



THREE LINES OF DEFENSE: REPORT ON THE PUBLIC EXPOSURE FINDINGS JUNE-SEPTEMBER 2019

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1.0 Introduction

The Three Lines of Defense as a model for risk management and control in organizations has been in existence for more than 20 years. It was first formalized in its recognizable form, together with a forerunner to the familiar graphic, in 2011 when ECIIA¹ and FERMA² jointly issued guidance on the 8th EU Company Law Directive article 41³. In 2013, The IIA embraced the model in a Position Paper, *The Three Lines of Defense in Effective Risk Management and Control*, and has promoted it ever since⁴.

The model provides guidance to organizations and others on how to understand and organize efforts and resources toward risk management and control. As there are a number of players involved, such efforts can appear complicated and confusing, which may lead to gaps, overlaps, and misalignment with the needs and interests of the organization. In addressing these issues, the model takes a simple, broad brush approach and describes the key contributions made by:

- The governing body.
- Senior management.
- Management (as the “first line”).
- Specialist functions such as risk management, compliance, legal counsel, and quality assurance (as the “second line”).
- Internal audit (as the “third line”).
- External contributors (notably external audit and regulators).

In addition to providing guidance on such an important aspect of organizational activity, the model also creates a useful way of explaining the role and position of the “third line.” Internal auditing is not always well understood and the Three Lines of Defense model has been successfully employed to communicate its distinct value and importance in providing assurance on the adequacy and effectiveness of risk management and control.

Over that 20-year period, and with increasing pace in the last five, the Three Lines of Defense has become widely known and routinely applied, especially in financial services, where regulators commonly expect organizations to adopt it quite explicitly. There are laws, regulations, codes, policies, and other frameworks (such as the COSO 2017 Enterprise Risk Management) that make express reference to the model⁵. There is no doubt that it has made an impact.

However, the model also has many critics. By focusing narrowly on risk management and control, it separates defensive measures without telling the whole story. It has a tendency to create silos that may appear static and inflexible. The graphic illustrates clearly separated components that in reality are (or need to be) much more closely interrelated with areas of overlap and “blurring.” Unrealistic expectations of the second and third lines can give false comfort to the first line and to the governing

¹ European Confederation of Institutes of Internal Audit

² Federation of European Risk Management Associations

³ <https://www.iiia.nl/SiteFiles/ECIIA%20FERMA.pdf>

⁴ <https://global.theiia.org/standards-guidance/Public%20Documents/PP%20The%20Three%20Lines%20of%20Defense%20in%20Effective%20Risk%20Management%20and%20Control.pdf>

⁵ <https://www.coso.org/Documents/2017-COSO-ERM-Integrating-with-Strategy-and-Performance-Executive-Summary.pdf>

body. It can seem more relevant to the private for-profit sectors and for larger organizations. Despite its best intentions, the model may create confusion and the impression of duplication of resources and overlap of effort with respect to risk management. If everyone is responsible for it, then effectively no one is. Although internal audit may be usefully described as the “third line of defense,” this does not characterize its full potential for being a trusted advisor and contributing to the creation of value as well as to its protection. There is even debate over the appropriate naming of the model and how many “lines” there are. A number of alternate models have been created but without the high adoption rates of the Three Lines of Defense.

With all of this in mind, together with the recognition that organizations and their operating environments have changed considerably in the last 20 years, The IIA initiated a review of its position paper in August 2018 to be led by a representative working group and supported by a larger advisory panel. The working group carried out a review and analysis of the model highlighting its strengths and weaknesses, together with areas for possible development and improvement. These thoughts were shared with a global audience through a public exposure between 20 June and 19 September 2019. More than 2,000 online responses to the survey were received from across the global, plus a further 28 direct emails from influential organizations and individuals. This paper provides a summary and analysis of these findings that will be used to assist the working group in its continuing deliberations.

2.0 Findings

2.1 Summary

- 2,004 completed survey responses were received.
- In addition, we received emailed returns from 28 individuals and organizations, including nine IIA affiliates.

