
ECIIA General Assembly | 21 September 2019 | Luxembourg
Draft Minutes

Those Present:

Management Board:

ARACTING, Farid (President, observer); THOUVENOT Thierry (Vice President, observer); DE ALZUA Manuel (observer); MARMALIDOU, Verra (GR official representative); MOTEL, Jens (observer); NEATE, Melvyn (observer); PIVONKA Tomas (CZ official representative); LAGERSTEDT Kristiina (observer); VANDENBUSSCHE Pascale (Secretary General, observer)

Official Representatives-Voting members:

NEMLING Emilia (AT); SEEUWS Katleen (BE); KARABINOV Jordan (BG); TURKOVIC Jasna (CR), VEERMAE Janika (ES); SINERSALO Kaarina (FI); MOCQUARD Philippe (FR); MERTMANN Dorothea (DE), GAJDOS Márton (HU), SEGAL Lior (IS); FARGION Roberto (IT), SVETLOVA Natalja (LV), LUCAS Leticia (LX), AMITI Ljirim (NMA), HEIMEL Jantien (NL), BRATAAS Ellen (NO), BURGEMEJSTER Sebastian (PL), GEADA Maria Fatima (PT); PERGAR GUZAJ Polona (SL); MARTINEZ, Ernesto (ES); FUNCK Peter (SE); CAGLAR Murat (TR); MANNING Paul (UK & IE)

IIA Serbia has given proxy to IIA Croatia and IIA Switzerland has given proxy to IIA Germany.

Observers:

SCHWALB Tomas (AT); WAGNER Norbert (AT); GARITTE Jean-Pierre (BE); GLOAGUEN Hervé (FR); KOKKA Effie (GR); BALTAZAR Carolina (ECIIA), POLEAC Mirela (LU); NIEUWLANDS Hans (NL), DRASCEK Matej (SL); FALEATO, Javier (ES); LUNDIN, Linda (SE); TAPKAN, Kemal (TR)

The General Assembly started at 9.00 am.

1. Welcome

F. Aractingi welcomes everybody and opens the meeting. In total 25 countries are present, there are two proxies and we have 61 votes from a total of 68, the quorum is obtained.

F Aractingi congratulates the team of IIA Luxembourg for the Super conference and the big success: around 700 attendees.

The simple voting system (open voting by raising hands) is applied.

2. Minutes of 2018 General Assembly

No comment has been received.

3. Membership

The IIA Montenegro has not paid the 2019 fees and is excluded from IIA Global. Based on the ECIIA articles of associations (art 5), IIA Montenegro may not remain as an associate member of ECIIA. The GA votes unanimously.

The ECIIA Management Board proposed to welcome back [IIA Bosnia and Herzegovina](#) as an affiliate member of ECIIA. The proposal is to ask them to pay the old debt within one year. The vote is made at majority (3 countries against and one abstention).

4. Report of the Management Board and PACC (2018-2019)

All participants have received the annual report with the details of the activities and the recent ECIIA publications (Audit Committees in the public sector paper and Guide for internal auditors in the insurance sector).

F. Aractingi reminds us of ECIIA's vision: "Furthering the development of good Corporate Governance and Internal Audit at the **European level**, through **knowledge sharing**, developing **key relationships**, and **impacting** the regulatory environment".

ECIIA has moved to the ecoDa office and they create together the first European Corporate Governance House. They share resources and exchange common advocacy topics.

We have implemented a new website, with a new identity, better visibility of the various Committees, Workgroups and easier access to documents.

The objectives of the advocacy have been reached and ECIIA is proud of the impact achieved in the financial services and public sector but also with the European Commission for the non-financial reporting, data protection and sustainability.

The Banking Forum has been organised in Luxembourg on September 18 and around 80 CAEs from SSM Banks attended the Forum.

