Cape Peninsula
University of Technology

# Role of Compliance Units in the Adoption of a Combined Assurance Framework within Provincial Government Departments in the Western Cape

**BY**

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**Signed** **Date**

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## DEDICATION

I dedicate this work to my late aunt Mrs Margaret Zana, who passed away in September 2022. Her words to me every year on my birthday were, “never give up”, and if it weren’t for people like her in my life and the grace of God, I would not have made it this far. May her soul rest in peace. I also dedicate my work to my beautiful girls; you are my reason and inspiration.

## ABSTRACT

This study sought to examine the role of compliance units in the adoption of a combined assurance framework within provincial government departments in the Western Cape. It strives to avoid risks being managed in silos and ensure risks are efficiently managed collaboratively. A combined assurance framework provides a coordinated approach to all assurance activities. It aims to optimise the assurance coverage obtained from management and internal and external assurance providers on the risk areas affecting an organisation. Compliance is an independent function that supervises and participates in placing internal procedures in conformity with regulations within the context of the integrity policy covering fields such as corporate governance and fields possibly required by respective Boards of Directors, taking account of risks in various activities. This study followed a qualitative approach, and data was collected by interviewing various officials within the provincial government departments. Content analysis was used as the approach to analyse data. A sample of 11 respondents ranging from CAEs, CFOs, Internal Auditors, and Directors was selected to participate in the face-to-face semi-structured interviews. The study aimed to conclude that a combined assurance framework undeniably incorporates the efforts of management and external and internal assurance providers. It builds their alliance and develops a combined and more holistic breakdown of the organisation's risk profile. The general view is that the assurance gap is significant. However, the combined assurance framework will furnish a clear process and criteria for recognising each department's assurance gap and degree of risk coverage. A key recommendation for the current combined assurance framework in the department would be to clearly define each assurance provider's role within the combined assurance framework. This will allow each role player in the combined assurance framework to have a clear understanding of the role they play in the CAF.

**Keywords:** Compliance, Internal Control, Combined Assurance Framework, Western Cape Government Departments

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## LIST OF ABBREVIATIONS

| | |
|---|---|
| ICU | Internal Control Unit |
| CAF | Combined Assurance Framework |
| WCG | Western Cape Government |
| PWC | Price Waterhouse Coopers |
| NTR | National Treasury Regulation |
| PT | Provincial Treasury |
| PFMA | Public Finance Management Act |
| FARMCO | Fraud and Risk Management Committee |
| DOCS | Department of Community Safety |
| DOA | Department of Agriculture |
| DEDAT | Department of Economic Development and Tourism |
| APP | Annual Performance Plan |
| DCAS | Department of Cultural Affairs and Sport |
| DOH | Department of Health |
| DOHS | Department of Human Settlement |
| WCED | Western Cape Education Depart |
| DOTP | Department of The Premier |

| | |
|---|---|
| DTPW | Department of Transport and Public Works |
| DOSD | Department of Social Development |
| DOLG | Department of Local Government |
| DEADP | Department of Environmental Affairs and Development Planning |
| DNA | Deoxyribonucleic Acid |
| IC | Internal Control |

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# CHAPTER 1
# INTRODUCTION TO THE RESEARCH STUDY

## 1.1 BACKGROUND TO THE RESEARCH PROBLEM

The importance of combined assurance can no longer be understated; directors can only comment on the effectiveness and relevance of risk management and internal control systems if they have a more holistic assurance approach. Therefore, if risks are everywhere, why not assurance (Sarens, 2015)? Assurance providers tend to perform assurance activities in isolation, and management, auditees, and the board may suffer from assurance fatigue and cracks that may lead to ineffective reporting to governing bodies (Balkaran, 2021). In addition, receiving multiple opinions places boards in a position of not exercising their oversight role appropriately (Sarens et al., 2012). Therefore, as a result, coordination between the different assurance providers is necessary. The coordination of assurance providers to perform assurance activities permits prompt rationalisation and efficiency gains (Sarens et al., 2012). Combined assurance aims to deliver holistic assurance to the board on the effectiveness of risk management and internal control systems by coordinating assurance activities from numerous sources of assurance. (Dobie & Plant, 2014).

Provincial Treasury issued a framework on combined assurance in June 2012 via PT Circular Mun 29 of 2012; however, in 2014, minimal progress was noted on implementing combined assurance. The combined assurance concept was urged into action since the release of King III in 2009. The framework emanating from the private and public sectors was implemented as a foundation for combined assurance within Provincial Treasury.

With combined assurance being a relatively new phenomenon, it could well become an important area of research owing to the need for the board of directors to comment on the efficiency of their risk management and internal control systems for all kinds of risks (Shortreed, Fraser, Purdy and Schanfield, 2012; Soh & Martinov-Bennie,2011).

According to the King IV report, the adoption and implementation of combined assurance in the government can change financial management because it is recommended as a governance practice. (Naher, Hoque, Hassan et al.,2020) accentuated that governance within government practises the same consideration as governance in the private sector because unethical behaviour in the corporate sector impacts the shareholders of a company and adversely affects citizens in the public sector. In another study, it became evident that in the public sector, management is increasingly required to attest to an effective internal control system and sound governance in their areas of responsibility (Dubihlela & Mukono, 2022). Therefore, a combined assurance approach is encouraged to verify correct coverage against chief ethics risks concerning assurance services linked to ethics management. Management and internal and external assurance providers are principal role players in administering assurance to the councils over risks in public sector entities. The King IV report has further elaborated on this concept specifying that a combined assurance framework incorporates and enhances all assurance services and tasks so that, taken as a whole, these allow for an effective control environment, backing the integrity of data used for decision making by management, the governing body and its committees, and aiding the integrity of the external organisational reports. The recommendation resulted from a common understanding that more can be done to boost assurance coverage and quality through better coordination of assurance providers.

Combined assurance as a business paradigm is new, and as a result, there is little research about the role of compliance units adopting the combined assurance framework. This study will seek to scrutinise and provide insight into compliance units' role in adopting combined assurance in the Western Cape provincial public sector.

## 1.2 Statement of the Research Problem

The combined assurance framework undeniably incorporates management's efforts, and external and internal assurance providers build their alliance and develop a combined and more holistic breakdown of the organisation's risk profile (Makhongela, 2022). It has been recognised as a strategic management tool that builds on current enterprise risk management processes and aims to render accounting officers or authorities and management of departments and institutions with a formalised and documented framework

and process to manage the arrangement of assurance efforts in the most favourable and integrated manner (Western Cape Government, 2015). This framework allows management to be prevented from being overwhelmed by information and reports and folding to "assurance fatigue" by combining and aligning assurance processes so that senior management, audit and supervisory committees obtain a comprehensive, holistic view of the efficacy of their organisation's governance, risks and controls to permit them to set priorities and take any required actions.

In the current Western Cape Government environment, assurance is gained from different categories of assurance providers who are each ruled by different mandates, standards and statutes. In addition, assurance providers are confronted with the challenge of scarce resources warranting assurance on all critical risks that departments face. The service delivery end is constantly negatively impacted by the restricted coordination and integration of assurance efforts, and in some occurrences, it results in audit and assurance fatigue (Western Cape Government, 2015).

The general view is that the assurance gap is significant. However, certain assurance activities are being piloted in a controlled environment but are not officially recognised and considered when assessing the assurance gap. This demands a formalised process to extensively assess assurance affiliated with each risk, guaranteeing that assurance gaps and excessive assurance are spotted and addressed suitably through the integration and coordination of assurance efforts. The combined assurance framework will therefor furnish a transparent process and criteria for recognising those activities and give reliable information on the assurance gap and degree of risk coverage in each department.

The problem is important for research as the implications of poor risk management and governance in the public sector ultimately affect the citizens (Naher et al., 2020). This study will be the first of its kind and will aim to add to the body of knowledge.

## 1.3 Research Objectives and Questions

### 1.3.1 Research objectives

#### *1.3.1.1 The aim of the study:*

The study aimed to determine what role the compliance unit plays in implementing the combined framework within provincial government departments in Western Cape.

#### *1.3.1.2 The Objectives of the study:*

- To determine the elements of the combined assurance framework.
- To determine the relevance of the combined assurance framework to the compliance units of provincial government departments in the Western Cape.
- To determine the adoption of a combined assurance framework in the provincial government in the Western Cape.
- To establish the role of compliance units in adopting the combined assurance framework in provincial government departments in Western Cape.
- To determine the risks compliance units are more concerned about in the combined assurance framework within provincial government departments in Western Cape.

### 1.3.2 Research Questions

- What are the elements of the combined assurance framework?
- How relevant is the combined assurance framework to the compliance units of provincial government departments in the Western Cape?
- How is the adoption of the combined assurance framework in provincial government departments in the Western Cape determined?
- How is the role of the compliance units in the combined assurance framework in provincial government departments established?

- What risks are compliance units more concerned about in the combined assurance framework within provincial government departments in the Western Cape?

## 1.4 Research Design, Methodology and Methods

A research design is a procedure for executing the research and the strategy adopted to solve research questions (Leedy & Ormrod, 2010). According to McCombes (2019), a research design also called a research strategy, is a plan to finally provide an answer to the problem or set of questions. A qualitative cross-sectional design was followed in this study. Data collection occurred by interviewing various officials affiliated with assurance services within the Provincial Government Departments within the Western Cape. The study was conducted utilising a qualitative method. Qualitative research at its centre, pose open-ended questions whose answers are not easily put into numbers such as 'how' and 'why' (Cleland, 2017).

This study's population comprised all employees working within the compliance units of the 13 provincial government departments. A sample is a small number of people from a population participating in a survey and from whom the findings are generalised to the entire population (McCombes, 2019). Therefore, the sample size represented the entire population (du Pooley-Cilliers et al., 2014). A Sample of eleven (11) respondents, consisting of Chief Audit Executives, Senior Managers, Internal Auditors, Directors, Deputy Directors, Risk Managers and CFOs, was utilised.

Constructivism and interpretivism are related concepts that address understanding the world as others experience it. Constructivists differ from positivists in assumptions about the nature of reality, constructivism argues that individuals' views are directly influenced by their experiences, and it is these individual experiences and views that shape their perspective of reality (Corner, Murray & Brett, 2019)

A constructivist paradigm was most applicable for this study on the question of what is real. Interpretivists believe that reality is subjective, multiple and socially constructed (Saunders,

Lewis, & Thornhill, 2012) and that there are as many intangible realities as people are constructing them; as opposed to the positivism paradigm on the question of what is reality, positivists hold that there is a single, tangible reality that exists and that can be understood, identified and measured (Park, Konge & Artino, 2019).

Data were collected by conducting and recording semi-structured interviews via the MS Teams platform with senior managers, directors, and senior personnel within compliance units. The interviews aimed to give respondents an untainted voice and inspire them to respond with honest views. The interviews were later analysed on the ATLAS. Ti Software. To prevent respondents from being taken out of their environments and producing fabricated, out-of-context results, the interviews would have taken place in the respondents' places of employment. However, face-to-face interviews were no longer an option due to the pandemic and had to be conducted virtually.