2.2 Demographics

2.2.1 Geographical spread

- Almost one third (32.6%) of respondents were from North America.
- There was strong representation from South America⁶ (23.4%), Europe (17.3%), and Asia (16.6%).

2.2.2 Focus of role

- The largest volume of respondents were received from those in internal audit (“the third line”) (68.5%) followed by risk, compliance, and control (“the second line”) (13.2%).

2.2.3 Membership of The IIA

- The majority of respondents (82.6%) were IIA members.

2.2.4 Industrial sector

- The largest volume of respondents were received from those working in Finance and Insurance (34.5%) followed by Public Administration (11.8%).

⁶ For this analysis, South America includes Central America and the Caribbean.

- Other sectors represented by at least 5% of the total comprised Health Care (5.0%), Manufacturing (7.7%), Other Services (6.3%), and Professional Services (6.2%).

2.3 Responses to the closed questions

- Generally, the views expressed were positive regarding the current graphic (Q7), and the analysis and proposals made by the working group (Q9–Q21 odd numbers only) (average 4.04)⁷.
- Proposals regarding a shift in emphasis to governance, organizational success, and value creation (4.15) and greater adaptability of the model (4.14) were given the highest levels of support.
- Opinions on the current graphic (3.93), the analysis of model (3.96), and consideration of “blurring” (3.85) had the least favorable reactions.

2.4 Analysis of the closed questions

2.4.1 By geography

- In general, responses from Africa and South America were more positive about the model, analysis, and proposals (average 4.19 and 4.20, respectively) compared with the average from all respondents (4.04).
- Europe (3.98), North America (3.98), and Oceania (3.88) tended to be the most negative or skeptical.

2.4.2 By role

- External auditors (4.21) were more likely to be positive regarding the current Three Lines graphic and the analysis and proposals of the working group compared with the average from all respondents (4.04). Governing bodies (4.09) and the “third line” (4.08) were also marginally more positive than average.
- Those identifying themselves as the “first line” were generally more skeptical (3.70), as were those identifying themselves as “other” (including consultants) (3.81).

2.4.3 By membership

- While there was no significant difference, members (4.07) tended to be more favorable toward the current graphic and the analysis and proposals offered by the working group compared with nonmembers (3.93).

2.4.4 By industrial sector

- Respondents from Administrative and Support and Waste Management and Remediation Services (4.46) and Accommodation and Food Services (4.34) responded the most positively, although there were very low numbers in the sample (3 and 10, respectively).
- The largest segment (Finance and Insurance), where the Three Lines model is most prevalent, made responses close to the average (4.06) compared with the average from all respondents (4.04).

⁷ Where: 5 = Strongly agree/approve, 4 = mostly agree/approve, 3 = neither agree/approve nor disagree/disapprove, 2 = mostly disagree/disapprove, 1 = strongly disagree/disapprove

2.5 Individual responses

- 28 responses were received from individuals and organizations, including nine IIA affiliates and seven global professional associations.
- Nine of the individual respondents provided responses to the closed questions. On average, these were marginally more positive (4.14) than the 2,004 respondents (4.04). AT&T was the most positive (4.63) and OECD the least (3.50).
- Among these respondents, Q17 (relating to the analysis of the roles and responsibilities that comprise the model) had the most favorable response (4.78), and Q21 (relating to blurring) the least (3.67), mirroring the feedback of the 2,004 respondents.

2.6 Qualitative feedback

The following is a summary of common responses made to the open questions included in the survey.

2.6.1 Current graphic

(Q7). What is your opinion of the familiar graphic that has been used to illustrate the Three Lines of Defense since 2013?

	(Q7)
Strongly approve	22.7%
Mostly approve	58.2%
Neither approve nor disapprove	10.8%
Mostly disapprove	6.6%
Strongly disapprove	1.7%

(Q8) What recommendations do you have for improving the Three Lines of Defense graphic?

