

DECISION No 17/2022**OF THE ADMINISTRATIVE BOARD OF THE EUROPEAN UNION AGENCY FOR
THE COOPERATION OF ENERGY REGULATORS****of 14 December 2022****amending Decision No 17/2018 of the Administrative Board of the Agency for the
Cooperation of Energy Regulators of 13 December 2018 on the Internal Control
Framework of the Agency for the Cooperation of Energy Regulators**

THE ADMINISTRATIVE BOARD OF THE EUROPEAN UNION AGENCY FOR THE
COOPERATION OF ENERGY REGULATORS,

Having regard to Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019 establishing a European Union Agency for the Cooperation of Energy Regulators (recast)¹,

Having regard to Regulation (EU, Euratom) 2018/146 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union², and, in particular, Article 74(2) thereof,

Having regard to Decision No 8/2019 of the Administrative Board of the Agency for the Cooperation of Energy Regulators of 21 June 2019 on the Financial Regulation of the Agency for the Cooperation of Energy Regulators and, in particular, Article 30 thereof,

Whereas:

- (1) With Decision No 17/2018³, the Administrative Board established an Internal Control Framework consisting of internal control principles, internal control indicators, and an internal control methodology, having due regard of the risks associated with the Agency's management environment.
- (2) Pursuant to Article 30(3) of Decision No 8/2019 of the Administrative Board of the Agency (hereinafter the 'Financial Regulation of the Agency'), effective internal control must be based on best international practices and on the Internal Control Framework laid down by the European Commission⁴ for its own departments.
- (3) The List of recommended and other possible internal control indicators of the European

¹ OJ L 158, 14.6.2019, p. 22

² OJ L 193/30.07.2018. p.1

³ Decision No 17/2018 of the Administrative Board of the Agency for the Cooperation of Energy Regulators of 13 December 2018 on the Internal Control Framework of the Agency for the Cooperation of Energy Regulators repealing Decision No 10/2012 of the Administrative Board of the Agency for the Cooperation of Energy Regulators of 20 June 2012 on the adoption of the Internal Control Standards and repealing Decision AB No 09/2011 (hereinafter 'Decision No 17/2018').

⁴ Communication to the Commission: Revision of the Internal Control Framework, C(2017) 2373 final of 19.04.2017.

Commission has been revised in 2020, and subsequently, it was communicated to the Agency.

- (4) Following the above-mentioned revision, it is appropriate to review the Agency's Internal Control Indicators laid down in Annex II of Decision No 17/2018, in line with the revised List provided by the European Commission, as appropriate,

HAS ADOPTED THIS DECISION:

Article 1

Annex II 'Internal Control Indicators' of Decision No 17/2018 of the Administrative Board of the Agency for the Cooperation of Energy Regulators of 13 December 2018 on the Internal Control Framework of the Agency for the Cooperation of Energy Regulators repealing Decision No 10/2012 of the Administrative Board of the Agency for the Cooperation of Energy Regulators of 20 June 2012 on the adoption of the Internal Control Standards and repealing Decision AB No 09/2011 is hereby replaced by Annex I of the present decision.

Article 2

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

Done at Ljubljana, 14 December 2022.

For the Administrative Board

The Chair

Mr. M. THIOLLIÈRE

ANNEX I

INTERNAL CONTROL INDICATORS

Introduction

The ACER Internal Control Framework is based on the framework of the European Commission. The framework consists of 5 components and 17 Internal Control Principles. The level of implementation of each Internal Control Principle is measured through Internal Control Indicators. The monitoring of the Internal Control Indicators is done annually in the Consolidated Annual Activity Report of the Agency.

