Gordon Institute of Business Science
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Implementing combined assurance in organisations to enable boards to exercise risk oversight

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ABSTRACT

There has been an increase in corporate failures over the past two decades, which have been attributed to governance failures. In particular, inadequate risk oversight by boards has been cited as the main cause of these failures. Combined assurance has emerged as a mechanism that can assist boards to exercise their risk oversight role. This entails different assurance providers working together to align their assurance activities, in order to provide boards with a holistic view of the risk and control and environment of the organisation. However, many organisations are finding it challenging to implement combined assurance due to a lack of guidance regarding why they need to do this, what they need to succeed, implementation approaches, and if there are benefits that can be achieved. The aim of this study is to understand the drivers, success factors, methods/ ways used to implement combined assurance and the benefits thereof. In particular, if the benefit of enabling boards to exercise their risk oversight is being achieved.

Qualitative research methods were used to explore the concept of combined assurance. Fourteen semi-structured interviews were conducted face to face with participants who had experience in implementing combined assurance. The participants were either Heads of assurance functions in the Internal Audit, External Audit and Risk departments; risk and assurance consultants; or independent directors who chaired either the Risk or Audit Committees. The participants represented six different industries, namely the Financial, Consulting, Printing, Mining, Property and Motor industries. The data collected during the interviews were analysed using thematic analysis.

The findings from the study demonstrate that there are internal and external drivers causing organisations to adopt combined assurance, such as the existence of oversight committees and compliance with governance standards respectively. Buy-in from stakeholders, a common methodology, a mature Risk function and a strong coordinator are some of the key success factors noted as being required to implement combined assurance successfully. Furthermore, the combined assurance map, joint assurance, alignment of assurance activities and coordinated reporting emerged as the implementation approaches being used in organisations. Moreover, benefits such as preventing duplication of effort, focus and deepening understanding of risks and consistent messaging were some of the benefits found in this study. More importantly, the study demonstrated that combined assurance enables boards to exercise their risk oversight role effectively.

KEYWORDS

Combined assurance; assurance providers; risk oversight; lines of defence; risk and control; placing reliance; implementing.

DECLARATION

I declare that this research project is my own work. It is in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

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ABBREVIATIONS

AP:	Assurance Provider
CA:	Combined Assurance
CAE:	Chief Audit Executive
COSO:	Committee of Sponsoring Organisation of the Treadway Commission
CRO:	Chief Risk Officer
ERM:	Enterprise Risk Management
EY:	Ernst & Young
IoDSA:	Institute of Directors in Southern Africa
IIA:	The Institute of Internal Auditors
ISO:	International Organisation for Standardisation
IRMSA:	Institute of Risk Management South Africa
JSE:	Johannesburg Stock Exchange

CHAPTER 1: DEFINITION OF PROBLEM AND PURPOSE

1.1. Introduction

A number of corporate failures have been experienced in the past two decades, which has sparked conversations about the importance of, and need for, risk oversight (Decaux & Sarens, 2015a; Forte & Barac, 2015). Furthermore, the analysis of the 2008-2009 financial crisis showed that there were failures in risk management practices, which were worsened by lack of or inadequate risk oversight by boards (Berger, Imbierowicz & Rauch, 2012; Brown, Steen & Foreman, 2009; Conyon, Judge & Useem, 2011; Decaux & Sarens, 2015a; 2015b; Gontarek, 2016; Sheedy & Griffin, 2018; Senior Supervisors Group, 2009). Since 2009, the role of the board has significantly shifted; it now has a larger responsibility to provide an oversight role when it comes to the management of risks in organisations (Forte & Barac, 2015; Gontarek, 2016; Haji & Anifawose, 2016). This has led to a demand for mechanisms which could assist boards to exercise risk oversight.

A board relies on a number of internal and external assurance providers, such as Enterprise Risk Management (ERM), Compliance, Internal Audit, External Audit, Information Security, Information Technology (IT) Governance and Forensic specialists, among others, to exercise its risk oversight role (Soh & Martinov-Bennie, 2015; The Institute of Internal Auditors (IIA), 2016). Imagine the board receiving different reports from all these assurance providers, with each report highlighting views on risks and the control environment of the organisation.

The information received from these many assurance providers could be overwhelming, as it might be too much for the board to comprehend or there could be contradictory views across assurance providers (Decaux & Sarens, 2015a; Huibers, 2015). This will prevent the board from exercising its risk oversight role effectively, which is why combined assurance implementation is so critical for an organisation. Combined assurance allows risks to be managed, assured and reported in a coordinated or integrated manner. This gives the board “a comprehensive, holistic view of the effectiveness of their organisation’s governance, risks and controls…” (Huibers, 2015, p. 1), thereby enabling effective risk oversight and better decision making.

1.2. Description of the problem

The Committee of Sponsoring Organisations of the Treadway Commission's (COSO) framework for risk management suggests that a board carries the full responsibility for risk oversight (COSO, 2014). The board is required to comment on the effectiveness of the risk management system of the organisation, however without the right mechanisms to do so, this might be impossible (Decaux & Sarens, 2015b; Hines, Masli, Mauldin & Peters, 2015). With risk governance having become a topical issue since the financial crisis of 2008-2009 and given the many recent corporate failures (Conyon et al., 2011; Berger et al., 2012; Sheedy & Griffin, 2018), boards have been looking for mechanisms to ensure that that they can provide risk oversight. In addition, ongoing improvements are required by regulators on risk management, especially amongst financial institutions, following the financial crisis (Kress, 2018), with emphasis being placed on boards to monitor the risks of organisations.

The pressure on boards to exercise risk oversight has also increased with the demand on organisations to report on both financial and non-financial information in integrated reports (Soh & Martinov-Bennie, 2015; Haji & Anifowose, 2016; Zhou, Simnett & Hoang, 2018). No longer do investors and analysts rely solely on financial information to make decisions; they require non-financial information relating to the risk and control environment in organisations, as well as social and environmental considerations. Organisations are required to comment on the effectiveness of their risk and control environment in integrated reports, however, without underlying mechanisms to do so within the organisation, this could be challenging. As a result of this requirement, there is a need for internal and external assurance providers to work together to ensure the credibility of the non-financial information being reported in integrated reports, which includes risk and control information.

Furthermore, organisations operate in ever changing environments where different kinds of risks are emerging due to market dynamics changing, emerging technologies, changing consumers demands, and an increase in laws and regulations (Clemens, 2014; Jack, 2019). Organisations are becoming more complex, as are the risks being faced (PWC, 2015; MetricStream, 2019; Jack, 2019), which increases the need for boards to provide risk oversight to organisations. The financial crisis brought with it greater scrutiny of organisations, especially financial services companies, on how risks are being managed, as regulators are concerned about the ripple effects on an economy if there is a failure to manage risks adequately (Elyasiani & Zhang, 2015; Kress, 2018).

This calls for mechanisms that can enable boards to provide effective risk oversight, given the complexity and interconnectedness of these emerging risks.

Combined assurance has emerged as a mechanism which boards can rely on to exercise their risk oversight role (Al Chen, Decaux & Showalter, 2016; Decaux & Sarens, 2015a; 2015b; Forte & Barac, 2015; Huibers, 2015), as well as enhance the credibility of non-financial information reported in integrated reports (Ackers & Eccles, 2015; De Villiers, Venter & Hsiao, 2017; Soh & Martinov-Bennie, 2015; Zhou et al., 2018). Decaux and Sarens (2015b) questioned what is really driving organisations to implement combined assurance, as it has been unclear in the past. Combined assurance helps with "integrating and aligning assurance processes in a company to maximise risk and governance and control efficiencies and optimize overall assurance to the Audit and Risk committee, considering the company's risk appetite" (Huibers, 2015, p. 2). An integrated way of managing risks and assurance on those risks requires assurance providers to work together. Failure by assurance providers to work together can result in duplication of effort and time, assurance gaps, management fatigue and ineffectual reporting to oversight committees, which leads to ineffective risk oversight by boards.

The challenge is that different assurance providers are professionals in their own specialist fields of work, and the dilemma they face is letting go in order to formulate "one language, one vice, one view" (Huibers, 2015 p. 1) on the significant risks faced by the organisation. The challenge is which assurance provider methodology prevails over the other, who champions the combined assurance cause, and what the methods are that assurance providers should use to implement combined assurance. Without case studies to refer to or guidance on implementation approaches, it can be challenging for organisations to implement combined assurance, hence making it difficult for boards to exercise their risk oversight role (Azzali & Mazza, 2018; Decaux & Sarens, 2015a).

Since 2009, the concept of combined assurance has been growing and an agenda has been put forward. Within the South African context, the 2009 King III report on corporate governance introduced the concept of combined assurance for the first time (Institute of Directors in Southern Africa (IoDSA), 2009). This was further refined in the 2016 King IV report, with principles and recommended practices for various corporate governance aspects. Recommended practice 40 to 43 is on combined assurance, which proposes that the audit committee takes responsibility for combined assurance (IoDSA, 2016). However, the recommended practices do not outline how combined assurance should be implemented in organisations, but rather suggest where accountability of the

combined assurance programme should lie in the organisation. King IV suggests that the board should delegate combined assurance responsibility to the board.

On the other hand, IIA Standard Practice 2050 suggests that “the Chief Audit Executive should share information and coordinate activities with other internal and external providers of assurance and consulting services to ensure proper coverage and minimize duplication” (IIA, 2017a, p. 3). The recommendations from King IV and IIA Practice Standards therefore suggest that the Internal Audit function should lead combined assurance, yet the Internal Audit function’s challenge is that it has to maintain its independence (IIA, 2016). How then, can Internal Audit champion combined assurance across different assurance providers and still maintain its independence?

The literature reviewed shows that combined assurance is a risk management matter, with the starting point being the risk universe of an organisation (Forte & Barac, 2015; Prinsloo, Walker, Botha, Bruwer & Smit, 2015). The ERM framework and processes are therefore a key component in driving combined assurance, as they drive the identification, assessment and management of risks within the organisation (Bromiley, McShane, Nair & Rustambekov, 2015; Decaux & Sarens, 2015a; Schreurs & Marais, 2015). From this perspective, there is an argument for the ERM function to lead the implementation of combined assurance, as the common risk and control language required across assurance providers is based on the ERM methodology. How feasible, then, is it for other assurance providers to abandon their methodologies in order to adopt this common risk language in order to drive combined assurance implementation?

Organisations have been attempting to implement combined assurance, however many have either failed or not reached maturity because of a lack of the appropriate ingredients needed to ensure the successful implementation of combined assurance (Decaux & Sarens, 2015a; Schreurs & Marais, 2015). A study conducted by Decaux and Sarens (2015a) using case study methodology revealed that organisations require six important components for combined assurance implementation. This was one study that investigated the factors required to implement combined assurance, and since then there has not been further research to understand these factors and perhaps others. If organisations have to successfully implement combined assurance, there is a need to understand these factors in-depth, as well as how they can position themselves for success.

Combined assurance is a new business paradigm (Decaux & Sarens, 2015a), thus there is a lack of awareness and implementation that could be attributed to a lack of guidance on how the concept should be implemented (Huibers, 2015; Prinsloo et al., 2015). However, it is gaining attention, as evidenced by publications on its benefits from the big four audit firms (PricewaterhouseCoopers, 2015; Ernst & Young, 2013; Deloitte, 2011; KPMG, n.d.). The challenge with these publications is that the benefits outlined are anticipated benefits when combined assurance has been successfully implemented. However, many organisations are finding it challenging to implement combined assurance successfully and reach maturity levels in order to realise the benefits (Schreurs & Marais, 2015). Forte and Barac (2015) provided some insights using statistical methods regarding which benefits are considered more important by respondents, however there are still gaps in the literature about whether these benefits have been achieved or not. In particular, it is unclear whether the ultimate goal of combined assurance, which is to enable boards to exercise risk oversight by having a consolidated view of the risk and control environment in organisations, has been achieved (Zhou et al., 2018).

1.3. Purpose of the research

The need to implement combined assurance in order to enable boards to exercise their oversight role necessitated this research. The purpose of this research is to gain an understanding of how private organisations are implementing or have implemented combined assurance in order to provide boards with a holistic view of the risk and control environment in their organisations. The researcher brought the four components (drivers, success factors, methods/ ways and benefits) of combined assurance implementation together, which literature has highlighted as still having some gaps. The study aimed to provide insights into this new business paradigm of combined assurance, in order to understand:

1. the drivers of combined assurance implementation in organisations;
2. the factors required to ensure successful implementation of combined assurance;
3. the methods or ways in which combined assurance is being implemented in the organisations; and
4. the benefits of implementing combined assurance, and in particular if the goal of enabling the board to exercise its risk oversight role has been achieved.

1.4. Theoretical and business need for the study

1.4.1. Business need for the study

As more and more corporate scandals and failures have been witnessed over the past two decades, the risk oversight role of the board has become more critical, as this has been cited as lacking in many of the companies that have had failures (Gontarek, 2016; Kress, 2018, Sheedy & Griffin, 2018). Combined assurance has therefore become topical on board agendas, due to the increased need for boards to effectively perform their risk oversight role by having an integrated view of all the risks (MetricStream, 2019; PWC, 2015). Traditionally, boards have been bombarded with various reports from different assurance providers, thereby causing assurance fatigue which results in critical risk information opportunities being missed, and a failure to make correct business decisions.

Furthermore, there are a number of other stakeholders, such as executives and management, oversight committees, investors, analysts etc. that have different information requirements and rely on assurance providers to obtain that information (Zhou et. al., 2018). Without proper coordination, these stakeholders could obtain different opinions on the state of the risk and control environment from assurance providers, which prevents them from making better decisions (Decaux & Sarens, 2015a Forte & Barac, 2015). It is therefore important to implemented combined assurance in order to ensure single messaging to all stakeholders in an organisation.

Furthermore, with the growing complexity of organisations, so the risks being faced become more complex as well (Jack, 2019; MetricStream, 2019; PWC, 2015). This necessitates the use of a coordinated approach to manage and provide assurance on these risks. Boards can no longer just rely on the traditional risk manager's single view of risks; they need a consolidated view of the risks faced by the organisation from all assurance providers. According to PWC (2015, p. 2), there is an increased need for boards to take "a more holistic approach to risk and how to manage it".

1.4.2. Theoretical need for the study

There is inadequate knowledge and guidance in the literature regarding combined assurance implementation (Decaux & Sarens, 2015a; 2015b; Huibers; 2015; Prinsloo et al., 2015; Schreurs & Marais, 2015; Zhou et al., 2018), which can be attributed to it being

a new business paradigm. When the King III and the King IV reports on corporate governance were released in 2009 and 2016 respectively, a number of guidance documents on the various aspects of the report, including combined assurance, were issued by professional bodies such as the IIA, Institute of Risk Management South Africa (IRMSA), IoDSA and many consulting firms such as Deloitte, KPMG, PWC and EY. While a number of guidance documents have been produced by these professional bodies and consulting firms, most, if not all, lack theoretical rigour.

Different avenues pertaining to further research could be taken as this topic has not been adequately explored. The literature reviewed suggests further research is needed on combined assurance to explore what is driving the implementation of combined assurance, to expand the views to include other assurance providers and other industries other than financial services, upon which most of the existing literature on combined assurance is based and to explore implementation approaches and the benefits of combined assurance in as far as it relates to the goal of enabling the board to fulfil its risk oversight role (Decaux & Sarens, 2015a; 2015b; Huibers; 2015; Schreurs & Marais, 2015; Zhou et al., 2018).

1.5. Research scope

This research was limited to private organisations operating within South Africa. The participants of the research were from six industries, namely the Consulting, Motor, Financial, Property, Printing and Mining industries. Fourteen semi-structured interviews were conducted to establish the views and opinions of participants regarding how combined assurance is being implemented in these organisations. The researcher choose to focus on the private sector only in order for comparability of the results, although combined assurance is also being implemented in public institutions in South Africa following the King III and subsequent King IV report on corporate governance. Furthermore, the concept of combined assurance was explored in the context of managing risk and providing assurance over the risk and control environment in organisations.

1.6. Structure of the research

The structure of this research has been organised as follows:

- Chapter Two: an exploration of the existing theory and literature on combined assurance and board risk oversight, which is the basis upon which the objectives of this research were built.
- Chapter Three: sets out the research questions formulated from existing literature.
- Chapter Four: the research methodology, which is a qualitative research, is outlined and defended.
- Chapter Five: the results of the semi-structured interviews used to collect the primary data are presented and analysed.
- Chapter Six: the results and analysis presented in Chapter Five are discussed in relation to the research questions presented in Chapter Three and the theory and literature review explored in Chapters One and Two.
- Chapter Seven: the main findings of research are presented, including the implications for business stakeholders, the limitations of the research, and suggestions for future research.

CHAPTER 2: LITERATURE REVIEW

2.1. Introduction

This chapter of the report explores the existing theory and literature available on combined assurance and board risk oversight, which informed the need for the research and therefore the research questions. The following diagram was adopted to demonstrate how the literature review was structured:

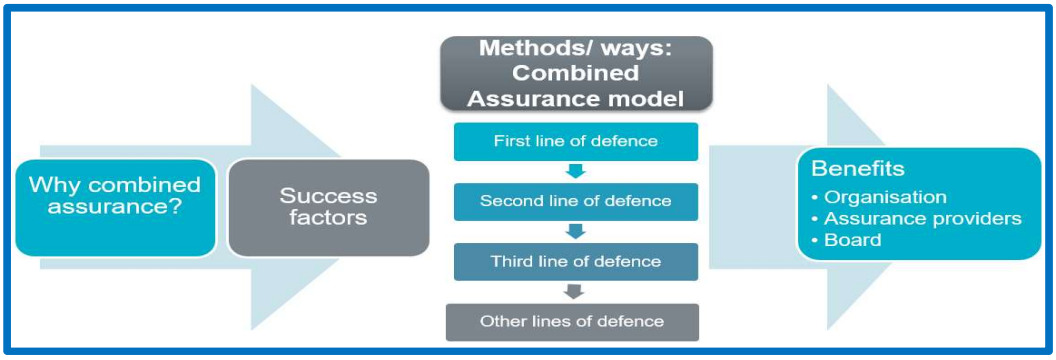

Figure 1: Structure of the literature review

Source: Author

2.2. Why combined assurance?

Combined assurance is defined as "the process of internal (and potentially external) parties working together and combining their activities to reach the goal of communicating information to management" (IIA, 2017a, p. 3). This concept is derived from the notion that collaboration across assurance providers is key, especially in relation to providing assurance to senior management and the board on the risk and control systems of an organisation (Forte & Barac, 2015; Decaux & Sarens, 2015a; Huibers, 2015).

On the other hand, the King III report on corporate governance defines combined assurance as "integrating and aligning assurance processes in a company to maximise risk and governance oversight and control efficiencies, and optimise overall assurance to the Audit and Risk committee, considering the company's risk appetite" (IoDSA, 2009, p. 117). An analysis of these definitions highlights key themes for combined assurance, i.e. a joint effort by assurance providers, a comprehensive view of risks in an

organisation, and reporting of risk information to senior management and oversight committees.

Inferring from these definitions, the aim of combined assurance is to have a mechanism that enables an integrated view of the risk and control environment, which is facilitated by assurance providers working together in order to formulate a cohesive message to senior management and the board (Decaux & Sarens, 2015a; Forte & Barac, 2015; Huibers, 2015; IIA, 2017a; IODSA, 2009). Traditionally, risks in organisations have been managed and assurance provided by a number of functions in isolation (Clemens 2014; Schreurs & Marais, 2015; Prinsloo et al., 2015), which has resulted in inefficiencies in risk management and too much time being spent in business by assurance providers unnecessarily, leading to assurance fatigue and gaps.

What this means is that information has been reported to senior management and the boards by the assurance providers in isolation. The danger of this has been that different opinions are expressed on the state of the risk and control environment, preventing effective decision making (Zhou et al., 2018). The key risks and messages from each assurance provider are likely to be lost in the detailed information, as different reports can be overwhelming for senior management and the board. Huibers (2015) suggested that combined assurance enables decision makers to analyse the information from different assurance providers in order to gain a comprehensive view of the risks and control environment of the organisation.

When a comprehensive view of risks is provided to boards, combined assurance becomes an “accountability mechanism that helps boards and Audit committees exercise their oversight role properly” (Decaux & Sarens, 2015a, p. 56). The board is accountable to stakeholders of the organisation and they need to be satisfied that the organisation is running effectively, both from a financial and non-financial perspective (Haji & Anifowose, 2016; Loi, 2016; Mihret & Grant, 2017; Soh & Martinov-Bennie, 2015; Zhou et al., 2018). The information communicated to the different stakeholders, either internally to oversight committees or externally in integrated reports, needs be consistent. Combined assurance is one such mechanism that enables effective integrated reporting on risk and control information. The literature reviewed demonstrates that the aim of combined assurance is to provide the board with an integrated view of risks across the organisation, thereby enabling them to be accountable to stakeholders on risk matters.

The reason why the concept of combined assurance is critical in organisations has been explored. Whether organisations are implementing combined assurance for these reasons needs further exploration in literature to understand if there are other reasons established for organisations to implement combined assurance.

2.3. Drivers of combined assurance implementation in organisations

There has been increased pressure since the financial crisis to enhance risk and governance processes in organisations in order to improve their effectiveness (Bromiley et al., 2015; Conyon et al., 2011; Gontarek, 2016; Sheedy & Griffin, 2018). Regulators and stock exchanges across the globe have increased the requirements on organisations to ensure that their risk taking activities lie within set parameters, as failures by organisations, especially in the financial services sector, have a ripple effect on the economy at large.

There are prescribed governance requirements for listing on stock exchanges, for example in South Africa, all listed companies are required to adopt the King IV report on corporate governance (IODSA, 2016), although it is not mandated for other organisations (Johannesburg Stock Exchange (JSE), 2017). The King IV report principle 16 provides the recommended practice on combined assurance. In a study conducted by Forte and Barac (2015) on the views of Chief Audit Executives (CAE) on combined assurance, they found that 79% of the respondents were from organisations that were listed on the JSE, which is consistent with the requirement for those organisations to adopt the King IV report. Furthermore, compliance with the IIA standards from an audit perspective is also driving the implementation of combined assurance. The IIA standards in Table 1, although they do not specifically mention combined assurance, are all related to the concept of combined assurance.

Table 1: IIA standards that relate to combined assurance

Standard 1000: Purpose, Authority, and Responsibility	The purpose, authority, and responsibility of the internal audit activity must be formally defined in an internal audit charter, consistent with the Definition of Internal Auditing, the Code of Ethics, and the *Standards*.
Standard 2050: Coordination	The chief audit executive should share information and coordinate activities with other internal and external providers of assurance and consulting services to ensure proper coverage and minimize duplication of efforts.
Standard 2060: Reporting to Senior Management and the Board	The chief audit executive must report periodically to senior management and the board (...) Reporting must also include significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by senior management and the board.
Standard 2100: Nature of Work	The internal audit activity must evaluate and contribute to the improvement of governance, risk management, and control processes using a systematic and disciplined approach.

Source: IIA (2013)

Regulations also play a part in other jurisdictions, for example ongoing improvements are required for risk management since the financial crisis in America, with the Dodd-Frank Act requiring listed companies to have Risk committees to oversee risk management matters (Johnson, 2011). Organisations have also been improving their risk management practices since the 2008-2009 financial crisis by implementing ERM frameworks to ensure that risks are properly managed. Once organisations have mature risk frameworks, this sets the platform for combined assurance implementation (Decaux & Sarens, 2015b; Forte & Barac, 2015; Prinsloo et. al., 2015). It can therefore be argued that organisations are adopting combined assurance in order to comply with regulation and listing requirements.

Moreover, rating agencies such as Standard & Poor's, Moody's and Fitch consider an organisation's risk management practices when evaluating companies' credit ratings (Forte & Barac, 2015; Prinsloo et al., 2015). Organisations are therefore driving the implementation of risk management, which is the basis for combined assurance, in order to obtain better credit ratings. The implementation of combined assurance becomes inevitable as organisations have to demonstrate to credit rating agencies that there is holistic management and assurance of risks across the organisation.

In addition, combined assurance is being implemented in other organisations to bridge the information gap between management and investors and analysts (Simnett & Huggins, 2015; Zhou et al., 2018). Investors and analysts are interested in both financial and non-financial information. There is increased risk awareness by investors, who are now demanding that they have sight of the risks that organisations are facing and information relating to how these risks are being managed (Decaux & Sarens, 2015b). Non-financial information presented in integrated reports is believed to reduce the information asymmetry by investors or analysts, which enhances the decision making process. For the information to be considered for decision making, it has to be relevant and reliable. For this reason, organisations are adopting combined assurance to enhance the credibility of the information presented in their integrated reports (Ackers & Eccles, 2015; De Villiers et al., 2015; Soh & Martinov-Bennie, 2018; Zhou et al., 2018).

Furthermore, the literature reviewed shows that the existence of a number of assurance providers in an organisation could drive the organisation to implement combined assurance (Decaux & Sarens, 2015b; Prinsloo et al., 2015, Zhou et al., 2018). Where many assurance providers exist, combined assurance is most feasible in order to avoid

duplication of effort and time on assurance activities. Moreover, in organisations where there are many assurance providers, there is a higher probability that if the management and assurance of risks is not coordinated, there could be gaps evidenced by either under-assurance, over-assurance or no assurance on some risks. On the contrary, in organisations where there are a few assurance providers, there might not be a need for combined assurance because in many of these organisations, the control functions are combined (Prinsloo et al., 2015; Zhou et al., 2018) e.g. Internal Audit and Risk, Risk and Compliance, Legal and Compliance, etc.

There is also another argument presented in the literature, i.e. that organisations audited by the big four audit firms, Deloitte, EY, PWC and KPMG, are more likely to implement combined assurance, as the audit firms recommend improvement of the risk and control environment of an organisation through such a mechanism (Decaux & Sarens, 2015b; Soh & Martinov-Bennie, 2018). Closely related to this argument is that organisations with an Internal Audit function that is outsourced to the big four firms have a greater possibility for combined assurance adoption. These audit firms have also written a number of guidance documents on the benefits of combined assurance, and have been extending their consulting and advisory services to organisations in order to push the combined assurance agenda (Deloitte, 2011; EY, 2013; KPMG, n.d.; PWC, 2015).

Furthermore, the size and complexity of the organisations could be a driver for combined assurance adoption, as suggested by Decaux and Sarens (2015b). Large organisations are more likely to have complex processes and procedures that require coordination to ensure the achievement of their business objectives. These organisations are more likely to have more assurance providers, which as discussed above could be a reason for the implementation of combined assurance (Decaux & Sarens, 2015b; Prinsloo et al., 2015, Zhou et al., 2018). Small organisations tend to have processes that are streamlined and have a single control function, if any, and therefore combined assurance adoption might not be necessary. Prinsloo et al. (2015) argued, however, that even small to medium enterprises (SMMEs) need to implement mechanisms to manage risk. A lack of resources was noted as the reason precluding SMMEs from implementing such, which places them at a disadvantage as they could fail due to poor or insufficient management of risks.

Banks and other financial institutions are more likely to implement combined assurance because of stringent regulatory requirements relating to risk management. Once risk management has been implemented, it is more likely that combined assurance would

follow as the basis for building it up would have been created (Decaux & Sarens, 2015b; Schreurs & Marais, 2015). This is in line with a study conducted by Forte and Barac (2015) on combined assurance, where 79% of the respondents were from financial institutions. There are prescribed risk management requirements for banks and insurance companies, which includes the use of the three lines of defence model, which is the accountability framework for combined assurance. Kress (2018) supported this view, citing that because of the systematic risks that banks and other financial institutions pose to the economy, much risk governance is required from these institutions. Boards of financial institutions are therefore required to establish effective risk monitoring systems (Hines et al., 2015; Srivastav & Hagendorff, 2016) such as combined assurance so that they can actively provide risk oversight.

There is an argument in the literature that organisations that have an existing committee that is responsible for risk management oversight are more likely to adopt combined assurance (Haji & Anifowose, 2016; Soh & Martinov-Bennie, 2015; Soh & Martinov-Bennie, 2018; Zhou et al., 2018). Sheedy and Griffin (2018) supported these views, citing that a board risk committee that can challenge the effectiveness of the risk management system is necessary. With the increased responsibility surrounding Risk and Audit Committees to exercise risk oversight, there is a greater chance that combined assurance implementation is being driven by these committees in order to enable their role by ensuring that the risk management systems of the organisation are effective. The question that needs to be answered is, why is the responsibility for risk management being placed at the feet of board Risk and Audit Committees?

2.3.1. Agency theory

Agency theory is a common theory used in corporate governance research and literature (Agyemang & Castellini, 2015; Brown et al., 2009; Chhilar & Lellapalli, 2015; Dey, 2008; Haji & Anifawose, 2016; Mihret & Grant, 2017; Van Ees, Gabrielsson & Huse, 2009). It emanates from the notion that the agents (managers) and the principals (shareholders) have a conflict of interest because of “separation of ownership and control, divergent management and shareholder objectives, and information asymmetry between managers and shareholders” (Dey, 2008, p. 1114). The solution to the conflicting interests is cited as the appointment of the board to oversee and monitor the activities of management. The board’s responsibility is categorised into four areas: giving strategic direction, identifying performance objectives, appointing key positions and proving management oversight (Brown et al., 2009; Elyasiani & Zhang, 2015; Kress,

2018; Van Ees et al., 2009). The oversight role extends to include risk oversight (Agyemang & Castellini; 2015; Gontarek, 2016; Srivastav & Hagendorff, 2016; Stulz, 2015).

2.3.2. Board risk oversight role

Whilst the board provides strategic direction, it needs to ensure that the right level of risk is taken to achieve the business strategy (Stulz, 2015). The role of the board in relation to risk oversight shifted significantly following the financial crisis (Decaux & Sarens, 2015b; Gontarek, 2016; Hines et al., 2015; Srivastav & Hagendorff, 2016), with an increased need for boards to provide risk oversight. Some boards responded by instituting a risk committee, which is a subcommittee of the board to oversee the management and assurance of risks, while in some organisations the Audit Committee took that responsibility (Agyemang & Castellini, 2015; Kress, 2018; Srivastav & Hagendorff, 2016). Having a standalone risk committee improves a board's risk oversight, as the committee is mandated to provide views on how well managed the risks in the organisation are.

The ability of these Risk and Audit Committees to provide risk oversight is dependent on the mechanism set in the organisations (Srivastav & Hagendorff, 2016). The mechanism of monitoring the organisation's risk management system is therefore driven by these committees, as there is an even greater expectation from regulators and shareholders that organisations will implement mechanisms that will enable risk oversight (Elyasiani & Zhang, 2015). This requires appropriate risk frameworks and processes to enable a holistic identification, assessment, management and monitoring of risks, such as ERM (Lundqvist, 2014; Bromiley et al., 2015; Hoyt & Lienberg, 2015). Once ERM has been established, it is more likely that combined assurance will be the next best initiative, as "risk management and assurance activities are mutually dependent" (Decaux & Sarens, 2015b, p.5). This is the reason why organisations with Risk and Audit Committees are more likely to implement combined assurance as a mechanism to enable them to provide risk oversight.

