

30 March 2011

## **PRESS RELEASE**

### **EUROSYSTEM AND BANK OF RUSSIA CONCLUDE COOPERATION PROGRAMME ON BANKING SUPERVISION AND INTERNAL AUDIT**

The European Central Bank (ECB) today announced the completion of a three-year cooperation programme between the Eurosystem and the Bank of Russia in the areas of banking supervision and internal audit, financed at a cost of €3 million by the European Union (EU). The banking supervision component of the programme has aimed at enhancing the Bank of Russia's institutional capacity to maintain the stability of the Russian banking system. This has focused on the Russian banking system's transition to the Basel II principles, drawing on the experience gained from the implementation of Basel II in the EU. The internal audit component of the programme has supported the Bank of Russia's risk-based internal audit function by means of training by, and consultations with, Eurosystem experts.

In the course of the programme the Bank of Russia has implemented the simplified standardised approach for Basel II and consulted the banking sector on key aspects relevant to full migration to Basel II. The Bank of Russia has also launched consultation procedures on methodological recommendations regarding banks' internal processes for capital adequacy assessments and issued a consultation document on the prospects for Russian banks' internal ratings-based approach under Pillar I of Basel II for supervisory purposes and the measures necessary.

As part of the internal audit component of the programme, approximately 400 internal auditors at the Bank of Russia have participated in intensive training on risk-based auditing, IT auditing and the auditing of foreign reserve management. A comprehensive compendium detailing the practices and experiences of the Eurosystem in the area of internal audit has been prepared in both English and Russian for the Bank of Russia's internal auditors.

The programme has involved the European Central Bank, as well as the Deutsche Bundesbank, the Bank of Greece, the Banco de España, the Banque de France, the Banca d'Italia, De Nederlandsche Bank, the Oesterreichische Nationalbank and Suomen Pankki – Finlands Bank. The programme has been executed by banking supervision experts, internal auditors and managers from the European Central Bank and the national central banks participating in the programme. The programme started on 1 April 2008 and will run until 31 March 2011.

A seminar on 30 March 2011 at the Bank of Russia that marked the completion of the programme was attended by Fernando M. Valenzuela, Head of the EU Delegation to Russia, Gennady Melikyan, First Deputy Chairman of the Bank of Russia, Lorenzo Bini Smaghi, member of the Executive Board of the European Central Bank, and representatives of the State Duma and the competent ministries of the Russian Federation, as well as academics, managers from central and commercial banks, and experts in the fields of accounting and auditing.

**European Central Bank**

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