Introduction

The European Confederation of Institutes of Internal Auditing is twenty-five this year. To celebrate our birthday, we are publishing this special brochure to tell the story of our humble beginnings and to share our achievements with you over those years. While the road we have travelled has sometimes been rocky, our steady progress has been due to the energy and tenacity of the many volunteers that have freely given their time. This publication is also a way of thanking all of those who have made our journey possible.

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The ECIIA today

The ECIIA has made progress in raising its profile among legislators and affiliate members, as well as providing better services and advice on internal auditing over the past couple of years. The future of the organisation looks stronger than ever.

One of the ECIIA’s aims is to make the case that internal audit should be compulsory throughout Europe. “My personal view is the internal audit should be mandatory throughout Europe for listed companies and the public sector,” says Nieuwlands.

When Richard Nelson took reigns as president of the ECIIA in 2005, the organisation had made giant strides towards achieving its position as the pre-eminent body for internal auditing in Europe. “One of our aims is to get internal audit further up the agenda and get our requirements quoted in official European Union (EU) documents,” says Nelson. “If the EU recognises us as a valid and respected pressure group, we will be remembered and consulted on at the right moment.”

That strategy has involved meeting with officials from the European Commission (EC) and EU, and publishing documents that set out the role of internal auditing in a clear and compelling way. For example, during Nelson’s time on the board, the ECIIA launched some booklets, including Internal Auditing in Europe, which was used in the ECIIA’s discussions with the EC. As a result, the EC’s guide for entrant countries to the European Union, Public Internal Financial Control, made specific reference to the ECIIA and its work. Another recent booklet, the Role of Internal Audit in Corporate Governance, is based on an extensive survey carried out among internal auditors throughout Europe.

But getting consensus on what should go into published material is not always easy. Nelson says that because the laws under which internal auditors operate across Europe can be very different, it has sometimes been difficult to go into any depth on important issues. But that underlines the importance of the ECIIA’s work. If there is no central body to speak for internal audit, then the EU is likely to favour the prevailing views about internal auditing in, for example, France or Germany, where the practice is well established. If internal auditing is to develop across Europe, it needs a single voice.

“Internal audit should be mandatory throughout Europe for listed companies and the public sector”

One of the developments that has helped the ECIIA establish better working relations with the European authorities is the fact that it now has a physical base in Brussels – at the home of the IIA in Belgium. “That has obviously given us an administrative base,” says Nelson, “and has allowed us to meet more easily with European Commission and European Union officials, who are also based in the city.”

Yet there is still work to be done in strengthening links with the authorities in Brussels, says Hans Nieuwlands, the ECIIA’s current president. He says that it will take the ECIIA a further four to five years to establish the profile he believes it needs to influence policy at the right level.
Behind the anecdote is the serious issue of developing consensus about a way forward for internal audit that is sensitive to the cultural differences that exist among the body’s members. While countries such as France and Germany have a long tradition of internal auditing, some of the newer affiliates from EU accession states have only a few members and relatively little experience of internal auditing.

Nieuwlands is keen to build on the work that has been done so far to strengthen communication between affiliates and provide help to those who need it most. The ECIIA is currently developing a Europe-wide qualification in internal auditing in the public sector that is expected to be rolled out among members in 2008. The Certificate in Public Sector Auditing will be an exam-based qualification aimed at replicating a similar programme that exists in the US, but from a specifically European perspective. Nieuwlands says that volunteers from across the Euro-zone – including from Poland, Romania and the Czech Republic, as well as countries where internal audit has a long history – have been working together to make sure all interests are catered for in the new qualification.

Nieuwlands says that ECIIA has got its work cut out to keep abreast of changes in the profession of internal auditing and to continue to support its growing member base. But the last twenty-five years has seen it take giant strides towards becoming the premier membership body for internal audit that is recognised across Europe. And that bodes well for the future.
Renewal and transparency

When Gerry Cox took the presidency in 2001, he felt that there was a lot of work to do to make ECIIA relevant to the new, expanded Europe that was emerging at the beginning of the millennium.

Cox recalls that the ECIIA seemed to be on the “brink of collapse,” most obviously because the way that the confederation had grown organically over twenty years could not support the broader remit that the emerging group of board directors envisaged it playing.

“There was a complete change of spirit that started with Gerry Cox,” says Yves Chandelon, whose presidency followed Cox. “When he became president he delegated some responsibility to the board – which was a welcome move.”

