

# European Governance

THE OFFICIAL MAGAZINE OF THE ECIIA

April 2011 · Issue 20



## Transforming the agenda

The ECIIA is driving better corporate governance in the public sector

INSIDE: Regulators reform governance of finance sector, UN calls for co-ordination on disasters, improving board effectiveness, ECIIA conference announcements and much more



## Co-ordination needed on disasters

There should be more co-ordination and coherent action across different government sectors to help reduce the impact of disasters, according to the United Nations (UN).

It says that disciplined public sector involvement in “disaster risk reduction” can significantly reduce the setbacks brought about by the hundreds of droughts, earthquakes, wildfires, hurricanes and other hazards that befall the world each year.

The UN notes that while the majority of countries have road maps for creating and safeguarding wealth, many lack the capacity to



carry out their plans effectively, including not having the right legal frameworks in place to enable co-ordination between different government agencies.

The report *Mid-term review of the Hyogo Framework for Action 2005-2015: Building the resilience of nations and communities to disasters*, says

that companies must strive for “a senior over-arching authority” that can set policies, be accountable for how policies are carried out and ensure there are enough funds to carry out work in reducing the risk of disaster.

In 2005, 168 countries endorsed the Hyogo Framework for Action by which they agreed by 2015 to achieve “the substantial reduction of disaster losses, in lives and in the social, economic and environmental assets of communities and countries.”

**For more information:**  
<http://www.unisdr.org/news/v.php?id=18296>

### Company law conference

The European Commission Internal Market and Services DG is planning a conference on the future of European company law. The conference, which will be

held on 16-17 May 2011, aims to provide in-depth and balanced discussions on all aspects of EU company law and related issues.

The European Commission issued a report on the Statute for a European Company (Societas Europaea, or SE) in late 2010. About 650

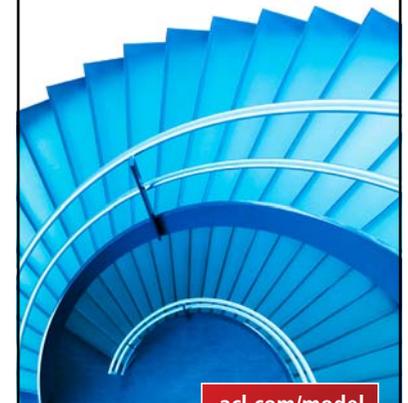
companies have been set up as SEs within the EU to date.

While the Statute has facilitated companies doing business in Europe, there are further issues to be addressed. For example, the SE Statute does not provide uniform SE legal status throughout the

European Union. Furthermore, the uneven distribution of SEs across the European Union suggests that the Statute does not fully satisfy the needs of companies in all 27 Member States.

**For more information:**  
<http://ec.europa.eu>

Take your **audit analytics** to the next level.



[acl.com/model](http://acl.com/model)

The new ACL Audit Analytic Capability Model provides **clear guidance** for organisations looking to improve their use of analytics. It's how to talk to the business about the value of audit. ”

**Theodore K. Walter** CPA  
Manager, Financial Audits,  
Scripps Health

## Assessing risk

Help is at hand for anyone looking to understand how good their organisations' risk management systems are. Global IIA, has released a practice guide – *Assessing the adequacy of risk management* – which provides advice on how to test risk management systems against the industry standard ISO 31000.

The paper provides guidance on establishing performance

measurement processes and monitoring and reporting on the level of customer service that internal audit provides to stakeholders.

Global IIA has also published the self-explanatory booklet: *Practice advisory – Relying on the work of other assurance providers*.

**Both publications can be found at [www.theiia.org](http://www.theiia.org)**

## Women on the rise

Legislative proposals aiming to improve the diversity of boards are on the increase in Europe. In particular, corporate governance rule-makers are introducing quotas aimed at increasing the presence of women on boards, who are currently under-represented.

In Italy, for example, an internal directive proposes to require the boards at public and state-owned companies to include at least one third of its cohort from the ranks of women by 2018. The increase is expected to rise progressively from a minimum of one fifth in 2012.

In France, according to one report, "Legislation will impose a 20% quota within 3 years and 40% within 6 years." Legislation establishing quotas has also been passed in Spain and the Netherlands. In the US, the aggregate percentage of female directors is stable at approximately 12%.

