



GOVERNING BOARD OF THE GLOBAL HEALTH EDCTP3 JOINT UNDERTAKING DECISION N° GB/10/2024

Approving the Internal Audit Charter

THE GOVERNING BOARD OF THE GLOBAL HEALTH EDCTP3 JOINT UNDERTAKING (hereafter “Global Health EDCTP3 JU”),

Having regard to Council Regulation (EU) No 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014 (hereafter “the Founding Regulation”), in particular articles 16 (1), (2), (3), 32(1) and 107 thereof,

Having regard to the Financial Rules of the Global Health EDCTP3 JU¹, and in particular Articles 28 and 29 thereof,

Having regard to the Rules of Procedure of the Governing Board of the Global Health EDCTP3 JU, and in particular Article 10 thereof,

WHEREAS:

- (1) Article 32 (1) of the Founding Regulation gives responsibility to the European Commission’s internal auditor to exercise the same powers over the joint undertakings as those exercised in respect of the European Commission and to endeavour to reduce the administrative burden of the Global Health EDCTP3 JU;
- (2) According to the Financial Rules of the Global Health EDCTP3 JU, the internal audit function shall be performed by the European Commission's internal auditor i.e. the Internal Audit Service in compliance with the relevant international standards;
- (3) The Mission Charter of the Internal Auditor should be approved by bodies having legal personality that are set up by a basic act and entrusted with the implementation of a public-private partnership.

HAS DECIDED AS FOLLOWS:

Article 1

¹ Governing Board decision GB/22/2022

The Mission Charter of the Internal Auditor of the Global Health EDCTP3 JU, annexed to the present decision, is hereby approved and shall be countersigned by the Global Health EDCTP3 JU Governing Board Chairperson and the Global Health EDCTP3 JU Executive Director.

Article 2

This decision shall enter into force on the day following that of its adoption.

Done at Brussels, 15 March 2024.

For the Global Health EDCTP3 Joint Undertaking Governing Board

Qualified electronic signature by:
LENA IRENE MARGARETA NORSTEDT
Date: 2024-03-15 16:25:55 +01:00

Irene Norstedt

Chairperson of the Governing Board

Annex:

1. Mission Charter of the Internal Auditor

MISSION CHARTER OF THE
INTERNAL AUDIT SERVICE OF THE EUROPEAN COMMISSION
IN RELATION TO BODIES HAVING LEGAL PERSONALITY THAT ARE SET UP
BY A BASIC ACT AND ENTRUSTED WITH THE IMPLEMENTATION OF A
PUBLIC-PRIVATE PARTNERSHIP

Global Health EDCTP3 Joint Undertaking

The Internal Audit Service was established by Commission Decision on 11 April 2000¹.

This mission charter sets out the mission, objectives, reporting and working arrangements essential to the proper fulfilment of the Internal Audit Service's role to the Union bodies for which the Internal Auditor of the European Commission performs the internal audit function according to Article 71 of the Financial Regulation² and Article 32 of the regulation establishing the Joint Undertakings under Horizon Europe³, hereinafter referred to as the Global Health EDCTP3 Joint Undertaking.

This mission charter uses the definitions set out in Article 2 of the Model Financial Regulation⁴ and Article 2 of the Financial Rules of the Global Health EDCTP3 Joint Undertaking⁵.

1. MISSION AND OBJECTIVES

The **mission** of the Internal Audit Service is to enhance and protect organisational value by providing risk-based, objective assurance, advice and insight. The Internal Audit Service helps the Global Health EDCTP3 Joint Undertaking accomplish its objectives by bringing a systematic, disciplined approach in order to evaluate and improve the effectiveness of risk management, control and governance processes. Its tasks include assessing and making appropriate recommendations for improving the risk management, control and governance process in the accomplishment of the following objectives: promoting appropriate ethics and values within the organisation, ensuring effective organisational performance management and accountability and effectively communicating risk and control information to appropriate areas of the organisation. Thereby it promotes a culture of efficient and effective management within the Global Health EDCTP3 Joint Undertaking.

¹ SEC(2000) 560.

² Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union.

³ Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe.

⁴ Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council.

