

Law no. 94 of 8 September 1992 (re-issued)
on the organization and operation of the Romanian Court of Accounts
published in the Official Bulletin no. 282 of 29 April, 2009

CHAPTER I
General provisions

ART. 1

(1) The Court of Accounts shall conduct the control of the establishment, management and use of state and public sector financial resources.

(2) The control function of the Court of Accounts shall be implemented by means of external public audit procedures, provided in the own audit standards, drafted in keeping with the generally accepted international audit standards.

(3) The Court of Accounts shall conduct its activity autonomously, in keeping with the provisions of the Constitution and of this law, and shall represent Romania in the international organizations of these institutions.

(4) The litigations devolving from the activity of the Court of Accounts shall be settled by the specialized legal courts.

(5) The functions of the Court of Accounts shall be carried out, at the level of administrative and territorial units, through the county chambers of accounts and the Bucharest Municipality one, structures without a legal personality.

(6) The head office of the Court of Accounts shall be located in Bucharest municipality and the head offices of the chambers of accounts shall be located in the county and Bucharest Municipality capitals.

ART. 2

Within the meaning of this law, the terms and phrases below shall have the following senses:

- a) control – the activity involving examining and overseeing the observance of law on the establishment, management and use of public funds;
- b) external public audit - the audit activity conducted by the Court of Accounts that shall mainly comprise financial audit and performance audit;
- c) financial audit - the activity involving review of whether or not financial statements are complete, accurate and in compliance with the laws and regulations in force, resulting in the issue of an opinion thereon;
- d) performance audit - an independent assessment of whether an activity, a programme or an institution operates effectively, economically and efficiently;
- e) external public auditor – an employee of the Court of Accounts who carries out specific public sector external audit activities;
- f) effectiveness – the extent to which programmed objectives are achieved for each activity and the ratio between the projected impact and the actual result of the respective activity;
- g) efficiency – maximizing the results of an activity in relation to the resources used;

- h) economy – minimising cost of resources allotted to attain the estimated results of an activity, while maintaining the adequate quality of these results;
- i) audit standards – the set of concepts, guiding principles, procedures and methods based on which the auditor shall establish the overall examination stages and procedures, allowing attainment of the set objective;
- j) auditee – the public authority, national company/enterprise, autonomous administration authority, commercial company, where the state or an administrative and territorial unit owns, individually or jointly, integrally or more than half of, the social equity;
- k) audit opinion – the auditor’s written conclusion on the audited financial statements and/or programs or activities, on their fairness, reliability and consistency with the regulations applicable to the domain;
- l) public funds – the amounts allotted from the state budget, the local budgets, the state social insurance budget, the special funds budgets, the state treasury budget, the self-managed public institutions budgets, the budgets of public institutions integrally or partially financed from the state budget, the state social insurance budget and the special funds budgets, according to case, the budgets of public institutions integrally financed from own revenues, the budget of funds generated by external credits concluded or guaranteed by the state and the reimbursement, interests and other costs of which are covered from public funds, the budget of non reimbursable external funds, the external credits concluded or guaranteed by local public administration authorities, the internal credits concluded by local public administration authorities, as well as from the budgets of public institutions, financed integrally or partially from local budgets;
- m) public authority – the generic name including the Parliament, the Presidential Administration, the Government, the ministries, other specialized bodies of the public administration, other public authorities, autonomous administrative authorities, local public administration authorities and the institutions subordinated to the latter, irrespective of the financing modality;
- n) legality – the characteristic of an operation complying with all applicable legal provisions in force as of the date it has been performed;
- o) authorizing officer - the person empowered by law or by delegation, in keeping with law, to order and endorse actions having a financial impact on public funds or public patrimony, irrespective of their nature;
- p) public patrimony – the overall rights and liabilities of the state, of administrative and territorial units or of the latter’s public entities, acquired or taken over under any title. The state and the administrative and territorial units rights and liabilities refer exclusively to public sector assets;
- q) regularity – the characteristic of an operation complying in all points with the overall procedural and methodological principles and regulations applicable to the category of operations it belongs to;
- r) The International Organization of Supreme Audit Institutions – INTOSAI – comprises supreme audit institutions of member states of the United Nations Organization; it issues audit standards, methods and provides training in public audit.

ART. 3

- (1) The Court of Accounts shall autonomously decide on its activity program.
- (2) The controls by the Court of Accounts shall be launched ex officio and may only be stopped by the Parliament and solely when the competences set by law have been exceeded.
- (3) The decisions by the Chamber of Deputies or by the Senate, requesting the Court of Accounts to conduct controls, within its competences, shall be mandatory. No other public authority may request the Court to do so.

