losses due to waste, abuse, errors or fraud.
3. Improving communication between the structures of the organization in order to ensure the operational flow of information without distortion, so that they can be exploited effectively in the prevention and internal control activity.
4. Designing, in each structure, performance standards for each activity, in order to use them and to perform analyzes based on objective criteria regarding the capitalization of assigned

resources even within projects with no salaries included, where work is done through volunteering.

Control standards are grouped into three elements of management control:

- A. AREA OF CONTROL-GROUPS PROBLEMS CONNECTED WITH ORGANIZATION, HUMAN RESOURCE MANAGEMENT, ETHICS, DEONTOLOGY AND INTEGRITY
1. Ensuring necessary conditions for knowledge by volunteers and employees of the regulations governing workplace behavior, prevention and reporting of frauds and irregularities, in accordance with the following general requirements:
 - Head of the institution, volunteers and employees must have an appropriate level of personal and professional integrity and be aware of the importance of the work they perform;
 - The head of the institution, through his decisions and personal example supports and promotes ethical values and personal and professional integrity of employees and volunteers.

Decisions and personal example should reflect:

- capitalization of transparency and integrity in business;
- capitalization of professional competence;
- initiative by example;
- compliance with laws, regulations, rules and specific policies;
- respecting the confidentiality of information;
- fair treatment and respect for individuals;
- loyal relationships with collaborators;
- completeness and accuracy of operations and documentation;
- professional way to approach financial information.

Rules on protection, hygiene and safety in the establishment

The management is required to:

- a) comply with laws, regulations and rules on the protection, hygiene and safety at work;
- b) establish for employees and volunteers responsibilities regarding the protection, hygiene and safety at work, proper for each activity or function exercised;
- c) establish technical and organizational measures for the protection of work, appropriate for working conditions and environmental factors specific to the organization;
- d) ensure and control through its own staff, of knowledge and its application by all employees and participants in the work process, of technical and organizational established measures as well as of legal provisions in the field of protection, hygiene and safety at work;

Employees and volunteers must:

- a) acquire and comply with safety regulations, hygiene and safety and work security and measures for its implementation;
- b) operate in such a way that does not expose themselves to danger of injury or occupational disease regarding both their person and other persons participating in the work process;
- c) communicate to the leader any technical failure or other situation that may constitute danger of accident or occupational disease;
- d) inform the person in charge of any occupational accidents suffered by himself and other persons participating in the work process;
- e) comply with the Foundation Code of Social Responsibility.

Rules concerning non-discrimination and removal of all forms of violation of dignity

- 1) Within work relationships it functions the principle of equal treatment for all employees and volunteers.
- 2) Any direct or indirect discrimination against an employee or volunteer, based on gender, sexual orientation, genetic characteristics, age, nationality, race, color, ethnicity, religion, political option, social origin, disability, status or family responsibilities, trade union membership is prohibited and draws punishment for the guilty party.
- 3) Protection of maternity represents the protection of health and/or safety of pregnant female employees and / or mothers at their jobs.
Female employees or volunteers who are pregnant, have recently given birth or are breastfeeding are required to notify the employer, submitting, in copy the annex for medical surveillance of woman in childbed or pregnant, duly completed by the physician.

- B. Permanent update of functioning and organizing Regulation and of internal Regulation, of job records for maintaining consistency between the responsibilities of the organization and the ones of the staff or volunteers in various projects, in accordance with the following requirements:
 - The responsibilities of the organization can be achieved only if they are known by employees / volunteers and if they act properly;
 - Each employee has a clear role within a project, thing established in the job description;
 - Tasks are assigned and the results are communicated only in the leader-employee-leader report (boss - subordinate - chief);
 - The leader identifies tasks for the achievement of which employees / volunteers may be exposed to difficult situations that influences negatively the management of ACTIVITY Foundation;

The attributions of the organization

ACTIVITY Foundation as an employer has the following rights:

- a) to lay down the organization and operation of the unit;