The Insurance Committee, chaired by Hervé Gloaguen, has issued a guidance for internal audit in the insurance sector that should be promoted to the local Supervisors. The committee is preparing new position papers. The composition of the committee is a good mix of big and middle size insurance companies. Each year, the members are reviewed.

In the Public Sector Committee, chaired by M Neate, the first project is finalised: a position paper about audit committees in the public sector. The second project will regard the standards for the internal auditors in the public sector. A new project has also been launched with EUROSAL: the non-financial reporting in the public sector.

The GDPR project is managed by M de Alzua and the survey and interviews are finalised. Ferma has partnered with ECIIA for this project and the final report will be issued mid-November.

The collaboration with the European National Institutes has been reinforced, with a strong collaboration with EIRG.

As it is the last GA for Farid Aractingi, he shares his vision of Europe with the participants.

5. Financial report (2018)

K Lagersted explains that the 2018 financials are very positive, and the balance sheet is as follow:

	<u>2018</u> Euro	<u>2017</u> Euro
Liabilities	39'416.00	14'891.69
Cost Reserves	185'000.00	185'000.00
Accured Charges	0.00	4'833.80
Retained earnings	<u>386'718.16</u>	<u>235'730.02</u>
Total	<u>611'134.16</u>	<u>440'455.51</u>
Assets - Cash and Cash equivalents	420'989.45	315'738.20
Receivables	190'144.71	120'883.85
Deferred Charges	<u>0.00</u>	<u>3'833.46</u>
Total	<u>611'134.16</u>	<u>440'455.51</u>

The P&L has been positively impacted by the revenues from the conference. The website costs are above budget due to the new website.

	<u>2018</u> Euro	<u>Budget 2018</u> Euro	<u>2017</u> Euro
Recurring Costs			
Public Affaires	103'930.28	148'000.00	108'180.07
Website	16'015.98	10'000.00	13'482.38
Office expenses	26'824.25	24'000.00	22'872.30
Bad debts	1'300.00	0.00	4'138.08
Financial costs	<u>-21.12</u>	<u>-200.00</u>	<u>133.58</u>
Total Recurring Costs	<u>148'049.39</u>	<u>181'800.00</u>	<u>148'806.41</u>
Recurring Income			
Membership fees	155'168.30	155'000.00	156'955.90
Advertising	0.00	0.00	0.00
Secretary contribution	0.00	0.00	0.00
Conferences	143'869.22	25'000.00	118'877.00
Other income	<u>0.00</u>	<u>0.00</u>	<u>138.27</u>
Total Recurring Income	<u>299'037.52</u>	<u>180'000.00</u>	<u>275'971.17</u>
Net result	<u>150'988.13</u>	<u>-1'800.00</u>	<u>127'164.76</u>

The report of the external auditor (Regis Cazin) has been showed and they gave a unqualified opinion on the 2018 accounts.

6. Report of the audit committee for the 2018 financial figures

H. Nieuwlands, Chair of the audit committee has presented the report. The travel procedure should be clearer, the accounting system should be changed to improve the management accounts and the net result for the 2018 conference has been adjusted.

The audit committee agrees with the financial statements as stated at the General Assembly.

The vote for the approval of the 2018 Financial Accounts is made unanimously.

7. Discharge of the current Board members and External auditor

The vote for the Board discharge is made unanimously.

The vote for the discharge of the External auditors (Regis Cazin) is made unanimously.

8. Appointment of Board members, and Audit committee members and Nomination Committee members

M. de Alzua is at the end of his first mandate as representative of IIA Spain. He is confirmed unanimously.

J. Motel is at the end of his mandate as representative of IIA Germany. He is confirmed unanimously.

F. Aractingi will leave the ECIIA Board and IFACI has nominated H. Gloaguen to replace him. H. Gloaguen is welcome unanimously.

M. Neate will leave ECIIA Board and IIA UK & Ireland has nominated P. Manning to replace him. P. Manning is welcomed unanimously.

