Information Item

CARL-6   The Institute of Internal Auditors’ (IIA) Three Lines of Defense

Background Information

Katherine Skinner, Director of Internal Audit, has provided an overview of the Three Lines of Defense and a copy of the IIA’s Three Lines Model.

Internal Audit Standard 2060 – Reporting to Senior Management and the Board states:

The chief audit executive must report periodically to senior management and the board on the internal audit activity’s purpose, authority, responsibility, and performance relative to its plan and on its conformance with the Code of Ethics and the Standards. …  [emphasis added]

The chief audit executive’s reporting and communication to senior management and the board must include information about:

- The audit charter.
- Independence of the internal audit activity.
- The audit plan and progress against the plan.
- Resource requirements.
- Results of audit activities.
- Conformance with the Code of Ethics and the Standards, and action plans to address any significant conformance issues.
- Management’s response to risk that, in the chief audit executive’s judgment, may be unacceptable to the organization.

Other internal audit reporting requirements noted above will be communicated in other sections or other CARL Committee meetings, as planned.

Attachments

6.1 Three Lines of Defense Overview
6.2 The IIA’s Three Lines Model