

Annex I

Guidance notes for the provision of information by States parties for the consideration of the Working Group on the Prevention of Corruption at its fourteenth session, to be held in Vienna in the week of 12 June 2023

1. The secretariat has produced the present guidance notes to assist States parties in providing information on initiatives and practices that they have implemented regarding the topics under consideration at the fourteenth session of the Working Group on the Prevention of Corruption to be held during the week of 12-16 June 2023.
2. The secretariat wishes to recall paragraph 12 of the report of the Group on its second session, in which the Group recommended that States parties be invited to share their experiences of implementing the provisions of the Convention under consideration in advance of each session, preferably by using the self-assessment checklist.
3. In furtherance of that report, the secretariat outlines below a selection of issues that States parties may wish to use as a guide when providing information while noting that some of the information may have been provided by their Governments in the context of their reviews under the second cycle of the Implementation Review Mechanism, and in previous submissions to the Working Group on Prevention. States parties are encouraged to view the text below only as guidance and remain free to provide any information deemed relevant to the topic under consideration.

Information in relation to strengthening the role of Supreme Audit Institutions in the prevention and fight against corruption (resolution 9/3 of the Conference of the States Parties to the United Nations Convention against Corruption)

The United Nations Convention against Corruption provides in its Article 9, paragraph 2:

“Each State Party shall, in accordance with the fundamental principles of its legal system, take appropriate measures to promote transparency and accountability in the management of public finances. Such measures shall encompass, inter alia:

[...]

(c) A system of accounting and auditing standards and related oversight;

(d) Effective and efficient systems of risk management and internal control; and

(e) Where appropriate, corrective action in the case of failure to comply with the requirements established in this paragraph”.

1. Please describe (cite and summarize) the measures/steps that your country has taken, if any, (or is planning to take, together with the related time frame) to implement the Convention and to promote the implementation of resolution 9/3.

In relation to article 9, paragraph 2 and measures/steps that have been taken, States parties may wish to consider including the following:

- Measures taken to promote, in accordance with the fundamental principles of the legal systems, the independence of the supreme audit institution;

➤ **Court of Accounts of the Republic of Moldova (CoARM)**

The situation regarding the ensuring of the independence of the Court of Accounts of the Republic of Moldova was analyzed within the international "peer review" evaluation, carried out during 2020-2022 by SIGMA - the joint initiative of the European Commission and the Organization for Economic Cooperation and Development (OECD), in conjunction with the State Audit Office of Latvia and the Turkish Court of Accounts. (<https://www.ccrm.md/en/peer-review-3587.html>).

According to the findings of the Peer Review Report, the CoARM is mentioned in the Constitution and the Law 260/2017 (https://www.legis.md/cautare/getResults?doc_id=126160&lang=ro#) is well developed, and if properly implemented, would provide the CoARM with sufficient independence and autonomy. However, the Constitution does not adequately address a number of issues and in particular it does not address the status of the CoARM as an independent institution. In addition, there are provisions in the CoARM's Law that could be strengthened, and the implementation of other laws, especially those related to the budget, civil service and payroll, undermine key elements of the organizational, functional and financial independence of the CoARM. According to the findings of the external evaluation, for the CoARM to be credible and

effective, the legal framework should be changed so as not to affect the institutional, functional, operational and financial independence of the institution.

The INTOSAI principles are applicable to all institutions that are members of INTOSAI. The evaluators compared the eight principles of the Mexico Declaration (*INTOSAI-P 10* <https://www.issai.org/professional-pronouncements/?n=10-99>) with the legal framework of the CoARM, and stated the following:

Principle 1: The existence of an appropriate and effective constitutional/statutory/legal framework and of de facto application provisions of this framework. This principle is partially complied with. The Constitution does not address the independence of the CoARM and while CoARM law generally provides the CoARM with the relevant autonomy and independence, the broader legal framework and its implementation by the Executive effectively undermine the autonomy and discretion of the CoA and therefore its independence.

Principle 2: The independence of SAI heads and members (of collegial institutions), including security of tenure and legal immunity in the normal discharge of their duties. This principle is partially complied with. The independence of the CoARM Members is not laid down in the Constitution. The CoARM Law articulates the independence of CoARM Members and provides them with some immunity from prosecution in the course of their duties, but it is not clear whether this is sufficient to protect them for any act, past or present that results from the normal discharge of their duties. The appointment of CoARM members for a term of five years is relatively short, and a renewable mandate can be seen as potentially impairing independence, as it is dependent on re-election by a political body.

Principle 3: A sufficiently broad mandate and full discretion, in the discharge of Supreme Audit Institution functions. This principle is partially complied with. The CoARM Law provides the CoARM with a broad mandate to audit all public bodies and resources, and the power to undertake the different types of audit. However, the laws for a small number of entities prescribe the audit work the CoARM to conduct for these entities and when that work must be done, placing some limits on the discretion of the CoARM. Additionally, the Parliament has the right, by its decision, to demand the CoARM to carry out certain tasks, which to a degree limits the CoARM in determining and approving the use of its own resources and in approving its audit work program.

Principle 4: Unrestricted access to information. This principle is partially complied with. The CoA Law provides the CoARM with the rights to obtain all the information needed to carry out an audit, but in practice there are instances where access to information has been refused or delayed.

Principle 5: The right and obligation to report on their work. This principle is complied with. The CoA exercises all rights and obligations under the CoARM Law, informing both the legislature and the public about its activities and results, as well as cooperating with law enforcement bodies.

Principle 6: The freedom to decide the content and timing of audit reports and to publish and disseminate them. This principle is complied with.

Principle 7: The existence of effective follow-up mechanisms on SAI recommendations. This principle is complied with.

Principle 8: Financial and managerial/administrative autonomy and the availability of appropriate human, material, and monetary resources. This principle is not respected. The Ministry of Finance and the Government, which are audited entities of the CoARM, are directly involved in assessing the operational priorities of the CoARM and determining the amount of resources (budget) required to ensure the operation of the CoARM. Also, the requirements of the laws and Government decisions related to the public service, public servants, remuneration and job classification mean the CoARM is not independent in determining its organisational structure and the management of its staff. As a result, there are limitations on the discretion of the CoARM in the efficient use of its budget and other resources.

- Measures taken to implement policies for the effective operation of the supreme audit institutions in accordance with the principles and standards formulated by the International Organization of Supreme Audit Institutions,
 - with regard to ensuring the proper management of public finances and public property, and
 - in areas such as public procurement;

➤ **Court of Accounts of the Republic of Moldova (CoARM)**

As a result of exercising the entire spectrum of types of external public audit provided by its legal mandate, the CoARM makes recommendations to improve the management of public finances and promotes responsibility, transparency, efficiency, economy and effectiveness among public authorities and institutions.

Public finance management (PFM) performance is directly dependent on reliable decision-making, the consistent use of resources made available to those charged with governance, including accountability for how these resources have been managed. In this context, the CoARM, as a result of the completion of the mandatory financial audits, appreciates the compliance of the entities and their effort to implement the recommendations in order to increase the performance level of public finance management.

At the same time, the CoARM, within the framework of its external public audit mandate, promotes the continuous and sustainable development of public finance management through the lens of the development of the new medium-term strategy, including the determination of the needs to implement the records system based on commitments. The CoARM has repeatedly noted that the accounting and reporting methodologies of the national public system differ from the international practices. There are major discrepancies between national public sector accounting and reporting methodologies and international practices. Currently, there is a lack of a well-defined mechanism for consolidating state assets and liabilities. The record of the execution of the state budget (SB) is kept based on the cash method, the obligations towards the SB for the payment of taxes and fees (arrears), as well as the state debt and state recrediting are reported by the State Treasury to the off-balance sheet accounts, and within the ministries, the accounting records are organized based on commitments. This situation limits the overall vision of the way of administration of public financial resources and public patrimony

https://www.ccrm.md/en/annual-report-of-the-court-of-accounts-on-the-management-88_92498.html).

In the last 3 years, the CoARM has promoted the need to align the accounting records and financial reporting in the budgetary sector to the International Public Sector Accounting Standards (IPSAS). The insistence of the CoARM has recently materialized in the priorities of the Public Finance Management Strategy 2023-2030 by setting the concrete time frame and the necessary measures to develop and introduce the National Public Sector Accounting Standards (NPSAS). Following this exercise, the effectiveness, efficiency, responsibility and transparency of public finance management will be strengthened.

The extent of an efficient public procurement system is declared as one of the fundamental elements of the development process of the Republic of Moldova. At the same time, the field of public procurement is often subject to major risks.

The audit experience of the CoARM has elucidated the maintenance of multiple deficiencies and irregularities rooted over the years in this area, as well as problems in the development of electronic public procurement. Precisely for these reasons, the CoARM planned and carried out in 2021 audits regarding the compliance of public procurement in all 9 ministries with subordinate institutions, examining the period 2019-2020. This approach highlighted the seriousness of the problem of low value procurement. The CoARM found that, in addition to the official figure of public procurement of 9.04 billion lei (4.4% in GDP) made in 2020, the contracting authorities of the Republic of Moldova have also procured goods, works and services, the estimated value of which amounts to 9.01 billion lei and these procurements, in fact, represent public procurement of low value (https://www.ccrm.md/en/analytical-synthesis-of-the-audit-results-related-to-the-field-3539_92092.html).

Although the value of low-value public procurement has practically equaled the value of competitive public procurement procedures, most authorities do not ensure the conduct of low-value public procurement procedures through the Automated Information System (AIS) "RSAP" MTender and does not report them to the Public Procurement Agency, for which reason in the Republic of Moldova there is no official statistic on the real total amount of public procurements made.

The laconic regulation of low-value public procurements, combined with the possibility of discretionary action by the contracting authorities when carrying out these procurements, facilitates the non-transparent and sometimes inefficient use of public money, as well as, implicitly, conditions the emergence of the risk of fraud.

To remedy the stated deficiencies and irregularities, the CoARM submitted audit recommendations, aimed at remedying the gaps in the regulatory framework, improving the AIS "RSAP"/MTender, strengthening the institutional capacities for planning, carrying out and monitoring the procurement process established within the audited entities. Broadly speaking, the recommendations aimed at adjusting and improving the legal framework, developing the AIS, strengthening internal managerial control and control actions by the contracting authorities.

It should be noted that one of the important recommendations of the CoARM became final at the end of 2022. Thus, throughout the Government's Decision no. 70 from December 12, 2022, the

Regulation on low-value public procurement was approved with its implementation from July 1, 2023 (https://www.legis.md/cautare/getResults?doc_id=134614&lang=ro).

- Measures taken to promote transparency and accountability in the management of public finances, including through a system of accounting and auditing standards and related oversight;

➤ **Court of Accounts of the Republic of Moldova (CoARM)**

Article 33 (1) of the CoARM's Law indicates: „The audit procedure is carried out in accordance with this law, the international standards of the supreme audit institutions, as well as with the regulations, manuals and guidelines of the CoARM developed in accordance with them” (https://www.legis.md/cautare/getResults?doc_id=126160&lang=ro#).

In this context, CCRM implements the INTOSAI Framework of Professional Pronouncements in its activity (IFPP). The INTOSAI Framework promotes the credibility and relevance of public auditing by establishing internationally recognized principles and professional standards that promote excellence in the application of methodology and support the effective functioning of supreme audit institutions in the public interest. Simultaneously, the CoARM developed and approved audit manuals, guides, codes, guidelines and other internal regulatory documents, in accordance with the requirements of the INTOSAI Framework.

The compliance of the CoARM's auditors with the International Standards of the Supreme Audit Institutions was confirmed by the findings of the external evaluation, carried out by the World Bank (WB)- *the report "Quality of audits of the Court of Accounts of the Republic of Moldova: a review of compliance with the International Standards of the Supreme Audit Institutions"* (<https://www.ccrm.md/en/evaluation-reports-3586.html>). The purpose of the review was to assess the quality of the audits carried out by the CoARM on the projects financed by the World Bank, through the objective of compliance of the audit with the International Standards of the Supreme Audit Institutions (ISSAI), to confirm the confidence of the WB in the findings formulated by the SAI in the audit of the operations financed by the WB.

