

**MANAGEMENT PROCESS OF SENSITIVE FUNCTIONS BY
COMPONENT OF INTERNAL CONTROL MANAGEMENT IN
PUBLIC INSTITUTIONS**

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Abstract:

Secretary General of the Government Order No. 400/2015 of 16 standards cover all internal control management.

Managerial internal control standards define minimum rules management, which all public entities must follow.

The objective is to create a standard internal control management model uniform and consistent. At the same time, standards constitute a reference system relative they evaluate internal control systems, identify areas and directions change.

Standard - "Duties, functions, tasks" in Section (key - element) "control environment" (contains issues of organization, management human resources, ethics, ethics and integrity).

In describing the standard public entity management provides document preparation and updating of the mission to the public entity, internal regulations and job descriptions, which communicates to employees.

The general requirements of (determining directions in which you have acted to implement the standard) is precizeza that:

- ✓ *sensitive functions and those considered to be at, especially, corruption can be attached to all activities concerning the management of human, financial and informational;*
- ✓ *management of the entity identifies the inventory of sensitive functions on the list of sensitive and employees who occupy these sensitive functions. If it decides to declare the existence of sensitive will develop a plan for staff rotation at intervals, usually at least 5 years. In the situation where the public entity decides not to declare certain sensitive functions, then, necessarily, implement control activities further or other measures flow that process so that the process of risk management effects on activities undertaken at the establishment be minimal.*

Standard - "Duties, functions, tasks" raised a number of concerns in the public and thus tackles a new aspect of the regulatory framework in internal control management by detailing the duties and responsibilities of public entities in the implementation of this standard.

Keywords: *internal control management, internal control system management, internal control standards management, sensitive functions, ethics and integrity, tasks, responsibilities*

Clasificare JEL: *H83*

1. General comments on the purpose and definition of managerial internal control standards

Managerial internal control standards define minimum management rules that all public entities must follow.

Control Standards aim is to create a model of uniform and coherent internal control management, enabling comparisons between entities of the same kind or the same entity at different times, and make it possible to highlight the results of the entity and its evolution. Standards are a reference system relative to assessing internal control systems management, identify areas and directions of change.

Establish managerial system of internal control is the responsibility of each public entity and management must be based on internal control standards promoted by SGG under the law.

As their general wording was necessary to enable all drivers to apply, despite the significant differences between the various public entities. Internal control management systems should be developed taking into account the specific legal, organizational, personnel, funding etc. of each public entity basis.

The standards are grouped under the five key elements of internal control management:

- control environment. It groups the problems of organization, human resource management, ethics, ethics and integrity;
- performance and risk management. This key concerns management issues related to setting objectives, planning (annual planning), software (management plan) and performance (performance monitoring);
- control activities. Grouped standards in this key internal control management focuses on: documentation of procedures; continuity of operations; Recording exceptions (deviations from the procedures); separation of powers; supervision etc .;
- information and communication. In this section are grouped issues related to creating an adequate information system and a system of reports on implementation of the management plan, budget, resource use, and management of documents;
- evaluation and audit. The issues covered by this group of standards for the development of evaluation capacity of the internal control management in order to ensure continuity of the process to improve it.

Each standard control is divided into three components:

- Standard description - presents the defining features of domain management referred standard, the secured by its title;
- General requirements - has to be driven in determining directions in order to meet the standard;
- Main references - lists representative normative acts, which include regulations applicable standard, but not exhaustive.

List of internal control standards managerial public entities, includes:

a) Control environment:

- Standard 1 - Ethics and integrity
- Standard 2 - Powers, functions, tasks
- Standard 3 - Competence, performance

- Standard 4 – Structure
- b) Performance and risk management:
 - Standard 5 - Objectives
 - Standard 6 - Planning
 - Standard 7 - Monitoring performance
 - Standard 8 - Risk Management
- c) Control activities:
 - Standard 9 - Procedures
 - Standard 10 - Supervision
 - Standard 11 - Business Continuity
- d) Information and communication:
 - Standard 12 - Information and communication
 - Standard 13 - Document management
 - Standard 14 - accounting and financial reporting
- e) Evaluation and audit:
 - Standard 15 - Assessment of Internal Control Management
 - Standard 16 - Internal Audit

2. Content standard - "Duties, functions, tasks"

● General requirements

This component of the Standard 2 "Duties, functions, tasks" set the directions decisive action must be taken in order of application. Thus, the institution must ensure an appropriate level of professional and personal integrity of employees who are aware of the importance of the work they perform.

At the level of public entities are prepared: inventory of sensitive, list of employees that fill sensitive plan to ensure rotation of employees in sensitive positions, so if control measures are effective and are updated annually, an employee to act in such a depending on more than 5 years. Otherwise apply the rotation.