- Changing the name (suggestions include layers or levels of assurance).
- Changing the graphic, to show:
 - Closer coordination.
 - Horizontal lines of communication.
 - Alignment (with each other and with strategy).
 - Areas of overlap.
 - Other “lines” (external auditors, regulators, the governing body).
 - Horizontal rather than vertical orientation for some or all of the lines or a circular model.
 - External audit as part of the third line.
- More detail or greater clarification on the roles of:
 - First line and its ultimate responsibility or “ownership” of risk.
 - Second line with varying comments on the independence or otherwise of the second line.
 - Internal audit with respect to coordination, consultation, and advice, and its responsibility for holding the first line to account as well as providing assurance and oversight on the second line.
 - External audit and regulators.
 - Senior management.
 - Governing body.

- Stakeholders.
- Internal control.
- Reference to:
 - Scalability.
 - Sector-specific differences.
 - Link to ERM and COSO.
 - Assurance.

2.6.2 Assessment of the model

(Q9) What is your opinion of the assessment made of the Three Lines of Defense model described in this section?

	(Q9)
Strongly approve	22.5%
Mostly approve	59.0%
Neither approve nor disapprove	11.8%
Mostly disapprove	5.6%
Strongly disapprove	1.0%

(Q10) What further comments do you wish to add to the assessment of the Three Lines of Defense model?

Comments were made seeking more, less, or changes to commentary on the following insofar as they impact the model:

- The importance of independence.
- The fact and nature of blurring and whether it is a good or a bad thing.
- The proactive nature of internal audit’s role.
- The importance of defense as part of internal audit’s role.
- The inflexibility of the “traditional” model being both a strength and a weakness.
- The role of stakeholders.
- The nature and importance of value.
- Risk and ERM.
- Technology.
- Integrity.
- The various roles of each line.
- Decision making.
- Compliance.
- The need to promote the model.
- Culture.
- Scalability.
- Overlaps between roles.

2.6.3 Repositioning of the model

(Q11) The exposure document proposes to strengthen the Three Lines model by repositioning it in the context of governance, organizational success, and value creation. To what extent do you approve of this approach?

	(Q11)
Strongly approve	39.0%
Mostly approve	45.3%
Neither approve nor disapprove	9.4%
Mostly disapprove	4.1%
Strongly disapprove	2.2%

(Q12) What challenges do you see in applying the model to this broader governance context?

- Requires a change in mindset for the whole organization (and there is resistance to change) and this may in turn require education.
- The board and management need to understand the model better.
- Focus on governance could make it more theoretical, harder to explain than “defense,” requiring longer term perspective.
- Value creation can be hard to define.
- A common definition of governance is needed.
- Could be a greater bar to adoption of the model.
- The need to take account of differences due to:
 - Culture.
 - Maturity.
 - Size.
 - Stakeholders.
 - Complexity.
 - Change.
 - Technology.
- Internal audit must also respond positively to this re-imagining of the model but needs to remain risk-based.
- There is a risk of de-emphasizing the role of internal audit for defense and control.
- It may put extra strain on the independence of internal audit.
- Consider the COSO model as an alternate.
- Collaboration is key.
- Ethics is not necessarily as important to stakeholders and organizations as the analysis suggests.
- Consider a new model altogether rather than changing a successful model (especially where it is embedded in policy, legislation, etc.).
- Particular problems in the public sector where governing body is elected or appointed.
- The shift to a governance focus may either already have occurred or not be helpful or even meaningful.
- Success and value creation are not the same as governance.

2.6.4 Roles and activities

(Q13) The exposure document identifies four main complementary and overlapping groups of roles and activities that typically support governance, organizational success, and value creation, namely: leadership and oversight; strategy execution; support, guidance, and control; and objective assurance and advice. These four groups form the basis of the main functions that comprise the model. To what extent do you agree that this analysis is helpful in advancing the understanding of the model and improving its application?