The new management team felt that there was a lack of transparency in the way that some aspects of the ECIIA were run and also some inconsistency across countries. “We didn’t feel that there was very much democracy in the way that the ECIIA board was run, so the new committee of 2000-2001 decided that it would be a good idea to clarify these issues.”

Along with Dr Ulrich Hahn and Philippe Christelle, each of whom took the helm as president – in 2002-3 and 2003-4 respectively – the board of the ECIIA began a process of transformation which would culminate in a new, greatly expanded confederation.

While Cox is widely credited as being the catalyst for change, he is quick to emphasise that the early 2000s were characterised by strong teamwork, shared purpose and genuine friendship. “There are a few names etched in my memory,” he recalls. As well as his presidential peers, he recalls how Dominique Vincenti – an ECIIA board member, now chief advocacy officer at Global IIA – had “a knack of making us think ‘out of the box’.

In addition, Markku Alho, former president of the IIA in Finland would break long periods of intensive listening with original and incisive observations; Enrique Durand’s deep knowledge of internal audit practice helped keep board meetings focused and to the point; and, Ali Kamil Uzun would “candidly remind” the board of its responsibilities outside of the narrow concerns of those Institute’s situated in Western Europe. Phil Tarling, although not a member of the management board, also played a key role as Cox’s secretary and “provided invaluable advice and guidance.”

One of the first goals the new management team set itself was to clarify the rules under which the ECIIA was run and to rewrite the byelaws in order to create an enhanced democratic framework for the confederation. Other aspects of the body were also looked at with a fresh pair of eyes. For example, the board introduced a new accounting system that was more transparent and that covered issues such as what needed to happen if the treasurer fell ill.

“The ECIIA began a process of transformation which would culminate in a new, greatly expanded confederation”

There were also moves to improve communication among the participating institutes. For example, instead of receiving the documents about the annual general assembly three days in advance, participants were given three months to read the material – including the organisation’s accounts.

“Most of all we wanted to build a bridge between the management of the organisation by the board and a set of principles that would guide the confederation into the future,” says Chandelon.

The result of this work was a four-volume handbook that sets out all of the principles by which the confederation is run and also includes what needs to be done to make daily management possible. The handbook was two years in the making, but when it was delivered in Cyprus to the membership it was enthusiastically received. “The handbook represented a complete change in the administration of the ECIIA,” says Chandelon.
“We wanted to build a bridge between the management of the organisation by the board and a set of principles that would guide the confederation into the future”

“We also sought to move the ECIIA to a base in Belgium, which, in the event, represented a huge amount of work,” says Chandelon. Because the ECIIA was a non-profit organisation, it had to be aligned to a set of new laws that had recently been put in place in Belgium. There was a lot of work behind the scenes to get the ECIIA ready for making that country its permanent home.

During his presidency Dr Ulrich Hahn negotiated a co-operation agreement between Global IIA and the ECIIA. “We had to sort out what the regional role of an organisation like ECIIA was in relation to the Global body,” explains Hahn. “If you don’t have an agreement, you can, of course, do what you want – but the downside is that you are not an IIA affiliate.”

Hahn clarified and formalised the position of the affiliates within the ECIIA and also negotiated with the Global IIA its own remit. The process was not always easy because of the cultural differences between the two regions.

In addition, Hahn was keen to communicate the role of the ECIIA among member Institutes’ government agencies. “It’s natural that national lawmakers would want to speak to a national Institute,” he explains. “The ECIIA should, however, be the first port of call for generic, European corporate governance issues.”

The major themes during Hahn’s presidency included improving the ECIIA’s corporate governance system – particularly the board structure and audit committee – and strengthening the interface between the confederation and its members.

Gerry Cox says that Hahn’s focus was critical at the time to push through the reforms that the board felt necessary to make the organisation truly pan-European. Instead of working as a group of individuals, the presidents decided to work as a team, which meant that the reform during this period had a consistent direction and purpose.

Chandelon also recalls with warmth the friendship and trust between the presidents. “The reorganisation was the result of a collective effort, real solidarity in the board and a belief in fair play at all levels,” he says. While there had been highs and lows, there had also been some fun. Cox recalls with humour the management board meeting in Helsinki in Finland in 2002. The Finnish hosts had laid on entertainment, including a traditional swim in the local lake – without clothes. Cox feigned a strained arm. The male contingent took the first plunge: “My enduring memory, which no amount of effort can block from my mind, is the sight (from the rear) of my male colleagues heading for their swim without a stitch of clothing on – if only I’d had my camera!” he says.

