

2021 /

2022

ECIIA

ANNUAL

REPORT





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A message from the President

John Bendermacher

We faced a second year of uncertainties with the health crisis, but also the Ukrainian conflict. It demonstrates the need for flexibility and resilience for Internal Auditors, as permanent new risks appear.

There have been a lot of regulated initiatives to harmonize and simplify the European regulations, and to further develop the sustainability agenda. The Commission adopted a proposal for a Corporate Sustainability Reporting Directive. It introduces the requirement to report according to mandatory ECSR and a compulsory limited assurance by the external auditors. The other initiative on Corporate Sustainability Due Diligence is still under discussion.

ESG will be a game changer, also for Internal Audit. The profession has an important role to play in these new initiatives and must act as a partner for transparent sustainable businesses. ECIIA will make sure that Regulators and our stakeholders know what the role of Internal Audit can and should be, in all phases of the ESG journey. To play that role well, the profession needs to develop and educate itself. It will also require us to work with the other lines and external auditor in a collaborative manner.

In conclusion, a lot is going on with the European Regulators that are impacting the profession and I wish ECIIA members a lot of success in adapting to the new normal and being agile!

A message from the Secretary-General

Pascale Vandenbussche

What a challenging year again! We have continued to adapt to the new digital economy, organize virtual Forum by sector, bring our best efforts to serve the Internal Audit profession in Europe.

We have reinforced our collaboration with the main European Stakeholders Associations in Brussels as we are stronger together and more than ever, there is a need for cooperation between the different lines to better serve the Board and assist them in their new duties.

We have signed a new MOU with EUROSAI on the cooperation between internal and External Audit in the public sector. We have continued the virtual meetings with the Committee members, the European Regulators to follow up on policy developments affecting Internal Auditors.

Looking ahead to 2022/2023, we are happy to meet face to face again, host an ECIIA conference. We will focus on the political agenda impacting the profession: mainly around Corporate Sustainability Reporting and the new European Sustainability Reporting Standards, anti-money laundering, cybersecurity. We will also enhance the cooperation and exchanges with the members and with IIA Global.

We thank you for your support and commitment in 2021/2022 and we look forward to our continued cooperation with our members and our key advocacy targets.



Overview of the year

04 consultations
05 publications
04 webinars
21 meetings

Consultations

Draft Report on the CSRD Directive

The draft CSRD report mentioned the need for independent assurance on sustainability reporting. We insisted on the need for a broad scope including the reporting processes, the data quality, the internal controls and the risk management of sustainability processes and information.

We also called for having another look at the roles in the assurance-providing process. After all, it is Internal Audit's role to provide independent and objective reasonable assurance and insight to the board and management, on all aspects of governance, risk management and internal control, and Internal Audit can be an important part of the "assurance chain".

Principles for the effective management and supervision of climate-related financial risks

This consultation from the Basel Committee referred to the role of Internal Audit and the three lines model. The main comments were about the important role of Internal Auditors in climate related risks and about their independent and objective reasonable assurance and insight to the board and management, on all aspects of governance, risk management and internal control related to climate risks. We observe that climate risks are broader than financial, they include reputational risks, operational risks, compliance risks.

Consultation on corporate reporting

We recommended the obligation to set up an Audit Committee, in charge of the supervision of the audit functions and the evaluation of the design and effectiveness of the governance, risk management and internal control.

We also highlighted that efforts should be made in the composition of the audit committee members, to ensure they collectively have the required skills, experience and knowledge. We supported the simplification and harmonization of the audit rules across Europe.

Consultations

EFRAG: consultation on the Draft European Sustainability reporting Standards (ESRS) Exposure Drafts

ECIIA has reacted to the EFRAG consultation on the Draft European Sustainability Reporting Standards. We have recommended to explicitly refer to the role of Internal Audit in ESRS 2 and ESRS G1 when describing the monitoring and governance model related to ESG information. We also recommend to clearly define the role of Internal Audit in the assurance process of ESG disclosures and to emphasize the cooperation with the statutory auditors.

Publications

Risk overview 2022: Human capital, diversity, and talent management

This new report, produced jointly by the institutes of Internal Auditors in Austria, Belgium, France, Germany, Greece, Italy, Luxembourg, the Netherlands, Spain, Sweden, the UK and Ireland, and the ECIIA, draws on roundtable debates and interviews with CAEs across Europe to explore the key issues for organisations and for Internal Audit teams and to suggest questions and actions that CAEs and their teams can use to raise awareness in their businesses.

Internal Audit in Banks: challenges from the Russian/Ukrainian Crisis

The purpose of this thought paper is to define what role should be played by Internal Audit in the current situation to meet the expectations of its stakeholders, including Board members, Top Management, and Regulators, as a third-line independent function and how this role must be carried out.