- b) to establish the corresponding duties for each employee or volunteer, under the legal provisions and / or the conditions required by the projects they were employed for;
- c) to issue orders with a compulsory character for the employee, subject to their legality;
- d) to exert control over the performance of the tasks;
- e) to assess the misbehaviors and apply the corresponding penalties, according to the law, the applicable collective work agreement and the rules of procedure;

The organization, as employer shall have the following obligations:

- a) to notify the employees and volunteers of the working conditions and of the issues regarding the work relations;
- b) to permanently ensure the technical and organizational conditions taken into account when preparing the work standards and the corresponding working conditions;
- c) to grant the employees and volunteers all rights arising from law, from individual work contracts, corresponding to ongoing projects;
- d) to pay all contributions and taxes due, and to retain and transfer the contributions and taxes owed by the employees, under the terms of the law;
- e) to issue, upon request, all documents stating the quality of employee of the claimant;
- f) to ensure the confidentiality of the employee data having a personal character.

The duties of the personnel, volunteer or employee:

Personnel employed in the unit has the obligation to conduct its activities responsibly, according to professional regulations, code of ethics, labor code and job requirements.

(1) The main duties of employees / volunteers are:

- a) to behave properly within the working relations, promoting mutual aid relationships with all members of the working staff and to combat improper manifestations;
- b) respect the professional secret;
- c) comply with the schedule and internal rules;
- d) in the entire activity in the institution, all staff is required to use polite language both to citizens and colleagues;
- e) perform any other job tasks in order to ensure proper functioning of activity;
- f) obligation to achieve the work quotas or, as the case may be, to fulfill the tasks assigned according to the job description;
- g) obligation to comply with the labor discipline;
- h) obligation to comply with the provisions contained in the rules of procedure, in the individual work contract or volunteering contract;
- i) obligation of loyalty towards the employer at the workplace;
- j) obligation to comply with the work safety and health measures within the organization;
- k) obligation to respect the business secret;
- l) to use fully and with maximum of efficiency the time of work in order to accomplish work duties;
- m) to bring to the attention of the management of the institution any irregularity, misconduct regarding work.

Employees / volunteers have the following rights:

- a) right to wage for the activity carried out, in the case of employees;;
- b) right to daily and weekly rest;
- c) right to annual leave;
- d) right to equal opportunities and treatment;
- e) right to dignity at work;
- f) right to health and safety at work;
- g) right to access to vocational training;

- h) right to information and consultation;
 - i) right to participate to the establishment and improvement of the working conditions and environment;
 - j) right to collective and individual bargaining.
- C. Ensuring the filling of jobs with qualified personnel with specialized training necessary to fulfill the duties stipulated in the job description, providing continuous professional training of hired personnel and its periodical evaluation in terms of fulfilling their work duties and assuming responsibilities in accordance with the following requirements:
- The head of the institution and employees / volunteers have the knowledge, skills and experience that make possible efficient and effective fulfillment of tasks;
 - Competent employees / volunteers and the tasks assigned must be in permanent stable balance.
- Actions to ensure this balance:
- define knowledge and skills required for each job;
 - carrying out recruitment interviews, based on a defined evaluation document;
 - identifying training plan based on the new employee, even during the recruitment process;
 - The level of competence required is the one that forms the basis of performance.
- D. Establish ways to delegate powers and responsibilities and limits set out in accordance with the following requirements:
- Delegation of powers is given considering the impartiality of decisions to be taken by delegates and the risks associated with these decisions;
 - The delegated employee / volunteer must have knowledge, experience and ability necessary to carry out the act of authority entrusted;
 - Assuming responsibility by the delegated employee / volunteer is confirmed by signature;
 - Sub-delegation is possible with the consent of the head of the institution;
 - Delegation of powers does not relieve the leader of its responsibility.
- E. Establish competences and job related responsibilities so that they reflect elements considered as achieving the objectives of the institution in accordance with the following requirements:
- Competence, responsibility, task and the obligation to report are job related attributes; they must be clear, consistent and they must reflect the elements considered for achieving the objectives of the public entity;
- F. PERFORMANCE AND RISK MANAGEMENT
- Defining decisive objectives of the institution as well as the complementary ones connected with reliability of information, compliance with laws, rules and regulations, and their communication with interested parties in accordance with the following requirements:
- The general objectives are in accordance with the mission of ACTIVITY foundation;
 - Setting objectives is the leader's attribute and the responsibility of achieving these objectives rests upon both the leader and the employees / volunteers as well;
 - The multitude and complexity of objectives requires the use of different criteria for grouping, in order to facilitate the materialization of responsibility, liability to ensure efficiency in knowing the results, etc.

