

ECB Audit Charter

(effective as of 15 November 2025)

With this Audit Charter, the Executive Board of the European Central Bank (ECB) defines and approves the mandate of the ECB's internal audit function (internal audit), positioned within the Directorate Internal Audit, its purpose, authority and responsibility, as well as its contribution to the corporate governance of the ECB.

1 Role and purpose

In line with the Institute of Internal Auditors' Global Internal Audit Standards™ (GIAS), internal auditing strengthens the ECB's ability to create, protect and sustain value by providing independent, risk-based and objective assurance, advice, insight and foresight. Internal auditing enhances the ECB's:

- successful achievement of its objectives;
- governance, risk management and control processes;
- decision-making and oversight;
- reputation and credibility with its stakeholders;
- ability to serve the public interest.

The internal audit function is most effective when:

- internal auditing is performed by competent professionals in conformance with the GIAS, which are set in the public interest;
- it is independently positioned with direct accountability to the Executive Board and the Audit Committee;
- internal auditors are free from undue influence and committed to making objective assessments.

Within the ECB's governance framework, internal audit is the third line. The first line is the ECB's operational management, which is responsible for establishing systems of internal control. The second line includes the ECB's risk management, control, compliance and oversight functions.

2 Scope of internal audit services

Internal audit provides assurance and advisory services. All ECB operations, activities and processes may be subject to internal auditing. Internal audit may include activities performed by third-party service providers in the scope of its audits when relevant to the audit's objectives.

In addition, the ECB's internal audit function performs audits in accordance with the *Internal Auditors Committee Mandate and Audit Charter for the Eurosystem/ESCB and the Single Supervisory Mechanism*. It implements the audit plan for the Eurosystem, European System of Central Banks (ESCB) and Single Supervisory Mechanism (SSM) by coordinating the internal auditing of Eurosystem/ESCB/SSM tasks and activities as defined in the Statute of the ESCB¹ and the SSM Regulation². These audits also include relevant enabling processes and the risks associated with them, as well as activities decided on by the ECB's Executive Board, Governing Council or General Council (hereinafter referred to as "the decision-making bodies"). Moreover, internal audit contributes to the development and harmonisation of audit methods and standards at the Eurosystem/ESCB/SSM level.

3 Independence, organisational position and reporting relationships

To ensure its independence, internal audit reports administratively directly to the President of the ECB and functionally to the Executive Board. It also reports to the Audit Committee in line with the Audit Committee Mandate. Neither internal audit nor individual internal auditors have authority over, or direct responsibility for, the activities audited, nor shall they take instructions from audited business areas in fulfilling their professional obligations.

To safeguard the independence and objectivity of internal audit, the Directorate Internal Audit has organisationally segregated investigations and whistleblowing from its internal audit activities and ensures adequate safeguards when performing internal audits of those processes.

Internal auditors must avoid conflicts of interest when performing their tasks. Internal audit confirms its organisational independence annually in a report to the Executive Board, the Audit Committee and the Internal Auditors Committee.

4 Objectivity

Internal audit and each internal auditor maintain an impartial and unbiased mindset and make judgements based on balanced assessments of all the relevant circumstances and without compromise. Impairments to the independence or objectivity of internal

¹ Protocol on the Statute of the European System of Central Banks and of the European Central Bank.

² Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (OJ L 287, 29.10.2013, p. 63).

audit or any individual internal auditor, in fact or appearance, are to be reported to the appropriate level of management within the ECB and/or to the decision-making bodies.

5 Competency and due professional care

Internal audit abides by the mandatory elements of the Institute of Internal Auditors' International Professional Practices Framework, which are the GIAS and Topical Requirements. The Director Internal Audit reports periodically to the Executive Board and to the Audit Committee on internal audit's conformance with the GIAS and its achievement of the standards' underlying principles, which are assessed by means of a quality assurance and improvement programme.

Internal audit and each individual auditor perform their tasks with integrity, competency, due professional care and confidentiality, while ensuring compliance with applicable laws, regulations and codes of conduct.

Furthermore, it ensures that it collectively possesses and maintains the knowledge, skills and other competencies and qualifications necessary to carry out its responsibilities. If internal audit does not possess the knowledge, skills and/or other competencies needed to perform a specific audit engagement, or if capacity, independence or other provisions require so, it may have recourse to outsourcing or co-sourcing.