(Q13)	
Strongly agree	32.5%
Mostly agree	49.2%
Neither agree nor disagree	11.8%
Mostly disagree	4.3%
Strongly disagree	2.1%

(Q14) What further comments do you wish to make on this approach? Many comments contradict with each other, some being very supportive and others being more critical. Typical comments include:

- More complicated than the original, too wordy.
- The terms don't adequately separate and distinguish the four groups, as some of the terms are vague or shared or overlapping (especially oversight, support, advice, guidance, control).
- Greater clarity and separation conceptually is needed before you can start talking about blurring and overlap.
- Leadership and oversight are two separate categories.
- This is not necessarily new or different from the 3LOD.
- This approach (re)creates silos.
- Internal audit should not be restricted to just one category.
- Is strategy execution part of governance?
- The overlaps are not right.
- This is different from the three lines described later and could be confusing.

2.6.5 Main functions

(Q15) This section describes the typical roles and responsibilities of each of the main functions that comprise the model as well as key external bodies that contribute to governance, organizational success, and value creation. What is your assessment of this section of the exposure document?

(Q15)	
Strongly approve	29.7%
Mostly approve	54.4%
Neither approve nor disapprove	11.2%
Mostly disapprove	3.1%
Strongly disapprove	1.5%

In the comments section, there are suggestions for more specific detail as well as calls to simplify and leave more to the discretion of individual organizations. Many comments refer to the roles of the second line seeking greater definition and differentiation. As with other sections, the comments are

often contradictory. Some respondents welcome all of the description in this section while others find it confusing or unsatisfactory. Representative comments include:

- Social responsibility is missing.
- The description of the role of risk management is missing, incomplete, or inaccurate.
- Greater clarification of “stakeholder” is required.
- Saying the second line “works alongside management” is confusing as it is part of management.
- Saying the second line is part of the “broader management function” blurs the distinction between the first and second lines.
- The governing body does not provide oversight of external audit or SAIs.
- Not all policies relate to risk and not all policies are approved by the governing body.
- Clarification is needed around the department of internal control.
- Clarification is needed regarding the development of policies and how internal audit may be involved while maintaining independence.
- Consideration needs to be given to the role of politics in public sector bodies.
- Consideration needs to be given to culture.
- “Risk appetite” is not adequately covered.

2.6.6 Coordination, integration, and alignment

(Q17) The exposure document describes the importance of coordination, integration, and alignment across roles as well as the opportunity for internal audit to play a lead role in facilitating this. Do you agree that this is an appropriate role for internal audit?

	(Q17)
Strongly agree	41.1%
Mostly agree	39.0%
Neither agree nor disagree	9.5%
Mostly disagree	7.7%
Strongly disagree	2.7%

(Q18) What further comments do you wish to add on this section?

- The “clear role” that internal audit has for better coordination is not well defined.
- The coordinating role must not interfere with the clear and distinct role internal audit has nor with its independence.
- Facilitate may be a better word than lead.
- It requires the help, support, and buy-in of everyone.
- Internal audit can play an important role but not lead on coordination.
- Internal audit may not have the skill or credibility.
- This is too much of a change.
- Internal audit should ensure that there is coordination but does not need to lead it.
- The degree to which internal audit can play this role depends largely on maturity.
- Lines 1 and 2 must work closely together.
- Agree that alignment is important but how it works will vary between organizations.
- Paper is too skewed to an internal audit perspective, and coordination between the lines can and should occur between the first and second lines without internal audit’s involvement.

- Coordination is a management responsibility.
- Internal audit cannot be solely responsible for coordination; it must be shared.
- The lines need to act simultaneously.
- The governing body has a key role to play in ensuring everything runs as it should.

2.6.7 Adaptability and flexibility

(Q19) The exposure document describes ways in which the model can be adapted to suit the needs of an organization, including a maturity model. To what extent do you approve of this more flexible approach?

