

Three Lines of Defense

Currently referred in IIGF ERM Framework

Risk Governance Framework

First Line of Defense: Department

Day to day risk management and management control

Second Line of Defense: Risk and compliance

Framework, policies, methodologies

Third Line of Defense: Audit and Board

Risk oversight and Independent Assurances

Board of Directors

- Have primary responsibility for day-to-day risk management and management control
- Bear the consequences of loss through economic risk capital allocation

- Assist in determining risk capacity. Risk appetite allocation, strategies, policies and structures of managing risk
- Provide oversight, support, monitoring and reporting

Board of Commissioners

- Board sets risk appetite and provides oversight
- Audit provides independent and objectives assurance on the overall effectiveness of the risk governance framework (design and implementation)