The European Forums: outcomes

During this year, we have hosted 3 European Forums:

- [The Banking Forum](#)
- [The Insurance Forum](#)
- [The Public Sector Forum](#)

We have prepared a report for each, with the main outcomes from the events.

Publications

Risk in Focus 2023

For the past seven years, Risk in Focus has sought to help Chief Audit Executives (CAEs) to understand how their peers view today's risk landscape as they prepare their forthcoming audit plans for the year ahead. Risk in Focus 2023 research was conducted in March and April 2022.

Risk in Focus 2023 sets out a series of recommendations for how organisations can tackle these risks.

ESG & Internal Audit

Internal Audit and ESG are intresected. We have made a video to explain this relation

Internal Audit is instrumental for ESG embedding:

A pillar of good governance

Internal Audit contributes to the success of ESG risk management and ESG opportunities and provides reasonable assurance and insight on the governance, risk management and control processes in place to achieve ESG objectives

A co-operator with all stakeholders, both in and outside the organisation to support the Governing Body in the ESG journey

An insider for the ESG implementation in terms of processes, risks and governance

A provider of Reasonable Assurance about ESG governance, risk management and internal controls.

Webinars

The Forums

European Public Sector Forum

We organised the first edition of the European Public Sector Forum: New challenges for Internal and External Auditors in the Public Sector, that took place on the 30th March 2022.

It was an opportunity to share experiences and common challenges of the Internal Audit profession in the Public Sector and to network with European peers.

Amongst others, the topics addressed were:

- Best practices on the collaboration between Internal and External Audit
- New risks for Internal Audit in the public sector
- The audit of European Programs

European Banking Forum

The Banking Forum was organised for Chief Audit Executives of SSM banks and European Banks. It was an unique opportunity to share experiences and common challenges of the Internal Audit profession in the new banking landscape and to network with European peers and the European Regulators and Supervisors. The event took place on 4 November.

The main topics were:

- Change in the banks' business model
- Expectations towards Internal Audit: view from the Audit Committees and Supervisors

European Insurance Forum

We organised the first edition of the European Internal Audit Insurance Forum with the European Insurance Regulator, on December 1, 2021.

It was an opportunity to share experiences and common challenges of the Internal Audit profession in the insurance industry and to network with European peers.

The main topics were:

- Challenges in the insurance business
- Cyberattack experience
- The collaboration between Internal Audit and Sustainability Officer

Webinars

Internal Audit in Banks: challenges from the Russian/Ukrainian Crisis

We organised a webinar to discuss our thought paper, Internal Audit in Banks: challenges from the Russian/Ukrainian crisis. The event took place on the 1st of July.

The main objective was to highlight the role of Internal Audit in crisis management and the need to be agile.

Human Capital, diversity and talent management: how to manage this growing risk?

The webinar discussed the newly issued guidance on this topic.

Amongst others, the topics addressed were:

- How to attract and retain auditors?
- What skills are needed in the future?
- How to transform risk in opportunity?
- How to audit human capital, diversity and talent management?



Advocacy

The synergies

Influence

Collaborate with



Objective

Promote good corporate governance & appropriate recognition of I.A in European regulations and Corporate Governance codes

Objective

Build relationships with key institutions interested in Corporate Governance at European level
Organize common events, make common publications

The main topics

Corporate Sustainability Reporting Directive (CSRD)

In the context of the Sustainable Finance Action Plan, the EU has decided to review the Non-Financial Reporting Directive. On 21 April 2021, the Commission adopted the proposal for the CSRD, extended the scope to all large companies and all companies listed on regulated markets, defines new reporting requirements and introduces compliance with European Sustainability Reporting Standards and digital reporting requirements. They also introduced the compulsory limited assurance of the Sustainability Reporting by the external auditor, with a clear objective of a full assurance later. The aim is to bring more transparency and integrate this reporting in the financial one. This new Directive will impact around 49.000 companies in Europe and will be applicable as from the 2024 Financial Year (2027 for SMEs).

European Sustainability Reporting Standards (ESRS)

The EC entrusts EFRAG to elaborate ESRS. The first draft has been issued in August 2021. It includes concepts such as double materiality, forward-looking information, disclosures on intangibles (social, human, intellectual capitals), and coverage of extended value chain. There will be sector agnostic, sectors specific and entity specific standards. The current structure is made of cross cutting standards and specific one on governance, social and environment. The first set of Standards is expected before the end of 2022.