Data collection commenced by purposively identifying senior personnel in compliance units, senior managers, and directors. The respondents were sent an email requesting them to participate, and if no response was received after two days, respondents were telephonically contacted as a follow-up measure. Interview appointments of 30-40 minutes were secured via the MS Teams platform at a time most convenient to them. Respondents were asked the same questions to reduce bias and harmonise data capturing.

Content analysis was used as the approach to analyse data. Making sense of the (often unstructured) content of messages, whether they be texts, photos, symbols, or audio data, is the goal of content analysis, a research methodology. To put it briefly, the goal is to ascertain the meaning of the text (Gheyle, & Jacobs, 2017). This technique was relevant as it allowed the researcher to enhance their understanding of the data by testing theoretical issues. The software program, ATLAS-Ti was used as the data coding tool to reduce and display data (Creswell, 2012:241).

The research design, methodology and methods employed in this study are elaborated on in Chapter 3.

## 1.5 Demarcation of Study

Delimitations are boundaries of a study and will therefore be in the researcher's control (Merriam, 2009). The study focused on the 13 Provincial Departments in the Western Cape and excluded State Owned Entities and Local Government Departments. (See Figure 1.1).

*Figure 1.1: Western Cape Government territory*

Source: (WCG)

## 1.6 Significance of the Study

The study is significant to the body of knowledge in that it is directed in the Western Cape context concerning compliance issues in the public sector on implementing the combined assurance framework. The anticipated outcome of the study was to highlight the vital role the compliance unit has in implementing the combined assurance framework. The compliance unit plays a critical role in mitigating weaknesses in regulatory risk management and internal controls. Therefore, the compliance unit should be tailored to the entity's operations' nature, scope and complexity. This means that management should define the professional skills and industry knowledge that the compliance unit is required to possess in order to be able to fulfil its responsibilities. For the compliance unit to operate effectively, it should be allocated the necessary resources for training and continuing

professional development and additional capacity and expertise when needed. Having a professional and skilled compliance unit would mean that the Western Cape Provincial Government would have a compliance unit that would provide satisfactory assurance, ultimately impacting the citizens. In addition, the release of King IV and its augmented focus on substantive outcomes of compliance efforts as opposed to standard tick-box compliance has strengthened the need for a compliance function which accomplishes the desired compliance outcomes.

## 1.7 Outline of the Study

**Chapter 1** provides the background and introduction. A synopsis of the study follows with the remainder of the thesis divided into four chapters providing the information and data pertinent to the study:

### Chapter 2 - Literature Review

The purpose of the literature review was to produce evidence of previous research in the field of study and show that the thesis has not duplicated previous findings. Furthermore, it shows how the intended research adds to and is positioned within the current body of knowledge.

### Chapter 3 - Research Design and Methodology

This is a key element of the research proposal and, therefore, a crucial section. In this section, the research method of analysis will be clarified, and the sampling methodology will be determined.

**Chapter 4 - Data Analysis**

Data analysis is the methodical process of gathering, organizing, transforming, characterizing, modeling, and interpreting data. Statistical techniques are typically used in this process (Eldridge, 2023). Every time we make decisions in our day-to-day lives, we can observe a basic instance of data analysis in action by considering the past or the potential outcomes of our choice. This is essentially the process of doing a study on the past or the future and then coming to conclusions (Kelly, 2023).

**Chapter 5 - Discussion and Conclusions**

The discussion aims to interpret and describe the importance of the study's findings about what was previously known about the research problem under investigation. In addition, it explains any new understanding or insights resulting from the study of the problem.

The goal of the paper's conclusion is to restate the main argument. The reader is reminded of the strengths of the main argument(s) and restates the most important evidence backing those argument(s).

## 1.8 CHAPTER SUMMARY

This chapter addressed internal control and a compliance unit's role in adopting the Western Cape Government's combined assurance framework. It also examined the problem statement of the study. Next, the chapter stated the purpose, significance, objectives and research questions the study will address. The main focus areas and the country overview have been explained to serve as the foundation for the study. It concludes with the study's outline and a delimitation, which also serves as a demarcation to make it more transparent to readers who might want to make a meaningful interpretation of the study. Finally, the chapter provided a clear introduction and background as a preamble to the study.

The following chapter will provide an overview of the Western Cape provincial government, a review of the Western Cape provincial government internal controls, expand on combined assurance.

# CHAPTER 2
# LITERATURE REVIEW

## 2.1 Introduction

In the previous chapter, elements around the identification and clarification of the problem were discussed, which launched an understanding that in the current Western Cape Government, assurance is gained from different categories of assurance providers who are each ruled by different mandates, standards, and statutes. In addition, assurance providers are confronted with the challenge of scarce resources in warranting that assurance is provided on all key risks that departments are facing. The service delivery end is constantly negatively impacted by the restricted coordination and integration of assurance efforts, and in some occurrences, it results in audit/ assurance fatigue (Western Cape Government, 2015). Whilst there is duplication of assurance efforts on some crucial risks, there is an absence of assurance on a substantial number of key risks, leading to an assurance gap. In addition to the problem, it also discussed the objectives and the purpose of the study, which is to establish what role the compliance unit plays in implementing the combined assurance framework within provincial government departments in the Western Cape.

The current chapter provides a detailed iteration of the literature review. It begins by identifying what the Western Cape Provincial Government structure is and will also provide further insight into what statutory instruments provide for establishing compliance units. Provincial Treasury issued a framework on combined assurance in June 2012 via PT Circular Mun 29 of 2012. However, in 2014, minimal progress has since been noted in implementing combined assurance. It will elaborate on the roles and responsibilities of the compliance units and whether a combined assurance framework has been adopted. As such, this model will also be discussed in detail. The investigation is significant to the discipline because it focuses on the Western Cape concerning compliance matters in government spheres on applying this framework. Therefore, this study will examine the role compliance units have in adopting the combined assurance framework.

## 2.2 Overview of the Western Cape Provincial Government

The Western Cape is a province of South Africa situated on the country's southwestern coast. It is the fourth largest of the nine provinces and the third most populous, with more than 6.3 million inhabitants (PGWC: Provincial Treasury - Provincial Economic Review & Outlook – PERO, 2016). The Western Cape Government consists of 13 provincial departments.

For the 19/20 financial year, departments have been allocated a budget of R67 148 billion, and they are responsible for implementing laws and providing services to the citizens of the Western Cape (PGWC: Provincial Treasury, Budget Summary, 2019).

The services sector is the province's biggest driver of economic growth and job creation. This province has also managed to preserve its significant comparative trade advantage in the agri-processing value chain and numerous services sectors. (See Figure 2.1).

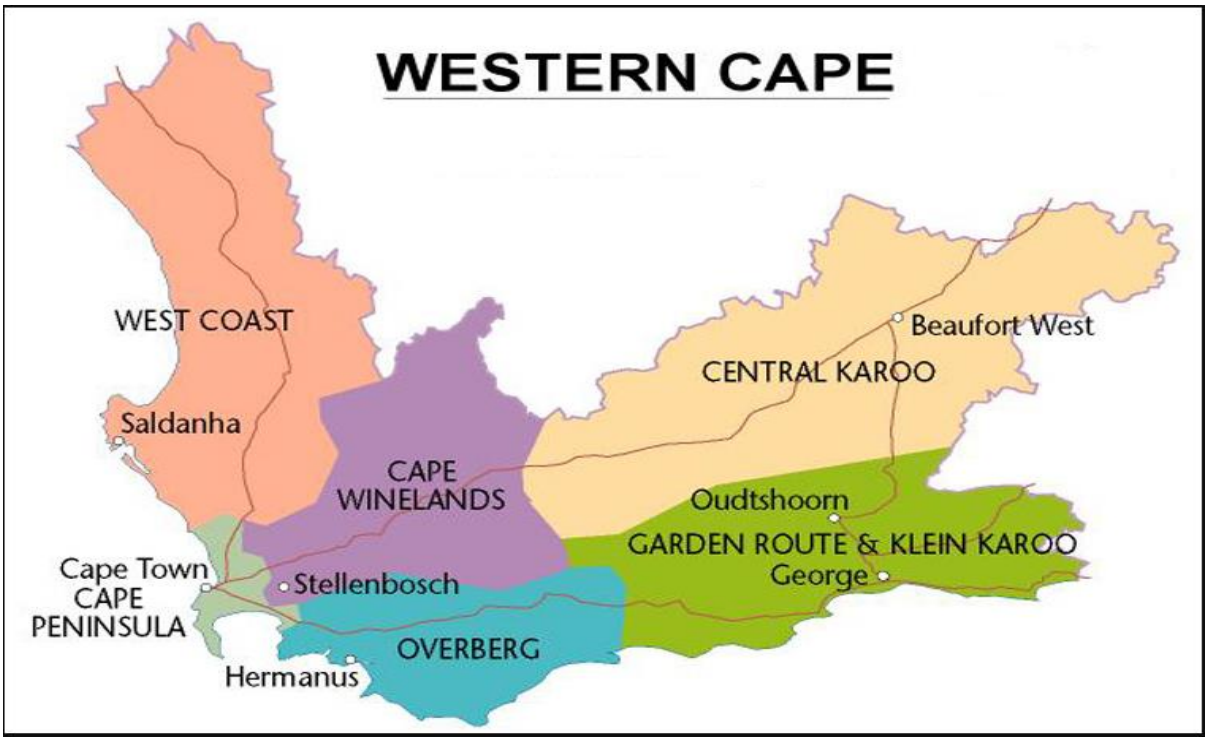


*Figure 2.1: Western Cape map*

Source: (WCG, 2020)

Below is a brief profile of each provincial Department in the Western Cape. The financial management unit is responsible for providing effective support service (including monitoring and control) regarding budgeting, financial accounting, moveable assets, motor fleet service, provisioning and procurement and caretaking of information technology (WCG Dept. Of Agriculture, Promotion of Access to Information, 2019). Financial Management is the responsibility of the Chief Financial Officer, appointed in terms of Chapter 2 of the NTRs and reports directly to the Accounting Officer (WCG: Provincial Treasury Annual Performance Plan, 2014/15/2016/17). This sub-programme is spread across four sections: Management Accounting, Financial Accounting, Supply Chain Management, and Internal Control.

The Internal Control section must ensure that effective internal control measures are in place throughout the Department, particularly in high-risk areas, also the prevention of adverse internal and external audit findings and provision of secretariat services to the Fraud and Risk Management Committee (FARMCO) (WCG: Provincial Treasury Annual Performance Plan, 2014/15-2016/17). The establishment of an effective system of internal control emanates from section 38 of the Public Finance Management Act. Internal control is broadly defined as a process undertaken by an institution's Accounting Officer, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives (WCG, Department of Agriculture Annual report, 2013/14). It includes all processes and procedures management implements to ensure that revenue, expenditure assets and liabilities are managed effectively and efficiently. Management is accountable to the Accounting Officer for designing, implementing, and monitoring the process of internal control (Enow, Kasse & Dubihlela, 2023). The internal control unit forms an integral part of the internal control system. In order to carry out its role effectively, the internal control unit maintains a degree of independence from the other financial management activities, although being part of the organisational structure of the Office of the Chief Financial Officer (WCG, Department of Agriculture Annual report, 2013/14).

