

## ECIIA General Assembly | 20 October 2020 | Virtual meeting Draft Minutes

### Those Present:

#### Management Board:

THOUVENOT Thierry ( President); VON ROHR Gabrielle (Vice-President and Treasurer, CH official representative); DE ALZUA Manuel (observer); MARMALIDOU, Verra (GR official representative); MOTEL, Jens (observer); MANNING Paul (UK & IR official representative); MOCQUARD Philippe ( FR official representative); PIVONKA Tomas (CZ official representative); LAGERSTEDT Kristiina (observer);TURCONI Massimiliano(observer); VANDENBUSSCHE Pascale (Secretary General, observer)

#### Official Representatives-Voting members AND Observers:

Name	Official representative/ Observer	National institute
doriane givord-strassel	Observer	European Commission
Adela Prendi (IIA Albania) (Adela Prendi)	Observer	IIA Albania
Anita Kanteruka	Observer	IIA Albania
Astrit Alijaj - IIA Albania (aalijaj)	Observer	IIA Albania
Erald Bezhani	Official representative	IIA Albania
Ara Chalabyan	Official representative	IIA Armenia
Norbert Wagner	Observer	IIA Austria
Thomas Schwalb	Official representative	IIA Austria
Jean-Pierre Garitte	Observer	IIA Belgium
John Bendermacher	Management Board/observer	IIA Belgium
Katleen Seeuws	Official representative	IIA Belgium
Dimitar Neshev	Official representative	IIA Bulgaria
Jasna Turkovic	Official representative	IIA Croatia
Michal Cup	Observer	IIA Czech Republic
Jesper Siddique Olsen	Official representative	IIA Denmark
Hedy Hoomatalu	Official representative	IIA Estonia
Jamie Graham	Observer	IIA Finland
Kaarina Sinersalo	Official representative	IIA Finland
Dorothea Mertmann	Official representative	IIA Germany
Effie Kokka	Official representative	IIA Greece
Márton Gajdos	Official representative	IIA Hungary
Róbert Kollar	Management Board/observer	IIA Hungary
Lior Segal - ליאור סגל	Official representative	IIA Israel
Roberto Fargion	Official representative	IIA Italy
Indra Ozola	Official representative	IIA Latvia
Leticia Lucas	Official representative	IIA Luxembourg
Otmame AMRANI IIA Morocco	Official representative	IIA Morocco
Rabi Abouamama	Observer	IIA Morocco
Hans Nieuwlands (IIA Nederland)	Observer	IIA Netherlands
Jantien Heimeel	Official representative	IIA Netherlands
Ljirim Amiri-IIA North Macedonia (Lirim Amiri)	Observer	IIA North Macedonia
Ellen Brataas	Official representative	IIA Norway
Maciej Piolunowicz	Official representative	IIA Poland
Renata	Observer	IIA Poland
Fatima Gead	Official representative	IIA Portugal
Jozefina Beke	Official representative	IIA Serbia
Matej Drašček	Observer	IIA Slovenia
Mojca Lahajner	Official representative	IIA Slovenia
Javier Faleato	Observer	IIA Spain
Sonsoles Rubio	Official representative	IIA Spain
Stina Nilsson Kristiansson	Official representative	IIA Sweden
Ertan Küçüyalçın	Official representative	IIA Turkey
Murat Caglar	Observer	IIA Turkey
Melvyn Neate	Observer	IIA UK&Ireland
Carolina Baltazar	Observer	ECIIA

**The General Assembly started at 5.30 pm.**

## 1. Welcome

Th Thouvenot welcomes everybody and opens the meeting. He thanks everyone (volunteers, Committees-Board members and ECIIA staff) for the hard work and the support to ECIIA. The confidential votes have been made in advance and the others will take place during the meeting. The ECIIA lawyer (Mr Constantini) has validated the process set up for this virtual meeting. We fulfil the articles of association and the Belgian law. In total, 26 countries have participated to the confidential votes ((62 votes), and in the GA 30 countries are present, that represent 63 votes from a total of 67 the quorum is obtained.

Slido will be used for the votes and the official representatives will have to connect to Slido with their email and the event code.

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

## 2. Minutes of 2019 General Assembly

No comment has been received and the minutes are approved.

3. ECIIA [Video](#) is shared and available for all members.

## 4. Membership

The ECIIA Management Board proposed to welcome IIA Albania as an associated member of ECIIA. 85% of the votes were positive and 15% negative. The representatives introduce themselves. IIA Albania ECIIA membership is endorsed by the AGM.

