A COMBINED ASSURANCE MODEL TO PROMOTE INTEGRATED REPORTING IN LIMPOPO PROVINCIAL TREASURY

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The thesis presented in partial fulfilment for the degree of Master of Business Administration to the Faculty of Commerce, Law, and Management, University of the Witwatersrand

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DECLARATION

I, Matshidiso Manabalala, declare that this research report entitled 'A combined assurance model to promote integrated reporting in Limpopo Provincial Treasury' is my own unaided work. I have acknowledged, attributed, and referenced all ideas sourced elsewhere. I am hereby submitting it in partial fulfilment of the requirements of the degree of Master of Business Administration at the University of the Witwatersrand, Johannesburg. I have not submitted this report before for any other degree or examination to any other institution.

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Signed at Johannesburg on 30th April 2021

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ABSTRACT

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Organisations expand, and business operations evolve & become more multifaceted; the growth leads to the board and ARC requiring more assurance providers' functions to oversee achievements of objectives. The multiple uses of assurance providers' activities in isolation cause the board and audit committees to suffer from effort duplication, leading to assurance fatigue. The purpose of the study is to explore challenges associated with the implementation of the combined assurance model by Limpopo Provincial Treasury (LPT) and develop possible solutions in the form of recommendations for LPT to improve. The study follows the qualitative research method to achieve the research objectives. This research uses unstructured and semi-structured individual interviews to collect primary data from LPT assurance providers, Auditor General South Africa (AGSA) and Departments and Public Entities Chief Financial Officer as LPT's stakeholders. Interview questions have been developed for use during the primary data collection to interview individual participants. Permission has been requested from the HOD of LPT to interview the research participants.

Findings - The challenges for LPT implementation of combined assurance are caused by Ineffective communication, working in silos and lack of collaboration results in duplication of efforts, assurance fatigue, and contradicting reports. **Conclusion**- Change in organisation culture and promotion of integrated thinking will lead to successfully implementing the combined assurance model.

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3. LIST OF ABBREVIATIONS

ARC	Audit & Risk Committee
AO	Accounting Officer
AGSA	Auditor-General South Africa
CAE	Chief Audit Executive
CFO	Chief Financial Officer
CAC	Central Audit Committee
EA	Executive Authorities
EXCO	Executive Council
GPG	Gauteng Provincial Treasury
HOD	Head of Department
IIA	Institute of Internal Auditors in Southern Africa
IoDSA	Institute of Directors in Southern Africa
LPG	Limpopo Provincial Government
LPT	Limpopo Provincial Treasury
MEC	Member of Executive Council
OTP	Office of the Premier
PE	Public Entity
PFMA	Public Finance Management Act

PC	Portfolio Committees
PT	Provincial Treasury
TR	Treasury Regulation
SCOPA	Standing Committee on Public Accounts
WCPG	Western Cape Provincial Government

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DEFINITION OF KEY TERMS AND CONCEPTS

“Board" or “Accounting Authority” means the Board of Directors of the State-Owned Entity, as constituted in terms of the Public Finance Management Act under schedule 3 (C and D).

“Cabinet” also means the Executive council of a province.

“Executive Authority” means the cabinet member or member of the Executive Council of a province in whose portfolio a government component, statutory council, public entity, or government enterprise falls.

“MEC” means a member of a Provincial Executive Council.

“Parliament” also means a provincial legislature.

“PFMA” means the Public Finance Management Act,1999.

"CEO" means the Chief Executive Officer, who is also an Executive Director.

"CFO" means the Chief Financial Officer, who is responsible for the finances of the SOE.

"Chairperson" means a Non-Executive Director appointed by Executive Authority / Shareholder (Member of Executive Council) to preside Board meetings.

"Companies Act" means the Companies Act, 2008 (Act 71 of 2008).

"Companies Act Regulations" means the Companies Act Regulations, 2011.

“Executive Authority”- unless the context indicates otherwise, Executive Authority in this document refers to the Shareholder/Member of Executive Council responsible for the Public Entity.

"King IV" means the King Report on Governance for South Africa 2016.

"**Members/Directors** " means Non-Executive Directors appointed by Executive Authority Shareholder to serve on the Board.

"**Non-Executive Directors" (NEDs)** means a member of the Board who does not engage in the day-to-day management of the state-owned entity, but who is involved in policy making and strategic planning exercises.

"**Shareholder**" means the Provincial Government, represented by the Member of the Executive Council.

"Public Entities" (PE) … means company established by Provincial Administration for carrying out a provincial mandate on behalf of a particular department. PEs will be listed in Schedule 3B and 3D of the Public Finance Management Act, including subsidiaries of Schedule 3D entities.

"Stakeholder"- A person or group with a direct interest and/or involvement in or affected by the work and operations of the entity.

"Combined assurance model"- A combined assurance model incorporates optimises all assurance providers and functions to enable effective control environment and support the integrity of information used for decision making by management, the board, and its committees.

"Organisation Culture"- The way members of organisations relate to each other, their work, and the outside world.

"Effective or effectively"- The adequate accomplishment of the desired objective or a pursuit with the minimum expenditure of time, resources, waste, and effort.

"Independence"- independence generally means the exercise of objectives, unfettered judgement.

"Information"- includes all data, records, and knowledge in electronic or any other format which forms part of intellectual capital used, transformed, and produced by an organisation

"Integrated report"- A concise communication about how an organisation's strategy, governance, performance, and prospects lead to the creation of value

"Clean audit outcome"- "The financial statements are free from material misstatements (in other words, a financially unqualified audit opinion) and there are no material findings on reporting on performance objectives or non-compliance with legislation" (AGSA 2019).

1. INTRODUCTION TO THE RESEARCH

1.1. Background and context

This research explores challenges associated with implementing the combined assurance model: the case of Limpopo Provincial Treasury. Before getting to the research conceptualisation (Section 1.2), the study introduces the terms and concepts that have been used in conceptualising this research in Section 1.1 generally and broadly—while Chapter 2 has a more specific and detailed discussion on the research context. The research conceptualisation section provides for the research problem statement (Section 1.2) and consequently the purpose of this research (Section 1.2.2) as well as the research questions (Section 1.2.3). The delimitations and assumptions of the research study are in Section 1.3, while the significance of the research study is discussed in Section 1.4 and provide a preface to the research report in Section 1.5.

1.1.1. Combined assurance model

The combined Assurance model integrates and coordinates all assurance activities by internal and external assurance providers in a company to maximise risk, governance oversight, control efficiencies and optimising overall assurance to the audit and risk committee (ARC) (IV, 2016). The combined Assurance model foster a common language, one voice and integrated thinking (Huibers, 2015). "Combine assurance assist organisation decision making by integrating and aligning assurance processes so that executive management, audit and board committees obtain a comprehensive, holistic view of the effectiveness of the entity's governance, risk and controls and mitigate assurance fatigue" (Huibers, 2015, p. 2).

The Combined Assurance Framework aims to detail a set of concepts, principles, and a methodology that aims to improve the control environment and promote good governance (NT, 2013). The combined assurance model provides a collaborative method to how the organisation intends to identify critical risks and adequate controls to mitigate risks and how possible duplication of audit and assurance processes will be dealt with.

In practical terms, combined assurance is about assurance providers working more closely together to ensure the right amount of assurance, in the right areas, from people with the best and most relevant skills, as cost-effectively as possible and obtaining the trust of management and the Audit & Risk committees (ARC) (Huibers, 2015). The right amount of assurance depends on the risk appetite of the company (Govindarajan, 2011). Guidance on risk appetite is sought from the Board through the Audit & Risk Committee (ARC) (Govindarajan, 2011). Assurance is provided by a broad range of departments, differentiated by the stakeholders served, for example, those who report to management, those who report to the Board / Accounting authority, and those who report to external stakeholders (IODSA, 2016).

The institute's assurance environment components are identified through three lines of defence (Institute of Internal Auditors, 2013). The identification should be supported by risk mapping, a mixture of applicable business model matrices, and defined goals and timelines (IIA, 2013). The maturity of the organisation's risk management that aligns with the organisation's strategic objectives will determine the success of the combined assurance model (Barac, 2015). The Three Lines of Defence model provides a holistic and effective way to enhance communications in organisations on governance, risk management and controls by clarifying essential roles and duties (IIA, 2013).

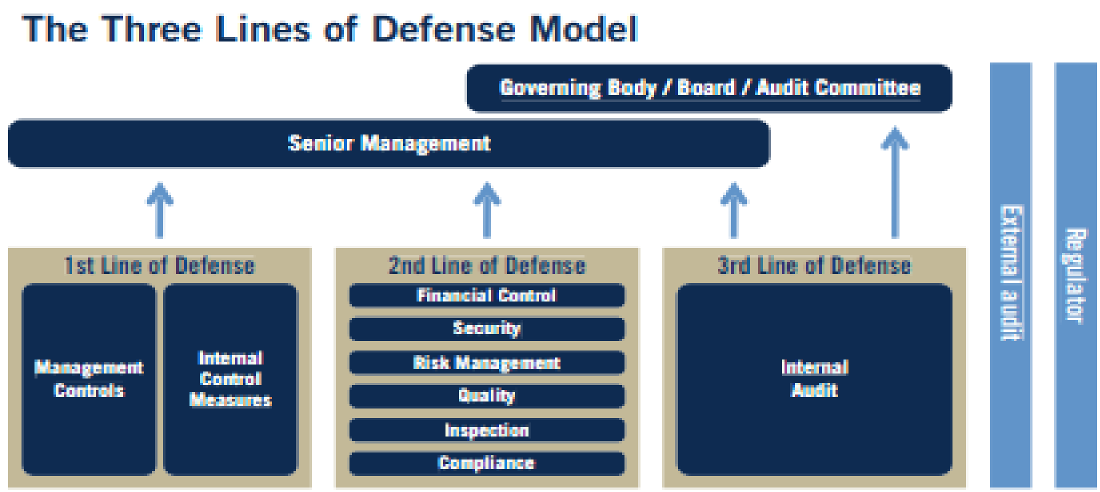

Figure 1: The three lines of defence model
Source,IIA position paper, the three lines of defence model in effective risk management and controls (IIA global ,2013, p. 2)

The benefit of effectively implemented combined assurance

According to Huibers (2015), the benefits of aligning and co-ordinating assurance processes will improve the control environment and support the following organisational objectives: Elimination of assurance fatigue, Resources not misused on preventable duplication, reported information to governance committees is more precise and insightful, as assurance providers view integrates. Facilitation of better decision making through assurance activities, generating value adds, relevant data based on collaboration

1.1.2. Integrated Reporting

An integrated report is a report that connects detailed information in other reports to give a comprehensive and concise picture of "significant strategic matters that affect the organisation's ability to create value" (IV, 2016, p. 28). Integrated reporting results from increasing concerns about the fragmented traditional business reporting to various stakeholders (Adams, 2015). Integrated Reporting Council (IIRC) proposed concise, integrated reporting to remedy the problem by providing a report that integrates non-financial and financial value creation information (Cheng, Green, Conradie, Konishi, & Romi, 2014). IIRC designed a principle-based conceptual framework increasing the scope of a business's reporting using a "six capitals concept" to envision the business model and better understand and "communicate value creation proposition over short, medium and a longer period" (Simnett & Huggins, 2015, p. 23). Integrated reporting is concise and cohesive communication of a company's short-, medium- and long-term strategy, governance, and performance (Cheng et al., 2014). Integrated thinking and reporting encourage holistic thinking of value creation and business models and promote better internal decision-making (Adams, 2015).

Benefits associated with Integrated Reporting

Integrated reporting encourages businesses to think combined and holistically, leading to the more precise articulation of strategy and business model, produce an integrated report that is clear and concise, improve identification of risk and opportunities and enhance internal processes leading to a better understanding of the business and improved decision-making process (Roth, 2014).

1.1.3. LPT transversal assurance provider structure

The nature of the work of the Provincial Treasury (PT) is to provide information, reports and assurance to critical stakeholders and oversight bodies such as the Provincial Executive Council (EXCO), the Cluster Audit Committees (CAC), Standing Committee on Public Accounts (SCOPA), as well as the relevant Portfolio Committees. Since the Chairperson of the CAC reports directly to EXCO, a benefit can be derived by providing EXCO as well as Executive Authorities (EA) with integrated and consolidated reports of assurance services in respect of governance, risk management, internal control, and compliance processes.

1.1.4. LPT assurance providers mandate

Provincially, the Premier (OTP) and PT's Office are the two institutions that play a critical role in respect of institutional governance and administration in the province. PT acts as the custodian of the PFMA in the Province. PT have a constitutional mandate through the Public Finance Management Act (PFMA) No. 1 of 1999 as amended to enforce implementation of National and Provincial Treasury norms and standards in the province, including prescribed procurement systems, standards and Generally Recognized Accounting Practice, uniformly classified systems, provisioning, banking, cash management and investment frame-work policies for both the departments and public entities.

Treasury Regulations (TR) para 3.2.10 requires, "The internal audit function to coordinate with other internal and external providers of assurance to ensure proper coverage and to minimise duplication of effort". In addition, the TRs requires that entities conduct internal audits in terms of the Institute of Internal Auditors (IIA) Standards.

The Institute of Internal Auditors (IIA) Standard 2050 enacted Chief Audit Executive (CAE) to share information and coordinate activities with other internal and external providers. CAE should develop and implement a combined assurance model to prevent management and governance oversight structures from being overwhelmed with information, reports and succumbing to assurance fatigue.

1.1.5. Preface to the research report

To this end, the report has six chapters. Following this introductory chapter, Chapter 2 provides a literature review covering the problem, the past studies, the explanatory framework, and the conceptual framework. Chapter 3 discusses the research strategy, design, procedures, reliability, and validity measures as well as limitations. Chapter 4 and Chapter 5 presents and discusses the findings, respectively, to interrogating our research questions, while Chapter 6 summarises and concludes the research.

1.2. Research conceptualisation

1.2.1. The research problem statement

The governing bodies or boards of directors of LPG experience the challenges of the effectiveness of risk management, compliance management and internal control systems for all kinds of risks. In LPT, there is a lack of holistic assurance to the boards and governing bodies on the effectiveness and efficacy of risk management and internal control systems by coordinating assurance activities from various sources of assurance. LPT use many assurance providers to help LPG governing bodies or boards fulfil monitoring duties and apply effective governance practices in supply chain, infrastructure, compliance, banking, governance, budget, revenue, assets management and internal audits. Assurance providers perform assurance activities in isolation, auditees, management, and the board suffer from assurance fatigue and assurance gaps that lead to inefficient reporting to governing bodies. They receive multiple opinions, and the governing bodies are therefore not able to exercise their oversight role appropriately. There is a lack of one taxonomy across all functions and governance bodies within the organisations that provides a single source of truth. There are minimally coordinated and relevant assurance efforts that focus on exposure, shortage of comprehensive and prioritised tracking of remedial action on identified improvement opportunities and weaknesses. The collection and reporting of assurance information happen in silos. There is a gap in the standard view of issues, risks, and controls across the organisation and the reporting to the board and committees. There is no comprehensive and holistic view of the effectiveness of governance, risk management, and controls in the organisation that is provided to the senior management, the audit committee, and the board. The availability of such information could enable the organisation to make informed decisions by analysing, aggregating, and reporting information supplied by various assurance providers.

The lack of a combined assurance view makes it impossible for management to release a statement on the efficiency and effectiveness of their internal controls as part of their annual report. Reporting is another area of concern that needs to be restructured to ensure that the Executive Committee, the Audit Committee, the Risk Committee, and the board or governing bodies receive the proper assurance at the right time for acquainted decision-making.

The Institute of Internal Auditors Standard 2050 enacted Chief Audit Executive (CAE) to share information and coordinate activities with other internal and external providers to prevent management and governance oversight structures from being overwhelmed with information, reports and succumbing to assurance fatigue. However, "The global internal audit common body of knowledge (CBOK) indicated that Special guidance on how best to implement combined assurance is still limited and there are different ways of combining assurance" (Huibers,2015, pg.1). Decaux and Sarens (as cited in Dzomira, 2016) concluded that organisations are still learning through combined assurance implementation because no organisation seems to have achieved an established combined assurance program.

LPT has been attempting to develop a combined assurance model suitable for LPDs and PEs to alleviate assurance fatigue. The plan has been to create the model twofold: LPT assurance providers working together to provide assurance oversight to LPDs & PEs and provide a framework for departments and public entities assurance providers to execute functions and report to LPT. However, LPT did not fully succeed in developing the combined assurance model.

LPDs and PEs raised concerns about the multiple assurance providers from LPT, which are working in silos. As a result, this creates duplication of efforts and contradicting reports/recommendation that LPDs and PEs must implement. There is no collective effort and commitment to implement combined assurance in LPT, which results in high costs from LPT, LPDs and PEs.

Consequently, LPT has governance structures as well as assurance providers to support both the LPDs and PEs. However, it is uncertain whether all the assurance providers are working correctly as per the requirements.

1.2.2. The research purpose (aim and objectives) statement

The purpose of this study is to explore and determine the challenges associated with the implementation of the combined assurance model by LPT and develop possible solutions in the form of recommendations for LPT to improve. The main criteria to establish the associated challenges are to assess LPT assurance providers' structures with other Provinces reported to be offering adequate assurance within the Republic of South Africa and the National Treasury ideal structure. Lastly, determine if there are duplication of efforts, areas creating assurance fatigue and necessity and/or relevancy of each assurance provider within LPT.

1.2.3. Research Questions

1.2.3.1. Question 1: What are the challenges associated with the aligning and co-ordinating of assurance providers' s processes?

1.2.3.2. Question 2: Does the coordinating and monitoring role of the LPT assurance providers enabling effective functioning of the combined assurance in Limpopo Province?

1.2.3.3. Question 3: Are the assurance activities incorporated to enable better and improved decision-making that create value add to LPDs and PEs?

1.2.3.4. Question 4: How does the Integrated Reporting in Limpopo assist in identifying weaknesses and/or opportunities in Internal Controls and reporting systems, stakeholder management, other independent assurance services as well as governance, compliance, risk and monitoring?