### 2.2.1 Department of Agriculture

This Department is mainly responsible for the promotion of agriculture in all its rich diversity in the Western Cape. In addition, the Western Cape Department of Agriculture offers a broad range of development, research, and support services to the agricultural community in this province.

Approximately 45% of South Africa's exports pass through the Western Cape and add value of just below R21 billion per annum in this sector. The agricultural sector stimulates growth in the Western Cape and is also a key factor in sustainable job creation opportunities (Western Cape Government, 2020).

### 2.2.2 Department of Police Oversight and Community Safety

The aim of the Department of Community Safety is to increase safety for all citizens within the province by enhancing safety through plausible oversight of policing, making safety everyone's responsibility and optimising safety and security risk management (DOCS Annual Report, 2018/19).

The Department's work is supported by, amongst others, the Western Cape Community Safety Act (3 of 2013) and further embedded in Provincial Strategic Objective 5 (PSO5), "Increasing Safety", the objective of which is to make every community in the province a safe place in which to live, work, learn, relax and move about (Western Cape Government, 2020).

### 2.2.3 Department of Cultural Affairs and Sport

The Department of Cultural Affairs and Sport (DCAS) incentivise excellence and inclusivity to unify people through sport and culture and promote a creative and active Western Cape. This Department aims to bind communities as a strong and unified nation and generate opportunities, through funding and collaboration, for participating in most areas of human endeavour. By doing this, the departments create an environment for access and mass participation, talent identification and skills development

(Western Cape Government, 2020). In addition, this Department focuses on ensuring the well-being of residents through participation in sport and recreation, the soul of our province through our work on preserving and popularising the heritage, language, culture, and arts and finally, the social fabric of our province by focusing on youth facing poverty, exclusion, safety risks and unemployment (DCAS Annual Performance Plan, 2020/21).

### 2.2.4 Department of Economic Development and Tourism

The vision of the Department of Economic Development and Tourism in the Western Cape is to have a vibrant, innovative, and sustainable economy that's classified by growth, employment and equitable opportunities and built on the full potential of all (Western Cape Government, 2020). In order to realise this vision, the Department leads the Western Cape by using its comprehension of the regional economy, its capacity to recognise economic opportunities and potential and its contribution to government economic opportunities (DEDAT APP 2019/20).

The Department is an essential link between communities, businesses, and the public sector. It is not only responsible for the implementation of projects and programmes but also has a significant impact on economic growth development and inclusion, which is a key objective of the Western Cape Government (DEDAT APP 2019/20).

The aim of this Department is to generate opportunities for businesses and citizens to thrive in the economy and employment (DEDAT APP 2019/20).

### 2.2.5 Department of Environmental Affairs and Development Planning

The responsibility of the Department of Environmental Affairs and Development Planning is to preserve the environment for future generations by curbing environmental ruin. In addition to the above, it is this department's responsibility to make informed decisions founded on South African environmental legislation while also being mindful of how other legislation impacts these decisions (Western Cape Government, 2020). This Department also works in collaboration with other stakeholders, such as the national Department of

Environmental and Water Affairs and the provincial municipalities, to ensure that the environment is preserved for future generations (Western Cape Government, 2020).

### 2.2.6 Department of Health and Wellness

Delivering a comprehensive package of health services to the people of the province is seen as the fundamental function and responsibility of the WCG Health Department (WCG, 2020). Accordingly, this Department undertakes to afford unbiased admission to quality health services in partnership with the appropriate participants within a balanced and well-managed health system to the citizens of the Western Cape and beyond (Western Cape Government, 2020).

### 2.2.7 Department of Human Settlements

The Department of Human Settlement has committed to expediting delivery and encouraging social cohesion by developing combined and sustainable human settlements in an open society (DOHS Annual Performance Plan, 2020-21). This department's mission is to provide settlements that offer good basic and socio-economic services, to offer a range of rental and ownership options that respond to the varied needs and incomes of households and to consistently improve settlements through joint citizen and government effort supported by private sector contributions (DOHS Annual Performance Plan, 2020-21).

### 2.2.8 Department of Local Government

The Department of Local Government's responsibility is to promote good governance in local authorities to elevate municipal service delivery. In addition, the Department of Local Government supports and strengthens the capacity of municipalities to manage their own affairs. Their vision is to have developmental and well-governed Municipalities with integrated, sustainable, and empowered communities (Western Cape Government, 2020).

### 2.2.9 Department of Social Development

This department's objective is to ensure that a comprehensive network of social development services is provided to capacitate and empower the underprivileged, vulnerable and those with special needs (DSD Annual Performance Plan, 2019/20). The Department of Social Development is dedicated to principal functions such as a social welfare service to the poor and vulnerable in partnership with stakeholders and civil society organisations and a community development service that provides sustainable development programmes, which facilitate the empowerment of communities (DSD Annual Performance Plan, 2019/20).

### 2.2.10 Department of Transport and Public Works

The primary responsibility of the Department of Transport and Public Works is the construction and maintenance of roads, educational and health facilities and general buildings. In addition, this Department offers various programmes which increase growth and employment opportunities. It also increases access to safe and efficient transport (Western Cape Government, 2020).

### 2.2.11 Department of The Premier

This Department renders legal and corporate services to the Premier, Director-General and other Western Cape Government Departments. In addition, it coordinates specific provincial affairs for the associates mentioned above (Western Cape Government, 2020). The Department of The Premier also serves as a support service to the Western Cape Government. This Department strives to be a leading department that enables the WCG to improve the quality of all its citizens (DOTP Annual Report, 2018/19).

### 2.2.12 Provincial Treasury

The Provincial Treasury of the Western Cape’s mandate is to provide oversight and control of the finances of the Western Cape Government. It renders sufficient support and sustainable public financial management to facilitate economic development, good

governance, social progress and a rising standard of the Western Cape's citizens (Western Cape Government, 2020).

### 2.2.13 Western Cape Education Department

This Department is responsible for public schooling in the Western Cape from Grades 1 to 12. It is responsible for rendering specialised education services, among others, and subsidising and supporting Grade R education (Western Cape Government, 2020). They aim to certify that all pupils of the Western Cape gain the knowledge, skills and values needed to live good lives and to add to the growth of the province and country (Western Cape Government, 2020). The Department champions quality education for every child, classroom, and school in the Western Cape (Western Cape Government, 2020).

## 2.3 The Internal Control Function within Western Cape Government

The Western Cape government has an internal control unit (ICU) that functions as a fundamental part of financial management within the various departments. The internal control unit comprises two prime areas: assurance services and governance (DEDAT, Financial Policy Manual, 2018). It reports to the Department's Chief Financial Officer and is responsible for identifying, mitigating, and managing control risks that may hinder the Department's objective to effectively, efficiently and economically manage its financial and related resources.

### 2.3.1 Western Cape Government Internal Controls

The public sector defines internal control as systems, procedures and processes that are implemented to reduce risks that departments may be exposed to and which have been caused as a result of negligence, error, incapacity or other causes (National Treasury, 2002: 28). It is clear that in the public sector it is believed that internal controls should minimise risks due to factors like fraud and incapacity. Kuhn and Morris (2017) state that Internal controls are policies and procedures intended to achieve the objectives of efficient and effective operations, reliable financial reporting, and compliance with laws and regulations. Abbaszadeh, Mohammadi and Mohammadi (2011) examined the necessity of the internal control system in the public sector. Their research showed that the optimal

design and implementation of internal controls in the public sector are critical. Therefore, public sector managers must design and implement appropriate internal control systems to relatively ensure the predicted goals achievement, good performance of activities in all areas, prevention of any embezzlement, fraud, and misuse of resources and assets and the realisation of responsiveness and accountability, for the performed activities. Petrovist, Shakespeare and Shih (2011) showed that if internal controls in the public sector are not weak and built up strongly, they will provide reliable financial reports. Cheng, Dhaliwal and Zhang (2013) reveal that internal control system material weaknesses result in operational inefficiency.

One of the main problems of the vast majority of private and state economic entities is the weakness of internal control systems (Abbaszadeh, Salehi & Faiz, 2018). As a result, these entities and, inevitably, the economy of the country suffer substantial losses and heavy damage. Internal control is a critical element of managing an establishment that comprises relevant projects, methods, and techniques to achieve tasks, objectives, and goals. Strictly speaking, it supports the management based on performance and represents the first defensive line utilised to safeguard assets and to prevent and detect errors and fraud (Abbaszadeh, Mohammadi & Mohammadi, 2011).

The internal control unit's mandate is derived in terms of section 38(1)(a)(i) of the PFMA the Accounting Officer of the Department must ensure that the Department has and maintains an effective, efficient and transparent system of internal control. Ji et al. (2017) declared that designing an effective internal control system is essential in guaranteeing financial reporting quality. This was further iterated by Dashtbayaz, Salehi and Safdel (2019) when they explained that the implementation of an effective internal control system, which is of high quality, can be considered an essential mechanism for high-quality financial reporting. In this respect, Cheng et al. (2013) outline that ineffective internal control over financial reporting significantly impacts investment efficiency.

The Internal Control system cited in the PFMA is a process initiated by the Accounting Officer, management and all other offices within the Department. It has been drafted to provide acceptable assurance that the objectives of the Department in relation to the effectiveness and efficiency of operations, accuracy and reliability of reporting,

safeguarding of assets and compliance with applicable laws and regulations are accomplished (Western Cape Provincial Treasury, 2014:3).

Jackson and Stent (2010) argue that internal control is a process implemented by an entity's board of directors, management, and other personnel designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (1) reliability of financial reporting, (2) compliance with applicable laws and regulations, and (3) effectiveness and efficiency of operations. It includes processes and procedures that management implements to ensure that revenue, expenditure, assets and liabilities are managed effectively and efficiently (WCG, Department of Agriculture Annual report, 2018/19).

Management is accountable to the Accounting Officer for designing, implementing and monitoring the process of internal control. Management has responsibility for designing, implementing and maintaining effective internal controls, while the audit committee has oversight responsibility for internal controls (COSO, 2013). Internal auditors are responsible for providing independent assurance about the effectiveness of internal controls to the Board and top management (COSO, 2013, 2015) and can also provide advice on internal controls to the Board and top management. Internal auditors do not design or implement controls as part of their normal responsibilities and are not responsible for the organisation's operations, including its internal controls (COSO, 2015). In order to carry out its role effectively, the internal control unit maintains a degree of independence from the other financial management activities, although being part of the organisational structure of the Office of the Chief Financial Officer (WCG, Department of Agriculture Annual report, 2018/19). It is worth noting that the control environment involves a set of standards of conduct, processes and structures that help provide the basis for internal control across the organisation. The board of directors and senior management establish the top rank regarding the importance of internal control (Goh, 2009; Khlif and Samaha, 2019).

The core functions that are performed by internal control within government departments are areas such as managing effective, efficient and transparent financial (internal) control measures, managing loss control, managing financial and financial-related systems,

providing support with the management of fraud prevention and maintaining financial information and knowledge management, maintaining governance frameworks and facilitating and participating in committees, forums and oversight bodies.