At the end of this period, the ECIIA had made enormous progress in both establishing itself as the voice of internal audit in Europe and as a major force in internal auditing in the world. Its relationship with member states, the European administration and the US had all been clarified, as had its constitution and organisational structures. What was needed next was a more outward-looking approach and greater communication with member Institutes in order to develop the profession of internal auditing to meet the challenges of a unified and expanded Europe.
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ECIIA Milestones

1980 Presidents of Institutes of Internal Auditing from Portugal, Germany, France, UK and Ireland, Norway and the Benelux countries (Belgium Netherlands and Luxembourg) concluded that a formal structure of the existing cooperation between these countries on internal auditing should be formalised.

1981 European Economic Community (EEC), predecessor of the EU, issued a directive on audit that included a specific role for internal audit. The presidents of the Institutes of Internal Auditing agreed to establish a confederation.

1982 Letter of intent to establish ECIIA was signed by France, Finland, UK and Ireland, Norway and the Benelux. It outlined three areas of action: the exchange of information, to represent the profession at a European level, and to establish cooperation between member institutes.

1982 First meeting between the ECIIA and representatives of the EC was established.

1986 In its Long Range Planning document the ECIIA defined 11 issues to be addressed in the coming years including, providing services to ECIIA members on research into internal auditing and the factors affecting the development of professional internal auditing. The plan also included the provision of training and education, professional standards, best practice, human relations, advocacy and the social responsibility of internal auditors.

1989 EEC officially recognises ECIIA as the representative of the profession of internal auditing in Europe and asks ECIIA for input in the transforming of its 4th Directive into national legislation.

1994 EU consults the public on its 5th Directive, including rules on the independence of statutory auditors and liability.

1995 ECIIA delivers a position paper to the EU consultation on internal audit.

1996 ECIIA provides input to EUROSAI committees on internal controls and internal auditing standards.

1997 Upon request from EU, ECIIA provided input for a Leonardo project.

1998 EU sets up the European Union Committee on Auditing (EU CoA) and invites ECIIA as a professional body member to this committee.

1999 Position Paper on The Internal Auditor’s Role in the Prevention of Fraud released.


2003 ECIIA presentation on Corporate Governance and the Role of Internal Audit to the EU Committee on Auditing

2003 ECIIA Response to FEE on its discussion paper: Risk Management and Internal Control in the EU.


2006 ECIIA sends letter to the European Corporate Governance Forum to influence their draft Statement on Risk Management and Internal Control.

2007 ECIIA publishes book on the Role of Internal Audit in Corporate Governance in Europe.

European Conferences

1986 Brussels
1989 Paris
1992 Madrid
1996 Antwerp
1997 London
1997 Budapest
1998 Luxembourg
1998 Lisbon
1999 Salzburg
2001 Casablanca
2002 Prague
2003 Brussels
2004 Istanbul
2005 Cyprus
2006 Helsinki
The story of the ECIIA in the 1990s is in many ways the story of just two people, Jean-Pierre Garitte and Giovanni Grossi...

Looking for a mission that would carry the ECIIA into the new decade, Garitte, who became president in 1992, says he focused effort on the areas where he felt the confederation could make the greatest difference. At the time, there wasn’t much the ECIIA could do to help Europe’s leading internal audit nations, he says. The national chapters in France, Germany and the UK and Ireland were strong, and were not particularly interested in what the confederation was doing. So instead, he turned attention towards the new nations that were emerging across Europe. “I became a defender of the small countries,” he says.

The ECIIA started looking at ways of helping the profession to grow in Europe’s developing nations. It would determine what kind of profession existed in nucleus in a particular country, find ways of getting hold of people who might like to join a chapter, organise some kind of event, and use it to try and motivate people.

Turkey is a prime example. In July 1995, Garitte, Grossi and Hans Nieuwlands went to a conference in Paris, where they met a Turkish internal auditor, Ali Kamil Uzun, who was keen to develop a national chapter. Within three months, the ECIIA had organised its first event in Istanbul. A Turkish chapter was created, with Ali Kamil Uzun as its first leader. Three years later, it had over 400 members.