In the Report, the World Bank mentions that the audit methodology of the CoARM corresponds to the INTOSAI standards, emphasizing that compliance with international audit standards is an important component of audit quality and is absolutely necessary in maintaining the credibility of the SAI.

➤ **Ministry of Finance of the Republic of Moldova**

The legal framework for budgetary transparency is ensured by the Law no. 239/2008 on transparency in the decision making process¹, Government Decree no. 967/2016 on public

¹Official Gazette of the Republic of Moldova no. 215-217 of December 5, 2008 https://www.legis.md/cautare/getResults?doc_id=106638&lang=ro

consultation mechanism with civil society in the decision making process² and Government Decree no. 188/2012 on the official websites of public administration authorities in Internet³.

Budget transparency is ensured at different stages of the budgetary cycle as follows:

✓ **Preparation of the budget:**

Draft laws on the annual state budget, including explicative notes, are published on the Ministry of Finance website and on the Government consultation platform <https://particip.gov.md/ro>.⁴ The Medium Term Budgetary Framework – the document that sets the macro-fiscal framework for the forthcoming three years for the national public budget and of its components – is published on the Ministry of Finance website (<https://www.mf.gov.md/ro/buget/cadrul-bugetar-pe-termen-mediu>).

✓ **Approval of the budget:**

After approval by Parliament, annual budget laws are published online as follows:

- The state registry of legal acts, where all approved laws and regulations are published, including the Law on the state budget - <https://www.legis.md/>
- Ministry of Finance website, where annual laws on state budget are published - <https://mf.gov.md/ro/content/bugetul-de-stat-2022>.

Since 2015 the Ministry of Finance, based on the approved annual Law on the state budget, prepares the Citizens' Budget. This is an instrument developed to present the budget in a simple and accessible format ensuring that each citizen understands its provisions. It is also published on the Ministry of Finance website - <https://mf.gov.md/ro/content/ministerul-finan%C8%99Belor-publicat-bugetul-pentru-cet%C4%83%C8%99Beni-pentru-anul-2022>.

✓ **Execution and supervision of the budget:**

Below is a summary of publications providing transparency on budget execution:

Annual report on execution of the state budget, after approval by the Government	Ministry of Finance website - https://mf.gov.md/ro/trezorerie/rapoarte-privind-executarea-bugetului/rapoarte-anuale Government open data platform - https://date.gov.md/ckan/ro/dataset/15932-raport-anual-privind-executarea-bugetului-de-stat
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²Official Gazette of the Republic of Moldova no. 265-276 of July 19, 2016
https://www.legis.md/cautare/getResults?doc_id=119856&lang=ro#

³ Official Gazette of the Republic of Moldova no. 70-71 of April 6, 2012

⁴ For example, the draft budget law for 2022 is published on <https://www.mf.gov.md/ro/content/proiectul-legii-bugetului-de-stat-pentru-anul-2022-0> and <https://particip.gov.md/ro/document/stages/proiectul-legii-bugetului-de-stat-pentru-anul-2022/8509>.

<p>Consolidated financial report for the central government</p>	<p>Ministry of Finance - https://www.mf.gov.md/ro/trezorerie/raport-financiar-consolidat-pentru-guvernul-central</p> <p>Government open data platform - https://date.gov.md/ckan/ro/dataset/18539-raport-financiar-consolidat-pentru-guvernul-central</p>
<p>Report on the execution of the Citizens' Budget</p>	<p>Ministry of Finance - http://mf.gov.md/ro/trezorerie/rapoarte and</p> <p>Government open data platform - https://date.gov.md/ckan/ro/dataset/18540-raport-privind-executarea-bugetului-pentru-cetateni.</p>
<p>Semi-annual report on the execution of the national public budget and its components, after approval by the Government</p>	<p>Ministry of Finance - https://mf.gov.md/ro/trezorerie/rapoarte-privind-executarea-bugetului/rapoarte-semianuale</p> <p>Government open data platform - https://date.gov.md/ckan/ro/dataset/15929-raportul-semianual-privind-executarea-bugetului-public-national-si-a-componentelor-acestua.</p>
<p>Monthly reports on the execution of the national public budgets</p>	<p>Ministry of Finance - http://mf.gov.md/ro/trezorerie/rapoarte-privind-executarea-bugetului/rapoarte-lunare</p> <p>Government open data platform - http://date.gov.md/ckan/ro/dataset/15071-raport-privind-executarea-bugetului-public-national</p>
<p>Platform on data regarding the execution of the national public budget (VDEB), which is updated monthly and specific reports can be generated at request</p>	<p>https://buget.mf.gov.md/ro.</p>
<p>Detailed database on public expenditures</p>	<p>Ministry of Finance - http://mf.gov.md/ro/search/node/boost</p>

(BOOST) is updated annually	Government open data platform - https://date.gov.md/ckan/ro/dataset/15421-baza-de-date-a-cheltuielilor-publice-boost
Open data catalog	https://mf.gov.md/ro/ministerul-finan%C8%9Belor/catalogul-de-date-deschise-al-ministerului-finan%C8%9Belor

Pursuing the goal of promoting the transparency and accountability in the management of public finances, Republic of Moldova implements a system of Public internal financial control in line with internationally recognized standards and practices, covering all entities within public sector. Therefore, by approving the Law no.229/2010 on public internal financial control, the Government aims at strengthening managerial accountability for the optimal management of resources according to the objectives of the public entities, based on the principles of good governance, by implementing a sound internal control system and internal audit activity in the public sector.

In accordance to the Law no.229/2010 on public internal financial control, a key requirement for each public entity is to implement an internal control system to achieve the following general objectives:

- a) economy, effectiveness and efficiency of operations;
- b) compliance with laws and regulations;
- c) safety of assets and liabilities;
- d) reliability and integrity of financial and operational information.

The internal control system is organized based on the COSO model and standards, covering (i) control environment, (ii) performance and risk management, (iii) control activities, (iv) information and communication, and (v) monitoring and evaluation. Internal control refers to all policies, procedures, internal rules, processes and activities, and helps to address risks, to prevent and detect fraud, waste, and mismanagement, ensuring that financial operations and activities are carried out in accordance with relevant laws and regulations, maintaining public trust and confidence in the Government.

On the other hand, as an independent and objective assurance and advisory activity, internal audit intends to add value and improve the activity of public entities by assessing and improving risk management, control and governance processes, enhancing the overall performance.

In this regard, the Law no.229/2010 on public internal financial control provides the obligation for ministries and central agencies, as well as, for local bodies of second level to establish internal audit unit. Other public entities are encouraged to create an internal audit unit as well.

In addition, by law the internal audit units assess at least once in every three years the high-risk processes in the areas of finance and accounting, public procurement, asset management, information technology.

On the top of that, the Ministry of Finance is responsible to centrally harmonize the Public internal financial control policy. Also, it monitors and assesses the organization and functioning of internal control and internal audit, and reports annually to the Government. Several Consolidated Reports produced by the Ministry of Finance can be accessed on the link:

<https://mf.gov.md/ro/content/controlul-financiar-public-intern>.

The overall conclusion of the last report is that a solid normative framework for Public internal financial control is in place, but internal control systems and internal audit activity are not fully functional due to shortage of resources and capacity.

Also, the Public Expenditure and Financial Accountability (PEFA) assessment as of 2022 rates the Internal controls on salary and non-salary expenditure with a high score (A), which means that appropriate segregation of duties is prescribed through the entire expenditure process and also responsibilities are clearly laid down, strong controls effectively limit commitments to budgetary allocations and cash availability, and there is a high level of compliance with rules and procedures.

Contrary, the Internal audit is assessed with a lower score (C). Even if the coverage of overall central revenue and expenditure by internal audit is high, the activity is not fully operational, due to insufficient level of staffing occupancy. That is why, strengthening the internal audit function at the higher hierarchical level would be a solution for a rational sizing of the internal audit units and for efficient implementation of quality assurance mechanisms over the internal audit activity. The full PEFA assessment Report can be accessed on the link: <https://www.pefa.org/node/4990>.

The Court of accounts is the supreme audit body of the Republic of Moldova, which oversees the formation, management and use of public funds and public property. Each year, it carries out external audit missions following which recommendations are submitted to the audited entities.

Also, the Financial Inspection is the administrative authority subordinated to the Ministry of Finance, whose mission is to protect the financial interests of the state by implementing, in accordance with the principles of transparency and legality, a financial control on compliance with legislation during the performance of operations and transactions related to the management of national public budget resources and public property. Each year, it conducts financial inspections to identify deviations from the legal framework.

During 2022, the Financial Inspection carried out 914 inspections, 720 of which were financial inspections. The share of financial means subject to financial inspection in relation to the national public budget is 98.1%. The share of the prejudice received at the budget in relation to the calculated amounts was 87.12% (calculated – 46623.98 thousand lei, collected – 40619.08 thousand lei).

The State Tax Service (STS) is the administrative authority subordinated to the Ministry of Finance that ensures the process of administration and tax service by creating conditions for taxpayers to comply with the legislation, uniform application of the policy and regulations in the tax field, contributing to the collection of revenues to the budget.

Thus, for the purpose of compliance by the taxpayer with the legal rules in the tax field, the “Taxpayer's Charter - Rights and Obligations” was elaborated and placed on the official website

of the State Tax Service (www.sfs.md), which summarizes in a clear and concise manner the rights and obligations of the taxpayer in relation to the STS, and aims to establish a necessary balance between the exercise of the public service mission of the STS and their legitimate expectations to maintain this balance in a relationship based on mutual trust and compliance with the laws.

Also, the rights and obligations of the taxpayer during audit are published on the back of the Decision regarding the initiation of the audit, which, according to the provisions of art. 216 para. (2) of the Tax Code, is compulsorily handed to the taxpayers by the fiscal officials delegated to carry out the tax audit.

In accordance with the provisions of Law No. 131 of 08.06.2012 regarding state audit of entrepreneurial activity, the procedure for organizing and carrying out tax audit is regulated in order to ensure a higher level of protection for people who carry out entrepreneurial activity. Thus, according to the provisions of the Law, the bodies with audit attributions are obliged to prepare annually the audit plan for the following year and register it in the State Register of Audits by December 1 of the year preceding the calendar year to which the audit plan refers. The information is similarly public in the case of audits other than those planned annually (the monthly audit plan), the list of subjects being published on the website of the State Tax Service (www.sfs.md), and subsequently the information is transmitted to the State Register of Audits.

At the same time, in the event of an audit, the economic agent has the possibility to see in the Register, until the effective audit is initiated, the information related to the name (denomination) of the person and object subject to audit, the number and date of approval of the audit plan, the number, date and time of issuing the delegation of audit, duration of audit, type of audit, purpose and aspects to be subject to audit.

In the same vein:

- in order to prevent and solve conflicts of interest, on 15.11.2021, the State Tax Service approved the Order no. 577 regarding the approval of the Regulation on how to declare and solve conflicts of interest and the Register of declarations regarding conflicts of interest within the STS. During 2022, 5 declarations were registered in the Register of declarations regarding conflicts of interest;
- in order to prevent influence peddling, on 10.03.2022, the State Tax Service approved the Order no. 102 regarding the approval of the Regulation on the manner of declaring and recording cases of undue influence and the Register of cases of undue influence. During the year 2022, no case was registered in the Registry of cases of undue influence.

It should be noted that during 2022:

- there was elaborated, published and promoted the press release with the title: “Ways of communication with the State Tax Service”, in which the anti-corruption telephone line of the STS Call Center is also promoted. <https://sfs.md/ro/stiri/modalitatile-de-comunicare-cuserviciul-fiscal-de-stat>;

- according to the STS Order no. 12 p/d of 22.03.2022, on 12.04.2022, the training seminar with the generic “Acts of corruption and its related acts” took place, held with the support of the National Anticorruption Center. 23 tax officials participated in the seminar;
- during 06.05.2022-05.08.2022, the employees of the STS participated in the training course “Integrity and anti-corruption” – 1464 tax officials.

The Customs Service is the administrative authority subordinated to the Ministry of Finance that ensures the customs administration process, contributing to the collection of revenues to the budget.

