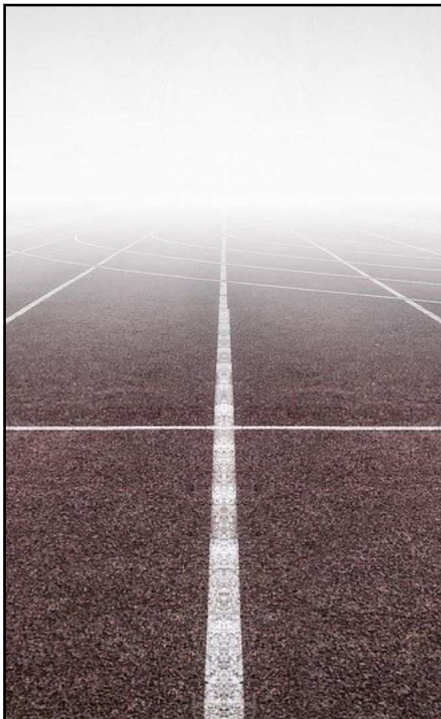




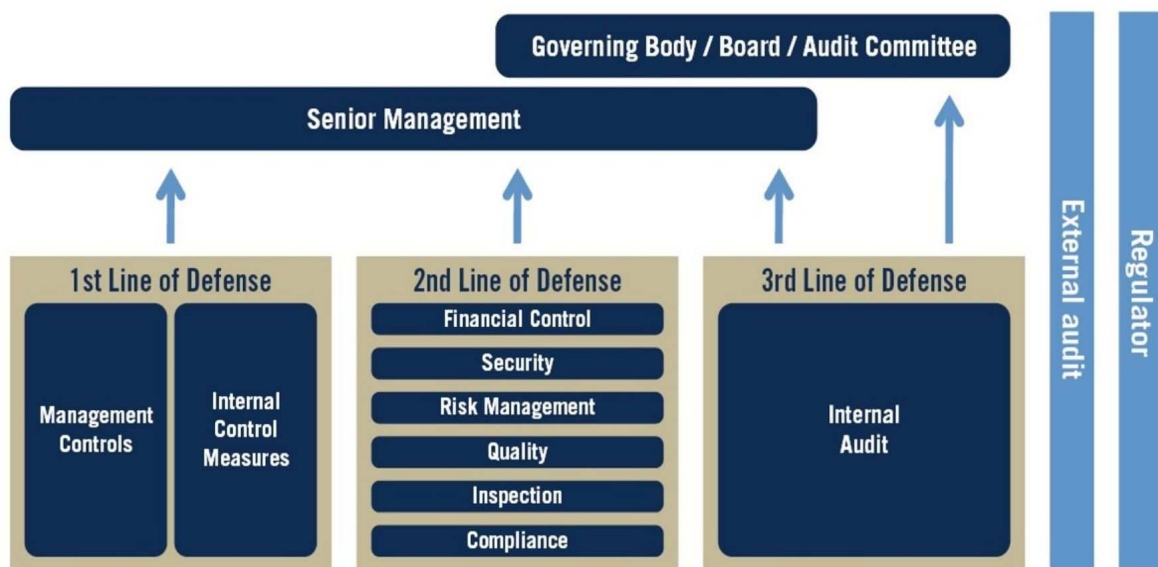
# Three Lines of Defense



## Overview

- 1 Background
- 2 Review
- 3 Update
- 4 Next steps

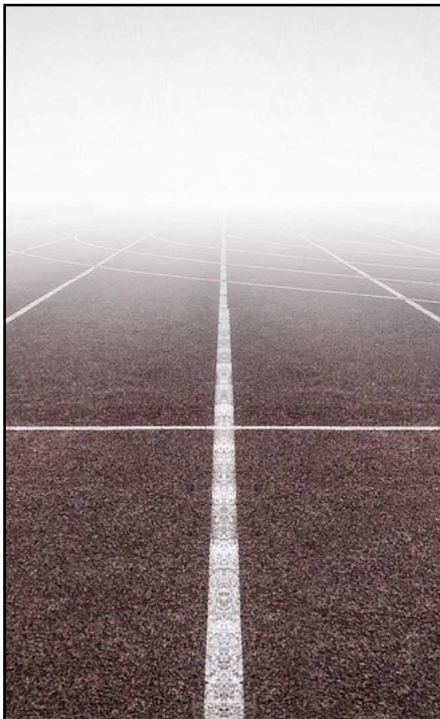
## Three Lines of Defense in effective risk management and control (2013)





