

Submitted by e-mail to 'baselcommittee@bis.org'

Bank for International Settlements  
Secretariat of the Basel Committee on Banking Supervision  
CH-4002 Basel  
SWITZERLAND

Amsterdam, 2 February 2012

Ref: B2012.11  
Subject: Eumedion's response to Basel Committee's consultative paper  
'The internal audit function in banks'

Dear Sirs, dear Madams,

Eumedion welcomes the opportunity to submit comments on Basel Committee's consultative paper 'The internal audit function in banks' (document ISBN 92-9131-896-5). By way of background, Eumedion is the Dutch based corporate governance forum for institutional investors. Our 68 Dutch and non-Dutch participants have together more than EUR 1 trillion assets under management. They invest for their clients and their beneficiaries in listed companies worldwide.

Eumedion confines this response to our key messages on this subject.

**Eumedion's key messages**

1. We support Basel Committee's initiative to revise the supervisory guidance for assessing the effectiveness of the internal audit function in banks. We believe the critical role banks (should) fulfill in the financial system, together with the complex nature of internal audit on banks justifies such supervisory guidance.
2. Although the 20 principles mostly are of such general nature that they could apply to many industries, not just banking, we believe that these principles do form a sound basis for supervisory guidance.

3. In addition to guidance 12: '... It must be free to report its findings and assessments internally through clear reporting lines. ...', we believe that this freedom to report should explicitly include the freedom to report to the audit committee.

If you would like to discuss our views in further detail, please do not hesitate to contact us. Our contact person is Mr. Martijn Bos ([martijn.bos@eumedion.nl](mailto:martijn.bos@eumedion.nl), +31 20 7085 885).

Yours sincerely,



Rients Abma  
Executive Director Eumedion