

Brussels, 2 February 2021

Dear Madam, Dear Sir,

The European Confederation of Institutes of Internal Auditing (ECIIA) is a confederation of national associations of internal auditors speaking for the profession in the wider geographic area of Europe and the Mediterranean basin. It represents a membership base of over 48,000 internal audit professionals. The ECIIA is an associated organisation of the global Institute of Internal Auditors (The IIA), a professional body with more than 200,000 members. Throughout the world, The IIA is recognised as the internal audit profession's leader in certification, education and research regarding internal auditing.

The IIA also maintains the International Professional Practices Framework (IPPF) which includes the mission of internal auditing, the mandatory guidance and recommended guidance. (<https://global.theiia.org/standards-guidance>).

The ECIIA welcomes the EBA consultation to incorporate ESG risks into the governance, risk management and supervision of credit institutions and investment firms and is grateful for the opportunity to contribute.

First of all, we fully support the need for credit institutions and investment firms to integrate ESG risks in the general ERM framework and in the various processes (strategy, operations, supply chain,...). The general impression given throughout the paper is that internal audit role is well described and we would just like to emphasise a few aspects not covered in details:

- the need to train internal auditors to these new themes and the possibility to co-source with external specialists for "technical" evaluations when the skills are not available in the audit teams.
- the need to collaborate, exchange and communicate with all parties involved in ESG assessments internally (HR, sustainability, compliance, risk, IT,...) in the credit institutions and externally (external auditors, ESG specialists,...): the oversight role is key and internal auditors can help the governing body by giving assurance and insight on the other lines' activities.
- the need to train people to these new risks in the credit institutions (other lines but also governing body) in order to maintain a strong management of the risks (identification, evaluation, mitigation and reporting).

Thank you for this great initiative.

We remain at disposal for any questions you would like to discuss.

Kind regards,

Pascale Vandenbussche

ECIIA Secretary General

John Bendermacher

ECIIA Board member