Measures including the efforts of the Customs Service to promote integrity and the fight against corruption are targeted toward preventing, promoting and controlling the implementation by customs officials of the principles of integrity, democracy and objectivity. The integrity and supervision Directorate of the Customs Service is the specialized subdivision, which promotes ethics and integrity in the exercise of duties, by taking measures to prevent and combat corruption and professional abuse (trainings, unannounced checks and others measures).

Also, within the Customs Service operates the Single call Center, which is made up of two distinct specialized lines – the information line and the anti-corruption line. Through the anti-corruption line, which activates 24/24, citizens can report on corruption and other abuses committed by customs officials;

In another context, as a result of the actions taken by the Customs Service in the fight against corruption, during 2022, were recorded:

- 352 detentions of smuggled goods, worth 25 088 536 lei, the value of confiscated goods being 8 565 770 lei; on the transnistrean segment there were registered 22 detentions of goods with a value of about 1 200 000 lei;
 - 129 cases of detentions of goods liable to infringe an intellectual property right, covering 173 507 units of goods totaling 7 689 793.27 lei.
 - 42 cases of illicit drug trafficking and 175 catches of cigarettes with a total of 65 857 903 cigarettes.
- Measures taken to promote examining, periodically or as necessary, the applicable financial and accounting frameworks and procedures, in order to determine their effectiveness in the fight against corruption;

➤ **Court of Accounts of the Republic of Moldova (CoARM)**

Most of the recommendations of the CoARM aimed at the management, recording and privatization of public property, public procurement, investments, etc. exposed both in financial audits and in compliance and performance audits, provide for the adjustment of the normative-legal framework, the elaboration of clear procedural rules, the improvement of the record-keeping and reporting framework that lead to the elimination of favorable circumstances and conjunctures for favoritism, fraud and corruption.

Example:

Privatization CoARM's Decision no. 49 from 02.08.2021 (points 2.4. and 2.5.)
https://www.ccrm.md/ro/decision_details/1129/hotararea-nr49-din-2-august-2021-cu-privire-la-raportul ;

CoARM's Decision no. 28 from 24.06.2021 (pt. 2.5., 2.6., 2.7)
https://www.ccrm.md/ro/decision_details/1112/hotararea-nr28-din-24-iunie-2021-cu-privire-la-raportul

Some examples of adjustments to the legislative-normative framework as a result of the implementation of the recommendations of the CoARM:

- in the chapter on the denationalization of public property, throughout the *Law no. 220 from 16.12.2021*, amendments were made to Law no. 121/2017, which will ensure the privatization of the rooms leased according to the general provisions on the basis of tenders and not on the basis of direct contracts;
 - for the modification of the legal framework that determines the way of sale of free construction land, as well as establishing the need to calculate the market price of public property land under the management of state enterprises subject to privatization, *throughout the Law no. 220 from 16.12.2021, art. 54 of Law no. 121/2017 was amended, thus ensuring significant increases in income from the sale of land;*
 - on the basis of the Law 119 from 16.09.2021, changes were made regarding the capping at 20% of the purchase price declared by the supplier of the commercial allowance for the sale of medical devices compensated from the mandatory health care insurance funds, intended for use in outpatient conditions;
 - throughout the Government's Decision no. 23 from 03.03.2021, amendments were made to the Government's Decision no. 453/2010 regarding the method of establishing the initial sale price of public property shares subject to privatization.
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- Measures taken to ensure that the audited entities respond to the findings of the audit reports, implement the recommendations of the supreme audit institutions and take appropriate corrective action, including criminal prosecution, to ensure the proper management of public affairs and public property;

➤ **Court of Accounts of the Republic of Moldova (CoARM)**

The CoARM's Law sets out clear requirements for audited entities to respond to recommendations stipulated in the CoARM's reports. The audited entities and other institutions specified in the auditor's report must report on the implementation of the recommendations or the reasons why they are not implemented within the established deadlines. The CoARM sets concrete deadlines for reporting on the implementation of the recommendations, taking into account the complexity of the measures to be taken to implement the recommendations.

The CoARM has established systems to monitor and track the implementation of audit recommendations. Thus, the CoARM developed its own information system for monitoring electronic recommendations - „Audit CCRM”. It is an electronic register intended to store, update

and analyze data on audits carried out, audited entities, recommendations submitted and executed etc. The information resource allows the operative generation of statistical and analytical reports; the record of the CoARM's Decisions and the possibility of quick identification of the decisions whose execution term has expired; real-time visualization of information on the planning, initiation, progress, completion and monitoring of the execution of audit recommendations, etc. „Audit CCRM” is interconnected with the web page of the CoARM, where information from the system is presented with reference to audit decisions and reports, as well as the actions taken by the audited entities in order to implement the audit recommendations (<https://www.ccrm.md/ro/decisions>).

In February 2022, a new version of the system was launched, in which new functionalities were provided, including for audited entities. Thus, the "Entity Cabinet" was created, which can be accessed directly from the CoARM's web page. This functionality allows each individual entity, to which the Court has issued recommendations and which has a username and access password, to view all the recommendations addressed to it within the various audits, the allocated implementation period, the information presented, but also the status of their implementation, as well as providing a set of alerts and notifications related to the new information placed, but also to the expiry of the deadlines allocated for implementation. Entities benefiting from the opportunity to submit responses regarding the actions taken to remedy deficiencies and implement recommendations in electronic format, directly from the "Entity Cabinet", which facilitates communication between the CoARM and the audited entities.

In order to publicize and familiarize the entities with the new functional possibilities of "Audit CCRM", trainings were organized to which the audited entities were invited. During the year 2022 and until now, about 20 entities have an account in the IS and send the answers regarding the remedial actions of the audit recommendations through the system, among them are the Ministry of Finance, the Ministry of Agriculture and the Food Industry, the Ministry of the Economy, the Ministry of Foreign Affairs, the State Fiscal Service, the NBM, etc.

The CoARM also carries out follow-up missions where a more detailed examination of the selected entities is carried out to verify the implementation of the recommendations. The CoARM's Law obliges audited entities to respond to the CoARM's questions regarding actions taken on recommendations.

- Measures taken to involve the supreme audit institutions and the internal audit units in the country reviews under the second cycle of the Mechanism for the Review of Implementation of the United Nations Convention against Corruption, in particular in relation to the review of the implementation of chapter II, on preventive measures, including in the country visits, where applicable;
- Measures taken to promote integrity and honesty through the application of codes of conduct in the supreme audit institutions and in particular measures for aligning these codes of conduct with the Code of Ethics promulgated by the International Organization of Supreme Audit Institutions;

➤ **Court of Accounts of the Republic of Moldova (CoARM)**

The CoARM has a Code of Ethics that was approved in 2019, replacing the previous Code of Ethics from 2013. The code is publicly available on the CoARM's website (https://www.ccrm.md/ro/codul-etic-3571_92063.html), which transposes the provisions of the ISSAI 130 standard, the CoARM's Law, relevant national normative acts, as well as good practices generally accepted at international and European level.

The provisions of the Code apply to the president, the members of the CoARM and the Court's Apparatus. Also, the persons contracted by the CoARM to provide services or any other activities carried out on behalf of the institution are requested to comply with the provisions of the Code. The document is based on fundamental ethical values including: integrity, independence, objectivity, competence, transparency, confidentiality and professional conduct. All the CoARM's employees are responsible for promoting and ensuring the ethical climate within the CoARM.

An integral part of the Code are CoARM's Ethical Guidelines. The guidelines provide guidance on: potential risks to professional integrity; reporting illegal activities; signing the declaration of independence, the declaration of conflicts of interest, the declaration of undue influence and the declaration of gifts and other principles of the Code of Ethics.

The guidelines state that in order to ensure the independence of the CoARM's employees, prior to the start of an audit engagement, each relevant employee must complete and sign an independence declaration providing any information about anything, relationships and/or interests they hold that could have an impact on their independence in the report with the audited entity or entities. Two copies of the declaration are signed, one of them is presented to the person in charge of the Register of declarations of independence of public auditors, the other copy is kept in the audit engagement file.

The CoARM has approved and operates a series of regulations to support decision-making regarding ethical issues, as well as to regulate the processes implemented within the institution. These include:

- Regulation of the Disciplinary Committee of the CoARM, which establishes the establishment, composition, mandate, powers and competence of the Committee; the manner of notifying the Committee; investigating disciplinary violations; disciplinary sanctions and appeals
- The regulation regarding the record of cases of improper influence, establishes the procedure for communication and registration of cases of improper influence exerted on the CoARM's officials
- The Whistleblower Regulation in the CoARM sets out the procedure for reporting and verifying potential illegal activities committed in the CoARM, as well as the measures to protect people who raise concerns voluntarily, in good faith and in the public interest
- Regulation regarding the record, evaluation, preservation, use and redemption of symbolic gifts, those offered as a courtesy or on the occasion of certain protocol actions, etc.

In the draft Guide on the quality management system, which is to be approved in a new version in February 2023, ethical requirements are regulated in *Element 2: Compliance with ethical requirements*. According to the document, the purpose of the policy of adherence to ethical values is to ensure that the Court of Accounts of the Republic of Moldova and its staff, when fulfilling

their professional duties, respect the principles and ethical values provided in ISSAI 130, ISSAI 140 and other related documents.

The Guide sets out the fundamental ethical values of the CoARM, as well as the ethical requirements for conducting audits, accepted and respected by the management and employees of the CoARM. The establishment of the Ethics Committee is also foreseen, in order to ensure the proper functioning of the ethics control system, focusing mainly on monitoring compliance with the Code of Ethics of the Court of Accounts, providing recommendations and training staff on sensitive topics.

- Measures to increase trust in supreme audit institutions, anti-corruption bodies and governmental and public institutions as a whole;

➤ **Court of Accounts of the Republic of Moldova (CoARM)**

International evaluations. Trust in the quality and professionalism of the supreme audit institution's activity is confirmed by the results of a series of international assessments, carried out in the recent years. The CoARM, as the Supreme Audit Institution of the Republic of Moldova, has already aligned itself with IAS INTOSAI, and the external public audit activity is carried out in accordance with the quality requirements provided by this framework. In this regard, the CoARM has achieved significant progress, which has been observed, taken into account, measured and reported in the last 2-3 years by international and national experts who have evaluated the Republic of Moldova under various aspects.

- 1) Report "The quality of audits of the CoARM: a review of compliance with the International Standards of the Supreme Audit Institutions"

World Bank, November 2019

Link: <https://www.ccrm.md/en/evaluation-reports-3586.html> (en)

The purpose of the review was to assess the quality of the audits carried out by the SAI on the projects financed by the World Bank, through the objective of compliance of the audit with the International Standards of the Supreme Audit Institutions (ISSAI), to confirm the confidence of the WB in the findings formulated by the SAI in the audit of the operations financed by the WB.

Thus, the institutional and organizational capacities of the supreme audit institutions were evaluated in the following evaluation areas: (1) ISA independence, (2) quality control, (3) planning, conducting and reporting audits.

The World Bank mentions that the audit methodology of the Court of Accounts of the Republic of Moldova corresponds to INTOSAI standards, emphasizing that compliance with international audit standards is an important component of audit quality and is absolutely necessary in maintaining the credibility of SAI. At the same time, the evaluation recommends to the CoARM to establish a system of continuous improvement by developing and implementing a robust systematic process to ensure that lessons learned from audits and practice are identified, understood, disseminated and incorporated into study and development programs as well as within audit guidelines and methodology.

- 2) Study (survey) “Central public authorities: opinions and experiences regarding communication with the Court of Accounts, professionalism, integrity of auditors and the implementation of the Court's recommendations”

NGO Transparency International Moldova, December 2021

Link: <https://www.ccrm.md/ro/rapoarte-de-evaluare-3586.html> (ro)

On Transparency International Moldova’s page http://www.transparency.md/wp-content/uploads/2021/12/TI_Moldova_Sondaj_APC_Curtea_Conturi.pdf (ro)

In the evaluation process of the Court of Accounts through the lens of the National Integrity System, Transparency International – Moldova carried out a survey in central public authorities audited by the Court of Accounts to analyze the views and experiences of their representatives about communication/relationships with the Court's auditors during the audit engagements; the conduct, professionalism and integrity of the auditors; as well as the implementation of the Court's recommendations.

