

DECISION OF THE COLLEGE OF THE EUROPEAN PUBLIC PROSECUTOR'S OFFICE OF 26 OCTOBER 2022

ON THE INTERNAL AUDIT CAPABILITY (IAC) CHARTER

The College of the European Public Prosecutor's Office (EPPO),

Having regard to Council Regulation (EU) 1939/2017 of 12 October 2017¹, implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('EPPO'), hereinafter "the constituent act";

Having regard to Regulation (EU, Euratom) 2018/1046² of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012, and in particular Article 70, hereinafter referred to as "Financial Regulation",

Having regard to Decision 002/2021 of the College of the European Public Prosecutor's Office on the Financial Rules applicable to the EPPO, hereinafter referred to as "EPPO's Financial Rules", and in particular Article 81 thereof,

Whereas:

In accordance with Article 81 (1) of the EPPO Financial Rules:

- (1) The College may establish, with due regard to cost effectiveness and added value, an internal audit capability that shall perform its duties in compliance with the relevant international standards.

The purpose, authority and responsibility of the internal audit capability shall be provided for in the internal audit charter and shall be subject to the approval of the College [...].

HAS DECIDED AS FOLLOWS:

¹ OJ L 283, 31.10.2017, p. 1–71.

² OJ L 193, 30.7.2018, p. 1–222.



Article 1

- (1) The Internal Audit Capability (IAC) of the European Public Prosecutor's Office ('EPPO') shall be organised as an autonomous structure within the staff of the EPPO, enjoying functional autonomy. It shall be responsible to the College and shall report functionally to the College through the European Chief Prosecutor, and administratively to EPPO's Administrative Director.
- (2) The IAC shall be headed by a Senior Internal Auditor, assisted, as required, by designated internal auditors, or qualified persons within or outside the EPPO.

Article 2

The Internal Audit Capability shall operate in accordance with the Charter laid down in the Annex, which is an integral part of this decision.

Article 3

This decision shall take effect on the day following its adoption.

Done at Luxembourg on 26 October 2022.

On behalf of the College,

Andrés RITTER

Deputy European Chief Prosecutor



EUROPEAN
PUBLIC
PROSECUTOR'S
OFFICE

COLLEGE DECISION 044/2022

Annex



EUROPEAN
PUBLIC
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OFFICE

INTERNAL AUDIT CAPABILITY CHARTER OF THE EUROPEAN PUBLIC PROSECUTOR'S OFFICE ('EPPO')

Internal Audit Capability Charter of the EPPO

I. Purpose and Mission

1. The purpose of the Internal Audit Capability (IAC) of the EPPO is to provide independent, objective and risk-based assurance and consulting services designed to add value and improve EPPO's activities.
2. The mission of the IAC is to help the EPPO accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes. It shall thereby promote appropriate ethics, and a culture of efficient and effective management, performance and accountability within the EPPO.

II. Conduct and Standards of Professional Practice

3. The IAC shall exercise its functions in accordance with the Staff Regulations and the Conditions of Employment of Other Servants, as well as the EPPO's Financial Rules.
4. The IAC shall govern itself by adherence to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework (referred to as "*the IIA Standards*")¹, including the Core Principles for the Professional Practice of the Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing, and the Definition of Internal Auditing.
5. If the IAC is prohibited by law or regulation from conformance with certain parts of the IIA Standards, the Head of the IAC shall ensure appropriate disclosures and conformance with all other parts of the IIA Standards.
6. The Head of the IAC shall report once per year to the College, the European Chief Prosecutor and the Administrative Director regarding the IAC's conformance to the IIA Standards and the Code of Ethics.