## 2.4 Objectives of Internal Control

According to the Department of Economic Development and Tourism's Financial Policy Manual the internal control units objectives are to ensure that the unit espouses the optimisation of resources/value for money in all activities undertaken, to improve and ensure the integrity of the information that will provide for or provide the tools to ensure sound decision-making processes within the unit, to ensure a financial legislative and policy framework in which efficient and effective processes may be implemented in the unit and to provide support and expertise in terms of governance structures, systems and processes for the institutionalisation of the King IV principles of corporate governance. Internal control could help improve the efficiency and effectiveness of operating activities and, thus, firm performance (Enow, Kasse & Dubihlela, 2023). On the other hand, effective internal control could enhance information quality, which would help managers make better decisions (Zhou, Chen & Cheng, 2016).

## 2.5 Responsibilities of the Internal Control Unit

- The responsibilities of the Internal Control Unit in the departments in relation to compliance monitoring varies from (a) Conducting regular reviews at departmental components in accordance with a pre-determined compliance monitoring tool to detect matters of non-compliance (b) Submitting reports on the review findings to the relevant head of the departmental component, including the root causes for non-compliance and recommendations to address the matters of non-compliance (c) Providing assistance where necessary, with the development of corrective action plans for departmental components to address the matters of non-compliance (d) Monitoring implementation of the corrective action plans by the relevant departmental components and (d) Providing advice on amendments to financial instructions and standard operating procedures due to non-compliance findings.

### 2.5.1 Role and Responsibilties of Internal Control Unit within Departments

According to PT circular No 27/2013, the key responsibilities of the ICU unit were compiled based on using the ICU as a mechanism to monitor and enforce compliance with the established system of internal control.

Departments were asked to provide copies of their current performance agreements and job descriptions for each post level of Internal Control unit officials, as requested by the Provincial Treasury's Financial Compliance unit. Departmental information about the Internal Control key responsibilities listed in the job descriptions and performance agreements of officials in the Internal Control units was recorded at the post-level. Drawing from the previously mentioned information, an as-is analysis was conducted by matching the Key Outputs related to the Key Responsibility Areas in the job descriptions and performance agreements with the minimal functions stipulated by National Treasury's (NT) general functional structure for internal control.

The objective was to identify the crucial duties that fall outside the purview of the Internal Control units and could potentially impede their ability to operate at peak efficiency and adhere to PFMA regulations.

The revised emphasis on this unit in accordance with the authorized NT generic functional structure for internal control and the Competency Dictionaries for internal control led to the compilation of the draft key responsibilities based on the idea that the Internal Control unit should serve as a means of enforcing and monitoring adherence to the established System of Internal Control.

To illustrate the integration of the Internal Control unit's primary duties with the System of Internal Control, the Financial Compliance unit created a one-page summary that included a high-level overview of the five interconnected elements of the System of Internal Control, along with the guiding principles pertaining to each component, referred to in figure 2.2.

| Control Environment |
| --- |
| Executive Authority, Head of Deportment and Senior Management e stablish the tone from the top regarding the importance of internal control and expected standards of conduct.<br>▪ |
| Commitment to Integrity and Ethical Values<br>• Oversight Responsibility<br>• Establishes Structure, Reporting lines, Authority, and Responsibility<br>• Commitment to Competence<br>• Enforces Accountability |

| Risk Assessment | Control Activities | information, Communication |
| --- | --- | --- |
| Process for identifying and analyzing the risks to achieve the organisations objective, forming a basis for determining how risks should be managed. | Actions established by policies and procedures to help ensure that management's directives are carried out to mitigate risks to the achievement of objectives. | Communication is the continual, iterative process of providing, sharing and obtaining the necessary information. |
| • Objective Settings<br>• Identify and Analyze risks<br>• Assess Fraud risks<br>• Identify and Analyze significant changes | • Select and develop control activities.<br>• Select and develop general controls over technology.<br>• Deploys through policies and procedures | • Uses relevant information.<br>• Communication internally<br>• Communicate externally |

| Monitoring • Internal Control unit |
| --- |
| internal control systems need to be monitored, a process that assesses the quality of the system's performance over time. |
| Monitoring of compliance against prescripts<br>• Develop and review compliance monitoring tool<br>• Evaluate the effectiveness of financial prescripts<br>• Identify root cause of non-compliance<br>• Issue a report of findings and make recommendo1ions<br>Policies and SOPs<br>• Develop policies, procedures and processes pertaining to the key responsibilities of the Internal Control Unit<br>• Identify, monitor and render advice on policy development<br>• Maintain a database of all issued policies and finance instructions<br>Manage/obtain and consolidate responses as determined by the department on e,g. draft bills, regulations, treasury instructions, strategy documents, policy documents, plans, reviews. frameworks and reports<br>Support the risk champion iro ERM processes.<br>• Advise at strategic level on enterprise risk management to Senior Management<br>• Liaise with Provincial ERM unit.<br>• Maintain and keep record of all internal control queries, Internal Audit and risk reports.<br>Implement and maintain appropriate delegations framework.<br>• Coordinate and evaluate the drafting and review of financial delegations.<br>• Render advice with regards to Supply Chain, Management {SCM) delegations.<br>Manage/ obtain and consolidate responses with regards to CGRO GAP, FMCMM and governance related monitoring mechanisms.<br>Manage and facilitate the coordinated financial/ non-financial responses for the department in respect of:<br>• Internal Audit<br>• External Audit<br>• FIU/ SIU/ ERM<br>'Facilitate, coordinate, evaluate and prepare responses for:<br>• SCOPA, Audit Committee, ERMCom, Internal Control Forum and Public Service Commission.<br>• Provide secretariat services to the ERMCom & Report on the status of irregular, fruitless & wasteful and unauthorized expenditure to ERMCom.<br>Maintain financial Information and knowledge management.<br>Support with the management of Fraud prevention<br>Ensure the implementation and maintenance of an integrated loss control system. |

*Figure 2.2: IC Key Responsibilities in Relation To System of Internal Control*

Source: (WCG)

### 2.5.2 Good Governance

Rouf (2011) defines corporate governance as a set of procedures, practices, policies, rules and rituals that affect the way an organisation is steered and regulated. Sound corporate governance plays a crucial part in elevating the integrity and efficiency of organisations as well as how financial market organisations perform. On the other hand, atrocious corporate governance negatively affects an institution's prospects and may potentially pave the way for financial hardship and deceit (Tomsic, 2013). Section 38 of the PFMA sets out the common responsibility of accounting offices, and their responsibilities associated with budgetary control and reporting are set out in sections 39 and 40, respectively. The statutory responsibility of accounting officers to submit all pertinent information to the Treasury or the Auditor-General, as set down or needed, is included in section 41. The Accounting Officers "must ensure that the department, trading entity or constitutional institution has and maintains effective, efficient and transparent systems of financial and risk management and internal control; a system of internal audit under the control of an audit committee complying with and operating in accordance with regulations and instructions prescribed".

Van der Nest (2008) stated that the audit committee could be more effective in their performance of certain key functions in the areas of oversight over risk management, governance, financial reporting, internal control and support for the external audit function. In addition, the audit committee is a legislated responsibility instrument in the public sector, and it is argued that if this committee performs effectively, it will add to enhanced corporate governance (Dubihlela & Mukono, 2022).

Effective audit committees afford copious public benefits, including better financial reporting and abridged corporate governance (Rupley, Kathleen & Almer, Elizabeth & Philbrick, Donna, 2011). The internal audit function has therefor consistently been recognised as one element of good corporate governance, being a crucial part of the

control mechanism in both public and private organisations (Arif, Zainal, Othman, Aris & Embi, 2013).

The internal control units fulfil the following roles pertaining to governance in departments:

- Support and avocation of the departmental Governance committee through administrative processes and continued varied interventions relative to the King IV principles.
- The implementation of effective fraud prevention interventions and processes.
- The implementation of loss control procedures to ensure losses and damages are accounted for and managed.

### 2.5.3 Overview of Compliance Units

The compliance function is made up of efforts organisations start to ensure that employees and others linked to the establishment do not violate applicable rules, regulations or norms (Miller, 2014). The significance of compliance and the extent of liability for its failure has increased tremendously over the past decades. This has been seen particularly in countries such as the United States and other countries worldwide ((Enow et al. 2023)). Together with its close cousins, governance and risk management, compliance is a vital internal control activity at corporations and other complex organisations (Miller, 2014).

The compliance function is a crucial component of any organisation's risk framework. It manages the relationship with regulators, coordinates and leads responses to regulatory enquiries and handles regulatory events and possible breaches. Therefore, the hierarchical position of the compliance officer and the existence of befitting mechanisms of internal coordination between the compliance officer and other organisational and control functions influences the effectiveness of compliance (Tanzi, Gabbi, Previati & Schwizer, 2013).

Compliance operates in a continuously changing environment and has to adjust to meet new and developing challenges. Resources will continue to be restricted, and it needs to find increased operational effectiveness and cost efficiencies to continue to furnish a value-added service to the business (Ernst & Young, 2018). Therefore, an opportunity for

compliance functions exists to develop and adjust in response to the changing nature of business and regulatory expectations. A compliance programme aims to identify legal and regulatory risks, address deficiencies, and activate systems for preventative action (Smit, 2010). A compliance programme is, therefore, a risk management system that is focused on solving professional accountability issues and points out and proactively administrates legal and regulatory risks (Smit, 2010).

Compliance can switch from its conventional role into one that provides improved strategic advice to senior management, augmented oversight of 1st Line control function surveillance and testing as a 2nd Line Control Function. In addition, increased use of business data to analyse and furnish insights to senior management on changing risks and controls and a more significant influence on the management of the regulatory risk framework as a whole can become part of the new dispensation (Ernst & Young, 2018). Elevated compliance means greater transparency in financial reporting, and thus shareholders' interest is more protected (Rizwan, Shahid, & Bucha, 2016).

Compliance contains a trade-off of costs and benefits; it can be a cheaper and more effective means to ensure that complex organisations comply with the applicable norms (Miller, 2014). A reason may be that external norm enforcers may not have the capacity or resources to discover violations or formulate an effective system of sanctions. It, therefore, is more sensible for establishments to police themselves as the organisation has the knowledge and capability to carry out this task more effectively—to carry out a compliance operation (Miller, 2014).

Influential compliance and regulatory programs, systems and procedures are vital components of good governance and add to the accomplishment of broad public sector and individual agency goals and results (Deloitte, 2016). The focus on the significance of having the right culture to convey compliance with regulatory obligations in the broadest sense strengthens the principle that compliance is an issue for everyone.

Possibly, the compliance unit becomes "all things to all people", missing the legal function's clear identity and further complicating its relationship with the business (Deloitte, 2016). This can lead to a mix-up and, at worst, to the compliance unit being held liable for

something that has gone wrong without having ever been told that it was allocated that responsibility in the first place. These risks are controllable through clearly delineating duties for the compliance unit. One framework for doing this is distributing responsibilities to the five lines of defence introduced by King IV. Organisations should possess a culture of compliance as this should not only be the responsibility of the specialist compliance staff (Tanzi et al., 2013). The compliance culture should exist as part of the establishment's deoxyribonucleic acid (DNA) in its regulatory framework. The allotment of this aim cannot just be to the compliance department but should be a cardinal value recognised throughout the establishment and should also be overt from an outside perspective (Tanzi et al., 2013).