Sustainable Corporate Governance Due Diligence

The project has been postponed to end of 2022 and many associations have expressed their remarks on the proposal of the EC. The main discussions are around the Directors 'duties, the obligations that already exist in the various corporate governance codes and the risk of overlapping. Finally, it is proposed that the framework for supply chain due diligence should be constructed for most severed risks exclusively.

The main topics

Corporate Reporting

At the end of 2021, the EC issued a public consultation to strengthen the quality of corporate reporting and its enforcement. It includes the three pillars related to the quality of corporate reporting: corporate governance, External Audit and supervision and enforcement by relevant public authorities. It includes the role of the audit committee in this matter. A factual summary report has been published to summarize the consultation reactions..

Taxonomy

Following the EU's climate and energy targets for 2030, the EC launched the development of a classification system, establishing a list of environmentally sustainable economic activities: the EU taxonomy. The Regulation entered into force mid-2020 and delegated acts were adopted in July 2021 to reinforce the level of ambition. The taxonomy establishes 6 environmental objectives (climate change mitigation, climate change adaptation, sustainable use and protection of water, transition to a circular economy, pollution prevention and control and the protection and restoration of biodiversity).

Principles for the effective management and supervision of climate-related financial risks

The Basel Committee has issued a consultation end 2021 on the principles for effective management and supervision of climate-related risks. The principles proposed in the consultation document are aligned with the existing regulations (eg ECB guidelines on climate and environmental risks, MAS guidelines for environmental risk management for banks...) and describe the role of Internal Auditors, based on the Three Lines Model. Nevertheless, they remain at a very general level.



The Committees

The Management Board

John Bendermacher// President
IIA Belgium

Massimiliano Turconi// Vice-President
IIA Italy

Verra Marmalidou// Treasurer
IIA Greece

Róbert Kollár
IIA Hungary

Manuel de Alzua
IIA Spain

Jens Motel
IIA Germany

Philippe Mocquard
IIA France

Martta Rajalahti
IIA Finland

Leen van der Plas
IIA Netherlands

Iveta Reinholde
IIA Latvia

The Public Affairs Coord. Committee

John Bendermacher // Chair
IIA Belgium

Jasna Turkovic
IIA Croatia

Gabriela Gonzáles-Valdés
IIA Spain

Melvyn Neate
IIA UK & Ireland

Gavin Hayes
IIA UK & Ireland

Jens Motel
IIA Germany

Roberto Fargion
IIA Italy

Soledad Llamas
IIA Spain

Lina Xu-Fenz*
IIA Austria

Linda Post
IIA Netherlands

Pascale Vandenbussche
ECIA

*Thomas Schelmbauer was a member until July 2022

The Banking Committee

Andrea Bracht// Chair
IIA Germany

Steve Sanders// Vice-Chair
IIA UK & Ireland

Maria Rontogianni
IIA Greece

Claudio Testa
IIA Italy

Pascal Augé
IIA France

Francisco Martínez
IIA Spain

Willem-Jan Megens
IIA Netherlands

Virpi Vuorinen
IIA Finland

Pascale Vandenbussche
ECIA

The Insurance Committee

Nora Gürtler// Chair
IIA Italy

Martin O'Malley
IIA UK & Ireland

Ralph Daals
IIA Switzerland

Ann Marie Andtback Beckman
IIA Sweden

Amaury De Warengnien
IIA France

Andrea Joham
IIA Austria

Maria Luisa Gutierrez
IIA Spain

Jeannine Bartmann
IIA Germany

Astrid Langeveld-Vos
IIA Netherlands

Pascale Vandenbussche
ECIIA

The Public Sector Committee

Melvyn Neate // Chair
IIA UK & Ireland

Debbie Moorhouse*
IIA UK & Ireland

Patrick de Boom
European Commission

Massimo Proietti
IIA Italy

Jens Motel
IIA Germany

Soledad Llamas
IIA Spain

Stephan Roudil
IIA France

Niina Sipilainen
IIA Finland

Pascale Vandenbussche
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Katleen Seeuws
IIA Belgium

*Jo Rowley was a member until July 2022

The Sub-Committees

The EUROSAI Sub-Committee

Soledad Llamas // Chair
IIA Spain

Melvyn Neate
IIA UK & Ireland

The Advocacy Sub-Committee

John Bendermacher // Chair
IIA Belgium

Laura Indrikova
IIA Latvia

Spiros Androutsopoulos
IIA Greece

Rafat Urbaniak
IIA Poland

GENERAL ASSEMBLY
(all members)

MANAGEMENT BOARD

EUROPEAN CEOs &
ECIIA BOARD MEETINGS

TEAM

PUBLIC AFFAIRS COORDINATION
COMMITTEE

EIRG

OUR MISSION

The Association intends 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. It has a non-profit making purpose.

ALL COMMITTEES

+





Our team

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