The chapter in the Czech Republic was formed just as quickly. After meeting Czech auditor Ivo Streda at a conference in Athens, the ECIIA organised a weekend country house get together. Ten auditors and an accountant academic from the local university turned up. Between them, they mapped out a strategic plan for a new Czech chapter. “Looking at where these associations are now, they have been major successes,” says Garitte. But others were less successful. Lack of good quality national leadership was one cause of failure. “You can prepare associations for success but ultimately it depends on the local leadership, and you don’t have any control over that,” says Garitte. “Sometimes we had cases where the national association was going backwards.”

Looking back, Garitte says he was perhaps too focused on the emerging internal audit nations. “But I always said – and it happened – that sooner or later these countries will become members of the European Union,” he says. “Our companies will invest in these countries, so we better prepare them to have a good, sound knowledge of internal control, risk management and internal audit. If I look back at that objective, I am happy that we were able to achieve a good deal of that.”

The internal audit profession in these emerging countries would not have made such great strides forward without the ECIIA, says Grossi. True, the confederation could provide these new chapters with little practical support, and mostly just opened the door to knowledge, guidance and help that came from the IIA Inc. But that was an essential role. “Countries like Croatia and the Czech Republic would never have linked themselves directly to the IIA Inc,” says Grossi. “It was perceived as an American organisation.” They could associate with the ECIIA, as it was European. “It was gigantic progress,” he says. “They were linked to all of the treasure that was there in the IIA material – certification, standards, you name it.”

European expansion wasn’t the only important issue during this period. The ECIIA also started to take a more structured approach to lobbying the European Commission. The Brussels-based executive arm of the European Union was having an important influence on the work of internal audit, but knew virtually nothing about the profession.

In the mid-1990s, the EC started to develop the Eighth Directive on statutory auditing. It’s initial public documents on this made no mention at all of internal audit, but knew virtually nothing about the profession.

The internal audit profession was perhaps too focused on the emerging internal audit nations. “But I always said – and it happened – that sooner or later these countries will become members of the European Union,” he says. “Our companies will invest in these countries, so we better prepare them to have a good, sound knowledge of internal control, risk management and internal audit. If I look back at that objective, I am happy that we were able to achieve a good deal of that.”

“We were two crazy guys that went around advocating a Europe of internal auditors”
It produced a policy paper of its own, calling for a requirement that public interest organisations should have solid systems of internal control and risk management. The confederation hired a professional lobbying firm to get its views heard, a move that Garitte describes as “expensive, but worth it.” ECIIA representatives held high-level talks with members of the European Parliament, and when the Commission organised a two-day conference to close its consultation process, it gave the ECIIA a speaking slot.

Looking back, Garitte says he is happy with the outcome of this lobbying work, although he was less sanguine at the time. “I started with unreal expectations,” he says. “I thought that if we invested in a lobbying firm and did all the work that was needed to make ourselves known, that we would make a quantum leap. I realised that lobbying is a very, very slow process.”

“But our goal was to create an awareness of internal audit. If you look at the current Eighth Directive, you see that they at least mention internal control, risk management and internal audit. Ten years ago they didn’t mention that at all.”

The ECIIA also had an important influence on the development of the EC’s own internal audit function. After a series of financial scandals, the EC asked Commission Vice-President Neil Kinnock to create a new internal audit service. Kinnock asked the confederation to help design the job profile for the new head of internal audit and to help screen candidates. The process led to the recruitment of Jules Muis from the World Bank. “Asking us to help them select such a top-level person gave us visibility and credibility,” says Garitte. The ECIIA also helped to provide training for the Commission’s new cadre of internal auditors, transforming them from inspectors into an internal audit role.

As the decade drew to a close, the ECIIA was about to move into another phase of its history, although the transition was not a smooth one.

Garritte stepped down as president at the end of 1995, making way for Grossi. He then returned for a year in 1999, only to make way again for Grossi, who became president for one more year, before handing over to Gerry Cox. It wasn’t ideal. Garitte says he stayed on for too long, and shouldn’t have let the ECIIA talk him into coming back. Grossi is happy to admit that his own management style could be abrasive at times.

“‘We were two crazy guys that went around advocating a Europe of internal auditors,’” says Grossi, describing the work he did with Garitte in the 1990s. “‘It was the time of heroes, and now the heroes were no longer needed. The adventure was over.’”

Grossi says that as the ECIIA entered the new millennium, it became a more political organisation. The confederation had achieved the mission that he and Garitte had pursued; there were well-established or nascent internal audit chapters throughout Europe. “We all perceived that there was a need for change,” he says.

