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Annex

## REPORT

### on the managerial internal control system on 31<sup>st</sup> December 2016

According to the provisions of art. 4 paragraph (3) Government Ordinance No. 119/1999 regarding their managerial/internal control and the prevention financial control, republished, with the subsequent modifications and integrations, I the undersigned, *ILASI LIVIU*, in the capacity of *GENERAL MANAGER*, hereby, I state that the company *CONPET S.A. Ploiesti* has a managerial/internal control system designed and applicable as to allow the management (General Manager and, as the case might be, the Administration Board) to provide a reasonable assurance that the funds managed for accomplishing both general and specific objectives have been used legally, regularly, efficiently and wisely.

This statement is based on a realistic, correct, full and reliable assessment of the management/internal control system of the entity, formulated based on its self assessment.

The managerial/internal control system contains partially on 31<sup>st</sup> December 2016, self control mechanisms and the enforcement of the measures related to increasing its efficacy is based on risk assessment and continuous development of the management/internal control system.

In this case, I mention as follows:

- **The Monitoring Commission is updated** with the Decision DG No. 383/of 08<sup>th</sup> July 2016;
- **The teams of risk management are updated** according to the system procedure PS-MI-18 Ed.4 Rev.1 „Risk Management”
- **The Register of the risks at the level of the company CONPET S.A. Ploiesti**, as a result of applying the methodology contained in the procedure PS-MI-18 „Risk management”, **is yearly updated;**
- **The formal procedures elaborated** for the procedure related activities are updated everytime is necessary.



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- The development program of the management/internal control system No. 1742/13.01.2017, yearly updated, contains, distinctly, professional improvement actions of the managing staff, executive staff and internal auditors in the activities carried out by the Monitoring Commission;

- Within the public entity, the company CONPET S.A. Ploiesti, there is an internal audit department, functional and consisting in two people.

hereby, I add that the statements contained in this report are formulated by assuming the management responsibility and are based on the data, information and findings contained in the documentation related to the management/internal system self assessment, available at Conpet S.A., as well as in the internal and external audit reports.

This report has been elaborated based on the Guide to the elaboration, approval and submittal of the report on the management/internal control system, provided in annex 4 to the Government Secretary General Order No. 400/2015 for the approval of the management/internal control of public entities, with the subsequent modifications and integrations, containing the management internal control standards for the public entities.

Based on the results of the self assessment, we appreciate that on December 31<sup>st</sup> 2016, the management/internal control system of CONPET S.A Ploiesti is *partially according* to the standards contained in the management internal control Code and the degree of implementation is contained in Annex 4.2. (14 standards implemented, 1 standard partially implemented, 1 standard not implemented).

#### Appendixes:

1. Appendix 4.2. - Synthetic status of the self assesment results
2. Decision No. 383 of 08<sup>th</sup> July 2016 for setting up the Monitoring Commission
3. -The development program of the management/internal control system updated and recorded with No. 1742/13.01.2017

GENERAL MANAGER,  
ILASI LIVIU



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I, the undersigned, ROXANA FURCOIU, certified translator for English, Italian, Spanish and German, registered with No. 11644/2010 by the Ministry of Justice, certify the accuracy of the translation from Romanian into English and its conformity to the text I supervised.

Translator  
FURCOIU ROXANA