1.3. Delimitations and assumptions of the research study

There is no internationally adopted definition and guidance regarding combined assurance and how to implement it, including the different ways of combining assurance and different types of coordination that are possible (Huibers, 2015). Organisations are learning through combined assurance implementation because no organisation seems to have achieved an established combined assurance program (Dzomira, 2016).

In another similar study, the study limits the audit committee's role and internal audit role to financial skills (Dzomira,2016), where else King IV (2016) specify that the audit committee is responsible for overseeing the effective achievement of the internal control environment, supporting the integrity of information used for internal decision-making by management, the governing body, and its committees. According to IIA standards, an internal audit is responsible for evaluating the adequacy and effectiveness of governance, risk management and controls in general, not only financial controls. Furthermore, Company regulations Chapter 3, in line with companies act 94 (5), stipulates that at least one–third of the members of a company's audit committee at any time must have academic qualifications, or experience, in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management.

Other root causes of implementing a combined assurance model might be a lack of support and buy-in from governance structures and management. Lack of commitment by all assurance providers. Assurance providers' competitions and conflict. Lack of required skill to develop and implement the model (Institute of risk management SA, 2014).

Limpopo provincial government has adopted a centralised approach regarding establishing the Combined Assurance Model as opposed to a decentralised system. The plan is to create the model twofold: LPT assurance providers work together to provide assurance oversight to LPDs & PEs and provide a framework for departments and public entities assurance providers to execute functions and report to LPT (LPT, 2019). As a result, the model is complex and require skills and in-depth knowledge of government processes and risk. The study will focus only on the LPT assurance providers working together.

Matters about independence and objectivity are susceptible within the profession; therefore, assurance providers are unwilling to share information or depend on each other's work. The Assurance Providers are very protective of their independence concerning value add, responsibilities, effectiveness to the Organisations. Similarly, Chief Financial Officers of departments and entities protect the mandate and service delivery models adopted within their respective departments.

As a result, this study assumes that both the Assurance Providers and Chief Financial Officers will be biased and protective towards their area of responsibility when responding. Consequently, triangulation will be done by obtaining data from both the AGSA, Audit Committee Chairperson, Provincial Internal Audit, and other Assurance Providers within Limpopo Province.

The assumption that LPT transversal assurance providers' positions/units are appointed/created without first reviewing the current organisational structure, performance contract, and job descriptions to determine the possibility of delegating the required responsibilities to the existing positions or units with related duties or positions. Positions/ Units created to address audit findings and pursue clean audit or better audit outcomes (LPT, 2020). LPT inadequate transversal organisational structure affecting the development and implementation of a combined assurance model. Transversal structure bloated and duplicated reporting line, roles and responsibilities duplicated.

1.4. Significance of the research study

The research will help policymakers and combined assurance practitioners implement a combined assurance model from both the public and private sectors. The study will also contribute towards generating a body of knowledge within the field of Governance and Compliance and benefits researchers, policymakers, and academics. The study will also help policymakers and practitioners understand other assurance providers' roles within LPT and collaborate with other assurance providers to add value to departments and public entities. In terms of AGSA (2016), Gauteng, the Northern Cape and the Western Cape consistently provided adequate assurance over the past four years. Where else, all other treasuries provided some assurance to provincial departments and public entities.

The multiple uses of assurance providers' activities in isolation cause the board and audit committees to suffer from assurance fatigue and assurance gaps that lead to inefficient reporting to governing bodies (Sarens, Decaux, & Lenz, 2012). As a result, this creates duplication of efforts, contradicting reports/recommendations and high cost. When adequately developed and effectively implemented, a combined assurance model will prevent management and governance oversight structures from being overwhelmed with information, reports and succumbing to assurance fatigue.

1.5 Summary

Provincially, the Premier (OTP) and PT's Office are the two institutions that play a critical role in respect of institutional governance and administration in the province. PT acts as the custodian of the PFMA in the Province. PT have a constitutional mandate through the Public Finance Management Act (PFMA) No. 1 of 1999 as amended to enforce implementation of National and Provincial Treasury norms and standards in the province, including prescribed procurement systems, standards and Generally Recognized Accounting Practice, uniformly classified systems, provisioning, banking, cash management and investment frame-work policies for both the departments and public entities.

The nature of the work of the Provincial Treasury (PT) is to provide information, reports and assurance to critical stakeholders and oversight bodies such as the Provincial Executive Council, the Cluster Audit Committees, Standing Committee on Public Accounts (SCOPA), as well as the relevant Portfolio Committees. Since the Chairperson of the Central Audit Committee (CAC) reports directly to the Provincial Executive Council (EXCO), a benefit can be derived by providing EXCO as well as Executive Authorities (EA) with integrated and consolidated reports of assurance services in respect of governance, risk management, internal control, and compliance processes.

The purpose of this study is to explore and determine the challenges associated with the implementation of the combined assurance model by

LPT and develop possible solutions in the form of recommendations for LPT to improve. The Institute of Internal Auditors Standard 2050 enacted Chief Audit Executive (CAE) to share information and coordinate activities with other internal and external providers to prevent management and governance oversight structures from being overwhelmed with information, reports and succumbing to assurance fatigue. For the past five years, LPT has been attempting to develop a combined assurance model suitable for LPDs and PEs to alleviate assurance fatigue. The plan has been to create the model twofold: LPT assurance providers working together to provide assurance oversight to LPDs & PEs and provide a framework for departments and public entities assurance providers to execute functions and report to LPT. However, LPT did not fully succeed in developing the combined assurance model.

LPDs and PEs raised concerns about the multiple assurance providers from LPT, which are working in silos. As a result, this creates duplication of efforts and contradicting reports/recommendations that LPDs and PEs must implement. There is no collective effort and commitment to implement combined assurance in LPT, which results in high costs from LPT, LPDs and PEs. Consequently, LPT has governance structures as well as assurance providers to support both the LPDs and PEs. However, it is uncertain whether all the assurance providers are working correctly as per the requirements.

The multiple uses of assurance providers' activities in isolation cause the board and audit committees to suffer from assurance fatigue and assurance gaps that lead to inefficient reporting to governing bodies (Sarens, Decaux, & Lenz, 2012). As a result, this creates duplication of efforts, contradicting reports/recommendations and high cost. When adequately developed and effectively implemented, a combined assurance model will prevent management and governance oversight structures from being overwhelmed with information, reports and succumbing to assurance fatigue.

2. LITERATURE REVIEW

2.1. Introduction

This chapter has three broad objectives identify the knowledge gap, and to identify the knowledge gap, understand the research problem, identify the knowledge gap, and develop a framework for interpreting the research findings. Specifically, in Section 2.1, we detail the research problem. Then, in Section 2.2, we review the literature on studies that have attempted a similar study or research. Finally, with information arising from Section 2.2, we identify and detail the framework that we will use to interpret our research findings in Section 2.3.

The discussion in this study will focus on combined assurance with prominent themes drawn from agency theory. This theory resolves certain problems in the formal two-way agreements or relationships between principals who entrust or delegate work to their agents (Rossouw & Marais, 2015). The application of agency theory forms the basis of explaining and understanding why certain agents act the way they do (Rossouw & Marais, 2015). According to the principal-agent relationship, theory can be applied to employer-employee, lawyer-client, buyer-supplier and other agency relationships (Adams, 1994) . For the study, the principal would be the board of directors or management, and the agent would be the organisational management. The three problems addressed by agency theory relate to goal asymmetry: perceptions about misalignment of goals due to personal interests; risk asymmetry refers to perceptions about differences in risk perceptions and treatment; and information asymmetry, which deals with the perceptions about the sharing and withholding of information(Rossouw & Marais, 2015).

Referring to agency theory, due to perceived differences in the interpretation of goals, risks, and information amongst principles and agents, the principal would not adequately evaluate the agent's performance (Adams, 1994). It is also that it is perceived that whenever the incentive or opportunity (motivation) arises for the agent to diverge in any of the three factors (goals, risks, information), agency theory predicts that the agent will act and make decisions to maximise its self-interest over that of the principal (Adams, 1994).

The agency theory advocates that, because of information asymmetries and self-interest, principals are deficient of reasons to trust their agents and will pursue to resolve these concerns by putting in place mechanisms to bring into line the interests of agents with principals and to reduce the scope for information asymmetries and opportunistic behaviour (Adams, 1994).

An agency relationship ascends when one or more principals engage another person as their agent perform the service on behalf of the principal. The performance of these services will result in the delegation of the decision-making authority to the appointed agents (Rossouw & Marais, 2015). The delegated responsibility by the principal and the resultant division of labour aid to promote an efficient and productive economy. However, the delegation also means that the principal desires to trust an agent to act in the principal's best interests. So what happens when concerns arise over agents' motives and cause principals to question the trust they place in them? (Adams, 1994).

Combined assurance serves a fundamental purpose in promoting confidence and reinforcing trust in financial information (Decaux & Sarens,2015).As depicted in agency theory, the principal-agent relationship is significant in understanding how the combined assurance has developed. Agency theory is a sound economic theory of accountability, which helps explain the combined assurance's development. However, along with this, it is evident that other stakeholders, such as regulators interested in the audit and agency theory, do not provide a complete or straightforward explanation of their expectations.

2.1. Research problem analysis

2.1.1. Combined Assurance benefits

Institutions expand, and business operations evolve and become more multifaceted; the growth leads to the board and ARC requiring more assurance providers' functions to oversee the achievement of objectives and mitigate risks (Huibers, 2015). However, according to Dmitrenko (2017), institutions have always used different assurance providers to help boards and ARC oversee the effectiveness of risks, control, and governance. The multiple uses of assurance providers' activities in isolation cause the board and audit committees to suffer from assurance fatigue and assurance gaps that lead to inefficient reporting to governing bodies (Sarens, Decaux, & Lenz, 2012). Adequate implementation of combined assurance eradicates redundant and unnecessary assurance in organisations, provided the board, and its committees appreciate the subject matter.

Combined assurance is a process to incorporate and optimise all assurance services and functions so that, "taken as a whole, these should enable an effective control environment. As a result, it enhances the integrity of information used for internal decision-making by management, the governing body, and its committees (Dmitrenko, 2017). According to Forte & Barac (2015), combined assurance in most organisations constitutes financial risks processes and activities, regulators, operational and strategic risks. However, Decaux & Sarens (2015) concluded that organisations are still learning through combined assurance implementation because no organisation seems to have achieved an established combined assurance program. In a similar study, Vera-Muñoz (as cited in Dzomira, 2016) concludes that the influential audit committee and the internal audit must be informed and observant of the financial reporting process whose members should have financial literacy.

Internal Audit Function (IAF) is responsible for adding value to the Organisations through providing independent assurance and consulting services on the control environment, risk management and governance by evaluating its adequacy and effectiveness (Dmitrenko, 2017). The maturity of the organisation's Enterprise Risk Management (ERM) process is the precursor to a combined assurance model (Dmitrenko, 2017). Controls are designed to mitigate risks that might hinder the organisation's objectives; therefore, combined assurance and risk management are linked (Decaux & Sarens, 2015). According to Decaux &Sarens (2015), risks are everywhere in organisations; therefore, there is a need for a holistic value-add assurance approach to mitigate the risks and foster decision-making.

According to Masegare (2018), the benefits of aligning and co-ordinating assurance processes will improve the control environment and support the following organisational objectives: Elimination of assurance fatigue. Resources are not misused on preventable duplication. Assist with prioritising high-risk assurance efforts, promoting an identical view of risks and approaches across the organisation. Reported information to governance committees is more precise and insightful, facilitating better decision-making through assurance activities, generating value add, and relevant data based on collaboration. The use of one language helps to enable value-added deliberations.

2.1.2. Mapping of Assurance Providers

The institute's assurance environment components are identified through three lines of defence (Decaux & Sarens, 2015). The identification should be supported through risk mapping, a mixture of applicable business model matrices, and defined goals and timelines (Decaux & Sarens, 2015). However, Dmitrenko (2017) argues that the organisation should depend on its operations in choosing the appropriate model for the entity. Organisations can use the defence model or assurance model. The defence model is the three lines of defences. The assurance model is implementable by ensuring that assurance providers are part of a single team on the structure.

Lines of defence:

Management is the first line of defence as the process owners and is responsible and accountable for monitoring and controlling operations. Management is responsible for risk identification and mitigating controls within their operation line (Dmitrenko, 2017). Management 's role is to implement remedial actions by implementing prescribed procedures to address control deficiencies daily (Decaux & Sarens, 2015).

The second line of defence is dedicated functions designed to support management in its monitoring activities by assisting with developing, facilitating, and reviewing management processes (Dmitrenko, 2017). The second line of defence functions is established to enhance the first line of defence and assure that the first line of defence operates as intended (Decaux & Sarens, 2015). The second line of defence possesses some level of independence since there is a management function that sometimes contributes to the development and implementation of processes (Dmitrenko, 2017).

Internal Audit is the third line of defence that provides independence assurance on the first and second defence activities line (Dmitrenko, 2017). Internal audit activity is responsible for providing the Board/ Executive authorities and senior management with a comprehensive independent assurance on the adequacy and effectiveness of governance, risk, and control within the organization (Dmitrenko, 2017).

Sometimes the fourth line of defence is used for external assurance providers such as external auditors, regulators, and external bodies (Masegare, 2018). "External auditors, regulators, and other external bodies reside outside the organization's structure, but they can have an important role in the organization's overall risk, governance and control structure" (IIA, 2013, page 6). Regulators set requirements anticipated to reinforce the control environment in an organization and, on other occurrences, perform an independent function to review compliance of first, second, or third line of defence concerning the set requirements. According to the Institute of Internal Auditor (2013), "external auditors, regulators, and other groups outside the organization can be considered as additional lines of defence, assuring the organization's shareholders, including the governing body and senior management'(IIA, 2013, page 6).

The public sector three lines of defence identified by AGSA (2017) include senior management, HOD, and MEC as the first line of defence. Internal Audit, Audit Committee and Monitoring & Coordination departments as the second line of defence. Lastly, SCOPA and Portfolio Committee as the third line of defence. AGSA (2017) argues that MECs monitor and provide oversight tasks in their portfolios and therefore play a direct role at departments and have particular oversight responsibilities towards their departments in terms of the PFMA. PT play a coordinating and monitoring role at the provincial level as mandated in section 18 of the PFMA and forms part of the overall assurance providers.

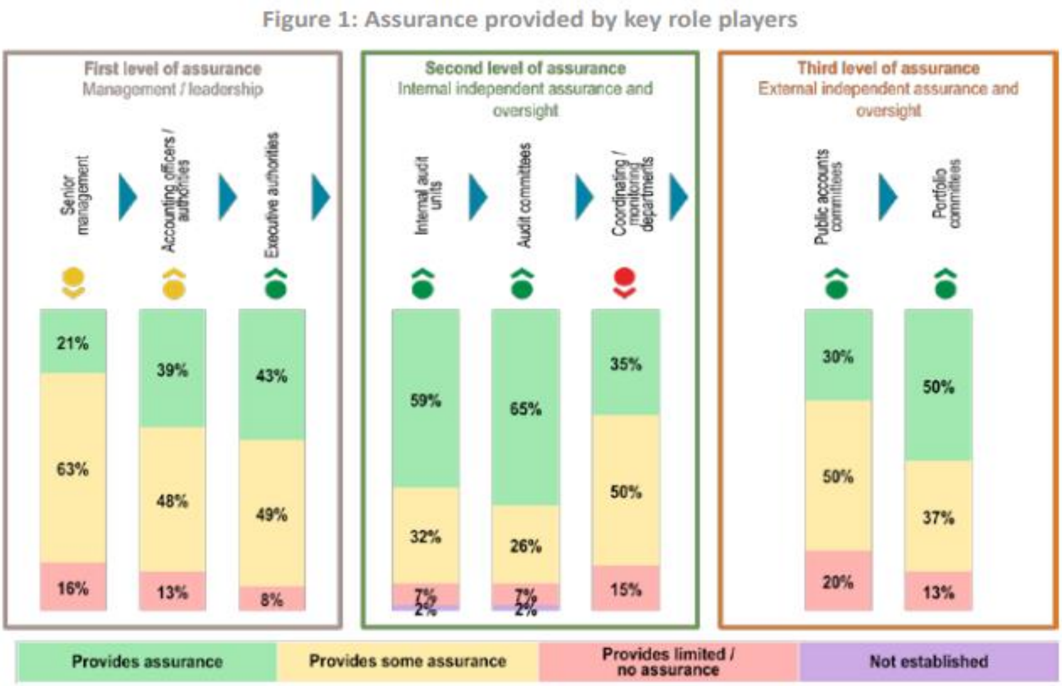

Figure 2: Assurance provided by key role players
Source: General report on the national and provincial audit outcomes of 2016-17 (AGSA, 2017,p.144)

2.1.3. Combined Assurance Forum

Combined Assurance Forum execute and "embed the combined assurance framework principles as approved by the Audit Committee" (Masegare, 2018, page 139). The Combined Assurance Forum's main objective is to facilitate the implementation of the Board / Accounting Authority desired level of assurance prerequisite in each space (Decaux & Sarens, 2015). Furthermore, quarterly evaluate proper execution of the planned assurance activities and "ensure coordination, reporting and communication to stakeholders; Lastly, develop a common view of the risk themes" and conduct awareness of the expected Board desired level of assurance (Masegare, 2018, page 139).

2.1.4. Challenges associated with the implementation of Combined Assurance

The root cause for the delay in implementing the combined assurance might be a lack of buy-in from governance structures and management. Other times, lack of commitment by all assurance providers. Assurance providers' competitions and conflict. Lack of required skill to develop and implement the model lacks collaborations (Decaux & Sarens, 2015). Not evaluating the combined assurance model continually, identify an area of improvement and process to execute the improvement. (Huibers, 2015). Assurance providers do not utilise common focus to understand their organisations and fail to develop an integrated assurance model (NT, 2013). Organisational structure and culture not supporting integrated reporting and integrated thinking (IV, 2016). "Assurance providers working in silos, duplicate functions and issue multiple reports to both the Departments and Public Entities" (Huibers, 2015, page 1). Assurance providers use different methodologies, Lack or inactive combined assurance forums, Lack of software solution, and a burdensome manual process to organise assurance activities (Lindeque, 2014).

