
**European Banking Authority
Tower 42 (level 18)
25 Old Broad Street
London EC2N 1HQ
United Kingdom**

16th July 2012

Re: Consultation Paper on draft guidelines on the assessment of the suitability of members of the management body and key function holders (EBA/CP/2013/03)

Dear Sir/Madam,

The European Confederation of Institutes of internal Auditing (ECIIA) would like to thank the European Banking Authority for offering the opportunity to comment on its Consultation Paper on draft guidelines on the assessment of the suitability of members of the management body and key function holders .

We offer the following considerations as to the assessment of suitability of the key function holder as regards Internal Audit (herein referred to also as the chief audit executive).

In assessing that institutions have appropriate policies in place to ensure that key function holders fulfil the suitability requirements, both the institution and the competent authorities should make primary reference, as regards Internal Audit, to the international professional standards of the Institute of Internal Auditors (the IIA).

The IIA is recognized as the internal audit profession's leader in standards, certification, methodology and education. The IIA maintains the International Professional Practices Framework (IPPF) which includes the International Standards for the Professional Practice of Internal Auditing (available in 29 languages), the Definition of Internal Auditing, the Code of Ethics, practice advisories and other guidance. This can be readily reviewed at <http://www.theiia.org/guidance/standards-and-guidance>.

The IIA conducts an extensive program of global professional qualifications (Certified Internal Auditor, as well as other specialised certifications such as in Financial Services and Risk Management Assurance). Certifications are maintained under specific continuing professional education requirements. The professional qualifications of the IIA are, in fact, recognised in the internal audit sector as benchmarks of competence against internationally accepted standards.

The chief audit executive, as a key function holder, should possess an understanding and require the adoption of The IIA's *International Standards for the Professional Practice of Internal Auditing (the Standards)* for anyone conducting internal audit work.

The IIA international professional standards also require an annual assessment of Quality Assurance (QA) of every internal audit function, to be conducted in accordance with specific criteria. This is intended to ascertain, among other things, full adherence to the International Standards and the Code of Ethics. In addition, every five years an external assessment is required to be conducted by an independent assessor that is qualified under a the QA certification process.

The IIA standards enforce appropriate independence of the chief audit executive, one of the primary characteristics of this key function holder. In this regard the IIA has recently published additional policy stating that reporting lines for the chief audit executive should enhance organizational independence and Independence of internal auditing should be ensured by the audit committee or its equivalent.

We hope that the above commentary is useful to your consultation process and would be happy to discuss it with you at any time.

Sincerely ,



Carolyn Dittmeier,
President, European Confederation of Institutes of Internal Auditing

The ECIIA is a confederation of national associations of internal auditing located in 36 countries, including all those of the EU, representing almost 40,000 internal audit professionals. As such, the ECIIA is an Associated Organisation of the global Institute of Internal Auditors (the IIA), a professional organization of more than 170,000 members in some 165 countries.

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