

Brussels, October 28, 2020.

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 170,000 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 proposed update of the EBA Guidelines on Internal Governance (as described in EBA/CP/2020/20), and is grateful for the opportunity to contribute.

The general impression given throughout the Guidelines is that internal audit is understood solely as a traditional and simple control function, checking, and confirming adherence to existing rules. The changes proposed do not affect this core principal.

However, internal audit is more and more assessing outsource activities as the banks use to outsource more and more operations. These Guidelines are not the place to go into exhaustive detail; but we feel that it is essential at least to give a brief mention to this aspect of internal audit, and accordingly we propose some brief additions to the text, such as in the point 216: "Every activity (including outsourced activities) and every entity of the bank should fall within the overall scope of the internal audit function."

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

Kind regards

Pascale Vandebussche

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