

CCH® SWORD

# Three Lines of Defence

Measure

Monitor

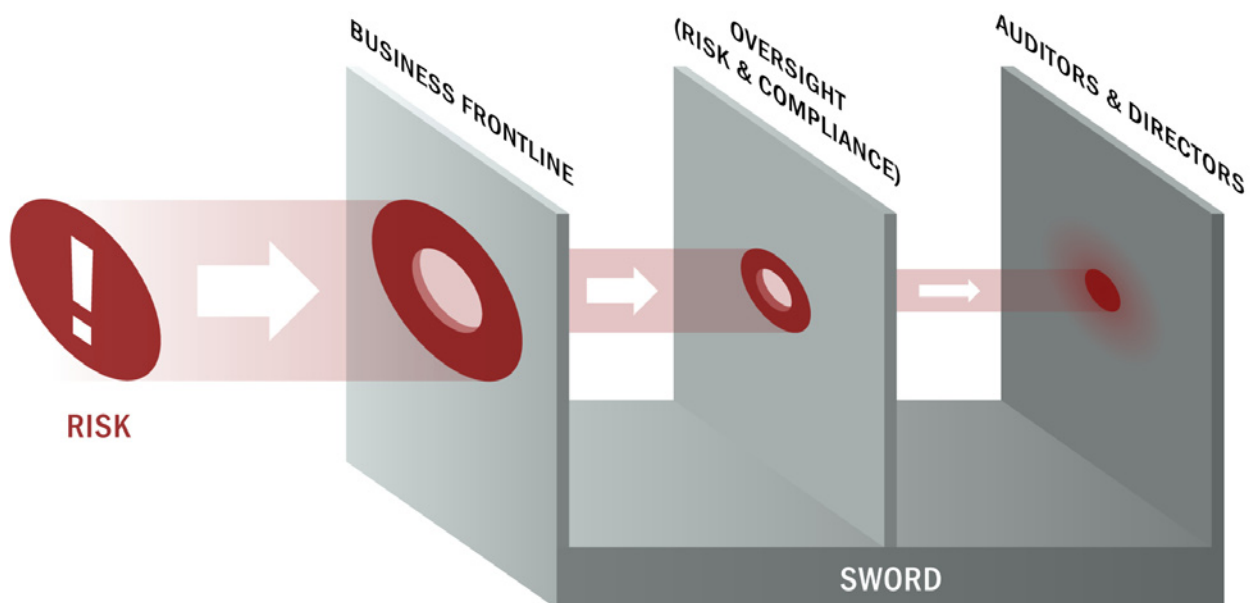
Manage

## Modern institutions all employ the “Three Lines of Defence” model to preventing unwanted things from happening.

- The first line is that of the business frontline staff understanding their roles and responsibilities and carrying them out correctly and completely.
- The Second line is created by the oversight function(s) made up of compliance and risk management. These functions set and police policies, define work practices and oversee the business frontlines with regard to risk and compliance.
- The third and final line of defence is that of auditors and directors. Both internal and external auditors regularly review both the business frontlines and the oversight functions to ensure that they are carrying out their tasks to the required level of competency. Directors receive reports from audit, oversight and the business and will act on any items of concern from any party; they will also ensure that the three lines of defence are operating effectively and according to best practice.

As businesses increase in size and the regulatory and risk environments become more complex these three lines can become disjointed with respect to what it is they are defending and from what threats. The result is that either they are no longer providing proper defence or at the very least they are not as efficient as they might be.

The CCH SWORD platform provides modern institutions with a manner in which they can provide a solid foundation for the three lines of defence such that they are all working off the same set of definitions (what are we defending and from what threats). CCH SWORD also provides individual modules that enable the three lines to work together while maintaining their separation of duties. This ensures that efficiencies are created without compromising the defence model



### The key benefits for an organisation in implementing CCH SWORD to support your three lines of defence are:

- A common foundation for all to work off thus limiting overlaps and gaps
- Common functions that work across the lines to ensure efficiencies (e.g. issues management, risk assessment)
- Data sharing between the three lines to limit the disruption to the business frontline

### For more details on how CCH SWORD supports your three lines of defence please see:

- CCH SWORD for Business Frontline
- CCH SWORD for Compliance
- CCH SWORD for Risk Managers
- CCH SWORD for Auditors
- CCH SWORD for Directors