In addition, such committees, for example, the Audit Committee, has an influence on the Internal Audit budget, CAE and reporting, which empowers it to influence resources committed to the implementation of combined assurance being driven by the Internal Audit function (Soh & Martinov-Bennie, 2015). Audit Committees are keen to have

information on risk and governance matters to support the signing of financial statements, therefore they are driving combined assurance to enable them to do so. This is even more the case when the committee members are independent directors, who are not as privileged when it comes to extensive organisation information as executive directors are (Decaux & Sarens, 2015b; Schreurs & Marais, 2015). These independent directors are more likely to influence combined assurance adoption as they are seeking information to enhance their monitoring role, i.e. they are more likely to push the combined assurance agenda so that they are able to exercise their risk oversight role more effectively.

However, there is an argument presented in the literature regarding independent directors who sit on many boards and hold other full-time roles. Elyasiani and Zhang (2015) commented that boards that have independent directors who are busy tend to overlook some of their responsibilities, especially on non-financial matters such as risk and control issues. Kress (2018) supported this view, citing that many board members cannot effectively perform their monitoring and advisory roles regarding the risk and strategy of an organisation, because they sit on many boards yet hold full-time roles. Interestingly, these many commitments provide them with exposure to learn and network with other directors, which could improve their advisory and monitoring roles (Kress, 2018). Independent directors' exposure to different companies could therefore drive combined assurance and other matters, if the companies they are exposed to are implementing similar initiatives.

Another interesting view from literature which is closely related to the points discussed above, is the independence of the CEO from the chairman of the risk or Audit Committee, which could be seen as a driver for combined assurance adoption (Wcorpang, Jan & Thomas, 2014; Zhou et. al., 2018). Where the chair is independent from the CEO there is a greater possibility for combined assurance adoption, however where the CEO and chair are one person, power is concentrated in that individual, which could potentially threaten the risk and governance of the organisation. Under such circumstances, the adoption of mechanisms such as combined assurance to enhance the effectiveness of risk management system could be challenging.

There is ongoing debate on risk oversight (Decaux & Sarens, 2015b) as a mechanism that enhances the board's strategic role. Literature suggests that combined assurance is a mechanism that provides the board with a holistic view of the organisation's risk and control environment, which entails that the board can use it to exercise its risk oversight

role. It is was therefore important to establish through this study how combined assurance is enabling boards to exercise risk oversight.

In conclusion, the literature described in section 2.2.1 provided insights into some of the drivers for combined assurance adoption in organisations and the board risk oversight role. These need to be examined in the South African context to deeply understand what is driving organisations to implement combined assurance, as per Decaux and Sarens (2015b). The first research question that this study will examine is:

Research Question 1: What is driving organisations to implement combined assurance?

2.4. Success factors in combined assurance implementation

Depending on what drives combined assurance, organisations may find themselves on an implementation journey with little knowledge of what to do, as combined assurance is a new business paradigm. It was therefore important to establish from the literature which factors are required in organisations to ensure the successful implementation of combined assurance. The literature examined suggested a number of factors as follows:

2.4.1. Mature enterprise risk management framework

COSO (2014) defines ERM as:

> "*A process, effected by an entity's board of directors, management and other personnel, applied in strategy setting and across the enterprise, designed to identify potential events that may affect the entity, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives.*" (p. 2).

ERM is a critical aspect of corporate governance because it enables an organisation to focus on all kinds of risks across the enterprise, thereby assisting the business to make decisions in order to achieve its operational and strategic objectives (Bromiley et al., 2015; Lundqvist, 2014; Hoyt & Lienberg, 2015; McShane, 2018; Mihret & Grant; 2017)

An ERM framework that is well developed and mature enables risk identification and management, in other words the risk universe of the organisation can be established. The risk universe is the basis for assurance (Al Chen et al., 2016; Decaux & Sarens, 2015b), and literature highlights that there is a mutual dependency between risk and assurance because risk management provides the framework which assurance providers use in conducting different assurance activities. In a study conducted by Forte and Barac (2015) on CAEs' views on combined assurance, it was found that there is a correlation between combined assurance implementation and risk management maturity. It can therefore be argued that a mature risk management framework is a prerequisite for the successful implementation of combined assurance.

2.4.2. Defining an assurance strategy

There is interconnectedness between business strategy, risk management and assurance (Decaux & Sarens, 2015b; Forte & Barac, 2015). An assurance strategy is formulated once the business strategy of the organisation has been defined by executives and the board. Key risks that could prevent the organisation from achieving its strategic objectives are identified. It is these key risks that become the basis upon which a combined assurance plan is built on (Al Chen et al., 2016; Decaux & Sarens, 2015a). Assurance functions provide assurance that the key risks to the strategy and key processes supporting the strategy are being managed effectively.

Assurance that is not linked to the business strategy and key risks to the strategy is pointless. The board and executives need to have comfort that assurance is being provided on issues that matter (Decaux & Sarens, 2015a). As the board is responsible for providing strategic direction and oversight (Brown et al., 2009; Elyasiani & Zhang, 2015; Kress, 2018; Van Ees et al., 2009), it needs to be satisfied that the strategy that has been set can be achieved; through an appropriate assurance strategy, the board can obtain that comfort. This approach is a top down approach that will satisfy the executives and the board requirements.

However, for management, a bottom-up approach is required which takes into consideration the key processes in the organisation that support the delivery of the strategy and the risks and controls in those processes (Decaux & Sarens, 2015a; Lundqvist, 2014; Bromiley et al., 2015). These processes need to be assured to establish if they are working as intended. Both the top down and bottom-up approaches to inform the risks that will be assured are important, otherwise an organisation will miss

the risks and controls that need assurance. There are debates about which approach is best, with some arguing that the bottom-up approach is too granular, takes a lot of effort, and distracts the focus from key issues. Proponents of the top down approach are of the view that this is the level at which assurance should focus, as it addresses the risks and issues that matter for the organisation.

2.4.3. Common understanding of integration and assurance

There is danger in assuming that management and even other assurance providers understand what assurance and integration mean for them (Jackson, 2015). Management at times do not take seriously or reject what assurance providers are doing, claiming that the time they should be spending on business matters is being taken away by assurance providers. Furthermore, assurance providers package their activities using technical jargon, which management do not understand. It is the reason why it important to clearly define what assurance mean for an organisation and what it entails. Assurance is defined as “an objective examination for the purpose of providing an independent assessment on governance, risk management and control processes for the organisation” (IIA, 2012, p. 2). Decaux and Sarens (2015a) and the IIA (2017) suggest that Internal and External Audit are the only assurance providers who perform assurance, however the rest of the assurance providers still need to understand what assurance entails.

Once the meaning of assurance has been properly defined, then it is important to establish all areas in the business where assurance is taking place, before the integration of the assurance activities (Clemens, 2014; IIA, 2012; 2017a; Jackson, 2015). Some of the control functions which will form part of the combined assurance include Risk, Compliance, Forensics, Internal Audit and External Audit. These are easily identified, however operational management, where assurance takes place, is often left off this list as it is not viewed as assurance.

The need to define what integration entails cannot be underestimated (Jackson, 2015). Huibers (2015) suggested different methods through which the integration of assurance activities can be achieved, including integrated audits, integrated planning and reporting, alignment of activities and functional integration. The type of integration is organisation-specific “because every organisation is unique and specific situations vary, there is no one right way to coordinate...” (IIA, 2013, p. 6). The way in which integration or

combined assurance will be implemented needs to be defined upfront so that all management and assurance providers are on the same page.

2.4.4. Common assurance methodology

In order for consistency across assurance providers to prevail as they perform their assurance activities, a common assurance methodology is required (Decaux & Sarens, 2015a; Huibers, 2015; Jackson, 2015). This refers to the common risk and control language or taxonomy, which assurance providers use to define the risks and controls, rating of the risks and reporting. Huibers (2015) suggested that discussions could be easily facilitated if a common language is being used by assurance providers. For example, if one assurance provider highlights a risk as high and another as medium, if there is a common rating mechanism, there will be an understanding by management and assurance providers what the high or medium risk entail from an impact and likelihood perspective.

2.4.5. Management buy-in and tone from the top

Management support is correlated with the success and adoption of risk management practices in organisations (Soh & Martinov-Bennie, 2018). Similarly, combined assurance needs management support. The need to ensure buy-in from the top to ensure successful implementation of combined assurance cannot be underestimated (Decaux & Sarens, 2015a; Schreurs & Marais, 2015; Soh & Martinov-Bennie, 2018). Buy-in from the top is required upfront so that resources can be committed in the form of money, time or people to execute the programme. The tone at the top is important as it drives the risk culture within the organisation. Schreurs and Marais (2015) suggested that buy-in is required from all the stakeholders, not just the board and senior management or Audit Committee. All other assurance providers play a significant role in combined assurance and the coordinator needs to engage them to ensure buy-in.

The combined assurance champion needs to engage with the executives and provide them with an overview of what the programme entails, the benefits and the maturity journey. The sponsorship of the programme will also be at executive level to ensure that there is support for the implementation process (Schreurs & Marais, 2015). Implementation of combined assurance is not a one day exercise; it is a journey that an organisation undertakes (Huibers, 2015). The IIA (2017) suggested that the process cannot be rushed, and that taking time to implement it properly will ensure results are

maximised. With buy-in and support from the executives and the board, implementation can be achieved.

2.4.6. Awareness

Raising awareness in the organisation about combined assurance is important (Decaux & Sarens, 2015; Schreurs & Marais, 2015), as assurance providers want to know what is in it for them. Both management and assurance providers need to have an understanding of what combined assurance can deliver. Forte and Barac (2015) suggested that combined assurance training should be provided to build expectations, clarify roles and responsibilities, and provide at a high level what the concept will achieve. Linked to the buy-in from the top, training and awareness can be a mechanism used in order to obtain buy-in.

2.4.7. Combined assurance coordinator

A prerequisite to successful implementation of combined assurance is having a champion or coordinator to run the programme (Decaux & Sarens, 2015a; Schreurs & Marais, 2015), who could be any of the assurance providers. However, there is ongoing debate in the literature regarding which assurance provider should be leading the implementation of combined assurance. There is a strong inclination towards Internal Audit leading the implementation because they provide the highest level of assurance internally (Decaux & Sarens, 2015a; Haji & Anifowose, 2016; Mihret & Grant, 2017). More importantly, Internal Audit is believed to have more knowledge of the governance structure, risk and control frameworks of the organisation, and it is the only function internally that can assess the maturity and effectiveness of the other assurance providers (Huibers, 2015; Schreurs & Marais, 2015). Furthermore, IIA Standards practice and King IV suggest that the Internal Audit function should be the coordinator of the combined assurance programme, as per Table 2 below.

Table 2: Standard and recommended practices on CA coordinator

IIIA Standard 2050: Coordination and Reliance	The chief audit executive should share information and coordinate activities with other internal and external providers of assurance and consulting services to ensure proper coverage and minimise duplication of efforts.
King IV Principle 15: Recommended Practice 40	The governing body should assume responsibility by setting the direction concerning the arrangements for assurance services and functions. The governing body should delegate to the Audit Committee, if in place, the responsibility of overseeing that those arrangements are effective in achieving the following objectives: a. Enabling an effective internal control environment. b. Support the integrity of information used for internal decision making by management, the governing body and its committees. c. Supporting the integrity of external reports.

Sources: IIA (2013); IoDSA (2016)

However, the Internal Audit function's challenge is that it has to maintain its independence (IIA, 2016), therefore it is cautioned that leading such a programme could jeopardise its independence and objectivity (Huibers, 2015; Schreurs & Marais, 2015). Arguments have been put forward in the literature for ERM to lead the implementation of the programme, as combined assurance is a risk management matter, with the starting point being the risk universe of an organisation (Forte & Barac, 2015; Prinsloo et al., 2015). Furthermore, if there is a mutual dependency between risk and combined assurance (Decaux & Sarens, 2015b), then the argument is that the Risk function should lead. The ERM framework and processes owned by the Risk function are a key component of the identification, assessment and management of risks within the organisation (Bromiley et al., 2015; Decaux & Sarens, 2015a; Schreurs & Marais, 2015), upon which assurance activities are built on. However, it is suggested that regardless of the Risk function being the coordinator, it cannot lead combined assurance because the assurance provider that leads it must be independent (Decaux & Sarens, 2015a).

2.4.8. Combined assurance committee

Once a coordinator has been identified, it is important that a combined assurance committee is established (Schreurs & Marais, 2015) that is chaired by the coordinator. The committee should meet regularly to ensure that there is planning and coordination of all assurance activities in the organisation (Clemens, 2014). Without a committee that regularly meets to ensure the coordination of all activities, implementation could be

challenging. This might lead to dissatisfied assurance providers, who could end up defaulting to what they are used to, i.e. working in silos. Clemens (2014) suggested meeting on a monthly basis in order to discuss the results of the assurance activities, which will be reported to the Audit Committee, and to ensure that there is collaboration among assurance providers.

2.4.9. Accountability framework

A lot of time is required upfront to plan and create awareness regarding combined assurance, but more importantly to define the roles and responsibilities of the assurance providers (Decaux & Sarens, 2015a; Huibers, 2015; IIA, 2013; Jackson, 2015; Prinsloo et al., 2015). The three lines of defence model (which will be discussed in section 2.4) is advocated for, as it clarifies the roles and responsibilities of the different assurance providers. However, Decaux and Sarens (2015a) suggested that while the three lines of defence model is a good starting point, the roles and responsibilities of the assurance providers need be clarified, even to the granular level of the activities, to avoid duplication of time and effort. These roles and responsibilities need to be reinforced by having regular discussions among assurance providers. This is why it is important to establish a combined assurance committee that meets regularly, as this will help with reinforcing the roles and responsibilities, as well as other issues such as the results of the assurance activities conducted (Clemens, 2014).

The above literature has suggested some of the important requirements for ensuring the successful implementation of combined assurance. However, Schreurs and Marais (2015) noted that organisations are struggling to implement combined assurance due to challenges such as a lack of buy-in from management, assurance functions that are not mature, a lack of trust among assurance providers, not sharing information such as scoping documents, and the results of assurance activities, to mention a few. Furthermore, the difficulties of implementing combined assurance are also noted, with implementation referred to as a journey. As combined assurance is a concept that is emerging and literature is still developing (Decaux & Sarens, 2015a; 2015b), this study examined in-depth and in the South African context what the critical factors are to ensure the successful implementation of combined assurance, thus this research sought to establish:

Research Question 2: What are the key success factors required in implementing combined assurance?

2.5. Implementing combined assurance in organisations

2.5.1. The three lines of defence model

Organisations today are expected to have a number of functions, such as Internal Audit, Compliance, ERM, Forensic specialists, Quality Control specialists, and External Audit etc., working together to help with managing and assuring the risks (IIA, 2012; IIA, 2013). These functional teams are assurance providers, which can be classified as either internal (Internal Audit, Compliance, ERM, Forensic, Quality Control etc.) or external (External Audit, regulators, credit rating agencies etc.). It is suggested that each of these functions have specialised skill sets in their fields of work (Huibers, 2015; Schreurs & Marais, 2015). As risks are managed by different functional teams, the probability of duplication of efforts and insufficient coverage is high if there is no coordinated approach taken across these functions. Risk management frameworks exist, for example the COSO framework or International Organisation for Standardisation (ISO) 31000, however they are not clear in terms of the responsibilities of the assurance providers in managing risk (IIA, 2013). This is the reason why there has been an emergence of practices that can facilitate integration and coordination for the management and assurance of risks, hence the three lines of defence model.

The concept of combined assurance is underpinned by the three lines of defence model, which is centred on the precept that the assurance providers should work together to provide the board with reasonable assurance that the risks and internal control environment within an organisation is properly managed (Decaux & Sarens, 2015a; IIA, 2013; Prinsloo et al., 2015; Sheedy & Griffin, 2018). The three lines of defence "provides a simple and effective way to enhance communications on risk management and control by clarifying essential roles and duties" (IIA, 2013, p. 2). The model offers an approach that enables effective risk management, whilst clarifying the roles and responsibilities of the different players in the broader risk management system (Decaux & Sarens, 2015a; Sheedy & Griffin, 2018). Figure 2 below shows the three lines of defence model.

The internal assurance providers (first, second and third line of defence) support the board and senior management by providing input/ assessment of the various activities the business undertakes in achieving its objectives (IIA, 2013). These functions add value to the business in that they assist the organisation to point out those issues that could stop the organisation from achieving its objectives, so that executives and management can address the issues beforehand. External assurance providers are

outsiders, but can be viewed as additional lines of defence because of the important role they play in the overall governance and control of organisations (IIA, 2013).

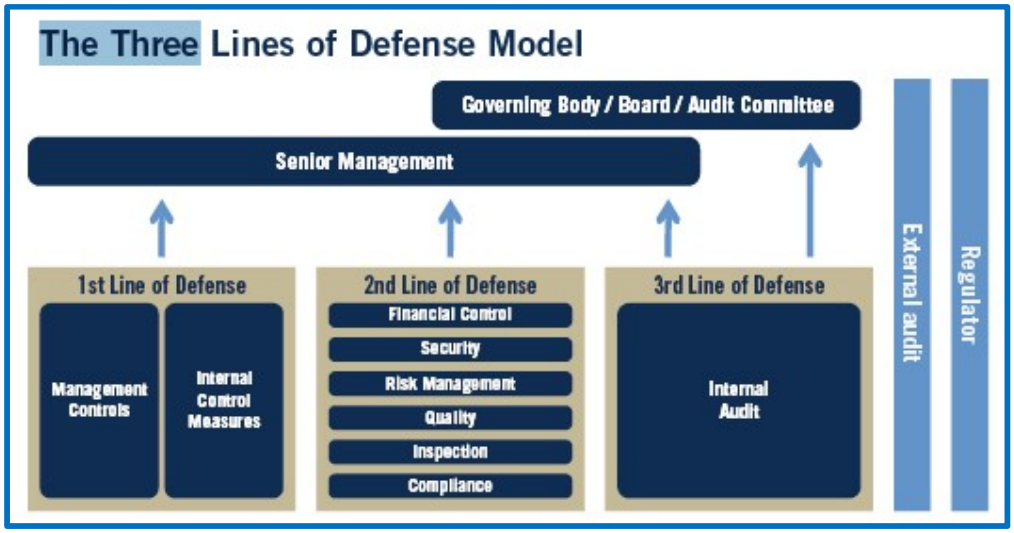

Figure 2: The three lines of defence model

Source: IIA (2013)

2.5.1.1. First line of defence

Operations management is the first line of defence (IIA, 2012; IIA, 2013; IIA, 2017a), as they own and manage risks as they implement their operational strategies. Their responsibilities include identifying, assessing, controlling and managing risks. Furthermore, they design and embed controls in the organisation as they develop policies and procedures to enable business processes. This is management's primary responsibility (Huibers, 2015), in which they provide assurance by conducting risk and control self-assessments over the processes and procedures that support the business strategy (Clemens, 2014; Decaux & Sarens, 2015a; IIA, 2013).

2.5.1.2. Second line of defence

The second line of defence is comprised of various teams, as highlighted in Figure 2. Their responsibilities span from providing the framework and tools according to which risks are managed, to challenging operational management regarding whether all risks are being managed effectively (Decaux & Sarens, 2015a; Forte & Barac, 2015; Huibers, 2015; IIA, 2013; Schreurs & Marais, 2015). They oversee the implementation of risk processes across the organisation, for example they have to ensure that the

organisation has a risk strategy and appetite, and frameworks/ processes for the identification, assessment and management of risks. They can also assist the first of line of defence by designing controls to manage risks, therefore they cannot be truly independent from the first line of defence. They also validate what the first line of defence would have done by monitoring their activities to identify areas of non-compliance (Decaux & Sarens, 2015a; Jackson, 2015).

2.5.1.3. Third line of defence

The third line of defence is comprised of Internal Audit, which is truly independent and subscribes to the International Auditing standards in the way it conducts its audit activities. “Internal Audit provides assurance on the effectiveness of governance, risk management, and internal controls, including the manner in which the first and second lines of defence achieve risk management and control objectives” (IIA, 2013, p. 5). The key for Internal Audit is independence, which is why the function reports directly to the Audit Committee (IIA, 2017b). The Internal Audit function is important in corporate governance, especially now more than ever due to a number of corporate failures, as it provides independent assurance to the executives and the board regarding if the people, processes and systems of an organisation are working as intended (Jackson, 2015; Mihret & Grant, 2017). Internal Audit plays a significant role in the organisation and it is core to the effective governance of an organisation (Jackson, 2015).

The role that Internal Audit plays is changing, with the role having expanded over the years from traditionally reviewing financial information to now reviewing all areas of the business, such as internal control systems and environmental and sustainability issues (Haji & Anifowose, 2016; Soh & Martinov-Bennie, 2018). This makes it uniquely positioned to take a more strategic role to drive better governance in organisations. In many countries, it is compulsory for organisations to have an Internal Audit function, which indicates the value placed on the function. This is why the Internal Audit function is advocated for as the combined assurance lead.

However, there is a perception in many organisations that Internal Audit is the only function that provides assurance, which means that the work they do is taken seriously compared to other assurance providers (Jackson, 2015). This undermines the work done by other assurance providers and jeopardises coordination efforts. Internal Audit needs to change this perception by demonstrating that they can work together with other assurance providers. Internal Audit should see this as an opportunity to coordinate

assurance activities for the betterment of the organisation. They can do this by placing reliance on the work done by other assurance providers, although they are cautioned that their independence and objectivity might be compromised (Huibers, 2015; IIA, 2017a; 2017b; Schreurs & Marais, 2015). However, with a better understanding of the levels of assurance provided by other assurance providers, it can be easier for Internal Audit to rely on their work (Hasan, Maijoor, Mock, Roebuck, Simnett & Vanstraelen, 2005; Gaynor, Kelton, Mercer, & Yohn, 2016). Four elements that should be considered in determining the level of assurance are: subject matter, criteria, procedure or the work effort that has been employed, and the evidence that has been gathered in terms of its quantity or quality (Hasan et al., 2005). As these four elements interact with each other, they determine whether a low, moderate or high level of assurance will be provided. The higher the level of assurance, the more reliance can be placed on the work done by the assurance provider.

Furthermore, Internal Audit is a key player in combined assurance, in particular the independent review of other assurance providers (Clemens, 2014). It is through these reviews that the maturity of the assurance providers can be established. It is critical for other assurance providers to understand this in order to place reliance on the work of others (Decaux & Sarens, 2015a).

2.5.1.4. External Audit

External Audit is understood to be the fourth line of defence; its role is to provide assurance that the financial statements of an organisation are fairly represented (IoDSA, 2016; IIA, 2017b). External auditors are third parties to an organisation that are hired each financial year-end. Their role is to provide an opinion on the financial statements in terms of accuracy and completeness. External Audit can rely on the work conducted by Internal Audit, which is closer to the business and provides assurance on the processes that underpin the financial statements (IIA, 2017b). As they are required to express an opinion on the financial statements, external auditors are accountants by profession. They thus lack multi-disciplinary skills and are not close enough to the business, which means they are not the best candidates to lead combined assurance. External Audit is not viewed as a business partner, unlike Internal Audit, because it does not deeply examine “the organisation’s governance, risk management and internal control operations…” (IIA, 2017b, p. 5), which goes beyond expressing an opinion on the accuracy and completeness of financial statements.

2.5.1.5. Other external assurance providers

Regulators and credit rating agencies etc. are considered to be external lines of defence and an important part of the governance of organisations (IIA, 2012; 2013; 2017a). In many regulated environments, it is common to have them provide certain requirements to strengthen the risk and control environment in organisations. In some cases, they can conduct independent reviews of the first, second or third lines of defence. They can also be considered as providing additional assurance to the shareholders of the organisation, i.e. that indeed the risk and control environment of the organisation is well managed.

2.5.2. Combined Assurance approach

Having examined the three lines of defence model, the next question is how do these different lines of assurance work together to implement a combined assurance approach to managing and assuring risks in organisation? There is no prescribed way in which the three lines of defence model ought to be implemented (Decaux & Sarens, 2015a; Forte & Barac, 2015; IIA, 2013; IoDSA, 2016; Schreurs & Marais, 2015), besides clarifying the roles and responsibilities of assurance providers. This leaves organisations to adopt their own implementation approaches, taking into account the role of each assurance provider, the maturity levels of the assurance providers, and the size and complexity of the organisation (Huibers, 2015).

Huibers (2015) examined how assurance providers should work together to implement a combined assurance approach. He highlighted that no practical guidance is offered by standards or governance codes on how implementation should be done, yet suggested four ways that it could be undertaken, i.e. process integration, integrated audits, alignment through activities, and functional integration. Other research suggests the use of assurance maps. These implementation approaches to combined assurance will be discussed in more detailed below.

2.5.2.1. Assurance maps

Having examined the literature, it was found that many organisations use the concept of assurance maps as a way of implementing combined assurance (Al Chen et al., 2016; Jackson, 2015; Clemens, 2014; Forte & Barac, 2015; IIA, 2017a). According to the IIA (2017a), “an assurance map is a structured visual aid, which can be as shallow or deep as needed to graphically identify all of the assurance activities that are in play” (p. 6).

This allows for the mapping of assurance activities on all the key risks, which enables the coordination of assurance activities, as areas of under assurance, over assurance or no assurance can be identified on the assurance map. Furthermore, the assurance map assists organisations by focussing on the key risks and assurance on those, thus the duplication of assurance activities can be identified. This is a better way of providing executives, boards and oversight committees with an integrated view of the risks and assurance.

Al Chen et al.'s (2016) description of the process of developing the assurance map highlighted that for assurance providers to work together, a risk profile of the organisation is first developed, and each risk on the profile is allocated an owner. The assurance providers then have to indicate how they are responding to each risk, any assurance work conducted, and the results thereof. This allows the board to establish if there are any risks missing or gaps in assurance on certain risks.

The quality of the work conducted by assurance providers should be taken into consideration if assurance providers have to rely on each other's work (Al Chen et al., 2016; IIA, 2017a). This was supported by Decaux and Sarens (2015a), however they highlighted that the maturity of the assurance providers is important is determining whether other assurance providers can rely on their work. In particular, Internal Audit is cautioned against its independency and objectivity being compromised when it places reliance on the work of others. This is the reason why Internal Audit should understand the quality of the work and the scope covered (IIA, 2017a). The process of developing an assurance map allows assurance providers to examine what they are doing and the value it will add to the organisation. It further facilitates risk conversations in the organisation and helps the organisation to better manage its risks (Decaux & Sarens, 2015a; IIA, 2017a).

2.5.2.2. Process integration

Process integration, according to Huibers (2015), is done through integrated planning and reporting; the integrated planning is similar to how the assurance maps are developed (Al Chen et al., 2016; Jackson, 2015; Clemens, 2014; Forte & Barac, 2015; IIA, 2017). From a reporting perspective, the information that is collected from all assurance providers is analysed to formulate a combined view on the risk and control environment of an organisation. The reporting could either be for internal or external purposes. Internally, this provides an integrated view that is required by boards and

oversight committees to exercise their risk oversight role. This prevents the silo views to be passed onto the board and oversight committees, which could be contradictory, hence preventing effective decision making. Externally this could be used for integrated reporting, which supports Zhou et al.'s (2018) views on combined assurance, i.e. that it enhances the credibility of information that is reported externally. Furthermore, it addresses what De Villiers et al. (2017) and Simnett and Huggins (2015) highlighted as a need for information that is reported in integrated reports. They indicated that multi-disciplinary teams are required to provide assurance on integrated reports, which includes both financial and non-financial information.

2.5.2.3. Integrated audits

Performing an integrated audit, where assurance providers work jointly to perform assurance on a specific task, is another way or method in which combined assurance can be implemented (Huibers, 2015). It could be that the assurance that is required is too extensive for one assurance provider to complete the work, hence an integrated audit could be the solution. Each assurance provider will have a different scope on the assurance activity to be performed, which gets consolidated to provide a view on the risk and control environment.

2.5.2.4. Alignment through activities

Combined assurance can be implemented through the alignment of activities, where the coordination of assurance activities is done "either on a structured or an adhoc basis" (Huibers, 2015, p. 8). The scope of the assurance performed by one assurance provider is communicated to other assurance providers so that they can take this into consideration when they plan their own activities. It could also entail communicating the outcomes of the assurance activities performed so that another assurance provider can enforce the issues identified. For example, the issues identified by Internal Audit could be enforced by risk management, by including the issues identified on the risk profile.

2.5.2.5. Functional integration

Combined assurance could be achieved through the integration of two or more functions or lines of defence (Huibers, 2015), for example ERM and Internal Audit could be combined to form one function. With the other methods described above, Internal Audit

will be separate from other functions, however with this approach, the independence and objectivity of the audit function could be compromised when integrated with other functions. This would go against the recommendations set out by standards and governance codes, which support the separation of the Internal Audit function (IoDSA, 2016; IIA, 2017b). There are other sector specific regulatory requirements, especially in financial services, which support the separation of the Internal Audit function from other governance functions (Schreurs & Marais, 2015). To overcome the challenges of independence and objectivity of the internal function, Huibers (2015) suggested that functional integration should be done on a temporary basis.

The literature examined on the methods/ ways in which combined assurance is implemented in organisations is very shallow. Huibers' (2015) methods described above are suggestions that the organisation can adopt to implement combined assurance, however there is no evidence in the literature to suggest that these methods have been tested through research. This study thus examined the methods/ ways organisations are employing to implement combined assurance.

Research Question 3: What are the methods or ways in which combined assurance is implemented in organisations?

2.6. Benefits of implementing combined assurance

The literature examined demonstrates that benefits can be achieved by implementing combined assurance. The most cited benefit comes from the use of assurance maps (Al Chen et al., 2016; Decaux & Sarens, 2015a; Forte & Barac, 2015; Huibers, 2015; Jackson, 2015; IIA, 2017). The benefit in using assurance maps is that it enhances the risk management process by monitoring the key risks and assurance activities performed on those risks. Furthermore, through maps, there is better coordination of assurance which focuses on the key risks, which results in organisations having a consistent view of the risk and control environment. More importantly, assurance maps enable the objectives of the organisations to be linked to the key risks and assurance activities (IIA, 2017a), therefore it can be argued that combined assurance supports the achievement of the organisational objectives.

In addition, the process of compiling the combined assurance map, be it in planning or reporting, brings with it much discussion among assurance providers. This helps them to better understand the risks the organisation is facing (Decaux & Sarens, 2015a; Al Chen et al., 2016).

Furthermore, the coverage of assurance activities can be maximised as the combined assurance eliminates duplication (Forte & Barac, 2015; IIA, 2017a; Jackson, 2015), and the efficiencies within the risk management system are improved, which enables optimum assurance. Linked to this benefit is that assurance resources can be deployed effectively as duplication is eliminated (Al Chen et al., 2016). In other words, there will not be two assurance providers performing assurance activities on either the same risk or task, unless there is joint audit, in which case the scope will be different (Huibers, 2015). There is also clarity on the roles and responsibilities through the process, which eliminates the duplication (Decaux & Sarens, 2015a; Prinsloo et al., 2015). Assurance providers are accused of taking too much time from business, but if they coordinate their efforts, less time will be spent, which will give management the time to focus on delivering their operational and strategic objectives. It also reduces assurance fatigue on management and executives because assurance activities are streamlined (Al Chen et al., 2016; Forte & Barac, 2015; IIA, 2017a; Jackson, 2015; Prinsloo et al., 2015).