	(Q19)
Strongly approve	37.6%
Mostly approve	45.7%
Neither approve nor disapprove	11.5%
Mostly disapprove	3.6%
Strongly disapprove	1.6%

(Q20) What further comments do you wish to add on this section?

- “Scaling” and “blurring” are vague terms that need clarification.
- In some instances, we may be talking about eliminating a line or combining lines.
- Some flexibility, yes, but internal audit must be independent and objective.
- Regulators require hard and fast application of the model.
- First line must continue to be accountable for risk and risk management.
- Small does not mean less mature.
- Need to reflect sectoral differences too.
- Adaptability and flexibility will weaken the model.
- The model should be flexible to suit small and large organizations.
- In smaller organizations, the second line responsibilities can be assumed by management.
- Things that may vary due to size include: degree of separation and segregation, the size of the second and third lines, reporting lines, direct involvement of the governing body.
- Maturity is as important as pure size of an organization as well as complexity (different concepts).
- Flexibility is consistent with internal audit being a strategic partner.
- Guidance would be welcome.

2.6.8 Blurring

(Q21) The exposure document provides a way of explaining and allowing for “blurring of the lines,” recognizing that the internal audit function can provide value in nonassurance roles, as long as there is a clear assessment of the potential impact on the effectiveness of governance and safeguards are considered. Ultimate responsibility rests with the governing body to determine the structure and roles most appropriate for the organization. To what extent do you approve of this approach?

	(Q21)
Strongly approve	34.7%
Mostly approve	41.6%

Neither approve nor disapprove	11.8%
Mostly disapprove	8.8%
Strongly disapprove	3.1%

(Q22) What further comments do you wish to add on this section?

- Advisory roles bring much extra value.
- Blurring is needed in smaller organizations.
- Blurring is allowed in the *Standards*.
- Blurring means confusion.
- Consulting compromises independence.
- Without the concept of “lines” there is no problem of “blurring.”
- There is often too much emphasis on the importance of independence.
- Unclear roles is not the way to go.
- Do internal auditors have the skills for nonassurance advisory roles?
- Independence remains important and must always be preserved.
- If you blur, you may as well not have a third line.
- Independence is not just a matter of the right reporting lines.
- The governing body does have overall responsibility to determine roles but may not be well placed to understand the implications of blurring.
- Advisory services should come from an objective perspective.
- Internal audit and risk management are different in scope and cannot be undertaken by one function. Internal audit provides independent assurance over risk management’s effectiveness. Risk management manages the risk and control systems.
- More guidance is needed on this important topic.

3.0 Conclusions

3.1 General

- The Three Lines of Defense model is recognized, understood, and adopted by a wide range of organizations and stakeholders.
- The model has been a very successful tool for advancing awareness and understanding of internal audit.
- The current model can be improved by building on the same principles.
- The IIA is the organization most closely associated with the model and has the position and stature to influence its future iterations.
- The analysis and assessment of the model in the exposure document are valid.
- There is a need to refresh and update the model.
- The model is not consistent with a more proactive role for internal auditing beyond “the third line of defense” as being a contributor to both value protection and value creation, a strategic partner and trusted advisor, indispensable to governance and organizational success.
- Framing the model in the context of governance, organizational success, and/or value creation would be beneficial.
- The model and the graphic need to be kept simple, easy to understand, and familiar.

- Significant change would create problems because of the current levels of recognition, including where it has been codified.

3.2 Areas requiring improvement

- The main areas requiring improvement are:
 - The naming of the model to reflect something more than “defense.”
 - Encouragement for communication, coordination, and collaboration across the lines to avoid silos.
 - Emphasis that the first line remains responsible for risk management and must be held to account for this.
 - Emphasis that internal audit must review the effectiveness of the first and second lines.
 - Allowance for maturity and scalability.
 - Relevance for the not-for-profit sectors.

3.3 The graphic

- The graphic plays a significant role in the awareness, understanding, and adoption of the model.
- The model requires a clear and simple graphic.
- The current graphic can be improved.
- The analysis and assessment of the graphic in the exposure document are valid.

