



Transparency and confidentiality

Whether and how to communicate externally Internal Audit engagement reports, including interaction with the mass media, and using social media platforms

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The obligations of the IAS under the Financial Regulation – *transparency*

- The internal auditor shall submit to the Union institution concerned an **annual internal audit report** indicating the **number and type of internal audits carried out, the principal recommendations made and the action taken with regard to those recommendations.**
 - The internal auditor shall, during the elaboration of the report, particularly focus on the **overall compliance with the principles of sound financial management and performance**, and shall ensure that **appropriate measures have been taken in order to steadily improve and enhance their application.**
 - Each year each Union institution shall draft a report containing a **summary of the number and type of internal audits carried out, a synthesis of the recommendations made and the action taken on those recommendations** and forward it to the European Parliament and to the Council as provided for in Article 247.
- **Relevant information shared every year with the Institution and with the members of the public**
- **Clear and open communication to the discharge authority and the public, not only in terms of accuracy of the data presented but also in terms of accessibility and comprehensibility.**

The obligations of the IAS under the access to documents Regulation - *transparency*

- The institutions of the European Union have the responsibility of conducting their work as transparently as possible.
 - Article 15(3) of the Treaty on the Functioning of the European Union gives EU citizens, as well as any natural or legal person residing or having its registered office in an EU country, the right of access to documents of the institutions.
 - Regulation (EC) No 1049/2001 regarding public access to European Parliament, Council and Commission documents implements this right of access to documents. It includes a “relative” exception, **covering ongoing audits, except where there is an overriding public interest in disclosure.**
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- ➔ **The IAS discloses reports where the actions taken as a result of the audit are implemented**
 - ➔ **When doing so, it considers other interests such as privacy of individuals and security**
 - ➔ **Transparency is an key component of good governance and promotes trusts between the Commission and members of the public**

Obligations under the Financial Regulation and the IAS charter – *confidentiality*

- Financial Regulation: The reports and findings of the internal auditor, as well as the report of the Union institution concerned, shall be **accessible to the public** only after **validation by the internal auditor of the action taken** for their implementation



- IAS charter: The IAS shall retain the confidentiality of information it handles, in line with the provisions of the Commission Decision (EU, Euratom) 2015/443 and of the Global Internal Audit Standards.
- The Internal Auditor shall ensure that confidentiality is respected with regard to the information gathered by the IAS in the course of its work.

The reports of the IAS remain confidential until all recommendations are implemented by auditees and confirmed by the IAS

The approach of the IAS – *balancing transparency and confidentiality*



- Our legal obligations require careful balance between providing sufficient information and protecting confidential data: **relevant information** on audits carried out in the previous year **published every year** as part of the Commission's annual management and performance report; this includes the **Overall Conclusion of the Internal Auditor** on financial management (key part of the budgetary discharge process). At the same time, **confidentiality** is maintained **throughout the audit process and until the implementation of actions** by management, not merely as a legal requirement but as a cornerstone of our audit practices.



- Social media: social media platforms such as LinkedIn are used to advertise certain opportunities which are relevant to the audit community as well as other events such as our audit conference, the meeting of heads of internal audit in EU Institutions, etc
- Mass media: Commission services including the IAS engage with the media through the Spokesperson's service

Reflections which informed recent developments



Drafting audit reports which include the relevant information, while keeping in mind that they may become public documents -> **new reporting template**



Ensuring confidentiality of sensitive information while maintaining transparency of practices -> a **digital strategy** as part of our audit strategy, which details our use of technology (including AI)



Building stakeholder trust by understanding expectations, transparent communication and protection of confidential information - > **stakeholders strategy** as part of our audit strategy

Thank you

European Commission
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