2.1.5. Manage Assurance Providers Conflict of Interest

According to Masegare (2018), independence and objectivity are susceptible within the assurance providers' profession, resulting in assurance providers unwilling to share information or depend on each other's work to protect quality requirements set by their professional bodies. Therefore, possibilities of conflicts of interest should be managed in order to remain significant and achieving quality requirements as assurance providers; the following measurements in Table 1 should be observed:

Table 1: Combined Assurance assurers' criteria

	CATEGORY	MINIMUM REQUIREMENTS
1	Qualification	The assurance provider should hold an appropriate qualification.
2	Conflict of Interest	In the areas/aspects in which assurance is to be provided, there should not be any conflict of interest (could require a declaration in this regard).
3	Independence/ Objectivity	Independent reporting lines, no recent direct involvement and/or work done in the area/aspects to be audited.
4	Skills	The assurance provider should have the appropriate skills and experience to effectively conduct the assignment.
5	Assurance methodology	A sound audit/review methodology should be adopted by the assurance provider. Ideally, a risk-based approach should be followed. The reported findings and opinions should be supported by adequately documented working papers/audit trails.
6	Accreditation body/Registration	Ideally, the assurance provider should be accredited or registered with a recognised accreditation body for the areas/aspects over which he/she is providing assurance.

Source: Masegare (2018, page. 139)

2.1.6. Combined assurance awareness and buy-in

According to Decaux & Sarens (2015), the first imperative component is that combined assurance is a comprehensive concept that requires tone at the top and organisational culture to be implementable. Therefore, buy-in and support of top management are vital as executives will commit resources to the initiative. Combined assurance is efficient when steered from the highest level of authority within an organisation. The second imperative component in setting the groundwork for execution is enlightening stakeholders and creating mindfulness of combined assurance. A well-defined model and mutual understanding will drive the success of the model execution. The third vital component is to elect a Combined assurance champion to coordination the combined assurance process. A lack of a dedicated champion causes Thirty-four per cent of combined assurance implementation failure in organisations to coordinate assurance activities. CAE/IAF could effectively fulfil this role because IAF is the only independent assurance provider responsible for the overall assurance of governance, risk, and controls.

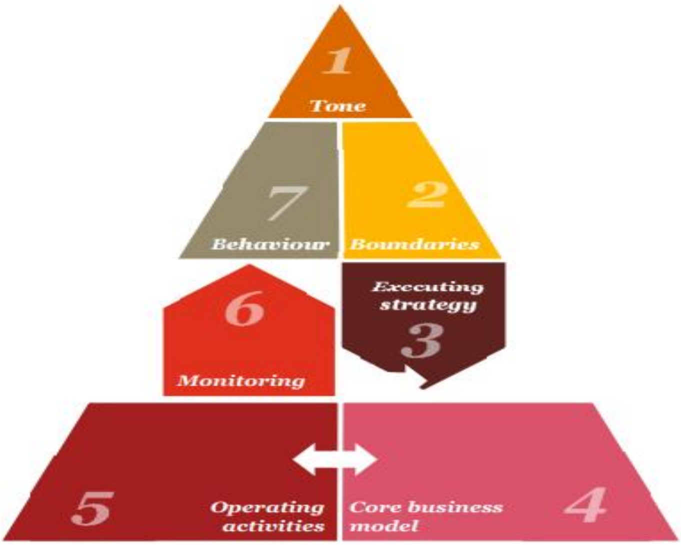

Figure 3: Governance model (2019)
Source: Combined assurance (including governance) (PWC,2019,p8)

2.1.7. Integrated reporting

Integrated reporting required various assurance practitioners skills and expertise, a broad understanding of value creation transversely, and appreciation of integrated thinking (Simnett, Zhou, & Hoang, 2016). The assurance providers function is responsible for assuring the Board of directors of the reliability, accuracy and completeness of reporting depending on the area of speciality (Maroun & Prinsloo, 2020). The IR Framework (Reporting, 2013, p. 10) identifies "internal control and reporting systems, stakeholder management and internal audit and other independent assurance services as mechanisms to enhance the reliability of an integrated report". According to Adams (2015, p. 2), proper implementation of the integrated reporting requires "new accounting and management processes". Implementing integrated reporting depends on the change in management's thinking pattern and the organisation at large to integrated thinking (Adams,2015).

2.1.8. Organisational Structure

2.1.8.1. Provincial Treasuries providing adequate assurance

PFMA no 29 of 1999 instructs every provincial treasury to be headed by MEC. PFMA further outline the functions and powers of the Provincial Treasury (PT) as follows: Preparations of the provincial administration budget; exercise control over the implementation of the provincial budget, promotion and enforcement of transparency in the spending of budget, revenue collection, assets management in departments and public entities, ensuring that fiscal policies do not materially and unreasonably prejudice national economic policies and monitoring of the implementation of national and provincial norms and standards (Rambiyana, 2016). PT have the constitutional mandate through PFMA No. 1 of 1999 as amended to support both the Departments and Public Entities governance, risk, and controls. As a result, multiple assurances providers' units support and monitor provincial departments and public entities' governance, risk and control processes and structures.

Masegare (2018) argues that government entities' difficulty to achieve clean audit results from the boards and ARC's inability to manage risks effectively and efficiently; a combined assurance model could assist in this regard. According to AGSA (2017), Gauteng, Northern Cape, and Western Cape PTs consistently provided adequate assurance over the past four years. Where else, all other treasuries provided some assurance to provincial departments and public entities. AGSA (2019) National and Provincial Audit Outcomes reported that Gauteng and Western Cape have the highest numbers of clean audits and good financial health, with Northern Cape achieving average rate.

PT transversal assurance providers during the financial year contribute to the credibility of financial, performance information and compliance with legislation by monitoring the implementation of internal controls (AGSA, 2017). HODs and MECs use the annual report to report on an organisation's spending and performance against predetermined financial year targets (AGSA, 2017). SCOPA and PC depend on the assurance providers to ensure that the annual report's information is creditable (AGSA, 2017).

2.1.8.2. Limpopo Provincial Treasury structure review

Limpopo Provincial Treasury (LPT) has multiple assurances providers' classified as Branches, Chief Directorates and Directorates responsible for monitoring and evaluating Limpopo provincial departments and public entities' governance, risk, and control processes. Assurance providers are composed of the following four branches: Sustainable Resources Management (SRM); Assets, Liabilities and Supply Chain Management (AL&SCM); Financial Governance & Systems (FGS) and Shared Internal Audit Services (SIAS). All four branches have sections and sub-sections that report independently to eleven LPDs and five PEs from other sections and sub-sections.

LTP assurance providers primarily issue reports to PE and LPD's CFOs and ARC through DDGs for respective branches in the department. In PEs, not all reports serve at ARC and the Board; the following reports are discussed at PE audit committees SCM, Risk management, and GMC compliance reports. Treasury official represented at the ARC and Board only present Governance Monitoring & Compliance (GMC) compliance report. LPT assurance providers advise and support LPDs and PEs by evaluating Auditor General Action plan reports. LPT analyses root causes, strengthen controls, and monitors AG action plan implementation.

LPT have fourteen transversal forums from different transversal units to monitor and support departments and PEs. LPT uses institutional arrangements to manage LPTs activities efficiently and effectively through the various governance structures to fulfil the department's mandates, vision and strategic objectives. The institutional arrangements are monitored and evaluated quarterly, with various Chairpersons reporting to the EXCOM to ensure that the intended outcomes of these structures are realized. Most of the forum's reports to respective DDG's, the Provincial technical committee on finance (PTCF) and LPT HOD.

Most of the assurance providers in LPT evaluate Auditor General action plan reports and findings to advice and support department and public entities in root cause identification, strengthening controls and monitoring implementation of AG action plan within their area of speciality; however, the results of the evaluation are reported by each unit without integrating the report which sometimes leads to contradicting advice or analysis given by LPT different units. The following units' analysis auditor general reports GMC PFMA, GMC Public entities, SCM, Financial reporting, financial training, Assets Management, Banking, Revenue and Budget.

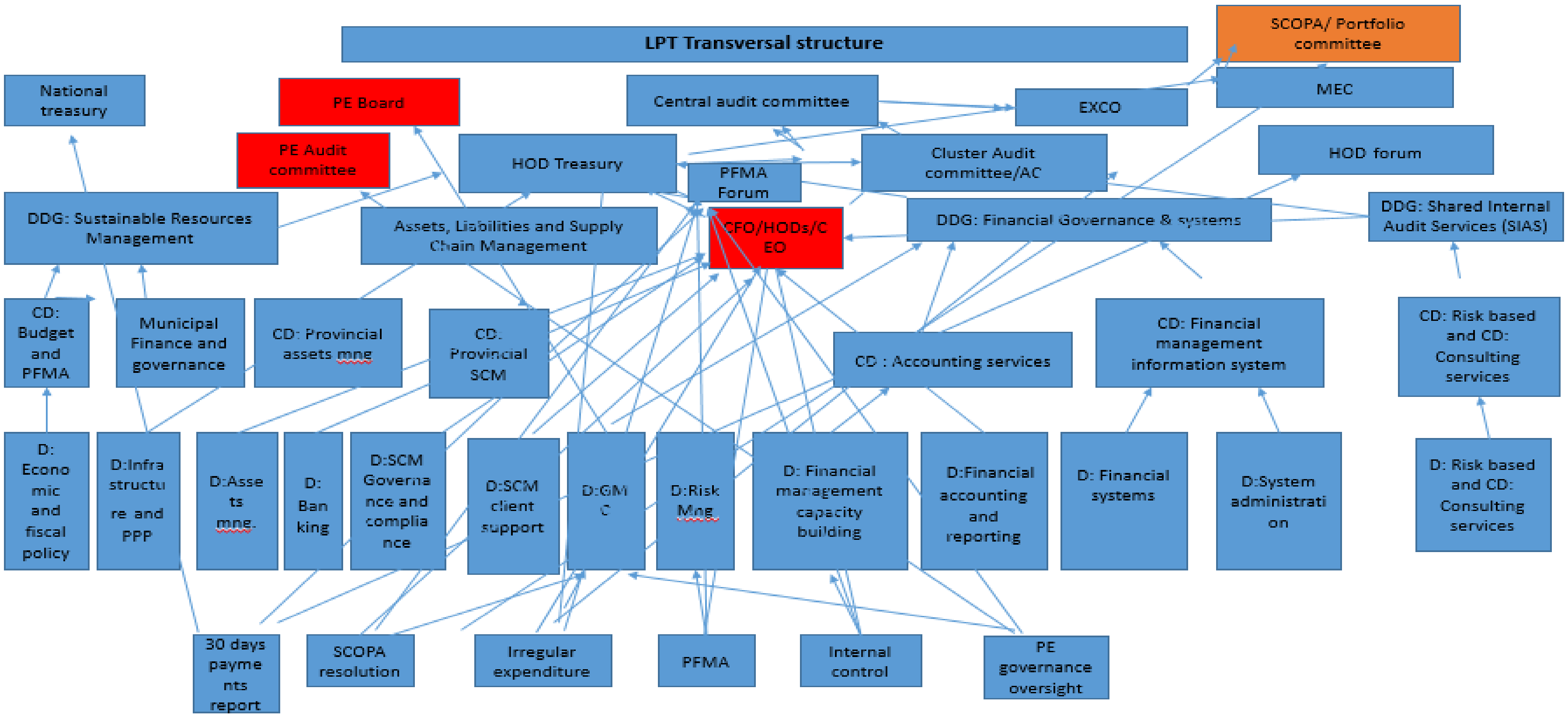

Figure 4: Limpopo Provincial Treasury Transversal Organisation structure (student's own,2020)

Table 2: LPT Transversal forums

Transversal Forums	Frequency of meetings per annum (quarterly, monthly etc)	Office expected to be part of the meetings	Role of the committee	Forum reporting line
Provincial technical committee on finance (PTCF)	2 meetings per quarter	CFO	-To ensure that all new initiatives around good financial management of the province's finances are communicated and discussed technically before being presented to the Heads of --Departments (HOD) Forum. -To share best practice on good financial management in the province -To ensure that the PFMA, MFMA and their regulations are being implemented as required.	The Committee will report to HOD's Forum via HOD LPT with recommendations for consideration for approval by the HOD's Forum. A report will also be presented at EXCOM.
PFMA Coordinators Forum	quarterly (4 times per annum)	CFO	-Standardization and improvement of internal control and compliance practices -Knowledge and information sharing on best practices on internal control and compliance -Coordination and monitoring of internal control and compliance activities.	The Committee will report to DDG: FG with recommendations for consideration for approval by the PTCF. The Forum is accountable to the Head of Department of Provincial Treasury.

Infrastructure Technical Management Committee	Monthly (12 times per annum)	Infrastructure	-Monitoring and evaluation of the effectiveness of IDMS-related and consolidated reporting to the Infrastructure Cluster.	The Committee will report to PTCF via Chief Director: Infrastructure with recommendations for consideration for approval by the PTCF. A report will also be presented at the Executive Management Meeting.
Financial Accounting and Reporting Forum	Quarterly (4 times per annum)	CFO	-To ensure effective implementation of accounting and reporting principles, and compliance with prescripts on financial accounting and reporting requirements.	The forum will submit a report to the PTCF quarterly through the Chairperson. The Forum is accountable to the Head of Department of Provincial Treasury.
Provincial Financial Training Forum	Quarterly (4 times per annum)	CFO	-To discuss and address training issues/challenges relating to transversal systems and financial management. -To promote uniformity in training procedures and processes within Departments and Public Entities.	The forum will submit a report to the PTCF quarterly. The Forum is accountable to the Head of Department of Provincial Treasury.
PERSAL Forum	Quarterly (4 times per annum)	Human Resource	-Standardisation in the utilisation of transversal financial systems. -Sharing of information and best practices from National System Forum. -Identify and find solutions to common systems related challenges. -A central forum where external stakeholders can present and clarify systems related issues (National Treasury, SARS, Provincial Banker, Auditor-General, etc.), -Achieve common understanding to new initiatives related to systems enhancements.	The forums will report to Provincial Accountant General through CD: Financial Systems with recommendations for consideration for approval by the PTCF. The Forum is accountable to the Head of Department of Provincial Treasury

LOGIS Forum	Bi- monthly (6 times per annum)	CFO	- Standardization in the utilization of transversal financial systems. -Sharing of information and best practices from National System Forum. -Identify and find solutions to common systems related challenges. -A central forum where external stakeholders can present and clarify systems related issues (National Treasury, SARS, Provincial Banker, Auditor-General, etc., -Achieve common understanding to new initiatives related to systems enhancements	The forums will report to Provincial Accountant General through CD: Financial Systems with recommendations for consideration for approval by the PTCF. The Forum is accountable to the Head of Department of Provincial Treasury
BAS Forum	Bi- monthly (6 times per annum)	CFO	- Standardization in the utilization of transversal financial systems. -Sharing of information and best practices from National System Forum. -Identify and find solutions to common systems related challenges. -A central forum where external stakeholders can present and clarify systems related issues (National Treasury, SARS, Provincial Banker, Auditor-General, etc.,	The forums will report to Provincial Accountant General through CD: Financial Systems with recommendations for consideration for approval by the PTCF. The Forum is accountable to the Head of Department of Provincial Treasury.
Provincial Risk Management Forum	Quarterly (4 times per annum)	CFO	-Standardization and improvement of risk management practices -Knowledge and information sharing on best practices on risk management -Coordination and monitoring of risk management	-The Committee will report to DDG: FG with recommendations for consideration for approval by the PTCF. The Forum is accountable to the Head of Department of Provincial Treasury. -The Forum shall report on a quarterly basis to the Audit Committee (based in the LPT) and to the National Treasury on its activities. -The Heads of Departments, the Audit Committee

				and the National Treasury shall provide the Forum with feedback on its effectiveness on an annual basis.
Provincial Revenue Management, Budget, and Expenditure Forum	Quarterly (4 times per annum)	CFO	-Identify risk areas in budget, expenditure, and revenue collection, and ensure departments institute corrective measures. -Facilitate and co-ordinate sound financial management information systems in departments and take steps to ensure that departments play an active role in development of such system	The Forum reports to the PTCF
Cash Management Forum	Quarterly (4 times per annum)	CFO	-Forecasting cash requirements of the departments over long, medium, and short-term. -Analysis and interpretation of the provincial cash flows vs Actual Expenditure. -Monitoring compliance with financial prescripts. -Sharing/benchmarking best practices to enhance provincial cash management. -Resolving/recommending solutions for technical banking challenges.	Reporting to the PTCF
Provincial Supply Chain Management Forum	Quarterly (4 times per annum)	CFO	-To capacitate SCM officials within the province -Sharing best practices and generating a pool of knowledge on SCM issues for the province. -Ability for Treasury to develop realistic and user-friendly policies which are best understood and easy to implement while addressing relevant issues and concerns. -Effective implementation of Supply Chain Management in all the Departments and Public Entities.	The Forum reports to the PTCF on all SCM related matters

Inventory Management Forum	Quarterly (4 times per annum)	CFO	Monitor's performance of asset management units in the departments and public entities	The Committee will submit report to the PTCF monthly.
Asset Management Forum	Monthly from April to November (8 times per annum)	CFO	Monitor's performance of asset management units in the departments and public entities	The Committee will submit report to the PTCF monthly.

2.1.8.3. LPT assurance providers' structures in comparison with best performing Treasuries.

a. Comparison of Western Cape (WCPT), Gauteng, Northern Cape, and Limpopo provincial treasuries

WCPT structure is more of a liner structure, especially at the Senior Management Services level (SMS) with only two transversal branches the Office of the Premier. NCPT and GPPT organisational structures are like LPT structure; the difference is that the NCPT structure shared audit committee falls under shared internal audit, and on GPPT, municipal financial governance is a branch on its own. Just like LPT Departments and Public Entities are monitored and supported by four transversal branches.

