

Revised Audit Charters of the Internal Audit Service and the Internal Audit Capability

48th Meeting of the Management Board 14-15 December 2017

Proposal

The Management Board is invited to approve a revised Charter of the Commission's Internal Audit Service (IAS) in relation of EU agencies and corresponding changes to the Charter of ECHA's Internal Audit Capability (IAC).

Background

The internal audit function of ECHA is performed by the Commission's Internal Audit Service (IAS). This follows from the provisions of ECHA's Financial Regulation and the arrangements are the same for all EU agencies¹.

The international professional standards applied by the IAS foresee the adoption of a charter to define the purpose, authority and responsibility of the internal audit activity². The new version of the Mission Charter is used for all EU agencies.

Rationale

Further to the consultation launched in July 2017, the IAS finalised in September 2017 the new Mission Charter for EU Agencies and other bodies referred to in article 208 of the Financial Regulation, including the changes necessitated by the entry into force of the new IIA International Standards for the Professional Practice of Internal Auditing as of January 2017.

In accordance with IIA standard 1000 on purpose, authority and responsibility, the Chief audit executive must periodically review the internal audit charter and present it to senior management and the board for approval.

The changes are triggered by the entry into force of the new IIA International Standards for the Professional Practice of Internal Auditing as of January 2017 and relate to the need to better align the definition of the internal audit activity with the IIA's definition, the necessity to recognise the mandatory nature of the ten core principles for the professional practice of internal auditing, to stress the importance for the internal audit activity's effectiveness to consider trends and emerging issues that could impact the organisation, and to better distinguish between audit conclusions and opinions.

The Management Board Working Group on Audit matters contributed to the consultation organised by the IAS and recommends the Management Board to approve the revised IAS Charter. The Working Group also approved the revised IAC Charter, which is kept aligned with the IAS mission charter.

Alternative options

No alternative options can be considered to accepting the final revised Charter, which is presented to all agencies for signature.

¹ See Article 82(2) of ECHA's Financial Regulation MB/WP/03/2014, and Article 208 of the EU Financial Regulation

² The IAS Charter was lastly revised in 2014 – see MB/59/2014

Drawbacks

N/A

Attachments:

- Annex 1a-b: Revised Mission Charter of the IAS: cover note (1a) and Mission Charter (1b)
- Annex 2: Revised Charter of the ECHA IAC

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