Compliance units should not execute operational functions, i.e., the sole function should be that of oversight. The compliance unit should function independently in accordance with the three lines of defence model of modern risk management. This concept aims to visibly segregate compliance from operative functions and other risk management functions, such as internal audits Meissner (2018). The compliance function's prime duty is to ensure that a firm or organisation operates with relevant external and internal laws, regulations, and policies (Meissner, 2018).

### 2.5.4 Assurance Services

Assurance is defined as an "objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organisation" (IIA, 2012:1). The auditing standards advocate for the dependence on each assurance provider's work – external audit on internal audit work (International Standard on Auditing 600) and internal auditors on other assurance provider's work (Practice Advisory 2050-3), on condition that a specific criterion is met with pertaining to a structured and standardised approach. Furthermore, assurance services are defined as an engagement in which an independent party expresses a conclusion designed to enhance the degree of confidence of the intended user after evaluating a subject matter against some set criteria. (International Auditing and Assurance Standards Board, 2015b).

The internal control units fulfil the following roles pertaining to assurance in departments:

- Provides assurance to management on financial compliance and performance.
- Management of the audit process undertaken by the Auditor-General, Internal Audit and CGRO.
- Investigations into potential irregular, fruitless and wasteful and unauthorised expenditure
- And the management and implementation of the gift register.

## 2.6 Statutory Mandate on Combined Assurance Best Practice

The CAF derives its mandate from the Public Finance Management Act (PFMA) and its related Treasury Regulations, National treasury Internal Audit Framework and National Treasury Public Sector Risk Management Framework as a legislative guide and King III as a best practice in so far as:

Paragraph 38 (1)(a)(i) of the PFMA requires that the accounting officer for a department/ institution ensure that the department/ institution has and maintains an effective, efficient and transparent system of financial and risk management and internal control.

The Corporate Governance Chapter- Internal Control of the National Treasury Regulations requires effective and efficient risk assessment processes involving identifying risks to objectives and analysing how those risks will be managed.

The Corporate Governance Chapter- Internal Audit of the National treasury Regulations requires the internal audit function to coordinate with other internal and external assurance providers to ensure proper coverage and minimise duplication of effort based on a combined assurance framework.

Paragraph 3.8 of the National Treasury Internal Audit Framework requires the internal audit function to share information and coordinate its activities with those of the internal and external providers of assurance and consulting services. This is done to ensure appropriate coverage of risk areas and minimise duplication of efforts. This requirement mirrors the

standard 2050 of the International Standards for the Professional Practice of Internal Auditing.

Paragraph 25(2)(i) of the National Treasury Public Sector Risk Management Framework requires that the high-level responsibilities of the chief risk officer include participating with the Internal Audit, management and the Auditor-General in developing the combined assurance plan for the institution.

Principle 3.5 of King III: “The audit committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities”.

1. A combined assurance model aims to optimise the assurance coverage obtained from management, internal assurance providers and external assurance providers on the organisation's risk areas.
2. The audit committee should be responsible for monitoring the appropriateness of the organisation's combined assurance model and ensuring the model is effective in addressing the key risk facing the organisation.
3. The combined assurance provided by management and internal and external assurance providers should be sufficient to satisfy the audit committee that significant risk areas within the organisation have been adequately addressed and appropriate controls exist to mitigate and reduce these risks.

## 2.7 Combined Assurance

### 2.7.1 Origin of Combined Assurance

Combined Assurance has been reckoned as the process that aligns and integrates practices such as assurance in organisations to assist in maximising oversight over risk and governance and also to better the efficiencies of controls and to optimise assurance to audit and risk committees also taking into consideration the respective risk appetite of the business (Roos, 2012). This assurance model is also defined as the calibration of several assurance activities within an establishment to ensure that assurance holes cease to exist,

and assurance activities diminish and overlap. Still, pilots risk consistency with the board and executive expectations (Nicholson & Baker 2013:251).

The combined assurance model was initially developed by King III in 2009 and covered the traditional three lines of defence: (a) management control, (b) risk control and compliance oversight functions, and (c) independent assurance.

According to the King III report, combined assurance is defined as the process of integration and harmonisation of support in the business to assist in ensuring maximum risk management and oversight and improve management efficiency, and optimise overall assurance to the audit Committee, considering the relevant risk expectations (The International Standards for the Professional Practice of Internal Auditing, 2013: 23).

The idea of combined assurance was further augmented by King IV, who broadened the three lines of defence to five lines of assurance. This was done to embrace all assurance role players and to accentuate that assurance is about having an adequate and effective control environment and strengthening the integrity of reports for better decision-making. The five lines of assurance include (1) line functions that own and manage risk and opportunity, (2) specialist functions that facilitate and oversee risk and opportunity, (3) internal assurance providers, (4) external assurance providers, and (5) governing bodies and committees.

The concept of changing the focus to “five lines of assurance” is to include additional role players with an even greater emphasis on providing combined assurance. Therefore, it is a requirement in King IV that the audit committee ensures the implementation of this model results in combining, coordinating and aligning assurance activities across the various lines of assurance.

In the three lines of defence, each line plays a distinct role within the organisation’s wider risk and control framework. Nicholson and Baker (2013:28) present further evidence when they highlight that the roles and responsibilities of each line of defence, by categorising the 1st line of defence as operational management control of risks, should own the risks and controls, including management supervision and oversight. The second line of defence,

which contains the compliance function, should monitor these risks and controls. It should be working directly with the business to define and drive the risk management framework and the internal control structure as part of the day-to-day operations and oversight of the company. IA, the third line of defence reports to the audit committee and board of directors and when it comes to the sufficiency and efficacy of governance and risk management, internal audit offers unbiased, independent assurance. Figure 2.3 provides an illustration of the three lines of defence.

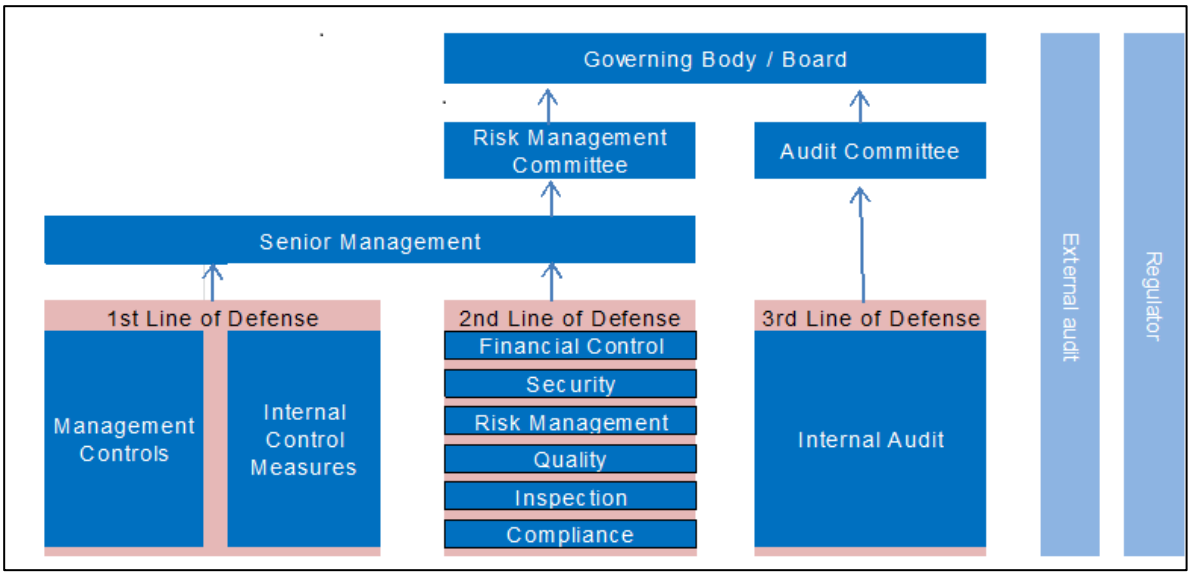


*Figure 2.3: Three Lines of Defence*

*Source: IIA (2013)*

### 2.7.2 Importance of Combined Assurance

The importance of combined assurance cannot be understated; directors can only comment on the effectiveness and relevance of risk management and internal control systems if they have a more holistic assurance approach (Decaux & Sarens, 2015:3). Assurance providers tend to perform assurance activities in isolation, and management, auditees, and the Board may suffer from assurance fatigue and cracks that may lead to ineffective reporting to governing bodies (Sarens et al., 2012). In addition, receiving multiple opinions places boards in a position of not exercising their oversight role appropriately

(Sarens et al., 2012). The concept of combined assurance is to look at the assurance function holistically and divide it differently between internal and external auditors to increase the scope of assurance (Engelbrecht, 2010). Therefore, as a result, coordination between the different assurance providers is necessary. The coordination of assurance providers to perform assurance activities permits prompt rationalisation and efficiency gains (Sarens et al., 2012). Unfortunately, there have often been such overlapping functions—and companies cannot understand why the external auditors have to redo work already done by the internal auditors (Engelbrecht, 2010). King's concept of combined assurance gets companies to create a framework that looks at the content of assurance provided by internal and external audits as well as risk management, coordinating all of them to ensure there is no duplication and no omissions (Engelbrecht, 2010). Masegare (2016:16) defines combined assurance as the merger of the assurance in an entity with the aim of expanding risk and governance oversight and to govern efficiencies, and to enhance overall assurance to the audit and risk committee. This definition supports the King IV report, suggesting that combined assurance is pivotal to good corporate governance practice.

South Africa is used to applying the quality schematic because it offers a well-established case for studying combined assurance in contexts other than the audits of financial statements. The country is regarded as a leader in sustainability and integrated reporting (De Villiers, & Alexander, 2014). Corporate governance policies and practices are mature (Solomon, 2013), and listed companies have a long history of parts of their integrated or sustainability reports being subject to at least some form of external assurance (Ackers, 2009). This type of external assurance is not mandated by law but is recommended practice according to local codes on corporate governance. Both King-III (issued in 2009) and King-IV (issued in 2016) refer specifically to the importance of using multiple services and functions as part of a coordinated combined assurance model to create an effective control environment and support relevant and reliable reporting to stakeholders and those charged with an organisation’s governance [Institute of Directors in Southern Africa (IOD, 2016, 2009). Therefore, a study of combined assurance is timely and makes a valid contribution to corporate reporting and governance literature. While firms have traditionally relied on a combination of external assurance providers, internal auditors and different control

systems, academic studies on the implementation of combined assurance are rare (Decaux and Sarens, 2015; Forte and Barac, 2015).

