

# President's Message

## Internal Audit's Role in ESG

Listed as one of the top risks in [OnRisk 2021: A Guide to Understanding, Aligning, and Optimising Risk](#), sustainability is now a strategic preoccupation for all organisations. As a responsible global citizen, Singapore is actively involved in sustainability as part of an international drive to address climate change.

On 26 August 2021, SGX RegCo issued two Consultation Papers on (1) [Climate and Diversity: The Way Forward](#) and (2) [Starting with a Common Set of Core ESG Metrics](#) that proposes a roadmap for climate-related disclosures to be made mandatory in issuers' sustainability reports (SRs) amid urgent demand for such information from lenders, investors and other key stakeholders. On assurance, SGX RegCo proposes to require issuers to subject their sustainability reports to assurance by their internal auditors. The scope should minimally include assurance on whether the data being reported is accurate and complete. Issuers may also choose to have their SRs externally assured through external auditors or an independent assurance services provider.

SRs open the doors for internal audit functions of listed companies to help the board in its oversight of the governance structure and controls system. And a well-resourced internal audit function may advise the board and management on ESG issues. In response to this Consultation Paper, we provided a quote specific to assurance of sustainability reports that was published together with SGX RegCo's press release. You can read the news reports in [The Straits Times](#) and [The Business Times](#).

You can play a part by contributing your views to the consultation questions for the two Consultation Papers directly through IIA Singapore. We will be consolidating members' responses for an IIA Singapore submission. We ask that you submit your responses by completing the following two surveys by **Friday, 10 September 2021** in order to meet the SGX deadline on **Monday, 27 September 2021**.

- [Survey Questions for Consultation Paper on Climate and Diversity: The Way Forward](#)
- [Survey Questions for Consultation Paper on Starting with a Common Set of Core ESG Metrics](#)

If you wish to share your feedback directly to SGX RegCo, please click the link [here](#) to retrieve soft copies of the response templates.

The two Consultation Papers come in timely as IIA Global has published a white paper on [Internal Audit's Role in ESG Reporting](#). It provides an overview of risks related to ESG reporting and outlines internal audit's role in ESG reporting and how internal audit can support ESG's objectives and add value. Internal auditors are encouraged to read it to update themselves on IIA Global's views.

We will also be covering the pertinent ESG topics at our flagship Annual Conference on **2 November 2021**. Fingers crossed, this will be held as an in-person event, so save the date and look out for more details to come.

Before the Annual Conference, there's an important event this month. Registration for the Institute's virtual 45th Annual General Meeting on **23 September 2021** at 6.30pm is [open](#). Do find some time to join us on that day.

In the meantime, continue to stay safe and healthy and I look forward to seeing you at our Annual General Meeting virtually.

Yours sincerely  
Koh Chin Beng, CIA  
President  
The Institute of Internal Auditors Singapore