## ECIIA CORPORATE GOVERNANCE CITIZEN PROGRAMME



## We believe in sound corporate governance, do you?

If you are an organization operating in Europe, facing the constant challenge of applying corporate governance in a dynamic world, and wish to assist ECIIA in the promotion of sound principles of corporate governance at a European level, the ECIIA Corporate Governance Citizen Programme is for you.

The ECIIA supports research, input into the European Union's governmental bodies, and knowledge-sharing with business and the public sector.

Together we can achieve more. Through *Citizens* comes progress.

**To become a member, please see our website [www.eciia.eu](http://www.eciia.eu) or contact us at [corporate.governance@eciia.eu](mailto:corporate.governance@eciia.eu)**



# Improving board effectiveness



With greater emphasis on the role of the chairman and getting the right balance of skills on the board in UK listed companies, the Financial Reporting Council (FRC) has produced guidance aimed at helping board members lead their companies more effectively.

While the document – *Guidance on board effectiveness* – is aimed at assisting companies to apply the principles of the UK's Corporate Governance Code, primarily to reflect changes made to the code in 2010, it should be of general interest to those in Europe concerned with

good corporate governance practice.

That is because the guidance covers general issues such as leadership, the effectiveness of the board, as well as what the roles of chairman, senior independent directors and others entail. There is advice on decision-making policies and processes, succession planning and evaluating the performance of the board and senior directors.

The new guidance replaces *Good practice suggestions from the Higgs report*, which the FRC had withdrawn. **It can be found at: [www.frc.org.uk](http://www.frc.org.uk)**

## Related parties

Companies could be forced to put transactions worth more than 5% of their assets and conducted between so-called related parties – generally businesses with some shared ownership – to the vote at a general meeting, according to proposals put forward by the European Corporate Governance Forum.

Similar transactions worth between 1% and 5% of the company's assets should be publicly announced at the time of the deal. The notification should include “a letter from an independent adviser confirming that the transaction is fair and reasonable from the perspective of outside shareholders,” it says.

The forum published the proposed guidelines in March

and, if accepted, could be introduced across Europe. The Commission intends to consult on related-party transactions in its upcoming *Green paper on the corporate governance Framework* due for spring 2011.

**For further information:**  
**[http://ec.europa.eu/internal\\_market/company/docs/ecgforum/ecgf\\_related\\_party\\_transactions\\_en.pdf](http://ec.europa.eu/internal_market/company/docs/ecgforum/ecgf_related_party_transactions_en.pdf)**

## ECIIA conferences

### Sixth GEE conference

The ECIIA's sixth CEE conference takes place at the Hotel Arcotel Wimberger in Vienna between 5th and 6th May 2001.

The two-day events features a wide range of parallel sessions and plenary talks, including those from president of IIA Austria Günther Meggeneder, ECIIA president Phil Tarling, president and CEO of Global IIA, Richard Chambers, president of the Supreme Audit Court, Austria Josef Moser and Brian Gray, director-general, internal audit service at the European Commission.

**Booking details and a full programme are at: <http://bit.ly/hTzKhn>**

### ECIIA annual conference

IIA-Spain is hosting the 2011 ECIIA European Conference in Madrid. The conference runs from 19th to 21st October 2011 at the North Convention and Congress Centre of IFEMA in the city.

The theme of the conference is *Moving forward*. Delegates and speakers will have the opportunity to discuss topics such as e-crime, cloud computing, change and commitment management. There will be reflections on what to do after the crisis, which will take a practical approach to the key issues.

Keynote speakers include David L. Landsittel, chairman of COSO, Richard Chambers, president and CEO of IIA Global and Phil Tarling, president of the ECIIA.

Professional speakers from major global companies, including Ferrari, Telefónica, JP Morgan, SAP, Sanofi Aventis, Statoil, Poste Italiane, Santander Group will share best practice with delegates.

**For information: [www.eciia.eu](http://www.eciia.eu)**

# Reforming governance

Europe is reforming the way financial firms govern themselves and how they are regulated in the wake of the recent crisis, as Neil Baker reports



**Has** Europe's banking and insurance industry learnt anything from the financial crisis? The firms that survived the dark days of 2008 have rediscovered the habit of paying out huge, controversial bonuses – even when they remain dependent on taxpayer support. And banks that literally nobody would do business with two years ago are back in the securitisation market. In many ways, it seems as though nothing has changed.