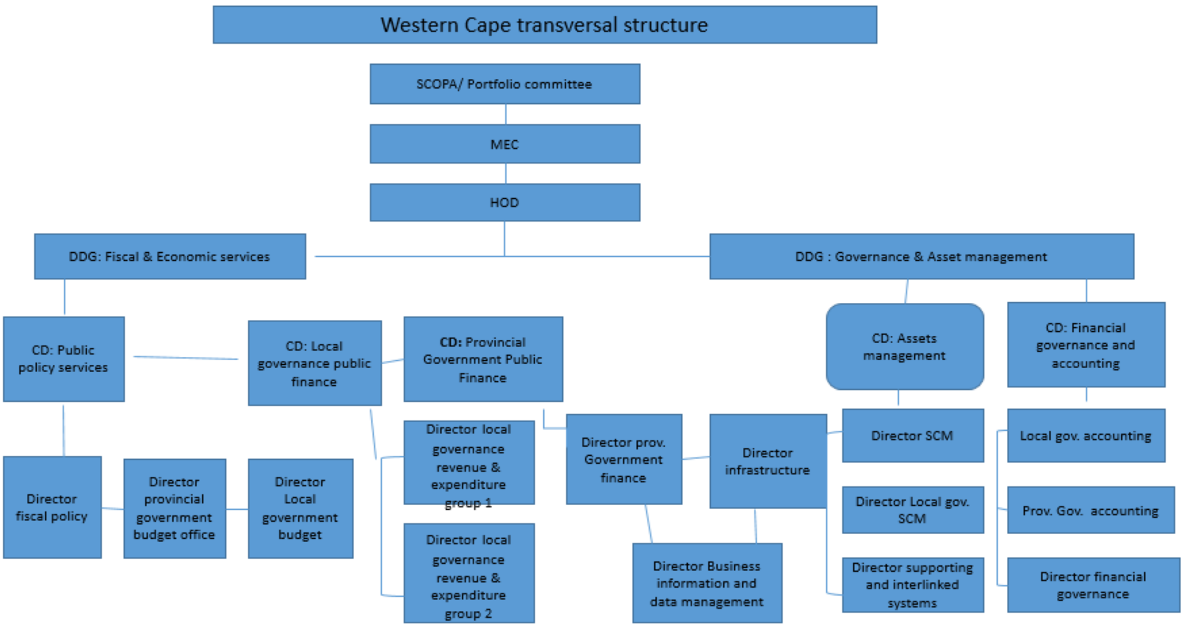

Figure 5: Western Cape Treasury Transversal Organisation structure (student's own,2020)

Northern Cape Cape Treasury Transversal Organisation structure

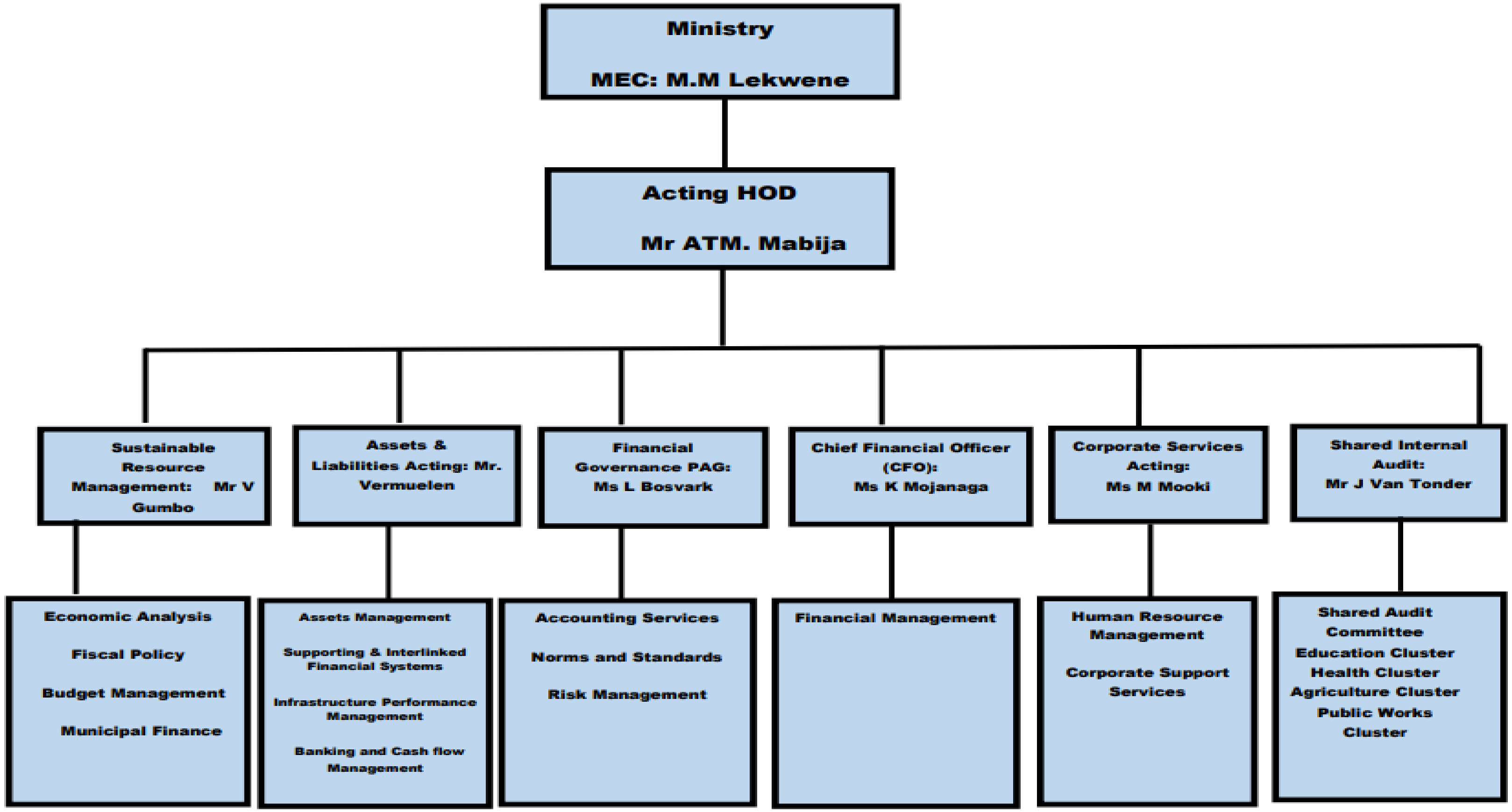

Figure 6: Northern Cape Treasury Transversal Organisation structure (student's own,2020)

2.2. Research knowledge gap analysis

Dzomira (2016) has discussed combined assurance in the public sector, specifically focusing on scrutinising the combined assurance model's support in South Africa's public sector. The study beach on the stewardship theory developed by Donaldson and Davis (as cited in Dzomira, 2016). The research study followed a qualitative research approach in analysing qualitatively based data (Maree, 2013) from Auditor general provincial audit outcomes for 2014-2015. Decaux & Sarens (as cited in Dzomira, 2016) concluded that organisations are still learning through combined assurance implementation because no organisation seems to have achieved an established combined assurance program. In a similar study, Vera-Muñoz (as cited in Dzomira, 2016) concludes that the influential ARC and the internal audit must be informed and observant of the financial reporting process whose members should have financial literacy. However, the study limits the ARC's role and IAF's role to financial skills, where else King IV (2016) specify that the audit committee is responsible for overseeing the effective achievement of the internal control environment, supporting the integrity of information used for internal decision-making by management, the governing body, and its committees. According to IIA standards, an internal audit is responsible for evaluating the adequacy and effectiveness of governance, risk management and controls in general, not only financial controls. Furthermore, Company regulations Chapter 3, in line with companies act 94 (5), stipulates that at least one–third of the members of a company's audit committee at any time must have academic qualifications, or experience, in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management.

According to Dzomira (2016), the first level of defence assurance providers consists of senior management, accounting officers and MECs of the Departments. Second-level assurance consists of IAF, ARC and monitoring and coordinating departments. The third-level assurance providers are public accounts committees, portfolio committees and Auditor General, providing combined assurance in most public sector institutions in South Africa. As a result, the model is not implementable as it is too high level and omit functions designed to support management in its monitoring activities by assisting with developing, facilitating, and reviewing management processes. The study analyses AG reports and governance structures not necessarily how the different governance structures' assurance processes integrate and align so that senior management, ARC, and supervisory committees obtain a comprehensive, holistic view of the effectiveness of their organization's governance, risks, and controls to enable them to set priorities and take any necessary actions (Huibers, 2015).

King III introduced the combined assurance model, and King IV illustrated that the model incorporates all assurance services and functions to enable an effective control environment and support the integrity of information used for decision making; however, King IV only recommend the model but do not prescribe the design of the model. Exceptional guidance on how best to implement combined assurance is still limited. Although there is no specific standard in the IPPF on how combined assurance should be provided, IIA standard 2050 by Internal Audit enact CAEs to coordinate and facilitate the work of other internal and external assurance providers Huibers (, 2015). Huibers (2015) further outlined that awareness and implementation of combined assurance seem low according to the survey results. There is no internationally adopted definition and guidance regarding combined assurance and how to implement it, including the different ways of combining assurance and different types of coordination that are possible (Huibers, 2015). Decaux & Sarens (2015) concluded that organizations are still learning through combined assurance implementation because no organization seems to have achieved an established combined assurance program. According to the global internal audit common body of knowledge (CBOK) 2015 survey, there is only 59% of reflected awareness of the combined assurance model (Huibers, 2015).

2.3. Framework(s) for interpreting research findings

A framework is a set of wide conceptions that guide the study (Anfara Jr & Mertz, 2014). Qualitative research commences with research questions, the main purpose of research questions is to learn about the subject matter and discover new ideas and perception or produce fresh theories. The researcher informs questions by collecting relevant data. ,When arranged and analysed, data becomes information, which, when applied, turns out to be knowledge (Rossman & Rallis, 2003).

Qualitative research is generally based on interpretative, biased, and contextual data. In interpretation and analysis, the researcher brings intellectual philosophies and experiences, consequently, the researcher should retain the set of scales between order and intuition (Rossman & Rallis, 2003). The researcher should make certain that the study's outcomes are reliable and valid to achieve the study and answer questions accompanying research findings. The relationship between the researcher's perspective and multiple other contexts is imperative (Croker, 2009). As a result, the researcher will triangulate the results of the research findings with other reliable sources of information such as the National Treasury, Institute of Internal Auditors, and IOD, AGSA audit reports and the available academic articles and journals. Furthermore, triangulation will be done by obtaining data from both the AGSA, Audit Committee Chairperson, Provincial Internal Audit, and other Assurance Providers within Limpopo Province.

2.4. Summary and conclusion

Huibers (2015) argues that the efficiency level of the governance structure of the organisations will determine the complexity of the design of the combined assurance model. Therefore, the governance structure needs to support the alignment of different assurance providers' activities, classifications, and rating systems. IIA Implementation guide 2050 guides Internal Audit to coordinates assurance efforts with the second line of defence functions by synchronizing the nature, scope, and scheduling of work, and ensure a shared appreciation of assurance systems, methods, and terminology and relying on one another's work to minimize duplication of effort.

Most assurance providers in LPT evaluate Auditor General action plan reports and findings to advice and support department and public entities in root cause identification, strengthening controls and monitoring implementation of AG action plan within their area of speciality however the results of the evaluation are reported by each unit without integrating the report which sometimes leads to contradicting advice or analysis given by LPT different units. For example, the following units' analysis auditor general reports GMC PFMA, GMC Public entities, SCM, Financial reporting, financial training, Assets Management.

Western Cape reporting line seems to be straightforward with fewer reporting lines; it might be easier for the department to issue an integrated report to the client department and public entities (Annual Performance Plan, 2020) with a linear structure.

3. RESEARCH STRATEGY, DESIGN, PROCEDURE AND METHODS

Introduction

The qualitative research method was followed to achieve the research objectives. This study used unstructured and semi-structured individual interviews to collect primary data. Academic articles and journals, government literature, books, and LPT transversal organisational structure and Departmental annual reports were regarded as secondary data used for literature review. The University Library and google scholar have been used to access secondary data such as academic journals and articles. Interview questions were developed for use during the primary data collection to interview individual participants. Permission was granted from the HOD of LPT to interview the research participants.

According to Leedy and Ormrod (2001, p. 14), research methodology is the step-by-step plan of action the researcher takes in carrying out the research project". A research methodology is fundamental in guiding the researcher to achieve the research's desired objectives by systematically conducting research and producing quality and detailed reports. The purpose of this study was to explore and determine the challenges associated with the implementation of the combined assurance model by LPT and develop possible solutions in the form of recommendations for LPT to improve implementation of combined assurance by using Limpopo Province as a case study. The research aims to establish whether assurance providers are working correctly as per the requirements of the PFMA to support both the Departments and Public Entities. Most assurance providers work in silos, same functions, and issue multiple reports to both the Departments and Public Entities. As a result, this study's research methodology enables the researcher to accomplish the research objectives. Moreover, this chapter will further clarify different methods applied to certify the validity and reliability of the research findings (Neuman, 2006).

3.1. Research strategy

The qualitative research method was followed to achieve the research objectives. Bryman (2012, p. 37) defines qualitative research as a "research strategy that usually emphasises words rather than quantification in the collection and analysis of data". Qualitative research focuses on engendering new theory than testing the existing theory. As a result, the aims of the qualitative research are aligned to this study as it seeks to investigate challenges associated with the implementation of combined assurance model in Limpopo Provincial Treasury' and develop possible solutions in the form of recommendations for LPT to improve implementation of combined assurance by using Limpopo Province as a case study. Neuman (2006, p. 151), argues, "qualitative researchers depend primarily on interpretative or critical social science wherein they apply logic in practice and follow a nonlinear research path". This explains why researchers using the qualitative approach frequently adopt case studies in their research to thoroughly evaluate and explore the cases to produce a new theory. This study mainly generate data to investigate challenges associated with implementing the combined assurance model in the Limpopo Provincial Treasury. Williams (2007, p. 67) argues that "qualitative research is conducted within a poststructuralist paradigm with five areas underpinning this approach namely: case study, ethnography study, phenomenological study, grounded theory study, and content analysis". The qualitative research approach aims to decisively define, clarify, and interpret the collected data from the above. As a result, qualitative research is less structured as it formulates and builds on new theories. In qualitative, the researcher naturally interacts with the respondents, which is why the researcher interacted with LPT Assurance providers, Audit committee chairperson, AG and Provincial departments, and Public Entities CFOs (Williams, 2007).

The researcher collected the data for this study using a qualitative approach that adopted a case study and a nonlinear path. Due to this study's nature, nonlinear is more appropriate as it enables the researcher to move in numerous directions, sideways and backward, which is more appropriate to achieve the objective of this study (Neuman, 2006).

3.2. Research design

Bryman (2012, p. 66) argued, "the basic case study involves comprehensiveness and thorough examination of a single case". A case study best achieves this research design, with Limpopo Provincial Treasury (LPT) being a case in subject for the study. Williams (2007, p. 68) defines a case study as a process whereby the "researcher explores in depth a program, an event, an activity, a process, or one or more individuals". Hence, a case study can take a solo event or a case restricted to a period and a specific place. A case study permits a wide range of data collection from diverse sources, including interviews, corporal articles, records, observations, and audio-visual resources. As a result, the researcher invested more time directly interacting with individuals being studied to allow the research report to integrate lessons learned and patterns exposed that connects with the theories. Briefly, the above argument aligns with this study's objectives in that direct interaction through an interview with the assurance providers is critical for this study (Bryman 2012). There are different types of cases, but this study representative or typical case will be adopted as the most appropriate for this study for conciseness.

Representative or typical cases encompass a demonstrative role in a specified broader classification where its membership originates. This study's results may not be generalised to other cases, but this will lay a foundation for scholars, policymakers, and potential researchers to learn or improve. LPT was selected as a case study out of concern of the department struggling with developing and implementing a combined assurance model. Since LPT have the constitutional mandate through the Public Finance Management Act (PFMA), No. 1 of 1999 as amended to support both the Departments and Public Entities governance, risk, and controls. The case study helped the researcher directly interact with the research participants and collect the required data.

3.3. Research procedure and methods

This section documents the actual procedure and the methods employed in this research to collect, collate, process, and analyse empirical evidence.

3.3.1. Research data and information collection instrument(s)

According to Bryman (2012), data collection is the most crucial research process stage. Bryman (2012) further indicated that the most extensively used data collection methods are interviews and questionnaires. As a result, this study used unstructured and semi-structured focus groups and individual interviews to collect primary data. Academic articles and journals, books, AGSA audit reports, LPT transversal organisational structure, and Departmental annual reports have been regarded as secondary data used for literature review. The University Library and google scholar were used to access secondary data such as academic journals and articles. Interview questions have been developed for use during the primary data collection to interview individual participants. Permission have been requested from the HOD of LPT to interview the research participants. Moreover, research participants were not pressured to participate after obtaining approval to interview them; each respondent was approached individually to request their consent to participate in the research process. Purposive and haphazard sampling was used to identify interviewees (Bryman, 2012).

3.3.2. Research target population and selection of respondents

3.3.2.1. Research target population

LPT is a case study for this research from the foundation for the population in this study. The population represents all the individuals in transversal branches as the complete division of interest for the study. LPT has the constitutional mandate through the Public Finance Management Act (PFMA) No. 1 of 1999 as amended to support both the Departments and Public Entities governance, risk and controls and the custodian of the shared provincial internal audit service and shared audit committee. (Hanlon & Larget, 2011).