Zhou et al. (2018) highlighted combined assurance as a “novel, cost efficient, credibility enhancing mechanism” (p. 5). Combined assurance enhances the credibility of information that is reported in integrated reports, and allows organisations to include information on the state of their risk management and control systems (Forte & Barac, 2015; Haji & Anifawose, 2016; Zhou et al., 2018). However, a counter-argument can be put forward, i.e. that users of integrated reports tend to look for other ways of assessing how credible the information reported is, which then nullifies the argument that it enhances the credibility of the information (Zhou et al., 2018). This aligns with the view that there is a perception that organisations that disclose non-financial information, such as the effectiveness of its risk management system and assurance, enhances its image to external users (Simnett & Huggins, 2015; Ackers, 2017). Combined assurance allows the users to formulate views of whether the organisation will deliver its strategy in light of its risk and control environment. However it is not always easy for external users to make the link between the company strategy and risk information reported in integrated reports, which is why some users seek additional information to make decisions (Zhou et al., 2018).

Linked to the views above on integrated reporting is the fact that combined assurance leads to integrated thinking in organisations (Simnett & Huggins, 2015). The process which leads to the final report allows for integrated thinking in organisations, because when the report is being produced, the different parties involved have to debate the issues, such as how the financial information links with the non-financial information (social, environmental and risk and control environment) and the relationships between the two (De Villiers, 2017; Simnett & Huggins, 2015; Soh & Martinov-Bennie, 2018; Zhou et al., 2018). This creates integrated thinking and a deeper understanding of the risks faced by the organisation. Integrated thinking is also enhanced through knowledge sharing among assurance providers (IIA, 2017a). Each assurance provider has its own strength in terms of how it approaches risk and assurance. With combined assurance, assurance providers can leverage each other's strengths, which improves the risk and control system of an organisation.

In addition, literature shows that combined assurance reduces assurance costs because duplication is eliminated (Forte & Barac, 2015; Mat Zain, Zaman & Mohamed, 2015; Zhou et. al., 2018). In particular, audit costs are anticipated to reduce, which is achieved when External and Internal Audit work together (Mat Zain et al., 2015). However, it is argued that if Internal and External Audit coordination reduces costs, this should also be applied across other assurance functions, which should see some of the heavily resourced functions reducing. On the contrary, this is not the case in many organisations, as functions such as ERM have been increasing in size due to the need for organisations to enhance the value that the programme adds to the business (Bromiley et al., 2015; Hoyt & Liebenberg, 2015; Lundqvist, 2015; McShane, 2018).

As organisations have to define a common risk language to ensure the successful implementation of combined assurance, the benefit derived is that there will be a common understanding across the assurance providers and in the organisation (Decaux & Sarens, 2015a; Huibers, 2015; Jackson, 2015). A common language or taxonomy, enables categorisation of risks and controls, rating of the risks and controls and opinion given on the assurance activities performed, to be commonly defined across different assurance providers. Huibers (2015) summed it up by saying that combined assurance allows "one voice and taxonomy across all governance bodies and functions in the organisation" (p. 1).

The benefits that have been revealed in the literature are anticipated benefits that organisations can expect when combined assurance has been implemented. There is

little evidence in the literature to suggest whether these benefits have actually been achieved, however. Furthermore, there is little evidence to suggest that these benefits accrue to the board, in terms of enabling the board to exercise its risk oversight role. This led to the following question:

Research Question 4: What are the benefits of implementing combined assurance, and in particular has the goal of enabling the board to exercise its risk oversight role been achieved?

CHAPTER 3: RESEARCH QUESTIONS

3.1. Introduction

The aim of the research was to provide organisations with guidance on implementing combined assurance to enable boards to exercise risk oversight. The questions were derived from the theory and literature available on the concept of combined assurance and risk oversight, as outlined in Chapter 2. The following questions were answered through this study:

3.2. Research Question 1

Research Question 1 aimed to establish what is leading organisations to implement combined assurance. The literature reviewed shows that there are some drivers that are pushing organisations to implement combined assurance (Decaux & Sarens, 201b; Haji & Anifawose, 2016; Soh & Martinov-Bennie, 2018; Zhou et al., 2018). However, with limited literature on why organisations are implementing combined assurance, there is need to explore, what is driving organisations to implement combined assurance.

RQ1: What is driving organisations to implement combined assurance?

3.3. Research Question 2

When implementing combined assurance, organisations need to have certain aspects in place in order to make the implementation process successful. The literature reviewed demonstrates that there are a number of factors that should be considered by an organisation in order to ensure that implementation does not just end up on a piece of paper, but is indeed successful (Al Chen et al., 2016; Decaux & Sarens, 2015b; Jackson, 2015; Soh & Martinov-Bennie, 2018). However organisations are facing challenges that are preventing them from reaching combined assurance maturity (Schreurs & Marais, 2015). This question, therefore, sought to establish which factors are key to the successful implementation of combined assurance.

RQ2: What are the key success factors for combined assurance implementation?

3.4. Research Question 3

The three lines of defence model is used in organisations as an accountability mechanism to define the roles and responsibilities of assurance providers (Decaux & Sarens, 2015a; IIA, 2013; Sheedy & Griffin, 2018). However there is limited guidance regarding how this model should be applied in an organisation when implementing combined assurance, and which of the assurance providers/ lines of defence should be leading the combined assurance implementation. Governance codes and standards suggest Internal Audit should lead combined assurance implementation (IoDSA, 2016; IIA, 2017), yet there are also arguments in the literature that show that the Risk function could lead as the risk management and combined assurance are mutually dependent (Decaux & Sarens, 2015b). Furthermore, there is limited literature on actual implementation approaches. Research Question 3, therefore, sought to establish the methods or ways in which assurance providers are working together or coordinating their assurance activities as they implement combined assurance (Huibers, 2015; IIA, 2017a).

RQ3: What are the methods or ways of work in which combined assurance is being implemented in organisations?

3.5. Research Question 4

The benefits that were explored in the literature show that there are anticipated benefits that need to be achieved when combined assurance is successfully implemented (Forte & Barac, 2015; Haji & Anifawose, 2016; IIA, 2017a; Zhou et al., 2018), however it is unclear whether these benefits are being achieved. Furthermore, the ultimate goal of combined assurance is to enable boards to exercise their risk oversight roles (Decaux & Sarens, 2015a; 2015b), but there is inadequate literature to confirm if this goal is being achieved or not (Gontarek, 2016; Hines et al., 2015; Srivastav & Hagendorff, 2016). This question, therefore, aimed to establish if combined assurance benefits are being achieved by organisations, and whether these benefits are measurable. In particular, the question aimed to determine if the goal of enabling the board to exercise its risk oversight role is being achieved through the combined assurance mechanism.

RQ 4: What are the benefits of implementing combined assurance, and has the goal of enabling the board to exercise its risk oversight role been achieved?

CHAPTER 4: RESEARCH METHODOLOGY

4.1. Research design

This research was qualitative and exploratory in nature as the researcher was seeking to delve into the topic of combined assurance in order to draw insights into this new business paradigm. According to Cassell and Symon (2011, p. 638), the "main purpose of qualitative research is exploratory". This was supported by Lewis and Saunders (2018), who indicated that exploratory research is undertaken to discover information. They further suggested that it is about discovering new insights and perspectives as one questions and assesses topics.

The research followed a pragmatist philosophy, as the researcher hoped to contribute practical implementation approaches to combined assurance in organisations. A pragmatist seeks to develop solutions that are practical in order to inform how things can be done in the future (Lewis & Saunders, 2018). Using this approach the research questions and objectives were carefully considered, ensuring that they were supported by literature as they were an important aspect of the research.

An inductive approach was taken for this study because the research was seeking to develop theory from the data collected during the research. As indicated in Chapter 2, combined assurance is an emerging concept with limited research and literature (Decaux & Sarens, 2015a; 2015b), hence the reason why the researcher chose the inductive approach. An inductive approach is used in research when trying to understand the research context, with the aim of "developing some general conclusions or theories" (Lewis & Saunders, 2018, p. 113). This is also as per Cassell and Symon (2011), who indicated that qualitative research is oriented with an inductive study and often used to look at the reality of a particular concept, with the aim of developing meanings, ideas and practices derived from the respondents' points of view. Given the lack of practical guidance regarding how combined assurance should be implemented, it was important that this study took an inductive approach in order to develop practices for the combined assurance concept for future use.

The methodology used was a mono-method, i.e. qualitative research. Qualitative research is used to address research objectives where numerical measurements are not required. The researcher used her own interpretation of the data collected, as

suggested by Lewis and Saunders (2018), to develop meaning, ideas and practices (Cassell & Symon, 2011) regarding the concept of combined assurance.

The strategy that was used for this study was semi-structured interviews, as this allowed the researcher to explore the topic of combined assurance. Decaux and Sarens (2015a) suggested the use of interviews to explore risk management matters, of which combined assurance is a concept that is mutually dependent on risk management. Semi-structured interviews were conducted for this study as they were best suited to gain in-depth insights into this new business paradigm of combined assurance; they enabled the researcher to obtain the views of the respondents, which were valuable in developing theory and practice (Decaux & Sarens, 2015a; Lewis & Saunders, 2018)

This study was cross-sectional because the data were collected once at a particular time (Lewis & Saunders, 2018), i.e. from July and mid-August 2019. Given the short time frame in which the research was conducted, it was ideal that the study was cross-sectional.

4.2. Population

Heads of ERM, Compliance, Forensics, Internal Audit functions and Senior External Auditors in the private sector in South Africa, or partners responsible for risk consulting in firms such as EY, PWC, KPMG and Deloitte, were identified as the population relevant to the study. Chief Risk Officers (CROs) and Chief Audit Executives (CAEs) were also identified as key for providing insights, as they are often the responsible executives when it comes to combined assurance (Decaux & Sarens, 2015a; 2015b; Schreurs & Marais, 2015). The population also included Directors who chair Risk/ Audit Committees, which are accountable for risk and assurance matters in organisations (Gontarek, 2016; Hines et al., 2015; Srivastav & Hagendorff, 2016). This population was in line with the King IV report's guidance on assurance functions, which make up the lines of defence and accountability for combined assurance (IoDSA, 2016). Further research across all assurance providers was suggested by Schreurs and Marais (2015), which is why this study aimed to include participants from across different assurance providers and accountability structures for combined assurance.

4.3. Sampling

The sampling method used, i.e. heterogeneous purposive sampling, is critical in qualitative research to ensure that quality is achieved (Suri, 2011). This method was used because it was critical for the researcher to obtain the diverse views and opinions of the different assurance providers in organisations in order to answer the research questions. Guest, Bunce and Johnson (2006) suggested that purposive samples should be used in qualitative research, with the common element being that participants are chosen using a set criterion that is aligned with the research objectives (Morse, Barrett, Mayan, Olson & Spiers, 2002; Morrow, 2015). This method of sampling enhances the reliability of the findings because of the diverse nature of the participants (Suri, 2011), as the "participants are selected to provide the most information-rich data possible" (Morrow, 2005, p. 255).

The criteria that were set for the participants were that they had to be Heads of an assurance function (ERM, Internal Audit, Forensics, Compliance), responsible executives (CRO, CAE), accountable directors (sitting on Risk or Audit Committees) or risk consultants from the Big Four firms or another established consultancy (EY, PWC, KPMG, Deloitte etc.), who had knowledge and experience in the implementation of combined assurance. One of the verification strategies used to ensure reliability of the data collected is to have an appropriate sample, with participants who have knowledge on the topic being explored (Daniel, 2019; Morse et al., 2002). Participants were required to have a minimum of 10 years' experience in either risk management or audit, thus the criteria were based on the position, knowledge and experience of the participants. This addressed the bias that the researcher potentially had in selecting the participants for the research. The information about the participants was verified using social media platforms such as LinkedIn.

The sample size was 14, which was adequate to reach saturation. As per Guest et al. (2006), "twelve to twenty data sources (are needed) when looking for disconfirming evidence or trying to achieve maximum variation" (p. 61). In a study by Decaux and Sarens (2015a) that explored the factors required for the successful implementation of combined assurance, 23 semi-structured interviews were conducted. A sample size of 14 was therefore in line with suggested

Participants were selected from across six industries in private sector organisations that had experience in implementing combined assurance, namely the Consulting, Mining,

Financial, Printing, Motor and Property industries. Risk industry experts associated with the IRMSA were consulted in order to obtain recommendations on organisations that are known in the industry to have implemented combined assurance. Not all industries were equally represented in the sample as the criteria for selection of the individual (position, knowledge and experience) were more important in order to ensure validity of the data collected (Daniel, 2019; Morse et al., 2002). The table below shows the participants and the criteria demonstrated:

Table 3: Industry, position and experience of participants

Participant	Industry	Position (s)	Years of experience
1	Consulting & Advisory	External Audit Partner	18
2	Information Technology, Motor	Director, Group Risk Manager	20
3	Consulting & Advisory	CEO & Founder	36
4	Financial, Printing	Independent Director	34
5	Property	Head: Internal Audit	10
6	Financial	Chief Audit Executive	20
7	Financial	Head: ERM	12
8	Consulting & Advisory	ERM Consultant	15
9	Consulting & Advisory	Associate Director	20
10	Consulting & Advisory	Director	38
11	Financial, Property	Independent Director	29
12	Consulting & Advisory	Senior Consultant	23
13	Mining	Senior Risk & Control Practitioner	10
14	Financial	Senior Risk Manager	15

4.4. Unit of analysis

The unit of analysis were the views, practices, perceptions and opinions of the participants involved in combined assurance. These were aligned with the objectives of the research as set out in Chapter 1. The views, practices, perceptions and opinion of the participants were used to determine what is driving organisations to implement combined assurance; the factors considered critical in the successful implementation of combined assurance; the methods or ways in which combined assurance is being implemented; and the benefits achieved in implementing combined assurance, in particular if boards were being enabled to exercise their risk oversight role.

4.5. Measurement

Semi-structured interviews were conducted face to face with 14 participants from different industries, who increased the construct validity (Decaux & Sarens, 2015a). Furthermore, the participants had knowledge of, and experience in, combined assurance, which is a key verification strategy to ensure reliability and validity (Daniel, 2019; Morse et al., 2002).

When participants who met the set criteria were identified, an invitation to participate in an interview was sent using a standard email (see Appendix 1). The letter highlighted the purpose of the research and noted that participation was voluntary. When they agreed to participate in the research, a meeting request was sent in order to secure a date and time for the interview, at a convenient place for the participants (Cassell & Symon, 2011). Lewis and Saunders (2018) suggested that preparation is key before the data gathering process begins, thus the researcher conducted a background search on the participants and the organisations that they worked for, prepared a consent form (see Appendix 2), and obtained an audio-recorder for the interviews.

Furthermore, the researcher developed an interview guide (see Table 4 below) with questions that were aligned to the research objectives and informed by the literature review (see Appendix 3 for a consistency matrix). If the questions were constructed poorly, this could have had an impact on the subsequent stages of the research (Agee, 2009), therefore it was important that a few short, open-ended questions were developed by the researcher as a guide for the semi-structured interviews (Lewis & Saunders, 2018). Roulston (2010) supported this idea, highlighting that it is better for the interviewer to pose short questions and allow the participant to answer the questions for a longer time. Furthermore, the questions need to be clearly articulated, unbiased and not leading (Agee, 2009). The questions were thus developed with this in mind to ensure the reliability of the data collection process.

Table 4: Interview guide

Research Questions	Interview questions
Research Question 1 What is driving organisations to implement combined assurance?	**1.** What is your understanding of the concept of combined assurance?
	2. What is driving organisations to implement combined assurance?
Research Question 2 What are the key success factors in implementing combined assurance?	**3.** What would you say are the important requirements to ensure the successful implementation of combined assurance and why?
	4. What are the challenges that organisations have encountered in the implementation process?
Research Question 3 What are the methods or ways in which combined assurance is being implemented in organisations?	**5.** Which of the assurance providers is leading the implementation of combined assurance and why?
	6. Describe how assurance providers are working together as they implement combined assurance.
Research Question 4 What are the benefits of implementing combined assurance and has the goal of enabling the board to exercise its oversight role been achieved?	**7.** What are the benefits that organisations are deriving from using a combined assurance approach? Are these benefits measurable?
	8. Does combined assurance enable boards to exercise their risk oversight and why?

4.6. Data collection process

Before the data collection process had commenced, the researcher obtained an ethical clearance letter from Gordon Institute of Business Science (GIBS) (see Appendix 4). Roulston (2010) questioned how quality can be achieved when conducting qualitative research, therefore Lewis and Saunders (2018) suggested that it is important that a pilot test be conducted. For this reason, the researcher conducted an in-depth pilot interview with one individual, which allowed her to check for problems or issues with the questions. The original interview guide had 10 questions, however these were reduced to 8 questions, as during the pilot interview the researcher realised that it was important for two questions to be integrated with the others, so that the participants would not repeat themselves. The interview questions were also changed slightly following the feedback from the pilot interview in order to simply them.

The pilot interview lasted for 50 minutes, which afforded the researcher an opportunity to establish how long the interviews with the participants were likely to take, as well as to test the recorder. As the researcher lacked experience in interviewing, which Roulston (2010) considered could impact the quality of the data collected, the pilot interview was used to practice this. Detailed feedback on how the researcher conducted the interview was requested from the pilot participant, which was used in the future interviews.

Following the pilot, the interviews commenced with the different participants. The purpose of the research was explained and a consent form was presented to the participants for signature before commencing any interviews. This was done to ensure that the information obtained from the interviews was used in an ethical manner (Gordon Institute of Business Science, 2018). The researcher asked for permission from the participants to record the interviews, and all participants agreed.

Fourteen face to face, semi-structured interviews were conducted over a period of six weeks. The researcher opted to conduct face to face interviews in order to observe the body language and reactions of the participants, as he wanted to draw in-depth insights from the participants on the topic of combined assurance (Lewis & Saunders, 2018). The researcher allowed the participants to speak openly and freely, as the questions were open-ended and did not lead to any particular response. During the interview process, the researcher used insights provided by Roulston (2010) regarding asking questions in ways that can be understood by the participant, as well as following up to clarify the answers provided by the participants. Following up enriched the data and clarified the findings, while also mitigating against response bias (Decaux & Sarens, 2015a).

Morse et al. (2002) suggested that there is a need for a researcher to be responsive during the research process, i.e. they should remain completely engaged throughout the process. The researcher was therefore attentive throughout the interview process, and was prepared to let go of unsupported ideas (Lewis & Saunders, 2018; Morse et al., 2002). Morrow (2015) also warned against subjectivity by the researcher, citing that a researcher needs to be aware of their own biases and presuppositions. The researcher overcame this by not voicing her own opinions, views and experiences during the interview process, but rather provided summaries of the responses provided by the participants and asked follow-up questions to clarify aspects of the responses provided.

The interviews conducted varied in length from the shortest interview which was 20 minutes long, to the longest interview which was 63 minutes long. The average of all the interviews was 42 minutes, and the researcher took detailed interview notes throughout. Once all the interviews had been completed, the recordings were transcribed verbatim using a standard transcription protocol by a third party, as suggested by Guest et al. (2006). A non-disclosure agreement was signed between the researcher and the transcriber to ensure that confidentiality of the information was preserved.

Guest et al. (2006) proposed that interviews must be conducted until a point of saturation, defined as "the point at which no new information or themes are observed in the data" (p. 59), is reached. Saturation of data is regarded as one of the qualities of a good qualitative research, thus the researcher conducted the interviews until a point of saturation was reached (Guest et al., 2006; Morrow, 2005; Suri, 2011; Zhang & Wildemuth, 2009). The detailed notes taken were analysed at a high level to establish if data saturation had been reached. A detailed analysis of the data to establish saturation was also conducted using Atlas ti when all the interviews were complete. Section 4.7 of this report discusses in detail how the data were analysed, while Figure 3 below demonstrates that from transcript seven on, few new codes were formed, i.e. data saturation had been reached.

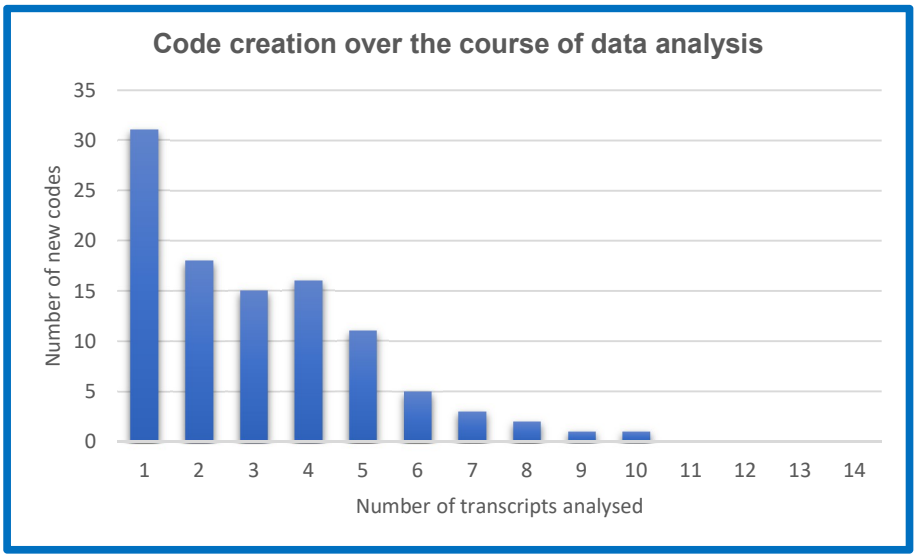

Figure 3: Number of new codes created over the course of data analysis

4.7. Data analysis

The way the data are interpreted during data analysis is considered critical, as this determines their trustworthiness (Daniel, 2019; Morrow, 2005; Srivastava & Hopwood, 2009). Data analysis is prone to interpreter bias, as meaning is derived from the researcher's understanding of what the data are saying (Srivastava & Hopwood, 2009), therefore it is important to immerse oneself in the data. Reflective analysis, which involves "visiting and revisiting the data and connecting them with emerging insights progressively leading to refined focus and understandings" (p.77), was used to allow for meaningful insights to emerge. The researcher approached the data analysis with this in mind in order to ensure that the quality of the data was preserved. Four weeks were spent on the detailed data analysis, as the researcher was trying to understand the meaning of the data.

The high level data analysis started during the interviews as the researcher took detailed notes which allowed her to start the data analysis (Lewis & Saunders, 2018; Morrow, 2005; Zhang & Wildemuth, 2009). This analysis was not as detailed as the analysis that proceeded the data collection process, however, so that the researcher could follow up on insights picked up in earlier interviews and explore these more in later interviews.

The data that were collected from the 14 interviews was analysed using Atlas ti. A thematic analysis approach was used, which is "a method of identifying, analysing, and reporting patterns (themes) within data" (Braun & Clarke, 2006, p. 6). The researcher wanted to identify patterns or themes on the various aspects of the combined assurance concept, from the drivers to the key success factors, methods or ways and the benefits, hence this type of analysis was more relevant. The following step-by-step process was followed as suggested by Braun and Clarke (2006):

Phase 1: Becoming familiar with the data collected through the 14 semi-structured interviews. It was important for the researcher to read through all the transcripts and understand the data before the coding began. In some cases the researcher listened to the recordings again in order to derive meaning from what had been transcribed, as this process was done by a third party.

Phase 2: Coding to identify initial codes was conducted on the first three transcripts. An analysis of the codes that had been generated was conducted to ensure that there were no codes that had been generated with different words but the same meaning. Any

codes with similar meanings were merged. The coding process continued with the researcher analysing the codes generated after every three transcripts.

Phase 3: During this phase the researcher searched for themes from the codes that had been generated. A total of 103 codes were generated which were grouped into categories and further into themes. The codes generated were downloaded onto Excel and the analysis to establish the categories was conducted using tables, before the researcher went back into Atlas ti. to group the codes in the tool. Appendix 5 shows the thematic map that was created from this analysis.

Phase 4: The categories that were created were reviewed to ensure that all the codes behind that category had a similar meaning. This resulted in some codes either being discarded as they did not adequately fit into the themes, or being moved to other categories.

Phase 5: During this phase the categories that had been created were defined, providing meaning to that set of data. In order to define the themes, a further analysis of the categories was conducted. The themes aligned with the four components of combined assurance (drivers, success factors, methods/ ways and benefits) that the researcher wanted to assess.

Phase 6: The code report was drawn from Atlas ti. and the write up of the results commenced.

It was not possible to triangulate the results between the participant groups as the participants could not easily be put into groups with similar characteristics (Daniel, 2019). However, where it was relevant to mention a specific participant, this was done in order to enhance the data. This is why the researcher chose to use interview guide questions in order to enhance the richness of the data, by ensuring that more information was provided by participants and clarified through different questions. The way the interview guide questions were structured was such that some of the questions were being asked to triangulate the results of the other questions, as demonstrated in Chapter 5 where the results are presented. For example Question 3 and Question 4 of the interview guide, although they are not similar, required a response in the positive and negative respectively. The results of Question 4 were thus used to enhance Question 3, which was directly linked to Research Question 2. What the researcher noticed was the

consistency in the categories created across the research questions, as evidenced in the thematic map in Appendix 5, in particular on Research Question 2 and 4.

Regarding the data validity of the data analysis process, Braun and Clarke (2006) and Daniel (2019) suggested that there are pitfalls that need to be avoided when conducting thematic analysis, as they could compromise the reliability and validity of the data analysis process. These include such things as failing to analyse the data, using the interview questions to derive the themes, poor analysis leading to unconvincing results, data analysed not matching the claims being made, and claims made not matching the theory. The researcher conducted the analysis with this in mind to ensure that reliability and validity of the data were achieved.

4.8. Data validity and reliability of the research

There are ongoing debates around the reliability and validity of qualitative research because it is prone to a lot of biases (Cassell & Symon, 2011; Daniel, 2019; Morse et al., 2002; Morrow, 2005; Roulston, 2010). The research methodology detailed above provided a number of ways in which reliability and validity were achieved to ensure quality of the research. A summary of these is as follows:

- Having set criteria for the participants, which were highlighted as the position, knowledge and experience of the participants in the implementation of combined assurance. These criteria were independently verified either through the company websites or the social media profiles of the participants, such as on LinkedIn.
- Participants were selected from across different assurance providers and levels of ownership of combined assurance (implementer, responsible, accountable or advisory). This ensured construct validity and removed any bias that the researcher potentially had towards a particular group of assurance providers.
- Participants were selected from across different industries to ensure a balance of views, which removed any bias that the researcher could have had towards a particular industry, especially the financial services sector with which she is familiar.
- During the interview process the researcher did not voice her own opinions, views or experiences on the subject of combined assurance. This was done in order to avoid any interviewer bias. Follow-up questions to clarify aspects of the responses provided were asked in order to avoid response bias. Participants were allowed to speak openly and freely, and the questions were open-ended.

- Reflective analysis, which means going back to the data several times in order for meaningful insights to emerge, was conducted (Srivastava & Hopwood, 2009). It took the researcher four weeks to complete the data analysis as the intention was really to understand the meaning of the data in order to avoid interpreter bias.

4.9. Limitations

Qualitative research is prone to a number of limitations because of its descriptive nature (Decaux & Sarens, 2015). In particular, this research had the following limitations:

- The data were collected from participants in Gauteng, South Africa, where the researcher resides, as she wanted to conduct face to face interviews. The research was thus prone to geographical bias.
- The researcher lacked experience in terms of the research process, in particular the development of questions which are critical to ensure the best results. Agee (2009) indicates that "poorly conceived or constructed questions will likely create problems that affect all subsequent stages of the study" (p. 431).
- There was dependency on the appropriateness and adequacy of the sample size, i.e. the knowledge and experience of the participants regarding the research topic. The researcher could not find assurance providers in Management, Compliance and Forensics who had experience both in implementing combined assurance and meeting the criteria defined above. They thus did not form part of the sample, although their opinion could have been equally important.
- More than 70% of the participants were from Consulting & Advisory and Financial Services, which could potentially pose a challenge in generalising the findings of the research.
- The participants' experiences of combined assurance were at different levels of maturity in their organisations, which again could limit the ability to generalise the findings across organisations and industries.

CHAPTER 5: RESULTS

5.1. Introduction

This section of the report presents the results for Research Questions 1 to 4, with key findings from the 14 semi-structured interviews conducted by the researcher being presented. The findings for each question from the interview guide (Table 4) are analysed, after which the overall results for the research questions are provided as a conclusion.

5.2. Results: Research Question 1

Research Question 1: What is driving organisations to implement combined assurance?

Two questions – Question 1 and Question 2 – from the interview guide were asked in order to understand the drivers of combined assurance. Results from these two questions will be assessed and a conclusion reached to answer Research Question 1.

5.2.1. Understanding of the concept of combined assurance

Question 1: "What is your understanding of the concept of combined assurance?" was asked in order to establish the participants' understanding of the concept of combined assurance, which then contextualised the discussion that followed. Diverse views were provided by 12 of the 14 participants, however the remaining participants went on to discuss the other questions as the researcher had provided an introduction of what she was going to cover upfront, i.e. they opted to answer some of the other questions instead. Table 5 below shows the views that were provided by the 12 participants.

The diverse nature of the participants' understanding of the concept of combined assurance shows that it has not been bedded down as a concept, which could be attributed to the lack of practice guidance on how to implement it, as per one participant:

> *"I think that's been the one thing that has actually been missing, is there is no literature, everyone is busy building it but if we can have some literature with a common platform will also help."* (Participant 9)

Another participant highlighted that each organisation has to define how it would like to see the concept achieved at the end of the day:

> "*So you probably pretty much need to define your own end, taking into account your own organisation's environment, and that's probably the biggest challenge that a lot of people face, like what does my end product look like?"* (Participant 8)

The definitions provided were viewed as how holistically the participants understood the ultimate goal of combined assurance, which should drive them to implement it. Two of the participants provided the following definitions:

> *"I think the most simple way of explaining combined assurance is that organisation or board they identify risks and they need to make sure that these risks are dealt with well, and they need to satisfy themselves that there is no duplication of effort between the service providers which will end up being costly to the company and create audit fatigue from management." (Participant 11)*

> *"So the impetus came about in terms of trying to collate that work across the different assurance providers and seeing to eliminate those duplications, and also make it more cost effective and positioning it in the right space for management." (Participant 14)*

The researcher analysed the key words from each of the definitions provided and Table 5 below shows the common words from the definitions and the frequency, showing how many of the participants referred to those particular words in their definition. From this analysis, some of the common words used include risk mitigation, preventing duplication, optimising assurance, coordination, cost effectiveness, several assurance providers and holistic view of risks. The concept of combined assurance could be understood as coordination and alignment of assurance across different assurance providers in order to prevent duplication of effort and ensure cost effectiveness, as organisations mitigate risks, with the goal of providing a holistic view of the risks to management and the board.