⁵ Decision of the Governing Board of the Global Health EDCTP3 Joint Undertaking No GB 22/2022 Approving the Financial Rules of the Global Health EDCTP3 Joint Undertaking.

Assurance services are an objective examination of evidence for the purpose of providing an independent assessment of effectiveness of risk management, control and governance processes. In line with the Model Financial Regulation, for its assurance services, the Internal Audit Service will rely on a risk-based approach which takes account of the overall group of Union bodies. The bodies concerned and the specific subjects to be covered will be selected for audit on a risk basis and according to a timeframe determined by the Internal Audit Service, after consultation of the Union bodies concerned. The Internal Audit Service will provide a conclusion, and where appropriate an opinion, in each assurance audit report.

Consulting services are advisory and management-requested activities, the nature and scope of which are agreed with the Executive Director. They are intended to add value and improve the Global Health EDCTP3 Joint Undertaking's governance, risk management and control processes without the internal auditor assuming management responsibility.

The primary **objective** of the Internal Audit Service is to provide the Global Health EDCTP3 Joint Undertaking with assurance as to the effectiveness and efficiency of the risk management, control and governance processes, with special reference to the following aspects:

- risks are appropriately and continuously identified, assessed and managed;
- significant financial, managerial and operating information is accurate, reliable and timely;
- the Global Health EDCTP3 Joint Undertaking's policies, procedures as well as applicable laws and regulations are complied with;
- the Global Health EDCTP3 Joint Undertaking's objectives are achieved effectively and efficiently;
- the development and maintenance of high-quality control processes are promoted throughout the Global Health EDCTP3 Joint Undertaking.

2. ACCOUNTABILITY

The Internal Audit Service's work in the Global Health EDCTP3 Joint Undertaking is performed under the authority of the Governing Board.

The Internal Audit Service shall be accountable to the Executive Director and the Governing Board to:

- report significant issues related to the audited activities of the Global Health EDCTP3 Joint Undertaking, including potential improvements to those processes;
- report at least once a year critical risks identified in the course of its assignments and recommendations that have not been addressed and significant delays in the implementation of the recommendations made in previous years (Article 28(7) of the Model Financial Regulation).

Where applicable, the Internal Audit Service shall communicate with the Governing Board through its Audit Committee.

3. INDEPENDENCE AND OBJECTIVITY

No authority may interfere in the conduct of Internal Audit Service audits or ask the Internal Audit Service to make any alterations to the content of audit reports⁶.

In order to ensure objectivity in their opinions and avoid conflict of interest, Internal Audit Service internal auditors must preserve their independence in relation to the activities and operations they audit or review. If their objectivity is impaired in fact or in appearance, the details of the impairment should be disclosed.

If the Internal Auditor considers it necessary, he/she may contact directly the Chair of the Governing Board.

4. RESPONSIBILITY

The Internal Auditor has responsibility to:

- develop and establish the Internal Audit Service audit procedures;
- develop a three-year strategic internal audit plan and an annual audit plan using appropriate risk-based methodology, including any risks or control concerns identified by management and submit these plans as well as periodic updates to the Executive Director and the Governing Board for consideration;
- update the three-year strategic internal audit plan at least annually to take into account new and/or emerging risks that could impact on the organisation and submit these updated plans to the Executive Director and the Governing Board for consideration;
- offer cooperation and coordination⁷ with the internal audit capability, as appropriate, for the purpose of providing optimal audit coverage. The cooperation with the internal audit capability will be supported through the network of internal auditors (Auditnet for autonomous EU bodies);
- ensure audit planning and coordination with the European Court of Auditors as appropriate;
- implement the annual audit plan, including as appropriate any special tasks or projects requested by the Executive Director or the Governing Board. The Internal Auditor may change the annual plan in the course of the year after informing the Executive Director and the Governing Board;
- establish a follow-up process in order to monitor that recommendations have been implemented and inform the Executive Director and the Governing Board in accordance with Article 28(7) of the Model Financial Regulation;
- develop and maintain a quality assurance programme that covers all Internal Audit Service audit activities and continuously monitor its effectiveness. This programme includes periodic internal and external assessments and ongoing internal monitoring;

⁶ Refer to Institute of Internal Auditors standards 1100 on Independence and Objectivity and 1110 and 110.A1 on Organizational Independence.