ART. 4

- (1) The Court of Accounts shall submit to the Parliament, on an annual basis, a report on the national public budget management accounts of the closed budget exercise, also identifying the irregularities found.
- (2) Upon request by the Chamber of Deputies or by the Senate, the Court of Accounts shall examine the public resources management and shall report on the findings.
- (3) Whenever the Court of Accounts deems it necessary, it shall submit to the Parliament and, through the county and Bucharest Municipality chambers of accounts, to local, county and Bucharest Municipality councils, reports in the fields under its jurisdiction.
- (4) The Annual Report of the Court of Accounts shall be published in the Official Bulletin of Romania, Part III.

ART. 5

- (1) The Court of Accounts shall have unrestricted access to instruments, documents, information required to implement its powers and duties.
- (2) Auditees shall submit the instruments, documents, information requested, at the terms and in the structure set by the Court of Accounts and shall ensure access to their premises.
- (3) Natural or legal persons holding instruments or documents shall submit them, upon request, to public auditors.
- (4) Auditees shall support the public auditors' activity whenever audit missions are conducted at their premises, by providing adequate work location and proper logistics access.
- (5) Auditees shall be integrally accountable for their actions and may not be exonerated by invoking the reports of the Court of Accounts.
- (6) Public authorities having competences in the field of financial control, fiscal control, as well as prudential control or supervision in other domains shall give precedence to specific examinations, upon request by the Court of Accounts.
- (7) Whenever, in the conduct of its functions, the Court of Accounts comes across information representing state, office, commercial or individual secrecy, it shall observe the character of such and disclose it only to the authorities concerned.

ART. 6

The Court of Accounts shall draft and approve its own budget, which it shall submit to the Government, for it to be included in the state budget draft which the Parliament shall approve.

ART. 7

- (1) The Court of Accounts may participate in the activities of specialized international bodies and become a member of such.
- (2) The Court of Accounts may cooperate with international bodies in the field and may conduct on their behalf control of the management of the funds awarded to Romania, where this competence is set by treaties, covenants or other international agreements.

CHAPTER II

Organization and management of the Court of Accounts

Art. 8

- (1) The plenum of the Court of Accounts shall have 18 members, appointed by the Parliament in keeping with this law, who are counselors of accounts.
- (2) The structure of the Court of Accounts shall comprise departments, county and Bucharest Municipality chambers of accounts and a General Secretariat.

Art. 9

- (1) The management of the Court of Accounts shall be enforced by the plenum of the Court of Accounts. The executive management of the Court of Accounts shall be ensured by the president, assisted by two vice-presidents, who are counselors of accounts.
- (2) The secretary general, as well as specialists with high expertise in various domains under the competence of the Court may attend the sitting of the Court of Accounts plenum.
- (3) The president of the Court of Accounts shall chair the sittings of the plenum. In the absence of the president, a vice-president shall chair the sittings.
- (4) The president of the Court of Accounts and the other members shall be independent in the conduct of their powers and duties and in decision-making and shall observe the collegiate, publicity and transparency principles.

Art. 10

- (1) Departments shall be managed by a counselor of accounts, who shall also fulfill the position as head of department, appointed by the plenum of the Court.
- (2) Specialized directions, services, offices and compartments may be organized within departments.

- (3) The county chambers of accounts and Bucharest Municipality chamber of accounts shall be headed by a manager and a deputy manager. Services and offices may operate within the structure of county chambers of accounts.
- (4) The organization structure of the Court of Accounts, the tables of organization, the number of management and execution positions, the domains of activity and the competences of the departments, of the General Secretariat, as well as of the other structures shall be set by the plenum of the Court of Accounts.
- (5) The financial control staff employed with the Court of Accounts shall acquire the capacity as external public auditors. This position may be filled by graduates of economic, legal or other faculties relevant for the conduct of the Court of Accounts' activity.

Art. 11

- (1) The coordination of the activity conducted at the level of departments and of county and Bucharest Municipality chambers of accounts shall be carried out by the counselors of accounts and by the directors of the chambers of accounts, in keeping with the norms and procedures set up by the plenum of the Court of Accounts.
- (2) The organization and development of the activities specific to the Court of Accounts, as well as the follow up of the documents resulting from these activities, shall be performed in keeping with the regulation approved by the plenum of the Court of Accounts, in accordance with this law.
- (3) The regulation shall be published in the Official Bulletin of Romania, Part I.

Art. 12

The Audit Authority shall be organized and shall operate to fulfill certain obligations in the field of external audit, which Romania has in its capacity as a European Union member state; these shall cover the non-reimbursable pre-accession funds granted to Romania by the European Union, through PHARE, ISPA and SAPARD programs, for the structural and cohesion funds, for the European Agricultural Guarantee Fund, for the Fishery European Fund, as well as for the funds to be granted in the post-accession period, hereto called the Audit Authority, which shall have own competences and work procedures.