Table 5: Participants' understanding of the concept of combined assurance

Key words from participants understanding of combined assurance	Frequency
Risk mitigation	5
Preventing duplication	4
Optimise assurance	4
Cost effectiveness	2
Coordination	2
Several assurance providers	2
Holistic view of the risks	2
Internal control effectiveness	2
Formal framework	1
Risk universe	1
Optimising resources	1
Reduce audit fatigue	1
Risk prevention	1
Comfort for the board	1
Significant risks	1

5.2.2. Drivers for combined assurance

Question 2: "What is driving organisations to implement combined assurance?" was asked to ascertain what is driving organisations to adopt combined assurance. A number of drivers were provided by participants, however when the data were analysed, the researcher established that what was common was that the drivers were either internal or external to the organisation. Table 6 below shows the drivers and the frequency (number of participants) with which a particular driver was mentioned by participants.

The participants had different views on what is driving organisations to adopt combined assurance. As per the table below, the internal drivers that were mentioned by many of the participants include saving on assurance costs, the Risk or Audit Committee driving combined assurance adoption as part of their mandate, the existence of several assurance in the organisation, the size and complexity of the organisation, and the chairperson of the oversight committee driving combined assurance, amongst others.

Table 6: Internal and external drivers for combined assurance adoption

Categories	Drivers	Frequency
Internal	Existence of oversight committees	13
	Saving on assurance costs	10
	Existence of several assurance providers	7
	Size and complexity of the organisation	5
	Board not involved operationally	4
	Chairperson of the oversight committee drives CA	4
External	Compliance with governance standards/ regulations	10
	Requirement for listed companies	8
	Mechanism supporting integrated reporting	6
	Consulting firms drive CA	3
	Board members' exposure to other companies	2
	Exposure to different types of risks	1

5.2.2.1. Internal drivers for combined assurance adoption

The existence of oversight committees emerged as the highest ranked driver for combined assurance adoption. Organisations with Risk or Audit Committees are bound to implement combined assurance, as these committees are mandated to provide risk oversight. One participant mentioned:

> "*In actual fact, our Audit Committee had said we need this and they drove it. It actually came from a board level to say across the Group we need to implement this."* (Participant 7)

What also emerged is that the board, which is mandated by governance codes such as King IV to implement combined assurance, delegates this to the oversight committee, which in turn drives the implementation of combined assurance in organisations. Participant 6 and 9 supported this claim by saying:

> "*It's a board responsibility which is obviously delegated to the Audit Committee. So we have basically seen from experience that it is being driven in organisations through the Audit Committee as a result of King IV."* (Participant 9)

> "*If you look at for example King III, the responsibility for driving combined assurance is for the board and specifically the committee that is responsible for auditing task. In some organisations it might be Audit Committee, in other organisations it might be Audit and Risk, so it depends on the structure of the organisation."* (Participant 6)

Closely linked to the existence of oversight committees as a driver, is the motivation of the chairperson of the oversight committee. The role of the chairperson of the oversight committee was found to be instrumental in driving combined assurance, as supported by Participant 1:

> "*The most senior people need to insist on it. The Chairman of the Audit Committee, the Chairman of the Risk Committee to insist on seeing that document and what has changed since the last time."* (Participant 1)

What the researcher also found remarkable is the link between the above two drivers, i.e. the role that oversight committees play in driving combined assurance and the chairperson of the oversight committee driving combined assurance, and an external driver, i.e. the exposure that the board members gain on committees they sit on at other companies. This indicated the significant role that oversight committees and the chairpersons of those committees play in driving combined assurance adoption in organisations:

> *"Particularly Audit Committee chairs and particularly if they've rotated through different organisations. So let's say for example I've been at one client and I've seen something that works, if I move to the next client very practically I actually want to see them trying to also get comfort that what this organisation produces is in the same way."* (Participant 12)

In addition, saving on assurance costs emerged as the second highest ranked internal driver for combined assurance adoption, as indicated by participants:

> *"It's often led by the need to save costs because the Audit Committee often says we're paying too much fees for assurance providers."* (Participant 2)

> *"I do think cost is very important."* (Participant 3)

The expectation is that by implementing combined assurance, other assurance providers can rely on the work of others and do not necessarily need to conduct the same assurance, thereby saving on the assurance costs. However, what is also fascinating about this drive to save on assurance costs is that organisations are going to the extent of analysing these costs in order to determine how much they could save:

> *"Actually when we did this whole thing, we went and conducted an exercise to see what the cost of the assurance provider base is? It was huge. So we had to optimise that."* (Participant 7)

However, when it came to benefits, most participants could not confirm that the savings were actually being achieved. In fact, some participants mentioned that the assurance costs were increasing, because they were now aware of some gaps in assurance on certain risks, which they need to be addressed. One participant mentioned:

> *"Now combined assurance pushed that number to R38 million because now every kind of audit done must be there. And I think it was a little bit disheartening because when it was introduced it was more like it will help you reduce the audit fees."* (Participant 11)

In addition, the existence of several assurance providers emerged as a key driver:

> "*I think at the heart of it comes from the recognition that there are these numerous parties that you find within an organisation."* (Participant 7)

It emerged that when an organisation has several assurance providers, with each conducting their own assurance activities, it could be frustrating for management as their time is taken up by these providers:

> "*What you then gradually start finding is that in, say for example a five day week, a manager's time to actually focus on the core business could be whittled down to as much as two days or three days if he's lucky. The rest of the time is taken up by governance assurance activities."* (Participant 8)

These assurance providers were also found to produce different reports that are tabled at oversight committees separately, which frustrates the board as the amount of information can be overwhelming:

> "*I think a degree of frustration exists at board level receiving multiple reports which version of the truth is correct?"* (Participant 3)

What emerged is that organisations with several assurance providers drive the adoption of combined assurance, as it solves other issues that management and the board experience from having to engage with too many assurance providers either face to face or through their reports.

Moreover, the size and complexity of the organisation emerged as one of the internal drivers for combined assurance adoption. The bigger and more complex the organisation, the more likely the need to implement combined assurance. The participants stated that the smaller organisations do not need to implement combined assurance:

> *"It wouldn't make sense to have combined assurance in a small or medium size business*." (Participant 4)

> *"But the smaller companies they don't really – because they don't even really understand it I don't think."* (Participant 10)

The argument put forward by participants was that big organisations are more likely to have several assurance providers, which then links to the point above. In addition, they are more likely to have complex risk and assurance processes that need to be streamlined, which combined assurance could assist with.

Furthermore, it emerged that as the board is not involved operationally in the day-to-day running of the business, they demand mechanisms that can assist them to fulfil their duties, and combined assurance is one such mechanism:

> *"So it is the only way for the Board to know if that's working because they shouldn't be getting operationally involved, there is no ways that they can actually get into the operations themselves and actually see that this has been working."* (Participant 7)

5.2.2.2. External drivers for combined assurance adoption

Compliance with governance standards/ regulations, requirements for listed companies, and combined assurance as a mechanism that supports integrated reporting, emerged as the key drivers to combined assurance adoption. Regarding compliance with

governance standards/ regulations, which emerged as the highest ranked driver, participants claimed:

> *"It is obviously compliance. So the fact is, it is a governance requirement to actually consider combined assurance."* (Participant 2)

> "*I also think that sometimes organisations have got a compliance driven perspective, so they think we must have compliance assurance because King III requires it. Do we comply?"* (Participant 12)

Participants were also of the opinion that combined assurance is being implemented in organisations because it is a requirement for JSE-listed companies, as claimed by participants:

> *"From a listing requirement if you are listed on the Johannesburg Stock Exchange part of those requirements and guidance is that you apply King principles."* (Participant 12)

> "*I've worked at other listed companies, it's compliance with JSE requirements which expect you to comply with the legislation."* (Participant 14)

However, what the researcher gathered during the interviews is that if combined assurance was driven from a need to comply with either governance standard or listing requirements, it often resulted in a tick box exercise, as claimed one of the participants:

> *"If you're a listed entity, there is a King compliance questionnaire and you need to comply, but in a lot of instances there is great difficulty in terms of why are you actually, so a lot of it is just going with the flock."* (Participant 8)

Furthermore, the need for integrated reporting emerged as one of the reasons why organisations are adopting combined assurance:

> *"Well look, the board wants this assurance because they have to be able to make statements in the financial statements, and in the integrated reports." (Participant 10)*

> *"Then to document that in an integrated report, to take the stakeholders to tell the stakeholders both internally and externally how well they are doing."* (Participant 3)

What emerged is that the board needs to provide an opinion on the risk and control environment of the organisation in integrated reports, which combined assurance enables them to do. However, what was interesting regarding this finding was the view of an independent director who sits on several boards:

> "*I think there is a big expectation gap doing what people think integrated reports do and what actually integrated reports do."* (Participant 4)

The picture painted here of the integrated reports was very much ticking the box, i.e. is combined assurance adoption being driven for the right reasons?

Other external drivers for combined assurance adoption that emerged from the data analysis included combined assurance being driven by consulting firms, especially the Big 4 audit firms, board exposure to different companies that are implementing combined assurance and exposure to different kinds of risks. Although the frequency of occurrence of these factors was low, it does not make them insignificant, as this study was a qualitative research and less is not equal to insignificance.

5.2.3. Conclusion for Research Question 1

In terms of how the participants perceive the concept of combined assurance and what is driving their organisations to adopt it, there is alignment. The researcher's analysis of Question 1 was concluded to be coordination and alignment of assurance across different assurance providers in order to prevent duplication of effort and ensure cost effectiveness, as organisations mitigate risks, with the goal of providing a holistic view of the risks to management and the board. Based on this analysis, organisations are driven to adopt combined assurance due to the existence of several assurance providers and the need to save costs which results in optimisation of assurance, prevent duplication of effort and a holistic view of risks being provided. These drivers also emerged from Question 2 as drivers for combined assurance adoption. Several other drivers for combined assurance adoption that emerged included internal drivers, i.e. the existence of oversight committees, the size and complexity of the organisation, and boards not being involved operationally, hence the need for such a mechanism to

monitor the risks of the organisation. External drivers include compliance with regulation, requirements for listed companies, and mechanisms to support integrated reporting. Consulting firms are also driving combined assurance adoption, coupled with the exposure of companies to different risks.

5.3. Results: Research Question 2

Research Question 2: What are the key success factors in implementing combined assurance?

In order to answer Research Question 2, two questions were posed to participants, i.e. Question 3 and Question 4. Question 3 was directly linked to the research question, however Question 4 was asked in order to triangulate the results from Question 3 and therefore enrich the data for Research Question 2.

5.3.1. Key success factors for combined assurance implementation

The question that was posed to participants was: “What are the important requirements to ensure the successful implementation of combined assurance and why?” Diverse views and opinions were provided by the participants, further confirming that combined assurance is a new business paradigm that has not been fully embedded. From the analysis conducted, 16 factors were identified, while a further analysis resulted in 5 categories or groups of factors being created, namely contextual, operational, relational, function and financial factors. Table 7 shows these groups and the factors associated with each group.

Table 7: Key success factors in implementing combined assurance

Category	Success factors	Frequency
Contextual	Raising awareness	8
	understanding what combined assurance is	*5*
	demonstrate the value	*5*
Operational	Combined assurance forum	9
	frequency of the forum meetings	*5*
	Combined assurance standard	8
	Alignment of the taxonomies	7
	Maturity of the risk management framework	7
	Clarity of roles and responsibilities	6
Relational	Buy-in from senior management and the board	10
	Buy-in from all assurance providers	8
	Strong coordinator	8
	Willingness by assurance providers to work together	8
	Change management	2
	Sponsor	2
Function	Maturity of the Risk function	6
	Maturity and experience of the board and other assurance providers	2
	A strong Internal Audit function	1
Financial	Funding	1

5.3.1.1. Contextual factors

Contextual factors are those that relate to setting the scene or platform upon which a combined assurance programme can be built. These are about contextualising the concept of combined assurance, which then builds room for subsequent steps in the implementation process. The participants highlighted that there is a need to raise awareness about combined assurance, from the board level to executives, management and all the assurance providers, in order to ensure successful implementation of the programme.

> "*So it is about setting up appointments having a coffee chat and inspirationally describing what their intention is."* (Participant 3)

> *"There is a very big awareness as you can't just go do things in isolation."* (Participant 7)

In raising awareness it emerged that the coordination has to provide an understanding of what combined assurance is, as well as the value that it can bring into the business, as no one wants to embark on a journey if they do not know what the end goal is, or what the value to the organisation is. It was suggested that cost benefit analyses should be conducted in order to demonstrate the value that a combined assurance programme could bring:

> *"You actually have to have assurance providers that understand what this is all about." (Participant 10)*

> "*If you could also show how they will benefit out of it makes everyone's roles a bit easier."* (Participant 2)

> "*You have to find a way of doing that cost benefit and being able to sell it properly to the people*." (Participant 8)

Therefore, raising awareness of the concept of combined assurance, which includes an understanding of what combined assurance is and the value to be derived from it, was concluded to be a key success factor for combined assurance.

5.3.1.2. Relational factors

Relational factors relate to the relationships between the coordinator and the stakeholders, or the relationships among the stakeholders, for combined assurance. This follows the awareness that the coordinator creates as he/ she sets the context for combined assurance. A number of factors emerged in this category, namely buy-in from the board and senior management, buy-in from the assurance providers, the need for strong coordinator, willingness by assurance providers to work together, the need for change management, and a sponsor.

The board and senior management buy-in emerged as the highest ranked factor. As combined assurance is a mechanism that should assist boards and senior management to discharge their duties, the participants indicated that their buy-in is critical:

> "*If there is no buy-in from the Board it can't take off because we are actually doing it for them and if they don't see value in it then they will not support it."* (Participant 6)

Interestingly, this statement links to what should be achieved when raising awareness about combined assurance; as highlighted above, there is a need to demonstrate the value if buy-in is to be achieved. Furthermore, board and senior management buy-in was also highlighted as important because they need to commit either human or financial resources in order to support the implementation of the programme:

> "*You can't do that on your own, so you don't only need board to have a very strong buy-in, but your executives need to have a very strong buy-in, to the extent of committing resources to it."* (Participant 8)

Buy-in from the assurance providers/ functions that are responsible for risk and assurance activities, such as ERM, Compliance, Internal Audit, Forensics etc., was also indicated as a critical success factor. Furthermore, participants were of the view that buy-in from assurance providers needs to be at the right level, such the Head of the control function, to ensure there is accountability:

> "*It need all the stakeholders, everybody whose jobs is touched by risk needs to buy-in to the concept of combined assurance."* (Participant 1)

> "*You need to have the buy-in from all lines of defence as well, and make sure you get the right representation from those lines of defence."* (Participant 14)

Combined assurance would be meaningless without the assurance providers' buy-in, as these are the functions that are responsible for the day-to-day running of risk and assurance activities in the organisation.

Closely linked to the factor above is the willingness of the assurance providers to work together. It is one thing to obtain buy-in for individual assurance functions, but it is another to have those assurance functions combining efforts with another function. Furthermore, the participants were of the view that combined assurance is not easy to implement. They claimed that assurance providers need to let go of their own ways of doing things in order to combine efforts, which can be uncomfortable:

> "*Another important thing is that you need assurance providers who aren't territorial, are willing to share, who are willing to say okay."* (Participant 2)

"*When you have personalities that like to work on their own, there will be a level of discomfort then it does force assurance providers to get out of their offices and come together and have conversations."* (Participant 3)

In addition, participants were of the view that in order to implement combined assurance, one of the critical success factors is a strong coordinator. This is someone who can drive the process, from raising awareness to get everyone on board, to coordinating the assurance activities:

"So you need a process whereby somebody drives combined assurance, because all those assurance providers they carry on with their day-to-day job, you need somebody who drives them. So you have to give that responsibility to a person." (Participant 10)

A remarkable observation during the interviews was the emphasis that was placed on this factor by participants, to the extent that some participants felt that without a coordinator, the combined assurance cannot be implemented. Furthermore, strong leadership qualities were said to be necessary in this coordinator in order to obtain buy-in from all levels:

"The only thing they had to have is the coordinator and the forum. If you don't have someone who is responsible for coordinating all those functions, and reporting to you, it just becomes an idea." (Participant 11)

"You've got to be able to have a leadership that drives that strong conversation in business, without the buy-in then you have nothing." (Participant 5)

Other relational factors which emerged from the data analysis included the need for change management and a sponsor. These had a lower frequency of occurrence compared to the others.

5.3.1.3. Function factors

The participants' views were that there are certain functions that are critical for the implementation of combined assurance. Therefore, there are functions within the combined assurance model that need to display certain characteristics to support the implementation of combined assurance. Factors in this category include the maturity of

the Risk function, the maturity and experience of the board (as a function of the organisation) and other assurance providers, and a strong Internal Audit function. A mature Risk function emerged as the highest ranked success factor in this category as it is the custodian of the risk framework, which is the basis upon which assurance is built. The Risk function needs to be mature in order to support the risk frameworks and processes required to support combined assurance:

> *"You need to have a mature risk management function, because if your risk management function is not at a very high level you're not going to have the right risks, you're not going to be checking the right things".* (Participant 10)

> *"But once again it depends on the maturity of the risk function. And I guess that's something we haven't talked about as a critical success factor".* (Participant 6)

Other functions that were indicated as being important, but with a low frequency of occurrence, was the maturity and experience of the board and other assurance providers, and a strong Internal Audit function.

5.3.1.4. Operational factors

This category of factors includes those success factor that are required to operationalise combined assurance. It includes the frameworks and governance structures that are required in the organisation in order to successfully implement combined assurance. This includes the combined assurance forum, the combined assurance standard, the alignment of taxonomies, and the risk management framework.

Participants were of the view that to operationalise combined assurance successfully, there is a need to have a combined assurance forum or committee in place where the assurance providers can meet to collaborate. This forum would be attended by all the assurance providers:

> *"So obviously we advocate that an organisation should have a combined assurance steering committee where the assurance providers can meet for that collaboration." (Participant 9)*

"The committee must comprise of representation from first, second and third line of defence and there must be representation from each of the main risk owners." (Participant 3)

Views in terms of who would chair the combined assurance forum meetings were different, with some advocating for the coordinator and others saying that the CRO or the CAE would chair the meeting because they hold positions of authority. Others were of the view that it depends on the organisation, i.e. it could be the coordinator or the CRO/ CAE, depending on the factors impacting that organisation:

"And then also, to make sure that it's actioned there must be a combined assurance forum which will be chaired by the coordinator, so when various members of management who generate particular data, they will be present." (Participant 11)

"What we see in some organisations is that to do that they create combined assurance forums, or combined assurance committees and they call it that, and it's chaired by the CAE or the CRO." (Participant 12)

"I think that would apply case by case or from organisation to organisation taking into consideration a number of factors that may be in play." (Participant 5)

Furthermore, participants were of the view that for the committee to be effective, the members should meet to ensure coordination takes place. The frequency of the meetings were highlighted as depending on the maturity journey of the organisation:

"Once a month, basically I think where you are starting, and then eventually I think once you mature it could be once a quarter or even twice a year in very mature instances." (Participant 9)

*"*M*aybe you want to then meet monthly to make sure everybody understands all the risks and who's doing what and where and how, and who understands the methodologies and understands what everybody is doing. And then you can taper it down to a quarterly interaction."* (Participant 10)

The need for a combined assurance forum that is chaired by a person of authority and meeting frequently for coordination to take place were concluded to be key success factors.

In addition, it emerged that the participants believe that there needs to be some governance on the combined assurance process to ensure successful implementation. Different views were provided by the participants, with some calling it a policy, some calling it a framework, and others calling it a strategy, standards or a methodology. Upon analysis of the data collected, this pointed to the need for a combined assurance standard/ methodology that standardises the various aspects of the process:

> *"A standard operation because we all saying as best practice this is what we expect, these are the minimum items you need to cover and make sure that that work is done.*" (Participant 7)

The standards include such things as how the assurance activities will be conducted, i.e. what to focus on when conducting assurance activities, issues around sampling, the level of assurance required and how issues/ findings from the assurance activities can be rated, etc. Some participants even prescribed the length of the methodology, saying that it needs to be short and clear.

> *"A combined assurance standard that determines what our frequent sample size, interpretation of materiality and we use our Risk and Issues Classification Matrix to determine materiality of findings.*" (Participant 7)

> *"Because you are introducing something new, and it needs to be clear how you are going to do it. But it's not - I would say it's not a long document.*" (Participant 8)

Another critical success factor which emerged is the alignment of taxonomies. Some called this alignment of the language that needs to be used in combined assurance. This factor could be incorporated into the standards described above, however the researcher noted during the interviews that there was an emphasis on this aspect as one element that is critical. The participants indicated that this is crucial as different assurance providers use different taxonomies, which could be challenging for the implementation of combined assurance:

"The reality is we all have different taxonomies. So now you have External Audit, Internal Audit, Compliance and Regulators and they all have different taxonomies for what they look at." (Participant 2)

Alignment of taxonomies was highlighted as critical in that when there are findings from each assurance provider, there has to be some common classification on the significance of those issues. Defining the significance of issues will enable the board to determine what is important so that they can act accordingly. What was interesting to note on this factor is the emphasis that participants placed on it, to the extent that some felt that without a common language, the board cannot make the correct decisions.

"If assurance providers just do their own thing we find disparities you can't compare like to like. So if I have a report that is satisfactory somebody else says it's satisfactory it means different things. Remember you want to enable the Board to take comfort or get a reality check that actually has a problem." (Participant 7)

"Significance of issues - it has to be the same way of measuring this significance. So that you don't come out and say that it is low and then another person comes and says that it is high and then what should the governing body do." (Participant 6)

Furthermore, the need to clarify the roles and responsibilities of the assurance providers emerged as a critical success factor, i.e. there needs to be some accountability mechanism for assurance providers to successfully implement combined assurance. Each assurance provider needs to understand what their roles and responsibilities are and their mandate, which the three lines of defence model provides.

"You need to make sure that all the assurance providers actually understand their roles and responsibilities." (Participant 14)

"I think getting everyone to be on the same page and understanding what their roles and responsibility is." (Participant 9)

In addition, the need for a risk management framework was also highlighted by participants as a critical success factor. This factor is linked to the mature Risk function, which was discussed above under the functions factors, however what emerged from

the data is that these were mentioned at different instances in the interview process, with only two participants making the link between the two. This is why the researcher had to discuss the two separately.

The participants' views were that risk management and combined assurance are very much connected. Furthermore, they indicated that the risk management framework is necessary, and the framework assists in terms of defining a number of things which include, *inter-alia*, risk appetite and tolerance, risk management process identification, assessing and mitigating risks, and the classification of risks etc. Instead of redefining a new framework, some participants were of the view that the risk framework, which in most cases already exists, needs be leveraged:

> *"You need to have clarity on your risk management, in terms of risk management methodology, approach, with your rating scheme and all of that. In addition to that, you need to have a clear articulation of what I refer to as your risk appetite tolerance."* (Participant 8)

> *"There is I think huge link and connection to what combined assurance does for an organisation and how it helps them manage risk."* (Participant 5)

> *"So principally it should be aligned to the risk framework of the organisation, and you should use, or re-use, what is already being done."* (Participant 12)

5.3.1.5. Financial factors

Financial factors are those factors that relate to the financial requirements that enable the successful implementation of combined assurance. Only one factor was highlighted in this category, which was the need for funding. The frequency of occurrence of this factor was low, thus to ensure consistency with other factors with low frequencies, this was not discussed, however it does not mean that funding is less important.

5.3.2. Challenges in implementing combined assurance

The question that was posed to participants was, "What are the challenges that organisations have encountered in the implementation process?" This question was asked in order to triangulate the results for Question 3 regarding the success factors. When all the challenges were analysed, they were grouped into similar groups as the

success factors. However, for this question, only three categories, namely operational, financial and relational, emerged from the data. Table 8 below highlights the challenges that emerged from the data under each category.

Table 8: Challenges in implementing combined assurance

Category	Challenges	Frequency
Operational	Takes time and effort to implement	7
	It is difficult to implement	6
	Many organisations have not done it successfully	6
	Lack of leading practices and guidance	5
	Implementing CA to tick the box	4
	Lack of execution of the CA plan	4
	Independence and objectivity	2
Financial	Assurance costs could increase	2
	Assurance providers are cost centres	1
Relational	Battles between assurance providers	3

5.3.2.1. Operational challenges

This category presents the challenges experienced from an operational perspective when implementing combined assurance. Seven operational challenges emerged from the data as summarised in Table 8 above.

The highest ranked challenge, which the researcher found fascinating in the way participants said it, was that combined assurance takes time and effort to implement, and implementers need to understand that and be patient with the process:

> *"I think part of my, I don't know if you call it pessimism, stems from the fact that the amount of energy and commitment required to get this thing going, just makes it almost like a mission impossible."* (Participant 8)

> *"It's very, very comprehensive and it took a lot of time to figure out. Yes, it took a lot of time to figure out".* (Participant 13)

Linking this back to the success factors, the coordinator who leads the implementation process needs to be patient in order to understand that it is going to require a lot of iterations before getting it right:

> *"There needs to be a consideration of what the combined assurance will look like, and to know that it will be an iterative process, and gradually it will evolve, and the destination, that it might take a year or two for the objectives to be achieved".* (Participant 3)

Furthermore, in raising awareness, it is also important to provide stakeholders with the context that the process will require time and effort, so that people are braced for implementation, i.e. when it takes a lot of time, they can refer back to the awareness. Another participant from an organisation that has a mature combined assurance programme highlighted that it had taken them three years to reach maturity, which is a long time to implement one programme:

> *"We are three years down the line and I think we are fairly mature, just tweaking here and there. Everybody is marching in the same direction."* (Participant 7)

In addition, participants were of the view that it is difficult to implement the programme, i.e. it can be seen why there is need for a coordinator with strong leadership qualities; a process that is hard, complex and frustrating to implement requires a strong coordinator. Furthermore, it could also be linked to the need to have a mature risk management function, a combined assurance forum and combined assurance standards, as all of these can work together to distill the difficulties and complexities of implementing combined assurance:

> *"The journey is hard."* (Participant 2)

> *"Implementation is just complex."* (Participant 8)

> *"So, it was frustrating implementing this process."* (Participant 13)

Participants were also of the view that many organisations had not done this successfully, hence there are no referral case studies that organisations can learn from:

> *"I think organisations need to understand that they are many that have failed at it, they do not need to think that it's only them that are not managing."* (Participant 3)

Some participants were even of the view that those organisations that publicly show through integrated reports that they have implemented combined assurance, in practice have not done so successfully. One participant, who is an independent non-executive director and sits on the boards of a number of listed companies, said:

> *"Of all of the private sector companies and they're big organisations, all of them profess to do combined assurance and if you look at the integrated reports they say the combined assurance model is effective. None of them do combined assurance properly."* (Participant 4)

Linking this back to Question 1 regarding the need to implement combined assurance as input into the integrated report, it can be concluded that organisations implement this in order to tick the box, but yet in reality it is not the case.

This took the researcher to the next point that was highlighted as a challenge by participants, i.e. many organisations are implementing combined assurance to tick a box, thus the real value of the programme is not achieved and the value that boards should obtain in order to exercise their risk oversight role might not be achieved. Linking this back to Question 3 regarding the need to raise awareness as a critical success factor, the need to demonstrate the value was indicated as important. Therefore, if combined assurance is being implemented to tick the box, it could be challenging to demonstrate the value, which renders the whole programme unsuccessful:

> *"I get a lot of people asking me to help them implement, but a lot of them are trying to close out an audit finding."* (Participant 8)

> *"But then the challenge with that, is that if you do combined assurance for tick box purposes, that's all you're going to get; you get a box with a tick, but no real value."* (Participant 8)

The lack of guidance when it comes to implementing combined assurance was highlighted by participants as another challenge. The King IV code of governance unfortunately does not prescribe how combined assurance ought to be implemented,

which explains some of the challenges being experienced. If there are not many organisations which can be used as case studies, other organisations need to figure this out on their own, which makes it challenging if there are no practice guidelines in place:

> *"There isn't much literature or researches, you go into the internet, there isn't much documents that say to you how to implement combined assurance. The King IV also says, but it doesn't prescribe how companies should implement, how many lines of assurance companies should have. There is no process or guidance on how to implement combined assurance".* (Participant 13)

> *"So I think just the fact that it's susceptible to opinion, there's no authority or authoritative view on it, is probably one of the biggest challenges.*" (Participant 8)

The lack of execution of the combined assurance plan further emerged as a challenge, with participants indicating that many had done the plan but it was never executed, leading to a failure to implement the programme. This is the reason why there is a need for a combined assurance forum which can drive the plan and any other matters of coordination:

> *"I think the challenge frankly it's been a piece of paper that people have created and then it gets dusty"* (Participant 1)

> *"It's one thing to have a plan but it's a totally different thing to have put the plan into action and say, here's the results of our assurance work."* (Participant 10)

Finally, the independence and objectivity of the Internal and External Audit functions were highlighted as challenges in the successful implementation of combined assurance. Although the frequency is low, it does not make it a less important challenge, however.

5.3.2.2. Relational challenges

Relational challenges are a result of the failure by stakeholders to manage their relationships as they work together to implement combined assurance. The only challenge which emerged from the data was the battles between assurance providers who are meant to be working together, which could hinder the implementation process.

Linking this back to the success factors, it emerged from the data that there should be willingness by assurance providers to work together:

> *"Lack of understanding in the sense that there is often a lot of finger pointing when it comes to these elements."* (Participant 5)

5.3.2.3. Financial challenges

Financial challenges relate to issues regarding finances, or rather the costs associated with the implementation of combined assurance. Few of the participants highlighted financial matters as challenges, with two emerging from this category. Some participants were of the view that assurance costs could actually increase, as discussed. Another financial challenge that participants indicated could be a hindrance to combined assurance implementation was that the assurance functions are cost centres, which might not get the right support as they do not generate revenue:

> *"What also happens is that assurance is a cost centre, it does not generate any income, organisations realise more and more that they do not really have that much money, and I think one of the unfortunate things with certain types of assurance as well is that there is no quantifiable benefit that derives to the organisation."* (Participant 8)

5.3.3. Conclusion for Research Question 2

In answering Research Question 2, Question 3 indicated a number of factors that are important requirements for the successful implementation of combined assurance. Question 4 also indicated some challenges, which could be overcome by the factors that emerged in Question 2. The factors required in successfully implementing combined assurance are as follows: Contextual – raising awareness, which includes the need to demonstrate the value add and ensure understanding of the concept of combined assurance; Operational – combined assurance forum, combined assurance standard/ methodology, alignment of taxonomies, mature risk framework and clarity of roles and responsibilities. Relational – buy-in from the board and senior management, buy-in from assurance providers, willingness by assurance providers to work together, strong coordinator, change management and sponsor; Function – maturity of the Risk function, maturity and experience of the board and other assurance providers, and a strong coordinator and Financial – funding.

