

Brussels, June 11, 2020.

J. Heikkilä

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I.Orssich

Team Leader for Artificial Intelligence Project

DG CONNECT-European Commission

Subject : European Commission consultation on the white paper on artificial intelligence: a European approach

Dear Mrs Heikkila, Dear Mrs Orssich,

The European Confederation of Institutes of Internal Auditing (ECIIA) is a confederation of national associations representing the internal audit profession across Europe. We cover 34 countries and have a combined membership of 47,000 individual and corporate members. Our primary goal is « *To be the consolidated voice for the profession of internal auditing in Europe and to promote the role of internal audit and good corporate governance by dealing with the European Union, its Parliament and Commission and any other European Regulators and Associations representing key stakeholders*».

We were pleased that the Commission has consulted on a concrete proposal for European artificial intelligence.

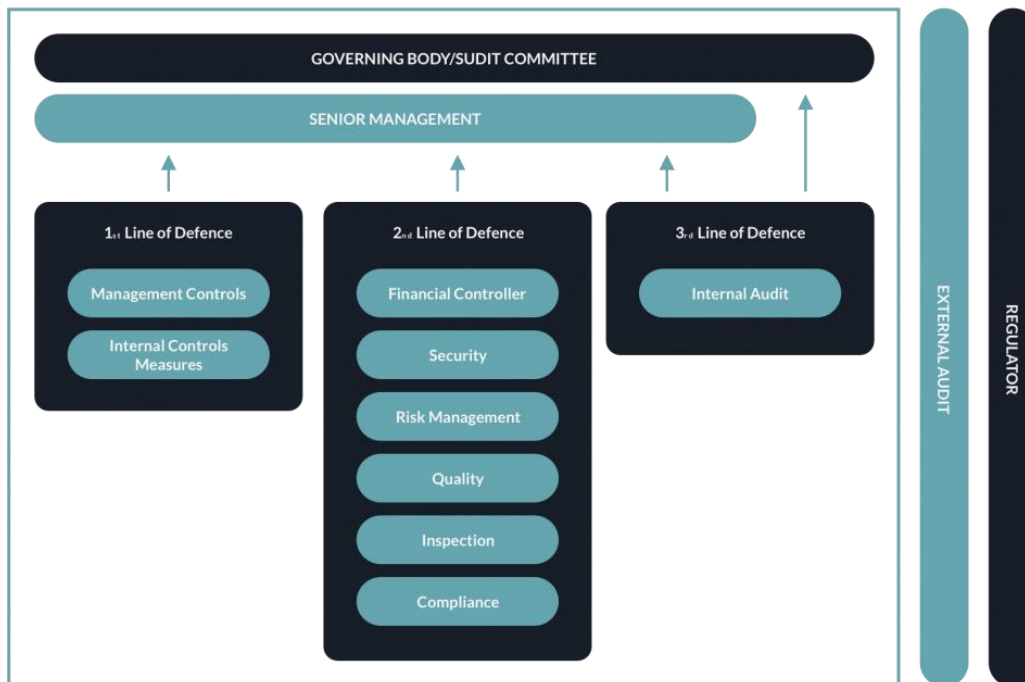
The profession we represent uses artificial intelligence in the daily operations to review the operations more extensively and add value. Internal audit is also adept at evaluating and understanding the risks and opportunities related to the ability of an organization to meet its objectives and they evaluate the degree to which artificial intelligence (AI) will have an effect (negative or positive) on the organisation's ability to create value in the short, medium, or long term.

A first step toward understanding the organisation's AI opportunities and risks is to thoroughly understand the organisation's big data opportunities and risks.

Based on our experience, we believe that it is important in Europe to:

- build data sets, define rules for labellers and determine who owns the data
- build required skills and assist companies to train active people to the new technologies
- build European infrastructures, to decrease our current dependency to Non-European big players
- facilitate coordination between European industries on key areas of focus

But it is also important to set up the right AI governance model in the companies. In particular, the ECIIA promotes the implementation of the internationally recognised **3 lines of defence** model summarised below.



In this model, the **first** line is responsible for day-to-day monitoring of the operations, data collection; the **second** line of defence provides support to the Management with expertise on the management of risks. They will assist in specific areas related to artificial intelligence: the development, monitoring of the risk management practices (policies, standards and framework) and the achievement of risk management objectives (compliance with laws, ethical aspects, information and technology, . . .).

The **third** line of defence - internal audit - is responsible for assessing that the first and second lines are functioning adequately and to assess the governance and controls of the risks linked to artificial intelligence. They will give an independent and objective assurance, advice and insight on the adequacy and effectiveness of governance and risk management; and will make recommendations for improvement actions.

Internal auditors perform their activities based on the International Professional Practices Framework (*) and assist the Board and Management in their duties. AI auditing framework involve 6 elements: AI governance, Data Architecture and Infrastructure framework, Data quality, AI performance, Human factor, Black boxes factor.

AI governance establishes accountability and oversight, helps to ensure that those responsible have the necessary skills and expertise to effectively monitor AI activities that result in decisions and actions in line with the ethical, social, and legal responsibilities of the organisation. Therefore, it is important to include this aspect in the “European best

practices" and there is no one size fits all solution, but each company should implement the right framework and inform the stakeholders. The 3 lines of defence can help them in this exercise.

In this context, we recommend integrating this dimension in the final release of the white paper.

Against that background, we would welcome the opportunity of a discussion with you and relevant colleagues in the Commission about our comments on the dossier; about how best to ensure that the European Union takes a comprehensive, coherent and joined-up approach to these critical issues, drawing on the perspectives, skills and experience of all relevant actors; and about how the internal audit profession can make an effective contribution to the collective effort.

We look forward to hearing from you

Pascale Vandenbussche
ECIIA Secretary General

Thierry Thouvenot
ECIIA President