Reflected in the inventory of sensitive are usually those positions that present significant risk in relation to obiectivele. Rotația staff is done with minimal effect on the public entity's operations and employees. This measure is proposed only if necessary. The measure also applies separation of duties to prevent an employee to undergo significant risks to integrity. Avoid enforcement, exclusively individually to determine significant risk to operations integrity. Acting as a team, it avoids the risk of integrity through error, fraud, violation of laws and the risk of being unable to detect these problems.

Using risk factors identified in public institutions, are the functions that should be regarded as sensitive. Obviously, the more they appear more

risk factors related to a particular function, the higher the risk for the integrity and takes several measures to reduce identified risks. Each institution, depending on the circumstances specific risks. In general, the risk factors that need attention are:

- a) access to the material, financial and informational, without holding an authorization document;
- b) activities to be exercised under conditions of monopoly, exclusive or special rights;
- c) the delegation of powers;
- d) evaluation and counseling, which can involve serious consequences;
- e) procurement of goods / services / works, by evading legal regulations;
- f) failure or improper performance of workload duties;
- g) work directly related to citizens, politicians or third legal entities;
- h) the exclusive decision-making functions competently.

Depending on the nature and the estimated size of the identified risks associated functions sensitive, may apply other measures of internal control, specific standards 1 "ethics and integrity" Standard 11 - "Going Concern" Standard 12 - "Information and communication".

Rules of organization and functioning of the public entity includes full duties in a manner entity resulting from the enactment of organization and operation, as well as other laws and regulations; it is communicated to employees and published on the website of the public entity.

Each employee must know the mission entrusted entity, objectives and tasks of the department of public entity and part of its role in the compartment, set the job description and job objectives they occupy.

Leaders compartments public entity required to prepare and update, whenever appropriate job descriptions for their staff.

Tasks must be clearly formulated and closely related with job objectives, so as to achieve full compliance tasks between content and content objectives station.

Leaders compartments public entity must identify new and difficult tasks incumbent employees and assist them in achieving them.

Public entity management identify their sensitive functions and features deemed to be, especially on political corruption and establish an appropriate management personnel who fill those positions.

Sensitive functions and those considered to be at, especially, corruption can be attached to all activities concerning the management of human, financial and informational.

The management entity identifies the inventory of sensitive functions on the list of sensitive and employees who occupy these sensitive functions. If it decides to declare the existence of sensitive will develop a plan for staff rotation at intervals, usually at least 5 years. In the situation where the public entity decides not to declare certain sensitive functions, then, necessarily, implement control activities further or other measures flow that process so that the process of risk management effects on activities undertaken at the establishment be minimal.

• **Standard application - Duties, functions, tasks**

Entity level can be applied to a formalized procedure on the management of sensitive and considered especially vulnerable to corruption. In this regard, the risks associated functions belong, usually, but not exclusively, in the following fields and areas of risk:

- a. access to confidential / classified
- b. conducting public procurement of goods / services / works;
- c. management of resources is often, external funds, programs or projects;
- d. activities of recruitment and selection of personnel;
- e. the finding of compliance with legal standards;
- f. the sole decision-making authority;
- g. impact of major decisions / actions or inaction;
- h. activity is exercised under conditions of monopoly, exclusive or special rights;
- i. assessment and counseling (with major consequences in relation to the objectives structure);
- j. guaranteeing the rights / powers (staff or citizens);
- k. held position of supervisor of a sensitive functions
- l. activities with direct impact on service beneficiaries, citizens and economic operators.

In order to inventory and management of sensitive and considered especially vulnerable to corruption through public entity, generally the following steps:

- a. convening of the Monitoring Committee in identifying, ordering, classification and revaluation of sensitive and considered especially vulnerable to corruption;
- b. preparing the inventory of sensitive and considered especially vulnerable to corruption, according formalized procedure on the management function;
- c. List for employees that fill sensitive positions and those considered especially vulnerable to corruption;
- d. Development Plan to ensure risk reduction associated sensitive positions and those considered especially vulnerable to corruption.

The steps mentioned on the management of sensitive requires constant updating, depending on changing organizational structure, personnel policy, security policy and an annual review of sensitive positions.

Standard 2 included in the Self- Assessment Questionnaire refers to the definition of sensitive and considered especially vulnerable to corruption, which are the functions with a significant risk to the objectives of the public entity, we believe that there is a public entity to declare lack these features, supported by the National Anticorruption strategy.

Thus, on the approach of answers to question 2 and 3 related to self assessment questionnaire Standard 2, each compartment of the organizational structure identifies its sensitive functions and / or those considered especially vulnerable to corruption, taking into account the areas of activity and previously the named risk areas.