5.4. Results: Research Question 3

Research Question 3: What are the methods or ways in which combined assurance is being implemented in organisations?

Two questions were posed to participants, i.e. Question 5 and Question 6 of the interview guide, in order for the researcher to establish the methods or ways in which combined assurance is being implemented in organisations. In other words, how are the assurance providers working together to combine their efforts? The researcher would like to highlight that this was one of the more challenging research questions to analyse, as there were multiple diverse views in terms of how combined assurance is being implemented. This further confirms that the combined assurance concept is fairly new and organisations are still assessing how to do this properly. In addition, it confirms the lack of practice guidance which has been highlighted above as a challenge.

5.4.1. Decision on combined assurance coordinator lead

Question 5 was, "Which of the assurance providers is leading or should lead/ coordinate the implementation of combined assurance and why?" This question sought to understand which of the assurance providers was leading or should be leading combined assurance implementation and the reasons therefore. Table 9 below shows the views and opinions of the participants regarding which of the assurance providers should coordinate combined assurance.

Table 9: Views and opinions of participants regarding a combined assurance coordinator

Combined assurance coordinator	Frequency
Risk as lead	11
Negative perception on risk as coordinator	*2*
Either risk or Internal Audit as lead	7
Internal Audit as lead	3
Negative perception on audit as coordinator	*6*
Joint risk and audit	3
External assurance provider cannot coordinate	2
Management as lead	1
Negative perception on management as coordinator	1

The views of the participants on this question were very diverse, with one participant providing different views regarding which assurance provider should lead combined

assurance. The frequency with which an assurance provider was mentioned either positively or negatively was therefore used in the analysis of the data.

The Risk function emerged as the most suggested assurance provider which should lead the implementation of combined assurance. A number of reasons were provided by participants in terms of why the Risk function is best suited to lead the implementation of combined assurance. In particular, the participants indicted that the basis of combined assurance is risk management, thus it should be led by the Risk function as it is better placed to understand risk than any of the other assurance providers:

> *"So you want somebody that's closer to the business, so risk management is in the business, and that's just really why I think it is better. I've seen it work the best that way*". (Participant 10)

> *"Remember, a combined assurance that's effective leans on risk, therefore risk is best placed to say, okay, on this risk how are we getting this?*" (Participant 14)

It also emerged that some participants were comfortable with either risk or Internal Audit leading, depending on the organisation's context:

> *"It's often either Internal Audit or Risk. Who it is depends on the positioning of Risk or the positioning of Internal Audit. Fundamentally I always think that it comes back to the context of the organisation and what you want out of it. So if Internal Audit leads it sometimes it's easier. If the Risk function leads it might be easier. It just depends again on what those function's mandates are."* (Participant 2)

> *"A lot of people push towards exclusive risk or exclusive audit. Each one of them has got its pitfalls."* (Participant 8)

However, what was very interesting is that although participants expressed that either Internal Audit or Risk could coordinate combined assurance, there were many negative views regarding why Internal Audit cannot coordinate combined assurance. This could be attributed to the independency and objectivity that Internal Audit needs to uphold, which has emerged as a challenge:

> *"Internal Audit is an irritation." (Participant 4)*

> *"Management might not have as much buy-in because when they see Internal Audit it's usually about audits not about assurance. So it's a small nuance. Sometime depending on how Internal Audit is perceived in the organisation it can actually be a barrier to have Internal Audit leading it."* (Participant 2)

Just three participants were of the view that only Internal Audit should coordinate combined assurance. Two of the participants were either a CAE or Head: Internal Audit, and the researcher is of the view that it is natural for these participants to view themselves as best placed to lead combined assurance as they are the functions that King IV and the IIA Standards suggest lead:

> *"Internal Audit becomes a critical part of guiding combined assurance because in most organisations Internal Audit is the only structure that reports into that Board, formally, on assurance related matters."* (Participant 6)

Some participants were of the view that Internal Audit and Risk could jointly coordinate combined assurance, in order to draw strengths from each of these functions, i.e. Internal Audit is strong on assurance and Risk is strong on risk management. Not many participants supported the joint ownership concept, however, which linked to the challenge that emerged regarding battles between assurance providers. With joint ownership, there is the possibility that these battles would manifest as the functions are used to working independently:

> *"I think pragmatically what I've come to see and believe is I think a co-sponsorship between the CRO and the CAE is probably the best set up for it."* (Participant 12)

Other views that emerged were that management should coordinate, whilst others were of the view that they are unable to do so. There were also negative perceptions regarding risk and external assurance providers being leads. However, after the analysis, it emerged that the Risk function is best suited to coordinate combined assurance as the basis of combined assurance is risk management.

5.4.2. Implementing combined assurance

Question 6 was: “Describe how assurance providers are working together in the implementation of combined assurance.” This question sought to understand the methods or ways in which assurance providers are combining their efforts as they implement combined assurance. This question was the most difficult question to analyse, which is a limitation in terms of how the question was asked as it could have been too broad.

5.4.2.1. Three lines of defence model

In responding to this question, the participants first gave some perspective on the three lines of defence model and how this is being applied in their organisations. It emerged that the principle around the model is being applied in many organisations, however what differs is the actual number of lines of defence that the organisations prescribe to, which range from three lines to six lines:

> *“I haven’t been to an organisation where they’ve said we don’t subscribe to the three lines of defence, so that I must say.*” (Participant 12)

> *“Generally what happens is that people don’t appreciate that there are four distinct lines of defence and that having them happen concurrently defeats the entire object.”* (Participant 1)

> *“Our combined assurance at first, we have six lines. We have six lines of assurance. I am sure that is not popular or common to have six lines. I know most organisations have about three or four.” (*Participant 13)

What was common among all participants is that they agreed the three lines of defence model is the basis upon which combined assurance is being implemented in organisations. They went on to describe the roles and responsibilities of the different lines of defence, with the first line of defence being management and their responsibility being to manage the operations of the business on a day-to-day basis:

> *“From a first line is your management, on a day-to-day operational, your line management make sure that certain controls are in place because they are the first people on the ground to identify issues if there are issues.”* (Participant 5)

The second line of defence was understood to comprise of a number of assurance functions such as Risk, Compliance, Legal etc., which provide oversight on the work done by management and set out the frameworks and policies for the governance of risk:

> *"Line two would then be, what we call the non-independent functions, so they're still internal to the organisation but they have certain oversight roles. So for example it will be your Risk function, your Compliance function and your Legal function."* (Participant 9)

Additionally, Internal Audit was understood to be the third line of defence, providing assurance over what the first and second lines of defence do. It also emerged that Internal Audit could independently assess other assurance providers, which is required if assurance providers are to rely on each other:

> *"The third line is the assurance and that would be the independent aspect of making sure that two and line one are functioning correctly."* (Participant 4)

> *"I just want to say to you as well, Internal Audit also audits the other assurance providers to make sure we can place reliance because if we don't know we might place reliance and actually there is a problem. That's also important."* (Participant 7)

External audit was understood to be the fourth line of defence, with the role of providing an independent review and opinion on the financial statements of the organisation, as indicated by participants:

> *"The audit is focused solely on financial numbers that's one of the elements only and the external audit assurance offers very limited value to the combined assurance."* (Participant 4)

> *"I see them as only focusing on the outcome and the results, what the numbers are saying. Rather than where exactly the numbers are coming from and how those numbers are coming together."* (Participant 5)

The regulator, the board and other independent assurance providers were placed in different lines of defence, depending on how many lines of defence an organisation prescribed to.

After the participants provided their views on the three lines of defence or the combined assurance model, they went on to discuss the need for a methodology that underpins how the assurance providers would work together:

> *"I suppose you need a proper methodology, which I'm just sort of skipping over, because I think it goes without saying. But you need a methodology that will actually help you to do it properly."* (Participant 10)

> *"So I think for me ideally what would be perfect, in the perfect world, is that everyone reads off that same - they all agree to a single methodology."* (Participant 14)

5.4.2.2. Combined assurance implementation process

Following the lines of defence perspective, the participants went on to provide specific details regarding how the implementation of combined assurance is being done in organisations. After a careful analysis of the data, five themes emerged, i.e. preparation, planning, implementation/ execution, reporting and post-review, as shown in Table 10 below. The activities that took place under each were analysed in order to establish how assurance providers are working together to implement combined assurance. It is from this analysis that the methods or ways of combined assurance were established.

Table 10: How combined assurance is being implemented in organisations

Category	Activities
Preparation	Identify who the assurance providers are (4)
	Combined assurance roadmap (3)
Planning	Combined assurance mapping and planning (10)
	Focus on key risks (13)
	Identify where assurance gaps are (10)
	Levels of assurance provided (10)
	Redirecting the efforts to where the work is required (8)
	Completeness of the risk universe (5)
	Alignment of business strategy to combined assurance (4)
	Approval of the combined assurance plan (3)
Implementation/ Execution	Placing reliance on the work of others (9)
	Jointly perform the assurance activities (9)
	Alignment of assurance activities (5)
	Independently conduct the assurance activity (3)
Reporting	Coordinated reporting (7)
	Reporting on the outcomes of assurance activities (6)
	Establish the combined assurance opinion (4)
	Functional reporting by assurance providers (5)
Post Review	Reviewing of the effectiveness of the CA programme (5)

Preparation

The two main activities that emerged under the preparation category were identifying who the assurance providers are and creating the combined assurance roadmap. Regarding the identification of assurance providers, the participants were of the view that this is an activity that needs to be done before actual implementation commences, so that all the assurance providers who should form part of the programme are considered. It emerged that this is an important aspect of the implementation process, as it is critical to get all the necessary stakeholders on board upfront.

> *"So we had to define who is in this combined assurance network and who is not and why not."* (Participant 7)

> *"So the person who is coordinating the combined assurance, they must make sure that they understand what's going on in the organisation and make sure that they have all the assurance providers."* (Participant 10)

In relation to the combined assurance roadmap, it emerged that a roadmap must be defined in order to provide an overview of how the combined assurance programme will be implemented. The combined assurance road map is required to define the maturity journey for the organisation, which will help at any given time to determine where the organisation is in its implementation journey:

> *"Because then when you start, then have a strategy for it and a plan, I think that's the other thing in my mind, a mature combined assurance process or model takes three years to establish, design, implement and use."* (Participant 12)

A further analysis of these activities indicated that a coordinator would be responsible for conducting them, therefore they do not necessarily entail a method or way in which assurance providers are working together.

Planning

A number of activities emerged that take place at the planning stage. The main activity that happens here is the combined assurance mapping and planning, with key sub-activities including focusing on key risks, considering the levels of assurance to be provided, identifying where the assurance gaps are, and redirecting the efforts to where the assurance work is defined.

Combined assurance mapping was indicated to be a way in which the risks of the organisation are mapped to the assurance providers who will be conducting particular assurance activities on those risks. The mapping helps with an understanding of who is doing what, which should assist in identifying where the assurance gaps are, as well as redirecting the work to the assurance providers who will have the capacity:

> *"Combined assurance schedule enables you to say this is the risk, it really keeps me awake, and where do I get the assurance? I have got the first level of defence, I have a second level of defence, but I don't have any plan third or fourth."* (Participant 11)

> *"Everybody comes up with what they want to do. We bring it together and we say okay you've got overlaps here."* (Participant 7)

However, not all the risks would form part of the plan because it emerged that the focus should be on the top risks of the organisation, i.e. the risks to the organisation's strategy that will be of concern to the board, as these risks could significantly impact the achievement of objectives if they are not well managed:

> *"Your implementation of combined assurance should be focused on what people these days refer to as your - I will call them your top risks."* (Participant 8)

> *"So we link the risk profile, and the risk profile mostly is limited to 10 risks, those are the top 10 risks. We link our combined assurance to the top 10 risks, we look at the risk, we look at the controls in place, and we look at what assurance activities are in place to ensure that the control is mitigating our risk."* (Participant 13)

Furthermore, it emerged that the risk profile used for planning purposes needs to be complete, which means that a consideration of all the possible risks should have been taken into account, be it financial or non-financial risks. If the risk profile is not complete, it could mean that certain risks might be missing and hence there will be gaps in assurance:

> *"It starts with what are the risks and that foundational piece. What is the universal risk that you should be looking at*?" (Participant 4)

> *"You can't only look at financials. You can't only look at operations, you can't only look at strategy. It's got to take the universe of the organisation into account."* (Participant 2)

What also emerged as part of the planning process is that there is a need to identify where the assurance gaps are. Once all the risks have been mapped to the assurance providers, this should highlight where the gaps are. The process should highlight the risks where there is no assurance at all, the risks where there is over assurance, or risks that are not being adequately assured. This part of the process was highlighted as important because if there are gaps, the key risks could potentially not have adequate assurance in place, which will be a risk to the achievement of strategic objectives:

> *"Then to look at the programme and what they're going to be doing over a year. Having a deliberate plan of looking to see if there is anything they feel is not*

being done which shows maybe assurance will be deficient for a particular time." (Participant 3)

"So, we need to know what assurances are in place and we need to know if it's adequate, if maybe there is a duplication, if we need to have more assurance, if there is a gap." (Participant 13)

Furthermore, what emerged is that once the assurance gaps have been identified, there is a need to redirect the efforts of the assurance providers to where assurance is required. However, flexibility is required from assurance providers as this could mean that their plan changes:

"Then if there is any gaps then it's to have those difficult conversations with who is going to cover those gaps." (Participant 14)

"Once you get the spreadsheet and the document then you start to see where the gaps are. Once you see the gaps it's you as the governance committee to say, we need that gap closed." (Participant 11)

"They need to be agile to adjust their plans accordingly." (Participant 3)

It also emerged that the levels of assurance to be provided formed part of the planning process. The level of assurance refers to the rigour with which an assurance activity is performed by the assurance providers. This needs to be understood before an assurance provider conducts an assurance activity and need to align with the level of risk.

"Where you do the assurance the main thing there is to show not only whether they assessed it but the intensity in which they assessed it. So if it's a light touch then it would be shaded to indicate that you should take a relatively low level work, then if it's a heavy touch obviously it would show that." (Participant 4)

"It's about the work that needs to be done. It's about the level of assurance you want to get. So if my risk is that I don't communicate with stakeholders well maybe my assurance that I require is lower because it's something that's more contained. If my risk is that my financial controls are in a mess I would want

higher assurance on that to make sure that that is not the fact, and the higher the level of assurance the more I'll have people doing things." (Participant 10)

Additional insights that emerged from analysing the data on this question included the alignment of the business strategy to combined assurance and approval of the combined assurance plan. The frequencies on these activities were low, and upon further analysis, it emerged that a coordinator who is leading the combined assurance implementation can ensure that the activities are included as part of the planning process. However, they do not represent a method or way in which assurance providers are working together.

From the planning phase, it was therefore concluded that combined assurance mapping and planning is one method or way of working by assurance providers, which includes a focus on key risks by first considering the risk universe, then considering the levels of assurance provided, which leads to assurance gaps being identified and redirecting the effort of the assurance providers to where the work is required.

Execution or implementation

A number of activities that take place during the execution or implementation of combined assurance emerged from the data, which include placing reliance on the work of others, jointly performing the assurance activities, aligning assurance activities, and independently conducting the work. These activities will be discussed in order to establish if they constitute the methods or ways of working for combined assurance.

Many participants were of the opinion that assurance providers could place reliance on each other's work. In particular, where perhaps joint audits had been planned and for whatever reason performing the assurance activity together cannot be achieved, the assurance provider could place reliance on the work of the joint assurance partner. Furthermore, placing reliance on the work of others could also be done selectively, i.e. on certain elements that the assurance provider feels comfortable doing so:

"Between the assurance providers, who's got capacity, we will then agree who is going to do certain pieces of work. And then we will place reliance on each other's work as well". (Participant 14)

"Maybe if they cannot be there at the same time for whatever reason, then get the party that was not present to base reliance on work done by the other party." (Participant 8)

"Similarly external audits will have an assessment of some of the work done by Internal Audit. They will place a reliance on some of the elements that they feel strongly." (Participant 5)

What was also interesting regarding the aspect of placing reliance on the work of others, is the link that this has to the consideration of the levels of assurance provided, which were described in the planning stage above. The participants were of the view that assurance providers can place reliance on the work of others if they understand the level of intensity of the assurance activities provided:

"How is it done? Where does the output end up? That then informs what level of reliance you can have. In the absence of clarity on all of those things it's very hard." (Participant 8)

Placing reliance on the work of others, therefore, constitutes a method or way of work for combined assurance, in that if the work has already been done, assurance providers could take comfort in the results from the assurance activity conducted by others. Engagement between assurance providers has to take place to understand levels of assurance provided and the results thereof, so reliance can be placed on that work.

Furthermore, many participants highlighted that they needed to align their assurance activities in order to prevent duplication of effort and time. It emerged that before the assurance providers commence with any particular work, they check with other assurance providers in order to establish if work has already been done in that area:

"So I always meet with all my various assurance providers before I do any piece of, like my own risk assessment. So I sit with Internal Audit, I sit with forensics, I sit with compliance etc. So it's for me to understand what has been done in the space, and then from that it helps me when I am scoping what I need to review as well. Sometimes the work has already been done as well, so it avoids a duplicated effort up front." (Participant 14).

> *"Even having an assessment of what Internal Audit has done. So typically Internal Audit will have a look at the work that has been done by external audit. When they issue the report any elements coming out from that report if they are highlighted risk and issues stemming from that perhaps Internal Audit may make sure that they have a look at it in a different way."* (Participant 5)

The alignment of assurance activities, therefore, qualifies as a method or way of work for combined assurance, as assurance providers would have to engage with each other to understand either the areas that one assurance provider has looked at before doing more work, or look at the results of the assurance activities performed by another assurance provider and determine from there which other areas they could also look at.

A number of the participants furthermore indicated that in some cases the assurance providers jointly perform the assurance activities. Participants highlighted that this constituted participants literally going in together to conduct a particular piece of work or assurance activity. One of the participants provided an example of what they had done on a particular piece of work:

> *"We had a business in Colombia which was sort of implementing risk management, particularly on the actuarial side and financial risk. We wanted to do work as an Internal Audit, the actuarial guys in South Africa wanted to do work, and what we eventually did is we pulled together a combined team, sent them over. So for me that's also combined assurance"* (Participant 12)

When the joint assurance activity has been conducted one report can issued, which demonstrates that the assurance activity was conducted jointly, however the opinion of the different assurance providers who have done the work could still be shown:

> *"You go collectively as a team and do integrated audits and issue one report with the views of a number of assurance providers."* (Participant 9)

As assurance providers have to engage with each other in order for joint assurance activities to take place, the performance of assurance activities jointly therefore constitute a method or way for perform combined assurance.

Jointly performing the audits, alignment of assurance activities and reliance on the work of others emerged as the methods or ways of work for combined assurance. However, participants were of the view that, although assurance providers could work together in

various ways to conduct assurance activities, each assurance provider will still need to do the work on their own independently. This shows that the assurance provider will conduct the activity independently, but having coordinated with the other assurance providers depending on the methods or way of working:

> *"Then it's the actual execution where each of the assurance providers will go out and will execute the work that they have committed to."* (Participant 9)

> *"But we got to be careful because the various units must do their work." (Participant 3)*

Reporting

The researcher further analysed activities around reporting to establish if there were activities that entail assurance providers working together. It emerged that coordinated reporting was one such activity, where assurance providers would work together in order to report on the combined assurance plan or the results of the assurance activities conducted, as claimed participants:

> *"Reporting is one, on progress against plan, secondly, is actually on the levels of assurance that have been achieved, and thirdly, the assurance results for the specific risk that they have assured are." (Participant 9)*

> *"Then it gets culminated in a combined assurance report, because the combined assurance report is trying to give you the results, so you want to say that I did this claims audit and I give it a satisfactory rating, that's your result. And forensic did a review in claims as well and gave it a good, and you want to just see that result."* (Participant 10)

Furthermore, it emerged that assurance providers would work together in order to ensure that the different views and opinions from the work conducted are aligned before the reports are send to the board. There has to be an understanding of what each of the opinion or views of each assurance provider entail, otherwise this would send inconsistent messages to the board:

> *"Where you are getting two or three different opinions, ensure there is alignment on that."* (Participant 2)

"They can't have two different opinions and often they will have an opinion on it. It is important that those opinions are looked at to see what the differences are." (Participant 3)

The participants were also of the view that the combined assurance reporting is a summarised view of the assurance activities conducted. One participant said:

"The other one is the dashboard that says, out of the risks these are the assurances we've got, without getting into the detail to say how it was achieved, what were the issues." (Participant 11)

"There would be an Executive Summary which will summarise all and I would go as far as having a rating behind that, the work covered by each assurance provider and what their finding were." (Participant 3)

What further emerged is that although the combined assurance report provides a summarised view of the assurance activities conducted, assurance providers are still producing their own separate reports, as claimed by participants:

"I can't really see a way that you could wipe out all of those and just do the combined assurance report. Although the combined assurance report must have the results from each of those assurance providers, and maybe the biggest problems out of each of those." (Participant 10)

"There is no consolidating of those reports in one, and there's no way of getting all those reports reporting into one committee." (Participant 10)

The researcher concluded that coordinated reporting constitutes a method or way in which combined assurance is being implemented. This is an activity where assurance providers work together to report on the results or outcomes of the assurance activities, in particular to align their opinions to ensure consistent messaging, as well as to report on the combined assurance map/ plan.

Post review

Another interesting activity that emerged as participants were describing how combined assurance was being implemented, is the review of the effectiveness of the combined assurance programme. Participants were of the opinion that this needs to be conducted in order to establish whether the combined assurance programme has been embedded or not, which has to be independently done by either Internal or External Audit:

> *"Even though risk is there to drive the process, it is an independently verified process that it is working. There is improvements being done all the time, gaps are being looked at and picked up and sorted out. So you do get that sort of independent view that the process is working. And we had to build that into our framework then, to get an independent annual review by external audit."* (Participant 14)

> *"Whatever you do in terms of design for your organisation, you can always check back to those principles because then it actually meets expectations of the board." (Participant 12)*

Furthermore, the board needed to satisfy itself that combined assurance is being embedded as they rely on this process to exercise their risk oversight role.

> *"So it is important for the Board to understand how well we have embedded the process of combined assurance at any given time.*" (Participant 3)

Having examined the findings of the post-review of combined assurance, the researcher concluded that the review of the combined assurance process to establish embeddedness of the process does not necessarily constitute a method or way of working for combined assurance; rather, it is a process conducted in order to provide the organisation or the board with a view of how far combined assurance has been implemented in the organisation, which is an activity that could be facilitated by the coordinator with the independent reviewer.

5.4.3. Conclusion for Research Question 3

The results for Research Question 3 are summarised in Figure 4 below, which depicts the process that was described by participants and the different activities for each process. What is highlighted in blue are the methods or ways in which combined assurance is being implemented in organisations. As per Figure 4, the methods or ways

in which assurance providers are working together to implement combined assurance include combined assurance mapping, i.e. consideration of the risk universe, a focus on key risks, consideration of the levels of assurance provided, identifying where the assurance gaps are, and redirecting the effort of the assurance providers to where the work is required. Furthermore, jointly performing the audits or assurance activities, alignment of assurance activities, placing reliance on the work of others and coordinated or consolidated reporting which includes reporting on the outcomes of assurance activities and establishing the combined assurance opinion, emerged as the methods or ways in which assurance providers are working together to implement combined assurance.

The three lines of defence model emerged as the fundamental accountability mechanism for combined assurance implementation, which needs to be supported by a common methodology. Furthermore, the Risk function emerged as the assurance function best suited to lead this implementation.

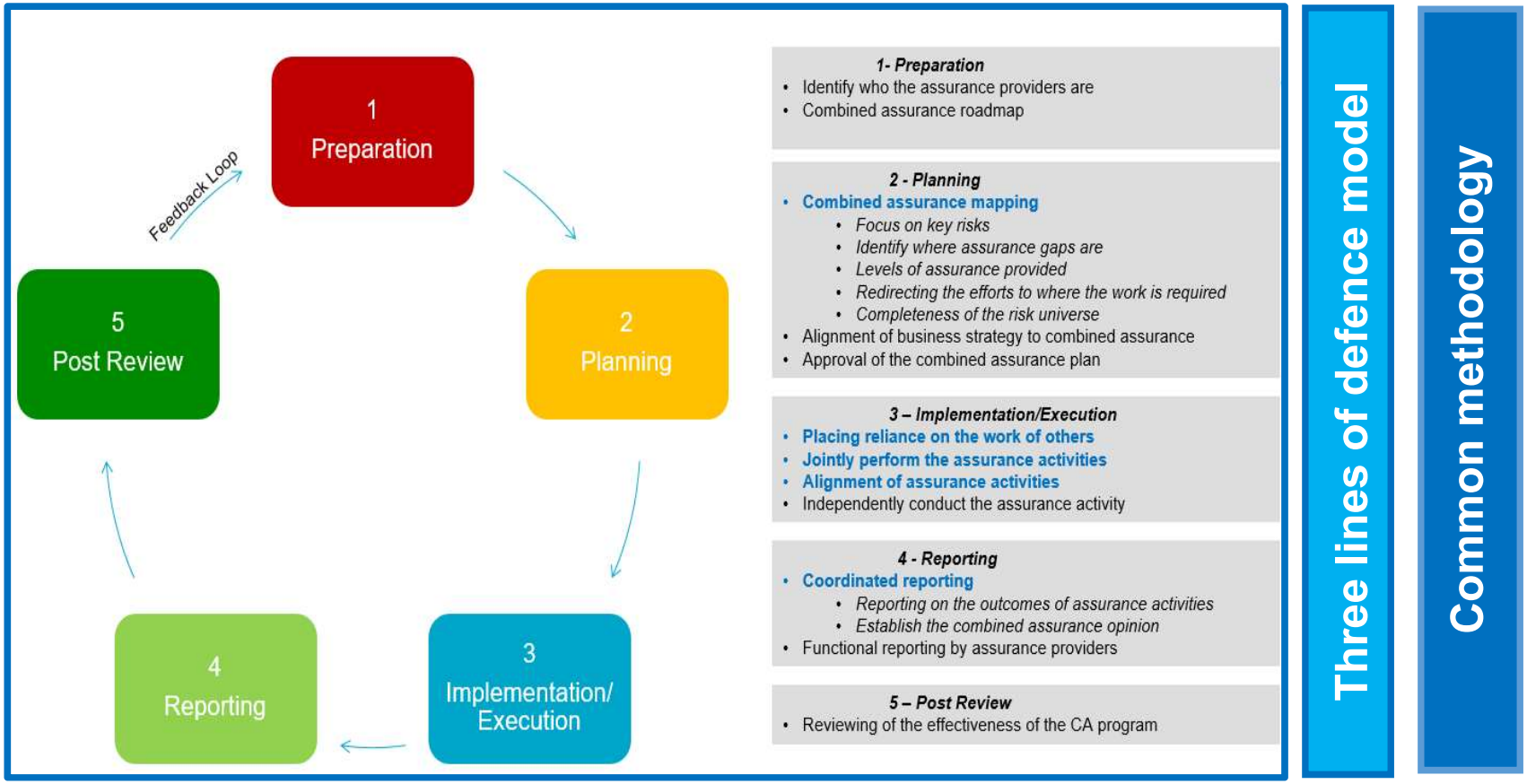

Figure 4: Combined assurance implementation process

Note – the methods for combined assurance implementation are highlighted in blue

5.5. Results: Research Question 4

Research Question 4: What are the benefits of implementing combined assurance and has the goal of enabling boards to exercise risk oversight been achieved?

In order to answer Research Question 4, Question 7 and Question 8 of the interview guide were asked. Question 7 was posed in order to establish the general benefits of combined assurance, while Question 8 was asked in order to establish if the ultimate goal of enabling boards to exercise their risk oversight role has been achieved through combined assurance or not.

5.5.1. The benefits of combined assurance and their measurability

Participants were asked: "What are the benefits that organisations are deriving from using a combined assurance approach and are these benefits measurable?" Diverse views were provided by the participants, with some highlighting that there are benefits to be achieved, however others questioned why organisations are even embarking on such an approach, as they do not see the benefits. After a detailed analysis of the data, it emerged that the benefits can be divided into four categories, namely operational, relational, financial and function benefits. Table 11 below shows a summary of the benefits.

Table 11: The benefits of implementing combined assurance

Category	Benefits	Frequency
Operational	Prevents duplication of time and effort	8
	Deepens understanding of risks	7
	Focus on key risks/ material issues	5
	Creates a holistic view of the organisation's risk and control environment	5
	Optimise assurance coverage	4
	Consistency in the messaging to various forums	4
	Driving efficiencies	2
	Encourages integrated thinking and solutions	2
Relational	Reduces assurance fatigue	3
	Better way of working together	2
Financial	Saving on assurance costs	
	Cost saving is a secondary benefit	4
Function	Optimise limited resources	5
	Maturing assurance providers	2

5.5.1.1. Operational benefits

It was found that operational benefits are the benefits that an organisation that has implemented combined assurance will derive from how the combined assurance programme has been operationalised. It is these benefits that accrue to the organisation, assurance providers and management/ executives and the board.

Preventing duplication of time and effort ranked the highest as a benefit. Participants were of the view that combined assurance prevents duplication of effort among assurance providers. Other participants highlighted that combined assurance in their organisation is creating the conversation at board level, where the assurance plan is interrogated, and if there any duplications, then assurance providers are required to readjust their plans. As assurance providers work together, synergies are created that prevent the duplication of time and effort:

> *"The time that you may need to spend actually gets reduced because you can share the effort among the rest of the assurance providers."* (Participant 14)

> *"It has come to a point where the Audit Committee is sending them back to say, go look at the combined assurance plan. There is no reason for you to have such a long list of audits when we have a fifth line."* (Participant 13)

Closely linked to this benefit is that combined assurance optimises assurance coverage. As the combined assurance process eliminates duplication and work is redirected to where assurance is required, assurance activities in an organisation are therefore optimised.