But look beyond the headlines and fundamental reforms are underway. Across Europe, the framework of financial sector regulation is changing radically. Firms are being encouraged, and may soon be forced, to rethink key operational and strategic issues, from how they structure and run their boardrooms to how they assess and control risk.

Over the last two years the European Commission and a

range of other policymakers and advisory bodies has launched a host of reviews, mainly looking at whether better regulation and corporate governance could have helped to avert the crisis, or at least limit its impact. Some have led to action already, others are about to.

## Green paper

The most wide-ranging of these initiatives is probably the Commission's Green Paper on corporate governance in financial institutions, which it published in June last year. The document is the first step in a process that could lead to further guidance from the Commission or a new Directive, which Europe's 27 member states would be expected to transpose into their national legal codes.

The Commission's argument for reform, as expressed in the Green Paper, begins with a clear »

» premise: while corporate governance did not directly cause the crisis, “the lack of effective control mechanisms contributed to excessive risk-taking on the part of financial institutions.” Moreover, it says, the crisis revealed that boards of directors and their regulators “rarely comprehended either the nature or scale of the risks they were facing”. Shareholders must take some of the blame too, it

auditors to report problems they find; and changes aimed at strengthening the assurance that executive directors provide around internal control issues.

The Commission has recently published a follow-up document, analysing the reaction to its ideas. Respondents, many of them from financial institutions, agreed that governance inside firms had been weak; their implementation of

## “The lack of effective control mechanisms contributed to excessive risk-taking in financial firms”

argues: “In many cases [they] did not properly perform their role as owners of the companies.”

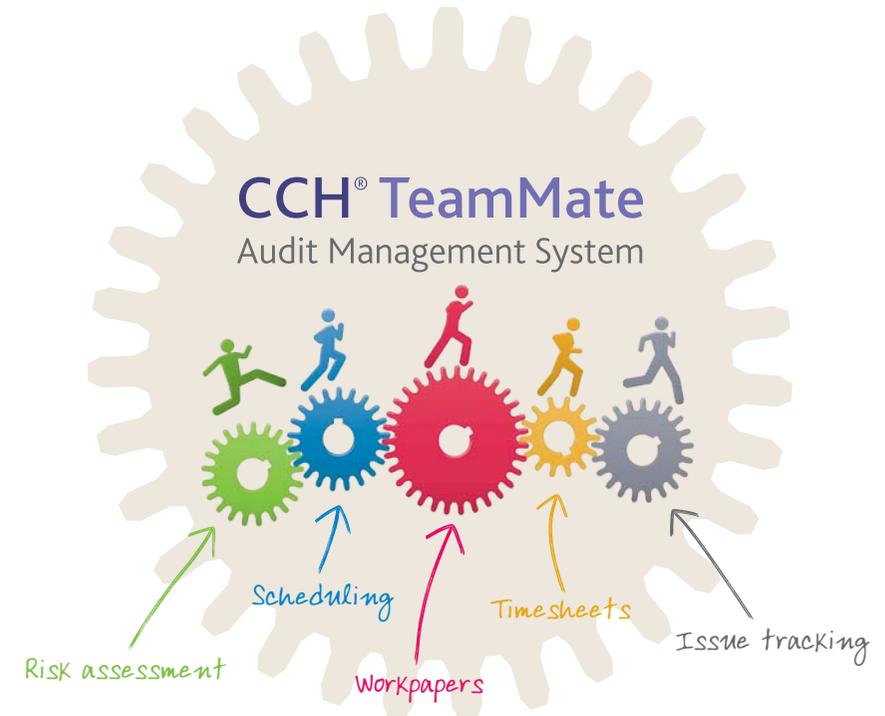
The paper outlines for consultation a series of reforms to help fix these problems. Chief among them: new rules to raise the quality, expertise and time commitment of board directors; increased regulatory involvement in the detail of how firms organise their corporate governance; new responsibilities for external

governance rules needed to be better policed. A clearer definition of responsibilities inside firms was needed; with multiple controls and procedures it was often not clear who was responsible for what areas of governance.