3.3.2.2. Sampling or selecting respondents from the target population

Hanlon and Larget (2011, p. 7) define a sample as a "subset of the individuals in a population". A sample should be selected carefully for the study to ensure that the sample represents the overall population of the data collected to accomplish the study's objectives. Sampling aims to collect precise actions and cases, which expand understanding of the collective life. According to Neuman (2006, p. 61), "qualitative researchers focus less on a sample's representativeness than on how the sample or small collection of cases, units, or activities illuminates social life". This study used non-probability sampling wherein representativeness is unnecessary but focuses mainly on the sample that is much relevant for this research.

The quantitative researcher's approach does not always examine the population; instead, uses non-random samples that do not focus on the research population. As a result, purposive sampling was used for this study, which is found to be more relevant for case studies. According to Bryman (2012, p. 94), purposive sampling can be defined as a "non-probability sampling". Purposive sampling enables a researcher to sample participants appropriate to the research question and is mainly suitable for the research participants who are knowledgeable about the research area Neuman (, 2006).

3.3.3. Ethical considerations when collecting research data

The data collection procedure includes an audiotape recorder for the respondents that have concurred with its usage to collect adequate data. Respondents have been afforded a chance to consent for the use of an audiotape recorder. In circumstances where the respondents do not consent to using an audio tape recorder. Permission have been requested from the HOD of LPT to interview the research participants. Moreover, research participants were not pressured to participate after obtaining approval to interview them; each respondent was approached individually to request their consent to participate in the research process. The researcher has not interfered with the respondents' views and permit a sensible extent of independence to the respondents to express their views on the subject matter.

3.3.4. Research data and information collection process

Individual interviews have been conducted to collect the required data in addressing the two main objectives of this study. The first research objectives seek to determine challenges associated with implementing the combined assurance model by LPT within the Departments and Public Entities. Lastly, this study aims to establish if the LPT transversal structure is appropriate to enable all the assurance providers to carry out their combined assurance mandate smoothly and adequately within the Departments and Public Entities. The two research objectives will be accomplished using unstructured interviews to collect the required data.

The data collection procedure includes an audiotape recorder for the respondents that have concurred with its usage to collect adequate data. Respondents have been afforded a chance to consent to the use of an audiotape recorder. Interview questions have been developed for use during the individual from the two main research objectives. Research participants have been identified based on their relevance to this study and their work experience and involvement within the LPT Transversal branches (Neuman 2006).

3.3.5. Research data and information processing and analysis

3.3.5.1. Research data and information processing

Summarising the data collected into a logical and controllable argument is vital for any researcher (Welman et al., 2005). Neuman (2006, p. 128) describes codes as "tags or labels for assigning units of meaning to the descriptive or inferential information compiled during a study. Codes usually are attached to chunks of varying size-words, phrases, sentences or whole paragraphs, connected or unconnected to a specific setting". Open coding empowers the researcher to scrutinise, conceptualise, critique, match and classify the data collected. The researcher will also use axial and selective coding elements to put the data into new ways, thereby selecting core categories (Bryman 2012).

Welman et al. (2005, p. 66) describe themes as "umbrella constructs that the researcher usually identified before, after, and during the data collection". Meaning that the researcher must have basic knowledge about the subject matter due to interacting with expectations and reviewing the literature and anticipating what the data collected entails. As a result, the researcher identified themes based on the interview notes. Bryman (2012, p. 112) argues, "themes and subthemes involve recurrence of patterns in the notes or within the transcripts which are then applied to the data in order of relation or cluster". As a result, themes will be identified during the analysis of the research findings based on the data presented during the research findings' presentation. Themes will also be recognised based on the words with comparable connotations and keywords related to the research question (Hlakudi 2012).

3.3.5.2. Research data and information analysis

Data analysis is vital because it helps the researcher generate sensible judgment based on the data collected. Neuman (2006, p. 126) argues "all social researchers compare the evidence they have gathered internally or with related evidence". The researcher used a grounded theory tool, such as coding, to analyse the data collected. Data were also analysed by frequency analysis to identify themes, common themes, field notes arrangements, and presenting the data. As a result, it helped the researcher identify important themes from secondary data and field notes for proper classifications and analysis of findings (Welman et al. 2005: 212).

Detailed handwritten notes have been taken during individual interviews, which have been converted into write-ups for smoother analysis of the researcher's research findings. Welman et al. (2005, p. 71) maintain, "write-ups can assist the researcher during the review of the raw field notes to remember important things highlighted during the interviews but omitted by the researcher". Consequently, the researcher took raw data notes and rearticulated them during the write-ups to certify that the data collected can be easily examined.

3.3.6. Description of the research respondents

The researcher interviewed numerous individual research participants well conversant in study from provincial departments CFOs within Limpopo Province, Transversal Assurance Providers, Share Audit Committee Chairperson, Shared internal audit executives and AG Senior Manager. Welman, Kruger and Mitchell (2005, p. 109) argues, "conclusions drawn inductively are primarily based on haphazard sampling and are not necessarily typical of the relevant population or the unit of analysis". The following potential individual research respondents were interviewed:

Table 3: Individual Research Participants

ROLE OF THE PARTICIPANT	INSTITUTION	NUMBER TO BE SAMPLED
Chief Audit Executive (CAE): Shared Internal Audit	Limpopo Provincial Treasury	1
Chief Director: Shared Internal Audit	Limpopo Provincial Treasury	1
Director: Shared Internal Audit	Limpopo Provincial Treasury	1
Senior Manager: AG SA	Auditor General	1
COFs LPG	Education, LEDET, Road Agency Limpopo, LPT	4
Chief Director: Budget and PFMA	Limpopo Provincial Treasury	1
Director: Monitoring and Compliance	Limpopo Provincial treasury	1
Director: Asset Management	Limpopo Provincial Treasury	1
Acting Director: Financial Systems	Limpopo Provincial Treasury	1
Director: Contract Management	Limpopo Provincial Treasury	1
Director: Banking	Limpopo Provincial Treasury	1
Director: Financial Reporting	Limpopo Provincial Treasury	1
Director: SCM Governance and Compliance	Limpopo Provincial Treasury	1
Chairperson: Audit Committee (Cluster 2)	Limpopo Provincial Treasury	1

The interview research participant sample covers participants from all four (4) transversal branches as follow; Sustainable Resources Management one (1); Assets, Liabilities and Supply Chain Management four (4); Financial Governance three (3) and Shared Internal Audit Services (SIAS) three (3). As a result, this ensured comprehensive coverage of all responsible transversal assurance providers. Moreover, the Province has eleven (11) Departments CFO's and five (5) Public Entities CFO who are clients receiving oversight assurance support from LPT, and from the 16 CFOs, four (4) (25%) formed part of the research participants. AG Senior Manager in Limpopo was part of the research sample as external auditors play the third line of defence and most LPT assurance providers evaluate the Auditor General Action plan. Shared Audit Committee Chairperson for cluster 2 was part of the research sample from a population of four (4) chairpersons of LPG shared Audit Committees. Audit Committees are responsible for overseeing the coordination and facilitation of combined assurance (IV, 2016). Individual participants are essential for this study, as all the partakers are well knowledgeable about the subject matter of combined assurance. The researcher asked open-ended questions to talk freely and provide the required information on the research questions.

3.4. Research strengthens—reliability and validity measures applied

The researcher attained an ethical clearance certificate from Wits Business School prior embarking on the research. Qualitative research is generally based on interpretative, biased, and contextual data. The researcher has put procedures in place to ensure that the study results meet the minimum validity and reliability requirements of the research report. In interpretation and analysis, the researcher brought intellectual philosophies and experiences, consequently, the researcher retained the set of scales between order and intuition (Rossman & Rallis, 2003). The researcher ensured that the study's outcomes are reliable and valid to achieve the study and answer questions accompanying research findings. ". Neuman (2006, p. 140) defines reliability as "dependability or consistency". Therefore, the research outcomes must be reliable and constant under diverse conditions but still yield the same results. Neuman (2006, p. 142) defines triangulation as "the process of looking at something from multiple points of view, which improves the accuracy of the data collected". The relationship between the researcher's perspective and multiple other contexts is imperative (Croker, 2009). As a result, the researcher triangulated the results of the research findings with other reliable sources of information such as the National Treasury, Institute of Internal Auditors, and IOD, AGSA audit reports and the available academic articles and journals. Furthermore, triangulation was done by obtaining data from both the AGSA, Audit Committee Chairperson, Provincial Internal Audit, and other Assurance Providers within Limpopo Province. Bryman (2012, p. 132) mentioned, "external validity is concerned mainly with whether findings can be generalised within different social settings.

3.5. Research weaknesses—technical and administrative limitations

The study focuses on investigating challenges associated with the implementation of combined assurance in Limpopo Provincial Treasury, thus limiting the broader understanding of other provinces and worldwide challenges associated with implementing the combined assurance model. However, the study results can be applied to other provinces within the Republic of South Africa that want to explore challenges or develop and implement a combined assurance model. Moreover, the combined assurance model has not been studied more intensively, limiting the availability of the literature.

3.6 Summary

The study followed the qualitative research method to achieve the research objectives. This research uses unstructured and semi-structured individual interviews to collect primary data from LPT assurance providers, Auditor General South Africa (AGSA) and Departments and Public Entities Chief Financial Officer as LPT's stakeholders. Interview questions have been developed for use during the primary data collection to interview individual participants. Permission has been requested from the HOD of LPT to interview the research participants. The researcher collected the data for this study using a qualitative approach that adopted a case study and a nonlinear path. Due to this study's nature, nonlinear is more appropriate as it enables the researcher to move in numerous directions, sideways and backward, which is more appropriate to achieve the objective of this study (Neuman, 2006).

4. PRESENTATION OF RESEARCH RESULTS

Introduction

Unstructured and semi-structured individual interviews were used to collect primary data. The study adopted a thematic analysis approach to present the critical common themes and research findings. The researcher interviewed 17 individual research participants well conversant in the area of study from CFOs from provincial departments within Limpopo Province, LPT Assurance Providers, Shared Audit Committee Chairperson, Shared internal audit executives and AG Senior Manager. The interview research participant sample covered participants from all four (4) transversal branches as follow; Sustainable Resources Management one (1); Assets, Liabilities and Supply Chain Management four (4); Financial Governance three (3) and Shared Internal Audit Services (SIAS) three (3). Moreover, the Province has eleven (11) Departments CFO's and five (5) Public Entities CFO who are clients receiving oversight assurance support from LPT, and from the 16 CFOs, four 4 (25%) were part of the research participants. Auditor General Senior Manager was interviewed as external auditors play the third line of defence, and most LPT assurance providers evaluate the Auditor General action plan. Shared Audit Committee Chairperson for cluster 2 was interviewed from a population of four (4)(25%) chairpersons of LPG shared Audit Committees.

The first three main themes respond to the first key research question: What are the challenges associated with the smooth implementation of the combined assurance model? The key shared themes recognised during data collection include Integrating and aligning assurance processes; Stakeholders buy-in and support, Effective transversal committee.

The second key research question is as follows; Is the LPT transversal structure appropriate for implementing combined assurance? The key themes identified include the adequacy of LPT transversal structure; Effectiveness of transversal financial forums, and Assurance providers' skills and capacity of assurance providers to execute combined assurance.

The third key question is as follows; Are the assurance activities enabling better and improved decision-making that add value to LPDs and PEs? The common themes identified include; Ability to enhance value add and decision making; Effort duplication and assurance fatigue.

Lastly, themes to answer the fourth and last main research question are the LPT assurance provider's reports to LPDs and PEs integrated? The common themes were identified as follows; integrated thinking; Report rating systems and report formats; Review and reporting of AG action plan.

4.1. Research Question 1 result

The research respondents were asked two (2) sub-research questions to respond to the main research question: What are the challenges associated with the smooth implementation of the combined assurance model? The three (3) sub-questions were answered by interviewing seventeen (17) sampled respondents from Chapter three above for this study. Sampled respondents were interviewed on different dates over three weeks and alphabetically labelled randomly to protect their identity.

The central shared themes to answer to what are the challenges associated with the smooth implementation of the combined assurance model are as follows:

4.1.1. Integrating and aligning assurance processes

According to most research participants, internal audit is in the process of integrating and aligning assurance processes without fully involving process owners or specific assurance providers. As a result, there is a knowledge gap in aligning, defining and rating systems of different activities. Most respondents mentioned that most stakeholders had lost hope in the possibility of the model due to many attempts and complicated theories that looks impractical to them. Participant 10 mentioned that transversal assurance providers should synergise how they need to work moving forward, and Internal audit must be willing to start by learning what other assurance providers are doing and then work together to come up with required processes to integrate.

Most research participants further mentioned that IAF has challenges defining the appropriate defence model for LPG and mapping assurance providers. Participant 13 mentioned that risk management is not yet matured enough to support the development of combined assurance. Participant 13 further emphasised that the IAF has a fear of the unknown, which is the cause of the implementation delays previously experienced, and later change the model before implementation. They have been reluctant to quickly implement where they should implement and later modify and learn on the job.

Participant 16 mentioned that the model by nature is complex and will require IAF to thoroughly understand government accounting which is not the case as most of the auditors are young and not exposed to government accounting. Most LPT assurance providers argue that they are the second line of defence while others state that they are first line of defence. Furthermore, few research participants mentioned that LPT assurance providers are the second line of defence, while Public Entities internal audit are third line of defence.

4.1.2. Stakeholders buy-in and support

According to most respondents, the combined assurance model is developed by CAE without consulting with Internal Audit executives and bringing internal audit staff on board. As a result, IA staff do not understand the combined assurance model used and audit program developed to be utilised by all assurance providers. Participant 9 mentioned that the "Internal Audit team would be trained after the framework has been finalised and approved. As a result, the main stakeholders to be prioritised are Senior Management, ARC and Transversal Committee as they are responsible for approving the framework".

Most participants mentioned that IAF does not have a working relationship with other assurance providers, making it challenging to work together. Participant 7 emphasised that other sections do not want to share reports and work papers, which affect the aligning and integrating process of assurance activities. Most assurance providers emphasised that the audit program meant to be implemented is not implementable. Participant 13 emphasised that stakeholders need to be thoroughly identified, categorised, and business case to be developed, indicating the benefits of the combined assurance model.

Combined Assurance is a new concept that it not fully understood which call for CAE to selling the product correctly to enhance common understanding. Most research participants mentioned that CAE is not understandably articulating the concept. As a result, assurance providers do not understand their role within three lines of defence and the reasons behind the model. Few participants understood three lines of defence. CAE must ensure that all stakeholders know and understand their role within combined assurance to ensure proper control environment within an organization. Most assurance providers are not aware of the benefits that the combined assurance will have on the quality of their reports and the value add. As a result, combined assurance is seen only as a tool to minimise internal audit work load.

4.1.3. Effective transversal committee

Participant 6 mentioned that the transversal committee discusses operational issues and not holistic and comprehensive matters affecting transversal branches. Most participants excluding participant 9, mentioned that the role and responsibility of the committee regarding combined assurance are not clear, and the committee does not have terms of reference. As a result, the committee met only twice for the past year, and the committee has been discussing the same thing for the past three years as far as combined assurance is concerned, and members are bored and lost confidence in the initiative. Few respondents further mentioned that CAE has been reporting different versions of the same model with no foundation. Most participants mentioned that one-person champion the whole development of the model is not a collective effort. Participant 9 argues that the champion of the combined assurance role should be a full-time job to thoroughly market the model, do research, and monitor the plan and implementation thereof.

The table below outline what the research participants had to say on the question: what the challenges are associated with the smooth implementation of the combined assurance model:

Table 4: Research Participants responses

Participant 1	i. IAF does not have a methodology and what they are coming up with is not practical ii. The IAF team does not understand the methodology, and they are frustrated
Participant 2	i. The problem is the confusion around the concept; the concept is not clear ii. The team is not on board and seems to be having questions.
Participant 3	i. It is a one-person show ii. The IAF team is confused and frustrated
Participant 4	i. "I am not sure what might be the challenges in the implementation of the combined assurance model or whether IA staff understand the concept" ii. "I think the challenge is developing a model that will work for all LPT transversal assurance providers."
Participant 5	i. "I am not sure what might be the challenges" ii. "I have never interacted with LPT IAF"
Participant 6	i. "I would not precisely know what the challenges are initially as I was not part of the Transversal committee." ii. IA wanted to do a full rollout all at once

Participant 7	i. The main challenge is the skill level within the transversal structure to understand the audit process and methodology ii. As assurance providers, we do not share information iii. Lack of buy-in as people are tired of hearing the same story without progress iv. The model is too complicated, and IAF & assurance providers do not understand
Participant 8	i. I am not familiar with the subject matter or the process thereof
Participant 9	i. The model is straightforward. What is needed is a training of assurance providers and internal audit team
Participant 10	i. The is no synergy among the units within Treasury; there is an understanding gap between internal audit and other assurance providers ii. The concept is not well defined and communicated iii. The concept is not practical
Participant 11	i. AG is not working closely with an internal audit; therefore, I am not aware of internal challenges ii. IAF presented a combined assurance model to AG, and the model looked promising.
Participant 12	i. The tool was not introduced to LPG CFOs ii. vii. There is not much communication in general between internal audit and LPG CFOs
Participant 13	i. The concept is not understood ii. There is conflicting interest from stakeholders iii. The risk mapping and defining of stakeholders not correctly executed
Participant 14	i. The model is developed by internal audit alone; therefore, the approach is not inclusive

Participant 15	i. The concept document is not clear, it created confusion, the ideas are not implementable
Participant 16	i. Combined assurance is a new concept ii. There is confusion from IA
Participant 17	i. The model is complicated and not practical

4.2. Research Question 2 result

The research respondents were asked four (4) sub-research questions to respond to the main research question: Is the LPT transversal structure appropriate to enable the implementation of combined assurance? The three (3) sub-questions were answered by interviewing seventeen (17) sampled respondents from Chapter three above for this study. Sampled respondents were interviewed on different dates over three weeks and alphabetically labelled randomly to protect their identity.