6 Responsibilities

Internal audit performs audit engagements as specified in the ECB's audit plan, as approved by the Executive Board.

The audit plan may be subject to modification. Internal audit may undertake ad hoc audits and other activities authorised or requested by the Executive Board, the President and/or the Vice-President. It may also exceptionally launch ad hoc engagements on its own initiative, provided it informs the Executive Board thereof without undue delay.

Internal audit:

- prepares the ECB's audit plan at least annually, taking into consideration input from senior management and using a risk-based methodology;
- submits the audit plan and respective resource requirements to the Audit Committee for its opinion thereon and to the Executive Board for approval;
- communicates the approved audit plan and any significant changes to senior management;
- implements the audit plan by performing assurance and advisory services;

- communicates the results of the assurance and advisory services to the Executive Board and, as appropriate, to the business areas concerned;
- informs the Executive Board via ad hoc reports of topical issues of an ECB-wide nature, as they may arise from internal audit's risk monitoring, audits and other activities;
- reports annually to the Executive Board on the fulfilment of the ECB's audit plan and other relevant activities, and/or on the impact of resource limitations;
- monitors, assesses and reports to the Executive Board and, as appropriate, to the business areas concerned, on the implementation status of audit recommendations (see also Section 10);
- coordinates the ECB's interaction with the European Court of Auditors, the ECB's external auditors, other internal and external providers of assurance and advisory services, auditing bodies and the audit community, and considers relying on their work;
- advises on governance, risk management and control processes, including the prevention of fraud, corruption and other illegal activities.

Within the framework of this Audit Charter, the Director Internal Audit defines the methodologies to be used for internal audit activities in a manual and ensures that these are adhered to.

7 Authority and access to information

To effectively carry out its responsibilities, including but not limited to audits, risk monitoring and continuous risk assessments, internal audit has full, free and unrestricted access to all personnel, records, information, systems and property deemed necessary. All information requested by internal audit is to be provided truthfully, completely and within the time frame set by internal audit, proportionate to the urgency and scope of its work. In this respect, internal audit may also require ongoing (read-only) access to information systems and data. Any denial of, limitation to or delay in access shall be documented in writing, with justification, and escalated without undue delay to the Executive Board and the Audit Committee.

For the purpose of continuously assessing the ECB's risk and control environment, internal audit may participate as an observer in internal groups and committees discussing matters of governance, risk, control, compliance or major organisational change. The Director Internal Audit shall inform the Executive Board of such observer participation without undue delay. Audit observers may request clarifications or raise risk-related observations, but shall neither actively participate in the decision-making nor

hinder the progress of the groups and committees. If mandated by the Director Internal Audit, auditors may provide advisory input to groups and committees within the limits of their independence, as defined by the GIAS.

Internal audit must immediately inform the Executive Board and the Audit Committee of any attempt to hinder the performance of its duties.

Internal audit respects the value and ownership of information that it receives and does not disclose it without appropriate authorisation, unless there is a legal or professional obligation to do so.

8 Relationship with the Audit Committee

See the [Audit Committee Mandate](#).

9 Quality

To ensure and continuously improve the quality of its services, internal audit maintains a quality assurance and improvement programme that covers all aspects of its activities. The programme includes, *inter alia*, external and internal assessments, as well as ongoing quality assurance. Internal audit reports on its quality assurance and improvement programme to the Executive Board and the Audit Committee.

10 Implementation of recommendations and action plans

Business areas implement action plans to address audit findings in line with the Executive Board's decision³ on this matter, the main aspects of which are listed below.

- As a general rule, business areas implement action plans to address audit findings within one year of the Executive Board taking note of the underlying audit report and reaching a decision on the action. Action plans with a longer time horizon are to be communicated with defined interim milestones so that progress can be monitored.
- Internal audit measures business areas' performance on the implementation of their action plans and reports on the related indicators twice a year.
- If internal audit disagrees with an action plan and/or the implementation date proposed by a business area, the issue is discussed by the Executive Board. The Director Internal Audit and the responsible business area head may be invited to attend the discussion.

³ See agenda item 14 in the summary of the proceedings of the 543rd Executive Board meeting on 11 September 2007.

- Business areas, in coordination with internal audit, are to proactively seek Executive Board approval for the revision or reprioritisation of a previously committed action plan before defaulting on its implementation.

11 Review of this Charter

Internal audit shall review this Audit Charter at least once every three years and report thereon to the Executive Board and the Audit Committee.