## 5. Report of the Management Board and PACC (2019-2020)

All participants have received the annual report with the details of the activities and the European Regulations.

There are currently 3 Committees: Insurance, Banking and Public Sector, they have issued position papers, reacted to consultations, and organised webinars (Covid, non-financial reporting in public sector...)

Th. Thouvenot invites everyone to go through [the interactive activities report](#).

## 6. Financial report (2019)

G Rudolf von Rohr explains that the 2019 financials are extremely healthy, and the balance sheet is as follow:

	2019 Euro	2018 Euro	2017 Euro
Liabilities	45'825	39'416	14'892
Cost Reserves	185'000	185'000	185'000
Accrued Charges	0	0	4'834
Retained earnings	398'307	386'718	235'730
<b>Total</b>	<b>629'132</b>	<b>611'134</b>	<b>440'455</b>
Assets - Cash and Cash equivalents	530'651	420'989	315'738
Receivables	98'481	190'145	120'884
Defferred Charges	0,00	0,00	3'833
<b>Total</b>	<b>629'132</b>	<b>611'134</b>	<b>440'455</b>

The P&L has been impacted by an increase in the PACC costs (more events, no sponsorship for the Banking forum) and new office organisation (new office with ecoDa as agreed in GA last year)

The membership fees are in line and the conference income is very positive: 80K Euros  
The Net result is: 11.590 Euros

All figures in Euro	2019 Actual	2019 Budget	2018 Actual	2017 Actual
<b>RECURRING COSTS</b>				
<b>Public Affairs</b>	131'382	169'000	103'930	108'180
<b>Website</b>	3'085	25'000	16'016	13'482
<b>Office expenses</b>	86'878	83'500	26'824	22'872
<b>General assembly cost (net)</b>	0	0	0	0
<b>Financial (-)income/costs</b>	519	0	-21	134
<b>TOTAL RECURRING COSTS</b>	221'865	277'500	146'749	144'668
<b>RECURRING INCOME</b>	152'872	155'000	155'168	156'956
<b>RESULT from RECURRING OPERATIONS</b>	-68'993	-122'500	8'419	12'288
<b>CONFERENCE INCOME</b>	80'582	25'000	142'569	114'877
<b>NET RESULT</b>	11'590	-97'500	150'988	127'165

The report of the external auditors (Regis Cazin) has been shared and they gave an unqualified opinion on the 2019 accounts.

## 7. Report of the audit committee for the 2019 financial figures

H. Nieuwlands, Chair of the audit committee has presented the report.

The Committee is disappointed:

-about the accounting system (material corrections made during the year), they suggest changing the accountants asap and the ECIIA Board will decide in December about the new Accounting firm.

-The Budget deviations are not documented regularly in the Board minutes.

-The savings on the KBC account, ECIIA has not received any statement because there has been no movement. The KBC auditors have confirmed the balance at the end of September. The ECIIA Board will cancel this account and transfer the money to the BNP account.

The audit committee agrees with the financial statements as stated at the General Assembly and invites the General Assembly to approve them.

The vote for the approval of the 2019 Financial Accounts is made unanimously.

## 8. 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 and the 2021 fees will amount to 2.000 Euros.

## 9. Appointment of the Board members, and the Audit committee members and the Nomination Committee members

Th. Thouvenot thanks Gabrielle and Thomas who are leaving the Board, for the great achievements.

The 3 new Board members elected are:

-Verra Marmalidou, IIA Greece (34%)

-Robert Kollar, IIA Hungary (29%)

-John Bendermacher, IIA Belgium (23%)

Indra Ozola (IIA Latvia) is not elected and Th. Thouvenot proposed to welcome her in the PACC.

P Mocquard is confirmed as IFACI representative and M Turconi as IIA Italy representative, at majority (86%).

E Brataas and N Wagner are elected as ECIIA Audit Committee members, at majority (88%).

E Kokka and P Manning are elected as ECIIA Nomination Committee members, at majority (92%).

Th. Thouvenot congratulates the new BoD / Committee members and welcome them.

## 10. Appointment of the external auditor.

The appointment is validated at unanimity for Regis Cazin (budget: 2.000 Euros)

## 11. New challenges for internal auditors in Europe: Doriane Givord, EC, Head of Unit, IAS, Unit B2

Ms Von der Loyen issued the political guidelines when she started, and it included the European Green Deal and Digital Europe. These are the main EC initiatives that will impact the internal auditors.