The results of the survey demonstrate a positive picture on the aspects included in the study. The purpose of the survey was to analyze the opinions of the CPA’s representatives about the relations with the auditors of the Court of Accounts during the audits; the conduct, professionalism and integrity of the auditors; as well as the implementation of the CoARM’s recommendations.

- 3) Open Budget Survey, June 2022

Link: <https://www.ccrm.md/en/evaluation-reports-3586.html> (en)

On the Open Budget Survey’s page <https://internationalbudget.org/open-budget-survey/country-results/2021/moldova>

The 8th edition of the Open Budget Survey (OBS) covered 120 states. The Republic of Moldova officially participates in the OBS since 2017, being in the 3rd edition. The OBS’ findings and recommendations on issues such as the level of citizen participation, transparency of the budget process and budget oversight capacity, each country being scored on a scale from 0 to 100 based on 18 equally weighted indicators.

On the budget supervision indicator, the Republic of Moldova accumulated a common score of 63 out of 100 possible. An important contribution to the results of this indicator comes from the Court of Accounts, which demonstrated an individual score of 83 out of a possible 100. The result recorded by the supreme audit institution significantly improved the common score per country. The experts appreciated this positive result, a trend maintained by the Court of Accounts throughout all the surveys conducted.

- 4) Evaluation report on the performance of public expenditure and financial responsibility (PEFR)

World Bank, July 2022

Link: <https://www.ccrm.md/en/evaluation-reports-3586.html> (en)

The evaluation included seven pillars of public finance management performance: budget credibility, transparency of public finances, asset and liability management, budget strategy and

policy-based budgeting, predictability and control in budget execution, accounting and reporting, and external control and auditing. Each indicator was evaluated according to the score contained in dimensions from A to D.

The last pillar, external control and audit, analyzes whether public finances are reviewed independently and there is a follow-up by the Executive of the implementation of the recommendations offered by the Court of Accounts. Thus, the Court of Accounts was evaluated through the lens of 4 indicators: audit coverage and standards, the presentation of audit reports to the Legislature, the follow-up of the external public audit and the independence of the supreme audit institution. According to the PEFA report, the Court of Accounts received a maximum score for the first three indicators, accumulating 3 "A" and 1 "C" for the independence indicator. The experts mentioned that the Organic Law 260/2017 provides for the organizational, functional, operational and financial independence of the CoARM, but in practice there is a limitation of the financial independence by the Executive, by approving the budget of the Court of Accounts within the budget cycle, managed by the Ministry of Finance.

5) The „peer review” of the Court of Accounts

SIGMA (EC, OECD), SAI of turkey, SAI of Latvia; October 2022 (the official presentation of the Report)

Link: <https://www.ccrm.md/en/peer-review-3587.html> (en)

The international assessment exercise was carried out at the request and initiative of the CoARM, during 2020-2022 by a group of international experts led by SIGMA. The purpose of the exercise was to assess the current situation on a number of strategic dimensions, such as: independence and legal framework; governance; financial audit: process and quality, reporting and achieving results; as well as stakeholder relations. As a result, the International Evaluation Report was produced, which contains findings and recommendations to increase the performance of the supreme audit institution on the analyzed dimensions and to adjust the normative-legal framework in the context of the European Agenda of the Republic of Moldova.

Carrying out the international "peer review" evaluation proves that the Court of Accounts of the Republic of Moldova is doing everything to be the most reliable, professional and relevant institution for its country.

6) The evaluation report on the implementation of the National Integrity and Anti-corruption Strategy (NIAS) 2017-2020

Center for Analysis and Prevention of Corruption (CAPC), December 2022

Link: <https://www.ccrm.md/en/evaluation-reports-3586.html> (en)

On the CAPC's page: <https://www.capc.md/publicatii/raport-evaluarea-strategiei-nationale-de-integritate-si-anticoruptie-2017-2020-si-planului-de-actiuni/>

The NIAS implementation evaluation exercise was carried out, between May and November 2022, by the Corruption Analysis and Prevention Center (CAPC), within the project implemented by the German International Cooperation Agency.

According to CAPC findings, the impact of the CoARM's activity at the end of 2020, compared to 2017, has increased significantly. The evaluation report mentioned that 52 sanctions for acts of corruption found on the basis of the information sent by the Court of Accounts were applied in the period 2017-2020 and a damage of over 5 billion lei caused to the state was recovered, which demonstrates the impact of the CoARM's activity, but also the efficiency of working with the authorities responsible for investigating and sanctioning corruption.

The report also states that there is a divergence between society's perception of the activity of the Court of Accounts. Thus, the Court of Accounts is often seen as an institution with punitive functions, which, in fact, does not fall within the mandate of a supreme audit institution and is not provided by the relevant International Standards. In terms of ensuring integrity and combating corruption, the Court of Accounts has the role of preventing such phenomena, detecting in its audits suspicions of fraud and corruption and informing the bodies empowered with investigative functions. Achieving tangible results in this regard is only possible in close cooperation with the legal bodies, the Government and the Parliament, through their control attributions.

Other confidence-building measures concerning the SAI

Ensuring transparency. The INTOSAI Framework of Professional Pronouncements (INTOSAI-P 12, INTOSAI-P 20) requires the ISA to communicate effectively with stakeholders to increase the impact of its work, ensure understanding of audit findings and demonstrate ongoing relevance to citizens, Parliament and other stakeholders. Maintaining a good and effective cooperative relationship with the stakeholders is essential for the CoARM to communicate its value and benefits to citizens.

The Court of Accounts has approved and is implementing the Communication Strategy for the period 2022-2025, it is a tool that facilitates the implementation of the CoARM's Development Strategy. The purpose of the communication strategy of the Court of Accounts is to increase the impact of the activity of the Court of Accounts, by strengthening relations with interested parties and promoting improvements in the field of public finance and patrimony management, generated by the audit activity.

In order to ensure the accessibility of information and the mediatization of the activity, the CoARM's meetings for the examination of audit reports are public and are transmitted on the institution's official website (www.ccrm.md), on social media accounts (www.youtube.com). The archive of public meetings in video format is available on the institution's account on the network www.youtube.com. The number of views of the audit report review sessions of the Court of Accounts, on average, is more than 500 thousand unique visitors annually. In 2021, the Court of Accounts launched a new modernized version of the official electronic page www.ccrm.md, which offers more possibilities for structuring and presenting information of public interest.

Advisory Board. The Advisory Council next to the Court of Accounts of the Republic of Moldova is an advisory body, the Council includes qualified specialists and scholars from the economic-financial, legal and audit fields, as well as Members of the Court of Accounts. The President of the Court of Accounts exercises the position of President of the Council.

Cooperation with legal authorities. According to the International Standards of Supreme Audit Institutions, the main responsibility in preventing and detecting fraud rests with those responsible for organizational governance and management of the audited entity. At the same time, the external

public audit activity is carried out on the basis of a risk assessment, which allows the auditor to obtain a reasonable assurance that any significant damages, caused by fraud, can be detected. The audit ascertains the indicators of fraud and corruption, by communicating the risks associated with these phenomena and submitting recommendations for the establishment of thorough and effective internal controls. The authorities in the field must be sufficiently effective in all cases of fraud and corruption indicators detected by the audit.

Council for cooperation with legal authorities. The interdepartmental cooperation council between the Court of Accounts and legal bodies (hereinafter the Council) was established on November 11, 2016 throughout the interdepartmental (joint) Order no. 205 from 11.11.2016. The Council is an interdepartmental collegial body, established by the Court of Accounts, the General Prosecutor's Office, the Ministry of Internal Affairs, the National Anti-Corruption Center, the Information and Security Service, the National Center for the Protection of Personal Data, the National Integrity Authority. The Council is convened to inform and consult on some issues related to the examination of suspicions of fraud and corruption in audits etc. The mission of the Council is to contribute to the strengthening of the mechanism regarding the legality, efficiency of the administration and use of public financial resources and public patrimony.

Cooperation with civil society. According to the objectives and strategic directions, the Court of Accounts annually plans and implements actions to promote cooperation with interested parties, stated in the events carried out and in the overall approach to the aspect of ensuring transparency.

Cooperation with civil society is ensured through different ways of working together: providing support and consultancy for the development of studies based on audit reports; participation and organization of communication events (round tables, workshops, meetings); consultation of potential topics of interest in the context of planning the audit activity etc. Audit reports of the Court of Accounts serve as a source for various analyzes and studies carried out by civil society organizations (<https://www.ccrm.md/ro/studii-si-analize-83.html>).

Cooperation with media sources. The mapping of media sources by field and the orientation of communication by target groups was carried out in the context of the elaboration of the 2022-2025 Communication Strategy. Audit reports are promoted through press releases, published on the official website of the Court of Accounts (<https://www.ccrm.md/ro/noutati-80.html>), on social networks (<https://www.facebook.com/Curtea.de.Conturi>), as well as sent to media sources via email.

In 2022, 175 announcements and news promoting audit reports and the activity of the Court of Accounts were published on the website and disseminated in social networks and mass media sources. Based on the reports and communiques of the Court of Accounts, in 2022 more than 600 articles, news and journalistic investigations were published in media sources (<https://www.ccrm.md/ro/aparitii-in-mass-media-82.html>).

Greater attention is paid to collaboration with electronic information platforms and mass media sources, for the organization of the live transmission of audit report review sessions (www.privesc.eu, www.realitatea.md).

<https://www.privesc.eu/arhiva/cauta/Curtea%20de%20Conturi/>

<https://rlive.md/?s=curtea+de+conturi>

- Measures taken to build and strengthen relations between national legislatures and supreme audit institutions, and to encourage national legislatures to be aware of the findings of supreme audit institutions so that they may be taken into account when exercising parliamentary functions;

➤ **Court of Accounts of the Republic of Moldova (CoARM)**

The Parliament is one of the stakeholders of major importance for the Court of Accounts. As an instrument of parliamentary control, the CoARM tends to provide the necessary support to the Parliament, by presenting the results of the audit engagements and the proposals to rectify the situations found and to improve the problem areas identified.

In 2022, the Court of Accounts of the Republic of Moldova performed, according to the Decision of the Parliament, after the promulgation of the Law no. 244 from 24.12.2021, the audit regarding the verification of compliance of capital expenditures and investments at natural gas companies that have been imposed public service obligations, as well as at related companies, as defined in Law no. 108/2016 regarding natural gas. The audit report was presented and approved by the Court of Accounts in November 2022. The report was examined on January 24, 2023, during the joint meeting of the Economy, Budget and Finance Committee and the Public Finance Control Committee of the Parliament of the Republic of Moldova.

Cooperation with the Public Finance Control Committee. The collaboration and communication between the CoARM and the Parliament became more active with the creation of the Public Finance Control Committee. The Public Finance Control Committee (PFCC) of the Parliament of the Republic of Moldova was established in 2019 with the mandate to analyze the use of public resources and, in this context, to use the activity of the CoARM. It also has the role of ensuring the supervision of the CoARM's activity on behalf of the Parliament. Before the creation of the PFCC, the Parliament's Economy, Budget and Finance Committee was responsible for this examination.

The CoARM has developed an effective and close working relationship with the PFCC since its inception and the work of the PFCC has developed significantly in a short period of time. The committee became fully operational in early 2020, with the mechanisms and procedures for effective cooperation between the PFCC and the CoARM established, such as: hearing audit reports during the Committee's meetings with the participation of representatives of the Court of Accounts and the audited entities, working in the context of monitoring the situation regarding the implementation of audit recommendations, consulting the CoARM in the process of drafting legislative initiatives by the PFCC's members etc. During the years 2020-2021, the Commission examined 125 audit reports of the Court of Accounts.

In 2022, the PFCC examined 38 audit reports of the Court of Accounts in 22 public meetings. Also, 1 audit report was examined during the meeting of the Environment and Regional Development Committee of the Parliament of the Republic of Moldova. The public meetings were broadcast online, being available to the general public.

- Measures taken to strengthen the national, regional and international coordination and cooperation among the bodies involved in the prevention of and fight against corruption;

➤ **Court of Accounts of the Republic of Moldova (CoARM)**

The National Integrity and Anticorruption Strategy 2017-2020 (NIAS) was approved throughout the Parliament's Decision no. 56 from March 30, 2017, for a period of 4 years. In 2022, the Parliament decided to extend the NIAS's implementation deadline until 2023, including making some adjustments to the text of the Action Plan. The strategy is centered on 7 pillars that target the areas vulnerable to corruption and the institutions that have a mandate to prevent and fight corruption, the respective concept being taken from the Transparency International approach, applied worldwide for the evaluation of national integrity systems.