Art. 13

(1) The Audit Authority shall be an operationally independent body in relation to the Court of Accounts and to the other authorities in charge of the management and implementation of non-reimbursable community funds, having its seat in Bucharest Municipality. In the territory, the Audit Authority shall have regional structures, organized in the counties where agencies, management authorities and/or intermediate bodies managing community funds conduct their activity.

(2) The Audit Authority shall be the sole national authority competent to conduct external public audit, in keeping with community and national laws, of the funds listed under art. 12

(3) The Audit Authority shall be competent to perform external public audit of funds categories other than the ones listed under art. 12, while the regulations covering the respective funds shall also provide the resources required.

Art. 14

(1) In keeping with the community and national law, with the internationally accepted audit standards, the Audit Authority shall conduct system audit and operations audit.

(2) The main competences of the Audit Authority shall be as follows:

- a) assessment of the compliance of management and control systems for the operational programs, co-financed by structural instruments and by the Fishery European Fund, with community legal provisions;
- b) examination, based on a representative sample, of the expenditure declared by the authorities in charge of the management and implementation of the mentioned funds;
- c) annual reporting on the compatibility of management and control systems of the authorities in charge of the management and implementation of the mentioned funds, in point of their capacity to ensure compliance of the operations, with community regulations;
- d) checking the existence and correctness of the national co-financing element;
- e) issue of audit certificates on the payment agencies annual accounts, as well as on the SAPARD euro account, concerning the integrality, accuracy and veracity of these accounts.
- f) issue of an opinion on the declaration of assurance, issued by the payment agencies for agriculture and rural development;
- g) issue of the closing statements, accompanied by audit reports, for each program or measure, financed from the mentioned funds, according to case;
- h) follow up of the observance of accreditation criteria relating to the authorities in charge of the management and implementation of non-reimbursable community funds for agriculture and rural development, along their overall technical and financial implementation period;
- i) follow up of the implementation by auditees of the recommendations submitted as a result of the audit actions conducted by the Audit Authority.

(3) The Audit Authority shall have the role of a certifying body in relation to non-reimbursable community funds for agriculture and rural development support.

(4) The Audit Authority may conclude agreements with the structures in charge of the management of the funds mentioned under art. 12, to implement its powers and duties.

(5) The Audit Authority shall report to the European Commission on the use of the non-reimbursable community funds listed under art. 12 and the main findings and recommendations resulting from the audits conducted shall be included in the Court of Accounts' annual public report.

(6) The Audit Authority shall have unrestricted access to the instruments, documents and information required to carry out its competences, irrespective of the legal or natural persons holding them.

(7) The Audit Authority may conclude contracts with specialized companies or with authorized experts to implement certain activities to complete its mandate.

Art. 15

(1) The Audit Authority shall be headed by a president and two vice-presidents, appointed by the Parliament from among the counselors of accounts, for the respective duration of the counselor of accounts' term of office. This term of office may not be renewed.

(2) The President of the Audit Authority shall issue decisions and instructions for the organization and operation of the central and regional structures he/she coordinates.

The powers and duties of the president of the Audit Authority shall be mainly as follows:

a) approval of the audit reports and endorsement of the audit opinions on the assessment of the compliance of the management and control systems with the community law provisions, for the operational programs co-financed by structural instruments and through the Fishery European Fund;

b) approval of the audit reports and endorsement of the operations audit opinions, subsequent to examination of the expenditures declared by the authorities in charge of the management and implementation of the funds provided under art. 12;

c) approval of the annual reports on the compatibility of the management and controls systems of the authorities in charge of the management and implementation of the funds provided under art. 12, relating to their capacity to ensure conformity of the operations with community regulations;

d) approval of the reports on the examination of the existence and correctness of the national co-financing element;

e) endorsement of the audit certificates on the annual accounts of the payment agencies, as well as on the SAPARD euro account, in point of integrality, accuracy and reliability of these accounts;

f) endorsement of the opinions on the declarations of assurance, issued by the payment agencies for agriculture and rural development;

g) endorsement of the closing declarations and approval of the audit reports for each individual program or measure, financed from the funds provided under art. 12, according to case;

h) representation of the Audit Authority and insurance of its relations with national and community institutions and public authorities, as well as with the national and international bodies in the field;

i) approval of the travel of the Audit Authority staff to conduct the latter's competences, including the participation to various audit meetings or groups, at home and abroad, specific to the management and control of the funds provided under art. 12;

j) approval of the procedural rules of the Audit Authority on its specific activity in point of audit of the funds listed under art. 12;

k) approval of the audit manuals and strategies required to implement the provisions specific to the Audit Authority as listed in the community regulations;

l) approval and forwarding, according to case, to the services of the European Commission, the Audit Authority annual programs of activity;

m) endorsement of the own regulation on the Audit Authority organization and operation, to be submitted for approval to the plenum of the Court of Accounts;

n) endorsement of the Audit Authority organization chart and of the tables of organization, appointment of managers, deputy-managers, heads of services and submission of such to the plenum of the Court of Accounts for approval;

o) endorsement of the Audit Authority staff promotion criteria and establishment their powers and duties, specific to the audit of European funds, in the job description;

(p) approval of the specific criteria for the filling of the positions required to conduct audit of European funds and advertising for competitive examinations to fill Audit Authority vacancies;

q) briefing, on a bi-annual basis or whenever deemed necessary, the plenum of the Court of Accounts on the main findings resulting from the audit actions and on the measures taken in keeping with the community regulations;

r) submitting to the plenum of the Court of Accounts the synthesis of the findings and results of the European funds audit, for them to be included in the annual report to the Parliament;

s) other competences, under the law.

