

EUROPEAN COMMISSION
DG Employment, Social Affairs and Inclusion

Director-General

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DG EMPL/F/5/SD/as

Mrs Mariana CÂMPEANU,
Minister of Labour, Family and
Social Protection
Str. Dem I. Dobrescu nr. 2 - 4
Bucharest
ROMANIA

Mr Leonard ORBAN
Minister of European Affairs,
B-dul Aviatorilor, nr.50A, sector 1,
Bucharest
ROMANIA

**Subject : Human Resources Development Sectoral Operational Programme
2007-2013, Romania (CCI No 2007RO051PO001) - follow-up audit
findings, financial corrections and the way forward**

Dear Mrs. Câmpeanu,

Dear Mr. Orban,

During the follow-up audit (A-REP no <2012-1445>) that took place between 19 and 23 November 2012, the auditors from DG Employment, Social Affairs and Inclusion were able to observe significant improvements in key control requirements, both at the level of the Managing Authority and the Certifying Authority.

In this context, I would like to commend the Romanian authorities for the significant changes which they have introduced in a short time-span and I am well aware of the considerable efforts involved.

However, given the very limited number of reimbursement requests which have been processed on the basis of the improved procedures (the so-called "Instruction 62"), it is too early to obtain assurance on the effectiveness of management verifications. Another audit mission will therefore be necessary, once there is sufficiently auditable evidence to assess the effectiveness of the improved procedures for management verifications. It is foreseen to conduct this mission in the first quarter of 2013.

The expenditure certified to the Commission needs to be corrected with the agreed flat rate financial correction of 25%, based on expenditure declared to the Commission since the start of the programming period. In order to proceed through withdrawal and replacement of operations as allowed by Article 98 (2), I would like to ask the Romanian authorities to submit before 15 December 2012 a payment claim including a corrected amount

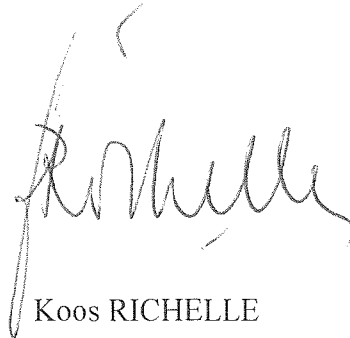
corresponding to 25% of the expenditure declared to the Commission, of which around EUR 30 million already withheld by the Romanian authorities should be deducted.

I would like to bring to your attention art. 101 of Regulation no. 1083/2006 that imposes upon national authorities the obligation to pursue recoveries of ineligible amounts from final beneficiaries. Amounts already recovered can be deducted from the 25% flat rate correction.

Lastly, we strongly suggest that the Romanian authorities submit a separate payment claim at a later stage but before end December 2012, covering to the extent possible the amounts which would otherwise need to be de-committed. This further payment claim should also include a 25% flat rate financial correction on the expenditure declared to the Certifying Authority. Payment of this second claim (and subsequent claims) should take place once the positive impact of the above-mentioned system improvements is confirmed. The clear progress made gives us good hope that this can be done shortly after the envisaged audit.

I am confident that, thanks to the efforts of the relevant Romanian authorities and your personal involvement, the current difficulties may be overcome.

Yours faithfully,



Koos RICHELLE

Copies: HE Mr Mihnea MOTOC
Permanent Representative of Romania to the European Union
Rue Montoyer 12, B – 1000, Bruxelles, BELGIUM

Mr Ioan Aron POPA
President of the Audit Authority
Str. Stavropoleos no. 6, sector 3, Bucharest, ROMANIA

Ms Lucica TARARA
Certifying and Paying Authority
Blvd Mircea Vodă nr. 44, bloc M17, intrarea C, sector 3, Bucharest,
ROMANIA

Mr Cristian ABABEI
Management Authority for the Sectoral Operational Programme
Human Resources Development
Str. Scărlătescu no. 17-19, sector 1, Bucharest, ROMANIA

Mr Eugen TEODOROVICI
Adviser to the Prime Minister of Romania
Piața Victoriei Nr. 1, Bucharest – Romania