



COMMITTEE OF SPONSORING
ORGANIZATIONS OF THE TREADWAY COMMISSION

November 1, 2021

Statement from Paul Sobel, Chairman of The Committee of Sponsoring Organizations of the Treadway Commission (COSO).

To Whom it May Concern:

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) has a mission “to help organizations improve performance by developing thought leadership that enhances internal control, risk management, governance and fraud deterrence.” We believe strongly that good governance is important for any organization and have included important governance principles in both of our frameworks: *Internal Control – Integrated Framework* and *Enterprise Risk Management – Integrating with Strategy and Performance*. We believe that good governance extends beyond the board and management, and a strong, independent and objective internal audit function, with an unhindered scope, is a necessity.

On behalf of the COSO board of directors, I would like to express deep concern with an amendment being considered in Greece that we believe jeopardizes effective governance in that country and around the globe. The Greek Parliament is considering an amendment that would place the oversight of internal audit with the Economic Chamber of Greece, a body of economists providing services to Greek companies, potentially creating a conflict of interest. The law proposes that the Chamber would register auditors for a fee, provide an ID, judge violations of practice, and enforce sanctions, putting at risk the fundamental governance principle of the internal audit profession: independence. In addition, the law sets three months for the registration process, effectively curtailing internal audit for that initial period if the law is passed.

We consider it unnecessary to empower the Economic Chamber of Greece to decide on the competence of internal auditors, when the standards and code of ethics to be used are those belonging to The Institute of Internal Auditors (IIA). The IIA has been successfully overseeing the profession for more than 80 years and is recognized as the global internal audit profession’s educator and provider of international standards, guidance, and certifications, serving 212,000 members from more than 170 countries and territories, including 48,700 members in the European Union.

Sincerely,

A handwritten signature in black ink that reads "Paul J. Sobel".

Paul J. Sobel, CIA, QIAL, CRMA
Chairman of COSO

About COSO

COSO is a joint initiative of five professional organizations: the American Accounting Association (AAA), the American Institute of Certified Public Accountants (AICPA), Financial Executives International (FEI), the Institute of Management Accountants (IMA) and The Institute of Internal Auditors (IIA). These five organizations have more than one million members around the world.