(4) The conduct of certain of the powers and duties listed under paragraph (3) may be delegated to the vice-presidents of the Audit Authority.

(5) The funds required for the Audit Authority to conduct its activity shall be provided from the state budget and shall be distinctly listed in the budget of the Court of Accounts.

ART. 16

(1) The organization structure of the Audit Authority, the number of staff and the tables of organization of the Audit Authority shall be approved by the plenum of the Court of Accounts, upon proposal of the president of the Audit Authority. The coordination and attributions of the central and regional structures of the Audit Authority own staff and of the staff at central and regional level shall be set by the Audit Authority in the organization and operation regulation, which shall be an integral part of the Court of Accounts' organization and operation regulation.

(2) The Audit Authority may also employ staff specialized in domains other than economics, to fulfill its powers and duties.

ART. 17

(1) The remuneration of the Audit Authority staff shall be made in keeping with the legislation on the remuneration of the Court of Accounts staff and with the provisions of Law no. 490/2004, on financial incentive to staff managing community funds, with the subsequent modifications.

(2) The president and the vice-presidents of the Audit Authority shall be entitled to a management indemnity which, together with the basic remuneration, may not exceed the maximum monthly salary granted to the specialized staff within the Audit Authority.

ART. 18

The funds required for the Audit Authority to conduct its activity shall be provided from the state budget and shall be included in the expenditure budget of the Court of Accounts.

ART. 19

The Government and the Court of Accounts shall provide the required conditions for the staff employment and professional training, the work premises, endowments and pertaining logistics for the unfolding of the Audit Authority activity.

ART. 20

(1) The General Secretariat of the Court of Accounts shall be managed by a secretary general.

(2) The organization structure of the General Secretariat and the competences of the compartments under it shall be set by the plenum of the Court of Accounts.

CHAPTER III

Competences, powers and duties of the Court of Accounts

SECTION 1

General Provisions

ART. 21

(1) The Court of Accounts shall conduct the control of the establishment, management and use of state and public sector financial resources, subsequently providing the Parliament and the administrative and territorial units a report on their use and management, in keeping with the principles of legality, regularity, economy, efficiency and effectiveness.

(2) The Court of Accounts may also conduct performance audits of the consolidated general budget management, as well as of any public funds.

(3) The external audit activity of the Court of Accounts shall be conducted in keeping with the own norms, adopted based on the generally accepted international standards.

(4) Performance audit shall aim at diminishing costs, enhancing effectiveness of resources use and attaining the objectives, based on its findings and recommendations.

ART. 22

Within the competences provided under art. 21, the Court of Accounts shall conduct its specific powers and duties in relation to the following domains:

- a) the establishment and use of the resources of the state budget, of the state social insurance budget and of the territorial and administrative units budgets, as well as the movement of funds among these budgets;
- b) the establishment and use of other public funds under the general consolidated budget;
- c) the establishment and management of the public debt and the situation of the government guarantees for internal and external credits;
- d) the use of budget allocations for investments, of subventions and transfers and of other financial assistance from the state or from the administrative and territorial units;
- e) the establishment, management and use of public funds by the autonomous administrative authorities and by the public institutions incorporated by law, as well as by the autonomous state social insurance bodies;
- f) the situation, evolution and management of the public and private patrimony of the state and of the administrative and territorial units by public institutions, autonomous administrations, national companies and enterprises, as well as the assignment or lease of publicly owned assets;
- g) the establishment, use and management of financial resources for environment protection, life and labor conditions quality enhancement;
- h) other domains which by law are under the competence of the Court.

ART. 23

Within the competences provided under art. 21, the Court of Accounts shall conduct specific activities relating to the following categories of public entities:

- a) the state and the administrative and territorial units, in the capacity as public law legal persons, with their public services and institutions, autonomous or non autonomous;
- b) the National Bank of Romania;
- c) the autonomous administrations;
- d) the commercial companies where the state, the administrative and territorial units, the public institutions or the autonomous administrations own, individually or jointly, the entirety or more than a half of, the social equity;
- e) the social insurance or other autonomous bodies that manage assets, valuables or funds, under a mandatory legal regimen, whenever this is laid down in the law or in their articles of association;

ART. 24

The Court of Accounts may decide to carry out the activities provided by law also involving entities other than the ones provided under art. 23, which:

- a) benefit from government guarantees for credits, from subventions or other state financial assistance, the administrative and territorial units, other public institutions;
- b) manage, based on an assignment or lease contract, assets belonging to the public or private domain of the state or of the administrative and territorial units;
- c) manage and/or use public funds, the examinations of which shall be conducted solely relating to the legality of the management and/or use of these funds.