GENERAL FRAMEWORK

of operations submitted to preventive financial control

No crt	The document submitted to financial control	Supporting documents	Way of performing preventive financial control
1	public procurement contract/order	<ul style="list-style-type: none"> -Plan of public procurement contract for each project; - Announcement / invitation for contract notice; - Documentation for the development and submission of the tender; -Instrument of appointment of the evaluation / negotiation committee; - Bids submitted; -decision of the evaluation committee regarding the determination of the winning tender; - Appeals submitted. 	<p>Checking:</p> <ul style="list-style-type: none"> • if public procurement is set out in the annual program; •if the acquisitions are fit within the set value limits; • compliance with legality and regularity appropriate for public procurement procedure;
2	Internal act regarding the decision of moving abroad	<ul style="list-style-type: none"> - The existence of the necessity of dislocation foreseen in projects; - Necessity of dislocation due to necessity to negotiate for new projects; - Attending conferences or training organized by external partners; - Travel order 	<p>Checking:</p> <ul style="list-style-type: none"> - compliance between the nature and the amount of financial duties subject to internal decision act and the provisions of existing regulatory framework (transport, accommodation, subsistence allowance and other expenses);
SORTING EXPENSES			
1	Order of payment regarding public procurement of products, services	<ul style="list-style-type: none"> - public procurement contract; - Tax bill; - Documents certifying delivery 	<p>Checking:</p> <ul style="list-style-type: none"> - If supporting documents are prescribed by current regulations; - If winding up operation concerning

		of goods, service provision or execution of works, if applicable; - Foreign bill; - Customs import declaration	reality of facts and the accuracy of the amount owed is certified by the head of the organization by "good for payment"; - compliance of liquidated costs value with the amount passed for payment and its framing in legal commitment.
2	Authorizing payment of salaries, other personnel granted labor rights and the related tax liabilities	- monthly summary of payroll; - other documents.	Checking: - Complying with the provisions of the budget concerning the maximum number of positions for projects; - If legal quotas regarding contributions were applied;

G. Providing harmonization of decisions and actions of structures within the institution, to achieve the convergence and consistency to attain predetermined objectives, respecting the general requirements:

- Management ensures coordination of decisions and actions of structural departments;
- Management ensures participation in auctions for funding different projects in compliance with ACTIVITY Foundation mission according to the terms for application.

H. Monitoring the performance of volunteers and employees within each department using specific and relevant quantitative and qualitative indicators, including indicators regarding economy, efficiency and effectiveness, in observance of the general requirements:

- Leader evaluates performance, noting any deviations from targets, in order to take the corrective measures that are imposed,
- The head of the institution has the obligation to create and maintain a healthy system of internal control, mainly by:
 - identifying major risks that may affect the effectiveness and efficiency of operations, respecting the rules and regulations, reliance on financial information and on internal and external management information, protection of property, prevent and detect fraud;
 - define the acceptable level of exposure to these risks;
 - assessing the probability the risk materializes and the size of its impact;
 - monitoring and risk assessment and evaluating the degree of adequacy of internal controls in risk management;
 - check budget execution reporting, including the one on programs.

I. INFORMATION AND COMMUNICATION

Establishing an effective internal and external communication system to ensure fast, fluent and accurate dissemination of information, in accordance with the following general requirements:

- head of the institution ensures the functioning of an effective system of communication;
- through its components, the system of communication serves the goals of the users;

- communication system must be flexible and fast, both within the organization, as well as between it and the external environment;
- the communication process must be adapted to the capacity of users in terms of information processing.

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