

DECISION OF THE COLLEGE OF THE
EUROPEAN PUBLIC PROSECUTOR'S OFFICE
OF 29 JANUARY 2025

ON THE APPROVAL OF THE REPORT ON THE COMPLETION OF
THE IAC ANNUAL AND MULTI-ANNUAL ACTIVITY PLAN
2022-2024

The College of the European Public Prosecutor's Office ('the EPPO'),

Having regard to the Council Regulation (EU) 1939/2017 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO'),¹

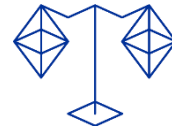
Having regard to the Decision 002/2021 of the College of the European Public Prosecutor's Office of 13 January 2021 on the Financial Rules applicable to the European Public Prosecutor's Office, as amended and supplemented by the College Decision 023/2023 (hereinafter referred to as "EPPO's Financial Rules"), and in particular Article 81 thereof,

Having regard to the Decision 044/2022 of the College of the European Public Prosecutor's Office of 26 October 2022 on the Internal Audit Capability (IAC) Charter (hereinafter referred to as "the EPPO IAC Charter"),

Whereas:

1. The Head of the Internal Audit Capability (IAC) shall report once per year to the College, the European Chief Prosecutor and the Administrative Director regarding the IAC's conformance to the Institute for Internal Auditors (IIA) Standards and the Code of Ethics.

¹ OJ L 283, 31.10.2017, p. 1–71.



2. In this annual report, the College, the European Chief Prosecutor and the Administrative Director, shall receive confirmation by the Head of the IAC of the organizational independence of the IAC.

Has adopted this Decision:

Article 1

The report reviewing the achievements and activities of the Internal Audit Capability (IAC) during the period 2022-2024, as well as confirming the organisational independence of the internal audit activity, as laid down in the Annex, which forms an integral part of this Decision, is hereby approved.

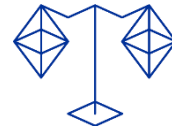
Article 2

This decision shall take effect on the day following that of its adoption.

Done at Luxembourg on 29 January 2025.

On behalf of the College,

Laura Codruța KÖVESI
European Chief Prosecutor



ANNEX:

REPORT ON THE COMPLETION OF THE IAC ANNUAL AND MULTI-ANNUAL ACTIVITY PLAN 2022-2024

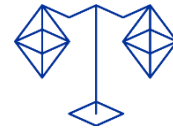
Executive Summary

Main activities performed by the Internal Audit Capability

EPPO Internal Audit Capability (IAC) was established on 16 of May 2022 with the recruitment of the Senior Internal Auditor Benoit de Schoutheete as Head of this new function reporting functionally to the College via the European Chief Prosecutor (ECP) and administratively to the Administrative Director.

As required by art. 81 of EPPO Financial Rules and the Institute of Internal Auditors (IIA) Standards, before starting effective operations the IAC needed to develop and obtain approval of the Internal Audit Charter outlining its mission, authority, responsibilities and activities. In addition, the Head of IAC was required to acknowledge compliance with the IIA Code of Ethics and definition of the internal auditing as stipulated in the IIA International Professional Practices Framework.

The IAC Charter was approved by decision of the College on 26 October 2022. Subsequently, the Head identified the IAC's "audit universe", which is an inventory of all areas potentially subject to audit by the IAC in the EPPO and perused the organizations' risk register in order to develop a risk-based strategic audit plan for the period 2022-2024. After coordination



and consultation with the Internal Audit Service (IAS), the first EPPO strategic audit plan was approved by the College on 15 December 2022.

During the initial phase of its operation (pending the selection and appointment of an Internal Control Officer), the IAC participated in the review of the EPPO's anti-fraud strategy as well as the design and delivery of trainings on the Code of Good Administrative Behaviour (CGAB) and the Anti-Fraud Strategy. Another achieved goal was to enhance the visibility of the IAC through the design of dedicated pages on EPPO's website and intranet, and the participation to the induction programme for newcomers (to explain the mandate and the role of the IAC to staff members and external parties).

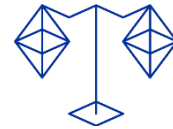
In February 2023 the IAC prepared an analysis for the purpose of EPPO staffing benchmarking against peer judicial organizations. The first audit engagement performed by the IAC in 2023 was a non-planned review of the EPPO Decentralised Office in Bulgaria on the ECP and Administrative Director request. The field visit was performed in February and March and the final report was released in September 2023.

In parallel, the IAC provided fieldwork support to the IAS audit of the EPPO Building Blocks of Assurance that took place in May and the exit meeting was conducted June 2023².

In February 2024 the Head of EPPO IAC resigned and execution of the Strategic Audit plan 2022-2024 was put on hold until the recruitment of his replacement that was completed on 2 September 2024. During the last quarter of 2024 the new Head of EPPO IAC was mainly focused on:

- reviewing and reporting on IAC activity from the last available Strategic Audit Plan 2022-2024,
- follow-up on related Management action plans completion,
- updating the "Audit Universe" and risk assessment to reflect the organizational changes and technical infrastructure development,
- IAC Strategic Audit plan 2025-2027 preparation and coordination with IAS prior to approval by the College,
- drafting of the IAC Internal Audit manual.