The adoption of combined assurance within the government can change financial management in that combined assurance is recommended as a governance practice, according to the King IV report. (George, 2005) accentuated that governance within government as a whole should lay claim to the same attention that governance in the private sector receives due to the fact that unethical behaviour in the corporate sector has an impact on the shareholders of a company but adversely affects citizens in the public sector. In another study, it became obvious that in government, staff in management positions are increasingly needed to attest to applying an adequate internal control system and intact governance in their areas of responsibility (Van Der Nest, Thornhill & de Jager, 2008). In relation to assurance services linked to the management of ethics, a combined assurance approach is cheered to verify acceptable coverage against chief ethics risks. Management and internal and external assurance providers are key participants in administering assurance to committees over risks in government entities. This concept was further elaborated on and stated that this framework integrates and enhances all services and tasks so that when these are collectively taken, it allows for a controlled environment that is effective (King IV). In doing so, it would back the forthrightness of data that assisted management, governing bodies and committees in making decisions, and the integrity of the external reports of the organisation would be uplifted. A common understanding is that much more can be done to boost assurance quality if assurance is better coordinated.

The integrated combined assurance framework has been allocated specific goals within the King IV Code, primarily to support the Board in assessing the capabilities and usefulness of the internal control environment and evaluating the honesty of the data utilised for reporting and making decisions. The combined assurance model and the elements therein will, therefore, need not only support the internal risk and control components but will need to contemplate external stakeholder reporting. In addition, a combined assurance approach can help internal audit raise its profile in facilitating the corporate governance process (Chen, Decaux & Showalter, 2016)

Simnett, Vanstraelen and Chua (2009) explain that several assurance providers have transpired to assist businesses with intelligence regarding the risks that have been identified. He further suggested that a combined assurance approach is the optimum way businesses can manage risks and attain their objectives. These assurance providers can generally be segregated in terms of internal and external assurance bodies. In achieving business objectives, these assurance providers are obligated to provide evidence of risk mitigation controls and propose activities that should be undertaken to reduce the occurrence of threats.

A combined assurance model highlights the firm's exposure to risk areas threatening the organisation to management and internal and external assurance providers (PWC, 2010). A greater concentration on perceived risks, their mitigations, and how assurance is reported to audit committees (PWC, 2010). It has been established that firms are still being educated through the implementation of combined assurance, as it has been noted that organisations have not achieved a reputable combined assurance program (Decaux & Sarens, 2015).

Ultimately, the framework where various parties add to assurance processes and no solitary autonomous party exists which offers assurance in seclusion is known as combined assurance (Dobie & Plant, 2014).

Under combined assurance, the assurance is provided by risk and opportunity line functions, specialist functions, internal audit, external audit, as well as the governing body.The number of functions required to make sure that boards can appropriately discharge their responsibility for effective control, compliance, and risk management throughout the establishment grows and become more complex as the establishment does.

Trying to prevent management from becoming overwhelmed with information and reports then becomes a problem, and this eventually creates "assurance fatigue". Addressing the problem becomes the purpose of combined assurance by integrating and aligning the assurance processes in an establishment to boost risk and governance oversight, control efficiencies, and enhance overall assurance to the audit and risk committee, considering the company's risk appetite.

By coordinating and bringing assurance activities and ways of working across different functions into line, delivering assurance tend to become progressively more efficient and effective. Hence with the combined assurance framework, several parties are involved in offering assurance, and their events involve coordination and alignment. Therefore, the combined assurance framework can be classified as the process of internal and possibly external parties collaborating and combining activities or events to achieve the common goal of communicating information to management. The combined assurance model aims to provide an all-inclusive assessment to the board of directors of the efficacy of risk management and internal control systems by organising assurance activities from different sources of assurance (Decaux & Sarens, 2015: 57)

In order to implement a combined assurance framework, an evaluation of where they are today with regards to conformance with standards; communication and coordination; reporting; and second line of defence functions should first be done by CAEs (IIA, 2016).

Regulators claim that internal controls executed by various functions should be coordinated to steer clear of duplication of efforts and gaps in risk coverage and to certify that all major risks are tackled appropriately.

Since regulations of the various internal control functions frequently fail to establish clear boundaries for their activities, the possibility of several actors testing the same control or even the difficulty of testing them all may occur. Therefore, combined assurance is clearly needed to solve these problems. Conversely, the implementation of CA, in particular the combining of hierarchical lines of defence, will diminish the independence of each control function (IIA, 2013).

The Institute of Internal Auditors proposed this model as it enhances comprehension of internal control by shedding light on the roles and duties of the various internal control functions. The three lines of defence under the surveillance and guidance of senior management and the board of directors are seen as the fundamental premise and are essential within an establishment for effective management of risks and controls (IIA, 2013)

IA, the third line of defence that reports to the audit committee and board of directors; Chief Financial Officer (CFO), compliance and risk management as examples of the second line of defence directly involved in assurance responsibilities, and process owner (management controls) as the first line of defence. “The combined assurance reviews are designed to assure senior management and the board that risk is being adequately managed across the business and to enable the business units and regions to manage risk more effectively.” The framework follows a top-down as well as a bottom-up approach.

Decaux and Sarens (2015), using qualitative data acquired through semi-structured interviews with six multinationals at different stages of CA implementation maturity, discovered that companies are still learning through CA implementation, and no organisation appears to have conquered a mature CA program. The aim is, therefore, to connect, analyse, and report the information provided by different assurance providers in such a way that senior management, the audit committee, and the supervisory committee receive a comprehensive and holistic view of the effectiveness of governance, risks, and controls in their organisation to enable them to take any necessary actions. By aligning and harmonising assurance activities and ways of working across different functions, delivering assurance becomes increasingly efficient and effective. However, different sources of external assurance are only a part of a more coordinated approach to managing operations, internal processes and risks. The aim is to use different types of “assurance” to ensure efficiency, maximise value generation, mitigate adverse social and environmental impacts and enhance the quality of reporting to stakeholders (Forte and Barac, 2015; IOD, 2016; King & Atkins, 2016).

A perfect combined assurance model appears to be a systematic procedure between several assurance providers to an establishment with the aim of providing reasonable assurance to the audit committee and the Board on a complete view of the establishment's state of risk management, corporate governance and internal control impact. As such, this means that all assurance providers should circulate their ideas and combine their scope and efforts to work as one in order to gain maximum risk coverage and reduce audit fatigue (IPPF, 2009:46). In addition, it suggests that sufficient and effective assurance wishes for an independent and objective approach towards assurance and reporting in order for entities to rely on each other’s results and opinions (IPPF, 2009:46). Internal audit has a

strong vested interest in improving the effectiveness of assurance coordination across all functions, a principle known as combined assurance (Chen et al., 2016). Furthermore, it can be assumed that should all requirements be met, all assurance providers can be considered equal partners within the CA space but with dissimilar statutory obligations or governance mandates (IPPF, 2009:46).

For the combined assurance process to operate effectively, assurance providers must have the necessary expertise, resources and standing in the organisation (IOD, 2016). A carefully designed management and control framework must be in place, enabling communication among assurance providers and allowing those charged with governance to coordinate the use of different types of assurance to achieve monitoring and control objectives (PwC, 2010; EY, 2013; IOD, 2016). As part of this, combined assurance needs to form part of a culture that champions risk governance rather than being seen as a compliance exercise (Decaux and Sarens, 2015; Maroun, 2017). The intention is not to have every aspect of the organisation subject to detailed review and testing. A balance must be struck between seeking an effective control environment and avoiding situations where assurance mechanisms frustrate operations and stifle innovation (PwC, 2010; EY, 2013).

A well-functioning combined assurance model can bolster the effectiveness of an organisation's internal controls and, in turn, contribute to improved operating efficiency and the realisation of business objectives (Forte & Barac, 2015). A more comprehensive review of and response to material risks can inform management's decision-making processes and provide stakeholders with greater confidence in the quality of the information included in external reports (IOD, 2016). At the same time, combined assurance can promote a culture of risk management and ensure compliance with laws and regulations without requiring a significant increase in associated costs (Prinsloo & Maroun, 2020). However, empirical evidence on the benefits of combined assurance and the quality of existing assurance models is limited (Prinsloo & Maroun (2020).

While external assurance providers play an essential role in ensuring high-quality sustainability or integrated reporting, for example, (Mock, Rao & Srivastava, 2013; Junior, Best & Cotter, 2014; Maroun, 2019), a well-functioning combined assurance model does

not have to maximise this source of assurance. In practical terms, a company will rely on a mix of internal and external assurance (Deloitte, 2011; IOD, 2016). A more robust combined assurance model is possible when a range of service providers, assurance standards and internal policies, systems and processes are used by those charged with this responsibility. An exploratory study on the components with governance to ensure the integrity of their organisation's reporting to stakeholders will be investigated (King, 2018). This is because a more innovative approach to assurance will incorporate different perspectives, methodologies and focal points, which are mutually reinforcing and yield a more thorough analysis of the respective subject matter (Peecher, Schwartz & Solomon, 2007; Dillard, 2011; Maroun, 2017).

In a reasonable assurance engagement, an "extensive depth of evidence gathering, including corroborative evidence and sufficient sampling", is used to provide a high level of assurance or confidence in the particular subject matter (Accountability, 2008a:11). A limited assurance engagement relies primarily on analytical review and inquiry with management (IAASB, 2015b). As a result, less persuasive evidence is collected than is the case for a reasonable assurance engagement and the level of any assurance provided is lower (Accountability, 2008a; IAASB, 2015b).

### 2.7.3 Combined Assurance Applicability

The Combined Assurance Framework applies to all departments within the Western Cape Government, their affiliated trading entities and all assurance providers rendering assurance services to those departments and trading entities in so far as their respective roles and responsibilities are concerned (WCG Combined assurance Framework final version 1.11-17, 2015). From this statement, it can be assumed that this framework is applicable to all internal control units within the Western Cape Provincial Government departments. Figure 2.4 depicts WCG's CAF.