Abbreviations:

AWP	Annual Work Programme
BCC	Business Continuity Coordinator
BCP	Business Continuity Plan
BFP	Budget, Finance and Procurement Team
CAAR	Consolidated Annual Activity Report
CIS	Corporate Information Services
CS	Corporate Services
DIR	Director
DPO	Data Protection Officer
HRM	Human Resources Management Team
ICC	Internal Control Coordinator
IR	Information Resources Team
JRC	Joint Reclassification Committee
KPI	Key Performance Indicator
LISO	Local Information Security Officer
LS	Legal Services Team
SDC	Strategy Delivery and Communication Team
SPD	Single Programming Document

LIST OF INTERNAL CONTROL INDICATORS

COMPONENT I. Control Environment (Principles 1-5)

ICP Owner	ICP	ICP Description	ICP Indicators	Evidence	Target	Indicator Owner
DIR; CS	1. Demonstrates commitment to integrity and ethical values	We demonstrate a commitment to integrity and ethical values.	1.1 Number of annual awareness raising initiatives in ACER on ethics, integrity and conflict of interest and/or fraud.	Awareness raising material	1/year in one or more areas	HRM; CS
			1.2 % of newcomers who take part in the induction programme on ethics, integrity and conflict of interest.	List of attendance	90%	HRM
			1.3 Managers are promoting a fair, flexible and respectful workplace.	Staff Engagement Survey	70% of respondents agree	DIR
			1.4 Conflict of interest declaration has been signed by the Director in the reporting year.	Conflict of interest declaration (ACER webpage)	Yes	HRM
			1.5 Annual reminder about declaration of conflict of interest has been sent to all managers and relevant staff.	E-mails	Yes	HRM
DIR; CS	2. Exercises oversight responsibility	Management exercises oversight of the development and performance of internal control.	2.1 Regular reporting on the status of follow-up to IAS and ECA recommendations.	Progress Reports	Yes	CS
			2.2 % effectiveness of the principles calculated on the basis of results of annual internal control self-assessment (management).	Assessment Reports	90% of principles in Category 1	CS
			2.3 Director's Declaration of Assurance, signed and included in the CAAR, covers all areas related to use of resources, the completeness and reliability of management reporting and it is supported by the information gathered from adequate sources and tools.	CAAR	Yes	DIR; CS

ICP Owner	ICP	ICP Description	ICP Indicators	Evidence	Target	Indicator Owner
			2.4 Indicators and the expected targets for each IC principle regularly reviewed by the Director/Heads of Department.	E-mails / minutes	Yes	DIR
			2.5 Number of days late with submitting of draft/final CAAR.	E-mails	0	CS
CS	3. Establishes structure, authority and responsibility	Management establishes structures, reporting lines, and appropriate responsibilities in the pursuit of objectives.	3.1 Financial circuits: roles and tasks are clearly defined.	Guidelines on financial circuits and segregation of duties	Yes	BFP
			3.2 Deputising and reporting arrangements for administrative, financial and operational activities are in place.	Implementation of Director's Decision on Deputising in Sysper 2	Yes	CS
			3.3 Organisational chart has been adopted and kept up to date.	Intranet / webpage	Yes	CS; HRM
			3.4 ABAC delegations have been checked during the year.	Neutral Verifier Reports	1/year	Neutral Verifier
			3.5 List of financial actors is published and kept up to date.	List of financial actors (dated)	Yes	BFP
			3.6 A Key Performance Indicators dashboard is in place and regularly monitored by management.	KPI Traffic lights	Yes	CS
CS	4. Demonstrates commitment to competence	We demonstrate a commitment to attracting, developing, and retaining competent individuals in alignment with objectives.	4.1 Satisfaction rate with the ACER learning and development policy.	Staff Engagement Survey, Pulse surveys	75% of respondents satisfied	HRM
			4.2 % of authorized posts of the annual establishment plan filled at end of year.	Establishment Plan	95%	HRM
			4.3 ACER has a Competency Framework in place.	Competency Framework	Yes	HRM
CS	5. Enforces accountability	We hold individuals accountable for their internal control responsibilities in the pursuit of objectives.	5.1 Appraisal reports concluded in accordance with the applicable rules and appraisal standards.	Data from Sysper JRC Report	100%	HRM
			5.2 % of reporting officers have followed the dedicated annual training.	Appraisal records	100%	HRM
			5.3 Exit interviews are organised with staff leaving the Agency.	HRM Reports	Yes	HRM

COMPONENT II. Risk Assessment (Principles 6-9)