> *"So the ultimate goal is optimisation of your combined assurance."* (Participant 8)

> *"The benefit also is that you've got appropriate coverage. It's a big benefit because in the past everybody was just doing their own thing and somebody else is looking at whatever. We had no view. So appropriate coverage I would say is one of the key benefits."* (Participant 7)

Furthermore, a deepening understanding of risks emerged as a benefit for combined assurance, ranking second after the prevention of duplication and effort. The

participants' views were that as different assurance providers conduct assurance activities on the key risks of the organisation, it enables management and the board to have a deeper understanding of the risks that have a significant impact on the achievement of the organisation's strategic objectives. In addition, as assurance providers interact with each other more, conversations are created which enable this deeper clarity on key risks as information is shared. This enables solutions for risk and control issues to be crafted:

> *"I think if you do it right the business benefit, and I don't know how measurable that is, it's a good question, is that your risk understanding in the organisation should deepen. And you should have more common understanding of what the real risks is in your business, because you've got various assurance providers looking at it through various lenses."* (Participant 12)

> *"It is the sharing of the knowledge, you get a better understanding of what the issue is, and a better understanding of how you can then help the business craft a solution to mitigate the risk involved" (Participant 14)*

The other benefit that emerged from the data analysis is that combined assurance helps with focusing on the key risks of the organisation, which are the risks to the strategy. The focus on combined assurance is on material risk issues, and not everything that does not necessarily drive the business. Focusing on the key or the right risks of the organisation will ensure that the organisation can achieve its objectives, which is key for the board:

> *"The benefit is you're focusing on the right risks. People are not just inly willy marching to their own areas and doing unimportant reviews or reviews nobody cares about."* (Participant 7)

> *"Another thing as well, where there is a value add as well, is that if you can get the combined assurance right it also drives better risk management in my mind, because then everyone is not just focusing on mundane stuff, it's the key big ticket items as well that gets covered" (Participant 14)*

In addition, it was found that combined assurance creates a holistic view of the organisation's risk and control environment. The results show that combined assurance provides a consolidated picture of the organisation's risks, which the board requires to

exercise its risk oversight role. The board is able to see in one view what the key risks of the organisation are, what is being done on those risks from an assurance perspective, and whether it is enough or not:

> *"What combined assurance does is it consolidate that view and it creates a holistic view of the organisation and the risks it faces."* (Participant 2)

> *"I think as a board you'll be able to see at a glance in terms of the reporting dashboard what are the high risks and where are the assurance gaps, and obviously where are the gaps in the actual controls or risk mitigations that they can then give inputs into and get those addressed on a more quick basis."* (Participant 9)

Moreover, combined assurance provides consistent messaging to the various forums or oversight committees. This enables decisions to be made as information provided will be consistent across these forums. Sending conflicting messages happens when there is no better coordination of the information reported to the different governance forums:

> *"By employing this we can then have consistency in terms of the information that our board committees are looking at."* (Participant 8)

> *"So how do we ensure there is a consistency in the messaging to the Board? I think combined assurance does that or can do that if it's done properly."* (Participant 2)

Other benefits that emerged are that combined assurance drives efficiencies and encourages integrated thinking and solutions. Although the frequency of these benefits were not as high as the ones discussed above, it does not mean that these benefits are not important.

5.5.1.2. Function benefits

Function benefits are benefits that the assurance functions such as Risk, Compliance, Internal Audit, Forensic etc. could benefit from the implementation of combined assurance. What emerged from the data is that assurance functions are able to optimise their limited resources because of combined assurance. As assurance providers work

together, and in some cases rely on the work of others, not many resources will be required:

> *"I think just that mere fact that by combining resources you reduce - it could reduce your overheads."* (Participant 8)

> *"So for me I think an organisation in itself has got limited resources that you actually use your resources to the best to be effective and efficient."* (Participant 12)

This was indicated as important because assurance providers are cost centres and do not make money for the organisation, and it is often difficult for these functions to obtain resources. If they could optimise their resources, then it is better for them as they can demonstrate how they are actually saving on head count costs.

> *"You are a cost centre. Combined assurance is going to take money away from the guys who are producing."* (Participant 8)

The other benefit that emerged regarding function benefits is that combined assurance matures the assurance providers, however the frequency was low. This was therefore not discussed in detail, as other results with a low frequency.

5.5.1.3. Financial benefits

Financial benefits are those benefits that accrue to the organisation from a financial perspective, when combined assurance is implemented. What was interesting regarding financial benefits is that the participants indicated that they were implementing combined assurance in their organisations in order to save on assurance costs. Saving on assurance costs was one of the highest ranked reasons for combined assurance adoption. However, when it came to the benefits, the participants were of the view that the saving on assurance was a secondary benefit. What was more interesting about the saving on assurance costs is that some organisations did not know the costs. In those cases, the researcher asked how they would know if assurance costs had been saved or not:

> *"I think that benefits people think that it's about cost, it shouldn't be, and I've said that before, I feel very strongly about that. It is a measurable by-product,*

perhaps, particularly in the first or the second year where you identify perhaps duplicates in terms of assurance, and you make decisions to do it differently" (Participant 12)

"The cost savings is more secondary in nature." (Participant 14)

"But then we said, okay, how much is Internal Audit as a percentage of total governance cost? Fascinating, that one or two people couldn't actually provide total governance cost, not easily." (Participant 12)

Furthermore, it was also interesting to note that, in some cases the costs increased, as highlighted on the presentation of results for saving on assurance costs as a driver.

5.5.1.4. Relational benefits

Relational benefits relate to the benefits that have to do with the relationships among the combined assurance stakeholders. Two benefits emerged, i.e. that combined assurance reduces audit fatigue and it is a better way of working together among assurance providers.

Regarding combined assurance reducing audit fatigue, the participants indicated that as assurance providers coordinate their activities, so they reduce the time they spend with management conducting assurance activities:

"And then the other thing when business says, thank you for respecting my time and not coming and killing me in terms of four different audits in one year. I think that's another benefit from the process as well." (Participant 14)

"*I believe there will be less audit fatigue because once an assurance provider has a methodology, is following the methodology, can be assessed that they're doing that, there will be less need for external assurances to be obtained over those areas.*" (Participant 9)

Moreover, combined assurance was highlighted as a better way of assurance providers working together. The frequency of this benefit was low, hence it will not be discussed as in-depth as the others, however it does not make it a less important benefit.

5.5.2. Measurability of benefits

Part of the question relating to benefits was asked in order to understand how measurable these benefits are. Many of the participants provided information on what the benefits were, but only a few indicated the measurability of these benefits. Table 12 below shows what the participants said about the measurability of the combined assurance benefits.

Table 12: Measurability of benefits

Measurability of benefits	Frequency
Benefits are theoretical not practical	4
Benefits derived are not quantifiable	3

The participants were thus of the view that the benefits are theoretical and not practical, and that the benefits are not quantifiable. The frequency on these was low, which could mean that many participants were not concerned about how measurable the benefits are, but were more focused on the attainment of the benefits.

Regarding the practicality of the benefits, the participants argued that combined assurance is a waste of resources and time to some extent, as the benefits are not practical. This means that from a design perspective and in terms of what combined assurance is meant to achieve, everything is good, however to put that into practice is a challenge, as claimed by participants:

> *"This is a conceptual thing and not a practical thing. It's been developed conceptually by academics and it hasn't been developed from the practical grounds up approach to life and that can be quite dangerous.*" (Participant 4)

> *"I'm converted in principle, but I'm still to be converted in practice."* (Participant 8)

If this is the process that is supposed to assist boards to exercise their risk oversight and yet viewed as not practical, then the researcher questions what other mechanisms could the board use. One of the participants who is an independent director claimed:

> *"In all other cases it's a waste of money. It might as well not be done. The costs outweigh the benefits. It's all lip service. It's all like some corporate governance report, they all say the right thing.*" (Participant 4)

If this represents the views of other independent directors that the combined assurance report could be like any other corporate governance report, then this could entail that the value add of combined assurance to the board is questionable.

Regarding the quantification of the benefits, the participants were of the view that the benefits cannot be measured quantitatively, but qualitatively.

> *"They are benefits, but they may not be measured quantitatively but qualitatively they are. I mean if you look of reports that are produced.*" (Participant 6)

> *"I honestly struggle to get to a place where I am coming from is, for the amount of work that you devote to this thing, for me to actually say, hey, client, this is what you're going to get out of it, I battle."* (Participant 8)

The researcher concluded from this analysis that although there is a lot of work done on implementing combined assurance, there is still some uncertainty around the benefits achieved, as it is viewed as not being practical. This could be the reason why the benefits are more qualitative, which is evidenced by the benefits that have been discussed above.

5.5.3. Ability of combined assurance to enable boards

Question 8 of the interview guide that was asked to participants was: "Does combined assurance enable boards to exercise risk oversight, and why? The concept of combined assurance was indicated as an enabler for boards, therefore it was critical to establish whether the boards were actually being enabled to exercise their risk oversight role.

Table 13 below shows the three aspects that emerged from the data analysis. The participants were of the view that combined assurance provides credibility of information for decision making, allows the board to see and question information that is missing, and provides the board with comfort that the risk and control environment is being managed.

Table 13: Combined assurance as an enabler for boards

Combined assurance as an enabler for boards	Frequency
Credibility of information for decision making	8
The board can see and question what is missing	7
Provides the board with comfort	6

The credibility of information for decision making ranked the highest as an enabler for boards to exercise their risk oversight role. The consistency of information reported to various oversight committees enhances the credibility of the information, which in turn enables boards to exercise their risk oversight role.

> *"You then allow room for more informed, more consistent decision making, because similar metrics have been used to arrive at the content, and even the packaging, the presentation of certain reports."* (Participant 8)

> *"The benefits are, like I think I have mentioned some of them that combined assurance is a tool that informs our decisions. It provides us with that intelligence to be able to make decisions."* (Participant 13)

Other participants were of the opinion that combined assurance enables a board to see and question if there is anything missing from a risk and control perspective. As boards receive consolidated information as highlighted under the benefits above, it enables them to question the assurance providers during oversight committees:

> *"They report to the Audit Committee who can then ask the relevant questions around what's missing what's not missing and drive it back to business."* (Participant 5)

> *"But the board will then review it and interrogate it and ask questions, and make sure it's what they want. And once they're happy with that then because it's part of the methodology it will just all happen, and they then are able to have their oversight.*" (Participant 10)

As it is the role of the board to interrogate information that is provided to them, the researcher concluded that combined assurance empowers a board to interrogate the information provided and request more if need be, in order to support their risk oversight role or decision making.

It further emerged that combined assurance provides the board with comfort on the state of the risk and control environment in the organisation. Participant 2, who was an independent director, provided a different perspective that as a board member, comfort is required when giving opinions on issues to shareholders. Combined assurance therefore provides comfort to the board regarding the effectiveness of the risk and control environment, which then enables them to express their opinion on these matters to shareholders:

> *"I think especially for the Board accountability I think it's a big comfort provider to the Board members individually."* (Participant 7)

> "*I think the benefits are it is the assurance that you get that things are operating effectively, the comfort that you get."* (Participant 4)

> *"So it is just one of the ways a Board member can feel comfortable giving that opinion to the owners of the business and the providers of capital."* (Participant 2)

Overall the researcher questioned the participants on the ability of combined assurance to enable boards to exercise their risk oversight role. Participants agreed that combined assurance enables boards to exercise risk oversight, but this is dependent on the extent of the board's feedback to assurance providers. Other participants indicated that the Information to the board is streamlined.

> *"It does if the board appreciates, only if the board appreciates to the extent that you have improved reporting into the board, to the extent that you have consistent messages, to the extent that you have timely reporting then the board should be enabled."* (Participant 6)

> *"I think it does, and I think what we've seen in the past is board members get inundated with huge packs of information."* (Participant 9)

The implication here is that with combined assurance, the board will no longer be receiving a lot of information, however the information is consolidated and a holistic view provided, as seen under the benefits discussion, which should then enable them to exercise risk oversight effectively.

5.5.4. Conclusion for Research Question 4

In answering Research Question 4, the researcher concluded that there are benefits being derived from implementing combined assurance. These benefits include the following: Operational - preventing duplication of effort and time, deepening the understanding of risks, focusing on key risks or material issues, creating a holistic view of the organisation's risk and control environment, consistency in the messaging to various forums, driving efficiencies, and encouraging integrated thinking and solutions; Relational – reducing assurance fatigue and finding combined assurance as a better way of working together; Financial –saving on assurance costs emerged as a secondary benefit, which means it is by-product of implementing combined assurance, not something that can be achieved from the beginning. Function – optimising limited resources and maturing assurance providers.

The practicality of these benefits was questioned, with some participants believing theoretically combined assurance makes sense, but practically it does not. Furthermore, the measurability of the benefits was believed to be more qualitative than quantitative, except for saving on assurance costs which could be expressed in monetary terms.

In addition, the researcher concluded from the analysis that combined assurance can enable boards to exercise risk oversight as it provides the board with credible information for decision making. Furthermore, the board can see and question information that is missing, and combined assurance provides the board with comfort on how the risk and control environment is being managed.

CHAPTER 6: DISCUSSION OF RESULTS

6.1. Introduction

Chapter 6 presents the research findings as discussed in the previous chapter, with the context of the study set out in Chapter 1 and the literature review presented in Chapter 2 being integrated with the results to confirm or disconfirm the research findings. The insights from the data analysis of the 14 semi-structured interviews will be compared and contrasted to previous research studies on combined assurance. The aim is to extend the existing literature regarding drivers of combined assurance, key success factors, methods or ways in which combined assurance is implemented in organisations, and the benefits of combined assurance, in particular if the benefit of enabling boards to exercise risk oversight is being achieved through combined assurance.

6.2. Discussion: Research Question 1

Research Question 1: What is driving organisations to implement combined assurance?

Research Question 1 aimed to establish what is driving organisations to adopt combined assurance (Decaux & Sarens, 2015b), as it was important to understand where the agenda for combined assurance is being driven from and the force behind it.

6.2.1. Understanding the concept of combined assurance

In order to contextualise the discussion and to establish the views of the participants on what is driving combined assurance in organisations, the researcher sought to establish from these participants their understanding of the concept of combined assurance. Table 5 shows the key words that were analysed from the participant's description of their understanding of combined assurance.

An analysis of those key words resulted in combined assurance being understood to be coordination and alignment of assurance across different assurance providers in order to prevent duplication of effort and ensure cost effectiveness, as organisations mitigate risks, with the goal of providing a holistic view of the risks to management and the board.

This aligns with how the IIA (2017a) defines combined assurance, which is indicated as the "process of internal (and potentially external) parties working together and combining their activities to reach the goal of communicating information to management" (p. 3). Furthermore, King III similarly defines combined assurance as "integrating and aligning assurance processes in a company to maximise risk and governance oversight and control deficiencies, and optimise overall assurance to the Audit and Risk committee considering the company's risk appetite" (IoDSA, 2009, p. 117). Comparing these definitions with the participants' understanding of the concept of combined assurance, the cost saving element which participants highlighted is not present in the IIIA and King III definitions. This highlights that organisations could be driving combined assurance to save on assurance costs, although that is not the spirit of the governance standards.

However, all the other elements described by the participants are found in the IIA and King III definitions, therefore the concept of combined assurance could be understood to be assurance providers working together, combining their efforts in order to provide management and boards with a comprehensive view of the organisation's risk and control environment (Decaux & Sarens, 2015b, Forte & Barac, 2015; Huibers, 2015). What this means is that without combined assurance, each assurance provider works in a silo, conducting their own assurance activities and presenting the reports to management and the board (Clemens, 2014, Prinsloo et al., 2015; Schreurs & Marais, 2015). This could result in the duplication of efforts, which can be costly for management and the board's time and effort, to go through the different reports presented.

Furthermore, the assurance reports presented by these assurance providers could be different, which could then send mixed messages to management and boards and could prevent them from making decisions (Zhou et al., 2018). This is why the participants mentioned the need to provide a holistic view of the organisations' risk and control environment to management and boards (Huibers, 2015, Decaux & Sarens, 2015b), ensuring consistent messaging to enable boards to exercise their risk oversight role.

6.2.2. Drivers of combined assurance adoption

The research sought to establish an understanding of the drivers of combined assurance adoption in organisations. The participants had different experiences and views/ opinions in terms of what is driving organisations to implement combined assurance. From the data analysed, the researcher categorised the drivers of combined assurance into two, namely internal and external. Extant literature does not categorise the drivers,

but just outlines what these drivers are. There were a number of drivers that emerged from the data, both internal and external.

6.2.2.1. Internal drivers for combined assurance adoption

Internally, the drivers that emerged for combined assurance adoption were existence of oversight committee, saving on assurance costs, existence of several assurance providers, size and complexity of the organisation, board not involved operationally, and chairperson of the oversight committee driving combined assurance.

The research found that the existence of oversight committees is driving combined assurance adoption in organisations. It was found that organisations with oversight committees such as the Risk and Audit Committees are implementing combined assurance, which is driven by the board members who sit on these committees. Sheedy and Griffin (2018) highlighted that oversight committees play a role in ensuring the effectiveness of the risk and control environment in organisations, and therefore these committees could drive mechanisms that support their role (Srivastav & Hagendorff, 2016). In addition, Soh and Martinov-Bennie (2015) indicated that the Audit Committees have control over assurance resources, hence they can drive combined assurance adoption using the resources they have at their disposal.

In addition, it was found that the chairperson of the oversight committee drives combined assurance adoption, which is linked to the existence of the oversight committees. Wcorpang et al. (2014) and Zhou et al. (2018) supported this view, but added another perspective that where there is no dual role between the chair of the oversight committee and the CEO of the organisation, there is an even greater possibility for combined assurance adoption, as the chair who does not have access to as much information in the organisation will look for mechanisms such as combined assurance to support his/ her role. The chair and any other independent directors would thus drive combined assurance in order to support their risk monitoring role (Decaux & Sarens, 2015b; Schreurs & Marais, 2015).

Moreover, the exposure of board members to a number of organisations, which was categorised as an external driver, was found to be a driver for combined assurance adoption. Elyasiani and Zhang (2015) disagreed with this finding, citing that board members who are exposed to several companies do not have time to perform their duties. However, Kress (2018) argued that being exposed to several companies gives

them the opportunity to learn from what others are doing. Where other organisations are pushing for combined assurance adoption, the independent directors will likely push for the same in the organisations that have not implemented the concept.

The research found that organisations were implementing combined assurance in order to save on assurance costs. It emerged that organisations were analysing their assurance costs in order to determine how much would be saved through combined assurance implementation. Linking this to the participants' understanding of the concept of combined assurance, saving on assurance costs emerged as one of the drivers for combined assurance. As indicated above, the spirit of the governance standards does not indicate driving combined assurance in order to save costs (IIA, 2017a; IoDSA, 2009). Furthermore, literature does not list the need to save assurance costs as a driver for combined assurance adoption, but rather as a benefit. There is evidence in the literature to support that combined assurance reduces assurance costs in organisations as duplication is eliminated (Forte & Barac, 2015, Prinsloo et al., 2015, Zhou et al., 2018) especially between Internal and External Audit (Prinsloo et al., 2015), but it is not the reason why combined assurance is being implemented.

The existence of several assurance providers emerged as one of the internal drivers for combined assurance adoption in organisations. Combined assurance adoption was found to be more likely to be implemented where there are a number of assurance providers. Decaux and Sarens (2015b), Prinsloo et al. (2015) and Zhou et al. (2018) supported this finding, indicating that many organisations that have several assurance providers adopt combined assurance in order to prevent duplication of effort and time. In addition, Decaux and Sarens (2015b) and Huibers (2015) suggested that when several assurance providers are each producing their reports for boards in oversight committees, the information could be overwhelming for boards and the messaging may be inconsistent. Furthermore, a lot of time is spent with management on assurance activities, which causes assurance fatigue.

The size and complexity of the organisation furthermore emerged as a driver for combined assurance adoption. The research found that big and complex organisations are more likely to implement combined assurance in order to streamline their risk management processes (Decaux & Sarens, 2015b). Large organisations are also more likely to have several assurance providers (Decaux & Sarens, 2015b; Prinsloo et al. 2015; Zhou et al., 2018), which links to the point discussed above. On the contrary,

smaller organisations were viewed as not needing to implement combined assurance, because in most cases they would either have one assurance function, normally Risk and Audit together, no assurance function at all, or not even know the combined assurance concept. This contradicts Prinsloo et al. (2015), who advocated for small to medium enterprises to implement such mechanisms in order to manage the risks in their organisations.

Moreover, the research found that boards are not involved operationally in the business and yet are required to provide oversight on organisations (Brown et al., 2009; Elyasiani & Zhang, 2015; Kress, 2018; Van Ees et al., 2009). The need to have a mechanism that can assist them to fulfil their duties, and in particular to provide risk oversight, is what is driving them to push for combined assurance adoption (Stulz, 2015; Decaux & Sarens, 2015a; 2015b; Gontarek, 2016; Hines et al., 2015; Srivastav & Hagendorff, 2016).

6.2.2.2. External drivers for combined assurance adoption

Externally, the drivers that emerged were compliance with governance standards/ regulations, requirement for listed companies, mechanism supporting integrated reporting, consulting firms driving combined assurance, board member exposure to other companies, and exposure to different types of risks.

Compliance with governance standards/ regulations was found to be an external driver for combined assurance adoption in organisations. Many participants indicated that combined assurance is implemented in order to comply with governance standards such as the King IV code of corporate governance, IIA standards or some sector prescribed regulation (Decaux & Sarens, 2015b; Forte & Barac, 2015). Additionally, organisations are driving combined assurance adoption in order to fulfil the JSE listing requirements (Decaux & Sarens, 2015b; JSE, 2017) for organisations to comply with King IV. Listed organisations are required to produce integrated reports, in which they need to comment on the risks and the effectiveness of the controls to manage the risks in the organisation (Zhou et al., 2018). Combined assurance is therefore being driven to enable the board to comment on the risk and control environment of the organisation in the integrated report. These three external factors are all interlinked, however not all the participants saw the link.

The research did find, however, that implementing combined assurance in order to comply with regulations results in it being a tick box exercise. Despite this, the risk and

control information presented in integrated reports as a result of the combined assurance process is relied upon by investors and analysts (Simnett & Huggins, 2015, Zhou et al., 2018). If implementation is done in order to tick a box, the information presented in integrated reports cannot be relied on, which contradicts that combined assurance helps in ensuring that the information presented in integrated reports is credible (Ackers & Eccles, 2015; De Villers et al., 2015; Soh & Martinov-Bennie, 2018; Zhou et al., 2018).

Other external drivers for combined assurance which had a low frequency included combined assurance being driven by consulting firms (Decaux & Sarens, 2015b), the exposure of companies to different kinds of risks, and required mechanisms such as combined assurance to assist in the managing and assurance of these risks (Jack, 2019; MetricStream, 2019; PWC, 2015).

6.2.3. Summary of the findings of Research Question 1

The research findings concluded that combined assurance adoption is being driven by internal factors and external factors, which is a new insight. Internal factors include the existence of oversight committees, with the chairpersons of those committees driving combined assurance. There is an even greater propensity to implement combined assurance when the chairperson and other independent directors have exposure to other organisations. Further internal drivers include saving assurance costs, the existence of several assurance providers, the size and complexity of the organisation, and the board not being involved operationally, hence seeking mechanisms such as combined assurance to assist in their risk oversight role. There is existing literature to support most of these drivers of combined assurance, however saving on assurance costs contradicts the literature.

The research findings concluded that combined assurance adoption is being driven by external factors to the organisation such as compliance with governance codes/ regulations, stock exchange listing requirements, a mechanism for integrated reporting, consulting firms driving combined assurance, and exposure to different types of risks. These external drivers are all supported by existing literature.

6.3. Discussion: Research Question 2

Research Question 2: What are the key success factors in implementing combined assurance?

Research Question 2 sought to understand the factors that are required in the organisation to ensure the successful implementation of combined assurance (Decaux & Sarens, 2015a). It is was important to understand what organisations need to have in place to support the implementation of combined assurance.

6.3.1. Key success factors for combined assurance implementation

It was important for the researcher to understand, in practice, what factors are considered important by organisations for the successful implementation of combined assurance. What emerged from the research data is that there are 17 success factors, which the researcher categorised into five buckets, namely: operational, contextual, function, financial and relational factors. There is no evidence in the literature to support categorising these factors as such, however the researcher found that there were some relationships between the factors resulting in these categories being created.

6.3.1.1. Contextual factors

These factors are about contextualising combined assurance to the stakeholders, which then provides a platform upon which the combined assurance can be built. The need to raise awareness about combined assurance was found to be a key success factor. The relevant stakeholders such as the Board, management and all the assurance providers need to buy into the combined assurance programme, but in order to do so, awareness has to be raised (Decaux & Sarens, 2015a; Schreurs & Marais, 2015). Two important aspects emerged that should be raised as part of the awareness programme, i.e. the need to ensure that stakeholders understand what combined assurance is, and to demonstrate the value. This includes conducting a cost-benefit analysis showing the value that the organisation will derive from implementing the programme financially and other operational benefits. Schreurs and Marais (2015) supported this finding, citing that if the value proposition of the concept of combined assurance is not demonstrated, then buy-in could be challenging. Literature suggests training and awareness should be provided to build expectations, clarify roles and responsibilities, and outline what the combined assurance programme can achieve (Forte & Barac, 2015; Huibers, 2015).

Jackson (2015) also suggested that there is a common understanding with management regarding what assurance and integration entail, which should be done as part of raising awareness on combined assurance. Assurance functions were warned about using technical jargon, however, if understanding of the concept is to be achieved.

6.3.1.2. Relational factors

These factors are about relationships among the different stakeholders for combined assurance. Relationships are created between the coordinator and the stakeholders or the relationships among the stakeholders for combined assurance. The buy-in of the board and senior management emerged as an important factor that is required to ensure the successful implementation of combined assurance (Decaux & Sarens, 2015a; Schreurs & Marais, 2015). Participants were of the view that buy-in from this level is required to the extent of committing resources to the programme. Soh and Martinov-Bennie (2018) highlighted that the Audit Committee, for example, has an influence on the Internal Audit budget and they can decide how the resources will be allocated. Decaux and Sarens (2015a), Schreurs and Marais (2015) and Soh and Martinov-Bennie (2018) supported this view, citing the importance of setting the right tone at the top. The research found that the combined assurance coordinator needs to engage with the board and management in order for them to understand what the programme entails, including the benefits and the maturity journey, so that their buy-in can be obtained before commencing with the programme (Forte & Barac, 2015; Huibers, 2015).

Furthermore, it emerged that buy-in is required from all the assurance providers, such as ERM, Compliance, Internal Audit, Forensic, External Audit etc., to ensure the successful implementation of combined assurance (Schreurs & Marais, 2015). These are the functions that are responsible for the day-to-day running of risk and assurance activities in the organisations; without them, there is no combined assurance.

Another important factor that emerged which is closely linked to the above point is the willingness of assurance providers to work together to ensure the successful implementation of combined assurance. It emerged that it could be challenging for assurance providers to work together who have been used to operating in silos (Clemens 2014; Prinsloo et al., 2015; Schreurs & Marais, 2015). Huibers (2015) indicated that assurance providers are specialist professionals in their own fields, and it can be challenging for them to let go of their own ways of work so that a combined view of the material risks and issues can be formulated. Jackson (2015) further suggested

that in many organisations, Internal Audit has positioned itself as the only assurance provider that can provide adequate assurance, which results in the work done by other assurance provider being undermined, thereby jeopardising coordination efforts. However, in order for combined assurance to be implemented successfully, assurance providers need to work together and engage continuously throughout the process in order to formulate a consistent message to the board (Forte & Barac, 2015; Decaux & Sarens, 2015a; Huibers, 2015; IIA, 2017a).

A strong coordinator emerged as a factor required for the successful implementation of combined assurance. A coordinator or lead takes the role of being the champion for the combined assurance programme (Decaux & Sarens, 2015a; Schreurs & Marais, 2015). It emerged that the coordinator will be responsible for raising awareness to get everyone on board (Huibers, 2015) so that there is a common understanding of combined assurance and the value add that the programme will bring to the organisation (Decaux & Sarens, 2015a; Schreurs & Marais, 2015). Participants mentioned that the coordinator needs to have strong leadership qualities in order to be influential and obtain buy-in at all levels. Literature does not necessarily support the qualities of the coordinator, however previous research (Decaux & Sarens, 2015a; Forte & Barac, 2015; Haji & Anifawose, 2016; Mihret & Grant, 2017; Prinsloo et al., 2015) has indicated which of the assurance providers should take the role of the coordinator. In addition, the participants indicated that the coordinator would be responsible for coordinating the assurance activities (IIA, 2017a; IoDSA, 2016), thereby providing a consolidated view of the risk and control environment to the oversight committees.

Other factors which had a low frequency were the need for change management and a sponsor to ensure the successful implementation of combined assurance. Schreurs and Marais (2015) supported the need for a sponsor for combined assurance at the executive level. The need for change management is not directly addressed in the literature, however it can be inferred that the reason why awareness needs to be raised (Decaux & Sarens, 2015a; Schreurs & Marais, 2015) is so that the need for change in the way assurance providers work can be created.

6.3.1.3. Function factors

These factors are characteristics that are critical for the implementation of combined assurance. A mature Risk function and the risk management framework (an operational factor) emerged as a critical factors required to ensure successful implementation of

combined assurance (Al Chen et al., 2016; Decaux & Sarens, 2015a; Forte & Barac, 2015). Participants were of the view that the Risk function is the custodian of the risk management framework (COSO, 2014), and with risk management being the basis upon which a combined assurance programme is built, the function had to be more mature in order to support the risk management processes (Bromiley et al., 2015; Hoyt & Lienberg, 2015; Lundqvist, 2014; Mihret & Grant, 2017; McShane 2018). Combined assurance was highlighted as mutually dependent on risk management, therefore the combined assurance programme could not be successful without it (Decaux & Sarens, 2015b; Prinsloo et al., 2015). There is enough evidence in previous research supporting the need for a mature Risk function that supports a risk framework, which is a prerequisite for a combined assurance programme.

Other function factors that were found to be important success factors but had a low frequency included the maturity and experience of the board and other assurance providers. Decaux and Sarens (2015a) suggested that the maturity of the assurance providers is important as it is the basis upon which assurance providers can rely on each other. In addition, the research found the need for a strong Internal Audit function, which plays a critical role in organisations (Jackson, 2015; Haji & Anifowose, 2016; Mihret & Grant, 2017; Soh & Martinov-Bennie, 2018) to drive better governance, especially given the high rate of corporate failures.

6.3.1.4. Operational factors

This category of factors included those success factors that are required to operationalise combined assurance. The research found that for the successful implementation of combined assurance, there is need for a combined assurance forum or committee (Schreurs & Marais, 2015) where matters of coordination among assurance providers will be discussed. This is a forum which will be over and above the oversight committees that already exists in the organisation, such as Risk or Audit Committees, although other participants suggested the use of existing forums. Moreover, the combined assurance forum would report into the oversight committee, which has the combined assurance mandate (Decaux & Sarens, 2015a; Schreurs & Marais, 2015). There were differing views in terms of who should chair the forum, with some advocating for the coordinator (Schreurs & Marais, 2015), however others were of the view that either the CAE or CRO should chair the meeting, as they have positions of power. Equally, the coordinator could chair the meeting depending on the organisation, especially if the coordinator has strong leadership qualities as discussed

above. The research also found that the forum ought to meet regularly, with participants suggesting monthly meetings at the start of the implementation process and quarterly meetings as the combined assurance programme matures (Clemens, 2014).

Furthermore, the research found that combined assurance standards are required in order to standardise the process for the successful implementation of combined assurance (Decaux & Sarens, 2015a; Huibers, 2015; Jackson, 2015). The participants used different terminologies to describe this standardisation, calling it a framework, strategy or methodology. In the existing literature, this is often referred to as the methodology. The standards/ methodology document outlined the different aspects of the combined assurance process such as risk and control matrix, definitions of levels of assurance, issues around sampling, and any other things pertaining to how assurance activities would be conducted.

