

HIGH COUNCIL DECISION No. 3/2026

of 7 May 2026

on the adoption of the Charter of the Audit Committee of the European University Institute

THE HIGH COUNCIL

Having regard to the Convention setting up a European University Institute (hereinafter “the Institute”), and in particular Article 6(6);

Having regard to High Council Decision No. 6/2015 of 4 December 2015 laying down the European University Institute’s Financial Rules, as amended and supplemented;

Having regard to the High Council Financial Working Group meeting of 10 March 2026;

Considering the High Council Decision No. 2/2026 of 7 May 2026 amending the European University Institute’s Financial Rules and establishing a dedicated Audit Committee as an independent advisory and oversight body of the High Council.

HAS DECIDED AS FOLLOWS:

Article 1

The Charter of the Institute’s Audit Committee, as set out in the Annex to this Decision, is hereby adopted.

Article 2

High Council Decision No. 1/2024 of 7 June 2024 on the mandate and work programme of the High Council Financial Working Group (HCFWG) is hereby repealed.

The activities of the HCFWG shall cease as of the entry into force of this Decision.

Article 3

This decision shall enter into force on the day of its adoption.

Done in Florence, 7 May 2026

For the High Council

The President

[original signed]

Remus Pricopie

ANNEX

Audit Committee Charter

The concept of Audit Committees emerged as a response to increasing demand for accountability and transparency and they have become a fundamental element of good governance in organisations across various sectors and jurisdictions.

The Audit Committee is a key governance mechanism designed to enhance accountability, oversee risk management and strengthen internal control practices, therefore providing confidence in the integrity of these practices and fostering trust in financial and performance information. The Institute's Audit Committee was established by High Council Decision 2/2026, of 7 May 2026 to perform an independent advisory and oversight role. At that time, the Charter for the Audit Committee was approved.

The establishment of an Audit Committee aligns with international corporate governance guidelines, including those of the OECD, the Institute of Internal Auditors (IIA) and the Institute of Corporate Governance, and may be adapted to meet other requirements.

Role of the Audit Committee

The Audit Committee is an independent advisory body to the High Council that provides a structured, systematic oversight of the Institute's governance, risk management, and internal control practices. The purpose is to oversee:

- a) the integrity of financial statements;
- b) the effectiveness of internal controls and risk management;
- c) the performance of internal and external audit functions; and
- d) the compliance with regulations and internal policies.

The Audit Committee shall advise the High Council in:

- a) reinforcing the independence and effectiveness of the internal auditor;
- b) strengthening confidence in the Institute's governance, risk management and control environment;
- c) facilitating effective interaction between the Institute, the internal auditor and the external auditors.

Authority

The present Charter defines the Audit Committee's authority to carry out its advisory and oversight responsibilities set out in the Institute's Financial Rules – as amended by High Council Decision No. 2/2026 of 7 May 2026 – and further detailed in the subsequent sections of this Charter.

In fulfilling its responsibilities, the Audit Committee shall have unrestricted access to members of management, employees, and relevant information it considers necessary to carry out its duties. The Audit Committee shall also have unrestricted access to records, data, and reports of the Institute.

The Audit Committee is empowered to:

- a) appoint, compensate, and oversee all audit and non-audit services performed by auditors;
- b) resolve any disagreements between the Institute's management and the external auditor(s) regarding financial reporting and other matters.

Composition of the Audit Committee

The Audit Committee shall consist of five members, including the Chair, that are independent of the Institute. The members should collectively possess sufficient knowledge of audit, finance, law, IT, governance, risk management, and control. The Chair shall be appointed on the basis of their personal qualifications, knowledge and experience.

The members, including the Chair, shall be appointed by the High Council. The Chair shall serve in a personal capacity; three members shall be designated by the delegations of the Institute's Contracting States; and one member representing the European Commission (DG EAC/EACEA).

The Audit Committee may include observers. Where applicable, the observers shall be appointed by the High Council, on proposal from the Audit Committee. Observers shall have no voting rights within the Audit Committee.

The Audit Committee may engage an independent counsel and/or other advisors it deems necessary to carry out its duties.

Term of appointment

The Audit Committee's members shall be appointed for a period of three years, renewable.

Observers may be appointed on the basis of a proposal from the Audit Committee; their mandate, including its duration, shall be determined at the time of appointment on the basis of that proposal.

Meetings' quorum and decision-making majority

The quorum for the Audit Committee's meetings shall consist of three (3) members present in person or by remote connection.

