The Three Lines of Defense at UW System

**First Line of Defense**
*Manage and Own Risks*
- Own and manage risk
- Implement corrective actions to address process and control deficiencies
- Execute risk and control procedures on a day to day basis

**Second Line of Defense (ERM, Compliance)**
*Oversee Risks*
- Identify risks facing the organization
- Assess impact and probability of risks
- Prioritize risks
- Analyze existing and potential risks
- Coordinate mitigation planning and execution with risk owners
- Pre-Audit
  - Support management in identifying and understanding compliance obligations
  - Facilitate collaboration and coordination to improve compliance
  - Identify gaps in compliance and recommend measures to prevent noncompliance
- Post-Audit
  - Consult with management to ensure appropriate remediation measures are adopted

**Third Line of Defense**
*Provide Independent Assurance*
- Verify that policies are in place and followed
- Validate that business processes are documented and that practices conform to those processes
- Provide potential improvements to internal controls, business processes and policies to management

*Black arrow indicates direct reporting relationship
*Red arrow indicates supporting relationship
*Green arrow indicates flow of information

**This map depicts reporting structure internal to UWSA and, aside from Audit, within individual institutions (i.e. compliance officers report directly to Chancellors on campus)**

1The Three Lines of Defense in Effective Risk Management and Control, The Institute of Internal Auditors, January 2013