ICP Owner	ICP	ICP Description	ICP Indicators	Evidence	Target	Indicator Owner
CS	6. Specifies suitable objectives	We define objectives with sufficient clarity to enable the identification and assessment of risks relating to the achievement of objectives.	6.1 Risk management in ACER is embedded in the planning process and is assessed at all levels of ACER (department and activity level).	Progress reports, CAAR, SPD Risk register	Yes	CS
			6.2 Staff have a clear understanding of their work-related objectives and how their work contributes to achieving ACER's objectives.	Staff Engagement Survey	70% of respondents agree	HRM
			6.3 Strategic and operational objectives have been defined in the SPD.	SPD	Yes	CS
			6.4 Objectives have been annually reviewed/adjusted taking into account major results/shifts in priorities.	SPD	Yes	CS
			6.5 Performance indicators (KPIs) defined in SPD have been reported to management at set intervals.	Senior Management Meetings Agendas	1/quarter	CS
DIR; CS	7. Identifies and analyses risk	We identify risks in relation to the achievement of objectives across the organisation and assess risks as a basis for determining how the risks should be managed.	7.1 A risk management exercise is conducted at least once a year as part of the AWP process.	AWP (as part of PD), Risk register	Yes	CS
			7.2 % of units involved in the risk management exercise.	Questionnaires for risk identification and assessment	100	CS
			7.3 An up-to-date guidance exists on the Agency's intranet regarding Risk Management in the Agency.	Intranet	Yes	CS
			7.4 Evidence on risk register has been discussed and validated at the senior management level at least annually.	Management Meetings Agendas	Yes	DIR
			7.5 The risk register is updated bi-annually.	Risk register	Yes	CS
DIR; CS	8. Assesses fraud risk	We consider the potential for fraud in assessing risks related to the achievement of objectives.	8.1 Fraud Risk Assessment is performed when updating and reviewing the Anti-Fraud Strategy (AFS) and when a new service is created.	Anti-Fraud Strategy	Yes	CS
			8.2 ACER has an up to date Anti-Fraud Strategy (not older than 3 years).	Anti-Fraud Strategy	Yes	DIR
			8.3 The Anti-Fraud Strategy	Anti-Fraud	Yes	CS

ICP Owner	ICP	ICP Description	ICP Indicators	Evidence	Target	Indicator Owner
			has been in line with the fraud risks identified in the Agency's risk register.	Strategy		
			8.4 Fraud risks are an integral part of the risk register.	Risk register	Yes	CS
			8.5 Data pertaining to known OLAF cases is reported within the CAAR.	CAAR	Yes	CS
CS	9. Identifies and analyses significant change	We identify and assess changes that could significantly impact the internal control system.	9.1 The preparation of the AWP includes an assessment of changes and associated risks that could have an impact on the internal control system. Assessment of risks is done also on ad-hoc basis, as necessary.	AWP	Yes	CS
			9.2 % of activities covered by risk management process.	Risk register	100	CS

COMPONENT III. Control Activities (Principles 10-12)

ICP Owner	ICP	ICP Description	ICP Indicators	Evidence	Target	Indicator Owner
			10.1 Business continuity arrangements identified in the ACER Business Continuity Plan (BCP) are tested regularly.	BCP	Yes; 1 test every year	CS
			10.2 The four-eyes principle has been ensured in all financial workflows.	Guidelines on financial circuits and segregation of duties	Yes	BFP
			10.3 The segregation of duties among financial actors is clearly defined.	Guidelines on financial circuits and segregation of duties	Yes	BFP
CS	10. Selects and develops control activities	We select and develop control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.	10.4 Delegations and nominations of financial actors are in place for every Budgetary year.	Delegations register, Art. 41 of the Financial Regulation of ACER	Yes	BFP
			10.5 Critical/essential functions have been mapped, covering the whole organisation, and the list is kept up to date.	Critical/essential function list (date)	Yes	BCC
			10.6 All staff have been trained in business continuity.	Training records	Yes, 100%	BCC
			10.7 Staff/ critical/essential	Backup records	95%	BCC