Th. Thouvenot and K. Lagersted have finished their second mandate. There are two other candidates for the two open positions: K Seeuws from IIA Belgium and M. Piolunowicz from IIA Poland.

The secret election is organised.

H Nieuwlands (IIA Netherlands) is up for renewal as audit committee chair. The vote is made at unanimity.

G. Cariola is proposed to join the nomination committee. The vote is made unanimously.

A break takes place at 10.35 am.

9. Voting results

Th. Thouvenot and K Lagersted are elected as Board members of ECIIA, at a majority (respectively: 42% of the total votes and 37% of the total votes).

The new President, elected by the new Board, will be Th. Thouvenot and the Vice President and Treasurer: G. Rudolf von Rohr.

ECIIA suggests that K Seeuws and M. Piolunowicz should join the PACC or an advocacy committee and thanks them for their candidatures.

10. The European CEOs Group

J. Faleato, chair of the European CEOs Group, shared the projects developed at European level for the benefits of all National Institutes.

The main reasons for this group's operation are:

- to serve our members the best way possible
- to believe in European cooperation
- to devote resources to these projects
- to achieve more together than when divided

There are 16 CEOs members of this group.

They meet at least 3 times a year to:

- Provide resources, support and stewardship on **joint projects and initiatives**
- Discuss any topics affecting the represented European institutes
- Coordinate with the ECIIA and to **provide support to the ECIIA** on any aspect related to the ECIIA operations

The current projects are:

- The European Institutes Research Group that produce common documents (Risk in Focus...), share knowledge and support ECIIA on consultation processes
- The SARA project
- The ambition model

11. Update and discussion ECIIA strategic plan (2019-2021)

ECIIA has launched a satisfaction survey to collect input from its members as a basis for the 2019/2021 strategic plan. It is important to improve in a constructive dialogue.

23 countries have completed the survey and the main results are shared.

Regarding the mission, most NIs (73%) recommend not to change it.

Most members (59%) believe that ECIIA should not consider Europe's geographical area for its membership.

Most members (66%) believe that ECIIA should not consider European regulatory institutions for its membership.

The various PACC activities are reviewed and most score above 3.1 on 5. There is clearly a discrepancy based on the size of the member: biggest NIs give a better rate.

In terms of improvements, a communication of the activities to all NIs is suggested via LinkedIn.

The ECIIA governance is scored at 3.6 on 5.

The conference scores 3.4 on 5.

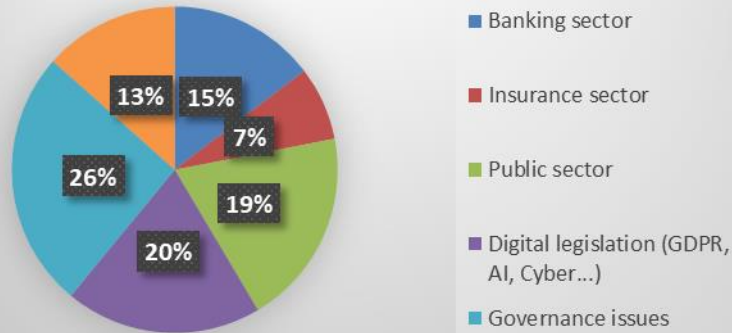
The newsletter scores 3.5 on 5.

The website is rated 3.8 on 5.

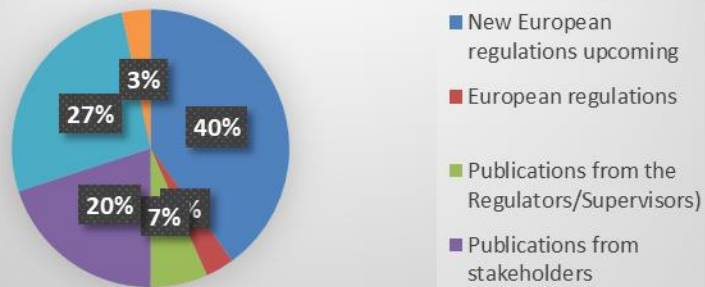
The social media has the lowest score and it is recommended to be active on LinkedIn, except from twitter.