The central shared themes to answer to Is the LPT transversal structure appropriate to enable the implementation of combined assurance are as follows:

4.2.1. Adequacy review of LPT transversal structure

Most participants mentioned that the structure does not hinder the development and implementation of combined assurance. Research participant 15 argued that the LPT transversal structure is bloated, contributing to a high compensation of employees in the province and overlapping day-to-day roles triggering efforts duplication. Participant 2 mentioned that the structure has too many positions at the top and specialised at the bottom. As a result, other senior executives do not understand some directorate they manage; consequently, sometimes critical concerns are misrepresented, and vital Information falls off along the way. Furthermore, research participants 14 mentioned that transversal structure with different branches allow different branches to offer specialised services. Participant 6 mentioned that the linear structure was going to work better. As a result, the vision would be one, and the integration of work would have been easy to execute.

Most respondents mentioned that the LPT transversal structure is adequate to cover all provincial treasuries roles and responsibilities as per the requirements of the PFMA to support both the Departments and Public Entities. As a result, all PFMA Section 18 mandated areas be covered by the structure. The challenge is that the high vacancy rate affects the proper working of structure; even the turnaround time to fill positions is too long, and the department is too quick to deploy LPT officials to other provincial departments. Most respondents emphasised that the success of the coverage of the structure is proven by improvement in the provincial government audit outcomes.

4.2.2. Effectiveness of transversal financial forums

Most research participants mentioned that there are so many transversal financial forums/committees without impact and direction. The research participants advised that LPT must review and consolidate some of the transversal financial forums/committees to bring in a combined assurance model for enhanced reporting. Most research respondents emphasise that there are too many forums that LPT expect CFO's office to attend that should be integrated, and the frequency of most meetings should be evaluated. Participant 5 mention that the forums and LPT monitoring processes are tailor-made for a government department and not relevant to public entities; however, entities are still expected to attend. All CFOs research participants emphasised that LPT forums and multiple reports take service delivery time.

Research participant 13 mentioned that the same circle attends too many committees/forums; therefore, by the time reports are presented at the audit committee, most of the officials have deliberated on the report several times, which cause poor participation in meetings. In some instances, roles and responsibilities for committees/forums overlap, such as risk management committee and audit committee providing oversight over performance reports; therefore, there is a need to integrate some committees.

4.2.3. Assurance providers' skills and capacity to execute combined assurance.

Most research respondents interviewed mentioned that the LPT assurance providers are skilled, qualified, and competent to assist the Departments in strengthening the control environment and ultimately improving audit outcomes. Some research participants mentioned that LPT assurance providers are not well skilled, composed and experienced to assist the Departments and Public Entities. Participant 5 mentioned that LPT assurance providers do not understand departments and public entities; therefore, their support is primarily general, not specific to core business operations.

However, most research participants mentioned that although LPT assurance providers are skilled, competent, and qualified, vacant positions are a challenge that also affects the quality and impact of support provided. Participant 7 mentioned that transversal assurance providers know their job, and now they need to know the audit process, which might pose challenges and fear of the unknown. Research participant 16 mentioned that most transversal assurance providers are old; therefore, they struggle to adapt to change, and younger officials seem to adapt easier.

The table below outline what the research participants had to say on the question: Is the LPT transversal structure appropriate to enable the implementation of combined assurance:

Table 5: Research Participants in Agreement (adequate structure, skills, and capacity) (yes)

Participant 4	i. All the transversal units of treasury are doing what they supposed to do. ii. The structure is adequate.
Participant 5	i. LPT structure is adequate ii. Assurance providers lack the required skill and knowledge of the core businesses of their clients
Participant 8	i. The structure is adequate ii. LPT assurance providers have skills
Research Participant 12	i. The structure is adequate ii. LPT assurance providers have skills
Research Participant 14	i. Assurance providers have the skill problem is the will and commitment

	ii. The structure is adequate
Research Participant 17	i. Assurance providers have the skill problem is the will and commitment ii. The structure is adequate

Table 6: Research Participants in Disagreement (no)

Research Participant 9	i. Transversal structure is not adequate, a combined assurance champion should be appointed i. Both internal audit and assurance providers don't have the required skills

Table 7: Partially adequate Research Participants (Torn between Yes & No)

Participant 1	i. LPT transversal structure is adequate to deliver on the mandate ii. LPT transversal have sufficient skills, however, due to number of the vacancy positions, capacity is a challenge
Participant 2	i. The structure is adequate with skilled employees ii. Problem is the attitude, the structure has too many positions at the top and specialised at the bottom. Therefore, other senior executives do not understand some directorate they manage; consequently, sometimes critical concerns are misrepresented, and vital Information falls off along the way
Participant 3	i. The structure is adequate ii. Most employees do not have the required interpersonal skills

	iii. Most assurance providers do not have analytical skills and knowledge of the roles.
Participant 6	i. The current structure is adequate; however, a linear structure would work better with a clear vision. ii. There is sufficient skill, and even though the filling of vacant positions take time
Participant 7	ii. transversal assurance providers know their job, and now they need to know the audit process, which might pose challenges and fear of the unknown. iii. Current structure is adequate
Participant 10	i. The structure is perfect; the problem is the lack of technical skills
Participant 11	ii. The structure is adequate, but internal auditors need to be capacitated
Participant 13	i. Structure is adequate ii. The problem is vacant positions
Participant 15	i. transversal structure is bloated, contributing to a high compensation of employees in the province and overlapping day-to-day roles triggering efforts duplication ii. LPT have got required skills
Participant 15	i. To a certain level, LPT have skills; however, training, and regular workshops are needed ii. The older official is struggling to move with change, while younger officials are adjusting easier.

4.3. Research Question 3 result

The research respondents were asked four (4) sub-research questions to respond to the main research question: Are the assurance activities enabling better and improved decision-making that create value add to LPDs and PEs? The two sub-questions were answered by interviewing seventeen (17) sampled respondents from Chapter three above for this study. Sampled respondents were interviewed on different dates over three weeks and alphabetically labelled randomly to protect their identity.

The central shared themes to answer to Is the LPT transversal structure appropriate to enable the implementation of combined assurance are as follows:

4.3.1. Ability to enhance value add and decision making

Most research respondents mentioned that LPT assurance providers are adding value to the overall achievements of strategic objectives of Departments and PEs, which is evident through improvement in audit outcome. Participant 13 argue that LPT is not adding value and is not affecting decision-making. As a result, departments and PEs do not take treasury serious and do not implement LPT recommendations. Research participant 13 further mentioned that most LPT transversal reports are the same every quarter.

Most research respondents mentioned that LPT assurance providers are more on ticking boxes and do not go beyond compliance to value add. As a result, when providing support their more reactive and usually provide safe and general answers. Research participant 5 further mentioned that treasury different transversal sections issue departments and public entities with templates that are not user friendly and do not allow giving inputs relevant to the core business. Furthermore, sometimes the templates are not even relevant to their core business or not tailor-made to suit their core business. Most research participants mentioned that LPT assurance providers do not see a bigger picture but are mainly concerned with achieving key performance indications.

Furthermore, most research participants mentioned that most LPT assurance providers start interacting with Departments and Entities towards reporting time to tick the boxes. Research participant 13 emphasised that LPT assurance providers do not add value. As a result, LPT reports are not used for decision-making because they review previous quarter(s) risks, controls, and governance; therefore, their reports are not current and relevant for matters at hand.

Most research participants mentioned that LPT, through their transversal functions, is more of regulators than a part of the support mechanisms. Research participant 13 emphasised that transversal functions of LPT have tendencies of reporting on shortfalls without proper and detailed recommendations and professional support to ensure the Departments and PEs strengthens their control environment, performance, and audit outcomes. Research participant 6 and 12 mentioned that LPT monitor spending, not whether service delivery procured was economic efficient and effective. As a result, poor-performing contractors are re-appointed while LPT addresses only the expenditure of projects and not performance.

4.3.2. Effort duplication and assurance fatigue.

Most research participants mentioned that they have experienced duplication of efforts and contradicting recommendations given to departments and public entities. Contrary to that, research participant 6 mentioned that they have not experienced effort duplication and conflicting recommendations. Most research participants argue that different sections within LPT request the same information from Departments and PEs. Research participant 5 mentioned that Departments and Public entities submit monthly reports without receiving feedback from LPT.

Furthermore, at the end of a financial year, on the same reports submitted monthly to LPT; clients must submit the consolidated annual reports. Research participant 13 mentioned that LPT assurance providers give assurance for different quarters. As a result, that leads to assurance fatigue. Participant 5 further mentioned that Departments and PEs submit previous quarter reports to LPT due to assurance fatigue, which were never returned or queried by LPT.

Most research participants mentioned that LPT assurance providers mainly issue reports to Public Entities and Departments CFOs, and Audit Committee through DDGs for respective branches in the department. Furthermore, in PEs, not all reports are presented at Audit Committee and Board; the following reports serve at PE audit committees SCM, Risk management, and Governance compliance reports. Most research participants mentioned that Treasury officials represented at PEs Audit Committee and Board only present Governance compliance report. All research participants mentioned that all of the four branches have sections and sub-sections that report independently to eleven Limpopo Provincial Departments and five Public Entities from other sections and sub-sections within the branches. As a result, in PEs, most of the reports are not presented at Audit Committees and Board.

4.4. Research Question 4 result

The research respondents were asked two (2) sub-research questions to respond to the main research question: Are the LPT assurance providers reports to LPDs, and PEs integrated? The two sub-questions were answered by interviewing seventeen (17) sampled respondents from Chapter three above for this study. Sampled respondents were interviewed on different dates over three weeks and alphabetically labelled randomly to protect their identity.

The central shared themes to answer to are the LPT assurance provider's reports to LPDs and PEs integrated are as follows:

4.4.1. Integrated thinking

Research participant 13 mentioned that LPT assurance providers are competing. Participant 9 argue that "Sometimes, in government, it is required that you work on your own because of your ambition, and you do not want other people to come in your space". Participant 2 argue that members of professional bodies are reluctant to work with other assurance providers who are not accountable to a professional body, which might cause impairment in objectivity and independence. Most research participants mentioned that Transversal assurance providers do not want to work together and do not share reports. Participant 2 argued that other LPT assurance providers collude with departments, PEs, and fake quarterly reports to evade travelling for verifications and assessments.

Furthermore, Participant 13 mentioned that most assurance providers could not see beyond their day-to-day targets and performance agreements; thus, there are no initiatives to assist struggling branches or units. Participant 2 emphasised that the culture of working in isolation and competition is triggered by the way systems are directed. Most assurance providers advise that combined assurance will only work once there is a change in LPT organisational culture. Therefore, change management starts with changing the way things are done. Combined assurance requires common understanding and integrated thinking to succeed.

Participant 11 further mentioned that AG and Internal Audit approach to audit is different as internal audit would focus more on controls and the implementation of controls, whereby AG currently rely primarily on tests of detail. As a result, AG goes straight into the documents and then do the inspections and validate the assumptions rather than looking at the entities control environment. Participant 11 further mentioned that usually, SIAS give AG internal audit plan late to give inputs, which at the end it does not happen. As a result, SIAS end up implementing the plan without AG's inputs. Therefore, it could help that going forward there can be service level agreement where they can agree on a time or setting a meeting which must happen in the first quarter to discuss the internal audit plan and in that way then AG will be able to give proper inputs and it will help to move toward combined approach. SIAS and AG can team up to cover all the risky areas and work on eliminating duplication.

4.4.2. Report rating systems and report formats

Most research participants mentioned that AG, Internal Audit and other LPT transversal assurance providers issue contradicting assurance reports to Departments and PEs. All research participants mentioned that transversal assurance providers' present multiple contradicting reports at audit committees. Furthermore, all research participants highlighted that LPT assurance providers reports, and transversal financial forums are very much fragmented. Research participant 15 mentioned that institutional arrangement is not adequate. As a result, the monitoring of institutional arrangement only includes inspecting whether meetings were held, not necessarily, whether forum add value and there are no effort duplications. Research participant 13 mentioned that Assurance providers' reports do not give a holistic and comprehensive view of the Provincial government. Participant 13 mentioned that different assurance providers report on their part, sit back at departmental audit committees, and do not concentrate or participate when other assurance providers present their reports. All research participants mentioned that different transversal units use different report templates and ratings.

Research participant 13 mentioned that AG is not prepared to really on other assurance provider's work. Furthermore, Research participant 11 highlighted that AG is not aware of other LPT assurance providers' reports. Moreover, participant 11 mentioned that AG uses internal audit reports for risk identification only. Participant 11 mentioned that LPT is currently trying to facilitate, say, "how we can use this process to eliminate effort duplication and minimise audit fees". All research respondents agree that integrated reporting will enhance decision making through assurance providers providing a holistic and comprehensive view of control, risks, and governance. Moreover, to foster stakeholders working together for a common goal to be a reduction of work, optimisation of resources, and eliminating duplications.

4.4.3. Review and reporting of AG action plan

Most research participants mentioned that they evaluate the Auditor General Action plan to advice and support department and public entities in root cause identification, strengthening controls and monitoring implementation of AG action plan within their area of speciality. However, each unit reports the evaluation results without integrating the report, which sometimes-contradicting advice or analysis by LPT different units. Moreover, some duties overlap, and different sections review the same findings within LPT with different outcomes. AG research participants also mentioned that they also assess action plan, review the adequacy of root causes, and then come in during the reporting stage to assess implementation percentage.

Most research participants further mentioned that different LPT assurance providers request the same information to either validate the implementations of AG action plan or review management reports. Few research participants mentioned that LPT reviews of AG action plan is not adding value because of the time verifications are conducted and repeat findings. On the contrary, most participants mentioned value-added in the LPT assessment of the action plan; improvement in AG audit outcomes attest to that.

4.5. Summary

All the participants from individual interviews agree that combined assurance is necessary to promote integrated reporting. The research participants agree that organisational structure is not the cause for delay in implementing the combined assurance model. Most research participants agree that lack of coordination or integrating assurance providers' work leads to duplication, assurance fatigue, and contradicting reports. Most participants mentioned that the role and responsibility of the transversal committee regarding combined assurance are not clear. Stakeholders need to be thoroughly identified, categorised, and business case to be developed, indicating the benefits of the combined assurance model. Most research participants mentioned that CAE is not understandably articulating the concept. As a result, there is no buy-in from stakeholders. Most assurance providers advise that combined assurance will only work once there is a change in LPT organisational culture.

5. DISCUSSION OF RESEARCH FINDINGS

Introduction

This chapter constructs comprehensive scrutiny and deliberations of the data presented in chapter four above. New themes are established based on themes discussed in chapter four. Triangulation of the data collected was done, and the sample contains all three lines of defence levels of assurance providers: AGSA, Audit Committee Chairperson, Provincial Internal Audit, LPT assurance providers and Limpopo Province CFOs. As a result, all research participants sampled for the study were interviewed to ensure a more exhaustive analysis.

Literature review on various combined assurance models is minimal as there is no internationally adopted definition and guidance regarding combined assurance and how to implement it, including the different ways of combining assurance and different types of coordination that are possible (Huibers, 2015). Organisations are learning through combined assurance implementation because no organisation seems to have achieved an established combined assurance program (Dzomira,2016). However, the broader study on combined assurance existed to understand combined assurance to permit the researcher to compare research findings. As a result, new themes are established based on themes discussed in chapter four.

5.1. Challenges associated with the implementation of Combined Assurance

Limpopo provincial government has adopted a centralised approach regarding establishing the Combined Assurance Model instead of a decentralised system. The plan is to create the model twofold: LPT assurance providers work together to provide assurance oversight to LPDs & PEs and provide a framework for departments and public entities assurance providers to execute functions and report to LPT. Most research participants mentioned that the model by nature is complex and will require IAF to understand government accounting thoroughly and adequately identify and map assurance providers at all levels. As a result, the model is complex and require skills and in-depth knowledge of government processes and risk. Dzomira (2016) mentioned that Organisations are learning through combined assurance implementation because no organisation seems to have achieved an established combined assurance program. Both the literature and the research findings above concur that the model is complex.

The above theme was framed based on individual interviews themes considering the purpose of this research and literature outcomes in terms of challenges associated with implementing combined assurance. The study aims to explore and determine the challenges associated with implementing the combined assurance model by LPT and develop possible solutions in the form of recommendations for LPT to improve. The findings of this research discovered several aspects that affect the effective implementation of the combined assurance model.

Both individual participants and literature agree that lack of common focus on the organisation's strategic objectives and failure to develop an integrated assurance model can cause challenges in implementing a combined assurance model. The study's literature review and findings maintained that the root cause for the delay in implementing the combined assurance might be a lack of buy-in from governance structures and management. Other times, lack of commitment by all assurance providers. Assurance providers' competitions and conflict. Lack of required skill to develop and implement the model (Decaux & Sarens, 2015). Organisational structure and culture not supporting integrated reporting and integrated thinking (IV, 2016). "Assurance providers working in silos, duplicate functions and issue multiple reports to both the Departments and Public Entities" (Huibers, 2015, page 1). Assurance providers use different methodologies, Lack or inactive combined assurance forums, Lack of software solution, and a burdensome manual process to organise assurance activities (Lindeque, 2014).

Following are the most critical elements to ensure effective implementation of combined assurance discovered from individual interview findings of the research and supported by the literature review above:

a) Integrating and aligning assurance processes
b) Risk Management
c) Stakeholders buy-in and support
d) Effective transversal committee
e) Integrated thinking
e) Transversal structure

5.1.1. Integrating and aligning assurance processes

According to most research participants, internal audit is in the process of integrating and aligning assurance processes without fully involving process owners or specific assurance providers. Both the individual interview and the literature highlight the importance of thorough identification of assurance providers. According to IIA (2013), assurance environment components are identified through three lines of defence. The identification thereof should be supported by thorough risk mapping, a mixture of applicable business model matrices, and defined goals and timelines. Risk mapping is critical to identify and develop a combined assurance model.