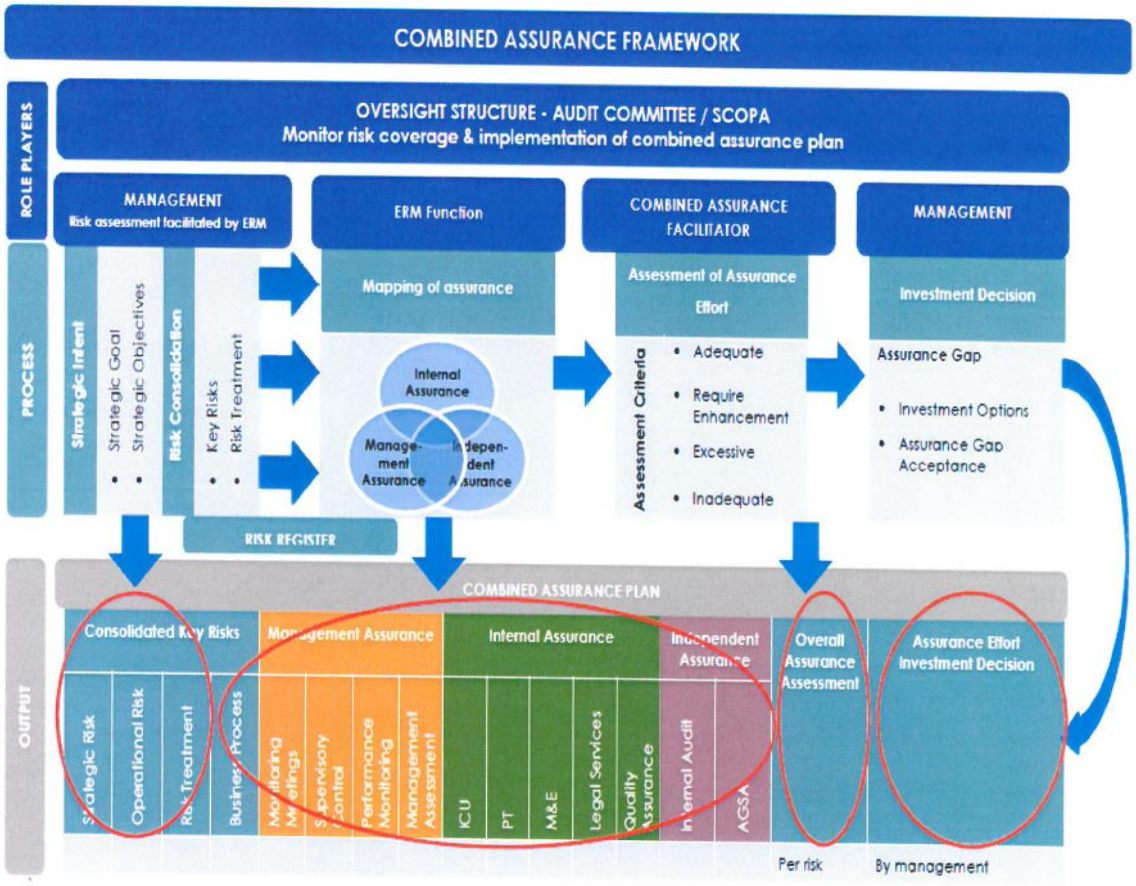


*Figure 2.4: WCG Combined Assurance Framework*

Source: WCG CAF (2015)

### 2.7.4 Benefits of Combined Assurance

Coordinating all assurance providers may increase the reverted correlation between fees to external auditors and coordination of simply two assurance providers, therefore combined assurance. Masegare (2018) further argues that the benefits of this assurance model include a more coordinated and relevant assurance effort in:

- focusing on key risk exposures minimising business/operational disruptions;
- providing a comprehensive and prioritised approach in the tracking of remedial actions on identified improvement opportunities/weaknesses;

- improved reporting to the Board/Accounting Authority and committees, including reducing the repetition of reports being reviewed by different committees;
- a possible reduction in assurance costs;
- support by the Audit and Risk Committee and Board/Accounting Authority in making their control statements in the integrated report.

## 2.8 Chapter Summary

This chapter provided an outline of the Western Cape provincial government departments and what each of these departments' mandates is. It outlined the roles and responsibilities of the internal control units, which are to monitor and enforce compliance with the established system of internal control. It was also established that the compliance unit, being the internal control unit, is located within financial management and reports to the Department's Chief Financial Officer. In addition, the chapter listed the statutory instruments for establishing the internal control units.

Furthermore, the literature review discussed the combined assurance model and what it is all about. It unpacked the origin of this model and what the fundamental of this model is. It also recognised the importance of this model and established that it is a requirement within internal control units within the Western Cape provincial government.

In order to coordinate the vital risk management roles and responsibilities, organisations should devise a unified, integrated and coordinated approach. Therefore, it can be concluded that the combined assurance model includes the functions of the first and second lines of defence. However, if the lines between the second and third lines of defence are blurry, the shield for senior management and the Board becomes less helpful and may not allow the Board to fully release its governance oversight responsibility (Masegare, 2016).

The following chapter will review the research design and methodology implored for this study.

# CHAPTER 3
# RESEARCH DESIGN AND METHODOLOGY

## 3.1 Introduction

The preceding chapter staged the theoretical framework of this study and founded the methodology of this study. It provided an overview of the sources explored while researching compliance units' role in adopting a combined assurance framework within provincial government departments in the Western Cape and demonstrated how this research fits within a larger field of study.

The choice of research strategy radically influences the specification of the research methods installed for investigating a problem and governs the research design, namely the framework for collecting, analysing and interpreting data (ibid.). The objective of this chapter is to present the philosophical assumptions supporting this research and introduce the research strategy and the empirical techniques applied. In addition, the chapter defines the scope and limitations of the research design.

This chapter will present the research paradigm, research approach and research design. This will be followed by a discussion of the methodology, sampling frame, size and procedures and techniques, the target population and data collection employed to address the research questions and objectives of this study.

## 3.2 Research Paradigm

Understanding and articulating ideas about the nature of reality, what can be learned about it, and how we go about learning it are essential skills for researchers. These are components of paradigms for research. A paradigm is a foundational theory and belief system that makes assumptions regarding ontology, epistemology, methodology, and methods (Rehman & Alharthi,2016). Stated differently, it is our method of studying and comprehending the world as it really is. A paradigm incorporates, defines and interconnects the exemplars, theories, methods and instruments within it. All facets of the validity,

breadth, and techniques of knowledge acquisition are covered by epistemology. These include: a) what qualifies as a knowledge claim; b) how knowledge can be produced or acquired; and c) how to evaluate the degree of its transferability (Moon & Blackman, 2017). Philosophy's field of ontology examines existence presumptions and definitions of reality. In short, it is the philosophical method that investigates what we believe to be real and what we do not (Trivedi, 2020).Ontological positions are separated into “objectivist ontology”, which evaluates social phenomena independent of the social actions (usually associated with the quantitative approach) and “constructivist ontology”, which recognises that social phenomena are dynamic and produced through social interaction (usually linked to the qualitative approach) (Dainty, 2008). Axiology is a division of philosophy that studies judgements about value (Saunders et al., 2012). Specifically, axiology is involved with assessing the role of the researcher’s value at all stages of the research process (Li, 2016).

Axiology mainly refers to the ‘aims’ of the research. This division of the research philosophy tries to clarify if the research is striving to explain or forecast the world or is only aiming to understand it (Lee et al., 2008).Notwithstanding the adopted approach and the innovative characteristics, every scholarly endeavour must be administered within a framework steered towards achieving validity and reliability of the results and conclusions which arise from the study (Lucko & Rojas, 2010).

There are three imperative paradigms, that is, the positivist (the quantitative paradigm), interpretivist (qualitative paradigm) and pragmatist (mixed methods paradigm) (Nieuwenhuis, 2007).

### 3.2.1 Positivism

Frequently associated with experiments and quantitative research, positivism is deemed as a form of or a progression of empiricism. The theory of positivism, sometimes known as logical positivism, holds that knowledge or truth can be ascertained by sound conceptualization and trustworthy measurement, enabling testing of knowledge against the objective world (Trivedi, 2020). As knowledge grows, it enables human advancement and evolution. In other words, scientific measurement and validation of objective facts about

behaviour and systems through methodical, direct observation allows us to discover truth or knowledge.

### 3.2.2 Interpretivist

Similar to positivism, interpretivism has its historical origins in anthropology. However, it opposes positivism, so it is occasionally known as anti-positivism (Flick, 2014). Interpretivism claims that truth and knowledge are subjective and culturally and historically situated, founded on people's experiences and their understanding of them. Researchers can never be completely separate from their values and beliefs, so these will unavoidably inform the way in which they collect, construe and analyse data. Interpretivism has its roots in the 18th century with the philosopher Giambattista Vico, who contrasted Descartes, arguing that there is a difference between the natural and social world and, more cardinal, social organisation and social experiences form our perceptions of reality and truth (Costelloe, 2022). Interpretivists believe that human beings are not the same as physical phenomena due to the fact they produce meanings, and therefore natural science research is not similar to social science research (Saunders et al., 2019).

This is commonly linked to interpreting and understanding texts or documents and their deeper meaning. People's behaviour is based on their own meanings. Meanings are produced from social interactions, and people may adjust meanings based on their discernment of situations or experiences. Considering the ontological and epistemological stance aforementioned, this study adopted an interpretivism interpretivist position, which was conceived most appropriate because the study aims to gain rich insights and knowledge on the role of compliance units in adopting combined assurance in the Western Cape Provincial Government. The interpretivist researcher is different from the positivist, as opined by Saunders and Tosey (2013), because, with the interpretivist, research is reasoned to be applicable and valuable to the phenomenon during the exploration period of the study.

The reasoning behind selecting the interpretive paradigm is that the researcher can get the sense of knowledge by evaluating the matter under investigation and can render conclusions from its actual context grounded on the subjective and shared meaning of the

research participants. Since interpretive research depends on recognising and comprehending the influence on the research and their experience, this, in turn, lessens and reduces bias. The key drawback for the interpretivist is to grasp and enter the social world of the research respondents and understand that world from their point of view, therefore, the choice of the interpretivism paradigm (Saunders et al., 2019). Figure 3.1 illustrates the differences between positivist (the quantitative paradigm), interpretivist (qualitative paradigm).

*Figure 3.1: Analysis of qualitative and quantitative paradigm*

Source: Silva (2014).

## 3.3 Research Methods

Numerous methods can be utilised for research; however, the essential ones are inductive and deductive approaches, with an additional third one known as abduction (Saunders et al., 2019). Keiling (2023) refers to two methods of reasoning as the inductive and deductive approaches. She describes induction reasoning as the process of using particular scenarios and drawing broader conclusions from them. Inductive reasoning is sometimes called "cause-and-effect reasoning," and it is sometimes described as a "bottom up" strategy. Making a generalized claim and supporting it with particular facts or scenarios is known as deductive reasoning. It is possible to conceptualize it as a "top down" method of conclusion-making (Keiling, 2023). Deductive reasoning transpires when the end is acquired logically from a set of theory-derived premises, the ending being accurate when all the premises are true (Ketokivi & Mantere, 2010). In research, the two core types of analysis typically used are quantitative (deductive) and qualitative (inductive).

An inductive approach was used to design a framework depending on the literature review and empirical findings on the role of compliance units in adopting the CA model in WCG (Saunders et al., 2019). Inductive reasoning states that theory is built from the facts and gives an easy and systematic set of procedures for examining qualitative data, and hence it can produce accurate and important findings. This approach was adjudged to be pertinent and suitable for this study and its nature.

## 3.4 Research Approach

In the following sections of this paper, the quantitative approach is presented and analysed, the qualitative approach is described and analysed, the differences and similarities between the two research approaches are identified and described, and the choice of a suitable research methodology is justified based on the purpose and the specific objectives of the research. In addition, the mixed method approach will also be explored.

### 3.4.1 Mixed Methods

Mixed methods research is a methodology that amalgamates qualitative and quantitative approaches. It comprises of (a) gathering and scrutinising both qualitative and quantitative

data in response to overarching research aims, questions, and hypotheses; (b) using severe methods for both qualitative and quantitative research; (c) integrating or “mixing” the two forms of data purposely to produce new insights; (d) framing the methodology with conspicuous forms of research designs or procedures; and (e) using philosophical assumptions or theoretical models to inform the designs (Creswell, 2015). The basic assumption of this methodology is that the combined qualitative findings and quantitative results lead to added insights not gleaned from the qualitative or quantitative findings alone (Creswell, 2015; Greene, 2007; Tashakkori & Teddlie, 2010). The thoughtful and robust use of mixed methods requires meeting quantitative and qualitative research methodology standards in the design, implementation, and reporting stages. To this end, various mixed methods designs have emerged in the literature (Creswell & Plano Clark, 2011), and they help inform the procedures used in reporting studies (e.g., the convergent design, the exploratory sequential design, the explanatory sequential design).

