



**DECISION OF THE GOVERNING BOARD OF THE ECSEL JOINT
UNDERTAKING (repealing GB 2016.59)**

Establishing an Internal Audit Capability

THE GOVERNING BOARD OF THE ECSEL JOINT UNDERTAKING,

Having regard to the Council Regulation (EU) No 561/2014 of 6 May 2014 establishing the ECSEL Joint Undertaking¹,

Having regard to ECSEL Financial Rules (ECSEL GB 2014.09) in particular Article 28;

Whereas:

- (1) Article 28 of ECSEL Financial Rules states that the Governing Board may establish with due regard to cost effectiveness and added value, an internal audit capability which shall perform its duties in compliance with the relevant international standards;
- (2) 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 Governing Board,
- (3) The Internal Control Standard 16 “Internal Audit Capability”, as adopted by the Governing Board in decision ECSEL GB 2014.15, states that “the JU has an Internal Audit Capability (IAC), which provides independent, objective assurance and consulting services designed to add value and improve the operations of the JU”,
- (4) Mrs Evelina Marinova, assigned to the function of IAC by the Governing Board on 11 May 2016, is no longer a staff member of the ECSEL Joint Undertaking. The Governing Board should assign another staff member;

¹ OJ L 169/152 of 7.06.2014

Has adopted this decision:

Article 1

The charter of the internal audit capability, as attached in Annex 1, is hereby approved.

Article 2

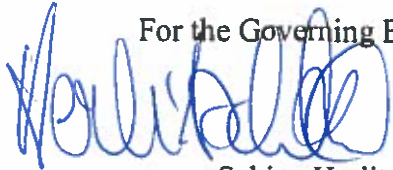
Mrs Laura DELGADO GARCIA, staff member of the ECSEL Joint Undertaking, is assigned to the function of internal audit capability and is invited to sign the charter mentioned in Article 1.

Article 3

For sake of legal consistency, decision ECSEL GB 2016.59 is repealed.

This Decision shall enter into force on the date of its adoption.

Done at Brussels, on 28th June 2018

For the Governing Board

Sabine Herlitschka
Chairperson of the Governing Board

Annex: Charter

CHARTER OF THE INTERNAL CONTROL AND AUDIT MANAGER OF THE ECSEL JOINT UNDERTAKING

Introduction

Council Regulation (EU) No 561/2014 of 6 May 2014 establishing the ECSEL Joint Undertaking states in Article 5 “Financial Rules”, that the ECSEL JU shall adopt specific financial rules taking into account the specific operating needs of the ECSEL JU; they have been adopted by the Governing Board decision ECSEL-GB-2014-09.

The Financial Rules of the ECSEL JU provide, in Article 28, that the Governing Board may establish an Internal Audit Capability. The function of Internal Audit Capability will be covered by the Internal Control and Audit Manager (ICAM). The Governing Board shall approve the relevant internal audit charter, with such a charter defining the mission, objectives, reporting and working arrangements required by the proper fulfillment of the ICAM role within the ECSEL JU.

1. Mission and objective

The mission of the ICAM is to provide:

- a) Independent, objective assurance and
- b) Consulting services to improve the operations of the ECSEL JU.

Assurance will rely on activities defined in collaboration with the Internal Auditor (at this point in time, the Internal Audit Service of the European Commission) to assess and express an objective opinion on the effectiveness of risk management, control and governance process.

Consulting services are advisory activities on topics specified by the Executive Director, intended to add value and improve the risk management and the control processes.

The objective of the ICAM is to provide the Executive Director with assurance as to the effectiveness and efficiency of risk management, control and governance process in the ECSEL JU with special reference to the following aspects:

- Risks are appropriately and continuously identified and managed
- Significant financial, managerial and operating information is accurate, reliable and timely
- The ECSEL JU policies and procedures, as well as the applicable laws and regulations are complied with
- The ECSEL JU objectives are achieved effectively and efficiently
- The development and maintenance of high-quality control processes are promoted throughout the ECSEL JU and commensurate with the size and scope of its activities.

2. Accountability

The ICAM is under the authority of the Executive Director and shall be accountable to the Executive Director to:

- Submit for approval an ICAM annual work plan based on the Strategic Audit Plan established by the Internal Auditor and adopted by the Governing Board
- Report significant issues related to the control processes and potential improvements
- Express an opinion on the state of control within ECSEL JU
- Take good account of reports by the European Court of Auditors (ECA) and other internal and external providers of relevant assurance and consulting services to ensure adequate follow up on the audit points or observations and avoid duplication of efforts
- Report to the Executive Director at least annually on its activities in relation to the ICAM annual work plan.

3. Independence and objectivity

No authority may ask the ICAM to make any alterations to the content of its reports.

The ICAM shall address any issues which in fact or appearance might impair its ability to execute its activities or communicate the results in the annual report or in ad-hoc reports to the Executive Director.

In exceptional circumstances, when concluding on the basis of its formal assurance or consultancy work the ICAM concludes that the Executive Director accepted an unreasonable level of risk, the ICAM shall inform the Executive Director before expressing its concerns to the Governing Board.

4. Responsibility

The ICAM has a responsibility to the Executive Director to:

- Implement the ICAM annual work plan and any special tasks or projects requested by the Executive Director,
- Promptly validate its findings and related risks and discuss its recommendations with the concerned employees of the ECSEL JU and reflect their position in the ICAM annual report, particularly in case of disagreement,
- Effectively and timely communicate assurance and consultancy results to the Executive Director,
- Formally communicate in writing to the Executive Director the situations in which unreasonable high levels of risk have been accepted,
- Respect confidentiality with regard to information gathered in its activity,
- Disclose and explain any failing or inability to meet and comply with the requirements of its charter in the ICAM annual report or in ad-hoc reports,
- Collaborate closely and coordinate its activities with the Internal Auditor,
- Send the ICAM annual report before the end of each calendar year to the Executive Director, with a copy to the Internal Auditor.

5. Authority

The ICAM is authorized to:

- Have access to all functions, information systems, records, property and personnel within the ECSEL JU as considered necessary for the fulfillment of the duties specified in the ICAM annual work programme
- Obtain necessary assistance of the ECSEL JU staff
- Apply the techniques required to accomplish the objectives established in the ICAM annual work programme
- Be informed at an early stage about any development that may substantially affect the internal control systems.

6. Standards of audit practice

The ICAM will adhere to the International Standards for the professional practice of Internal Auditing as drawn up by the Institute of Internal Auditors, commensurate with the ECSEL JU size and scope of activities, and as long as they are in accordance with the ECSEL JU applicable regulations.

Internal Control and Audit Manager	Executive Director
Name:	Name:
Date:	Date:
Signature:	Signature: