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ECIIA Releases New Paper on Risk Culture in Banking

The European Confederation of Institutes of Internal Auditing (ECIIA) is proud to announce the release of its latest paper, *Auditing Risk Culture*. This comprehensive paper explores the critical importance of robust risk culture in today's dynamic banking environment, focusing on regulatory expectations and the essential role of internal audit in fostering and assessing risk culture.

In an era marked by rapid technological advancements, geopolitical shifts, and changing regulations, a solid risk culture is key to protecting banks from potential threats and ensuring their stability and success. The paper draws the lessons learned from past financial crises and misconduct incidents, such as the 2008 financial crisis, the LIBOR scandal, and the 2023 banking crisis involving Silicon Valley Bank and Credit Suisse.

The paper highlights important regulatory moves and supervisory statements that have shaped the view and practice of risk culture. Notably, the European Central Bank (ECB) has placed significant emphasis on the role of risk culture in strong corporate governance. Our paper aligns with the ECB's ongoing efforts to enhance risk culture within the banking sector. The ECB's [draft Guide on Governance and Risk Culture](#), open for public consultation until **16 October, 2024**, provides detailed expectations for management bodies and internal control functions, stressing the need for a strong risk culture. ECIIA will engage with the ECB on this topic, advocating the concerns and insights of internal auditors across Europe on this topic.

The paper also discusses the challenges and methods of auditing risk culture. It highlights the complex nature of risk culture, which includes values, attitudes, beliefs, and practices, and stresses the need for internal auditors to adeptly handle these complexities.

To read the full paper *Auditing Risk Culture*, please visit [here](#).

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European Confederation of
**Institutes of
Internal Auditing**

The European Confederation of Institutes of Internal Auditing (ECIIA) is the professional representative body of 34 national institutes of internal audit in the wider geographic area of Europe and the Mediterranean basin.

The mission of ECIIA is to:

- Advocate the profession of internal auditing, and promote the role and value of internal audit and strong corporate governance to European regulators and other European stakeholders;
- Support the National Institutes in advocacy activities and related services.

We represent 55.000 internal auditors in Europe.