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New safety challenges: 21st International Congress on Internal Control, Internal Audit, Anti-Corruption, and Anti-Fraud, Krakow, Andrzej Frycz Modrzewski Krakow University, 29–30 September 2022

On 29–30 September 2022, the 21st International Congress on Internal Control, Internal Audit, Anti-Corruption, and Anti-Fraud took place.¹ The Congress was held in the auditorium of the Andrzej Frycz Modrzewski Krakow University, a long-standing partner of the Polish Institute of Internal Control (PIIC), the organizer of the Congress, after two years of forced online organisation (due to the COVID-19 pandemic). The Congress was attended by almost 200 people. It is the only event of its kind in Poland. The overarching aim of this regular international meeting is to share experiences and gather knowledge on the issues, challenges, and prospects facing auditors, internal controllers, and professionals involved in corporate risk management, prevention, and detection of economic fraud and corruption, as well as in *governance* and *compliance*.

This year's proceedings were officially opened by PIIC heads Piotr Grzybowski and Ireneusz Jabłoński, and the Chairman of the PIIC Advisory Board Rafał Krzemień. Associate Professor Klemens Budzowski, the rector of the Andrzej Frycz Modrzewski Krakow University, spoke on behalf of the University, and Angelika

¹ The *KontrolerINFO* quarterly has assumed media patronage of the Congress.

Bodziony-Durych, the General Director of the Małopolskie Province Office in Krakow spoke on behalf of the Małopolskie Province Governor Łukasz Kmita.

As those who attended this year's Congress said, direct contact with speakers is a very different experience to an online conference watched on a computer screen. It allows getting again the full and true values that this type of event provides. The two-day Conference focused on the most important issues and problems related to internal control in its broadest sense.

During the first day, the attendees discussed, among other things, the introduction of *compliance*: How can it be implemented in the overall organisational systems of various entities without limiting their competitiveness? Agata Lauruk, the Compliance Officer and Data Protection Officer at the STS Group, sought to answer this question. In her opinion, to make this happen, *compliance* must focus not on checking people, but on developing the organisation in question.

When analysing the problems of the GDPR regime, which has been in place in Poland for 6.5 years, Joanna Karczewska – recognised as one of the 100 most important women working in the field of cyber security in Europe² – summarised the current situation as deplorable. Indeed, the GDPR is implemented in such a way that, instead of protecting citizens from surveillance by artificial intelligence, actually facilitates it. According to Karczewska, the blame for this situation lies with lawyers, especially those working for the Tech Giants. They have overcome the restrictions imposed by the GDPR, while they continue to be a difficulty for small entities.

In their presentations, Piotr Błaszczek of LOCOS, a PIIC expert, Mateusz Chrobok, a cyber security, AI, and start-up consultant, Maciej Orzechowski, the president of AIA Concept, and Sławomir Szydłowski of Enigma, discussed problems related to the protection of companies and their data from intrusions related to the use of artificial intelligence, which is now becoming one of the most important problems for data security systems in organisations. New professions will soon emerge, such as artificial intelligence auditor and artificial intelligence surveillance system administrator. However, artificial intelligence can also be used to improve the functioning of an organisation and the level of satisfaction of the people within it. This, too, is a task for the internal control system.

Punishable mismanagement – this was another thematic block presented on the first day of the Congress. Issues related to this topic were presented by Martyna Pawłowska and Jakub Pawłowski of the Pawłowscy-Partners law firm, and Grażyna Felisiak, the president of Sfera Biznesu. In their presentations, they stated that it is very easy to be accused of the offence of mismanagement (Article 296 of the Penal Code), for example because of the purchase (even unintentionally) of low-quality or

² *Hacking gender barriers: Europe's top cyber women*, Brussels: Women4Cyber Foundation, 2022, <https://women4cyber.eu/roadmap-of-actions/100-women-in-cybersecurity-book> [accessed: 24 October 2022].

defective goods, or because of a contract or settlement that turns out to be detrimental to the company over a period of time, which is an offence punishable by three months to five years in prison. According to Grażyna Felisiak, who has worked in accounting for 30 years, in her work she has yet to find an organisation that has not in some way violated Article 296 of the Penal Code. Preventing this type of situation is one of the tasks facing internal control.