Any decision of the Audit Committee shall be adopted by the affirmative vote of a

majority of the members present (in person or remotely) at a meeting at which the quorum is present.

Members shall recuse themselves from the discussion and voting on any matter in which they have a conflict of interest; such members shall not be counted for the purposes of the quorum for that item.

Conflict of interest

It is the responsibility of any of the Audit Committee members to disclose a conflict of interest – whether real, potential or apparent – to the same Committee. A conflict of interest may arise in a situation in which a member’s private interest (economic, financial, or personal) interferes or may interfere with their duty of impartiality and independence. Following the member’s disclosure, the Committee determines whether a conflict exists, and therefore the member must abstain from the vote.

Information Requests and Submission of Items to the Audit Committee

The Audit Committee shall submit to the Institute requests for information necessary to conduct its activity, by including relevant requirements in terms of the nature, extent, and timing of the requested information. Upon receipt of such request, the Institute shall provide the Audit Committee with the relevant information to at least two weeks prior to its scheduled meeting.

The Institute may request that items be submitted for the Audit Committee’s consideration; such requests shall be submitted to the Committee no later than three weeks before the scheduled meeting.

Meetings

The Audit Committee will meet at least two times annually or more frequently as the Committee deems necessary.

Meetings may be held in person or virtually and must be formally recorded in minutes.

The Audit Committee may invite members of the executive management, auditors or external consultants to attend meetings if deemed necessary.

Minutes

Minutes will be prepared in accordance with other applicable requirements and will be provided in draft format within two weeks after the Audit Committee’s meeting.

Overall responsibilities

The Audit Committee's primary responsibilities include:

- a) reviewing the annual and interim financial statements to ensure they are accurate, reliable, and comply with accounting standards;
- b) reviewing and approving the annual internal audit plan;
- c) periodically assessing the effectiveness of internal controls and risk management policies;
- d) supervising the appointment, independence and performance of external auditors;
- e) overseeing whistleblower mechanisms and internal investigations when necessary;
- f) ensuring compliance with applicable laws, regulations and international accounting and audit standards;
- g) issuing opinions and recommendations to the High Council.

To obtain reasonable assurance that management has acted on the results and recommendations of internal and external audit engagements, the Audit Committee will regularly review reports on the progress of approved management action plans and audit recommendations resulting from completed audit engagements.

Responsibilities regarding the internal auditor

The Audit Committee shall:

- a) serve as the functional interlocutor of the internal auditor in accordance with the Financial Rules and the Internal Auditor Charter;
- b) review and approve the risk-based annual and multi-annual Internal Audit work programme;
- c) receive internal audit reports, recommendations and follow-up information;
- d) monitor the timely and effective implementation of internal audit recommendations;
- e) review periodically the independence, resources and performance of the internal auditor;
- f) review and recommend any proposed amendments to the internal auditor Charter to the High Council;
- g) meet at least annually with the internal auditor without management present.

Responsibilities regarding the external auditors

To obtain reasonable assurance with respect to work of the external auditors, the Audit Committee will meet with the external auditors during the planning phase of the engagement and upon presentation of the audited financial statements to discuss the results of the engagement, including recommendations addressed to the Institute's management.

The Audit Committee shall:

- a) review the external auditors' proposed terms of engagement and planning, including coordination of audit effort with the internal audit activity;

- b) review the external audit results and reports;
- c) meet at least annually with the external auditors without management present;
- d) monitor the independence of the external auditors;
- e) contribute, where appropriate, to the preparation of the tender process for the selection of the external auditors;
- f) review the performance of the external auditors and provide recommendations to the High Council concerning the appointment, renewal or dismissal of the external auditors.

Responsibilities in relation to governance and control

The Audit Committee shall:

- a) consider how audit results contribute to improving the Institute's governance, risk management and internal control framework;
- b) provide observations to the High Council arising from audit results that may be relevant to the discharge process;
- c) receive information from the Institute on significant cases of irregularity, fraud, or control weaknesses relevant to its remit.

Reporting in writing and transparency

The Audit Committee prepares periodic reports with findings and recommendations.

The Audit Committee shall report to the High Council at least annually, summarizing the Committee's activities and recommendations.

Secretariat

The Secretariat of the Audit Committee shall be provided by the Institute.

Final provisions

The Charter of the Audit Committee should be revised annually or, where necessary, more frequently if required for alignment with international guidelines, standards and requirements.