ICP Owner	ICP	ICP Description	ICP Indicators	Evidence	Target	Indicator Owner
			staff has backup.			
			10.8 Contingency plans for critical/essential functions are reviewed yearly.	Contingency plans (date)	Yes	BCC
			10.9 Lessons learnt from BCP events have been disseminated.	Lessons learnt published on intranet	Yes	BCC
CS	11. Selects and develops general control over technology	We select and develop general control activities over technology to support the achievement of objectives.	11.1 ACER has an up to date “Policy on information security and the security of communication and information systems” and “Information Communication Technology Policy”.	Policy on information security and the security of communication and information systems; Information Communication Technology Policy	Yes	CIS
			11.2 Number of information security breaches/incidents.	Incident Reports	Fewer than in previous year	LISO
			11.3 Main IT risks are included in the Agency's general risk register.	Risk register	Yes	CIS; CS
			11.4 Percentage of participants to training on IT security.	List of attendance	90% of all staff	LISO
			11.5 Security incidents have been analysed to improve IT security level (data protection, accessibility, confidentiality etc.).	ICT Steering Committee reports	Yes	LISO
			11.6 Vulnerability scans have been performed yearly, with the follow-up of results.	ICT Steering Committee reports	Yes	LISO
			CS	12. Deploys through policies and procedures	We deploy control activities through corporate policies that establish what is expected and in procedures that put policies into action.	12.1 Exceptions and incidents reported have been reviewed and registered every year.
12.2 Follow-up of Agency’s objectives has been a standing point at senior management meetings.	Senior Management Meetings (SMM) Agenda and Minutes	Yes				CS
12.3 Evaluation results and follow up are embedded in Agency’s’ CAARs.	CAAR	Yes				CS

COMPONENT IV. Information and Communication (Principles 13-15)

ICP Owner	ICP	ICP Description	ICP Indicators	Evidence	Target	Indicator Owner
CS; LS	13. Uses relevant information	We obtain or generate and use relevant, quality information to support the functioning of internal control.	13.1 A Share Point tool is used for collecting information regarding KPI monitoring and reporting which provides input towards the progress reports. Also, Business Intelligence tools are used to provide accurate data to support business decisions.	Progress Reports, KPI Monitoring Tool, Business Intelligence reports	Yes	CS
			13.2 All personal data processing activities from the Register have a proper data protection notification.	Register of Processing Activities	100%	DPO
CS; SDC	14. Communicates internally	We communicate information internally, including objectives and Responsibilities for internal control necessary to support the functioning of internal control.	14.1 ACER has Guidelines on Whistleblowing which are easily accessible to all staff (published on intranet).	Guidelines on Whistleblowing (Decision no. 9/2018 of the AB)	Yes	CS
			14.2 The designated Internal Control page is regularly updated with relevant documentation and information.	Internal Control Intranet page (date of last update)	Yes	CS
			14.3 All staff meetings are organized.	Invitations (e-mails)	6/year	SDC
DIR: ICC	15. Communicates externally	We communicate with external parties about matters affecting the functioning of internal control.	15.1 Changes and developments in the internal control system are clearly communicated and reported.	CAAR	Yes	ICC; CS
			15.2 The Agency's communication unit is part of senior management decision-making on communication strategy and the focal point for the Agency's communication activities.	Organisational chart	Yes	DIR

COMPONENT V. Monitoring Activities (Principles 16-17)

ICP Owner	ICP	ICP Description	ICP Indicators	Evidence	Target	Indicator Owner
CS	16. Conducts ongoing and/or	We select, develop, and perform ongoing and/or separate	16.1 The risk assessment performed by IAS is duly taken into account, the Director defines risk responses and endorses the related action plans.	Strategic Audit Action Plan and updates	Yes	CS

	separate assessments	assessments to ascertain whether the components of internal control are present and functioning.	16.2 The results of the regular monitoring and annual assessment of internal controls in ACER are integrated and followed-up in the CAAR.	CAAR	Yes	CS
			16.3 Risk assessment/register is monitored at department and Agency levels.	Records pertaining to Risk Assessment Exercises	2/year	CS
			16.4 Fraud cases, irregularities, exceptions and non-compliance events have been analysed and led to improvements.	CAAR	Yes	ICC
CS	17. Assesses and communicates deficiencies	We assess and communicate internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management as appropriate.	17.1 The results of the continuous and specific assessments have been properly disclosed in the Consolidated Annual Activity Report (CAAR).	CAAR	Yes	CS
			17.2 The results of assessment have been discussed at Senior Managements Meetings.	Senior Management Meeting (SMM) Agendas and Minutes	Yes	DIR
			17.3 Audit recommendations and other assessment results have been used as source of information about deficiencies.	CAAR	Yes	DIR