ART. 25

(1) The implementation of the budgets of the Chamber of Deputies, the Senate, the Presidential Administration, the Government, the High Court of Cassation and Justice, the Constitutional Court, the Legislative Council and Ombudsman shall be exclusively controlled by the Court of Accounts.

(2) The Court of Accounts' budget shall be controlled by a commission set up in this respect by the two Chambers of the Parliament.

(3) The Court of Accounts shall submit the execution of the draft budget, in the first session of each year, to the Parliament for approval, with the visa of the commission provided under paragraph (2).

SECTION 2

Powers and duties of the Court of Accounts

ART. 26

The Court of Accounts shall conduct financial audit of the following implementation accounts:

- a) the general state annual budget implementation account;
- b) the state social insurance annual budget implementation account;
- c) the special funds annual implementation accounts;
- d) the local budgets and that of Bucharest Municipality, the budgets of counties, of Bucharest Municipality sectors, of the municipalities of towns and communes annual implementation accounts;
- e) the State Treasury annual budget implementation account;
- f) the autonomous public institutions annual budgets implementation accounts;
- g) the accounts relating to the implementation of public institutions annual budgets, financed integrally or partially from the state budget, from the state social insurance budget, from the local budgets and from the budgets of the special funds, according to case;
- h) the public institutions integrally financed from own revenues annual budgets implementation accounts;
- i) the state general annual public debt account;
- j) the non-reimbursable external funds annual budget implementation accounts;
- k) the accounts of other budgets implementation provided by law.

ART. 28

- (1) The Court of Accounts shall conduct the performance audit of the state and public sector financial resources use.
- (2) The Court of Accounts shall conduct an independent examination of the economy, effectiveness and efficiency of the use by a public entity, a program, a project, a process or an activity of the public resources allotted to fulfill the set objectives.
- (3) The performance audit may be carried out both at the end and during the unfolding of projects, programs, processes and activities.

- (4) The performance audit activity shall be carried out in keeping with the own performance audit methodology, adopted based on the INTOSAI audit standards and on the best practice in the domain and shall be concluded by the establishment of an audit report.
- (5) Performance audit shall lead to the minimization of resources cost or to the maximization of results, by means of the findings and recommendations issued.

ART. 29

- (1) The examination by the Court of Accounts of the entities listed under art. 23 and 24, shall mainly cover:
 - a) the reliability and reality of financial statements, as set in the accounting regulations in force;
 - b) the assessment of the management and control systems at the level of the authorities competent to oversee the financial liabilities to budgets or other public funds provided by law, of the legal or natural persons;
 - c) the use of the funds allotted from the budget or from other special funds, in keeping with the set destination;
 - d) the quality of the economic and financial management;
 - e) the economy, effectiveness and efficiency of public funds use.
- (2) The Court of Accounts shall conduct the control of the compliance by the authorities having competences in the privatization domain, with the privatization methods and procedures provided by law, as well as of the way they have ensured the observance of privatization contracts clauses. The Court of Accounts shall conduct the control of the compliance with the legal provisions concerning the management and use of financial resources resulting from privatization actions.
- (3) The Court of Accounts may conduct the control provided under paragraph (2) irrespective of the moment the privatization process has unfolded, by the sale of the state owned shares to commercial companies, until all issues are clarified.

ART. 30

The objectives of the controls of the Court of Accounts ordered by the Chamber of Deputies or the Senate or ordered by the Court shall be set by a decision and shall be notified to the entities concerned.

SECTION 3

Certification of the accounts

Art. 31

- (1) The Court of Accounts shall certify the accuracy and fairness of the data in the examined implementation accounts.

(2) No other authority may rule on the data recorded in the implementation accounts, but provisionally.

ART. 32

(1) The Court of Accounts shall conduct the audit at the Court head office or on site.

(2) The external public auditors appointed to audit the accounts, as well as the other activities for which the Court of Accounts is competent, shall draft reports listing the findings and the conclusions, make recommendations relating to the steps to be taken and express an opinion relating to such, in compliance with the own procedures set in the regulation, approved in keeping with the provisions of art. 11 paragraph (2).

(3) In case the accounts submitted do not meet the conditions to make their examination possible, external public auditors shall return them to the holders and set a deadline for their completion or re-drafting, according to case. If the accounts holders do not comply with this step, the completion or re-drafting of the accounts shall be done at their expense by a chartered accountant appointed by the Court of Accounts.