The Pillar V Court of Accounts represented for the strategic anti-corruption document a completion of the vision regarding the responsible authorities within the national integrity system. NIAS is based on the role of the Court of Accounts to notify the legal bodies regarding the risks of corruption and irregularities identified within the audits regarding the management of public patrimonial and financial resources repayable and non-repayable, to increase the transparency and impact of the institution's activity, in cooperation with specialized anti-corruption agencies.

According to the evaluation of the implementation of the NIAS, carried out by the NGO Center for Analysis and Prevention of Corruption (CAPC), in the case of Pillar V it is found:

- All three result indicators established for Pillar V. The Court of Accounts have been achieved, according to the data of the qualitative analysis of the information from the questionnaires addressed to the authorities, the monitoring reports of NIAS, the alternative reports of civil society and international organizations.
- The monitoring of the activity of the Court of Accounts by civil society has improved, with studies being carried out both at the national level and by international and similar organizations;
- A number of 52 sanctions for acts of corruption found on the basis of the information sent by the Court of Accounts were applied in the period 2017-2020;
- A damage of over five billion lei caused to the state was recovered;
- A divergence was found between the expectations regarding the activity of the Court of Accounts, which resides in the lack of punitive functions in its mandate, and the achievement of results only in close cooperation with the legal bodies, the Government and the Parliament, through their control attributions, and the right in the final court to resort to the dismissal of the head of the audited entity. The CoARM's good collaboration with the authorities and civil society has been attested, a fact that can contribute to the sustainability of the results of its activity.

- Measures taken to improve the exchange of information between anti-corruption bodies, supreme audit institutions and other governmental bodies operating in the field of combating corruption, including for consultative purposes;

➤ **Court of Accounts of the Republic of Moldova (CoARM)**

According to the International Standards of Supreme Audit Institutions, the main responsibility in preventing and detecting fraud rests with those responsible for organizational governance and management of the audited entity. At the same time, the public audit activity is carried out on the basis of a risk assessment, which allows the auditor to obtain a reasonable assurance that possible significant damages, caused by fraud, can be detected.

The cooperation between the CoARM and the follow-up and investigation bodies is a continuous process, established since the founding of the CoARM, based on the respective legal framework, supported by the internal institutional policies and procedures that apply. There is a collaboration between the CoARM and law enforcement bodies based on the principles of legality and non-admission of interference in their activity. The Court of Accounts notifies the legal bodies regarding the detection of violations both at the decision of the CoARM's members taken at the end of the audit during the plenary session for examining and approving the audit report, as well as during the course of the audit engagement.

When performing the audit engagement, the CoARM is obliged to evaluate fraud and corruption indicators and report to the competent legal bodies. This procedure is carried out according to the provisions stipulated in the Regulation on the procedures applied within the Court of Accounts in case the auditors identify the risk of fraud and corruption.

The audit ascertains the indicators of fraud and corruption, by communicating the risks associated with these phenomena and submitting recommendations for the establishment of thorough and effective internal controls. The authorities in the field must be sufficiently effective in all cases of fraud and corruption indicators detected by the audit.

The CoARM's communication with the legal authorities is also carried out through the Cooperation Council, which operates based on the Council's Operating Regulations, approved throughout the Joint Order of the CoARM, the General Prosecutor's Office, the Ministry of Internal Affairs, the National Anti-Corruption Center, the Information and Security Service, the National Integrity Agency and NCPDP of 11.11.2016. This Council is convened at the proposal of the CoARM in order to intervene as operatively as possible by the investigation bodies with specific procedural actions to collect and document the necessary evidence, as well as to ensure the integrity of the evidence. After examining the materials presented, the Council decides on the opportunity to send the materials to the prosecutors, the decision being documented in a minutes signed by the President of the Council (the CoARM's management).

- Measures taken to promote transparency including by publishing findings of both the anti-corruption bodies and the supreme audit institutions;

➤ **Court of Accounts of the Republic of Moldova (CoARM)**

The CoARM has a legal obligation to inform the public about its activities, not only by submitting its reports to the Parliament and their subsequent publication in the Official Gazette of the Republic of Moldova, but also by publishing them on its official website and other means. Each CoARM's decision approving an audit report or an annual report specifies to whom the report is sent and where the report is published.

The CoARM publishes on its website (www.ccrm.md) all annual reports, decisions on the approval of audit results, audit reports and recommendations and deadlines for their implementation (<https://www.ccrm.md/ro/decisions>).

In order to ensure the accessibility of information and the mediatization of the activity, the CoARM meetings for the examination of audit reports are public and are transmitted on the institution's official website (www.ccrm.md), on social media accounts (www.youtube.com).

<https://www.ccrm.md/ro/sedinte-publice-3529.html>

<https://www.youtube.com/@CurteadeConturi>

Greater attention is paid to collaboration with electronic information platforms and mass media sources, for the organization of the live transmission of audit report review sessions (www.privesc.eu, www.realitatea.md).

<https://www.privesc.eu/arhiva/cauta/Curtea%20de%20Conturi/>

<https://rlive.md/?s=curtea+de+conturi>

Audit reports are promoted through press releases, published on the official website of the Court of Accounts (<https://www.ccrm.md/ro/noutati-80.html>), on social media (<https://www.facebook.com/Curtea.de.Conturi>), as well as sent to media sources via email.

The auditor's opinion on the CoARM's financial reports is also published on the CoARM's website within the Transparency section (<https://www.ccrm.md/ro/auditul-rapoartelor-financiare-ale-ccrm-91.html>).

- Measures taken to enhance the capacity of supreme audit institutions and develop the skills of their members and staff in preventing and combating corruption, including through training, education and knowledge exchange;

➤ **Court of Accounts of the Republic of Moldova (CoARM)**

In the context of institutional consolidation, the Court of Accounts tends to ensure continuous professional development for its employees. Training activities of various types and forms are organized in order to deepen and update knowledge, develop skills and model the skills/behaviors necessary for the effective exercise of job duties.

In the context of strengthening the capacities of the staff of the Court of Accounts in preventing and combating corruption, it collaborates with the institutions empowered to organize some thematic training - National Anticorruption Center (NAC). Annually, 1 training is organized for all employees of the Court of Accounts on integrity, prevention and combating corruption, with the support of the NAC.

Also, the employee of the Court of Accounts responsible for monitoring compliance with the principles of integrity organizes annual internal workshops for the subdivisions of the Court of Accounts regarding integrity, combating corruption.

The staff of the CoARM is limited, although the mandatory functional and operational duties have increased since 2018, for which reason it is overloaded within the audit activity. The time dedicated to training and professional development is mainly spent on training aimed at the areas of legislation, fraud and corruption risks, accounting, budgeting, reporting and the correct application of the INTOSAI IAS by audit types.

National Integrity and Anti-Corruption Strategy 2017-2020 (extended until 2023). The Court of Accounts is one of the implementing institutions of the National Integrity and Anticorruption Strategy (NIAS), being the 5th pillar of the NIAS. The objective of the pillar is to strengthen the capacities of the Court of Accounts to prevent corruption in the field of the administration of financial resources and the use of public patrimony, as well as external financial assistance.

The Corruption Analysis and Prevention Center (CAPC) carried out the last NIAS implementation evaluation exercise between May and November 2022, within the project implemented by the German International Cooperation Agency. According to CAPC's findings, the impact of CoARM's activity at the end of 2020, compared to 2017, has increased significantly. The evaluation report mentioned that 52 sanctions for acts of corruption found on the basis of the information sent by the Court of Accounts were applied in the period 2017-2020 and a damage of over 5 billion lei caused to the state was recovered, which demonstrates the impact of the CoARM's activity, but also the efficiency of working with the authorities responsible for investigating and sanctioning corruption.

The report also states that there is a divergence between society's perception of the activity of the Court of Accounts. Thus, the Court of Accounts is often seen as an institution with punitive functions, which, in fact, do not fall within the mandate of a supreme audit institution and are not provided by the relevant International Standards. According to the evaluation, in terms of ensuring integrity and fighting corruption, the Court of Accounts has the role of preventing such phenomena, detecting in its audits suspicions of fraud and corruption and informing the bodies empowered with investigative functions. Achieving tangible results in this regard is only possible in close cooperation with the legal bodies, the Government and the Parliament, through their control attributions (<https://www.ccrm.md/en/evaluation-reports-3586.html>).

- Measures taken to enhance transparency, accountability and good governance in the management of supreme audit institutions, including with regard to their organization, functioning and decision-making processes;

➤ **Court of Accounts of the Republic of Moldova (CoARM)**

SAIs have a fundamental role in promoting accountability and transparency in the use of public resources. Therefore, it is extremely important that they lead by example to demonstrate that they are accountable and transparent in the conduct of their business. International standards clearly articulate these expectations, particularly through INTOSAI-P12 and P20.

The CoARM makes significant efforts to be transparent and accountable. The CoARM's Law sets out the requirements of the CoARM as to how information about its work and results should be made public. The CoARM complies with these requirements with regard to its Annual Activity Report, the annual audit reports on the Government's execution of the state budget, the state social insurance budget and the compulsory healthcare insurance funds and the Annual Report on the management and use of resources public finances and public patrimony, all published on the website of the CoARM. The CoARM's webpage provides information on the CoARM's roles, responsibilities and mandate, as well as information on its planned activities etc.

The CoARM's Law provides that the plenary meetings of the CoARM are public and the CoARM approved the Regulation on the organization and conduct of the plenary meetings of the CoARM. The plenary meetings of the CoARM, where the audit results are discussed, are held publicly, with the participation of audited entities, media representatives, and are also broadcast online on the Internet (<https://www.ccrm.md/ro/sedinte-publice-3529.html>).

The CoARM implements a quality management system, in accordance with the requirements of the international standards of INTOSAI. The new Quality Management System Guide, developed according to the provisions of ISSAI 140, has been developed and is at the final stage of consultation and approval (<https://www.issai.org/pronouncements/issai-140-quality-control-for-sais/>).

Analyzing through the lens of the Court of Accounts' compliance with the ISSAI provisions regarding the assurance of relevant standards, policies and procedures for the performance of the financial audit, we attest to a relatively high level of compliance. The institution has strategies, manuals, guides, regulations that regulate the approach and processes of carrying out the financial audit, which are used as guidance.

The CoARM promotes an internal culture based on the recognition that quality is essential in its work. The monitoring process in place provides reasonable assurance that the policies and procedures relating to the quality control system are relevant and appropriate and are operating effectively. Within the CoARM there are sufficient audit quality control measures to ensure the quality of each audit product.

The CoARM places particular emphasis on improving management practices, implementing an internal managerial control system, adjusting audit methodologies, organizing trainings/workshops ş.a. The CoARM is aware that the process of improving the quality control system is a continuous one.

- Measures taken to enable supreme audit institutions to perform their roles in preventing and combating corruption when responding to or recovering from national crises and emergencies, especially with regard to their functions in upholding policies and procedures for the management of public finances and public procurement.

➤ **Court of Accounts of the Republic of Moldova (CoARM)**

In the context of the pandemic crisis, caused by the COVID infection, the CoARM carried out two thematic audits in 2021 and 1 thematic audit in 2022, which highlighted problems, non-compliances and difficulties faced by public entities, in the context of managing the public system and combating the effects of the pandemic.

According to the audit findings, the conduct of public procurement in the field was affected by the non-transparent management of public financial means, which indicates the need to intensify internal control processes at different stages of procurement with the responsibility of all parties involved.

https://www.ccrm.md/en/annual-report-of-the-court-of-accounts-on-the-management-88_91991.html

https://www.ccrm.md/en/annual-report-of-the-court-of-accounts-on-the-management-88_92498.html

2. Please provide examples of the implementation of those measures, including related court or other cases and available statistics.