III. Independence and Objectivity

¹ For more details: <https://www.theiia.org/en/standards/>

7. The IAC shall enjoy total independence in the conduct of its audit and consulting activities. In accordance with the IIA Standard 1100², the IAC shall remain free from interference in determining the scope of internal auditing, performing work, staffing audit engagements, and communicating results.
8. The Head of the IAC shall disclose to the College, the European Chief Prosecutor, the Administrative Director and the concerned parties any condition perceived to have interfered or threatened the ability of the IAC to carry out its responsibilities in an independent, objective and unbiased manner, including matters of audit selection, scope, procedures, frequency, timing and report content.
9. The IAC staff members shall maintain an objective and unbiased mental attitude that allows them to perform engagements objectively, and in such a manner that they do not subordinate their judgment on audit matters to others.
10. In the exercise of its duties, the IAC staff members shall assume neither direct management responsibility for – nor authority over – the activities subject to audit. While the IAC may be consulted in the development or improvement of new or existing control systems, it shall act only in an advisory capacity, and the final decision and responsibility for implementation shall rest with the appropriate level of line management.
11. Where the IAC has – or is expected to have – roles and/or responsibilities that fall outside internal auditing, safeguards shall be established to prevent impairments to its independence and objectivity. The IAC shall not be involved in activities subject to internal audit.
12. The Head of the IAC shall confirm to the College, the European Chief Prosecutor and the Administrative Director, in its annual report, the organizational independence of the IAC.

IV. Scope of Activities

13. The scope of the IAC's activities encompasses – but is not limited to – objective examinations of evidence for the purpose of providing independent assessments to the College, management and outside parties on the adequacy and

² For more details: <https://www.theiia.org/en/standards/what-are-the-standards/mandatory-guidance/standards/attribute-standards/>

effectiveness of EPPO's governance, risk management and control processes. Internal audit assessments include evaluating whether:

- Risks relating to the achievement of EPPO's strategic objectives are appropriately identified and managed;
 - The actions of EPPO managers, employees and contractors are in compliance with applicable legislation; and with EPPO's policies, procedures, regulations and governance standards;
 - Operations or activities are being carried out effectively and efficiently, and their results are consistent with established goals and objectives;
 - Established processes and systems enable compliance with the laws, policies, procedures and regulations that could significantly impact the EPPO;
 - Information and the means used to identify, measure, analyse, classify and report such information are reliable; and
 - Resources and assets are acquired economically, used efficiently, and protected adequately.
14. The IAC may provide Assurance³ and Consulting⁴ services, providing that it does not assume management responsibility.
15. Where appropriate, and as needed, the Head of the IAC shall also coordinate activities – and consider relying upon the work – of other internal and external assurance and consulting service providers, such as the Internal Audit Service (IAS) and the European Court of Auditors (ECA).

V. Authority

³ Assurance services shall consist of an objective examination of evidence for providing an independent assessment on governance, risk management, and control processes for the EPPO. The provision of assurance may include, but is not restricted to, financial, compliance, performance systems security and reliability of accounts and due diligence engagements.

⁴ Consulting services are advisory in nature, consisting mainly of advice and training, and are generally performed at the specific and written request of the College, the European Chief Prosecutor or the Administrative Director. The nature and scope of the consulting engagement are subject to agreement with the requester. When performing consulting services the IAC shall maintain its independence.

16. The authority of the IAC is derived from the College and is governed by the EPPO's Regulation, the EPPO's Financial Rules and the IIA standards.
17. The Head of the IAC shall be responsible to the College and shall report functionally to the College through the European Chief Prosecutor, and administratively (i.e. day-to-day operations) to the Administrative Director of the EPPO. Staff of the IAC shall report to the Head of the IAC.
18. To assure that the IAC has sufficient independence and authority to fulfil its duties, the College shall:
 - Approve the IAC Charter and risk-based annual internal audit plans;
 - Receive communications from the Head of the IAC on the IAC's performance relative to its plans and other matters;
 - Assess the adequacy of the IAC's budget and resource plans;
 - Approve decisions regarding the appointment and removal of the Head of the IAC.
19. The Head of the IAC shall have access to the College.
20. The College authorises the IAC to:
 - Have full and unrestricted access to all functions, information systems, records, property and personnel within the EPPO, as considered necessary for the fulfilment of its duties, unless the constituent act provides otherwise, and without prejudice of the confidentiality of case-related data.⁵
 - Obtain the necessary assistance and collaboration of EPPO's staff;
 - Allocate resources, select objects, determine the scopes of work, apply techniques required to accomplish audit objectives and issue reports;

⁵ Pursuant to Article 81(4) of EPPO's Financial Rules, the internal audits shall be undertaken in a way which safeguards the protection of case-related data. The access to data shall be subject to the IAC's accountability for confidentiality and safeguarding of records and information.

