European Confederation of
Institutes of Internal Auditing
Enhancing governance through internal audit

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Comments on the draft Cybersecurity Topical Requirement

We thank IIA Global for giving ECIIA the opportunity to react to the draft Topical Requirement on cybersecurity. The ECIIA represents 55.000 members through its national institutes and is the voice of internal audit in Europe.

The draft topical requirement on Cybersecurity has been shared and discussed with the various ECIIA sectorial Committees. In addition, the IIA Global has also presented the concept and the content to two of the ECIIA Committees (Insurance and Public Sector) which was greatly appreciated. Our comments below are based on the feedback received from these Committees and the discussion held within the ECIIA Board of Directors. The objective is to express advice, in the context of a constructive and proactive dialogue between ECIIA and IIA Global that we want to maintain.

The new Global Internal Audit Standards, released on January 9th have been welcome by the European Regulators that value the principle-based concept that enable all companies in Europe to comply with them while being compliant with the Regulation.

We understand that the creation of topical requirements gives a level playing field in key areas for internal audit shops that are not mature and not used to audit these subjects. Nevertheless, the profession is highly regulated in Europe, especially in the financial sector with strong European Regulators and Supervisors (EIOPA, ECB, EBA) and there is a big pressure from Governing Bodies and CEOs to manage the internal audit function efficiently and to add value to the organisation.

Topical requirements need to be of broader nature, compared to guidance from European Regulators or other European Bodies. It should not lead to interpretations, impairment of the Standards practicability nor complexity in the External Quality Assessments.

In this context, we would like to recommend few points to consider:

- the topical requirements should clearly explain the process to follow when they cannot apply due to the use of specific standards, the result of the risk assessment or any other reason. This “comply or explain” feature should be simple and easy to implement even in large audit universe. Otherwise, it will create administrative burden for large audit shops.

- the topical requirements should not conflict with EU regulations, the selection of the topics and the level of requirements may facilitate this objective (e.g. assurance of ESG reporting will be highly regulated in Europe, third party risks are strongly regulated in the financial sector through guidance of the ECB and EIOPA).

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- when other standard setters representing key stakeholders are issuing standards on similar topic, it would be useful to align on key requirements (e.g.: ISSA 5000 for ESG assurance…) and take the opportunity to include the role of internal audit in their standards.

- in small audit shops with limited resources, it might become difficult to comply with the new topical requirements and time consuming to explain why. Proportionality might be considered.

- the cybersecurity environment evolves quickly, the topical requirement should include a description of the revision process to guarantee their quality and the reputation of IIA Global, as a Standards Setter.

As a conclusion, based on the draft Cybersecurity Topical Requirement, we value the creation of topical requirements on key risks, especially for less mature internal audit shops. We recommend though to make sure that they can easily apply and that each internal audit shop can adapt the requirements to their own environments. We also recommend revisiting the level of requirement as recommended guidance would be more appropriate and better perceived by the European internal auditors.

Finally, we remain at disposal to further discuss our proposals and work together on the evolution of the topical requirements, for the best of the profession in Europe.

Yours Sincerely,

The ECIIA Board

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