

**Decision n° 23 of the European Railway Agency Administrative Board adopting
Internal control standards
for the European Railway Agency**

THE ADMINISTRATIVE BOARD OF THE EUROPEAN RAILWAY AGENCY,

Having regard to Regulation (EC) No 881/2004 of the European Parliament and of the Council¹ establishing a European Railway Agency (hereinafter referred to as "the Agency" or ERA) ;

Having regard to the Agency's financial regulation adopted on 15 July 2004 and in particular article 38 thereof, hereinafter the 'Financial Regulation'

Having regard to the European Commission Internal Control Standards²;

Whereas

- (1) The Agency shall put in place, in compliance with the minimum standards adopted by the Administrative Board, on the basis of equivalent standards laid down by the Commission for its own departments, and having due regard to the risks associated with the management environment and the nature of the action financed, the organizational structure and the internal management and control systems and procedures suited to the performance of his/her duties, including where appropriate ex post verifications."
- (2) The Commission has laid down 16 Internal Control Standards for the development of the necessary procedures and controls which shall provide management with reasonable assurance that the organization's objectives are met.
- (3) The above -mentioned 16 Internal Control Standards have been slightly amended correspond to the needs of the Agency in terms of Internal Control;

HAS DECIDED:

Article 1

The Internal Control Standards of the European Railway Agency are adopted as set out in the annex to this decision.

Article 2

¹ OJ L 220, 21.6.2004, p. 3

² Communication on the revision of the Internal Control Standards and Underlying Framework - Strengthening Control Effectiveness SEC(2007)1341)

This decision enters into force on the day of its adoption.

Done at Lille, on 28-10-2008

The Chairman

MICHAEL HARTING

Annex : Internal Control Standards of the European Railway Agency.

ANNEX

Internal Control Standards of the European Railway Agency

1. Mission and Values	<p>The Agency's <i>raison d'être</i> is clearly defined in up-to-date and concise mission statements developed from the perspective of the Agency's customers and coherent with ERA's Founding Regulation.</p>
2. Ethical and Organisational Values:	<p>The Agency shall promote and favour the implementation of organisational and ethical values. Management and staff shall be aware of and share appropriate ethical and organisational values and uphold these through their own behaviour and decision-making.</p>
3. Staff recruitment, mobility and turn over	<p>The recruitment of staff shall be based on the Agency's objectives and priorities. Management shall promote a staffing policy enabling the Agency to strike the right balance between business continuity and renewal of technical expertise.</p>
4. Staff Performance Management & Development	<p>Staff performance shall be evaluated against individual objectives, tasks, aspects of competence and conduct. Adequate measures shall be taken to strengthen and develop knowledge and skills necessary to achieve the objectives, perform the tasks and comply with expected standards of competence and conduct</p>
5. Objectives and Performance Indicators	<p>The Agency's objectives shall be clearly defined and updated when necessary. These are formulated in a way that makes it possible to monitor their achievement. Key performance indicators shall be established to help management evaluate and report on progress made in relation to their objectives.</p>
6. Risk Management Process	<p>The Agency shall undertake a regular and effective risk management process.</p>
7. Operational Structure	<p>The Agency's operational structure shall support effective decision-making by suitable delegation of powers. Risks associated with the Agency's sensitive functions are managed through mitigating controls.. Adequate IT governance structures shall be in place.</p>
8. Processes and Procedures	<p>The Agency's processes and procedures used for the implementation and control of its activities shall be effective and efficient, adequately documented and compliant with applicable provisions. They shall include arrangements to ensure segregation of duties and to track and give prior approval to control overrides or deviations from policies and procedures.</p>

9. Management Supervision	Management supervision shall be performed to ensure that the implementation of activities is running efficiently and effectively while complying with applicable provisions
10. Business Continuity	Adequate measures shall be in place to ensure continuity of service in case of "business-as-usual" interruption. Business Continuity Plans shall be in place to ensure that the Agency is able to continue operating to the extent possible whatever the nature of a major disruption.
11. Document Management	Appropriate processes and procedures shall be in place to ensure that the Agency's document management is secure, efficient (in particular as regards retrieving appropriate information) and complies with applicable legislation.
12. Information and Communication	<p>Internal communication shall enable management and staff to fulfil their responsibilities effectively and efficiently, including in the domain of internal control.</p> <p>The Agency shall have an external communication strategy to ensure that its external communication is effective, coherent and in line with the Agency's core mission.</p> <p>IT systems used and/or managed by the Agency shall be adequately protected against threats to their confidentiality and integrity.</p>
13. Accounting and Financial Reporting	Adequate procedures and controls shall be 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.
14. Evaluation of Activities	Evaluations of expenditure and non-spending activities shall be performed to assess the results, impacts and needs that these activities aim to achieve and satisfy.
15. Assessment of Internal Control Systems	The Agency shall assess the effectiveness of its internal control system at least once a year.
16. Internal Audit / Quality Capability	The Agency shall set up an Internal Audit/Quality Capability, which provides independent, objective assurance and consulting services designed to add value and improve the operations of the Agency.