### Cautious

But respondents were cautious about the need for prescriptive reform at a European level. Intervention by the Commission, »

# Gear up for faster auditing



### The Industry Standard

Find out what more than 70,000 auditors across 1,800 organisations worldwide have already discovered. TeamMate's award-winning audit management system has empowered auditors to spend less time documenting and reviewing and more time providing value-added services.

### Do More with Less

From start to finish, TeamMate provides key Management Information and a streamlined process for managing your audits. Our clients report average productivity increases of 20 - 25% during the first year of TeamMate use.

 **ARC Logics™**  
a Wolters Kluwer business

More information  
Call UK Sales on  
**+44 207 981 0566**  
[www.cchteammate.com](http://www.cchteammate.com)

» especially if it takes the form of a binding Directive, should be based on principles, with their detailed implementation decided at the national level, respondents said.

This will be a difficult balance to strike, not least because the Commission, while wanting a level playing field across Europe, will need to drape a layer of reforms across a patchwork of national regulations.

The issue of what to do about internal controls illustrates the challenge. The Commission's Green Paper floated the idea that the executive board members in a financial firm should approve a report on the adequacy of its internal control systems, a move that would not be possible without a highly effective internal audit department. The majority of respondents were opposed to the idea of a public attestation, but they had a variety of reasons for objecting, which will make it difficult for the Commission to find a compromise. Some said the board as a whole should approve such a report, rather than leaving it to executive management only. Others said a public certification of controls in

this way would not add anything useful to existing requirements in their national laws or governance codes, or would be too formalistic and disproportionate.

Still more said they wouldn't give a view on whether the idea

was a useful one or not until the Commission had detailed what the report would cover; their concern was less about the principle, more about the implementation of it. Their message, perhaps, is that Europe needs to learn from the US experience of public control attestation. To some respondents, the Commission's idea sounded too much like the US's controversial Sarbanes-Oxley Act, which requires management to attest to the quality of financial reporting controls – an action that is hugely expensive and burdensome for companies, yet did little or nothing to prevent

the financial crisis in US.

But even on this point the view is clouded. Respondents from France, Germany and Spain told the Commission that such an obligation already existed in their national legislation or

governance code and should become a standard at European level. Respondents from the UK, meanwhile, were in favour of the "Turnbull" declaration required by their governance code, which simply requires the board to acknowledge that it is responsible for the company's system of internal control and for reviewing its effectiveness. This is a far weaker – but some would argue more useful and effective – requirement.

### Poor oversight

While the Commission works out what to do with public control statements, it has already made

progress in addressing another of the significant failures identified in its Green Paper: the lack of joined-up regulatory oversight.

It has created a new supervisory body, The European Banking Authority (EBA), to

replace the committee of national regulators that used to provide oversight of the pan-European financial sector. The EBA describes itself as a "hub and spoke network" of European and national bodies, with a clear mandate to safeguard the stability of the financial system, the transparency of markets and financial products and the protection of depositors and investors. It is significant that, when the EBA opened for business on 1 January, one of its first actions was to launch a review of "The Guidebook on Internal Governance" that it inherited from its predecessor.

The challenge here is the same as with the control issue in the Green Paper: how to balance good principles against the detail of effective implementation. In its submission to the EBA review, the ECIIA underlined the need for financial firms to have an effective, overarching internal control framework. This should include an audit committee with a clear mandate to monitor the effectiveness of internal control, internal audit and risk management. It should also include the increasingly popular "three lines of defence" model. This states that operational managers own risks and take responsibility for assessing, controlling and managing them as the first line of defence; a risk management function, the second line of defence, helps operational managers to meet their risk responsibilities and ensures that risk information is shared across the firm. Internal audit, as the essential third line of defence, provides board-level assurance that the first and second lines are working effectively and that the firm's overall approach to risk and control is sound. »

## “In its submission to the EBA review, the ECIIA underlined the need to have an effective, overarching internal control framework”

» It is only with a clear, effective risk and control framework in place, with a well-resourced internal audit department as the third line of defence, that financial firms will be able to address the reforms outlined in the Green Paper. Other regulatory changes are in the pipeline.

### Solvency II

For insurers, Europe's new "Solvency II" regime takes effect later this year. This will require firms to demonstrate that they have an "adequate system of governance", including effective systems to manage and identify risks. All insurance companies will be required to have four business functions covering risk management, compliance, internal audit and actuarial. Detailed rules set out what each of these functions should do. There are also rules aimed at ensuring that each unit has the resources it needs to do its job.