The European Green Deal is a developed policy strategy, published on December 11, 2019 and it is a roadmap with an ambitious program with 48 actions by the end 2021. The Green deal is also part of the sustainable goals of the United Nations: sustainability must be considered, and internal auditors must provide assurance on this topic.

It is also the first time that the European legislation is trying to have a holistic approach with the European Green Deal and develop a climate target by 2030.

A main objective is the climate neutrality by 2050 and a reduction of 55% of CO2 emission by 2030. The various European legislations are under discussion to reflect this in various sectors and in the society.

The Covid has quickly showed that it is a unique opportunity to integrate these aspects in the investments to assist the economy-the recovery in Europe (Greener investments). 30% of the money raised for the Next EU Generation will be raised through green bonds!

The EC has just approved its [2021 work programme](#): there is still a lot of actions about the European Green transition, the sustainable corporate governance, the non-financial reporting and the digital Europe

As internal auditors, we need to give assurance on performance and not just on financials, compliance.

We need to assist to adjust the governance framework; we need to follow a holistic approach to facilitate the transition to green economy. We must make quick adaptation, use new working methods, and promote more collaboration with the other lines.

The EC has developed delegated act and is developing standards for the green economy: KPIs, standard information to report; we will know what is requested by sector early 2021.

Regarding digital age, the EC needs to move to the digital world and to catch up. Proposals will be developed on IT infrastructure (5G,...), cybersecurity, IT services and platforms, education, data strategy (big data challenges) and artificial intelligence.

It is about new risks, new techniques, new technologies for internal auditors.

## 12. New challenges for internal auditors in Europe

The Chairs of the ECIIA Committees are invited to share their views (J. Graham (Banking), S Licence (Insurance), M Neate (Public Sector), M Turconi (Industrial))

Banking sector challenges: huge cost cutting challenge, driven by low interest rate and reduction in profitability: there are significant cost reduction programs in banks, they impact the

IA departments and the control environment. It is important that IA are involved in these programs and give independent views.

There are new guidelines about outsourcing from EBA and there are more outsourcing operations, IA must have access to the information in third parties to perform its job. Some IA functions need to build brand to improve credibility and not be “policy officer”.

Insurance sector challenges: Covid has impacted the business model.

Climate change is one of the biggest risk: stakeholders want the industry to take responsibility (assets owned, response to influence climate transition...) on this topic.

New regulations also impact the IA: IFRS 19, EURIBOR...

The external environment is a challenge, and some risks increase: credit risk, market risk, assets evaluation, solvency II impact, cyber risks.

We must provide inside on these topics and the challenge is to have the right skills in IA, to respond in an agile way.

The use of data analytics is an opportunity to provide broader assurance but also a challenge. Regulators are also putting more and more on the IA shoulders!

In the public sector, there are 3 main challenges for internal auditors:

-how to stay relevant? the normal audit is not enough in crisis, there are increasing risks (remote access, virtual meeting tools security..)

-Are the organisations and IA equipped?

There is a financial pressure on the public sector: the cost of Covid, the investments to facilitate the recovery, the increase of public services (health, social care, unemployemnts,...)

-Audit plan has been scrapped, there are a lot of challenges to perform audits as auditees are not always available!

But there are opportunities for internal auditors, we can show how we can help the organisations in the future as trusted advisor and engage with the organisation to survive.

We must communicate with stakeholders, and it is an opportunity to reprioritise them and work closely with the other lines.

Technical enable auditing is also an opportunity: remote audit, access new data, IA robotics, virtual meeting, ...

Based on our knowledge in Risk Management, governance, we should support sustainability in the long-term success of businesses.

Industrial sector challenges:

Cyber, third party, regulatory changes are top on the risks list.

IA must change its approach and increase digital audit: more data analytics, increase coverage of data, remote work... while providing the same level of assurance.

The manufacturing companies are highly impacted with sustainability goals: climate change, human rights, water consumption... and we must cover a wider set of risks

There are a lot of challenges for internal auditors and they are increasing with the sanitary crisis!

### 13. The European CEOs Group

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

The Group is made of CEOs from European Institutes, it is an open group for CEOs, being staff and willing to work on European projects.  
The Group also supports ECIIA in its activities.