In relation to article 9, paragraph 2 and examples of implementation of those measures, States parties may wish to consider including the following:

- Reports prepared by the supreme audit institutions, national legislatures of body or bodies that prevent corruption;

➤ **Court of Accounts of the Republic of Moldova (CoARM)**

The Court of Accounts is the Supreme Audit Institution of the Republic of Moldova, which exercises control over the formation, administration and use of public financial resources and public patrimony, by carrying out the external public audit in accordance with the International Standards of the Supreme Audit Institutions. Audit reports are a key element of the country's public financial management system, providing Parliament, citizens, development partners and other stakeholders with credible and useful information about how their money is managed.

The audit reports carried out by the CoARM in the last 3 years show a downward trend in 2022, compared to the years 2020-2021, during which the number of engagements carried out by the CoARM were kept at a relatively stable level. This situation is due to the concentration of resources on the fulfillment of the compliance audit mission in the field of natural gas, carried out at the initiative of the Parliament of the Republic of Moldova. At the same time, regarding the audits carried out within the LPAs, recently the CoARM has directed its efforts to cover LPAs with significant budgets (3 largest municipalities: Chisinau, Balti and Ungheni).

According to the legal mandate conferred, the Court's priority remains the financial audit of the 3 components of the National Public Budget and the consolidated financial statements of all ministries. After distributing the resources for this compartment, the rest of the audit engagements are planned, based on the established priorities and the submitted requests, combined with the available resources. All audit reports are public and can be accessed on the website of the Court of Accounts (www.ccrm.md), in the "Audit/Audit Reports" section.

Audit reports	2020	2021	2022
Financial audit engagements	24	26	25
Compliance audit engagements	28	28	17
Performance audit engagements	8	6	4
Follow-up	3	1	-
Total	63	61	46

- External reports on the operation of the supreme audit institutions.
-
- **Court of Accounts of the Republic of Moldova (CoARM)**
 1. Audit reports of the financial statements of the Court of Accounts:
<https://www.ccrm.md/ro/auditul-rapoartelor-financiare-ale-ccrm-91.html>
 2. The external "peer review" evaluation report of the Court of Accounts:
<https://www.ccrm.md/en/peer-review-3587.html>
 3. Assessment of the National Integrity and Anti-Corruption Strategy 2017-2020
<https://www.ccrm.md/en/evaluation-reports-3586.html>
 4. Public Expenditure and Financial Accountability (PEFA) Assessment of the Republic of Moldova
<https://www.ccrm.md/en/evaluation-reports-3586.html>
 5. Open Budget Survey 2021
<https://www.ccrm.md/en/evaluation-reports-3586.html>

Central public authorities: opinions and experiences regarding communication with the Court of Accounts, professionalism, integrity of auditors and the implementation of the Court's recommendations
<https://www.ccrm.md/ro/rapoarte-de-evaluare-3586.html>

 6. Moldova Court of Accounts-Report on a Review of Compliance with ISSAIs
<https://www.ccrm.md/en/evaluation-reports-3586.html>

Information in relation to good practices, lessons learned and challenges in periodically evaluating the efficiency and the effectiveness of anti-corruption measures and policies (resolution 9/6 of the Conference of the States Parties to the United Nations Convention against Corruption)

The United Nations Convention against Corruption provides in its Article 5, paragraph 3

“Each State Party shall endeavour to periodically evaluate relevant legal instruments and administrative measures with a view to determining their adequacy to prevent and fight corruption.”

Resolution 9/6, paragraph 6

“[The Conference of the States Parties to the United Nations Convention against Corruption] Calls upon States parties, in line with article 5 of the Convention, to establish and promote effective practices aimed at the prevention of corruption and to periodically evaluate relevant legal instruments and administrative measures with a view to determining their adequacy for effectively preventing and fighting corruption”

1. Please describe (cite and summarize) the measures/steps your country has taken, if any (or is planning to take, together with the appropriate time frame) to implement the Convention and to promote the implementation of paragraph 6 of resolution 9/6.

In relation to article 5, paragraph 3 and measures/steps that have been taken, States parties may wish to consider including the following:

- Internal policies, practices, or requirements to periodically evaluate legal instruments and administrative measures with a view to determining their adequacy to prevent and fight corruption;
- Structures or institutions responsible for evaluating relevant legal instruments and administrative measures with a view to determining their adequacy to prevent and fight corruption;
- Processes for periodically evaluating relevant legal instruments and administrative measures with a view to determining their adequacy to prevent and fight corruption;
- Requirements in relation to the frequency of these evaluations.

Information may, in particular, include the following:

- Primary or secondary legislation or administrative acts which provide for establishing structures, processes and responsibilities in the evaluation process;
- Evaluation reports of relevant legal instruments and administrative measures;
- Reports to Parliament and records of public hearings of such reports;
- Relevant audit reports;
- Reports evaluating the involvement of civil society, academia or the private sector;
- Relevant performance reports relating to specific budget related measures;

- Internal and external publications analysing impact of new legislation or measures taken to prevent corruption;
- Legislative reports on the adequacy of anti-corruption laws and administrative measures.

Information in relation to the interlinkages between preventive and law enforcement approaches (resolution 9/6 of the Conference of the States Parties to the United Nations Convention against Corruption)

The United Nations Convention against Corruption provides in its Article 6, paragraph 1:

“Each State Party shall, in accordance with the fundamental principles of its legal system, ensure the existence of a body or bodies, as appropriate, that prevent corruption...”

Article 36:

“Each State Party shall, in accordance with the fundamental principles of its legal system, ensure the existence of a body or bodies or persons specialized in combating corruption through law enforcement...”

Resolution 9/6, paragraphs 5 and 8

“[The Conference of the States Parties to the United Nations Convention against Corruption] Also acknowledges that both preventive measures and law enforcement are required to address corruption effectively and that there are interlinkages between preventive and law enforcement approaches that may lead to the increased effectiveness of anti-corruption efforts, and further acknowledges that successes in and lessons learned from one approach may inform the efforts in the other...Requests the Open-ended Intergovernmental Working Group on the Prevention of Corruption to consider including, as topics for discussion at its thirteenth and fourteenth meetings,...the interlinkages between preventive and law enforcement approaches”

Please describe (cite and summarize) the measures/steps that your country has taken, if any (or is planning to take, together with the related time frame) to implement the Convention and to promote the implementation of paragraphs 5 and 8 of resolution 9/6.

In relation to the topic under consideration and measures/steps that have been taken, States parties may wish to consider including the following:

- Measures taken to establish policies, mechanisms (such as working groups, task forces or other ad hoc coordination groups) and/or standard operating procedures through which bodies mandated to prevent corruption (in accordance with article 6 of the United Nations Convention against Corruption) and law enforcement authorities (including those specialized in combating corruption through law enforcement) share information, evidence or intelligence relevant to corruption prevention, detection and/or investigation;
- Policies, mechanisms and/or standard operating procedures through which bodies with mandates to prevent corruption (UNCAC article 6) and also conduct law enforcement

operations related to corruption share intelligence, evidence or information internally within the designated body related to corruption prevention and/or detection; and

- Other measures or approaches taken to ensure that successes in and lessons learned from either the preventive or the law enforcement approach to corruption inform efforts in the other.

➤ **National Anti-corruption Centre (NAC) of the Republic of Moldova**

Corruption prevention mechanisms

The National Anti-corruption Centre (NAC), in accordance with provisions of Law no. 1104/2002, is the national authority specialized in the prevention and fight against corruption, corruption related acts and acts of corruptive behavior. Thus, according to its competence, NAC also carries out the activity of anti-corruption proofing, institutional integrity assessment and anti-corruption education.

Anti-corruption proofing

Corruption, being a complex phenomenon, requires specific measures to combat it. Thus, the establishment of measures to prevent corruption represented a desired and an indispensable condition in the fight against corruption in the Republic of Moldova.

Corruption is a system dysfunction that affects not only the institutional system, the interpersonal relations specific to social institutions, but also affects the normative framework. The legislation of the Republic of Moldova is not yet perfect in terms of the uniform application of legal provisions.

Phrases that could be interpreted differently, terms with multiple meanings, ambiguous notions, provisions that contradict each other.

These loopholes – can attribute to the legal norms vagueness, confusion, discretion in interpretation. At the same time, their application involves the risk of corruption and other illegalities.

The need for anti-corruption proofing was dictated by the imperfection of the legislative creation process that led to the development and promotion of projects with an obvious corruptible character.

Law on the National Anti-corruption Centre no. 1104 /2002 expressly regulates the task of anti-corruption proofing.

The anti-corruption proofing represents the identification of corruption risks, the factors that generate them, as well as the submission of recommendations for their removal in draft legislative and normative acts.

And in 2017, the entire spectrum of anti-corruption measures that were found in a series of special laws were systematized and included in the Integrity Law.

Thus, according to the *Integrity Law*, the effectiveness of cultivating the climate of institutional and professional integrity is subject to checks by the leaders of public entities, anti-corruption

authorities, civil society and the media. Also, in article 25 of this law, the heads of public entities shall be responsible for applying the following integrity control measures in the public sector:

- a) avoiding corruption risks in the development of draft legislative, normative, and departmental acts (future risks);
- b) managing corruption risks (existing risks).

The National Anticorruption Center (NAC) shall be responsible for applying the following integrity control measures in the public sector:

- a) anticorruption expertise;
- b) evaluation of institutional integrity, including professional integrity testing and management of the professional integrity record of the public agents, except for the public agents provided in par. (5) let. b) of this article, under the conditions of Law №. 325/2013 on institutional integrity assessment.

The objectives of the corruption proofing expertise are:

- preventing manifestations of corruption by excluding risk factors from drafts;
- informing the authors and the general public about the risk factors and corruption risks identified in the projects;
- providing additional guarantees for carrying out the legislative process in the interest of citizens and in the public interest.

All drafts elaborated and finalized (on the basis of proposals and objections presented in the process of approval by public entities and consultation of interested parties in the decision-making process) are subject to corruption proofing, with *the exception of*:

- policy documents;
- individual acts for personnel reshuffle;
- Government decrees;
- Government decisions for approving draft laws and decrees of the President of the Republic of Moldova;
- international treaties, acts for awarding full powers and expressing the consent of the Republic of Moldova to be bound by the international treaty.

The deadline for performing corruption proofing shall be 10 working days from the moment the draft is sent to NAC. In the case of voluminous or complex drafts, the term for performing corruption proofing expertise may be extended up to 30 working days, with the notification of the authors.

Corruption proofing shall be carried out based on the Methodology for performing corruption proofing expertise for draft legislative and normative acts, approved by the National Anti-corruption Centre Board, which sets forth the objectives and the stages of the corruption proofing expertise, the description of the typology of risk factors that determines the emergence of corruption risks and the detailed structure of the anti-corruption proofing report. The methodology shall be published on the web page of NAC.

The anti-corruption proofing report, signed by the expert who has concluded it, shall be sent to the draft author and published on the web page of NAC.

Regarding the initiatives and practices implemented by NAC in the context of the topics to be discussed at the 14th session of the Working Group on the Prevention of Corruption, we communicate the following.

NAC is concerned not only with the qualitative, transparent and efficient performance of its duties, but also with the evaluation of the efficiency and effectiveness of measures to prevent corruption, which contributes to the perfecting and improvement of processes. Thus, NAC based on priority I.3. *The transparency of the legislative process and the anti-corruption expertise* from the National Integrity and Anti-corruption Strategy for the years 2017-2023, approved by the Parliament Decision no. 56/2017, monitor the Parliament's web pages and the Government's meetings in order to identify the projects that are subject to the anti-corruption expertise, but the authors they avoided/hesitated to send them for anti-corruption proofing. The implementation of the pre-planned process ensures the assessment, in quantifiable terms, of the activity of the entities subject to integrity control in the public sector and the efficiency of the activity of the experts within the Center as a whole.

This measure is also included in the Action Plan for the implementation of the measures proposed by the European Commission in its Opinion on the Republic of Moldova's application for accession to the European Union (*action 3.2 Ensuring that no draft normative act is adopted by the Government without the anti-corruption proofing of the National Anti-corruption Centre*). In this sense, we ensure the monitoring of the share of draft normative acts approved by the Government, accompanied by the corruption proofing expertise carried out by NAC, in order to remove the cases of inclusion on the Government's agenda of the draft normative acts that evaded the anti-corruption expertise.