3.4 Blurring

- “Blurring” between the lines is a reality in many organizations.
- Independence and the appearance of independence are critical to the credibility, authority, objectivity, and distinctive value of internal audit.
- Advisory services enable internal audit to provide greater value to their organizations but safeguards are very important.
- There are limits to the appropriate scope for each of the lines.

3.5 Labeling and descriptions

- The attempt to separate roles and activities from functions when describing the three lines and to relabel the lines is unhelpful and confusing.

Appendix A: Findings from survey respondents

2,004 completed surveys were received.

A1 Demography

A1.1 Focus of role

Which of the following best describes the main focus of your role?

Role	#	%
“First line” (i.e., operational management)	30	1.5%
“Second line” (i.e. risk, quality, control, compliance, legal counsel, information security, etc.)	264	13.2%
“Third line” (i.e. internal auditing)	1,372	68.5%
Academic	28	1.4%
External auditor or supreme audit institution (SAI)	52	2.6%
Governing body/board	54	2.7%
Other	62	3.1%
Regulator	18	0.9%
Senior/executive management	121	6.0%
Student	3	0.1%
TOTAL	2,004	100.0%

A1.2 Membership of The IIA

Are you a member of The IIA?

Membership	#	%
Yes	1,655	82.6%
No	349	17.4%
TOTAL	2,004	100.0%

A1.3 Sector

What is the primary industry classification of the organization for which you work (or your primary client if you are a service provider)?

Sector	#	%
Accommodation and Food Services	10	0.5%
Administrative and Support and Waste Management and Remediation Services	3	0.1%
Agriculture, Forestry, Fishing and Hunting	27	1.3%
Arts, Entertainment, and Recreation	26	1.3%
Construction	25	1.2%
Educational Services	87	4.3%
Finance and Insurance	691	34.5%
Health Care and Social Assistance	100	5.0%
Information	51	2.5%
Management of Companies and Enterprises	32	1.6%
Manufacturing	155	7.7%
Mining, Quarrying, and Oil and Gas Extraction	64	3.2%
Other Services (except Public Administration)	127	6.3%
Professional, Scientific, and Technical Services	125	6.2%
Public Administration	236	11.8%
Real Estate and Rental and Leasing	37	1.8%
Retail Trade	43	2.1%
Transportation and Warehousing	57	2.8%
Utilities	87	4.3%
Wholesale Trade	21	1.0%
TOTAL	2,004	100.0%

A1.4 Geography

Region	#	%
Africa	122	6.1%
Asia	333	16.6%
Europe	347	17.3%
North America	654	32.6%
Oceania	79	3.9%
South America	469	23.4%
TOTAL	2,004	100.0%

A2 Responses to closed questions

A2.1 Overall

Question	Summary response ⁸
(Q7) Graphic	3.93
(Q9) Analysis	3.96
(Q11) Governance	4.15
(Q13) Groups of roles	4.06
(Q15) Specific roles	4.08
(Q17) Coordination	4.08
(Q19) Adaptability	4.14
(Q21) Blurring	3.96
Overall	4.04

Full wording:

- (Q7) What is your opinion of the familiar graphic that has been used to illustrate the Three Lines of Defense since 2013?
- (Q9) What is your opinion of the assessment made of the Three Lines of Defense model described in this section?
- (Q11) The exposure document proposes to strengthen the Three Lines model by repositioning it in the context of governance, organizational success, and value creation. To what extent do you approve of this approach?
- (Q13) The exposure document identifies four main complementary and overlapping groups of roles and activities that typically support governance, organizational success, and value creation, namely: leadership and oversight; strategy execution; support, guidance, and control; and objective assurance and advice. These four groups form the basis of the main functions that comprise the model. To what extent do you agree that this analysis is helpful in advancing the understanding of the model and improving its application?
- (Q15) This section describes the typical roles and responsibilities of each of the main functions that comprise the model as well as key external bodies that contribute to governance, organizational success, and value creation. What is your assessment of this section of the exposure document?
- (Q17) The exposure document describes the importance of coordination, integration, and alignment across roles as well as the opportunity for internal audit to play a lead role in facilitating this. Do you agree that this is an appropriate role for internal audit?
- (Q19) The exposure document describes ways in which the model can be adapted to suit the needs of an organization, including a maturity model. To what extent do you approve of this more flexible approach?
- (Q21) The exposure document provides a way of explaining and allowing for “blurring of the lines,” recognizing that the internal audit function can provide value in nonassurance roles, as long as there is a clear assessment of the potential impact on the effectiveness of governance and safeguards are considered. Ultimate responsibility rests with the governing body to determine the structure and roles most appropriate for the organization. To what extent do you approve of this approach?