- Obtain assistance from the necessary staff members of the EPPO, as well as other specialized services from within or outside the EPPO, in order to complete its engagements.

VI. Responsibility

21. The Head of the IAC has the responsibility to:

- Submit, on an annual basis, a risk-based multi-annual audit plan to the Administrative Director (for consultation) and the College (for adoption); and regularly review or adjust the annual audit plan, as necessary, in response to changes in EPPO's business, emerging risks, operations, programs, systems or controls;
- Implement the annual audit plan as adopted, including, as appropriate, any subsequent interim changes to the plan, as well as special tasks or projects requested by the College, the European Chief Prosecutor or the Administrative Director;
- Follow-up on engagement findings, recommendations and improvement actions, and report periodically to the College, the European Chief Prosecutor and the Administrative Director any improvement actions not effectively implemented;
- Ensure that the internal audit resources are appropriate, sufficient, and effectively deployed to meet the requirements of the annual work plan; and inform the College, the European Chief Prosecutor and the Administrative Director, if deemed necessary as to the impact of resource limitations on the annual audit plan;
- Effectively and timely communicate results of audit engagements (assurance and consulting) to the College, the European Chief Prosecutor and/or the Administrative Director, upon the case;
- Report any suspected fraudulent activities within the EPPO to the College, the European Chief Prosecutor and/or the Administrative Director, upon the case;

- Ensure that the principles of integrity, objectivity, confidentiality and competency, promulgated by the IIA Code of Ethics, are applied and upheld by the IAC;⁶
- Develop a continuous dialogue with the auditee(s), to ensure the relevance of the audit findings and the quality and feasibility of the recommendations and the improvement actions to be taken.
- Establish and ensure adherence to policies and procedures designed to guide the IAC; and consider applying emerging trends and successful practices in internal auditing;
- Respect confidentiality with regard to the information gathered from the audit and consultancy engagements performed;
- In line with Article 81.3 of the EPPO'S Financial Rules, provide assistance to the Internal Audit Service (IAS) and the European Court of Auditors (ECA), as necessary, and cooperate and coordinate with them in order to achieve adequate audit coverage whilst minimizing duplication of efforts.

VII. Quality assurance and Improvement Program

22. The IAC shall establish and maintain a quality assurance and improvement program that covers all aspects of the IAC's activities. The program shall include an evaluation of the IAC's conformance with the IIA Standards, including the IIA Code of Ethics. The program shall also assess the efficiency and effectiveness of the IAC, and identify opportunities for improvement.
23. The Head of the IAC shall communicate to the College, the European Chief Prosecutor and the Administrative Director on the results of the IAC's quality assurance and improvement program, including the results of internal assessments (i.e. self-assessments or peer-reviews to be conducted once per year) and external assessments (i.e. assessments to be conducted at least once every five years by a qualified, independent assessor).
24. The IAC shall carry out its tasks with the required competence and diligence. Ongoing professional training and participation to relevant professional internal

⁶ For more details on these principles: <https://www.theiia.org/en/standards/what-are-the-standards/mandatory-guidance/code-of-ethics/>



audit forums are key factors for ensuring that the professional knowledge and skills of the IAC staff members are constantly kept up to date.

VIII. Validity of the Charter

- 25.** This charter shall be reviewed and updated as and when required, and after the completion of an external quality assessment of the audit activities as/if required by the relevant international standards.