## Admirers

- Clear
- Simple
- Successful
- Required
- Helpful



## Critics

- “Defense”
- “Three”
- “Lines”
- Sequential
- Silos
- Inflexible
- “Blurring”
- Public sector
- Smaller organizations
- Risk ownership and accountability

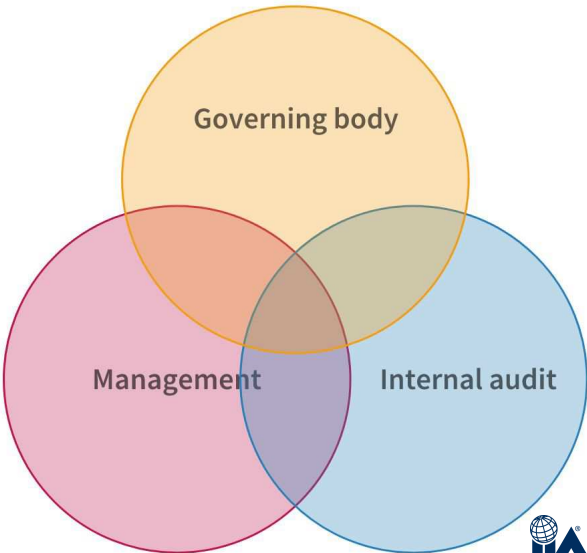
## Refresh

- **More than “defense”**
  - Value creation and protection
  - Organizational success
  - Governance
- **Keep it simple and familiar**
  - Evolution not revolution
  - Similar language and graphic
- **Principles-based**
  - Define principles
  - Flexible - adopt and adapt
- **Clarify risk ownership**
  - First and second line roles are part of management
- **Emphasize value of independent and objective assurance and advice**
  - Independent from management
  - Accountable to the governing body
  - Reporting to both senior management and the governing body
- **Provide context**
  - The story starts with governance

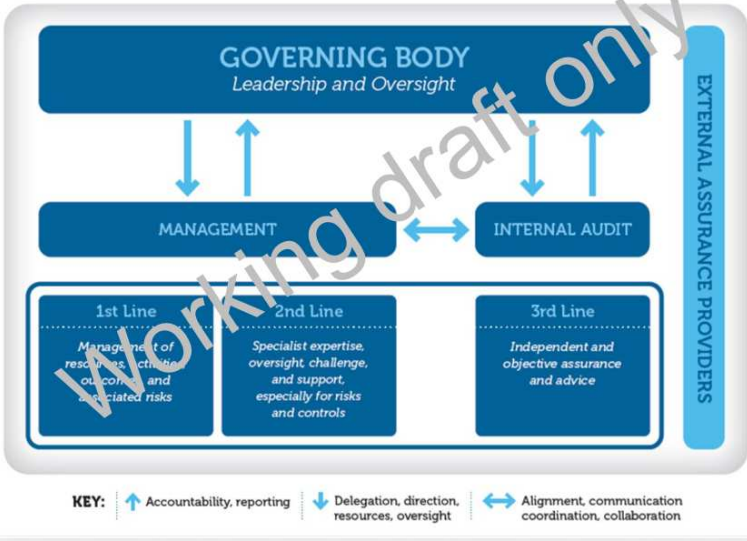
## Governance



# Governance



## The IIA's Three Lines Model (2020)



- Propose new Position Paper to IIA Board March 2020
- Launch at IIA Internal Conference July 2020
- Prepare and release additional materials

Next steps



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