There are new rules in the pipeline for banks, too. The "Basel III" reforms will change the way that capital adequacy and liquidity are calculated. The aim is to reduce balance sheet leverage, so that troubled banks

are less likely to need a taxpayer bailout. Implementation of the reforms – a process that is due to start in 2013 and take six years – will encourage banks to improve their risk management and internal control practices, making them properly enterprise-wide. Indeed, they will have clear financial incentives for doing so.

Firms also face significant regulatory changes in relation to their financial markets activity. Europe's "MiFID" regime, introduced as recently as 2007, is currently being overhauled. The aim of the original directive was to open Europe's financial markets to competition, while creating a robust pan-European regulatory framework. But the financial crisis exposed gaping holes in that framework. As Internal Market and Services Commissioner Michel Barnier said when he announced the review in December, "In many ways, it has been a success. But the world has changed." That comment could apply to all of the governance, risk and control views underway in Europe. Those firms that have learnt the lessons of the crisis should be willing to change too. ■



©REUTERS/ JEAN-PAUL PELISSIER

## AUTOAUDIT®

### PROVEN. TRUSTED. EFFICIENT.

AutoAudit® is a comprehensive audit management solution proven to improve the efficiency and productivity of internal audit departments. Developed by internal auditors for internal auditors, AutoAudit includes features for risk assessment, planning, scheduling, workpapers, reporting, issue tracking, and administration.

Visit [paisley.thomsonreuters.com](http://paisley.thomsonreuters.com) and learn why more than 1,400 organisations around the world utilise software from Thomson Reuters to create efficiencies, reduce cost and improve the overall quality and productivity of their internal audit process.

[paisley.thomsonreuters.com](http://paisley.thomsonreuters.com)



THOMSON REUTERS™

# Transforming the control agenda

The ECIIA is helping to transform the internal control agenda in public sector governance, writes Arthur Piper

**Over** the past decade, audit has become one of the driving forces for improving corporate governance in the public sector across Europe. That is because audit is now seen as a primary way of optimising the efficiency and effectiveness of internal control in taxpayer-funded entities, from the smallest local council to the largest government bodies.

This trend has been driven by increased public scrutiny over how such organisations are run. But while many countries have made internal audit functions mandatory for public entities – in addition to the existing oversight role

provided by the Court of Auditors or Supreme Audit Institution – in-depth understanding of the meaning of “government governance” is elusive.

One of the major myths that have prevented better understanding of audit’s role in fostering good governance is the mistaken belief that internal control relates solely to financial control. The latter has been over-emphasised in the public sector and is the focus of specific guidance, such as that contained in *Public internal financial control* (PIFC). But financial control is only one aspect of the type of multi-dimensional control »



## Governance issues in the public sector

Ongoing issues in the governance of public sector bodies include:

- Poorly defined objectives
- Political and administrative management is not clearly separated
- Too much focus on compliance with laws and regulations, not on effectiveness and efficiency
- Management lacks sufficient information to operate effectively.

Source: *EUROSAI/ECIIA*

» framework is needed to help government agencies meet their legal, financial, environmental and other objectives.

### History

The reason for the misunderstanding among government workers is partly historical. The original guidance for designing, implementing and evaluating internal control in government across Europe was set out by International Organisation of Supreme Audit Institutions (INTOSAI) in 1992. This conceived of internal control as a reasonable source of assurance that management objectives were being achieved, but its

focus was skewed towards the financial control environment.

In 2001, INTOSAI adopted the approach taken in the US by the Committee of Sponsoring Organisations of the Treadway Commission (COSO), which placed auditors at the heart of corporate governance by making them part of the internal control framework. And in 2004, INTOSAI accepted COSO's much wider definition of control, which it had put forward in its document *Enterprise Risk Management*.

These initiatives have put auditors at the heart of the corporate governance framework in every public sector organisation. That is because this framework

itself is part of the internal control system and it sets the tone for, promotes the values of and monitors the controls over each body's principles and behaviour. It is well known that the so-called "tone from the top" forms the foundation for all other components of internal control by providing the organisation with discipline and structure.

But the work of implementing the approach set out by INTOSAI is not complete and its effects have not been felt in all government bodies. There are three major areas for improvement.