It was a difficult period. The ECIIA needed a new governance structure, and the one that emerged as the only viable option gave three nations – Germany, France and the UK and Ireland – a much greater level of influence. Grossi says it was “the beginning of the end” for the ECIIA, and perhaps it was for the confederation he knew; but a new kind of organisation was now emerging.

As Garritte says, the fact that the ECIIA is dominated by those three countries – plus Italy, which joined the lead group not long after – is not necessarily a problem. If those countries run the ECIIA in a way that suits their own national interests, then the confederation is undermined. “But if they believe that the ECIIA can help to develop the profession at a broader level, that it OK,” he says. “Within Europe, the more mature countries have an obligation to help the smaller ones.”

“The internal audit profession in these emerging countries would not have made such great strides forward without the ECIIA”
In its early days, the ECIIA had a clear and simple mission: encouraging the IIA Inc to become more of a global body.

In Europe, the internal audit profession felt ignored; the ECIIA emerged from an informal group of friends who were determined that should change. The internal auditors who founded the group in 1982 felt that the IIA Inc, supposedly an international body, was dominated by US concerns and too inward looking. "The ECIIA was created as a way of showing that the European institutes had some muscle together," says former president Hans Spoel. The argument was that if the IIA Inc "didn’t get their act together and become more global, then we would spin off," says Spoel.

With the work of early presidents such as founding chairman Bill Evans, Jens Petter Auring and Michel Guénard, the ECIIA gradually established itself as an important voice on European issues.

Spoel’s appointment was something of a watershed moment, and there was even talk of shutting down the ECIIA, as its original mission had been achieved. "There were many times when we kicked that around as a possibility," says Spoel. The confederation was still organising successful conferences, but there was a clear need to find a new purpose. "The ECIIA was a club of the presidents of the European institutes, and not much more than that."

However, there was a clear consensus that the ECIIA could still have a role to play, if it refocused and moved on. The lobbying to make the IIA Inc more global had highlighted a lot of international issues, and the ECIIA created a new structure of committees in an effort to tackle them.

There was a clear desire to get more people certified worldwide, so the ECIIA helped by adapting the IIA Inc’s certification, making it suitable for European countries by translating important documents and modifying exam questions. There were also committees on internationalising the standards and communicating with members.

This lead to an ambitious new agenda for the confederation, one which Spoel says with hindsight might have been too ambitious. "The biggest problem we had at the time was in going too far," he says. The creation of ten or eleven new committees lead to an increased demand for volunteer support, which was hard to meet.

Some of the new committees were active and successful, such as those focused on the standards and certification, but others were less so. Plans to lobby the European Commission didn’t take off for a long time, based as they were on the personal connections of a handful of members.

Efforts to consolidate the growing European influence over IIA Inc affairs were more successful, with the confederation providing European auditors to take up positions on important IIA Inc committees. "We were infiltrating, in a positive way," says Spoel. Big professional issues at the time included control self-assessment and internal audit outsourcing.

While the growth of the ECIIA meant that individual European auditors were more involved in the global profession, it was difficult for the body to speak with a common European voice. Even today, the development of the profession varies widely across European nations; in the late 1980s into the 1990s, the differences were much greater. "It was extremely difficult to harmonise at the level of trying to attack issues," says Spoel.

"The ECIIA was created as a way of showing that the European institutes had some muscle together"

That multi-speed nature of the European internal audit profession was one of the ECIIA’s biggest challenges, but it was also an enormous positive. By the end of the decade “there was clearly a move, on the part of the developed countries, to play more of a support role for the lesser developed ones.” This was a responsibility that the leading nations – the UK and Ireland, France and Germany – took very seriously.

This relationship between Europe’s developed and developing nations was to define the next phase of the ECIIA’s history. The Berlin Wall fell in November 1989 and German reunification followed within a year. The people of the former Soviet Bloc countries in central and Eastern Europe quickly kicked out their governments and turned to the West for the support needed to build market economies.

The European Union and other international institutions offered financial help to countries that wanted to make the transition to capitalism. But there were widespread concerns about pouring money into countries that had little experience of financial control or independent auditing. The need to develop an internal audit profession in these countries was clear, and a new group of leaders at the ECIIA were keen to do what they could to help. In the years ahead, they took the confederation in a new direction – one that was bold and ambitious, but not without its critics.
Our 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.