At the same time, taking into account the impact and objectives of anti-corruption proofing (preventing manifestations of corruption by excluding risk factors from projects, providing additional guarantees for carrying out the legislative process in the interest of citizens and in the public interest), as well as for carrying out the actions provided for in *Priority III. 3. Consolidation of educational and corruption prevention measures* from the National Integrity and Anti-corruption Strategy for the years 2017-2023, approved by Parliament Decision no. 56/2017, in particular Action 31, which provides for the need to publish and present some research regarding the findings of the corruption proofing expertise carried out by NAC. In this regard, with the support of the United Nations Development Program (UNDP) within the project "Curbing corruption by building sustainable integrity in the Republic of Moldova" implemented with the financial support of the Ministry of Foreign Affairs of Norway, 2 studies were conducted that analyze the phenomenon of promotion particular/private/corporate interests through the draft normative acts to the detriment of the public interest and how the anti-corruption expert reports of NAC can contribute to stopping the promotion of prejudicial interests. They also present the assessment of the cost of damages caused by the draft normative acts qualified as promoters of interests. These studies are published on the Center's web page and can be consulted (Romanian version) by accessing the addresses below:

<https://www.cna.md/libview.php?l=ro&idc=117&id=3020&t=/Studii-si-analize/Studii-despre-coruptie/Studiu-privind-expertiza-anticoruptie-2016-2018-eficienta-costuri-impact>

<https://www.cna.md/libview.php?l=ro&idc=117&id=3466&t=/Studii-si-analize/Studii-despre-coruptie/Expertiza-anticoruptie-2019-2020-Eficienta-costuri-impact>

Institutional integrity assessment

The *Law on the National Anti-corruption Centre no. 1104 /2002* expressly regulates the attribution of institutional integrity assessment.

The institutional integrity assessment is a process of identifying the risks of corruption within the public entity using analytical and practical methods (professional integrity testing), describing the factors that determine the identified risks and their consequences, as well as providing recommendations for diminishing them.

The *Integrity Law no. 82/2017*, established the integrity control mechanism in the public sector, which includes the institutional integrity assessment tool, as well as the professional integrity testing as a component of the evaluation process, and the management of the record regarding the professional integrity of public agents.

The institutional integrity assessment tool is applied in accordance with *the Law on the institutional integrity assessment no. 325/2013*, as well as the *Methodology for identifying the corruption risks within the public entities, for identifying the public agents exposed to these risks and for analyzing the risk factors that generate them* approved by the Order of the Director of NAC no. 50/2018.

According to the *Law on the institutional integrity assessment no. 325/2013*, all entities in the public sector, including state and municipal enterprises, may be subject to institutional integrity assessment.

In accordance with the *Methodology for identifying the corruption risks within the public entities, for identifying the public agents exposed to these risks and for analyzing the risk factors that generate them*, the entities to be assessed are not selected randomly. In this respect, 4 clear selection criteria are established, namely: *the criterion of carrying out activities vulnerable to corruption; the statistical criterion; the criterion of direct contact with the beneficiaries of public services; the criterion of not ensuring the climate of integrity, namely the non-implementation of the anti-corruption measures provided for by the Integrity Law.*

In accordance with *Law on the institutional integrity assessment no. 325/2013*, the process of institutional integrity assessment shall be performed through the following stages:

First stage „Identification of corruption risks within the public entity”, which consists in the examination of integrity incidents admitted by public agents within the public entity, information sent by the citizens, materials from mass media, analytical sources (reports, studies, surveys, indicators, etc.), as well as of the modalities affecting the human rights through the identified corruption risks.

Second stage „Testing the professional integrity of public agents”, initiated based on a motivated decision, is an optional stage of the institutional integrity assessment. The public agents to be subject to testing shall be selected on random basis, depending on the corruption risks identified in the public entity at first stage. The tester shall be responsible for performing this stage.

Professional integrity testing represents all the processes related to performance of the professional integrity test and is a stage of the institutional integrity assessment.

Third stage “Description of corruption risks and analysis of factors generating such risks” shall be carried out by describing the corruption risks identified during the first stage and, where appropriate, confirmed during the professional integrity testing at second stage of the assessment, as well as by analyzing the risk factors which increase the likelihood of such risks’ materialization.

Fourth stage “Issuance of recommendations for improving the institutional integrity climate” implies setting some minimum requirements, meeting these requirements would allow the public entity to reduce the corruption acts among the public agents.

The institutional integrity assessment is completed with the preparation of a report, which includes the detailed analysis of the identified factors and risks of corruption, as well as the recommendations formulated by the NAC experts to remove the identified deficiencies. The report is submitted both to the assessed institution and to the hierarchically superior entity.

The results of the institutional integrity assessment are public, the materials being entirely placed on the NAC web page.

The head of the assessed entity is obliged within 30 days of receiving the report to adopt an Integrity Plan, which integrates the recommendations formulated in the process of the institutional integrity assessment.

After receiving the report on the implementation of the integrity plan, the institution that assessed the institutional integrity shall assess the progress made in strengthening the institutional integrity climate of the public entity, verifying in this respect whether the integrity plan was successfully implemented or failed. In order to create and continuously maintain the climate of institutional integrity, public entities are periodically subjected to repeated assessments of institutional integrity, respecting the same sequence of stages, and their number is not limited.

In case of failure of the integrity plan, the institution that assessed the institutional integrity shall propose to the hierarchically superior public entity the disciplinary sanction, including the application of the sanction of dismissal of the head of the public entity.

At the same time, the public agents who recorded negative results of the professional integrity tests are subject to disciplinary sanctions by the leaders.

According to the *Law on the institutional integrity assessment no. 325/2013*, parliamentary control over the activity of assessing institutional integrity is exercised by the National Security, Defense and Public Order Commission and the Legal Committee for Appointments and Immunities. In this regard, NAC submits to the specialized parliamentary committees, annually, until March 30, a public report on the activities of assessing the institutional integrity, which contains: the number

of public entities subject to the evaluation of institutional integrity; the number of professional integrity tests carried out and their results; the number of integrity plans adopted and implemented successfully or failed; the number of appeals of applied disciplinary sanctions.

The National Security, Defense and Public Order Commission and Legal Committee for Appointments and Immunities may request, within the limits of their competence, any additional information regarding the activity of assessing the institutional integrity of public entities and testing the professional integrity of public agents if they consider that the submitted reports are incomplete.

The National Integrity and Anticorruption Strategy for the years 2017-2020 (NIAS)

The responsibility for strengthening the national integrity climate, for carrying out actions to prevent corruption and establishing integrity tools are coordinated within a single national document, the National Integrity and Anticorruption Strategy for the years 2017-2020 (NIAS), adopted by the Parliament Decision no. 56 of March 30, 2017.

In order to ensure the continuity of the successes achieved at the central, local and sectoral level, as well as to avoid a lack of coverage of the policy document during the conceptualization, elaboration and adoption of a new strategic document, on December 24, 2021, the Parliament Decision no. 241 on the amendment of Parliament Decision no. 56/2017 for the approval NIAS for the years 2017-2020, (in force from 28.01.2022, Official Gazette No. 27-33 art. 32)⁵, which provides for the extension of the implementation deadline of the aforementioned Strategy.

The extension of the implementation period of the National Integrity and Anticorruption Strategy 2017-2020 until 2023 included the revision of the Action Plans of the Strategy.

Thus, the National Anti-corruption Centre of the Republic of Moldova, as the Secretariat of the Strategy Monitoring Groups that ensure the efficient management of anti-corruption policies, went through the consultation process that included two stages. Thus, the draft of the Parliament Decision on the amendment of the Parliament Decision no. 56/2017 for the approval of the National Integrity and Anticorruption Strategy for the years 2017-2020 was adopted, in compliance with the rigors of decision-making transparency and public consultation of the document.

The essence of the changes made to the Action Plans of the Strategy is of a different nature. They may be generically grouped into the following categories of amendments:

- The introduction of new actions, but which harmoniously integrate into the structural construction of the Strategy Action Plan, as well as complement the actions already prescribed in order to make the achievement of the goals proposed by this strategic document more efficient and complete.
- The revision of progress indicators generally concerns changes that involve the "splitting" ("disaggregation") of already existing indicators, in order to ensure the efficiency of the monitoring, reporting and evaluating process of the progress recorded by the implementing authorities.

⁵ https://www.legis.md/cautare/getResults?doc_id=129663&lang=ro

- The review of the deadlines for the implementation of the actions, in essence, is envisaged the extension of the implementation deadlines of the actions in order to give new valences to these actions.

- The review of the institutions responsible for the implementation. In some cases, it was found that the Action Plan unjustifiably burdens some institutions with actions that do not belong to their competence, which negatively influences the implementation progress. Other times, the order of listing the institutions responsible for implementation is one that does not correspond to the institutional competences. The proposed changes come to correct these aspects, but some also relate to the need to adjust the name of the institutions according to the normative changes.

Additionally, in accordance with the provisions of Chapter V of NIAS for the years 2017-2020, one of the key elements of the Strategy's monitoring process is the assessment of the impact of the actions targeted in the Strategy's Action Plans. The evolution of the impact indicators of NIAS is measured using an annual survey, in which 3 target groups participate for questioning: the general population; economic agents; and public agencies.

The findings of each survey are reflected in the monitoring and evaluation reports of the implementation of NIAS. At the same time, the methodology of conducting the survey (questions, sample and target groups through which the achievement of the impact indicators, the general objectives and the purpose of the Strategy is pursued) is kept unchanged during the entire period of the implementation of the Strategy for the accurate tracking of the evolution of these indicators.

Thus, so far, with the support of UNDP Moldova within the Projects "Strengthening the corruption prevention and analysis functions of the National Anticorruption Centre" and "Curbing corruption by building sustainable integrity in the Republic of Moldova", financed by the Ministry of Foreign Affairs of Norway, three follow-up surveys were conducted on the impact of NIAS, which included the following evaluation periods: 2017⁶, 2019⁷, 2020⁸.

Additionally, in order to ensure the process of drafting the new public policy document in the field of anti-corruption, with the support of the Project "Strengthening the rule of law and anti-corruption mechanisms in the Republic of Moldova", with the financial support of the European Union and the German Federal Ministry for Economic Cooperation and Development (BMZ), implemented by GIZ, the final assessment exercise of the impact of NIAS for the years 2017-2020 was ensured. Thus, during 2022, the Impact Report on the implementation of NIAS for the years 2017-2020⁹ was developed and published.

Anti-corruption education

Considering that one of the principles in NAC's activity is the priority of applying corruption prevention methods to those of combating and in order to implement the provisions of Law no. 82/2017 on integrity, National Integrity and Anti-corruption Strategy for the years 2017-2020,

⁶ <https://www.undp.org/ro/moldova/publications/studiu-de-evaluare-impactului-strategiei-na%C8%9Bionale-de-integritate-%C8%99i-anticorup%C8%9Bie-2017>

⁷ <https://www.undp.org/ro/moldova/publications/studiu-de-evaluare-impactului-strategiei-na%C5%A3ionale-de-integritate-%C5%9Fi-anticorup%C5%A3ie-moldova-2019>

⁸ <https://www.undp.org/ro/moldova/publications/studiu-de-evaluare-impactului-strategiei-na%C8%9Bionale-de-integritate-%C8%99i-anticorup%C8%9Bie-%E2%80%93-moldova-2021>

⁹ https://cna.md/public/files/RAPORT_evaluare-SNIA_2017-2020.pdf

approved by Parliament Decision no. 56/2017, expressly regulates the importance and necessity of the development of anti-corruption education by the National Anti-corruption Centre.

The anti-corruption education component, one of the measures to prevent corruption, is oriented towards *training and information activities for target groups, awareness campaigns, advisory and methodological support* to public entities in implementing integrity standards, working with civil society and external partners in order to increase the effectiveness of prevention mechanisms.

Thus, on the anti-corruption education component, anti-corruption training is carried out within public entities and continuous improvement centers with public agents regarding measures to ensure institutional integrity. Only during the year 2022, 439 trainings in the field of integrity and anti-corruption were carried out, for 17746 people. The training activities are aimed at strengthening capacities and responsibilities in the field and strengthening institutional and professional integrity, as well as promoting the culture of integrity among public agents.