First, the quality of information and communication that public sector managers receive is a crucial aspect of the control framework. But too often, the information that managers receive is out-of-date, poorly structured or incomplete. This obviously affects their ability to effectively monitor their operations.

Relevant information should be identified, captured and clearly communicated to the right people. The information system should produce timely and accurate reports that

contain not only financial data, but also operational information that covers both internal and external issues relevant to the organisation. Effective communication should flow down, across, and up the public body.

Second, too few public entities have well-developed risk assessment processes, another major plank in the

## “Auditors are at the heart of the corporate governance framework in every public sector organisation”

control framework. Without such processes, an organisation cannot accurately identify the controls it needs to fulfil its objectives. For example, a government agency may establish a highly-structured control process over approving expenses at all levels and in all departments. But it will often forget to fully consider the control process over strategic planning, for example, or over the selection of allocation and human resources. »

» Third, control activities contained in an organisation's policies and procedures are too often considered the only, or the primary, component of the control environment. But controls occur throughout the organisation at all levels and in all functions and must be associated with specific risks.

### Monitoring

Finally, the monitoring of the public entity's internal control systems should assess the quality of its performance over time and is a component of the system itself. In fact, internal audit is part of this system through a progressive evaluation of the design and functioning of each government process. Ongoing monitoring of internal control by public managers is equally important and is built into the normal, recurring operating systems of the entity, including its supervisory activity as well as its review of strategic plans.

While internal and external auditors have been working closely to promote good governance in government, a further milestone was reached in their co-operation in March this year. The European Confederation of Institutes of

Internal Auditing (ECIIA) and the European Organisation of Supreme Audit Institutions (EUROSAI) signed a formal co-operation document aimed at boosting understanding of internal control and good governance throughout European government entities.

The bodies have conceptually clarified the roles of internal and external audit, paying particular attention to achieving coordination and cooperation between Supreme Audit Institutions (SAIs) and internal auditors in the public sector (INTOSAI standard 9100/9150). They argue that even if some activities relating to the assessment of the internal control environment are applicable to both internal and external audit functions, it is important that the external auditor utilises the work of internal audit to optimise control (See *Interview with Jacek Jezierski*).

While corporate governance in the public sector has been transformed over the past decade, there is still work to be done. That is why closer co-operation between Europe's auditors is a major step on the road to achieving good governance in government. ■

## Interview with Jacek Jezierski

The mission of the Supreme Audit Institution is definitely shared with the profession of internal audit – particularly those operating in the public sector. It has been recognised for years that our two professions are complementary.

An effective internal audit function is a vital component of good governance, as it provides public managers, in particular senior management, with assurance about the efficiency and effectiveness of their operations, as well as with suggestions for improvement in all areas of control and governance.

An internal audit function is an integral part of the governance process in the public sector, and Supreme Audit Institutions know very well that it is in their interest to make use of internal auditors' work. And by treating our work as complementary, rather than simply parallel, we can also save public resources spent on auditing.

For internal auditors, the need for independence and objectivity in audit is essential.

The Institute of Internal Auditor's *Standards* and *Code of Ethics* recognise the importance of internal auditors maintaining their independence and objectivity when performing their work, irrespective of whether the internal auditors are engaged in public or private sector audits.

The Lima Declaration (ISSAI 1 – section 3 “Internal audit and external audit”), in describing public sector auditing, calls for internal audit services to be functionally and organisationally independent as far as possible within their respective constitutional frameworks. Even if internal audit services are subordinate to the head of the department within which they have been established, they shall be functionally and organisationally independent as far as possible within their respective constitutional framework.

Preliminary to the engagement, external auditor

must evaluate the use of the internal auditor's work before determining its impact on the nature, timing, and extent of audit procedures to be conducted. This involves ensuring that the internal auditor that carried out the work was independent of the audited entity or activity and was objective in carrying out that work; any potential lack of independence should be reported in the Management Letter.

As external auditor, the Supreme Audit Institution has the task of examining the effectiveness of internal audit. If internal audit is judged to be effective, efforts shall be made, without prejudice to the right of the Supreme Audit Institution to carry out an overall audit, to achieve the most appropriate division or assignment of tasks and cooperation between the Supreme Audit Institution and internal audit.

