Decision of the Management Board 26/2021/MB

ON UPDATING THE MANDATE OF THE INTERNAL AUDIT PANEL AND
REPEALING DECISION 01/2019/MB

Adopted by the Management Board

on 23 November 2021
Decision of the Management Board 26/2021/MB
ON UPDATING THE MANDATE OF THE INTERNAL AUDIT PANEL
Effective from 24 November 2021

THE MANAGEMENT BOARD,


Whereas:

(1) The Management Board has very comprehensive responsibilities related to the audit process, the system of internal control and the financial reporting process.

(2) In the course of regular meetings of the Management Board the required and desired attention to these matters cannot be given. Therefore an Internal Audit Panel to deal exclusively with these matters was established by Decision 37/2010/GB, which was repealed and replaced by Decision 27/2012/GB.

(3) Since then, a number of positive developments took place in the way CEPOL operates in compliance with the rules and regulations, therefore the mandate of the IAP was updated, in order to avoid overlaps in auditing assignments and increase efficiency in use of resources. By Decision 01/2019/MB the work of the Audit Panel has been suspended, following to be re-activated in case the risk assessment justifies enforcing additional audits.

(4) Decision 01/2019/MB is valid for three years following to be updated after its assessment at the end of the implementation period. The validity period expires January 2022, therefore it is the time to assess and update the decision, as applicable.

(5) By decision 32/2020/MB, the Management Board appointed [redacted] as the new Chair of the Internal Audit Panel and approved that IAP will exceptionally continue activity with two members only.

(6) By decision 02/2019/MB, the Management Board appointed [redacted] as member of the Audit Panel. The length of the assignment was foreseen to be three years, extendable once for up to three additional years. The validity date of the mandate expires March 2022. Upon being consulted, [redacted] confirmed his willingness to continue as a member of Audit Panel.

HAS DECIDED AS FOLLOWS:

Article 1

a) Having in view the currently low risk profile of the Agency, as classified by the internal auditors, as well as the continuous positive audit assessments, the work of the Audit Panel shall continue to be suspended, following to be re-activated in case
the risk assessment justifies enforcing additional audits. The Internal Audit Panel shall implement ad-hoc audits at the request of the Management Board, when a particular audit need is perceived.

b) The terms of reference of the Internal Audit Panel shall be updated as set out in the Annex to this Decision. Internal Audit Panel activity will continue with two members only.

c) The instrument of the Internal Audit Panel shall not be abolished and the Chair and the members of the Audit Panel shall keep their nominations as decided via MB Decisions.

d) [Name] to continue his mandate as the Chair of the Internal Audit Panel, as per Decision 32/2020/MB.

e) The mandate of [Name] as member of the Audit Panel, shall be extended for three additional years.

Article 2

a) This Decision repeals and replaces Decision 01/2019/MB.

b) This Decision shall take effect on the day following that of its adoption. The decision shall be valid for three years and will be updated in the course of its implementation if necessary, or after its assessment at the end of the implementation period.

Done at Lisbon, on 29 November 2021

For the Management Board
<< Signature on file>>

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Mr José Leitão
Chair of the Management Board
Annex

Internal Audit Panel (IAP)

Member States shall be invited to nominate financial experts for the IAP; the nomination shall include a *curriculum vitae* of the proposed expert. The Management Board shall appoint two members and their appointment will last for three years; the mandate of the appointed auditors is extendable once for up to three additional years. The Chair of the Audit Panel shall be the longest serving as a member of the Audit Panel.

**Purpose:**
The IAP shall assist the Management Board in fulfilling its oversight responsibility for the audit process and the system of internal control.

**Objectives:**
Upon specific request, the IAP shall provide the Management Board with opinions with regards to effectiveness of the internal control system of the Agency and propose recommendations for improvement.

**Tasks:**
The IAP, on the request of the Management Board, shall in particular:
1. carry out audits, where a particular need is perceived;
2. follow-up the implementation of audits and assess internal control systems;
3. review the action plans provided by the Executive Director;
4. follow-up actions in response to analyses, assessments and recommendations of internal and external auditors;
5. present audit plans and reports to the Management Board for each assignment.

**Profile of members:**
The members of the IAP shall have a good understanding of CEPOL and of the subjects covered by the IAP.

**Support:**
CEPOL shall keep the IAP informed about any developments within the Agency and on the results of the internal/external audits. In this respect, the documents prepared for the MB meetings will be equally accessible to the Chair of the IAP.

The Executive Director shall attend all IAP visits and provide the information necessary for the IAP to carry out its tasks. The IAP may invite any staff member of CEPOL to
attend a meeting to provide pertinent information. CEPOL shall provide secretarial support to the IAP.

Audit visits:
At the request of the Management Board, the Internal Audit Panel shall perform ad-hoc audits, based on risk assessment considerations, and where a particular need is perceived, for instance if there is an indication of significant weakness in the internal control system of the Agency. In this respect, the Chair of the MB shall send to the Chair of the IAP, with a copy to CEPOL Executive Director, a letter requesting an audit on the proposed topic.

For each assignment (ad-hoc visit), the Internal Audit Panel shall draft an audit plan stating the purpose and justification of the engagement, objectives and scope of the audit, units and services to be audited, audit methodology and timelines.

The Internal Audit Panel, supported by CEPOL, shall ensure audit planning and coordination with the internal auditor (Internal Audit Service), external auditor (European Court of Auditors) and private quality auditor performing surveillance audits in accordance with ISO 9001:2015 standards.

An audit report shall be drafted for each assignment stating the audit conclusion, findings and recommendations.

The duration of each audit visit performed at CEPOL premises shall not exceed 5 days and the costs related to transport, accommodation and meals shall be paid by CEPOL.