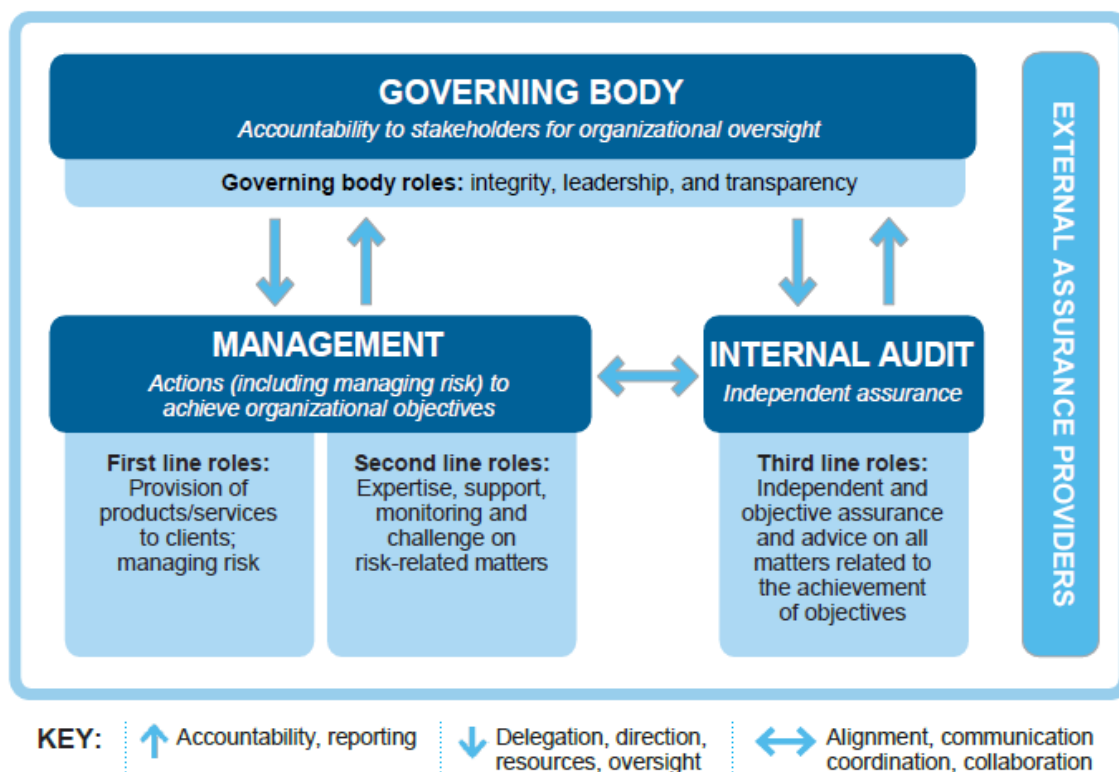


The IIA's Three Lines Model



- A set of principles to be adopted and a model to be adapted to ensure objectives are achieved
- Lines relate to roles and responsibilities not a hierarchy
- 1st and 2nd line may be blended

Source: The Institute of Internal Auditors

Working hypothesis of the Group Chief Internal Auditor:

Governance arrangements at the City of London Corporation and, therefore, achievement of outcomes could be enhanced through better understanding and deployment of the three lines model.

Some examples:

First Line:

- Budget management/management accounting
- Reviewing risk and identifying management strategy
- Billing for services
- Ensuring adequate protection/security of information
- Maintaining safe environments
- Ensuring accessibility of services and equality and equity in service provision

Second Line:

- Corporate accounting, scrutiny, expert advice
- Corporate Risk Management, scrutiny, expert advice, policy
- Corporate debt recovery, financial oversight
- SIRO/Information manager, policy, compliance
- SafetyNet, policy, training, oversight, monitoring
- EEDI team – expert advice, policy, oversight, monitoring

Committees can play a role here too:

Finance Committee – financial management

A&RM Committee – effectiveness of Risk Management