**Jacek Jezierski is President of the Polish Supreme Audit Office and Chair of EUROSAI Governing Board.**

# Our mission

- » To be the consolidated voice for the profession of internal auditing in a widely defined Europe by promoting sound corporate governance with the European Union, its Parliament and Commission and any other European or global institutions of influence.
- » To promote corporate governance and the profession in economically emerging countries, as appropriate, within the wider geographic area of Europe and the Mediterranean basin.
- » To promote the mission of the Global IIA.

IIA Austria	<a href="http://www.internerevision.at">www.internerevision.at</a>	IIA Italy	<a href="http://www.aitiaweb.it">www.aitiaweb.it</a>
IIA Azerbaidjan	<a href="http://www.audit.gov.az">www.audit.gov.az</a>	IIA Latvia	<a href="http://www.iai.lv">www.iai.lv</a>
IIA Belgium	<a href="http://www.iiabel.be">www.iiabel.be</a>	IIA Lithuania	<a href="http://www.theiia.org/chapters">www.theiia.org/chapters</a>
IIA Bosnia and Herzegovina	<a href="http://www.interni-revizori.info">www.interni-revizori.info</a>	IIA Luxembourg	<a href="http://www.theiia.org/chapters">www.theiia.org/chapters</a>
IIA Bulgaria	<a href="http://www.iiabg.org">www.iiabg.org</a>	IIA Montenegro	<a href="http://www.iircg.co.me">www.iircg.co.me</a>
IIA Croatia	<a href="http://www.hiir.hr">www.hiir.hr</a>	IIA Morocco	<a href="http://www.theiia.org/chapters">www.theiia.org/chapters</a>
IIA Cyprus	<a href="http://www.iiacyprus.org.cy">www.iiacyprus.org.cy</a>	IIA Netherlands	<a href="http://www.ii.nl">www.ii.nl</a>
IIA Czech	<a href="http://www.interniaudit.cz">www.interniaudit.cz</a>	IIA Norway	<a href="http://www.nirf.org">www.nirf.org</a>
IIA Denmark	<a href="http://www.ii.dk">www.ii.dk</a>	IIA Poland	<a href="http://www.ii.org.pl">www.ii.org.pl</a>
IIA Estonia	<a href="http://www.theiia.org/chapters">www.theiia.org/chapters</a>	IIA Portugal	<a href="http://www.ipai.pt">www.ipai.pt</a>
IIA Finland	<a href="http://www.theiia.fi">www.theiia.fi</a>	IIA Romania	<a href="http://www.aair.ro">www.aair.ro</a>
IIA France	<a href="http://www.ifaci.com">www.ifaci.com</a>	IIA Spain	<a href="http://www.iai.es">www.iai.es</a>
IIA Germany	<a href="http://www.diir.de">www.diir.de</a>	IIA Sweden	<a href="http://www.internrevisorerna.se">www.internrevisorerna.se</a>
IIA Greece	<a href="http://www.theiia.org/chapters">www.theiia.org/chapters</a>	IIA Switzerland	<a href="http://www.svir.ch">www.svir.ch</a>
IIA Hungary	<a href="http://www.ii.hu">www.ii.hu</a>	IIA Tunisia	<a href="http://www.iiatunisia.org.tn">www.iiatunisia.org.tn</a>
IIA Iceland	<a href="http://www.fie.is">www.fie.is</a>	IIA Turkey	<a href="http://www.tide.org.tr">www.tide.org.tr</a>
IIA Israel	<a href="http://www.ii.org.il">www.ii.org.il</a>	IIA UK & Ireland	<a href="http://www.ii.org.uk">www.ii.org.uk</a>

## Director of the publication

Carolyn Dittmeier

## Editor

Arthur Piper  
arthur@sdw.co.uk  
Direct 0115 958 2024

## Produced by

Smith de Wint for the ECIIA

Smith de Wint  
95 Harlaxton Drive  
Lenton, Nottingham  
NG7 1JD  
[www.sdw.co.uk](http://www.sdw.co.uk)

*Views and opinions presented in this newsletter are the writers and do not necessarily represent the official positions of ECIIA.*



European Confederation of Institutes of Internal Auditing  
Koningsstraat 109-111 Bus 5  
BE – 1000 Brussels, Belgium.

[www.eciia.eu](http://www.eciia.eu)