The research participants further mentioned that IAF has challenges defining the appropriate defence model for LPG and mapping assurance providers. Dmitrenko (2017) argues that the organisation should depend on its operations in choosing the appropriate model for the entity. Organisations can use the defence model or assurance model. The defence model is the three lines of defences. The assurance model is implementable by ensuring that assurance providers are part of a single team on the structure. The assurance model could be easier to implement as all assurance providers are under one branch; however, objectivity and independence for other assurance providers may be impaired, like an internal audit. However, due to the LPG centralised model and LPT transversal structure complexity, a defence model will be a practical option to map and identity assurance providers.

Most LPT assurance providers argue that they are the second line of defence, while others state that they are the first line of defence. Furthermore, few research participants mentioned that LPT assurance providers are the second line of defence, while Public Entities internal audit is the third line of defence. The use of one language helps to enable value-add deliberations. According to most research participants, LPT assurance providers are the second line of defence for provincial departments even though LPT is independent and mostly plays a regulatory role. Furthermore, LPT assurance providers are identified as the second line of defence and internal auditors as the third line of defence for PEs. As a result, the model contradicts IIA, IOD and NT criteria. According to Huibers (2015), the second line of defence functions is designed to support management in its monitoring activities by developing, facilitating, and reviewing management processes. IIA (2013) explain that the second line of defence functions is established to enhance the first line of defence and ensure that the first line of defence operates as intended. The second line of defence possesses some level of independence since there is a management function that sometimes contributes to developing and implementing processes.

According to Masegare (2018), sometimes, the fourth line of defence is used for external assurance providers such as external auditors, regulators, and external bodies (Masegare, 2018). "External auditors, regulators, and other external bodies reside outside the organisation's structure, but they can have an important role in the organisation's overall risk, governance and control structure" (IIA, 2013, page 6). Regulators set requirements anticipated to reinforce the control environment in an organisation and, on other occurrences, perform an independent function to review compliance of first, second, or third line of defence concerning the set requirements.

According to the Institute of Internal Auditor (2013), "external auditors, regulators, and other groups outside the organisation can be considered as additional lines of defence, assuring the organisation's shareholders, including the governing body and senior management (IIA, 2013, page 6). Therefore, to Departments and PEs, Limpopo Provincial Treasury assurance providers meet criteria to be regarded as the fourth line of defence since they play a regulatory role and resides outside departments and PEs organisational structures.

On the contrary, AGSA (2017) describes the public sector three lines of defence: senior management, HOD, and MEC. Internal Audit, Audit Committee and Monitoring & Coordination departments as the second line of defence. Lastly, SCOPA and Portfolio Committee as the third line of defence. AGSA (2017) argues that MECs monitor and provide oversight tasks in their portfolios and therefore play a direct role at departments and have oversight responsibilities towards their departments in terms of the PFMA. PT play a coordinating and monitoring function at the provincial level as mandated in section 18 of the PFMA and forms part of the overall assurance providers. Dzomira (2016) adopted the AG three lines of defence model; thus, the model is not implementable as it is too high level and omit functions designed to support management in its monitoring activities by assisting with developing, facilitating, and reviewing management processes. The study analyses AG reports and governance structures not necessarily how the different governance structures' assurance processes integrate and align so that senior management, ARC, and supervisory committees obtain a comprehensive, holistic view of the effectiveness of their organisation's governance, risks, and controls to enable them to set priorities and take any necessary actions (Huibers, 2015). According to IIA (2013), the Three Lines of Defence model provides a holistic and effective way to enhance communications in organisations on governance, risk management and controls by clarifying essential roles and duties.

5.1.2. Risk Management

Participant 13 mentioned that risk management is not yet matured enough to support the development of combined assurance. According to Barac (2015), the maturity of the organisation's risk management that is in line with the organisation's strategic objectives will determine the success of the combined assurance model. Therefore, assurance activities should be evaluated and mapped depending on the organisation's risk appetite. The maturity of the organisation's Enterprise Risk Management (ERM) process is the precursor to a combined assurance model (Dmitrenko, 2017). Controls are designed to mitigate risks that might hinder the organisation's objectives; therefore, combined assurance and risk management are linked (Decaux & Sarens, 2015). According to Decaux &Sarens (2015), risks are everywhere in organisations; therefore, there is a need for a holistic value-add assurance approach to mitigate the risks and foster decision making.

5.1.3. Stakeholders buy-in and support

According to most respondents, the combined assurance model is developed by CAE without consulting with Internal Audit executives and bringing internal audit staff on board. As a result, IA staff do not understand the combined assurance model used and the audit program developed. CAE mentioned that the Internal Audit team would be trained after the framework has been finalised and approved. As a result, the main stakeholders to be prioritised are Senior Management, ARC and Transversal Committee, responsible for approving the framework. According to Decaux & Sarens (2015), the first imperative component is that combined assurance is a comprehensive concept that requires tone at the top and organisational culture to be implementable. Therefore, buy-in and support of top management are vital as executives will commit resources to the initiative. Combined assurance is efficient when steered from the highest level of authority within an organisation. However, the IA workforce is also essential as the model's selling should rest at IAF, not only the CAE, to be sustainable.

Combined Assurance is a new concept that it is not fully understood, which calls for CAE to sell the product correctly to enhance common understanding. Most research participants mentioned that CAE is not articulating the concept in an understandable manner. As a result, assurance providers do not understand their role within three lines of defence and the reasons behind the model. Most participants mentioned that IAF does not have a working relationship with other assurance providers, making it challenging to work together. Decaux & Sarens (2015) emphasise that the imperative component in setting the groundwork for execution is enlightening stakeholders and creating mindfulness of combined assurance.

A well-defined model and mutual understanding will drive the success of the model execution.

5.1.4. Effective transversal committee

According to some participants, the Transversal committee discusses operational issues and not holistic and comprehensive matters affecting transversal branches. All participants mentioned that the role and responsibility of the committee regarding Combined assurance are not clear, and the committee does not have terms of reference. As a result, the committee met only twice for the past year, and the committee has been discussing the same thing for the past three years as far as combined assurance is concerned, and members are bored and lost confidence in the initiative. According to Masegare (2018, page 139), Combined Assurance Forum should execute and "embed the combined assurance framework principles as approved by the Audit Committee". Decaux & Sarens (2015) further explain that purpose of the Combined assurance is to facilitate the implementation of the Board / Accounting Authority desired level of assurance prerequisite in each area. Therefore, the combined assurance model is not the responsibility of the CAE, but the combined assurance forum as the combined assurance forum is responsible for executing the embed framework (Masegare,2018).

Research participant 9 argues that the combined assurance role champion should be a full-time job to market the model thoroughly. Decaux & Sarens (2015) emphasised that the third vital component is to elect a Combined assurance champion to coordination the combined assurance process. CAE/IAF could effectively fulfil this role because IAF is the only independent assurance provider responsible for the overall assurance of governance, risk, and controls. Therefore, CAE is the better option to champion the model, and the model is supposed to integrate functions; therefore, appointing an extra person will not serve the purpose.

5.1.5. Transversal Structure

Most participants mentioned that the structure does not hinder the development and implementation of combined assurance. Few argued that the LPT transversal structure is bloated, contributing to a high compensation of employees in the province and overlapping day-to-day roles triggering efforts duplication. Few respondents further mentioned that the structure has too many positions at the top and specialised at the bottom. As a result, other senior executives do not understand some directorate they manage; consequently, sometimes critical concerns get misrepresented, and vital information falls off along the way. Furthermore, few participants mentioned that a transversal structure with different branches allow different branches to offer specialised services.

WCPT structure is more of a linear structure, especially at the Senior Management Services level (SMS) with only two transversal branches headed by Deputy Director Generals (DDG) as compared with Limpopo provincial treasury, Gauteng Provincial Treasury and Northern Cape structures with four transversal branches. Furthermore, unlike NCPT, GPPT and Limpopo shared Internal Audit is not situated at Treasury but Office of the Premier. NCPT and GPPT organisational structures are like LPT structure; the difference is that the NCPT structure shared audit committee falls under shared internal audit, and on GPPT, municipal financial governance is a branch on its own. Just like LPT Departments and Public Entities are monitored and supported by four transversal branches. Masegare (2018) argues that government entities' difficulty to achieve clean audit results from the boards and ARC's inability to manage risks effectively and efficiently; a combined assurance model could assist in this regard. According to AGSA (2017), Gauteng, Northern Cape, and Western Cape PTs consistently provided adequate assurance over the past four years. Where else, all other treasuries provided some assurance to provincial departments and public entities. AGSA (2019) National and Provincial Audit Outcomes reported that Gauteng and Western Cape have the highest numbers of clean audits and good financial health, with Northern Cape achieving average rate. Therefore, either way with a linear structure or a broad structure combined assurance can be implemented.

Dmitrenko (2017) argues that the organisation should depend on its operations in choosing the appropriate model for the entity. Organisations can use defence model or assurance model, defence model is the three lines of defences, and the assurance model is implementable by ensuring that assurance providers are part of a single team on the structure. Few participants further mentioned that the linear structure was going to work better. As a result, the vision would be one, and the integration of work would have been easy to execute. However, both Literature and most interview participants agree that either way combined assurance model can be executed successful provided the tone at the top and organisational culture support the model.

Most research participants mentioned that there are so many transversal financial forums/committees without impact and direction. The research participants advised that LPT must review and consolidate some of the transversal financial forums/committees to bring in a combined assurance model for enhanced reporting. According to Simnett, Zhou, & Hoang (2016) integrated reporting required various assurance practitioners' skills and expertise, a broad understanding of value creation transversely, and appreciation of integrated thinking. Maroun & Prinsloo (2020) added that the assurance providers function is responsible for assuring the Board of directors of the reliability, accuracy and completeness of reporting depending on the speciality area. The IR Framework (Reporting, 2013, p. 10) identifies "internal control and reporting systems, stakeholder management and internal audit and other independent assurance services as mechanisms to enhance the reliability of an integrated report". The ability to create a culture of seeing overall strategic objectives, unlike personal individuals plan and indicators, will foster integrated thinking and integrated reporting. Many forums are because of fragmented thinking. Adams (2015) support the above analogy and said that integrated reporting depends on the change in management's thinking pattern and the organisation at large to integrated thinking

Research participant 13 mentioned that LPT assurance providers are competing. Participant 9 argue that "sometimes, in government, it is required that you work on your own because of your ambition, and you do not want other people to come in your space". Participant 2 argue that members of professional bodies are reluctant to work with other assurance providers who are not accountable to a professional body, which might cause impairment in objectivity and independence. Most research participants mentioned that Transversal assurance providers do not want to work together and do not share reports. Participant 2 argued that other LPT assurance providers collude with department, PEs, and fake quarterly reports to evade travelling for verifications and assessments. According to Masegare (2018), independence and objectivity are susceptible within the assurance providers' profession, resulting in assurance providers unwilling to share information or depend on each other's work to protect quality requirements set by their professional bodies. Therefore, possibilities of conflicts of interest should be managed to remain significant and achieving quality requirements as assurance providers; the following measurements in Table 2 should be observed:

Table 1: Combined Assurance assurers' criteria

	CATEGORY	MINIMUM REQUIREMENTS
1	Qualification	The assurance provider should hold an appropriate qualification.
2	Conflict of Interest	In the areas/aspects in which assurance is to be provided, there should not be any conflict of interest (could require a declaration in this regard).
3	Independence/ Objectivity	Independent reporting lines, no recent direct involvement and/or work done in the area/aspects to be audited.
4	Skills	The assurance provider should have the appropriate skills and experience to effectively conduct the assignment.
5	Assurance methodology	A sound audit/review methodology should be adopted by the assurance provider. Ideally, a risk-based approach should be followed. The reported findings and opinions should be supported by adequately documented working papers/audit trails.
6	Accreditation body/Registration	Ideally, the assurance provider should be accredited or registered with a recognised accreditation body for the areas/aspects over which he/she is providing assurance.

Source: Masegare (2018, page. 139)

5.2. Summary

Evaluation of challenges associated with the implementation of combined assurance in LPT revealed that the implementation of the combined assurance model depends on the change in organisational culture and integrated thinking.

Although most individual research participants agree that transversal structure is appropriate for implementing combined assurance, much work must go into integrated reporting and integrated thinking. Both literature and most interview participants agree that either way combined assurance model can be executed successful provided the tone at the top and organisational culture support the model.

It must be noted that from all the individual research participants interviewed; the research participants further mentioned that IAF has challenges defining the appropriate defence model for LPG and mapping assurance providers.

Most research participants mentioned that CAE is not understandably articulating the concept. As a result, assurance providers do not understand their role within three lines of defence and the reasons behind the model. Most participants mentioned that IAF does not have a working relationship with other assurance providers, making it challenging to work together.

Most research participants mentioned that there are so many transversal financial forums/committees without impact and direction. The research participants advised that LPT must review and consolidate some of the transversal financial forums/committees to bring in a combined assurance model for enhanced reporting.

Individual Participant 13 mentioned that risk management is not yet matured enough to support the development of combined assurance. The literature emphasises that the model's success depends on the organisation's risk management maturity that is in line with the organisation's strategic objectives. Therefore, assurance activities should be evaluated and mapped depending on the organisation's risk appetite.

According to some participants, the Transversal committee discusses operational issues and not holistic and comprehensive matters affecting transversal branches. In addition, all participants mentioned that the role and responsibility of the committee regarding Combined assurance are not clear, and the committee does not have terms of reference.

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6. SUMMARY, CONCLUSIONS, LIMITATIONS, AND RECOMMENDATIONS

Introduction

This chapter conclude this research and make recommendations to the patrons earmarked from this study such as policymakers and combined assurance practitioners from both the public and private sectors. The study will also contribute towards generating a body of knowledge within the field of Governance and Compliance and benefits researchers, policymakers, and academics. Recommendations of this study project are made to the policy makers, future researchers, and Limpopo Provincial Treasury.

6.1. Summary

Organisations expand, and business operations evolve & become more multifaceted; the growth leads to the board and ARC requiring more assurance providers' functions to oversee achievements of objectives. The multiple uses of assurance providers' activities in isolation cause the board and audit committees to suffer from effort duplication, leading to assurance fatigue. The purpose of the study is to explore challenges associated with the implementation of the combined assurance model by Limpopo Provincial Treasury (LPT) and develop possible solutions in the form of recommendations for LPT to improve. The study follows the qualitative research method to achieve the research objectives. This research uses unstructured and semi-structured individual interviews to collect primary data from LPT assurance providers, Auditor General South Africa (AGSA) and Departments and Public Entities Chief Financial Officer as LPT's stakeholders. Interview questions have been developed for use during the primary data collection to interview individual participants. Permission has been requested from the HOD of LPT to interview the research participants.

6.2. Conclusions

The following are five critical issues that identified during this research study, which will generate a conclusion for the study:

a) Integrating and aligning assurance processes
b) Risk Management
c) Stakeholders buy-in and support
d) Effective transversal committee
e) Transversal structure

6.2.1. Integrating and aligning assurance processes

Limpopo provincial government has adopted a centralised approach regarding establishing the Combined Assurance Model as opposed to a decentralised system. The plan is to create the model twofold: LPT assurance providers work together to provide assurance oversight to LPDs & PEs and provide a framework for departments and public entities assurance providers to execute functions and report to LPT. As a result, the model is complex and require skills and in-depth knowledge of government processes and risk. However, due to the LPG centralised model and LPT transversal structure complexity, a defence model will be a practical option to map and identity assurance providers.

6.2.2. Risk Management

LPG risk management is not yet matured enough to support the development of combined assurance. The literature emphasises that the model's success depends on the organisation's risk management maturity that is in line with the organisation's strategic objectives. Therefore, assurance activities should be evaluated and mapped depending on the organisation's risk appetite.

6.2.3. Stakeholders buy-in and support

Combined Assurance is a new concept that it is not fully understood, which calls for CAE to sell the product correctly to enhance common understanding. CAE is not understandably articulating the concept. As a result, assurance providers do not understand their role within three lines of defence and the reasons behind the model. In addition, IAF does not have a working relationship with other assurance providers, making it challenging to work together.

6.2.4. Effective transversal committee

The transversal committee does not add value to the development of a combined assurance. The committee's roles and responsibility regarding Combined assurance are not clear. The committee does not have terms of reference; therefore, the transversal committee and other assurance providers do not own a combined assurance model.

6.2.5. Transversal Structure and Integrated thinking

Evaluation of challenges associated with the implementation of combined assurance in LPT had revealed that achievement of the implementation of the combined assurance model depends on the change in organisational culture and integrated thinking. Although most individual research participants agree that transversal structure is appropriate for implementing combined assurance, much work must go into integrated reporting and integrated thinking. literature and most interview participants agree that either way combined assurance model can be executed successfully provided the tone at the top and organisational culture support the model.

This study aimed mainly to explore challenges associated with the implementation of the combined assurance model by Limpopo Provincial Treasury. The research objectives were achieved through virtual individual interviews and literature review. However, recommendations in this study have been made in this Chapter paragraph 6.3 below.

6.3. Limitations

Most Interviews were conducted through a virtual platform due to COVID 19 restrictions therefore, verbal observation and body language could not be clearly studies and identified. Due to limited time to complete the research through review of literature could not be performed. Focus group interview could not be performed to triangulate with individual participants results due to COVID restrictions.

6.4. Suggestions for Further Research

This study revealed that literature on combined assurance, especially for public sector, is very limited as the area has not been excessively researched. In addition, research on applicable defence model for a centralised provincial government is limited. There is limited research exploring alignment of combined assurance and integrated reporting. Research on combined assurance mostly focus on the financial aspects not holistic view and does not incorporate all assurance providers in an organisation. More research is needed on combined assurance model to develop adequate understanding of the model, ensure abundance of available literature and clarification of frustrations around combined assurance and integrated reporting. Suggestions for further research is put forward as follows:

a) Combined assurance model for shared provincial government

6.5. Recommendations

The study makes the following recommendations to address the findings of this study as follows:

6.5.1. LPT should start by ensuring that transversal assurance providers work together to provide integrated assurance oversight to LPDs & PEs. The purpose of the mapping and alignment of roles and responsibilities is to mitigate duplication of efforts and to work towards developing integrated assurance report to Public Entities and Departments. Roles and responsibilities should be categorised and mapped to form part of integrated report.