Art. 33

(1) The audit reports follow up shall be done in keeping with the regulation approved according to art. 11 paragraph (2).

(2) In case the regularity of the accounts is found, a conformity certificate shall be issued and notified to the auditee.

(3) In case deviations from legality and regularity are found, which generated damages, the audited public entity management shall be notified accordingly. Setting the extent of the damage and ordering the steps to recover it shall lay with the auditee management.

(4) In case audit reports highlight deeds relating to which there are indications of criminal law infringement, the department manager shall notify the competent bodies to ensure follow-up of the findings and shall notify the audited entity accordingly.

(5) When it proves impossible to draft an audit report, the auditee shall be ordered to complete and/or re-draft the accounts examined.

ART. 34

The certification of the accounts examined shall not be a ground for legal liability exoneration.

ART. 35

The auditee may make written objections to the findings contained in the reports drafted by external public auditors, within 15 days as of receipt of such. The objections shall be submitted to the head office of the institution with which works the external public auditor and shall be considered on follow-up of findings.

ART. 36

For grounded reasons, the accounts examination procedure may be resumed, within one year as of the examined account certification.

ART. 37

In case subsequent to the examinations made during budget implementation at the legal entities listed under art. 23 and 24 there result deeds generating financial damages or infringements have been found, the findings follow up shall be done in keeping with the provisions of art. 33.

CHAPTER IV

Reporting, endorsing competences and other powers and duties

ART. 38

(1) Within 6 months as of receipt of the accounts provided under art. 26 from the bodies competent to establish them and kept to forward them, the Court of Accounts shall draft the annual public Report and shall submit it to the Parliament.

(2) The annual reports on local public finances are submitted by the county chambers of accounts to the deliberative public authorities of the administrative and territorial units.

ART. 39

The annual public Report shall comprise: the observations of the Court of Accounts on the implementation accounts of the budgets subjected to its control; the conclusions devolving from the controls ordered by the Chamber of Deputies or the Senate or conducted relating to autonomous administration authorities, commercial companies with integral or majority state owned capital and other legal entities under the Court control competence; the law infringements found and the measures taken to bring to account the liable parties ; other issues which the Court shall deem necessary.

ART. 40

The Court of Accounts may submit to the Parliament or, by the intermediary of the county chambers of accounts, to the deliberative public authorities of the administrative and territorial units, reports in the domains under its jurisdiction, whenever the Court shall deem it necessary.

ART. 41

The Court of Accounts shall endorse:

a) upon request by the Senate or by the Chamber of the Deputies, the state budget draft and the law drafts in the field of public finances and accounting or the ones by the

enforcement of which a diminishment of the revenues or a maximization of the expenditure approved by the budget law would result;

b) the set up by the Government or by ministries of specialized bodies subordinated to them.

ART. 42

(1) The Court of Accounts shall also have the following competences in the conduct of the powers and duties granted by the law:

a) to assess the own financial control activity and the internal audit activity of the examined legal entities listed under art. 23;

b) to request financial and taxation control bodies, banking inspection bodies of the National Bank of Romania included, to give precedence to the examination of certain objectives, within their legal powers and duties;

c) to request and use, in order to enforce its control and audit functions, the reports of other bodies having competences in the field of financial and taxation control and banking inspection;

d) to request state specialized institutions, whenever necessary, to conduct specialized examinations that would contribute to the clarification of certain findings.

(2) The legal entities subjected to the control of the Court of Accounts shall submit to the latter, by the end of the 1st quarter, for the previous year, the report on the internal audit program unfolding and implementation.

(3) The Court of Accounts shall develop the cooperation with the internal audit structures at the level of legal entities, to ensure complementarity and to enhance audit activity effectiveness.

ART. 43

Based on its findings, the Court of Accounts shall establish:

a) suspension of the implementation of measures that infringe legal regulations in the financial, accounting and fiscal domain;

b) locking the budget or special funds, whenever it is found that they have been used illegally or ineffectively;

c) removing irregularities found in the examined financial-accounting or fiscal activity.

ART. 44

The measures provided under art. 43 shall be taken in compliance with the regulation approved under art. 11 paragraph 2.

ART. 45

The Court of Accounts shall request the competent bodies the administrative suspension, in keeping with law, of the persons charged with deeds generating material damages or serious

financial deviations, found during its controls or audits, until the final settlement of the cases in which they are involved.

CHAPTER V

Appointment and statute of the Court of Accounts staff

ART. 46

(1) The members of the Court of Accounts shall be 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.

(2) The Court of Accounts shall be 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.