• Implementation of sensitive functions

Trying to respond to practical requirements, the present disclosure provides the opportunity entities effectively tackle the subject of sensitive positions. Being designed for general use, it has the character of uniform and practical instruction, related to the identification, establishment and management of sensitive and assigning responsibilities associated with them, thus contributing to the improvement of monitoring and control. In

short, this material is a support tool in the effort sensitive managerial management functions.

For each function sensitive, it requires a specific approach (own code of conduct / manual) which provides a method executable and safe, including working procedures that reduce risks and contribute to improve operational procedures or system and, ultimately, to fulfillment by persons in office, work tasks they have been assigned.

The aim is to ensure standard 2 as a prevention tool, a clear understanding, structured, transparent privacy and sensitive positions and reduce possible risks associated. In practice, it is recommended to include the contents and principles of the standard 2 in a concise guidebook, which should lead to:

- a) possibility of agreement structured, transparent, sensitive functions;
- b) clarity about who is responsible for what, about relevant policy, implementation and monitoring;
- c) practical instructions relating to the identification, organization and management and assigning responsibilities associated sensitive positions;
- d) clarity about security investigation (sponsor, investigator etc.);
- e) the procedure for establishing (and approval) of sensitive positions;
- f) ability to customize specific situations (with a statement compliance or explanation);
- g) a format for a "Record of sensitive positions" and a format for the plane of rotation, every 5 years;
- h) procedures for compulsory insurance of secret documents.

Depending on the organizational structure, a specific approach produces the best and tangible short-term results. Regarding the sensitive functions they going to examine the activities generating significant risks and vulnerabilities organizational and represents, above all, an investigative detention. Its purpose is to identify potential vulnerabilities in the organization and reduce future vulnerability, through various measures. It gives also the coordinator integrity, providing valuable assistance and useful by carrying out these tasks.

Moreover, such an approach offers the opportunity to remove any assumptions unreasonably in relation to that topic, and provide clarity and transparency related to the relevant responsibilities and duties of the authorizing officer.

3. Interpretation of sensitive by standard - Ethics and integrity

Ethics, integrity and sensitive functions are interdependent and closely related topics. Governmental institutions, for example, issue licenses, collect fees, grant exemptions, oversee the rules and apply penalties or fines, if necessary. In general, this means that the manager and employees must have an appropriate degree of personal integrity and professional and be aware of the importance of the work they perform, regarding compliance with laws, regulations, rules and specific policies and respect the confidentiality of information. This would help to protect the public interest at large, but also risks, whose materialization would cause damage that can be made including national security.

It should be noted that the standard 1 " Ethics, integrity, " states that the public entity provides the necessary conditions for employees to know the regulations governing their behavior, prevention and reporting of fraud and irregularities. Ethical values are part of the organizational culture of the public institution. The public should have a formal code of conduct, written, to be a means of communicating ethical values uniformly to all employees. Component 1.2 "General requirements" This standard sets out the directions decisive action must be taken, for the purposes thereof, in relation to employees' personal and professional integrity. In addition, Strand 1.3 'gold standard' includes normative acts representative, containing provisions applicable subdomain management identified by the title of the standard, mainly those relating to: the regulations and code of conduct for civil servants, declaration and control of assets, ensure transparency in the exercise dignities and public functions, preventing, discovering and sanctioning corruption.

4. Weaknesses / priorities of strategic intervention in the management of sensitive function

Mutual evaluations made between public institutions have identified weaknesses that can represent milestones for the coming years, as follows:

- institutionalization response to similar incidents integrity management failure;
- need to strengthen prevention structures in the public institutions, as well as the internal control and audit, risk analysis along with specialized institutions;
- anti-corruption education is a major priority. There is a significant shortage of knowledge by employees and managers to the legal standards of integrity (protection of whistleblowers in the public interest, ethical advice, management of sensitive functions);
- claims management proceeds of crime, especially during the administration of seized assets and recovery of the seized;
- prevention of corruption in the political and identify outstanding formula transposition measures;
- intensify efforts to strengthen integrity in business, including public enterprises, especially by: implementing a plan of integrity, development and application of the code of ethics of the company, establishing mechanisms to protect whistleblowers in the public interest, preventive measures for functions sensitive and mechanisms for handling incidents of integrity;

Conclusions

Starting from the definition of sensitive, are those functions with a significant risk to the objectives of the public entity, it is considered that there is no public entity stating that lack of features, hypothesis supported by the National Anticorruption Strategy.

The management of sensitive approaches require constant updating, depending on changing organizational structure, personnel policy, security policy and an annual review of sensitive functions.

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