⁸ Where: 5 = Strongly agree/approve, 4 = mostly agree/approve, 3 = neither agree/approve nor disagree/disapprove, 2 = mostly disagree/disapprove, 1 = strongly disagree/disapprove

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A2.2 Analysis by role

Question	First line	Second line	Third line	Academic	External auditor or SAI	Governing body/board	Other	Regulator	Senior/executive management	Student	ALL
(Q7)	3.57	3.94	3.97	3.79	4.12	4.04	3.53	3.83	3.79	4.00	3.93
(Q9)	3.50	3.97	3.99	4.00	4.13	3.85	3.69	4.00	3.80	3.33	3.96
(Q11)	3.73	4.17	4.18	3.89	4.35	4.20	3.94	3.89	3.95	3.67	4.15
(Q13)	3.90	4.00	4.08	3.89	4.33	4.15	3.81	3.89	3.98	4.67	4.06
(Q15)	4.00	4.03	4.11	4.18	4.13	3.94	3.90	3.83	3.95	4.33	4.08
(Q17)	3.37	3.81	4.17	4.04	4.21	4.17	3.81	3.83	3.95	3.00	4.08
(Q19)	3.80	4.01	4.16	4.14	4.44	4.30	3.94	4.22	4.16	4.00	4.14
(Q21)	3.70	3.81	4.00	3.82	3.98	4.09	3.85	3.61	3.92	4.00	3.96
ALL	3.70	3.97	4.08	3.97	4.21	4.09	3.81	3.89	3.94	3.88	4.04

A2.3 Analysis by membership

	Yes	No	ALL
(Q7)	3.95	3.85	3.93
(Q9)	3.99	3.85	3.96
(Q11)	4.17	4.05	4.15
(Q13)	4.07	3.98	4.06
(Q15)	4.09	4.01	4.08
(Q17)	4.11	3.92	4.08
(Q19)	4.16	4.02	4.14
(Q21)	4.00	3.77	3.96
ALL	4.07	3.93	4.04