(3) The active counselors of accounts appointed by the Parliament shall continue their activity until expiry of their term of office. Before commencing their term of office, the counselors of the Court of Accounts shall take the following oath before the chairmen of the two Chambers of the Parliament of Romania: *“I swear to observe the Constitution and the other laws of the country, to defend the interests of Romania, the rule of law, the fundamental rights and liberties of citizens, to fulfill with honor, conscience and fair-mindedness the competences I have in my capacity as a member of the Court of Accounts. So help me God.”*

(5) The counselors of accounts may be revoked from the positions in which they have been appointed, during the exercise of their term of office only in the instances and under the conditions provided by this law.

(6) The vacated positions of counselors of accounts may be filled only for the period left until expiry of the term of office of the counselors whose activity has ceased.

ART. 47

(1) The Parliament shall appoint the presidents and the vice-presidents of the Court of Accounts and of the Audit Authority from among the counselors of accounts.

(2) The following conditions shall be fulfilled for the appointment in the position as a counselor of account: economic or legal academic studies, seniority of minimum ten years in the specialty of the graduated studies and professional expertise.

ART. 48

(1) A cabinet shall be organized and shall operate, staffed by contractual employees, under the presidents and vice-presidents of the Court of Accounts and of the Audit Authority

(2) The structure and number of the employees staffing the respective cabinets shall be set by the plenum of the Court of Accounts.

ART. 49

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

(2) The members of the Court of Accounts may not be members of political parties or unfold public political activities.

(3) The members of the Court of Accounts shall not unfold, directly or by intermediaries, commercial activities, they shall not participate in the administration or management of commercial or civil companies. They shall not be experts or arbitrators appointed by a party in an arbitration proceeding.

(4) The persons who have held the position as a counselor of accounts on the duration of a full term of office benefit from an office pension on retirement, in the quantum provided by law for magistrates.

ART. 50

(1) The members of the Court of Accounts shall:

- a) fulfill the position entrusted fair-mindedly and observing the Constitution;
- b) keep the secrecy of the deliberations and votes and not take a public stand or offer advice in matters within the competence of the Court of Accounts;
- c) express an affirmative or negative vote in the adoption of the Court of Accounts' documents, abstaining from vote being forbidden. In the instance of a negative vote, this shall be motivated in writing;
- d) notify the Court's president in writing on any situation that may trigger incompatibility with their mandate;
- e) not allow the use of the functions they conduct for commercial advertising or propaganda of any kind;
- f) abstain from any voicing or activity contrary to their position independence and dignity.

(2) The serious infringement of any of the obligations provided under paragraph (1) shall trigger revocation.

(3) Revocation of the Court of Accounts' members shall be enforced by the Parliament, upon proposal of the specialized commissions provided under art. 46 paragraph (1).

ART. 51

(1) External public auditors shall be subject to the incompatibilities provided by the Ethical and Professional Code of Conduct.

(2) The persons who have fulfilled the position as an external public auditor for a duration of at least 14 years within the Court of Accounts shall benefit, upon retirement, from an office pension under the conditions provided by law for parliamentary public officers.

ART. 52

(1) The specialized staff of the Court of Accounts, including the management level, shall be subject to mobility within the framework of the same professional category, by modification of the work relations. Mobility shall be implemented to make the activity of the Court of Accounts more effective and in the interest of the staff, for them to develop their professional career.

(2) The mobility of the Court of Accounts staff shall be conducted in keeping with the external public auditor Statute, approved under this law.

(3) The decisions on the Court of Accounts staff mobility shall be made based on the resolutions by the plenum of the Court of Accounts.

(4) External public auditors may organize themselves into a professional association aiming at the promotion and development of external public audit, professional training, profession prestige enhancement, as well as at the cooperation with similar bodies, at home and abroad.

ART. 53

External public auditors shall enjoy stability.

ART. 54

As of calling to criminal trial, the members of the Court of Accounts and the external public auditors shall be suspended by law from their positions. In the instance of a final conviction they shall be discharged by law, while in the instance of an acquittal, the suspension shall cease.

ART. 55

The management is appointed by the plenum of the Court of Accounts and the other categories of staff, by the president of the Court.

ART. 56

(1) The term of office as a member of the Court of Accounts ceases under the following conditions:

a) upon expiry of the term of office or in case of resignation, of loss of electoral rights, of discharge by law or of demise;

b) in instances of incompatibility or impossibility to carry out the function for more than six consecutive months;

c) in case of revocation.

(2) After ceasing of the term of office, under law, the counselors of accounts shall be entitled to resume the position previously held, if they have been appointed to work with the Court of Accounts while holding a position at a public institution.

(3) During the period the position is reserved, it may be filled only based on a definite period employment contract.

ART. 57

Disciplinary liability of external public auditors, the enforcement conditions and procedure shall be set in the Ethical and Professional Code of Conduct, approved by the plenum of the Court of Accounts.