The results on the GA survey are:

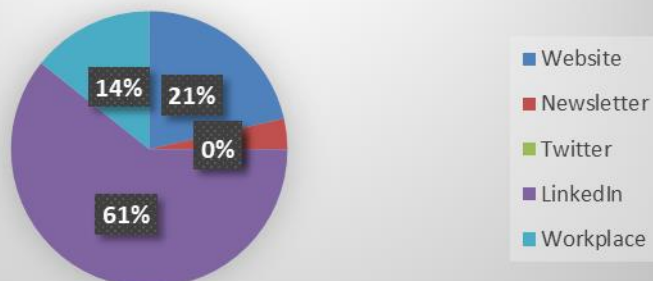
ECIIA recommended advocacy priorities



ECIIA communication content priorities



ECIIA recommended communication chanel



The detailed results will be analysed at the next Board meeting and the final plan will be discussed with the European CEOs Group and shared with the NIs in 2020.

The advocacy plan for 2019 expands the reach and meaning of ECIIA as a truly European Confederation for the profession of internal auditing and consolidates the actions taken so far.

Th. Thouvenot explains the 2019 objectives for each Committee in detail:

- Banking Committee:
 - Reinforce the relations with EBA, ECB
 - Keep the same activities as before: 3 new position papers, 3rd Banking forum
 - Create a European Platform for the CAEs of SSM Banks to facilitate permanent exchanges
- Insurance Committee:
 - Consolidate contacts with EIOPA and local Supervisors
 - Create a European Platform for the CAEs of the Insurance sector to facilitate permanent exchanges
 - Issue new position papers on “hot topics”
- Public sector Committee:
 - Define internal audit standards in the public sector
 - Deliver the paper on Non-Financial Reporting with EUROSAI
 - Organise a forum to exchange and help internal auditors in the public sector in Europe
 - Assist NIs for local advocacy actions
- GDPR project:
 - Exchange with the Regulator on points of interests
 - Organize a session at the EP to present the results
 - Communicate the Regulator actions and influence the new release
- Governance project workgroup:
 - Set up a “formal” working group with CAEs, Audit Committee members
 - Be part of the discussion with Board members and DG Fisma on the evolution of Corporate Governance
 - Demonstrate the role and added value of internal audit vs other actors (external audit, 2d line...)
- A new workgroup will be set up with CAEs to define the role of audit in the new European regulations regarding sustainability and to influence the Regulator about the “assurance” role of internal audit.

12. Budget 2020

The budget is presented for 2020. The assumption for the conference is the minimum contribution of 25.000 Euros, as stated in the MOU with IIA Portugal and it explains the loss of 45.500 Euros.

<i>All figures in Euro</i>	2020 Budget	2019 Budget	2019 Forecast	2018 Actual
RECURRING COSTS				
Public Affairs	161'000	169'000	171'348	103'930
Website	5'000	25'000	25'000	16'016
Office expenses	59'500	79'500	75'486	26'824
General assembly cost (net)	0	4'000	4'000	0
Financial (-)income/costs	0	0	126	-21
TOTAL RECURRING COSTS	225'500	277'500	275'961	146'749
RECURRING INCOME	155'000	155'000	152'129	155'168
RESULT from RECURRING OPERATIONS	-70'500	-122'500	-123'832	8'419
OTHER NON RECURRING ITEMS	25'000	25'000	25'000	142'569
NET RESULT	-45'500	-97'500	-98'832	150'988

13. Future ECIIA conferences

A video of the ECIIA 2020 conference is shared. It will take place in Lisbon on October 21-23. The General assembly will take place on October 24,2020.

14. Any other business

No remark

The General Assembly ended at 12.30 am.