



**EUROPEAN CENTRAL BANK**  
BANKING SUPERVISION

## Template for comments

### Public consultation on the ECB guide to internal models - General topics chapter

**Institution/Company**

de Volksbank NV

**Contact person**

Mr/Ms

First name

Surname

Email address

Telephone number



Please tick here if you do not wish your personal data to be published.

**General comments**

Deadline: 28 May 2018

ID	Section	Paragraph	Page	Type of comment	Detailed comment	Concise statement as to why your comment should be incorporated
1	Overarching principles for internal models	General principles for internal audit	9	Clarification	The term 'regular' is not further described. De Volksbank interprets 'regular' as risk based, conform our internal policy. This means the internal audit department decides on the periodicity, depth and size of the sample.	
2	Overarching principles for internal models	General principles for internal audit	10	Amendment	29.b states Internal Audit should ensure that the audited areas implement the corrective measures in a timely manner. de Volksbank considers "ensuring appropriate measures are taken" a responsibility of the Board of Directors. Voor alle duidelijkheid: Audit meent dat "ensure" een taak is van de Directie; Audit "monitort dat en rapporteert over de opvolging".	
3	Internal audit	Regulatory references	30	Clarification	78 The term 'review' is not further described. De Volksbank interprets 'review' as a risk based assessment, conform our internal policy. This means the internal audit department decides on the periodicity, depth and size of the sample. Please confirm whether this interpretation is correct.	
4	Internal audit	Scope and frequency of the review of the rating systems	30	Clarification	79 - General risk assessment In current internal audit practices one should first perform a risk assessment, subsequently perform an audit and finally come to an opinion. The current text could be interpreted as if the opinion is already included in the risk assessment. De Volksbank interprets this article as if the general risk assessment is not the starting point, but the end product of Internal Audits efforts, including an opinion. An earlier opinion would jeopardize Internal Audits objectivity.	
5	Internal audit	Scope and frequency of the review of the rating systems	31	Clarification	81 In current internal audit practices one should first perform a risk assessment, subsequently perform an audit and finally come to an opinion. The current text could be interpreted as if the opinion is already included in the risk assessment. De Volksbank interprets this article as if the general risk assessment is not the starting point, but the end product of Internal Audits efforts, including an opinion. An earlier opinion would jeopardize Internal Audits objectivity. Please confirm whether this interpretation is correct.	
6	Internal audit	Scope and frequency of the review of the rating systems	30	Clarification	80 De Volksbank interprets 'mission' as 'effort', as Internal Audit can perform different activities with different levels of assurance. Please clarify.	
7	Internal audit	Scope and frequency of the review of the rating systems	31	Clarification	82 The audit plan and audit reports are approved by the Board of Directors. Additionally, the audit plan is approved by the Supervisory Board. Audit techniques, guidelines and Internal Audits approach on producing reports and documentation of performed audits are not to be approved by management. For this, professional practices and guidelines apply, which are periodically assess by peer professionals. The results of these - generic - assessments are shared with the Board of Directors and Supervisory Board. Please confirm whether this interpretation is correct.	
8	Internal audit	Scope and frequency of the review of the rating systems	31	Clarification	83 Internal audit reports to the Board of Directors. Subsequently, the Board of Directors will provide the necessary reports to the competent authority. Please confirm whether this interpretation is correct.	
9	Internal audit	Scope and frequency of the review of the rating systems	32	Clarification	84 Internal Audit should assess whether the risk in Model Validation not performing an assessment on a certain change is acceptable and report its opinion to management. Internal Audit shall not perform any assessments not performed by Model Validation. Please confirm whether this interpretation is correct.	