CHAPTER VI

Powers and duties of management bodies

ART. 58

The following shall be the powers and duties of the plenum of the Court of Accounts:

- a) adoption of the Court of Accounts' policies and strategies;
- b) adoption of own norms for the Court of Accounts' specific activity;
- c) approval of the audit manuals and of the guidelines on specific domains, drafted based on the Court of Accounts' own norm, as well as on other procedural norms;
- d) approval of the Court of Accounts' annual programs of activity;
- e) approval of the unfolding mode of special actions, required by decisions of the Chamber of Deputies or of the Senate, which have not already been included in the program;
- f) approval of the tables of organization of the Court of Accounts' staff;
- g) approval of the name, scope of activity and organization structure of the Court of Accounts' departments;
- h) approval of the Court of Accounts' budget draft;
- i) debate and ruling on the submission of the Court of Account's budget implementation to the Parliament;
- j) approval of the plenum own regulation, of the Court of Accounts' organization and operation regulation, of the regulation on the Court of Accounts' staff annual leaves, of the regulation provided under art. 11 paragraph. (2) of the Ethical and Professional Code of Conduct of the Court of Accounts' staff, as well as other specific regulations;
- k) approval of the external public auditor's statute;
- l) approval of the Court of Accounts' organization chart, appointment of managers, deputy managers, head of offices, of the secretary general of the Court of Accounts and establishment of their respective powers and duties, based on the job descriptions;
- m) approval of the reports to be submitted to the Parliament;
- n) issue of visas, in keeping with the provisions of art. 41;
- o) approval of the organization chart of the secretary general office and of the competences of the compartments under it;
- p) ruling on the modifications to the internal organization of the Court of Accounts, within the law;
- q) periodically request and examination of the reports on the Court of Accounts' departments and on the chambers of accounts' activity;
- r) examination and approval of the plenum meeting minutes draft, established by the Court president;
- s) approval of the list of vacancies to be advertised, as well as of the themes and organization of the competitive examinations to fill the vacancies;

- s) approval of the contracting of works, goods, services or other provisions required for the Court of Accounts' operation;
- t) other powers and duties set under law.

ART. 59

The plenum of the Court of Accounts shall enforce its powers and duties in the presence of at least 2/3 of its members, and decisions shall be adopted by the vote of the majority of the attending members.

ART. 60

- (1) The competences of the president of the Court of Accounts shall be:
- a) representing the Court of Accounts and ensuring the latter's relations with public institutions and authorities and with national and international bodies in the field;
 - b) coordinating the activity of the Court of Accounts;
 - c) convening and chairing the plenum debates and providing for the latter's decisions;
 - d) proposing the agenda of the plenum sittings and submitting it for approval;
 - e) following up the submission to the Parliament of the Court of Accounts reports;
 - f) appointing the staff of the Court of Accounts, except for the ones to be appointed by the plenum, under the law; this competence shall be enforced, in the instance of the Audit Authority, only upon consent of the latter's president;
 - g) enforcing the disciplinary measure, in keeping with the provisions of art. 57 and implementing disciplinary sanctions in the instances provided by the Ethical and Professional Code of Conduct;
 - h) communicating the Court of Accounts' members vacancies to the Parliament, so that measures are taken to fill them;
 - i) other powers and duties that may be set in the Court of Accounts' organization and operation regulation.

(2) The competences of vice-presidents and counselors of accounts shall be set and approved, based on the own regulation, by the Court of Accounts plenum, upon proposal by the president.

(3) The president of the Court of Accounts shall issue orders in the conduct of his/her competences.

ART. 61

The guard of the Court of Accounts shall be ensured at central level by the Protection and Guard Service and, at territorial level, by the Romanian Gendarmerie, free of charge.

CHAPTER VII

Infringements and sanctions

The following shall constitute infringements and shall be sanctioned:

a) failure to observe the obligation to submit to the Court of Accounts, within the delays set, the accounts to be examined – by a civil fine, equal to the salary of the person which generated the delay.

b) failure to enforce the measures ordered in keeping with the provisions of art. 42 paragraph (1) letters b) – d) and of art. 45, by a civil fine, equal to the salary for two to five months of the person from the fault of whom the set measures have not been implemented.

ART. 63

Infringement of the obligations set under art. 5 paragraph (2) shall be sanctioned by a 50 lei fine for each late day.

ART. 64

Failure to recover damages generated by the entity management by not ordering and overseeing the implementation of the measures ruled by the Court of Accounts, shall be an offence and shall be punished by imprisonment for six months to three years.

ART. 65

(1) The infringements provided under art. 62 and 63 shall be found by external public auditors of the Court of Accounts and the fine shall be set in keeping with the regulation approved in compliance with the provisions of art. 11 paragraph (2).

(2) The amounts representing civil fines shall become revenue to the state budget.

CHAPTER VIII

Transitory and final provisions

ART. 66

Within the meaning of this law, the Chamber of Accounts of Bucharest Municipality shall be assimilated to the county chambers of accounts.