

European Confederation of Institutes
of Internal Auditing (ECIIA) (Ed.)

ECIIA – Yearbook of Internal Audit

2009/2010: Best Practices for a Reliable Management

Edition under special guidance of Bernd Schartmann

With contributions by

Neil Baker, Peter W. Bos, Marianna Calise, Simona de Luca,
Robert Düsterwald, Javier Faleato, Kim Stormly Hansen,
Anne-Marie Idrac, János Ivanyos, Søren H. Kongsbo,
Ron W. A. de Korte, Giovanni Landolfi, Daniel Lebègue,
Dr. Marcel Magnus, Dr. Arno Nuijten, Arthur Piper

ERICH SCHMIDT VERLAG

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ECIIA ivzw

European Confederation of Institutes of Internal Auditing ivzw

Koningsstraat 109-111 bus 5 · 1000 Brussels · Belgium

Tel +32 2 217 33 20 · Fax + 32 2 217 33 20 · <http://www.eciia.org>

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Foreword

The last 12 months have been a period of turbulence and turmoil, with many organisations facing regulatory and financial failure. In many instances this has led to government bailouts and the partial nationalisation of some banks and other financial institutions. There is an increased focus on risk and corporate governance in many countries – amendments to the Fourth, Seventh and Eighth Council Directives are looking to enhance corporate governance in the EU, including requirements for companies listed on EU exchanges to publish an annual corporate governance statement and to establish an audit committee. The financial market crisis has pushed boardroom governance and risk management to the top of the global political agenda.

For many Heads of Internal Audit (HIA), this is their first experience of managing an Internal Audit function and delivering to management and the Audit Committee through a downturn. In today's turbulent environment, senior management have increased expectations of, and place more reliance on, HIA's to provide greater assurance and comfort. At the 2008 ECIIA Conference in Berlin, Mauro Di Gennaro (the outgoing ECIIA president) said that Internal Auditors needed to react to changing boardroom expectations of what the profession should deliver. In many cases that will mean Internal Audit departments moving beyond the traditional territory of financial control and putting a higher priority on strategic, operational and business risk. Indeed, recent surveys from the Institute of Internal Audit have noted that many internal audit departments have seen a change in focus onto emerging risks that are resulting from the changing economic conditions.

For some Internal Audit departments, this increased focus and role has been part of their remit for some time – for some Internal Audit departments this may be a new role to fulfil. Therefore it is crucial that as Internal Auditors we share the knowledge and skills that we have in order to grow and develop. **Progress through sharing** is the global motto our profession is dedicated to, and sharing the enormous knowledge we have throughout Europe is one of the most important objectives of our organisation.

In that light, the ECIIA management board has decided to start a new initiative. We want to make excellent knowledge available to a wider audience. With this first ECIIA Yearbook, a collection of the best articles on Internal Audit, risk

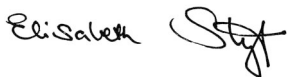
management and corporate governance published in local IIA magazines throughout 2008, we take a further step in that direction.

In this edition, you will find articles from Denmark, France, Germany, Hungary, Italy, Spain, the Netherlands and the United Kingdom on the impact of the credit crunch, new planned EU directives on auditing and corporate governance, the limitations of financial regulation, integrated auditing, implementing IT controls and many more. We hope that you find the articles informative, interesting and innovative.

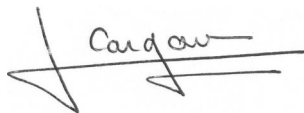
We would like to thank all the authors and other contributors to this project. We also would like to thank the international project team for making the publication of this Yearbook possible: Nicole Schneider-Brennecke, IIA Germany (project lead), Nicola Rimmer, IIA UK and Ireland and Emma Marcandalli, Protiviti. The ECIIA “Yearbook” Task Force was lead by Bernd Schartmann, CIA, President IIA Germany.

We hope that you will find the ECIIA Yearbook useful.

The ECIIA Management Board



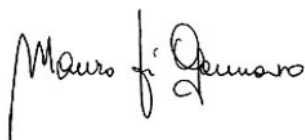
Elisabeth Styf, Sweden
(President)
Head of Internal Audit, Risk-
polisstyrelsen



Claude Cargou, France
(Vice-President)
CEO of Governis, Member of
the Board of IFACI



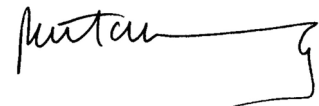
Bernd Schartmann,
Germany (Project Lead)
Executive Vice President,
Head of Corporate Audit &
Security, Deutsche Post DHL



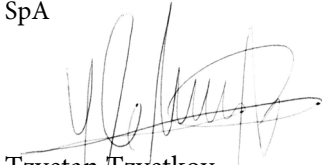
Mauro di Gennaro, Italy
Chief Audit Executive &
Compliance Officer, FIAT
SpA



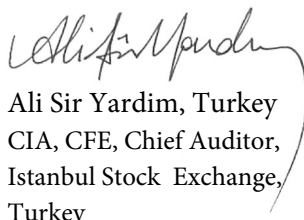
Christian Van Nederveelde,
Luxembourg
Vice President, Internal
Audit, SES



Phil Tarling, UK & Ireland
International Partner, RSM
Bentley Jennison



Tzvetan Tzvetkov,
Bulgaria
Head of Internal Audit Unit,
Bulgarian National Audit
Office



Ali Sir Yardim, Turkey
CIA, CFE, Chief Auditor,
Istanbul Stock Exchange,
Turkey

Our Vision and Mission

- To be the consolidated voice for the profession of internal auditing in a widely defined Europe by dealing with the European Union, its Parliament and Commission and any other European or global institutions of influence.
- To represent and develop the internal auditing profession throughout the wider geographic area of Europe and the Mediterranean basin.
- To represent the European internal auditing profession on the global stage in tandem – and in consultation – with IIA Inc.
- To promote the profession in economically emerging countries, as appropriate, within the wider geographic area of Europe and the Mediterranean basin.

Project Team

Bernd Schartmann, (Head of Task Force) Executive Vice President, Head of Corporate Audit & Security, Deutsche Post DHL, Member of the Board of Management ECIIA, President of IIA Germany (Bonn, Germany)

Nicole Schneider-Brennecke, (Project Lead) Press and Media Relations Manager, IIA Germany (Frankfurt am Main, Germany)

Nicola Rimmer, Director, Mazars LLP and Council Member IIA UK and Ireland (London, United Kingdom)

Emma Marcandalli, Director at Protiviti Italy, Head of the Editorial Committee - IIA Italy (Milan, Italy)

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Lead: Robert Dusterwald

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