European Commission
Online Public Consultation on the
strengthening of the quality of corporate
reporting and its enforcement

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As representatives of the Dutch Professional Organization of registered IT auditors (NOREA) we represent a large group of Information Technology/Information Systems auditors. Our members, IT Auditors, are closely involved with financial statements audits as well as providing assurance regarding Information Technology and Information Systems directly to organizations.

We endorse the need to have an effective and efficient framework for high-quality corporate reporting by (listed) companies and to ensure that companies report information that is relevant for stakeholders.

IT governance aspects must be part of the EU corporate report initiative. Also to report and respond to the trends below:

- Digital transformation, technology trends and new (EC) regulations will impact the future corporate reporting ecosystems and the role of the auditor. Examples are Internet of Everything, CSRD (e.g. non-financial reporting), DORA & NIS2, blockchain-enabled smartcontracts, ESEF/XBRL, ESAP, real-time reporting, new digital economy with data-driven finance and achieving 'enlightened shareholdership'.
- In recent years major (listed) companies under attack of IT/Cyber related incidents have learned that continuity of their business relies on continuously operating IT environments to provide their services. They understand that their systems need to be reliable to support financial- and other (reporting) processes. Their ability to detect attacks or to respond to incidents depends on how companies govern (manage, maintain, control and monitor) their Information Technology (environment).

We think that the current Directive should be more aligned with the above mentioned trends and related reporting requirements especially for large companies with complex and extensive (and often hybrid cloud enabled) IT environments.

Stakeholders show much more interest in how companies manage their vital IT, cyberresilience and how they ensure that their strategic IT-programs supports its short-, mid- and long term business strategies. The new directive needs the insight in (i.) the resilience of IT and (ii.) the need to provide independent assurance.

This is why the NOREA has started an initiative and project (NOREA Roadmap development of IT report and audit opinion) to create a reporting framework which companies can use to report on relevant IT Governance related subjects in an IT Governance report. This report can be a separate report or can be integrated in financial reporting or in ESG-reports. The framework NOREA is creating will be based on the Global Reporting Initiative standards. As stated above we see a need to become fit for the future in the corporate reporting ecosystem given the current trends and therefore regulatory-gaps in the current directive. We hope that you will consider our concerns.

We would like to be part of the upcoming panel discussion and we are more than happy to provide an explanation about the contents and progress of our project as we are striving mutual goals (i.e better quality of corporate reporting and related assurance).

Website links:

NOREA website English: https://www.norea.nl/english

NOREA Roadmap development of IT report and audit opinion: https://www.norea.nl/download/?id=10487

On behalf of the NOREA-board,

Irene Vettewinkel-Raymakers,
Chair.

NOREA
DE BEROEPSORGANISATIE VAN IT-AUDITORS