⁷ See Article 30 of the Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council, concerning the establishment of an internal audit capability.

- ensure that the Internal Audit Service resources are appropriate, sufficient and effectively deployed to meet the requirements of the annual work plan;
- perform engagements in line with the ‘Mutual Expectations Paper’, which describes the audit process workflow, its deliverables, and relationship between the auditor and auditee to clarify responsibilities and align mutual expectations so that engagements are smooth, efficient and effective;
- develop a continuous dialogue with the auditee, to ensure the relevance of the findings, the quality and feasibility of the recommendations for action to be taken. This dialogue should be concluded by means of a closing meeting with the Executive Director, when the main findings and recommendations are presented, unless the auditee considers that such meeting is not necessary;
- promptly validate findings and discuss recommendations with the Global Health EDCTP3 Joint Undertaking's management. The position of the Global Health EDCTP3 Joint Undertaking's management should be reflected in the final report, particularly in the case of disagreement;
- effectively and timely communicate results of audit engagements to the Executive Director and the Governing Board;
- formally communicate in writing to the Executive Director and the Governing Board where the Internal Auditor believes that the Global Health EDCTP3 Joint Undertaking management has accepted an unreasonably high level of risk;
- communicate copies of final audit reports, with the Global Health EDCTP3 Joint Undertaking comments, if any, to the European Court of Auditors;
- report any suspected fraudulent activities within the Global Health EDCTP3 Joint Undertaking to the European Anti-Fraud Office (OLAF)⁸ and, as appropriate, to the Executive Director and the Governing Board;
- respect confidentiality with regard to the information gathered from the audit and consultancy engagements performed;
- disclose and explain to the Governing Board any failure or inability to meet and comply with the requirements of this charter.

5. AUTHORITY

The Internal Auditor and the staff of the Internal Audit Service are authorised to:

- have unrestricted access to all functions, information systems, records, property and personnel within the Global Health EDCTP3 Joint Undertaking, as considered necessary for the fulfilment of their duties, unless the constituent act or the specific financial regulation of the Global Health EDCTP3 Joint Undertaking provide otherwise;
- obtain the necessary assistance of Global Health EDCTP3 Joint Undertaking staff;

⁸ Article 8 of the Regulation (EU, EURATOM) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF).

- allocate resources, select subjects, determine the scope of work and apply the techniques required to accomplish audit objectives;
- be informed at an early stage about the development of new systems and changes to existing systems that may substantially affect the Global Health EDCTP3 Joint Undertaking's internal control system.

The Internal Auditor and the staff of the Internal Audit Service are **not** authorised to:

- perform any operational duties for the Global Health EDCTP3 Joint Undertaking;
- initiate or approve financial transactions;
- direct the activities of Global Health EDCTP3 Joint Undertaking staff, except to the extent such staff members have been appropriately assigned to auditing teams or to otherwise assist the Internal Audit Service.


6. STANDARDS OF AUDIT PRACTICE AND ETHICS

The Internal Audit Service will adhere to the mandatory guidance of the International Professional Practices Framework promulgated by The Institute of Internal Auditors. The mandatory elements of the International Professional Practices Framework are:

- The Core Principles for the Professional Practice of Internal Auditing.
- The Definition of Internal Auditing.
- The Code of Ethics.
- The International Standards for the Professional Practice of Internal Auditing.

The mandatory guidance will be applied in accordance with regulations applicable to the Global Health EDCTP3 Joint Undertaking. In the event of discrepancies, requirements originating from EU regulations and Global Health EDCTP3 Joint Undertaking decisions shall take precedence.

Director-General
of the Internal Audit
Service

Internal Auditor of the
European Commission
Digitally signed by
KAZMIERCZAK Agnieszka
Date: 2023.12.20 09:46:44
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[e-signed]

Executive Director
of the Global Health
EDCTP3 Joint
Undertaking

Done in,
on

For the
Governing Board
of the Global Health
EDCTP3 Joint
Undertaking
Chairperson

Qualified electronic signature by:
LENA IRENE MARGARETA NORSTEDT
Date: 2024-03-15 16:27:04 +01:00

Done in,
on