A2.4 Analysis by sector

Sector	(Q7)	(Q9)	(Q11)	(Q13)	(Q15)	(Q17)	(Q19)	(Q21)	ALL
Accommodation	4.00	3.90	4.60	4.20	4.30	4.60	4.50	4.60	4.34
Administrative Waste Management	4.33	4.33	4.67	4.67	4.33	4.67	4.33	4.33	4.46
Agriculture	3.85	3.74	4.15	4.00	3.89	3.89	4.15	3.59	3.91
Arts	4.08	4.08	4.27	4.27	4.04	4.27	3.96	4.19	4.14
Construction	3.84	3.80	4.16	4.08	4.08	4.04	3.96	3.96	3.99
Educational Services	3.92	3.95	4.11	3.94	4.03	3.95	3.95	3.94	3.98
Finance and Insurance	4.00	3.99	4.16	4.09	4.10	4.08	4.16	3.93	4.06
Health Care	4.02	4.03	4.19	4.18	4.19	4.15	4.14	3.96	4.11
Information	3.86	3.90	4.14	3.98	4.04	4.29	4.12	4.04	4.05
Management	3.63	4.06	4.38	4.22	4.09	4.16	4.31	4.22	4.13
Manufacturing	3.99	4.07	4.14	4.08	4.11	4.12	4.16	4.06	4.09
Mining	4.03	3.98	4.14	4.14	4.23	3.98	4.08	4.06	4.08
Other Services	3.80	3.89	4.11	4.04	3.94	4.13	4.09	3.89	3.99
Professional	3.83	3.88	3.90	3.78	3.94	3.90	4.02	3.96	3.90
Public Administration	3.92	3.94	4.17	4.04	4.06	4.12	4.18	3.85	4.03
Real Estate	3.92	3.86	4.27	3.97	4.05	4.03	4.16	4.00	4.03
Retail Trade	3.79	3.84	4.12	4.16	4.05	4.14	4.09	4.02	4.03
Transportation	3.81	3.86	3.95	4.00	3.96	3.88	4.14	3.81	3.93
Utilities	4.02	4.06	4.36	4.03	4.22	4.08	4.31	4.17	4.16
Wholesale	3.33	3.71	4.05	4.14	4.05	4.14	4.14	4.05	3.95
ALL	3.93	3.96	4.15	4.06	4.08	4.08	3.96	3.96	4.02

A2.5 Analysis by geography

	Africa	Asia	Europe	North America	Oceania	South America	All
(Q7)	4.12	3.86	3.95	3.85	3.71	4.08	3.93
(Q9)	4.09	3.90	3.92	3.91	3.78	4.12	3.96
(Q11)	4.25	4.13	4.08	4.05	4.00	4.35	4.15
(Q13)	4.22	4.07	3.98	3.94	3.84	4.26	4.06
(Q15)	4.28	4.04	3.99	3.99	3.94	4.26	4.08
(Q17)	4.22	4.06	4.11	4.00	3.78	4.21	4.08
(Q19)	4.28	4.08	4.02	4.12	4.00	4.29	4.14
(Q21)	4.05	3.96	3.77	3.95	4.01	4.07	3.96
ALL	4.19	4.01	3.98	3.98	3.88	4.20	4.04

A3 Individual responses

Nine of the 26 individual respondents provided responses to the closed questions, as follows:

	(Q7)	(Q9)	(Q11)	(Q13)	(Q15)	(Q17)	(Q19)	(Q21)	ALL	Mean
ATT	4	4	5	4	5	5	5	5	37	4.63
Boeing	3	4	3	5	4	5	5	1	30	3.75
IASAB	4	4	5	4	4	5	4	4	34	4.25
ICAEW	4	4	4	5	5	5	4	4	35	4.38
IIA–Morocco	4	4	4	4	4	5	4	4	33	4.13
IIRC	4	4	5	4	4	5	4	4	34	4.25
OECD	5	2	3	3	2	4	5	4	28	3.50
OLACEFS	4	4	5	5	5	5	4	4	36	4.50
UN	4	4	4	4	4	4	4	3	31	3.88
ALL	36	34	38	38	37	43	39	33	298	4.66
Mean	4.00	3.78	4.22	4.22	4.11	4.78	4.33	3.67	33.11	4.14

Appendix B: Findings from individuals and organizations received via email

- ATT
- Boeing
- Davis Polk
- Professional bodies and associations
 - AIRMIC
 - IASAB (UK Public Sector)
 - ICAEW
 - IIRC
 - INTOSAI (Austrian Court of Auditors)
 - OLACEFS (INTOSAI)
 - PAIB (IFAC)
 - SCCE
- IIA affiliates:
 - IFACI
 - IIA–Australia
 - IIA–Austria
 - IIA–Finland
 - IIA–Germany
 - IIA–Morocco
 - IIA–Norway
 - IIA–Spain
 - IIA–Sweden
- Commercial organizations
 - Legal & General
 - London Life
 - PEMPAL
 - Simmons
- Notable individuals
 - Mervyn King
- Other global bodies
 - OECD
 - United Nations