

DECISION AB n° [XX]/2012

**ON THE ADOPTION OF INTERNAL CONTROL STANDARDS AND
REPEALING DECISION AB n° 08/2011**

**THE ADMINISTRATIVE BOARD OF THE AGENCY FOR THE COOPERATION
OF ENERGY REGULATORS,**

HAVING REGARD to Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing a European Agency for the Cooperation of Energy Regulators¹,

HAVING REGARD to Commission Regulation (EC, Euratom) No 2343/2002 of 23 December 2002 on the framework Financial Regulation for bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities² and, in particular, Article 38(4) thereof,

HAVING REGARD to Decision AB n° 08/2011 on the adoption of Internal Control Standards, and in particular Standard 7: Operational Structure,

Whereas:

- (1) It is necessary, following Article 38(4) of Commission Regulation (EC, Euratom) No 2343/2002, for agencies to adopt appropriate internal control standards on the basis of the standards laid down by the Commission for its own departments.
- (2) The Internal Control Standards of the Agency, as adopted by Decision AB n° 08/2011 as of 10 April 2011, are identical to the standards adopted by the European Commission and require ultimate mobility of staff who perform functions regarded as 'sensitive'.
- (3) At the Commission, mandatory mobility is relatively easy to implement because of its size and the availability of alternative posts. At the Agency, however, due to a limited number of posts and staff working in specialised areas, mandatory mobility cannot be enforced.
- (4) The requirement for mandatory mobility of staff performing sensitive functions should be waived and risks associated with sensitive tasks should be managed through mitigating controls and specific ex-post controls,

¹ OJ L 211, 14.8.2009, p.1

² OJ L 357, 31.12.2002, p. 72

HAS DECIDED:

1. To adopt the Internal Control Standards as listed in Annex I to this decision. The standards shall apply to all ACER's administrative processes.
2. To entrust the Director with the adoption of the detailed implementing rules and procedures related to the Internal Control Standards.
3. To repeal Decision AB n° 08/2011 on the adoption of Internal Control Standards.

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

Done at Ljubljana, on **20 June 2012**

For the Administrative Board:

Piotr Woźniak

Chairman of the Administrative Board

Annex I

Standard 1: Mission:

ACER's mission and vision are clearly defined in up-to-date and concise mission statements developed from the perspective of ACER's stakeholders and customers.

Standard 2: Ethical and Organisational Values:

Management and staff are aware of and share appropriate ethical and organisational values and uphold these through their own behaviour and decision-making.

Standard 3: Staff Allocation and Mobility:

The allocation and recruitment of staff is based on ACER's objectives and priorities. Management promote and plan staff mobility so as to strike the right balance between continuity and renewal.

Standard 4: Staff Evaluation and Development:

Staff performance is evaluated against individual annual objectives, which fit with ACER's overall objectives. Adequate measures are taken to develop the skills necessary to achieve the objectives.

Standard 5: Objectives and Performance Indicators:

ACER's objectives are clearly defined and updated when necessary. These are formulated in a way that makes it possible to monitor their achievement. Key performance indicators (KPIs) are established to help management evaluate and report on progress made in relation to their objectives.

Standard 6: Risk Management Process:

A risk management process that is in line with applicable provisions and guidelines is integrated into the annual activity planning.

Standard 7: Operational Structure:

ACER's operational structure supports effective decision-making by suitable delegation of powers. Risks associated with ACER's sensitive functions are managed through mitigating controls and specific ex-post controls. Adequate IT governance structures are in place.

Standard 8: Processes and Procedures:

ACER's processes and procedures used for the implementation and control of its activities are effective and efficient, adequately documented and compliant with applicable provisions. They include arrangements to ensure segregation of duties and to track and give prior approval to control overrides or deviations from policies and procedures.

Standard 9: Management Supervision:

Management supervision is performed to ensure that the implementation of activities is running efficiently and effectively while complying with applicable provisions.

Standard 10: Business Continuity:

Adequate measures are in place to ensure continuity of service in case of "business-as-usual" interruption. Business Continuity Plans (BCP) are in place to ensure that ACER is able to continue operating to the extent possible whatever the nature of a major disruption.

Standard 11: Document Management:

Appropriate processes and procedures are in place to ensure that ACER's document management is secure, efficient (in particular as regards retrieving appropriate information) and complies with applicable legislation.

Standard 12: Information and Communication:

Internal communication enables management and staff to fulfil their responsibilities effectively and efficiently, including in the domain of internal control. ACER shall have an external communication strategy to ensure that its external communication is effective, coherent and in line with ACER's key political messages. IT systems used and/or managed by the ACER (where the ACER is the system owner) are adequately protected against threats to their confidentiality and integrity.

Standard 13: Accounting and Financial Reporting:

Adequate procedures and controls are in place to ensure that accounting data and related information used for preparing the organisation's annual accounts and financial reports are accurate, complete and timely.

Standard 14: Evaluation of Activities:

Evaluations of expenditure programmes, legislation and other non-spending activities are performed to assess the results, impacts and needs that these activities aim to achieve and satisfy.

Standard 15: Assessment of Internal Control Systems:

Management assess the effectiveness of ACER's key internal control systems, including the processes carried out by implementing bodies, at least once a year.

Standard 16: Internal Audit Capability:

ACER has an Internal Audit Capability (IAC), which provides independent, objective assurance and consulting services designed to add value and improve the operations of ACER.