Also, NAC created *the e-Learning platform "Anti-corruption and Integrity"* which contains a training course on integrity and anti-corruption policies. During 2022, 2387 public agents benefited from the course, of which 2365 received a Course Completion Certificate.

Another measure to prevent corruption through anti-corruption education is the information and awareness campaigns carried out at the country level. The intensification of activities in the fields mentioned below was determined by the vulnerabilities and risks of corruption that affect the good governance of public entities, the management of public resources, the quality of services, medical assistance, citizens' rights, etc.

Thus, a series of information and awareness campaigns were carried out in partnership with public entities, as follows:

- NAC - The information and awareness campaign *"An anti-corruption day in your city"*;
- NAC – District Education Directorates *"Integrity: credibility in the educational system"*;
- NAC – General Medical and Social Assistance Directorate of Chisinau City Hall;
- NAC – Ministry of Agriculture and Food Industry;
- NAC – Public Services Agency *"Integrity for quality public services"*;
- NAC – "Moldsilva" Agency and the Ministry of the Environment *"Forests without corruption"*;
- NAC - General Police Inspectorate *"Report! Your attitude matters!"*;
- NAC – Ministry of Health – National Medical Insurance Company *"Integrity for Health"*;
- NAC – Ministry of Education and Research – National Agency for Curriculum and Evaluation *"No corruption at BAC"*;
- NAC- Agency for Court Administration – National Integrity Authority *"Integrity: precondition for preventing corruption risks"*;
- NAC – Railway Company *"Integrity on the rails"*;
- NAC – Technical University of Moldova.

In the framework of the information and awareness campaigns, informative leaflets are distributed to citizens and advisory support is provided to citizens on issues related to the competence of NAC, namely: the way to report corruption cases to NAC, information on strategic analyzes carried out by NAC in various fields, evaluation reports on certain public entities, etc.

Anti-corruption volunteers of NAC play an important role in strengthening the anti-corruption education component among young people. They are actively involved in anti-corruption education activities, namely: training in educational institutions and summer camps, information and awareness campaigns, the development of anti-corruption social spots and other informative materials in the field of integrity. The purpose of the activities carried out by the anti-corruption volunteers of NAC consists in promoting the culture of integrity, educating generations of honest and loyal specialists in democratic principles.

NAC's anti-corruption volunteers annually carry out the information and awareness campaign "*An integrity lesson in my school/university*" which consists of organizing and conducting integrity and corruption prevention lessons in the educational institutions where they study.

Also, during the summer, the anti-corruption volunteers of NAC carry out the information and awareness campaign "*Integrity in the meaning of children!*" within the camps for children. They organize training activities and interactive games to help educate young people in the spirit of integrity.

Another educational project among young people is the *Quiz Pro Integrity* activity aimed at young people whose objective is to strengthen the culture of integrity among students, high school students, through the prism of interactive assimilation of information on the premises and effects of the phenomenon of corruption. Quiz Pro Integrity takes place at the country level.

Another good practice on the corruption prevention component is the *Podcast platform* that is organized and held by NAC employees. The given platform consists of the broadcast of video dialogue sessions conducted by the NAC officer or a NAC volunteer, as moderator, and a guest, on topics related to anti-corruption and integrity. The guests on the Podcast were NAC employees, prosecutors, judges, representatives of civil society, representatives of the private sector, etc.

Another project carried out by NAC in partnership with the Chamber of Commerce and Industry of the Republic of Moldova and the State Agency for Intellectual Property is the *national contest "Trademark of the year"* in the nomination "*Implementation of integrity standards in the private sector*". Annually NAC awards private companies with the Integrity Award that apply and implement integrity standards. The business integrity award offered by NAC supports honest business and strengthens the integrity component in the private sector, including the contribution to a competitive, fair business environment based on standards of integrity, transparency and professionalism in the interaction with the public sector.

Additional information regarding to article 9, paragraph 1 and paragraph 3

➤ Ministry of Finance of the Republic of Moldova

Regarding transparency and accountability in public procurement

The national field of public procurement is regulated by Law no. 131/2015 on public procurement. Among the principles governing public procurement relations, stipulated in Article 7 of the Law, can be mentioned:

- efficient use of public money and minimizing the risks of contracting authorities;
- transparency of public procurement;
- ensuring competition and combating anti-competitive practices in the field of public procurement;
- equal treatment, impartiality and non-discrimination in respect of all tenderers and economic operators;
- proportionality;
- taking responsibility in public procurement procedures.

In accordance with art. 36 of Law no. 131/2015, the contracting authority is responsible for establishing the deadline for submitting and receiving requests for participation and offers. When establishing the deadline, the contracting authorities will take into account the complexity of the expected purchases, the area of anticipated subcontracting and the usual time for the transmission of offers by mail from the country and abroad.

Without prejudice to the legislative or administrative provisions regarding the remuneration of certain services, the award criteria may be the following (art. 26 of Law no. 131/2015):

- a) the lowest price;
- b) the lowest cost;
- c) the best "quality-price" ratio;
- d) the best "quality-cost" ratio.

The contracting authority is obliged to establish in the award documentation any requirements, criteria, rules and other information necessary to provide the tenderer/candidate with complete, accurate and clear information regarding the application of the award procedure (art. 40 of Law 131/2015).

The contracting authority is obliged to publish in the Public Procurement Bulletin a notice of intention to conclude a public procurement contract in accordance with art. 28 of Law no. 131/2015.

At the same time, the contracting authority is obliged to publish in the Public Procurement Bulletin and on the website of the Public Procurement Agency a notice of participation in all cases provided by Law no. 131/2015, in accordance with the applicable procurement procedure. In order to ensure maximum transparency, the contracting authority has the right to publish a notice of participation in other national or international mass media, but only after the notice has been published in the

Public Procurement Bulletin and on the website of the Public Procurement Agency (art. 29 of Law no. 131/2015).

In accordance with art. 30 of Law no. 131/2015, the contracting authority has the obligation to submit for publication in the Public Procurement Bulletin an award notice no later than 30 days from the date on which it will submit the information regarding:

- a) completion of the public procurement procedure – open tender, restricted tender, competitive dialogue, negotiation with/without prior publication of a tender notice, request for price offers – by awarding the public procurement contract or concluding the framework agreement;
- b) completion of a solution competition by determining the winning competitor;
- c) awarding a public procurement contract through a dynamic procurement system.

The contracting authority has the obligation to inform the economic operators involved in the awarding procedure about the decisions related to the selection result, to the result of the awarding procedure of the public procurement contract or the conclusion of the framework agreement, to the admission to a dynamic procurement system, to the result of the solution competition or, as the case may be, the cancellation of the award procedure and the possible subsequent initiation of a new procedure, in writing and as soon as possible (art. 31 of Law no. 131/2015).

Any person who has or had an interest in obtaining a public procurement contract and believes that the action of the contracting authority in the public procurement process violates his right recognized by law, as a result of which he suffered or may suffer a loss; has the right to challenge such an action in the manner established by this law.

Complaints filed in public procurement procedures are handled by the The National Agency for Solving Complaints, an autonomous public authority independent of other public authorities.

The contracting authority performs its functions through a working group established for this purpose within the available staff of the contracting authority, from employees and specialists with professional skills in the field of public procurement. Depending on the object of the procurement, the contracting authority may establish one or more working groups.

A member of the working group is obliged to sign on his own responsibility a declaration of confidentiality and impartiality, through which he undertakes to strictly comply with the provisions of this law.

If a member of the working group discovers, before or after the opening meeting, that he is in one or more of the situations described in art. 79 para. (7) from Law no. 131/2015, he must immediately request that he be replaced in the group by another person.

In order to strengthen the public procurement system and anti-corruption actions in this field, the contracting authorities must publish in the Automated Information System "State Register of Public Procurement" the notice of intent and the award documentation.

At the same time, according to art. 65 para. (5) from Law no. 131/2015, economic operators submit bids in accordance with the requirements set out in the award documentation through the

Automated Information System "State Register of Public Procurement", except for the cases provided for in para. (7) and (11) of Article 33.

In order to comply with the principles of ensuring competition, efficiency, transparency and equal treatment without discrimination in accordance with the Regulation on how to plan public procurement contracts, approved by Government Decision no. 1419/2016, to meet the needs of goods, works and services, the contracting authority is obliged to plan public procurement contracts, which are to be concluded as a result of public procurement procedures, and to publish the provisional/annual procurement plan on its web page, within 15 days of its approval or within 5 days of its modification.

The contracting authority does not accept the offer if:

- a) the tenderer does not meet the qualification and selection requirements;
- b) the offer does not correspond to the requirements set out in the award documentation;
- c) the financial offer does not have a fixed price;
- d) the offer is abnormally low;
- e) the commission of acts of corruption, acts related to acts of corruption or corruptible acts confirmed by a final court decision was found.

In order to ensure the transparency of the entire public procurement process, increase the level of participation of the business environment in public procurement procedures, reduce the risks and costs of corruption in recent years, the following measures have been taken:

By Law no. 215/2020 for the modification of some normative acts (the law of deoffshorization), art. 16 of Law 131/2015 by adding para. (6), which stipulates that, as economic operators, natural and legal persons who are registered, have their residence or carry out their main economic activity in jurisdictions or autonomous regions that do not implement international standards of transparency, as well as legal persons in the composition cannot participate as economic operators which include, directly or indirectly, one or more persons (founders, associates, shareholders, administrators, beneficial owners) who are registered, have their residence or carry out their main economic activity in such jurisdictions or autonomous regions.

This also applies to public procurement procedures for important social products, established by the Government, medicines and medical devices.

At the same time, by Law no. 215/2020, art. 75 of Law 131/2015 was supplemented, which provides that, within the public procurement procedures of socially important products, established by the Government, of medicines and medical devices, economic operators and authorities contracting parties do not have the right to subcontract third-party economic operators, natural and legal persons who are registered, have their residence or carry out their main economic activity in jurisdictions or autonomous regions that do not implement international standards of transparency, as well as legal persons in whose composition they appear, directly or indirectly, one or more persons (founders, associates, shareholders, administrators, beneficial owners) who are registered, reside or carry out their main economic activity in such jurisdictions or autonomous regions.

In order to identify the actual beneficiaries and not frame them in the situation of conviction for participation in the activities of a criminal organization or group, for corruption, fraud and/or money laundering, the Ministry of Finance approved Order no. 145/2020 for the approval of the Declaration regarding the confirmation of the identity of the actual beneficiaries and their failure to be convicted for participating in the activities of a criminal organization or group, for corruption, fraud and/or money laundering, which is the component part of the award documentation. By Order of the Ministry of Finance no. 146/2020 was amended to the Standard Form of the Single European Procurement Document, approved by Order of the Minister of Finance no. 72/2020, with the inclusion of the provisions related to the identification of the effective beneficiaries.

In order to ensure the fairness and high level of transparency of public services in the energy, water, transport and postal services sectors in 2020, Law no. 74/2020 on procurement in the energy, water, transport and postal services sectors. In order to streamline and transparentize the conduct of sectoral procurement procedures, Government Decision no. 464/2022 for the approval of the Methodological Norms regarding the awarding of sectoral procurement contracts/framework agreements in the energy, water, transport and postal services sectors.

In 2022, Government Decision No. 870/2022 was approved for the approval of the Regulation on small value procurement, which comes with an essential change on the way of initiating small value procurement. Thus, the contracting authority/entity, in order to ensure transparency and fair competition, has the obligation to initiate the procurement within the Automated Information System "State Register of Public Procurements". The regulation describes how to plan, initiate and run the public procurement of small value within the Automated Information System "State Register of Public Procurement".

With regard to the administrative measures necessary to protect the integrity of registers and accounting statements, financial records or other documents relating to public expenditure and revenue and to prevent counterfeiting, the necessary measures to be taken are stipulated in the Tax Code (Article 257 of Law no.1163/1997), Labor Code (Law no. 154/2003), the Criminal Code of the Republic of Moldova (Law no. 218/2008), Accounting Law no.113/2007, Law on Accounting and Financial Reporting no. 287/2017, Law on Audit of Financial statements no. 271/2017, National Accounting standards, approved by order of the Ministry of Finance no.118/2013.