Auditing, business security, whistleblowers, AML (anti-money laundering), AI (artificial intelligence), corruption, and ethics – these were the topics of the second day of the Congress. In their presentations, these topics were presented by Anna Wojciechowska – a lawyer, Alexander Ruehle – a co-founder and the CEO of zapliance GmbH, Krzysztof Andrejczuk – the Director of the Internal Audit Office at PSE SA, Paweł Sawicki – the head of the Legal and Compliance Department at the Kopeć & Zaborowski law firm, Paweł Cybulski – a former Deputy Minister of Finance, a deputy head of the National Revenue Administration, a PIIC expert, Robert Rzepiński – a security coordinator at Energa SA, Marek Czechowski – the President of Mark Data Protection, and Dr. Rainer Lenz – the head of Corporate Audit Services at SAF-Holland SE, who spoke online about the future of the profession of auditor.

Krzysztof Andrejczuk, when speaking in his presentation titled ‘How effective internal audit can support company managers’ about cyber security in a company, said that today one should no longer ask oneself if there will be a cyber attack against that company, but when it will happen and how to prepare for it. This is where an audit can help by providing the company with information about possible risks. Unfortunately, a very large number of organisations still do not have a full internal audit function, including 25 per cent of the companies listed on the WSE in the mWIG40 index and one in the WIG20.

These considerations were addressed by Robert Rzepiński in his presentation titled ‘Security analysis in business – old and new challenges’. He stated, among other things, that effective protection of classified information in organisations was becoming an increasing problem. The security schemes adopted to date are no longer impregnable, as there are now increasingly frequent attempts to breach these systems for political reasons (e.g. sanctions imposed on Russia) or due to societal changes (triggered by the COVID-19 pandemic). Therefore, all elements of security – those related both to artificial intelligence and to humans themselves – need to be examined more closely and every element needs to be analysed.

In his presentation titled ‘Current issues in anti-money laundering. A report on Europe and the world’, Paweł Cybulski clearly stated that today crimes can be committed from anywhere in the world – there are no borders or barriers in this respect. An example is the Polish cooperative bank robbed of PLN 1.5 billion by the Colombian mafia. Criminals like it very much when there are fixed due diligence procedures

in place in an organisation, because such procedures are easier to breach and use for extortion and theft.

One of the major issues raised at the Congress was whistleblowers, their role in the functioning of organisations, and their protection. This topic was discussed by Paweł Sawicki in his presentation titled 'Designing and implementing whistleblower channels – guidance for the private and public sectors.' As he stated, if a company that is obliged to implement whistleblower protection rules does not have adequate procedures in place, the company faces criminal liability – the exceptions being small companies with up to 50 employees and communes/municipalities with fewer than 10,000 residents. A whistleblower's report must be accepted within 7 days and feedback must be given within 3 months. Another important point is that no proposed law will protect whistleblowers and their jobs. Ultimately, it is the employer who decides about the protection of whistleblowers.

The Diploma of Honour, awarded by the Polish Institute of Internal Control for special contributions to the development of audit, control, and the prevention of fraud and corruption in Poland, was given to, among others, the Małopolskie Province Governor Łukasz Kmita, Paweł Cybulski, Elżbieta Majchrowska – the Rector's representative for postgraduate studies at the Andrzej Frycz Modrzewski Krakow University, a coordinator of training projects co-financed by the European Social Fund, Joanna Karczevska, and Rafał Patola – the Deputy Director for Administration and Economics at the National Institute of Public Health – National Institute of Hygiene.

In his speech, Łukasz Kmita said:

This is an important distinction for me. As a matter of principle, I insist on high standards, including the transparency of the administration's actions and the integrity of each activity that makes up the various tasks. This is also what I expect from everyone I work with. I always emphasise that a properly conducted audit is an important management tool for improving service levels. This is why I do not believe in "sham" and unprepared audits - and unfortunately I have had to deal with many such audits, including ones conducted by members of the parliament. The auditor also needs to be prepared for the audit activities. In my opinion – and this is my principle – everyone should carry out his or her duties as if they were always going to be audited, and therefore in full transparency and to the best of his or her knowledge. I would like to thank the Polish Institute of Internal Control for the award. For me, this confirms not only that I have taken the right direction as the Governor of the Małopolskie Province, but also that my daily work and the way I do it have been recognised by experts. Many thanks to all the staff at the Province Office who ensure these high standards on a daily basis.

The organisers of the Congress also honoured individuals who had made a special contribution to its organisation and to the success that it proved to be this year.