

MANAGEMENT BOARD

**DECISION**

<b>EFSA – European Food Safety Authority</b>	<b>Decision of the Management Board adopting the Charter of the Audit Committee of EFSA</b>	<b>Decision No.:</b> mb161214-a4
	<b>Effective Date: 1 January 2017</b>	<b>Supersedes:</b> Decision of the Management Board mb150618-a6 adopting the Charter of the Audit Committee of EFSA

<b>Approvals</b>	Signature	Name
Originator		Bernhard Url (Executive Director)
Management Board	See Decision	Jaana Husu-Kallio (Chair of MB)

<b>Introduction</b>	EFSA is implementing a revised organisational model as regards audit management at EFSA. Accordingly, EFSA will invest in <i>ex-ante</i> risks prevention and externally procure the necessary expertise to respond to audit needs not addressed by the Internal Audit Service of the Commission.
<b>Description</b>	The present Decision revises the Charter of the Audit Committee to give account of the modified setting of audit management at EFSA.
<b>References</b>	Financial Regulation of EFSA and rules implementing EFSA Financial Regulation.
<b>Abbreviations</b>	See Charter

**Decision History**

<b>Date</b>	<b>Revision No.</b>	<b>Description of Change</b>
14/12/2016	1	<p>Main changes to existing Charter are as follows:</p> <ul style="list-style-type: none"> <li>■ empower the Audit Committee to request EFSA to procure external audit services to additional audit needs;</li> <li>■ redesign the responsibilities of the Audit Committee including its interaction with external providers;</li> <li>■ provide for standing invitations to attend Audit Committee meetings for a representative of Internal Audit Service of the Commission.</li> </ul>

# CHARTER OF THE AUDIT COMMITTEE OF EFSA

The Charter establishes the role, the composition and organisation, responsibilities and reporting arrangements of the Audit Committee.

## 1- ROLE

The Audit Committee assists the Management Board by identifying and dealing with audit needs including ensuring that the recommendations of the Internal Audit Service of the European Commission (IAS), the European Court of Auditors (ECA) and of external audit services providers are taken into account by the Management Board and the Executive Director and receive appropriate follow-up. It provides advice to the Board on financial (e.g. annual accounts), reporting (e.g. annual activity reports) and monitoring issues (e.g. IT governance).

## 2- COMPOSITION

1. The Audit Committee should comprise at least five members of whom four are appointed members of the Management Board and additionally the Commission Representative on the Board.
2. The Executive Director, the Head of Department Resources and Support and a representative of IAS will hold standing invitations to attend the meetings of the Committee.
3. The Committee shall be composed of members with professional experience covering a variety of appropriate backgrounds (such as auditing, governance, EFSA's operational areas and/or IT).
4. The Management Board appoints the Chairperson and the Vice-Chair and it approves the other Board Members of the Committee.

## 3- ORGANISATION AND MEETINGS ATTENDANCE

1. The mandate of the appointed Board Members of the Audit Committee will have a term of two years and may be renewed once. For continuity sake, the mandate as member of the Management Board of the Chair and Vice-Chair should change in alternate terms.
2. Meetings shall be held at least three times a year or more frequently as circumstances require. Participation may not be delegated.
3. The quorum to hold a meeting shall be three members.
4. The Committee decides on a consensus basis. Decisions may be taken by written procedure. In case of lack of consensus, members may express their opinions in writing, and these will be reported by the Chair to the Management Board.
5. Secretariat to the Committee shall be provided by EFSA.
6. The Committee may invite members of EFSA (Management Team or other staff members) or external experts to attend meetings where it considers this is

necessary.

#### **4- RESPONSIBILITIES OF THE COMMITTEE**

1. The responsibilities and tasks of the Committee shall be to:
    - In conjunction with the Executive Director, consider the three-year audit plan and annual audit plan prepared and approved by IAS in relation to EFSA, and all updates to these plans<sup>1</sup>; make requests to IAS to carry out audits not included in those plans where a particular need is perceived.
    - In case an audit need is identified, of which IAS informed EFSA that it cannot be included in its audit plan, request EFSA to activate the framework contract for audit services to respond to this need through the procurement of external audit knowledge and expertise, while EFSA ensures that IAS is kept fully informed about the services requested and delivered.
    - Follow-up implementation of audits and control systems of the Authority by keeping under review the scope, results and effectiveness of EFSA audit programme.
    - Monitor action taken by EFSA in response to analyses, assessments and recommendations of internal and external auditors. Consider and review with the senior management significant findings and opportunities for improvement and their responses thereto, in the form of adopted action plans.
    - Advise senior management about significant risks or exposures and evaluate the steps taken to minimise such risks to the Authority.
    - Keep the Management Board informed of reports resulting from audits (IAS, ECA and other external party audits) and the Authority's response thereto.
    - Monitor the quality of audit work at EFSA.
    - Review the EFSA's annual accounts and monitor that the Authority's assets and interests are properly accounted for and safeguarded.
    - Review the elements supporting assurance of EFSA's annual activity report.
    - Monitor that EFSA defines and implements anti-fraud strategy in conformity with central guidance and follow-up any fraud or suspected fraud in application of EFSA's anti-fraud strategy.
    - Act as a sounding board for the EFSA IT strategy and implementation thereof.
    - Review and assess the adequacy of the Audit Committee charter, requesting Management Board approval for proposed changes.
    - Perform any other tasks delegated by the Management Board.
  2. The Audit Committee is not responsible for the implementation of audit recommendations which rests fully under the ultimate responsibility of the Executive Director.
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## 5- REPORTING

1. The Audit Committee shall update the Management Board during each Management Board meeting on its work and bring to the Board's attention any issues arising at the Committee.
2. The outputs of the Audit Committee will be, as appropriate, reported by the Chairman at the Public sessions of the Management Board, or at the Private sessions where there are confidential aspects.
3. The Secretariat shall provide copies of the minutes of Audit Committee meetings to the Management Board.

Adopted in Parma on 14 December 2016

For EFSA's Management Board

[SIGNED]

Jaana Husu-Kallio

Chair of the Management Board

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