

**DECISION**  
ADB(D) 21-2009

**SJU Internal Audit Charter and the Internal Audit Work Programme 2010**

**THE ADMINISTRATIVE BOARD OF THE SESAR JOINT UNDERTAKING (SJU),**

Having regard Council Regulation (EC) No 219/2007 of 27 February 2007, establishing the SESAR Joint Undertaking, as last amended by Council Regulation (EC) No 1361/2008 of 16 December 2008, and in particular Article 7a of the Statutes annexed thereto; Having regard to the SESAR Joint Undertaking Financial Rules, and in particular Articles 71 to 73 thereof;

Whereas the Administrative Board Decision 13-2009 instructed the Internal Auditor to present to the next Administrative Board meeting an Internal Audit Charter appropriate to the SJU as a Community body describing the scope, reporting and authority of the SJU Internal Audit Function, as well as proposals for the Internal Audit work programme for the period up to 31 December 2010, In its ordinary meeting of 24 September 2009, has adopted the following decision:

**Article 1**

The SJU Internal Audit Charter (SJU-AB-011-09-03) and the Internal Audit Work programme for the period up to December 2010 (SJU-AB-011-09-04) are approved.

This decision shall enter into force on the date of its adoption.

Done in Brussels, 24 September 2009.

For the Administrative Board

Daniel Calleja Crespo  
*The Chairperson*



## SJU Internal Audit Charter

### Mission and Objectives

The mission of the Internal Auditor is to provide independent, objective assurance and consulting services designed to add value and improve the operations of the SJU. The Internal Auditor helps the SJU accomplish its objectives by bringing a systematic, disciplined approach to evaluate and make recommendations for improving the effectiveness of risk management, control, and governance processes<sup>1</sup>. Thereby it promotes a culture of efficient and effective management within the SJU.

Assurance is an objective examination of evidence for the purpose of providing an independent assessment of the effectiveness of risk management, control and governance processes. For assurance services the Internal Auditor will rely on risk-based planning and an opinion shall be included 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 and which are intended to add value and improve the SJU's governance, risk management, and control processes without the Internal Auditor assuming management responsibility.

### Accountability

The Internal Auditor shall advise the SJU on dealing with risks, by issuing independent opinions on the quality of management and control systems and by issuing recommendations for improving the conditions of implementation of operations and promoting sound financial management. The Internal Auditor shall:

- Develop and establish the internal audit procedures, including a follow-up process;
- Submit for approval an annual work plan founded on a risk-based approach as part of a multi-annual strategic plan;
- In accordance with the nature and scope of the Internal Auditor's work during the year in question, express an opinion on the state of control within the SJU;
- Take due account of reports by the European Court of Auditors (ECA) and share information with other internal and external providers of relevant assurance and consulting services, risk managers, local security officers and, if appropriate, other Community bodies and Institutions, to ensure proper coverage and minimise the duplication of effort; and,
- Report at least annually on the Internal Auditor's mission, authority and responsibility, and performance in relation to the annual work plan.

### Independence and Objectivity

No authority may interfere in the conduct of Internal Audit work or ask the Internal Auditor to make any alterations to the content of audit reports.

The Internal Auditor shall address any issue which in fact or appearance might impair his/her independence in determining the scope and planning of the audit activities, performing them and communicating their results, in his/her annual work plan, annual report and individual audit reports.

In order to ensure objectivity in their opinions and avoid conflicts of interest, the Internal Auditor shall preserve his/her independence in relation to the activities and operations he/she reviews.

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<sup>1</sup> Including promoting appropriate ethics and values within the organisation, ensuring effective organisational performance management and accountability, effectively communicating risk and control information to appropriate areas of the organization, via established lines of responsibility.



### Responsibility & Reports

The Internal Auditor shall be responsible:

- (a) for assessing the suitability and effectiveness of internal management systems and the performance of departments in implementing programmes and actions by reference to the risks associated with them; and
- (b) for assessing the efficiency and effectiveness of the internal control and audit systems applicable to every budgetary implementation operation.

The Internal Auditor shall report to the Executive Director on his/her findings and recommendations. The Executive Director shall ensure that action is taken on recommendations resulting from audits.

The Internal Auditor shall submit to the Administrative Board an annual internal audit report setting out, *inter alia*, the number and type of internal audits conducted, the recommendations made and the action taken on these recommendations. This annual report shall also mention any systemic problems detected by the specialised panel set up under Article 66(4) of the general Financial Regulation. The Internal Auditor may report matters he/she deems significant to the Administrative Board Chairperson.

### Authority

The Internal Auditor and his/her staff shall perform his/her duties on all the SJU's activities and departments. The Internal Auditor shall:

- enjoy full and unlimited access to all information required to perform his/her duties;
- receive the necessary assistance of staff in all departments of the SJU;
- allocate resources, select subjects, determine 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 SJU's internal control system.

The Internal Auditor and his/her staff are not authorised to:

- perform any operational duties for the Executive Director;
- approve financial transactions;
- direct the activities of any staff member not under the command of the Internal Auditor, except to the extent such staff members have been appropriately assigned to audit teams or otherwise assist the internal audit.

### Standards of Audit Practice

The Internal Auditor shall adhere to the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics<sup>2</sup> as drawn up by the Institute of Internal Auditors. Such professional standards and ethics will be applied in accordance with regulations applicable to the SJU. In the event of discrepancies, requirements originating from EU regulations and Commission decisions shall take precedence.

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For the Administrative Board,  
Daniel Calleja Crespo, Chairperson

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Ross Walton, SJU Internal Auditor

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Patrick Ky, SJU Executive Director

<sup>2</sup> Internal Auditors are expected to apply and uphold the principles of integrity, objectivity, confidentiality and competency.

Justification	Audit Work Programme item	Resource requirements		Timing															
		Auditor days	€	2009				2010				2011							
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4							
<b>General control environment</b>	Internal control standards for effective management	35		20	15														
<b>Material by nature</b>	Mission expenditure	5		5															
<b>General control environment</b>	Opinion on the Annual Activity Report of the Authorising Officer	20			10								10						
<b>Material by nature and by value</b>	Recruitment	15						10	5										
<b>Material by nature</b>	Ethics & Integrity controls	20							15	5									
<b>Material by nature</b>	IT network, data and system security	15	25.000							10	5								
<b>Material by nature</b>	Physical security of building, personnel, assets, documents & records	15	20.000							5	10								
<b>Material by nature</b>	Information for Decision Making: reporting to ED & ADB	15												10	5				
<b>Material cash at bank balances</b>	Treasury management and controls over financial assets	15														10	5		

Material by nature and by value	Cofinancing Members' studies and development	45										20	25						
Material by nature and by value	Procurement	20											10	10					
Material by nature and by value	Studies and development conducted by SJU	25																	25
<b>SUB TOTAL DIRECT AUDIT DAYS/BUDGET</b>		<b>245</b>	<b>45.000</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>35</b>	<b>35</b>				
<b>Ad hoc consultancy</b>		<b>160</b>		<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>10</b>	<b>10</b>				
<b>Admin Board</b>		<b>9</b>		<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>				
<b>Permanent Audit Panel</b>		<b>9</b>		<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>				
<b>Leave, public holidays etc.</b>		<b>54</b>		<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>				
<b>Training, CPD</b>		<b>18</b>		<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>				
<b>TOTAL DAYS/BUDGET</b>		<b>495</b>	<b>45.000</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>				