



# The Institute of Internal Auditors L'Institut des auditeurs internes Canada

## The IIA Comments on the Office of the Superintendent of Financial Institution's (OSFI) Discussion Paper on Climate Related Risks

**Ottawa – April 12, 2021:** In response to OSFI's call for submissions, The Institute of Internal Auditors (The IIA), The IIA Canada, and The IIA Toronto Chapter jointly submitted a review and comments on OSFI's discussion paper: *Navigating Uncertainty in Climate Change: Promoting Preparedness and Resilience to Climate Related Risks*.

The IIA welcomed OSFI's initiative on climate related risks and encouraged the federal regulator to engage in further discussions with stakeholders on this and other urgent Environmental, Social, and Governance (ESG) related topics. In a letter to OSFI Superintendent Jeremy Rudin, which accompanied the submission, Anthony Pugliese, The IIA President and CEO, stated "the full spectrum of risks under ESG needs to be considered to appropriately fulfill OSFI's mandate on safety and soundness of federally regulated financial institutions and federally regulated pension plans".

The IIA's submission strongly recommends OSFI consider the independent assurance provided by internal audit throughout the ESG process. The submission explains investors and stakeholders want to understand ESG issues in the short, medium and long term, which can be accomplished not only by looking back over financials, but looking ahead, enabled by the foresight internal audit is uniquely positioned to provide. In its submission, The IIA recognizes sustainability is the goal of governance, and that internal audit (independent assurance) is indispensable to its effectiveness.

The submission references The IIA's [Three Lines Model](#) to illustrate how the adoption of this simple framework encourages organizations to consider the roles needed for effective governance to help foster success. The IIA suggests that by utilizing the Three Lines Model, in conjunction with an organization's goals, circumstances, culture and resources, can serve as the foundation for building the structure and processes an organization needs to manage risk and achieve objectives.

### Related Links:

[Comment Letter to Navigating Uncertainty in Climate Change: Promoting Preparedness and Resilience to Climate Related Risks](#)

[Responses to Regulators and Oversight Bodies](#)

## **About The Institute of Internal Auditors**

The Institute of Internal Auditors (IIA) is the internal audit profession's most widely recognized advocate, educator, and provider of standards, guidance, and certifications. Established in 1941, The IIA today serves more than 200,000 members from nearly 200 countries and territories. The IIA's global headquarters are in Lake Mary, Fla. For more information, visit [www.theiia.org](http://www.theiia.org) or [www.globaliia.org](http://www.globaliia.org).

## **About The IIA Canada**

The Institute of Internal Auditors Canada (IIA Canada) is affiliated with The Institute of Internal Auditors (IIA), a global organization headquartered in Florida. The IIA Canada serves the needs of over 7,300 members. With its headquarters in Ottawa, The IIA Canada works in partnership with its 12 Chapters across the country, providing training, publications, and services for its members, and advocating for the profession to key government and regulatory bodies, and related organizations. For more information, visit [www.iiacanada.ca](http://www.iiacanada.ca)

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