Closely related to the need for a standard/ methodology is the alignment of taxonomies (Huibers, 2015; Decaux & Sarens, 2015a) or use of the same language. The alignment of taxonomies across assurance providers was highlighted as a critical component as it enables the common classification and understanding of risks and issues and their significance or materiality. The research found that without a common understanding of the significance of the issues, boards cannot exercise their risk oversight role effectively (Decaux & Sarens, 2015a).

Finally, the need to clarify the roles and responsibilities of the assurance providers (Huibers, 2015; Jackson, 2015; IIA, 2013; 2017a) was indicated as a factor required for the successful implementation of combined assurance. The research found that clarity on the roles and responsibilities will ensure that assurance providers are accountable for the assurance work that they conduct. The participants agreed that the combined assurance model is a mechanism which clarifies those roles and responsibilities (IIA, 2013). Decaux and Sarens (2015a) further suggested breaking the roles and responsibilities down to granular levels so that duplication is avoided.

6.3.2. Challenges in the implementation of combined assurance

The research found 10 challenges that organisations could face when implementing combined assurance (see Table 8). It is important that organisations are prepared to navigate through these challenges in order to ensure the successful implementation of combined assurance.

6.3.2.1. Operational challenges

These are challenges experienced operationally as organisations implement combined assurance. Notably, the time and effort required to implement combined assurance emerged as the biggest challenge that organisations face when it comes to the implementation of combined assurance. Organisations are embarking on this process not knowing what amount of effort and time is required to ensure the success of the implementation process. Huibers (2015) suggested that the implementation of combined assurance is a journey, which requires a lot of patience from stakeholders including the coordinator, which is why a strong coordinator (Decaux & Sarens, 2015a; Schreurs & Marais, 2015) who is able to navigate through these challenges is required. The coordinator needs to understand that the implementation could take a number of iterations before getting it right. Furthermore, training and awareness is required (Decaux & Sarens, 2015a; Forte & Barac, 2015; Jackson, 2015, Schreurs & Marais, 2015) so that stakeholders are aware from the beginning how much time and effort will be required to implement the programme.

Additionally, the research found that combined assurance is very difficult to implement; the process is seen as hard, complex and frustrating, which aligns with Schreurs and Marais' (2015) finding that organisations are struggling to implement combined assurance. This is another reason why a strong coordinator is required. In addition, the challenges in implementation could be overcome by having a mechanism to support implementation, such as a combined assurance forum (Schreurs & Marais, 2015), a standard/ methodology (Huibers, 2015), and a mature risk management function (Decaux & Sarens, 2015a).

Furthermore, the research found that the lack of practical guidance is another challenge that organisations face in implementing combined assurance. Decaux and Sarens (2015a) supported this view, citing that combined assurance is a new business paradigm with little or no guidance on implementation. It emerged that this is worsened by the fact that not many organisations have successfully implemented combined assurance (Schreurs & Marais, 2015), therefore there are no case studies that other organisations can refer to. Governance standards such as King IV also do not prescribe how combined assurance should be implemented. The researcher concluded that to ensure the successful implementation of combined assurance, organisations require practical guidance and case studies on the implementation process.

In addition, the lack of execution of the combined assurance plan was found to be a challenge preventing organisations from successfully implementing combined assurance. Plans were described as gathering dust, because they were prepared but never looked at again. This is why a combined assurance forum that meets regularly is important (Clemens, 2014), i.e. to ensure that coordination takes place, that plans are reviewed, and that the results of the assurance activities are discussed.

The other challenge which had a low frequency was the independence and objectivity of the Internal and External Audit functions. The audit function has to maintain its independence according to the IIA standards (IIA, 2017b), which is why it is cautioned about being reliant on the work of others (Huibers, 2015; Schreurs & Marais, 2015). The audit functions can navigate through this by assessing the maturity of the assurance providers (Decaux & Sarens, 2015a), which is a factor required in the successful implementation of combined assurance.

6.3.2.2. Relational challenges

Relational challenges arise as a result of the failure by stakeholders to manage their relationships as they work together to implement combined assurance. The battle between assurances providers was found to be the only challenge identified in this category. Assurance functions are used to operating in silos (Clemens, 2014; Prinsloo et al., 2015; Schreurs & Marais, 2015), which is challenging when efforts need to be combined. The research found disagreements between assurance providers, which could be attributed to a failure to let go of ways of doing things in order to formulate one voice (Huibers, 2015). This is why the willingness of assurance providers to work together is such a key factor in ensuring the successful implementation of combined assurance (Forte & Barac, 2015; Huibers, 2015; IIA, 2017a).

6.3.2.3. Financial challenges

Financial challenges relate to the costs associated with the implementation of combined assurance. The research found that the assurance costs could actually increase as gaps become evident and there is a need to have those gaps covered. This contradicts the literature, which suggests that there is saving on assurance costs when implementing combined assurance (Forte & Barac, 2015; Prinsloo et al., 2015; Zhou et al., 2018). The

other challenge is that assurance functions are cost centres, thus they might not obtain the resources required to implement combined assurance as they do not generate revenue. The literature suggests that sponsorship of the combined assurance programme at the executive level (Schreurs & Marais, 2015) is necessary to ensure that support is obtained. Furthermore, the oversight committees have control over certain assurance budgets, hence they can influence the resources committed to the programme (Soh & Martinov-Bennie, 2015).

6.3.3. Summary of the findings of Research Question 2

The research findings concluded that there are critical success factors that are required to ensure the successful implementation of combined assurance. The categorisation of these factors is a new insight from this study, and can be set out as follows:

Contextual - which includes raising awareness in order for stakeholders to understand the concept of combined assurance and demonstrate the value proposition; Operational – which includes a combined assurance forum that meets regularly to discuss issues of coordination, a combined assurance standard/ methodology which standardises the process across different assurance providers, alignment of taxonomies to ensure the risks and issues can be categorised and rated on the same basis across assurance providers, mature risk framework which is a basis for combined assurance, and clarity of roles and responsibilities to prevent duplication of effort; Relational - which consists of buy-in from the board and senior management, buy-in from assurance providers, willingness of assurance providers to work together, a coordinator with strong leadership qualities, change management and sponsorship of the programme at executive level and Function - which includes a mature Risk function, a mature and experienced board and other assurance providers, and a strong Internal Audit function.

There is evidence in the literature to support these findings, however the strong leadership qualities required in the coordinator has emerged as a new insight. The research also found 10 challenges which are categorised into financial, operational and financial challenges. There is literature to support how these challenges can be overcome by having the necessary key success factors in place as indicated above.

6.4. Discussion: Research Question 3

Research Question 3: What are the methods or ways in which combined assurance is being implemented in organisations?

Research Question 3 sought to establish the methods or ways that assurance providers coordinate their assurance activities as they implement combined assurance. Unfortunately, the governance standards available such as King IV do not prescribe how combined assurance ought to be implemented in organisations (Forte & Barac, 2015; Schreurs & Marais, 2015). In order to establish the methods and ways, it was also important to understand which of the assurance providers is leading the implementation of combined assurance and how the three lines of defence model is being applied.

6.4.1. Decision on combined assurance coordinator

The research found that there is a need for a coordinator who can lead the implementation of combined assurance (Decaux & Sarens, 2015a; Schreurs & Marais, 2015), however the research did not establish which of the assurance providers are leading the implementation of combined assurance. Different views, either for or against, a particular assurance provider were provided by participants. Risk as lead was the most ranked decision on coordinator, followed by either Risk or Internal Audit. Regardless of Internal Audit being mentioned as a coordinator, there were many negative views suggesting that the Internal Audit function is not best suited to lead combined assurance.

There were strong views about the Risk function being the best suited assurance provider to lead combined assurance, however this is contrary to what governance standards such as King IV (IoDSA, 2016) and IIA Standard 2050: Coordination and Reliance (IIA, 2013) suggest. King IV indicates that the board should delegate to the Audit Committee the responsibility of managing combined assurance, which then entails that the Audit Committee would delegate that responsibility to the Internal Audit function which is mandated by the Audit Committee. On the other hand, the IIA standard suggests that the CAE, who leads the Internal Audit function, should coordinate combined assurance. This finding therefore contradict the King IV and IIA standards. Furthermore, previous research contradicts this finding as it indicates that the Internal Audit function or the CAE should coordinate combined assurance (Al Chen et al., 2016; Decaux & Sarens, 2015a; Forte & Barac, 2015; Soh & Martinov-Bennie, 2018).

Moreover, Decaux and Sarens (2015a) highlighted that the lead should be an independent assurance provider such as Internal Audit, which disqualifies the Risk function from being the coordinator.

There is inadequate evidence in the literature to support the Risk function as lead. Decaux and Sarens (2015a) suggested that the Risk function owns the risk management framework which is the basis for combined assurance implementation, citing that the two are mutually dependent (2015b). By implication, the Risk function, which is the custodian of the framework, is therefore a critical component for the implementation of combined assurance, hence could coordinate the programme.

The research also found that either Risk or Internal Audit could lead the implementation of combined assurance. The participants were thus aligning with the governance standards that suggest that Internal Audit should be the lead. The Internal Audit function is believed to have more knowledge on internal control frameworks and assurance than any of the assurance providers (Huibers, 2015; Schreurs & Marais, 2015). Furthermore, they are the only assurance provider that can assess the effectiveness of the other assurance providers (Clemens, 2014), which makes them the best suited to lead combined assurance.

However, the research found many negative perceptions that were subsequently passed on by the participants about Internal Audit being the coordinator, which contradicted the literature and governance standards which supports Internal Audit. Some participants described Internal Audit as an irritation, saying that management could find it difficult to buy into combined assurance with them as coordinators. The literature fully supports Internal Audit as lead, except for its independence and objectivity that needs to be preserved. Schreurs and Marais (2015) and Huibers (2015) cautioned Internal Audit that if they lead, it could impact their independence and objectivity. According to the IIA standard (IIA, 2016), Internal Audit needs to maintain its independence and objectivity, which could mean that Internal Audit would not necessarily partner with business to find solutions to business risks or issues, as other assurance providers like Risk would ordinarily do. Instead, they raise issues independently, which has an impact on their relationship with the business. The Internal Audit function was also described as playing a strategic role, following a number of corporate failures (Mihret & Grant; 2017; Haji & Anifawose, 2016; Soh & Martinov-Bennie, 2018). These negative perceptions contradict what the literature says on Internal Audit as lead.

There were thus more views supporting the Risk function as lead because the basis of combined assurance is a mature Risk function and risk framework. However, the governance standards and previous research support Internal Audit as lead.

6.4.2. Combined assurance implementation approach

Regarding the approach followed in implementing combined assurance, the research found that the three lines of defence model, sometimes referred to as the combined assurance model, is the common methodology underpinning the implementation process (Decaux & Sarens, 2015a; IIA, 2013). Figure 4 demonstrates the combined assurance process, out of which implementation approaches were highlighted. The intention of this study was not to document the process, however, but rather to understand the implementation methods.

Firstly, there was consensus among the participants that organisations prescribe to the three lines of defence model. This was supported by previous research (Decaux & Sarens, 2015a; Sheedy & Griffin, 2018) and governance standards such as the IIA standards and King IV (IIA, 2013; IoDSA, 2016), which indicate that the model outlines the roles and responsibilities that the assurance providers play in the process. The roles of each of the lines of defence were further provided by the participants.

The first line of defence was confirmed to be management who are involved in the day-to-day operations of the business (Clemens, 2014; Huibers, 2015; Decaux & Sarens, 2015a; IIA, 2013; 2017a). They are responsible for ensuring that the processes in their areas of responsibility are documented, and that controls are working and assessed on a regular basis. The second line of defence was confirmed to be the Risk, Compliance, Legal etc. functions, which are responsible for providing the policies, frameworks and tools for the management of risks (Decaux & Sarens, 2015a; IIA, 2013; 2017a; Forte & Barac, 2015; Schreurs & Marais, 2015). Furthermore, they provide oversight on the work done by the first line of defence (Decaux & Sarens, 2015a; Jackson, 2015).

The third of line of defence was confirmed by participants to be Internal Audit, which is responsible for ensuring that both the first and second lines of defence work as intended (IIA, 2013; 2017b; Jackson, 2015; Mihret & Grant, 2017). Furthermore, the research found that Internal Audit is responsible for the independent assessment of other assurance providers (Clemens, 2014), as well as determining the maturity of the assurance providers, so that they can rely on each other's work (Decaux & Sarens,

2015a). External Audit was agreed by many of the participants to be the fourth line of defence, which is responsible for reviewing the financial statements and providing an opinion on how fairly represented the financial statements are (IIA, 2013; 2017b). In addition, participants were of the view that External Audit has a limited view of the organisation as their focus is on financial statements and they do not spend as much time in the business as Internal Audit does (IIA, 2017b). Therefore, their opinion is limited to financial statements and not the internal control system of the organisation.

6.4.3. Methods or ways of work for combined assurance

The methods or ways of work for combined assurance are the activities that assurance providers conduct by combining their efforts in one way or another. After the analysis of the combined assurance process, the research found five main activities in which assurance providers are working together as they implement combined assurance. These activities include combined assurance mapping/ planning, placing reliance on the work of others, joint assurance, alignment of assurance activities, and reporting on the assurance map and results of the assurance activities. These methods or ways will now be discussed in relation to the literature presented in Chapter 2.

The research found that combined assurance mapping is a method or way of work for the implementation of combined assurance in the planning phase. During mapping, the focus is on key risks, assurance gaps are identified, and the levels/ intensity of assurance is determined. Combined assurance maps enable an organisation to map its assurance activities to the key risks faced, in order to determine assurance coverage. The concept of assurance maps is supported by Al Chen et al. (2016) Clemens (2014), Decaux and Sarens (2015a), Forte and Barac (2015) and Jackson (2015). In addition, the IIA (2017a) supported the finding that the combined assurance map visually represents the assurance activities that have been considered, in other words, one can establish which of the assurance providers are doing what, and if there are any gaps. Huibers (2015) also supported this finding, calling this concept ‘process integration’, which takes place at the planning stage. It was found that assurance gaps and areas of duplication are identified in the process, i.e. areas where there is under assurance, over assurance or no assurance will be identified once the map has been completed, and work has to be redirected accordingly to ensure assurance is optimised.

The research found that during mapping, the focus has to be on the key risks, i.e. not all risks of the organisation should be assured, but rather those that have an impact on the

objectives of the company (Forte & Barac, 2015; Chen et al., 2016). Additionally, the research found that during the mapping exercise, assurance providers should also consider the levels of assurance, which can be described as the level of intensity of the assurance activity performed. Previous research in the context of auditing (Clemens; 2014; Gaynor et al., 2016; Hasan et al., 2005) and it is highlighted as one of the elements that determines the quality of the assurance provided. It is suggested that the level of assurance has an impact on how other assurance providers can rely on the work conducted. Levels of assurance therefore emerged as a key component, which should be indicated by the assurance providers during the mapping exercise and followed through on during execution.

During execution of the combined assurance plan, the research found that assurance providers can align their activities. As assurance providers conduct the assurance activities, they have to engage with other assurance providers in order to establish the work done. This will assist them in scoping for their own work, which then prevents duplication of effort and time. Huibers (2015) supported these findings, citing that this can be done either formally or as and when it is appropriate to do so, by way of the other assurance providers sharing the scope of the work they have done and the results thereof. The research found that as the scope of the work conducted by other assurance providers is considered, this ensures that there is no duplication of effort (Clemens, 2014; Jackson, 2015; Forte & Barac, 2015; Chen et al., 2016).

In addition, the research found that assurance providers can conduct joint assurance activities, which is a method or way for combined assurance implementation. For example, Internal Audit and Risk could jointly perform an assurance activity together. Huibers (2015) supported these findings, describing this concept as an integrated audit, which is normally required where extensive assurance is required. One assurance provider cannot do the work on their own, however, hence the need to jointly perform the assurance activity.

Furthermore, the research found that placing reliance on the work of others is a method or way of work for combined assurance implementation. However, this is dependent on the levels of assurance provided, which is the reason why it is important to indicate during the mapping exercise the level of assurance to be provided (Clemens, 2014; Gaynor et al., 2016; Hasan et al., 2005). This entails all assurance providers taking comfort in the work done by the other assurance providers and relying on those results. These findings are supported by Decaux and Sarens (2015) and the IIA (2017a),

however Decaux and Sarens' (2015) view is that it is rather the maturity of the assurance provider which determines whether another assurance provider can rely on the work of the others. The IIA (2017) cautioned that Internal Audit's independency and objectivity could be compromised by placing reliance on the work of others, which is why understanding the levels of assurance provided was considered to be an important aspect in planning.

Moreover, the research found that combined assurance reporting is a joint effort that assurance providers employ as they implement combined assurance. It emerged that reporting is done on the combined assurance map/ plan (which should include the levels of assurance) and the results of the assurance activities conducted. These findings were supported by Huibers (2015), who called this process 'integration', which takes place during reporting. Assurance providers work together to collect the results of their assurance activities, either to report internally or externally. Regarding the results of the assurance activities performed, the research found that assurance providers will have different opinions on the assurance conducted, however this has to be understood and analysed to ensure that conflicting messages are not sent internally to the board (Decaux & Sarens, 2015; Huibers, 2015). One voice, suggested Huibers (2015), ought to be the order of the day in internal reporting. Externally, the assurance providers would work together and align their opinions in order to provide the board with a consolidated view, which enhances the credibility of the information being reported. This would ensure that the board is able to express an opinion on the risk and control environment in integrated reports, (Simnett & Huggins, 2015; De Villiers et al., 2017; Zhou et al., 2018).

6.4.4. Summary of findings of Research Question 3

In answering Research Question 3, the research found that when implementing combined assurance, the methods or ways of work used by assurance providers to combine their efforts include combined assurance mapping, employed at the planning phase, which includes a focus on key risks, consideration of the levels of assurance provided, identifying where the assurance gaps are, and redirecting the efforts of the assurance providers to where the work is required. Previous research supports all these findings. Furthermore, aligning assurance activities, jointly performing these activities, placing reliance on the work of others, and consolidated reporting of the plan and especially the results of the assurance activities to ensure consistent messaging to the board and integrated reports, were found to be methods or ways of work in which combined assurance is implemented in organisations. These findings are supported by

previous research. In addition, the research found that the three lines of defence model, a common methodology and a coordinator, underpins the activities described above, which is also supported by previous research.

6.5. Discussion: Research Question 4

Research Question 4 – What are the benefits of implementing combined assurance and has the goal of enabling boards to exercise its risk oversight role been achieved?

Research Question 4 sought to establish if the benefits of implementing combined assurance in organisations are being achieved, what those benefits are and their measurability. In particular, the researcher wanted to establish if the goal of enabling boards to exercise their risk oversight has been achieved through combined assurance.

6.5.1. Benefits of combined assurance

The research found that there are many benefits that organisations are deriving from the implementation of combined assurance, although the practicality of these benefits are questioned (Forte & Barac, 2015). The research found 13 benefits that were categorised into four themes, namely operational, relational, financial and functional benefits. There is no literature to support categorising the benefits into such themes, hence this categorisation is regarded as a new insight.

6.5.1.1. Operational benefits

These are benefits that accrue to the assurance providers, the boards and the organisation at large from operationalising combined assurance. The research found that the benefit that was ranked the most, which is being achieved in many organisations, is the prevention of duplication of time and effort among assurance providers. This is being achieved through analysis performed on the combined assurance map/ plan, as per Clemens (2014), Decaux and Sarens (2015a), Forte and Barac (2015), Jackson (2015) and the IIA (2017a). These authors suggested that the map will show areas where assurance providers are duplicating efforts, which then enables them to redirect efforts to where there is under assurance or no assurance. Closely linked to this benefit, the research found that combined assurance optimises assurance coverage (Forte & Barac, 2015; Jackson, 2015). This is possible as

duplications are eliminated, and assurance providers' efforts are redirected to where the gaps are, thereby maximising assurance coverage.

Furthermore, the research found that combined assurance deepens the understanding of the risks of the organisation, as different assurance providers offer their opinions on how well those risks are being managed (Decaux & Sarens, 2015a). It emerged that as assurance providers work together, there is more interaction and debate on risks (Huibers, 2015), hence the understanding of the risks faced by the organisation significantly improves. One of the causes of the financial crisis cited in literature was the lack of understanding by boards of the risks that organisations were facing (Berger et al., 2012; Brown et al., 2009; Conyon et al, 2011; Gontarek, 2016). With combined assurance, assurance providers can assist boards to have a deeper understanding of the risks as they debate them before presenting them to the board. Furthermore, as assurance activities are conducted with an opinion on how well these risks are being managed, the board can have a deeper understanding of this, which will enable them to exercise their risk oversight effectively (Decaux & Sarens, 2015a).

Additionally, the research found that one of the key benefits of combined assurance is that it helps organisations to focus on key risks, i.e. those risks that could prevent the organisation from achieving its objectives, which the board would be more worried about (Forte & Barac, 2015; Chen et al., 2016). The board provides strategic direction and monitor the activities of management to ensure delivery of the strategy (Brown et al., 2009; Van Ees et al., 2009; Elyasiani & Zhang, 2015; Kress, 2018). With combined assurance focusing on the key risks linked to the strategy of the organisation, the board can establish if the strategic objectives will be met or not, depending on the opinion of the assurance providers regarding how well the risks are being managed. Furthermore, with the growing complexity of risks being faced by organisations such as cyber risks, regulatory risks etc. (PWC, 2015; MetricStream, 2019; Jack, 2019), it is important that assurance focuses on these kind of risks which are key to the organisation, as failure to manage them could have a significant impact on the achievement of company objectives.

Moreover, the research found that combined assurance also benefits organisations in that it creates a holistic view of the organisation's risk and control environment (Decaux & Sarens, 2015a; Huibers, 2015). The combined assurance map creates a consolidated picture of what the risks are, as well as the assurance being conducted on those risks, whether adequate or not. When information is fragmented due to each assurance

provider conducting and reporting assurance activities independently, it is difficult for management and boards to have a view on the effectiveness of the risk and control environment, preventing them from exercising their risk oversight role effectively (Zhou et al., 2018). In a study conducted by Forte and Barac (2015), it was found that organisations that had implemented combined assurance had a comprehensive view of the risk of the organisations, thereby supporting these findings.

In addition, the research found that combined assurance enables consistent messaging to various forums. Once a consolidated view of the risk and control environment has been created, the messaging to various oversight committees can be achieved consistently (Decaux & Sarens, 2015a; Jackson, 2015; Huibers, 2015). It is important that there is one voice in an organisation on the status of the risk and control environment (Huibers, 2015).

Some of the benefits that had a low frequency are efficiencies being driven from combined assurance, which come as a result of taking a coordinated approach (Clemens, 2014; Prinsloo et al., 2015; Schreurs & Marais, 2015) and integrated thinking and solution being encouraged. Simnett and Huggins (2015) supported these views, indicating that the process that leads to integrated reporting encourages integrated thinking and solutions. This is made possible through knowledge sharing (IIA, 2017a).

6.5.1.2. Function benefits

Function benefits are those benefits that assurance functions obtain from the implementation of combined assurance. The research found that with the implementation of combined assurance, one of the benefits is that resources that are often limited can be optimised. Al Chen et al. (2016) supported this view, highlighting that combined assurance enables the deployment of resources effectively. Assurance functions are considered to be cost centres, therefore they often do not find it easy to obtain additional resources as they do not produce revenue. With combined assurance, resources can be used effectively as no one assurance provider can be doing the same work as the others as duplications are eliminated (Clemens, 2014; Decaux & Sarens, 2015a; Forte & Barac, 2015; Jackson, 2015), and assurance providers can rely on each other.

Another function benefit that had a low frequency is the maturation of assurance functions as combined assurance is implemented. As greater demand is placed on

assurance providers to produce work that other assurance functions can rely on, and as these functions are independently reviewed (Clemens, 2014; Decaux & Sarens, 2015a), assurance functions are bound to mature quicker.

6.5.1.3. Financial benefits

Financial benefits are the benefits that can be monetised. This study found that the benefit of saving on assurance costs is considered a secondary benefit. The researcher was anticipating that this would be a primary benefit, as it was one of the highest ranked drivers for combined assurance adoption by participants. What the study found was that in some cases, costs actually increase as the organisation realises that it has more risks than initially thought, which do not have sufficient assurance coverage. This is contrary to previous research, which shows that combined assurance reduces assurance costs (Forte & Barac, 2015; Prinsloo et al., 2015; Zhou et al., 2018) as duplication is eliminated. Particularly, costs that are anticipated to reduce are the costs for Internal and External Audit (Prinsloo et al., 2015).

6.5.1.4. Relational benefits

These are the benefits that improve the relationships between stakeholders involved in the combined assurance process. The research found that combined assurance reduces assurance/ audit fatigue for both management and the board (Decaux & Sarens, 2015a; Huibers, 2015, Schreurs & Marais, 2015), as assurance providers work together to minimise the time they spend with management, as well consolidate their reports to the board.

6.5.2. Measurability of the benefits

The research found two aspects regarding the measurability of benefits; firstly, the benefits are theoretical and not practical, and secondly, many of the benefits are qualitative and not quantitative, except for saving on assurance costs, which can be expressed in monetary terms. These findings from the study were not supported by many participants, as was evidenced by the low frequency of occurrence. Schreurs and Marais (2015) found that combined assurance is considered to be a philosophy which many organisations are expending great effort on, with no real value being obtained. It could be argued that not seeing the real value of combined assurance equates to the

benefits being theoretical and not practical. However there is inadequate evidence in the literature to support the measurability of the combined assurance benefits, which the researcher notes as a limitation in the manner the question was asked.

6.5.3. Ability of combined assurance to enable boards to exercise risk oversight

The research sought to establish whether combined assurance enables boards to exercise their risk oversight role. The benefits described above such as deepening of the understanding of risks, focus on key risks to the strategy, creating a holistic view of the risk and control environment, and consistent messaging to various forums will clearly benefit boards, but also assurance providers and the wider organisation. However, there were three benefits which the research found that are particular enablers for boards to exercise their risk oversight role, i.e. the credibility of information for decision making, the fact that the board can see and question what is missing, and providing the board with comfort.

The research found that combined assurance helps boards by providing credible information for decision making (Zhou et al., 2018). Linking this back to the agency theory, the board is appointed by the shareholders to oversee and monitor the activities of management (Brown et al., 2009; Van Ees et al., 2009; Elyasiani & Zhang, 2015; Kress, 2018), however as the boards are not involved in the day-to-day operations of the business, they require mechanisms that enable them to do so (Srivastav & Hagendorff, 2016). Boards thus rely on information from assurance providers in order to make informed decisions. As the information reported in the combined assurance report is interrogated and challenged by all assurance providers, by the time it gets to the board, the messaging would have been debated (Decaux & Sarens, 2015a). This ensures that the information presented is credible and the board can use that to inform their decisions (Simnett & Huggins, 2015; Zhou et al., 2018).

Furthermore, the board, as part of its risk oversight role, needs to provide an opinion in the company's integrated reports on its risk and control environment. The board therefore needs credible information, which is supported by previous research (Acker & Eccles, 2015; De Villiers et al., 2017; Soh & Martinov-Bennie 2018, Zhou et al., 2018). Zhou et al. (2018) in particular highlighted that combined assurance is a mechanism that enhances the credibility of information reported.

Additionally, the research found that combined assurance enables the board to see and then question information that is missing. This is enabled by consolidated reporting from the assurance providers, which gives the board a view of the risks and control environment of the organisation (Zhou et al., 2018). For boards to make correct decisions, they require adequate information at their disposal. Combined assurance consolidates the available information for boards, which then enables the board members, and in particular the independent directors who have exposure to different organisations, to use their experience to assess what is missing (Kress, 2018). Furthermore, through the combined assurance map, the board is able to see where the gaps are and question management and other assurance providers as discussed (Al Chen et al., 2016; Decaux & Sarens, 2015a).

Moreover, the research found that combined assurance provides the board with comfort that risks are being managed effectively, which enables the board to exercise risk oversight (Decaux & Sarens, 2015a). Combined assurance provides the board with knowledge regarding if things are working effectively or not, which empowers them to make either internal or external decisions (Simnett & Huggins, 2015; Zhou et al., 2018) on matters pertaining to the risk and control environment of the organisation. In addition, the board needs comfort that assurance is focussing on the risks that matter (Decaux & Sarens, 2015a), hence the focus of combined assurance being on key risks. The board is able to obtain this comfort through combined assurance reports that summarise the plans and results of the assurance providers. Furthermore, through combined assurance, the board is able to express its opinion on the risk and control environment, be it in integrated reports or any other interactions they might have with external parties (Zhou et al., 2018).

6.5.4. Summary of the findings of Research Question 4

In answering Research Question 4, this study found that there are benefits that organisations are deriving from implementing combined assurance. These benefits can be categorised into:

- Operational factors, which include preventing the duplication of effort and time, deepening the understanding of risks, focusing on key risks or material issues, creating a holistic view of the organisation's risk and control environment, optimising assurance coverage, driving efficiencies, and integrating thinking and solutions.

- Function factors, which include the optimisation of limited resources and maturation of assurance providers.
- Relational factors, which consist of benefits such as reducing assurance fatigue and coming up with a better way of working together for assurance providers.
- Financial factors, which include saving on assurance costs, which was found to be a secondary benefit.

These findings are largely supported by previous research, however saving on assurance costs emerged as a secondary benefit, which contradicts existing literature. The measurability of the benefits was questionable as it emerged that the benefits were not practical. It also emerged that the benefits are by and large qualitative and cannot be expressed quantitatively, except for saving on assurance costs.

Overall, the research found that combined assurance enables boards to exercise risk oversight to the extent that boards appreciate this. This is made possible as the information to the board is streamlined and credible, and there is consistent messaging. Furthermore, the focus is on key risks to the strategy, with a deeper understanding of those risks being provided through combined assurance reports, which gives the board a holistic view of the risk and control environment. Moreover, the board finds comfort in this, i.e. that the risks and controls are being managed effectively.

6.6. Conclusion

The research findings were discussed in this chapter and a summary of the findings per research question were provided. The drivers, success factors, methods/ ways for combined assurance implementation and the benefits were presented. A framework has been developed from these findings, which should serve as guidance for organisations as they implement combined assurance. This framework will be presented in the next chapter.

CHAPTER 7: CONCLUSION AND RECOMMENDATIONS

7.1. Introduction

The need to implement combined assurance in order to enable boards to exercise risk oversight necessitated this research. There has been an increase in the number of corporate failures in the past two decades (Decaux & Sarens, 2015a; 205b), which was exacerbated by the 2008-2009 financial crisis (Brown et al., 2009). Inadequate risk oversight exercised by boards on the risk and control environment in organisations has been cited as the main cause of the financial crisis and some of the corporate failures. Since the financial crisis, the need for boards to be more accountable on risk matters has been growing (Decaux & Sarens, 2015b).

Boards rely on management and assurance providers for credible risk information in order to exercise their risk oversight role (Zhou et al., 2018). However, if assurance providers are not working together, conflicting messages could be sent to the board, which makes it challenging to execute the risk oversight role effectively (Huibers, 2015). This is why it is important for organisations to implement combined assurance, which entails assurance providers working together to provide the board with a holistic or comprehensive view of the risk and control environment (IIA, 2017a).