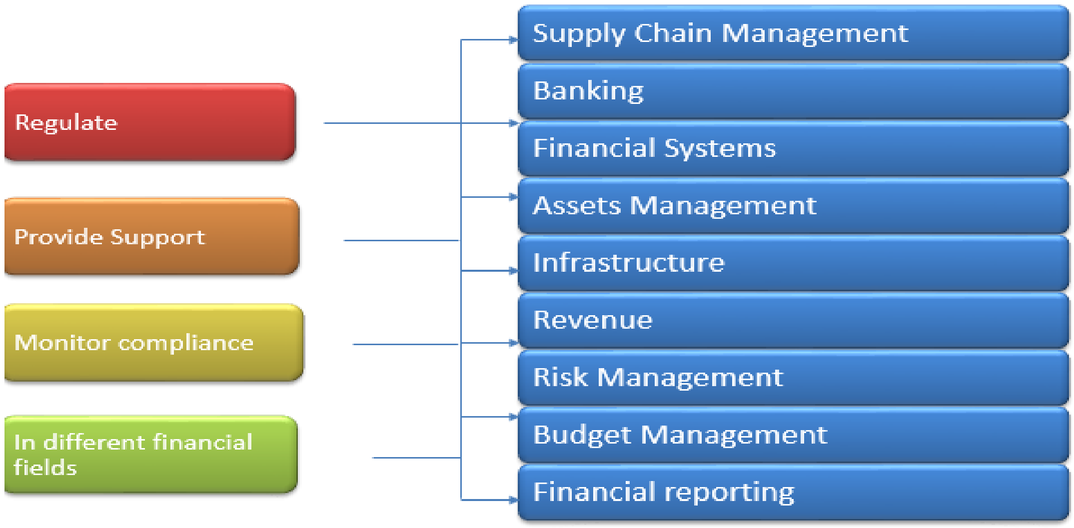

Figure 7: Categorise LPT Assurance providers overall roles and responsibilities

Source: (student's own,2021)

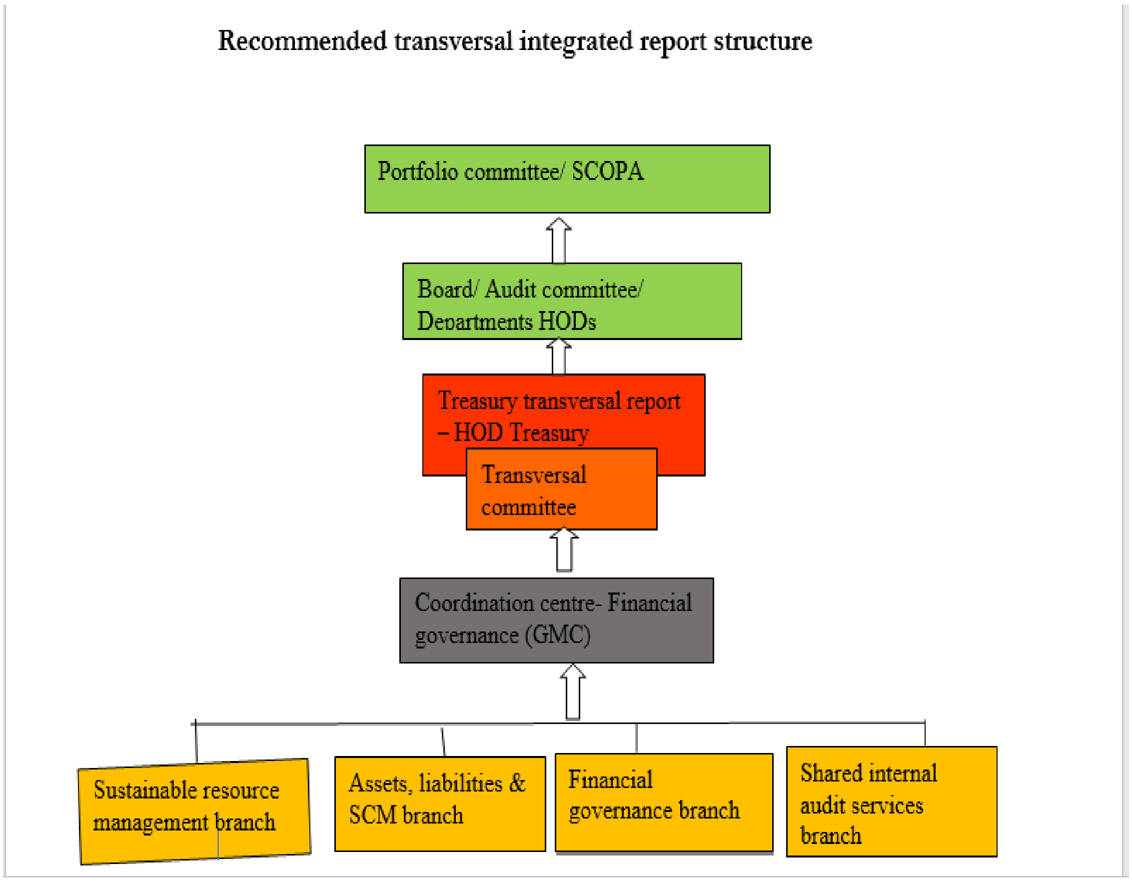

Figure 8: Recommended transversal integrated report structure
Source: (Student's own, 2021)

6.5.2. Mapping of assurance providers

LPG should carefully identify and map all assurance providers from departments, public entities, external assurance providers and regulators. The fourth line of defence should be used to identify and map regulators and external assurance providers. LPG should strengthen Transversal risk management to ensure that top risks are correctly identified and managed, and risk appetite are carefully identified. Therefore, assurance activities should be evaluated and mapped depending on the organisation's risk appetite.

Lines of defence are proposed as follow:

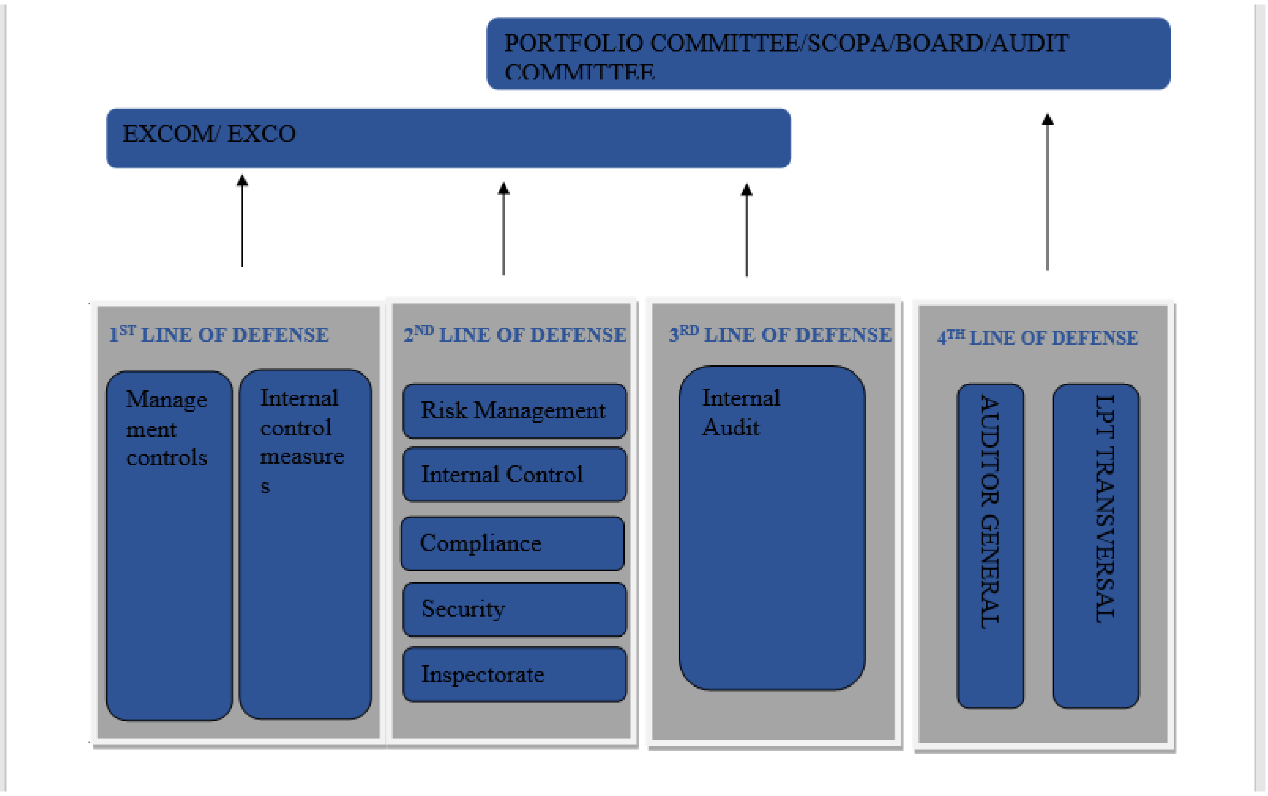

Figure 9: Lines of defence
Source: (Student's own)

6.5.3. Transversal committee and integrated thinking

Roles and responsibilities for the transversal committee towards combined assurance should be specified in terms of reference. The committee should be accountable and responsible for combined assurance. CAE and the Transversal committee should sell combined assurance to top management and all assurance providers. The committee should use other platforms as function newsletters and intranet to sell the benefits of combined assurance to the rest of the organisation.

Individual performance contract should have combined assurance as crucial performance areas. Joint meetings should be arranged so that assurance providers can learn from each other and learn to work together. The accounting officer should promote integrated reporting and integrated thinking. LPT must review and consolidate some of the transversal financial forums/committees to bring in a combined assurance model for enhanced reporting.

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APPENDICES

Appendix 1.1: Data collection instruments

1.1.1. Individual Participant Information Sheet

Dear Sir / Madam,

My name is Matshidiso Manabalala, and I am a master's student in Business Administration at the University of the Witwatersrand, Johannesburg. As part of my studies, I must undertake a research project, titled 'A combined assurance model to promote integrated reporting in Limpopo Provincial Treasury under the supervision of Dr. K Wotela, Mr. Gumani Tshimomola. The aim of this research project is to investigate and determine the challenges associated with the implementation of combined assurance model by LPT and develop possible solutions in a form of recommendations for LPT to improve.

As part of this project, I would like to invite you to take part in an interview. The interview will involve answering questions asked by myself while I record the answers through your consent to record them. The interview is scheduled to be a once off activity and may only require follow-up questions should something pertinent to the project arises. The duration of the interview is between 30 and 45 minutes. With your permission, I would like to record the interview using a digital device. Moreover, this interview will likely occur virtually given the current COVI-19 protocols that are in place.

There will be no personal costs to you if you participate in this project, you will not receive any direct benefits from participation but there are no disadvantages or penalties if you do not choose to participate or if you withdraw from the study. You may withdraw at any time or not answer any question if you do not want to. The interview will be completely confidential and anonymous as I will not be asking for your name or any identifying information, and the information you give to me will be held securely and not disclosed to anyone else. I will be using a pseudonym (false name) to represent your participation in my final research report. If you experience any distress or discomfort at any point in this process, we will stop the interview or resume another time.

If you have any questions during or afterwards about this research, feel free to contact me on the details listed below. If you wish to receive a summary of this report, I will be happy to send it to you. The data collected from this research project will be stored in my personal computer with password-controlled access and will be kept for 10 years, after which it will be discarded. With your permission the data collected from this research project may be used by other researchers. If you have any concerns or complaints regarding the ethical procedures of this study (WBS/BA2289272/202), you are welcome to contact the University Human Research Ethics Committee (Non-Medical), telephone +27(0) 11 717 1408, email hrec-medical.researchoffice@wits.ac.za

Yours sincerely,

1.1.2. Participant Consent Form

A COMBINED ASSURANCE MODEL TO PROMOTE INTEGRATED REPORTING IN LIMPOPO PROVINCIAL TREASURY

Matshidiso Manabalala

I, ……………………………………., agree to participate in this research project. The research has been explained to me and I understand what my participation will involve. I agree to the following:

(Please circle the relevant options below).

I agree that my participation will remain anonymous	YES	NO
I agree that the researcher may use anonymous quotes in his / her research report	YES	NO
I agree that the interview may be audio recorded	YES	NO
I agree that the information I provide may be used anonymously after this project has ended, for academic purposes by other researchers, subject to their own ethics clearance being obtained.	YES	NO

…………………………………… (signature)
…………………………………… (name of participant)
…………………………………… (date)

…………………………………… (signature)
…………………………………… (Matshidiso Manabalala)
…………………………………… (date)

1.1.3. Individual Interview Questions

Introduction

A: My name is **Matshidiso Manabalala** currently studying towards a master's in business administration degree at Wits Business School. This interview will aid me in acquiring your expertise knowledge and information with regards to exploring challenges associated with implementation of combined assurance model by LPT.
B: (**Purpose**) The objective is in twofold: First, I want to acquire information about the role your organisation or department plays about providing control environment assurance. Secondly, I would like to tap into your knowledge to get further understanding on the challenges associated with the smooth implementation of the combined assurance model.
C: (**Motivation**) Your input will make it possible towards the implementation of combined assurance within Limpopo provincial government and alleviate assurance fatigue.
D: (**Time allocation**) This interview is scheduled to last between 30 and 45 minutes.
E: The interview is comprised mainly of the structured open-ended questions, and has 5 sections (section A to E)

A. Biographical & general information

1. How long have you been working in this organisation and in what capacity?
2. What is the role of your organisation and/or section towards providing assurance?
3. What do you understand by combined assurance and what is your role in implementation of combined assurance?
4. Do you feel like you (units) are adding value to the overall achievements of the strategic objectives of your Organisation?
5. Do you think combined assurance is necessary and adding value to the Departments and Public Entities and why or why not?

B. What are the challenges associated with the smooth implementation of the combined assurance model?

1. What are challenges associated with implementing combined assurance model in your organisation?
2. How have the challenges been experienced by the team responsible for implementation of combined assurance model identified and resolved?

C. Is the Limpopo Provincial Treasury transversal structure appropriate to enable the implementation of combined assurance?

1. Does Limpopo Provincial Treasury have sufficient skills and capacity to implement combined assurance and why?
2. Is Limpopo Provincial Treasury transversal structure adding value to the Departments and Public Entities?
3. Are Limpopo Provincial Treasury transversal branches working in silos and why?
4. In your view, Are Limpopo Provincial Treasury transversal reports integrated and why?
5. Is Limpopo Treasury Transversal structure working properly as per the requirements of the PFMA to support both the Departments and Public Entities and why do you say so?

D. Are the assurance activities enabling better and improved decision making which create value to Departments and Public Entities?

1. Are Limpopo Provincial Treasury transversal branches adding value to the overall achievements of Public Entities and Departments strategic objectives, why?
2. Are multiple assurance providers leading to strengthening of control environment or assurance fatigue, and why?

E. Are the assurance activities enabling better and improved decision-making that create value add to Departments and Public Entities?

1. Are the Limpopo Provincial Treasury assurance providers speaking one language, with one voice and one view, and why do you say so?
2. Throughout your interaction with LPT assurance providers, have you ever experienced instances of efforts duplication, contradicting reports /recommendations by- Limpopo Provincial Treasury transversal branches? If so, how did you deal with the situation?

Appendix 2.1: One-page bio of the researcher including declaration of interest in the research

Matshidiso "Tshidi" Manabalala is the second daughter of Ngoakoana Johanna Manabalala and the late Ngoako Hendrick Manabalala. Her love for business sustainability and understanding business processes and systems was due to being an active member of a dormant family business struggling to survive. The stead of the family business led her to study internal auditing with the hope of assisting organisations to manage risk, controls, and governance to stay relevant despite growth and new development within the business space. Matshidiso Manabalala has vast experience in analysis and providing assurance and consulting services on the effectiveness and adequacy of internal controls, risk management and governance processes.

She has been in the finance and internal audit field for about 10 years before joining Limpopo Provincial Treasury as Assistant Director: Public Entities Governance Oversight. The new role at LPT comprises of advising Audit Committees and the Board regarding governance and financial management, prompted the desire to study master's in business administration, with the intention to understand business and latest development to be able to add value to overall achievement of business strategies and sustainability.

She holds Post Graduate Diploma in Internal Auditing from Tshwane University of Technology and certified Internal Audit Technician from the Institute of Internal Auditors. She is an analytical thinker, strategist, focus and ambitious individual. She is a Board member at King Harvest Academy (NPO), also a member of the institute of Directors and Institute of Internal Auditor. She is currently studying towards becoming a certified director with the Institute of Directors and Professional Internal Auditor (PIA) with the institute of Internal Auditors. She is the Founder, Teacher and Mentor of Kingdom kidz ministry, guiding and mentoring Children regarding the issues of life. She is passionate about helping people discover their identity, maximising the moment and intercession.

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Appendix 2.2: Ethic documentation

ETHICS
CLEARANCE.pdf

Appendix 3.1: Dully filled in data collection instrument(s)

LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

Enq : Ms Manabalala M L
Tel : 015 298 7190

University of the Witwatersrand
Wits Business School
Parktown
Johannesburg
2193

Dear Ms Manabalala

RE: REQUEST FOR PERMISSION TO CONDUCT ACADEMIC RESEARCH STUDY AT LIMPOPO PROVINCIAL TREASURY

Your letter dated 1 November 2020 regarding the above mentioned matter bears reference.

Kindly be informed that your request to conduct an academic research study at Provincial Treasury on "Challenges associated with the implementation of the combined assurance model within the Limpopo Provincial Treasury is approved.

You are requested to adhere to the protection of information ACT 84 of 1982 section 4 in conducting your research.

Lastly, I wish you all the best for your studies.

G C Pratt CA (SA)
Head of Department
Limpopo Provincial Treasury
Date: 5/2/2021

[illegible]

The heartland of southern Africa - development is about people!