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

The EIRG stands for European Institutes Research Groups, is made of Policy Managers and is active in issuing European publications.

The most visible publication is [Risks in focus](#), the report is evolving and the participant NIs can customised it with their local logo for the local members.

This year, there will be extra guidance's: one on cybersecurity, one on climate change and one on macro economical risks. They will describe the role of internal audit in this specific risk.

Besides, there are other important European projects:

-Sara remains an important project: eLearning tool about IPPFs

-Benchmark place, developed by IIA NL and IIA France: it gives the opportunity to benchmark with peers about key IA KPIs and it is also a self-assessment tool to evaluate IA function against the ambition model. It is a website based tool.

-Workplace: it is a platform to interact with members, IIA France has the lead, some NIs have joined (Bel, Lu)

-IA practitioners: it is a new certification from IIA Global, and Europe is preparing material to prepare for the certification (for the beginners). IIA UK & Ireland is developing this material.

#### 14. ECIIA plan (2020-2021)

Th. Thouvenot explains the 2020/21 objectives for each Committee in detail:

- Banking Committee:
  - Keep strong relations with new EBA, ECB Rep.
  - Develop webinars on hot topics and animate the European Platform for the CAEs of SSM Banks to facilitate permanent exchanges
  - Assess the format of the annual forum
- Insurance Committee:
  - Meet regularly with EIOPA and local Supervisors
  - Animate European Platform for the CAEs of the Insurance sector to facilitate permanent exchanges
  - Issue new position papers on "hot topics" and organise webinars
- Public sector Committee:
  - Define internal audit standards in the public sector
  - Organize a forum to exchange and help internal auditors in the public sector in Europe

- Assist NIs for local advocacy actions
- Collaborate with "key" European Governing Bodies to promote internal audit
- Industrial Committee:
  - To monitor EU projects impacting internal auditors from industrial/commercial companies
  - To advise European Regulators and bring a European view of the internal audit profession on regulatory consultations, advocate the profession
  - To exchange (knowledge sharing) on new hot topics for internal auditors in Europe, in coordination with the local NIs: NFR, Digital Europe (NIS review),....

## 15. Review ECIIA Strategy

We have developed some quick wins with the working group (ECIIA Board and some CEOs):  
 -how to better connect ECIIA Board with NIs Board?  
 -how to better connect ECIIA Committees and local Committees?  
 -how to better informed NIs about what is going on at ECIIA?  
 We will implement the changes proposed in the coming months.

Regarding the Brexit, we still work on the impact on ECIIA and will come back to the ECIIA members and most probably organise an extraordinary GA early 2021.

In summary, ECIIA wants to increase its relevance and better serve all the stakeholders.

## 16. Budget 2021

All figures in Euro	2021 Budget	2020 Budget	2020 Forecast	2019 Actual	2018 Actual	2017 Actual
<b>RECURRING COSTS</b>						
Public Affairs	136'000	161'000	117'908	131'382	103'930	108'180
Website	2'500	5'000	2'500	3'085	16'016	13'482
Office expenses	85'500	59'500	76'850	86'878	26'824	22'872
General assembly cost (net)	0	0	2'500	0	0	0
Financial (-)income/costs	0	0	1'200	519	-21	134
<b>TOTAL RECURRING COSTS</b>	<b>224'000</b>	<b>225'500</b>	<b>200'959</b>	<b>221'865</b>	<b>146'749</b>	<b>144'668</b>

RECURRING INCOME	150'000	155'000	151'693	152'872	155'168	156'956
RESULT from RECURRING OPERATIONS	-74'000	-70'500	-49'265	-68'993	8'419	12'288
CONFERENCE INCOME	25'000	25'000	0	80'582	142'569	114'877
NET RESULT	-49'000	-45'500	-49'265	11'590	150'988	127'165

Regarding the 2020 forecast, there will be no conference revenues, but the costs have been reduced (no travel costs), it leads to loss of 49.265 Euros.

The budget is presented for 2021. The assumption for the conference is a contribution of 25.000 Euros, the membership fees might decrease (less 5K due to less members), the costs are in line with 2020 and we end up with a loss of 49.000 Euros.

The budget has been approved at unanimity.

## 17. Future ECIIA conferences

The ECIIA 2021 conference is planned in Brussels on September 30 & October 1, 2021.

The ECIIA 2022 conference is planned in Lisbon in October 2022.

## 18. Any other business

No remark

**The General Assembly ended at 07.00 PM**