Combined assurance has been cited as a new business paradigm, which lacks proper guidance on implementation (Decaux & Sarens, 2015a). King III, which introduced the combined assurance concept within the South African context, and the subsequent King IV governance codes (IoDSA, 2009; IoDSA, 2016), do not prescribe how combined assurance should be implemented. Furthermore, while consulting firms have issued a number of guidance documents on combined assurance (PWC, 2015; EY, 2013; Deloitte, 2011; KPMG, n.d.), these publications lack theoretical rigour. Few organisations are implementing combined assurance, and some of those that have attempted it, have failed to fully implement the concept (Schreurs & Marais, 2015). For this reason, this study explored the four main components of combined assurance, drivers, key success factors, methods/ ways and benefits, in order to holistically understand the concept of combined assurance. In particular, this was done with the intention of wanting to understand if combined assurance is enabling boards to exercise their risk oversight role. This study should serve as guidance for organisations as they implement combined assurance.

This chapter summarises the findings of this study on the drivers, success factors, methods or ways of work and benefits of combined assurance, which have been expressed in a framework which is built on the basis of the three lines of defence model. In addition, the contribution to both theory and business practice is presented in this chapter, including the limitations of the study and areas of consideration for future research.

7.2. Research findings

There has been a growing need for boards to effectively exercise their risk oversight role (Decaux & Sarens, 2015b; Gontarek, 2016) following the financial crisis and many governance failures. Boards have been forced to drive the combined assurance agenda in order to ensure that they have a mechanism that can assist them to exercise their risk oversight role effectively (Srivastav & Hagendorff, 2016). Where combined assurance has been implemented, the question of whether it enables boards to effectively exercise their risk oversight role has been the overarching question the research needed to address. In order to answer this question, it was important to understand the drivers, success factors, methods or ways of work and the benefits of combined assurance.

This study provided answers to four research questions on the four components described above, as well as the overall research question. The findings of the research are summarised in the framework in Figure 5 below and discussed below.

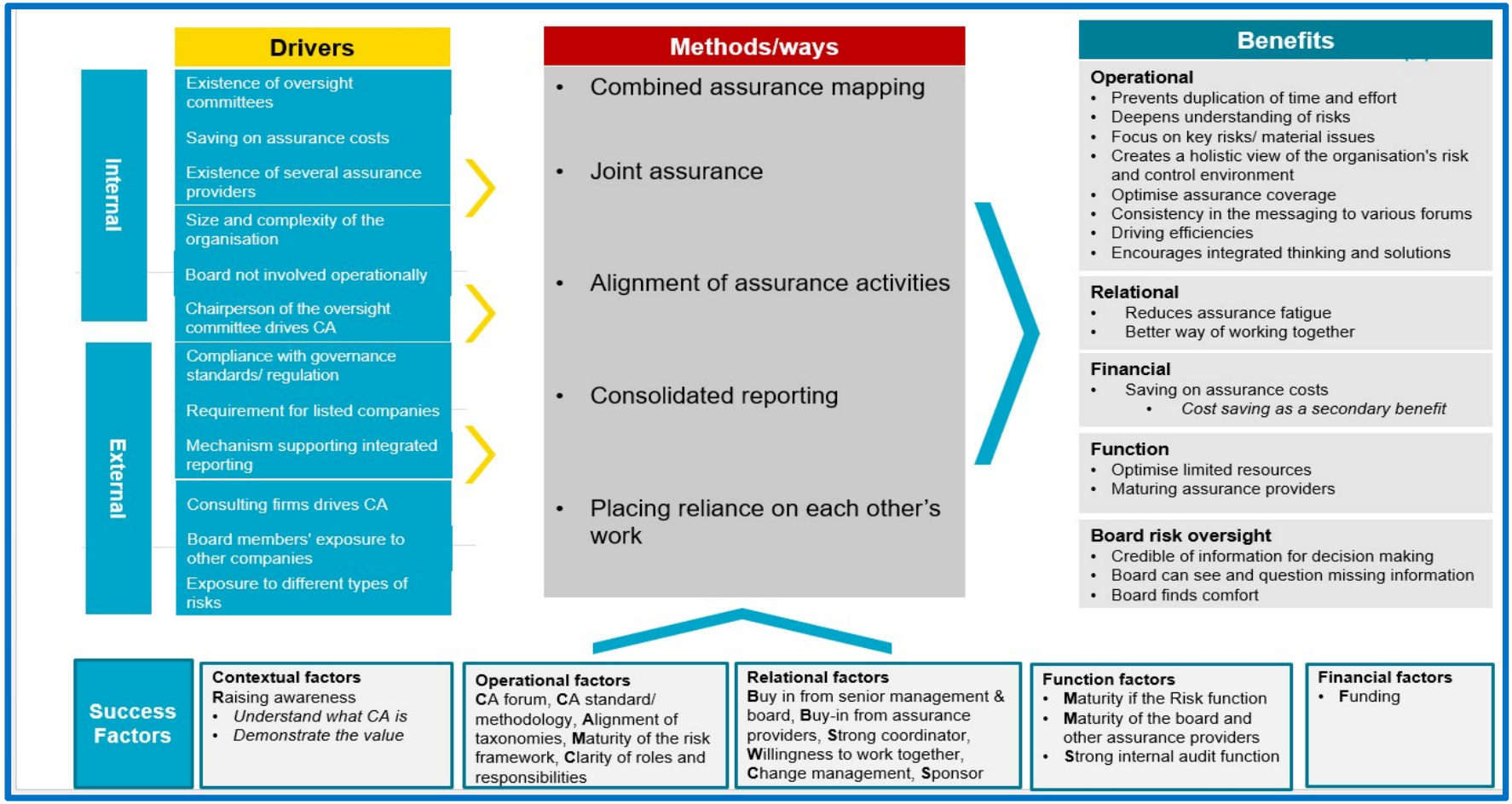

Figure 5: A framework for combined assurance implementation

7.2.1. Drivers of combined assurance adoption in organisations

As shown in Figure 5 above, organisations decide to implement combined assurance, based on either internal or external drivers. These forces from the internal or external environment drive organisations to adopt combined assurance. Although literature does not support the categorisation of the drivers as such, there is a considerable amount of literature to support the drivers under these categories.

In terms of internal drivers, the existence of oversight committees emerged as a significant driver for combined assurance adoption (Sheedy & Griffin, 2018), and with the support by the chairperson of the oversight committees, there is even a greater propensity for combined assurance adoption. If the chairperson is independent from the organisation, which is the case in many organisations, s/he would need a mechanism to enable him/ her to exercise risk oversight effectively (Wcorpang et al., 2014; Zhou et al., 2018). There is also a drive towards combined assurance adoption if the chair and other independent members of the oversight committees have exposure to different companies, as they can see other organisations' implementation processes, and hence drive the same in organisations that have not done so yet (Kress, 2018).

Furthermore, saving on assurance costs was found to be a key driver for combined assurance adoption, although the spirit of the governance standards is not to drive assurance costs down (IIA, 2017a; IoDSA, 2016). Furthermore, literature does not support this as a driver, but rather a benefit that would be achieved once combined assurance has been implemented (Forte & Barac, 2015). What was even more contradictory was that the research found that saving on assurance costs is rather a secondary benefit, which is a misalignment between what is driving organisations to implement combined assurance and the benefits achieved. In addition, the existence of several assurance providers in an organisation drives combined assurance adoption (Decaux & Sarens, 2015b). Organisations with several assurance providers are bound to implement combined assurance in order to lessen the time spent with management on assurance matters, as well as to provide the board with a consolidated view of the risk and control environment (Huibers, 2015). This gives management time to deliver business objectives and reduces assurance fatigue.

Moreover, the research found that the size and complexity of the organisation drives combined assurance. The larger the organisation, the more likely it will have several assurance providers, hence implementation is inevitable (Decaux & Sarens, 2015b).

Risk and assurance processes are more likely to be complex as well, hence the need to have them streamlined, which can be achieved through combined assurance. However, literature also supports the need for smaller to medium enterprises to implement combined assurance (Prinsloo, et al., 2015), which contradicts the findings of the research.

In terms of external drivers, the research found that organisations are driving combined assurance in order to comply with governance codes and standards such as King IV, the IIA standards and industry prescribed standards (Forte & Barac, 2015). Organisations listed on the JSE were also found to be more likely to implement combined assurance as there is requirement for these companies to comply with King IV, which includes combined assurance requirements. Moreover, the need for the board to comment on the state of the risk and control environment in integrated reports drives these listed companies to implement combined assurance (Zhou et al., 2018). Moreover, the research found that the big four firms are driving combined assurance as a way to further improve the control environment and support their opinion on the fair representation of the financial statements (Decaux & Sarens, 2015b).

7.2.2. Key success factors for combined assurance implementation

As organisations decide to implement combined assurance, there needs to be some ingredients or enablers to support the implementation. Figure 5 shows the key factors that are required to ensure the successful implementation of combined assurance. These factors were categorised into five themes – contextual, operational, relational, functional and financial. Once again, the literature does not support the categorisation of these factors as such, however there is evidence in extant research to support the factors under each of these categories.

In terms of contextual factors, which are about setting the scene for the combined assurance concept, raising awareness was found to be a key success factor (Decaux & Sarens, 2015a) which can be done through training and communication. Awareness is achieved in order to assist stakeholders to understand what combined assurance is, as well as to demonstrate the value that combined assurance will bring into the business. The relational factors that the research found included buy-in from key stakeholders such as the board, senior management and all assurance providers, which are key to this process (Schreurs & Marais, 2015). This should be achieved by a good awareness programme. Furthermore, the willingness of assurance providers to work together and

continuously engage throughout the process was found to be key in the successful implementation of combined assurance (Clemens, 2014). A strong coordinator, fully supported through sponsorship at the executive level, emerged as a key success factor (Decaux & Sarens, 2015a). Although literature supports the need for a coordinator, the strong leadership qualities required is a new insight that emerged from the study.

In addition, operational factors that emerged as key to the successful implementation of combined assurance include a combined assurance forum, which should meet regularly to facilitate coordination among assurance providers (Clemens, 2014; Decaux & Sarens, 2015a). It was advocated that the CAE/ CRO chair this forum, depending on which assurance function is leading the implementation. However, if a coordinator has strong leadership qualities, then he/she can chair the forum. Moreover, a common methodology, which standardises the combined assurance processes and alignment of taxonomies are some of the key success factors the research found (Huibers, 2015). This is critical to ensure common classification and interpretation of the risks and issues. Combined assurance without accountability of the assurance providers is bound to fail, which is why an accountability framework which clarifies the roles and responsibilities of the assurance providers was found to be a critical success factor (IIA, 2013; Jackson, 2015).

In terms of function factors, which are the attributes of the assurance functions that are key to combined assurance implementation, a mature Risk function and framework were found to be critical prerequisites (Decaux & Sarens, 2015a). Combined assurance and risk management are mutually dependent (Prinsloo et al., 2015), which is why there is a need for a risk management framework that supports the identification, assessment and management of risks. Furthermore, the maturity of the other assurance providers was found to be a key success factor, as this has an impact on the ability of assurance providers to rely on each other (Decaux & Sarens, 2015a). Moreover, a strong Internal Audit function, which plays a strategic role in improving the internal control environment, was also a key success factor the study found (Haji & Anifowose, 2016; Mihret & Grant, 2017).

7.2.3. Methods or ways of work for combined assurance

As organisations decide to embark on an implementation journey, there is a need to decide on the methods that will be appropriate for implementation. These can vary from one assurance activity to the other. The research found five methods or ways that could

be employed as implementation approaches for combined assurance, as demonstrated in Figure 5. Combined assurance mapping, which involves the mapping of assurance activities to the risks that the organisation faces, is one of the methods employed in the implementation of combined assurance (Al Chen et al., 2016; Huibers, 2015). What the study found to be important during this process is for the focus to be on key risks, which have an impact on the achievement of strategic objectives and would concern the board from an oversight perspective (Stulz, 2015). Assurance gaps, be they under assurance, over assurance or no assurance, are identified during the process, which then results in the redirection of work to where the gaps are. In addition, the levels of assurance to be provided, which is the rigour with which assurance providers conduct their assurance activities, was found to be an important component of planning. There is limited literature to support the concept of levels of assurance, however.

Furthermore, the study found the alignment of activities by assurance providers to be a method that is used in combined assurance implementation (Huibers, 2015). This process involves assurance providers engaging with others before any work commences, in order to establish the scope of work for assurance activities conducted by others or the results thereof. An assurance provider that is about to conduct any activity would ensure that their scope excludes what the other assurance providers have already covered, but instead reinforces the results of the assurance activities conducted. This ensures that there is no duplication of effort by assurance providers (Forte & Barac, 2015).

In addition, jointly performing the assurance activities was found to be another method used in combined assurance implementation (Huibers, 2015). This method was indicated as required where intense assurance work is needed, i.e. two or more assurance providers jointly perform the assurance activity. Although each assurance provider could report the results of the assurance activities separately, a consolidated view would be required to demonstrate that the assurance activities were jointly conducted. Moreover, placing reliance on the work of others emerged as another implementation approach (Decaux & Sarens, 2015a). Assurance providers could take comfort in the work of others, however it is important for the levels of assurance provided to be understood in order for assurance providers to place reliance on each other. The study found that Internal Audit could find this challenging, as their independence and objectivity could be at risk (IIA, 2017b), hence the need to understand the levels of assurance provided.

Finally, consolidated reporting of either the combined assurance plan or the results of the assurance activities was found to be another method or way in which combined assurance is being implemented in organisations (Huibers, 2015). For the board to exercise its risk oversight effectively, it requires a consolidated view of the risks. The combined assurance report, which is a summary of all the assurance activities planned and the results of the activities conducted, should provide the board with that view.

Underpinning these implementation approaches is the three lines of defence model and a common methodology, which standardises the assurance process and rating of risks and issues (Decaux & Sarens, 2015a; IIA, 2017a), as demonstrated in Figure 4. This is further cemented by a coordinator being held responsible for coordinating the different various assurance activities.

7.2.4. Benefits of implementing combined assurance

Regardless of the implementation approaches used, when combined assurance has been implemented, the research found that there are benefits that can be achieved. Benefits were categorised into four themes, however this categorisation (operational, relational, financial and function benefits) is not supported by the literature. Furthermore the study found more operational benefits than any other benefits.

Regarding key operational benefits, the research found that combined assurance prevents the duplication of effort and time through the combined assurance mapping process (Forte & Barac, 2015). This optimises assurance coverage, as assurance work/ effort is redirected to where the gaps are. In addition, combined assurance was also found to deepen the understanding of risks in organisations (Decaux & Sarens, 2015a), which comes from the interrogation and debate on risks among assurance providers. This enhances the risk information, thereby assisting boards to exercise their risk oversight effectively. Furthermore, the focus was found to be on key risks that the board is most worried about, as these risks could impact the achievement of objectives, which is a benefit for the board and the organisation at large (Forte & Barac, 2015). Moreover, the study found that a holistic view of these risks and how well they are being managed is provided through coordinated reporting, which enables the board to exercise its oversight role effectively (Huibers, 2015).

Regarding the function benefits, the research found that the assurance functions could optimise their limited resources (Al Chen et al., 2016), particularly because they are cost

centres and obtaining additional resources is challenging. This is achieved through the effective deployment of assurance resources, as assurance providers coordinate their activities. Regarding financial benefits, saving on assurance costs was found to be a secondary benefit, although the researcher expected this to be significant as organisations are driving combined assurance adoption to achieve this. Surprisingly, the research found that costs could increase as there could be a need to address the assurance gaps by obtaining additional resources. This contradicts previous research, which indicated that assurance costs reduce when combined assurance is implemented (Forte & Barac, 2015). In terms of relational benefits, the study found that combined assurance has the benefit of reducing assurance fatigue, as less time is spent with management on assurance activities as a coordinated approach is taken (Decaux & Sarens, 2015a).

The research provided insights into the overarching question regarding whether combined assurance enables the board to exercise its risk oversight role. The benefits of combined assurance described above, such as the focus on key risks, deepening the understanding of risks and a holistic view of risks being provided to the board, support the board in terms of its risk oversight role. In addition to this, three benefits that were found to be more pertinent to enabling boards include the credibility of the information for decision making, the comfort that the board finds in making decisions, and their ability to see and question what is missing. As risk information presented to the board goes through a rigorous process, it is bound to be challenged through the process, thereby enhancing it (Zhou et al., 2018). Furthermore, the study found that the board could find comfort in expressing their opinion on the state of the internal control environment in integrated reports and making internal decisions, knowing the rigour that was applied to the information provided in the combined assurance report. Moreover, combined assurance was found to enable boards to see and question what information is missing (Decaux & Sarens, 2015a) once a consolidated view is provided. Therefore, combined assurance enables the board to exercise its risk oversight role effectively.

7.3. Implications for the study

There are both business and theoretical implications of this study. There has been limited research on the concept of combined assurance as it is regarded as a new business paradigm (Decaux & Sarens, 2015b). Using an exploratory approach through face to face interviews, insights were gained about combined assurance and risk oversight.

7.3.1. Theoretical implications

This research contributes to theory because combined assurance has not been researched extensively and some new insights have emerged from the study, for example this is one of the first studies to bring all the four components of combined assurance together (drivers, success factors, methods/ ways of work and benefits). Previous studies have examined just one of the components of combined assurance. Furthermore, the categorisation of the drivers, success factors and benefits into themes is a new insight that this study found. Overall, the researcher hopes that the study has provided some much needed guidance on implementing combined assurance to enable boards to exercise their risk oversight role effectively.

7.3.2. Business implications

This study has implications for regulators, policy makers, boards, assurance providers and coordinators who lead the combined assurance implementation of the programme.

- *Boards*

  Participants of this study indicated that combined assurance implementation could go as far as the boards support the implementation thereof. Furthermore, as combined assurance is a mechanism that supports the board in exercising their risk oversight effectively, without the board's appreciation of the concept and the benefits, it could be challenging for implementation to be successful. This study therefore provides advice to the board on the criticality of the support required from them on the concept of combined assurance. The board is advised to provide feedback to those assisting with implementation to ensure the process is successfully implemented, embedded in the business and that it addresses their risk oversight requirements.

- *Assurance providers (functions)*

  There is no combined assurance without the assurance providers. A lack of willingness amongst assurance providers to work together due to failure to let go of the silo approach was indicated as one of challenges in the implementation of combined assurance. Assurance providers should take time to reflect on their contribution to make combined assurance work in their organisations, and determine whether they are inhibiting the process by protecting their territories. They should reflect on the benefits to improve the risk and control environment, and how the

process lessens the burden/ fatigue on management and enhances the board's risk oversight role. That should drive them to work together in order to ensure that combined assurance is successfully implemented.

- *Coordinators*

  Coordinators need to realise that their role is critical for the successful implementation of combined assurance. With combined assurance having been indicated as a journey that is difficult and complex, coordinators are advised not to underestimate the implementation process. Reaching maturity of the programme could take a long time and much effort to be achieved, which requires coordinators to drive the process tirelessly and ensure that all stakeholders are on board until maturity is reached.

- *Regulators*

  With the increase in corporate governance failures, regulators are pushing the need for risk oversight in organisations. The insights provided in this study can help regulators to structure the policies and standards that organisations need to comply with in relation to combined assurance and risk management oversight.

7.4. Limitations of the research

As indicated in Chapter 4, qualitative research is prone to a number of biases (Morse et al., 2002; Morrow, 2005; Roulston, 2010; Cassell & Symon, 2011), which is why rigour is required when conducting research using this method. The following limitations were identified in the research process:

- The combined assurance maturity levels of the organisations that the participants were from were different, varying from those that are currently starting the implementation process to those that have reached maturity. This makes it difficult to generalise the results as comparability could not be achieved.
- The sample size selected did not include management, which are the first line of defence according to the three lines of defence model (IIA, 2013), and an equally important assurance provider. The views and opinions of the participants regarding the second, third and fourth line of defence also cannot be generalised.
- Furthermore, the sample size was not diverse in terms of industry representation, with more than 70% of the participants coming from consulting or financial services,

and only six sectors being represented in total, making it impossible to generalise the results of the study across industries.

- The researcher found during the data analysis that the way Question 6 was asked was too open-ended, which resulted in a lot of information being shared by participants, making it challenging to analyse the data. The results of Research Question 3 might also have been comprised because of this. However, the researcher performed a detailed analysis in order to ensure validity and credibility of the results.
- The study was cross-sectional, as the data were collected at a point in time between July and August 2019. Transferability of the results to a different context (Daniel, 2019) might not be achieved as there was no attempt to establish the results at another point in time.

7.5. Suggestions for future research

Extensive literature on the combined assurance and risk oversight is still lacking. Therefore, based on the findings of this study, a number of avenues can be explored for future research as follows:

- A quantitative study could be undertaken on any of the aspects of the combined assurance implementation process (drivers, success factors, or benefits) in order to establish the order of importance or significance of the drivers, success factors or benefits using statistical methods.
- There were new categories/ themes that emerged on the drivers, success factors and benefits of combined assurance. Further research on these themes could be undertaken in order to understand these categories/ themes in depth. In addition, further research to establish any relationships between different components of combined assurance implementation could be done, for example are there any relationships between the drivers and the benefits that will be achieved?
- There is bias towards Risk, Internal and External Audit when choosing participants for combined assurance research, however the views of all assurance providers matter, thus it is suggested that future research takes into consideration all assurance providers such as management, forensic specialists, IT governance, regulators etc.
- Future research could be conducted with organisations that are on the same level of maturity. In particular, it will be interesting to understand organisations that are at

full maturity and determine how the risk oversight role of the board has been enhanced.

- Alternatively, a longitudinal study could be conducted, in particular when the implementation of combined assurance commences and when full maturity has been reached, to establish if the views or opinions of participants have changed between the two periods.
- The roles and responsibilities of key stakeholders in the implementation process, in particular the role of the coordinator, requires further research.

7.6. Conclusion

Combined assurance is understood to be a key enabler for boards to exercise their risk oversight role, however many organisations are facing challenges in the implementation process. This research, which included 14 semi-structured interviews with participants from six industries, was explored to establish the drivers, success factors, methods/ ways of implementing combined assurance and the benefits to assurance providers, organisations and boards. The research found 12 drivers of combined assurance adoption in organisations, which were then categorised into internal and external drivers. Sixteen factors are required to successfully implement combined assurance, which can be categorised into contextual, operational, relational, function and financial factors. Five methods/ ways are being used to implement combined assurance in organisations. Sixteen benefits could be achieved if combined assurance has been successfully implemented, of which three of these benefits are particularly benefits that relate to the ability of combined assurance to enable boards to exercise their risk oversight role.

The findings from this study have been presented in a framework which is underpinned by the three lines of defence model. This research contributes to theory as it has managed to bring the four components of combined assurance (drivers, success factors, methods or ways of work and benefits) together in one study. The findings from the research will hopefully assist organisations with their decision making relating to the implementation of combined assurance to enable boards to exercise risk oversight.

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APPENDICES

Appendix 1: Invitation letter to participate in the research

REF: Invitation to participate in Combined Assurance research

Dear Participant,

My name is Tabeth Tayengwa and I am currently an MBA student at Gordon Institute of Business Science (GIBS). I am in my second and final year, where I am required to conduct a business research. My research topic is "*Implementing combined assurance in organisations to enable boards to exercise risk oversight*". I am trying to find out more about:

- The drivers of combined assurance implementation in organisations.
- The factors required to ensure successful implementation of combined assurance
- The methods or ways in which combined assurance is being implemented in the organisations.
- The benefits of implementing combined assurance and in particular if the goal of enabling the board to exercise its risk oversight role has been achieved.

I am therefore looking for participants to the research and you came highly recommended because of your knowledge and experience. The data collection, which will be in the form of semi-structured interviews will commence in July until mid-August. The interview questions will relate to your views, opinions and experiences in combined assurance. The interview is expected to last about an hour, and the information and insights gained through the interview will hopefully help me to better understand the concept of combined assurance. The information received during interviews will be treated with confidentiality and will not be used for any purposes other than the research.

Please let me know if you will be willing to participate in this research, and if so, please let me know your availability in July until mid-August. You can provide me with a couple of timeslots that I can chose from. Interviews will be at your convenience and participation is voluntary, hence I will come wherever it's convenient for you.

I look forward to hear from you.

Yours faithfully,
Tabeth Tayengwa
Cell: 078 9403242
Email: tabeth.tayengwa@ominusure.co.za OR 18370579@mygibs.co.za

Appendix 2: Consent Form

INTERVIEW CONSENT FORM

IMPLEMENTING COMBINED ASSURANCE IN ORGANISATIONS TO ENABLE BOARDS TO EXERCISE RISK OVERSIGHT

Researcher: Tabeth Tayengwa, MBA Student at the Gordon Institute of Business Science, University of Pretoria

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I am conducting research on how organisations are implementing combined assurance to enable boards to exercise risk oversight. The research is aimed at establishing drivers of combined assurance, factors required to ensure successful implementation of combined assurance, methods/ ways in which combined assurance is being implemented and the benefits thereof.

Our interview is expected to last for about an hour, and the information and insights gained through the interview will hopefully help me to better understand the concept of combined assurance and whether boards are being enabled to provide risk oversight through this concept.

Your participation is voluntary and you can withdraw at any time without penalty. The audio recording of this interview is also voluntary and you may choose not to be recorded. All data will be kept confidential and electronically, and will be reported without identifiers. If you have any concerns, please contact my supervisor or me. Our details are provided below:

Tabeth Tayengwa
18370579@mygibs.co.za
078 940 3242

Louise Whittaker
WhittakerL@gibs.co.za
011 771 4348

Signature of participant_____

Date: _____

Signature of researcher: _____

Date: _____

Appendix 3: Consistency Matrix

Research objective	Sections in literature	Data Collection tool	Analysis technique
Research Question 1 What is driving organisations to implement combined assurance?	1.2. Description of the problem 2.2. Why combined Assurance 2.3. Drivers for combined assurance	Interview question 1 and 2 in interview guide	Thematic analysis
Research Question 2 What are the key success factors in implementing combined assurance?	2.4. Success factors in CA implementation	Interview question 3 and 4 in interview guide	Thematic analysis
Research Question 3 What are the methods or ways in which combined assurance is being implemented in the organisation?	2.4.7. Combined assurance coordinator 2.5. Implementing combined assurance in organisations	Interview question 5 and 6 in interview guide	Thematic analysis
Research Question 4 What are the benefits of implementing combined assurance and has the goal of enabling the board to exercise its oversight role been achieved?	2.3.2. Board risk oversight 2.6. Benefits of combined assurance implementation	Interview question 7 and 8 in interview guide	Thematic analysis

Appendix 4: Ethical Clearance Letter

Gordon Institute of Business Science
University of Pretoria

01 July 2019

Tabeth Tayengwa

Dear Tabeth

Please be advised that your application for Ethical Clearance has been approved.

You are therefore allowed to continue collecting your data.

Please note that approval is granted based on the methodology and research instruments provided in the application. If there is any deviation change or addition to the research method or tools, a supplementary application for approval must be obtained

We wish you everything of the best for the rest of the project.

Kind Regards

GIBS MBA Research Ethical Clearance Committee

Appendix 5: Thematic map

Research Question	Code Groups	Codes
1	understanding the concept	Risk mitigation
		*Prevents duplication of time and effort
		*Optimise assurance
		*Saving on assurance costs
		Coordination
		*Existence of several assurance providers
		*Holistic view of the risk and control environment
		*Internal control effectiveness
		Formal framework
		*Completeness of the risk universe
		*Optimising limited resources
		*Reduce assurance fatigue
		Risk prevention
		*Comfort for the board
		*Focus on key risks
	External drivers	Board members' exposure to different companies
		Compliance with governance standards/ regulation
		Consulting firms drives CA
		Exposure to different types of risks
		Mechanism supporting integrated reporting
		Requirement for listed companies
	Internal drivers	Board not involved operationally
		Chairperson of the oversight committee
		Existence of oversight committees
		Existence of several assurance providers
		Size and complexity of the organisation
		*Saving on assurance costs
2	Contextual factors	Raising awareness
		Demonstrate the benefits

		Understanding what combined assurance is
	Financial factors	Funding
	Function factors	A strong internal audit function
		Maturity and competence of the board & assurance providers
		Maturity of the risk function
	Operational factors	Alignment of the taxonomies
		Combined assurance methodology
		Clarity of roles and responsibilities
		Combined assurance standard
		Combined assurance forum
		Frequency of CA forum
		Mature risk management framework
	Relational factors	Buy-in from all assurance providers
		Buy-in from Senior Management & the board
		Change management
		Sponsor
		Strong coordinator
		Willingness by assurance providers to work together
	Financial challenges	Assurance costs could increase
		Assurance functions are cost centres
	Operational challenges	Tick box
		Independence and objectivity
		Difficult to implement
		Lack of execution of the CA plan
		Lack of leading practices and guidance
		Failure by other organisations
		Takes time and effort to implement
3	Relational challenges	Battles between assurance providers
	Decision on coordinator	Risk function as lead
		Challenges with risk function as lead
		Either risk or audit

		Internal audit function should lead CA
		Negative perception of Internal Audit as lead
		External assurance provider cant lead CA
		Challenges with management as lead
		Management should lead
		Joint Risk and Audit as lead
	Accountability framework	Number of lines of defence
		Other lines of defence
		Role of first line of defence
		Role of the external audit function
		Role of the second line of defence
		Role of the third line of defence
	Implementation	Alignment of assurance activities
		Coordinating the assurance activities
		Different levels of assurance provided
		Independently do the work
		Jointly perform the assurance activity
		Placing reliance on the work of others
	Preparation	Organisation context
		Identify who the assurance providers are
		Combined assurance roadmap
		Combined assurance tool
	Planning	Alignment of business strategy to combined assurance
		Approval of the combined assurance plan
		Top down/ bottom up approach
		Combined assurance mapping
		*Completeness of the risk universe
		*Focus on key risks
		Identifying where the assurance gaps are
		Redirecting the efforts to where assurance is required
	Reporting	Coordinated/ Streamlined reporting

		Establish the combined assurance opinion
		Functional reporting by assurance providers
		Reporting on the outcomes of assurance activities
	Post review	Review of the effectiveness of the CA program
4	Financial benefits	*Cost saving a secondary benefit
	Function benefits	*Maturing assurance providers
		*Optimise limited resources
	Measurability of benefits	Benefits are theoretical not practical
		Benefits derived are not quantifiable
		Conditions for achieving benefits
	Operational benefits	Consistency in the messaging to various forums
		*Holistic view of the risk and control environment
		Deepens understanding of risks
		Driving efficiencies
		Integrated thinking and solutions
		*Optimise assurance coverage
		*Prevents duplication of time and effort
	Relational benefits	Better way of working together
		*Reduces assurance fatigue
	Board enablers	Board can see and question what is missing
		Credibility of information for decision making
		Comfort for the board
		Role and mandate of the board
		Oversight committee agenda

**codes that apply to more than one category, but counted once*