² The final report of this audit was released by the IAS only in September 2024.



Overall conclusion by Internal Audit

From the audit work performed by the IAC as part of the Strategic Audit Plan 2022-2024 as well as ad hoc and targeted reviews performed on Management request, we conclude that there were no “critical” issues identified and the internal control framework of the EPPO was overall adequately designed and operating to a satisfactory level, as planned in the SPD 2022-2024 and expected by the ECP, the College and Administrative Management.

Moreover, during the reporting period the EPPO took several steps to decrease its overall risk profile and dependence on EU DIGIT provided IT services as well as to strengthen the effectiveness and efficiency of key internal controls in the areas of Information and Physical Security, Data protection and core activity support infrastructure.

Independence Confirmation

In line with the International Standards for the Professional Practice of Internal Auditing, the Internal Auditor has the obligation to confirm the organisational independence of the internal audit activity to the College on an annual basis.

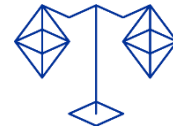
By this note, the IAC confirms that in 2023:

The Internal Audit Capability of the EPPO preserved the full organisational independence necessary to effectively carry out the responsibilities of the internal audit activity, in particular through the dual reporting relationship to the College and Administrative Director and through direct and unrestricted access to senior management and the College;

The internal audit work in 2023 was free from interference in determining the scope of internal auditing, performing work and communicating results; and

There was no impairment to individual objectivity, in particular through conflict of interest, scope limitations, restrictions on access to records, personnel, and properties, or resource limitations.

In line with the International Standards for the Professional Practice of Internal Auditing, the Internal Auditor must communicate the results of the Quality Assurance and Improvement Programme (QAIP) to senior management and the College. Due to the interruption of IAC activity from February to September 2024 the Strategic Audit plan for the period 2022-2024 could not be fully completed (see details in the next section) and QAIP activities for 2024 could not be implemented.



Consolidated Audit Plan 2022-2024

Status update on the Internal Audit Service (IAS) approved Audit Plan completion

The approved Strategic Internal Audit Plan (SIAP) of the IAS of the European Commission for the period 2022-2024 that was communicated to EPPO included the following audit engagements:

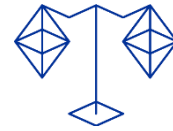
- Limited review of building blocks of assurance – completed in 2024.
- Human resources management- not initiated at this stage.
- IT governance including information security governance- replaced by internal advisory support for the EPPO IT Autonomy project – ongoing as of the reporting date.

As a result, we can conclude that the IAS SIAP 2022-2024 was completed at about 67%.

Status update on the Internal Audit Capability (IAC) Audit Plan Completion

The Strategic Audit Plan (SIAP) of the EPPO IAC approved by the College on 15 December 2022 included the following audit and internal advisory engagements:

Audit subject	Source	Audit Scope/Objective	Status
1. Preliminary review of human resources processes	Risk Assessment, Management request	Provide support to the HR Unit in identifying potential gaps in its practices (gap analysis), and in preparing its processes, tools and practices for the upcoming IAS audit (with special focus on the controls performed on the accuracy of payroll and allowances records).	Postponed
2. Assurance on the proper implementation of European Delegated Prosecutors' (EDPs) entitlements and allowances at the EPPO	Risk Assessment, Management request	Provide support to the HR and Finance Units in the establishment of clear mechanisms for reporting and controlling the salary deductions to be applied to EPDs working on an exceptional basis for national authorities.	Work done, no final report issued



Audit subject	Source	Audit Scope/Objective	Status
3. EPPO's portfolio of insurances	Management request	Analysis of the relevance of EPPO's portfolio of insurances, including compliance with the Luxembourgian legislation and good practices applied in other International and European Organizations.	Work done, no final report issued
4. EPPO security	Risk Assessment	Assessment of the existing security structure and procedures at the EPPO in Luxembourg.	Postponed

As a result, we can conclude that the approved IAC SIAP was completed at around 50%.

Moreover, a non-planned audit of the EPPO Decentralised Office in Bulgaria was also completed during that period and is not reflected in the approved Audit Plan completion ratio³.

Observations and Action Plans follow-up

Article 21 of EPPO IAC Charter stipulates that the Head of the IAC has the responsibility to Follow-up on engagement findings, recommendations and improvement actions, and report periodically to the College, the European Chief Prosecutor and the Administrative Director any improvement actions not effectively implemented.

All IAC recommendations resulting from assurance engagement for the period 2022-2024 were successfully closed by corresponding Management actions. There are no IAC and IAS recommendations with status "overdue" as of the reporting date.

³ As a good practice this non-planned audit engagement should have been included in a mid-year (or interim) SIAP update in order not to distort planned engagements delivery statistics.