### 3.4.2 Quantitative approach

Quantitative research usually includes systematic and empirical exploration of phenomena through statistics and mathematics, and numerical data processing. The process of guessing numbers in quantitative research offers the fundamental link between empirical observation and the mathematical expression of quantitative relations. In quantitative research, data is generally selected and analysed in a numerical form (Singh, 2006; Goertz & Mahoney, 2012).

Statistics, used in quantitative research, are an imperative area of mathematics and are broadly used when: (a) there is a requirement to analyse and process large sizes of quantitative data to authenticate hypotheses and to test a theory, (b) there is ambiguity related to theories under consideration, (c) research might be successfully carried out with questionnaires containing simple questions and short answers and (d) the data gathered can be quantified and compared. In quantitative research, data processing is typically performed using distinctive statistical software (Martin & Bridgmon, 2012; Singh, 2006).

According to Creswell (2014), quantitative research is a measure for testing objective theories by substantiating the link among variables. This is whereby numbers are examined

using statistical procedures, and the structure of the final written report encompasses the introduction, literature and theory, methods, results, and discussion. The forte of this method is that large quantities of numerical data can be generalised and analysed statistically and as well, and it is an objective tool for collecting data. It also makes use of the questionnaire. However, the quantitative methodology was not used due to this study not giving in-depth information about the research context and the subjective meaning of actors' actions; therefore, the qualitative method was considered.

### 3.4.3 Qualitative Approach

Qualitative research is a broad term that adopts research methodologies that deal with phenomena by analysing experiences, behaviours, and relations, eliminating the use of statistics and mathematics and processing numerical data (Merriam, 2009; (Hennink, Hutter & Bailey, 2010). The qualitative approach generally gives answers to research questions such as (a) what, (b) how, (c) when, and (d) where and is labelled as a word-based research approach (Gallegos, 2022). Qualitative research, among others, could be defined as Research that delves deeper into and examines issues in the real world (Moser & Korstjens, 2017).

Denison, G. (2023) state that quality research is a naturalistic approach and a complex and multiple method of focusing. According to (Xiong, X. 2022) qualitative research will possibly provide advantages such as the possibility to decipher the meaning of peoples acts and to provide detailed descriptions of their thoughts, feelings, and experiences. According to this perspective on truth and reality, meaning is typically created by individuals based on how they view the world, their experiences, and how they interact with the situations and events in their lives. Furthermore, under certain conditions, a more holistic understanding of the human experience can yield deeper insights.

A researcher, who pursues a qualitative research approach observes, interviews, summarises, describes, analyses and interprets phenomena in their real dimension. A primitive benefit of qualitative research is that it backs in-depth research (Goertz & Mahoney, 2012; Miles & Huberman, 1994).

The qualitative research method utilises data that has not been quantified, non-numerical data—that is, data extracted from written, typed or printed words—and audio-visual data, including data that is still or moving visual images that have not been quantified (Saunders et al., 2019). This research used the qualitative method to appreciate the role of compliance units in adopting the CA model in the WCG provincial departments. This qualitative inquiry is foregrounded within interpretivism and constructivism due to the fact that there is an appreciation of people's understandings, meanings, experiences and views, which are formed, implanted and established through relations with people. Therefore, human relations, research participants' actions, subjectivity, meanings and interpretations saw the qualitative research method as appropriate for this study. This differs from the quantitative research method, whose central belief is about inferring, studying and measuring underlying relationships between variables at abstract levels (Creswell, 2018).

Notwithstanding its rewards in presenting the connection among variables, the quantitative methodology does not give multiple insights about why actions happen in specific ways or causal connections. Due to these reasons, the practice of a qualitative research methodology is anticipated to fill these gaps. The epistemological and theoretical approaches that stimulate the methodology and methods in this study are interpretivism and constructivism.

The study used the qualitative research methodology as its flexibility is ideal for the researcher to recognise the crux of the dynamics of the phenomena under examination, which cannot be accomplished through a quantitative approach. Several scholars undergirded the advantages of the qualitative method. For instance, Creswell (2018) posited that the core shown by the qualitative methodology is vital in studying the purpose of human action and meaning because knowledge is gathered from varied, constructed and interpreted views of research respondents. Words that can be put into stories or incidents have an important ambience that is much more persuasive to the reader, who may be another researcher, a practitioner and a policy maker, than the summarised page numbers. The results of the qualitative method have a condition of undeniability. A researcher who follows a qualitative research approach monitors and collects data, interviews people, retains notes and describes and interprets phenomena in their true dimension.

The interpretations of the role of compliance units are essential in the CA model to promote a culture of risk management and ensure compliance with laws and regulations within provincial government departments in the Western Cape (Prinsloo & Maroun, 2020). However, the benefits of the qualitative method cannot polish over the weaknesses, which need much attention. The predominantly held criticism of qualitative research is that of the researcher's subjective position, which may jeopardise the state and the accuracy of the research. In this study, eleven (11) participants will be used since they are knowledgeable about the subject under study. The researcher was conscious of the spectrum of problems to validity which could have repercussions on the qualitative method; thus, data was gathered using interviews in this study. Table 3.1. below are the characteristics and differences between quantitative, qualitative and mixed methods.

*Table 3.1: Quantitative, Mixed, and Qualitative Methods*

| **Quantitative Method** | **Mixed Method** | **Qualitative Method** |
|---|---|---|
| Pre-determined | Both pre-determined and emerging methods | Emerging methods. |
| Instrumental based questions | Both open- and closed-ended questions. | Open–ended questions. |
| Performance data, attitude data, observational data, and census data. | Multiple forms of data drawing on all possibilities. | Interview data, observation data, document data and audio-visual data. |
| Statistical analysis | Statistical and text analysis | Text and image analysis |
| Statistical interpretation. | Across databases interpretation. | Themes, patterns interpretation. |

Source: Creswell et al. (2018)

## 3.5 Research Strategy

Research strategies are sorts of inquiries within qualitative, quantitative, and mixed methods approach that offer explicit direction for processes in a research design. A research strategy is how the researcher plots to answer his research questions (Saunders et al., 2019). Wedawatta, Ingirige & Amaratunga, 2011 cited that a suitable research strategy has to be nominated based on research questions and objectives, the degree of existing knowledge on the subject area to be researched, the amount of time and resources available, and the philosophical keystones of the researcher. According to Johannesson and Perjons (2014), a strategy is a broad plan that directs the researcher during the planning, execution, and supervision of the research study. In the absence of a well-crafted strategy, the researcher may become distracted, and their efforts may not align with the objectives of the study (Noordin & Masrek, 2016). A researcher's ideology serves as the focal point of their research strategy (Saxena, Prakash, Acharya & Nigam, 2013). A clear strategy is necessary for the design and completion of a high-quality scientific study, even though researchers are free to avoid expressing any particular ideology. Selecting an appropriate research strategy is a complicated process that depends on a number of variables (Noordin & Masrek, 2016). The tactic needs to be chosen with its goal in mind. The research will yield flawed and ineffective results if an improper approach is selected (Uzoh et al., 2020). According to Rezigalla, 2020, the author's achievement of the research objectives and answers to the research questions is ensured by appropriate selection. Some of the common research strategies used in business and management are an experiment, surveys, case studies, action research, grounded theory, ethnography, archival research, cross-sectional studies, longitudinal studies and participative enquiry (Wedawatta et al. (2011). From these diverse strategies, this research assumed the case study research strategy as the right strategy for research. The following section briefly describes the case study strategy and substantiates its preference over other strategies.

### 3.5.1 Case study

As stated by Creswell et al. (2018), a case study is a design which is utilised to ask for more information in numerous fields, such as evaluation, whereby an in-depth appraisal of a case come into being through the efforts of the researcher as a program, event, activity, process, or one or more individuals. A case study strategy was seen to be most appropriate for this study. This is so because of its important strength, such as conducting and examining data within the context of its use.

## 3.6 Target Population

The research population and sample are fundamental components of any scientific investigation. They have the ability to solve the puzzles that lie within the data (Thomas, 2023). Researchers are encouraged to consider selecting a sample to study and then generalise the results to the whole population. A complete set of elements or cases from which a sample is taken is called a population (Saunders et al., 2019). In this study, 25 interview invitations were sent to twenty-five (25) officials within the compliance units within the thirteen (13) provincial government departments in the Western Cape. This was to ensure that at least one person per provincial department responded. Eleven (11) successful interviews were eventually set up, both female and male staff members at senior management levels, including internal auditors, chief audit executives and CFOs in the various provincial government departments in the Western Cape.

## 3.7 Data Collection Methods

Data was collected using primary sources of data collection methods. For primary sources, this study used interviews, that is, semi-structured interviews, as its deemed ideal because it meets the timeframe, needs and limitations of this study.

### 3.7.1 Interviews

The interview is one of the mechanisms most frequently used for data collection in qualitative analysis (Barrett & Twycross, 2018). Compared to the survey, the interview

permits more answers parallel to the subject's language with less data decline, bringing together the most comprehension of the reality of the subjects under study.

Regarding the degree of structure of an interview, it may be structured, unstructured or semi-structured (Hammargerg, Kirkman & Lacey, 2016). According to Roopa & Rani, (2012) the structured interview emphasises specific topics or may be guided by general questions, and the investigator should not change the defined questions or the order of the topics. In unstructured interviews, the researcher takes the role of leader and encourages the subject to speak freely on a topic of interest. In unstructured interviews, a researcher might use leading questions and ask follow-up questions to get more information from the participants. The semi-structured interview differs from the structured interview, which adopts a set of pre-determined questions, directing the interviewer on issues that may arise in the interview route. Semi-structured interviews are used when studying a phenomenon of which there is little knowledge, it is flexible, and the interviewer can probe and expand responses from the interviewee (Leedy & Ormrod, 2010).

This study made use of semi-structured interviews to collect primary data, where 11 respondents who are knowledgeable on the subject matter under discussion will be selected. Due to the pandemic, qualitative research is currently going through a transformation. Traditional face-to-face data collection is replaced by methods and procedures that allow for fieldwork at a distance. Therefore, interviews were done virtually via MS Teams, recorded for confirmation purposes, and guided by the semi-structured schedule. The respondents could give honest answers because the interview questions were open-ended. The semi-structured interview was selected as the primary data collection strategy since it was deemed the most relevant research tool for this study. They were conducted with CAEs, CEOs, directors, general internal auditors, AO and others since these interviewees form part of the decision-making and could be responsible for all organisational activities. In addition, interviews were carried out with individual participants. The rationale behind this was to make the discussions manageable. The researcher facilitated all the discussions.

## 3.8 Data Collection Instruments

An interview guide with semi-structured interview questions was put together for internal auditors, CEOs, directors and deputy directors within provincial government departments. Interview guides were prepared and built on the research objective and earlier literature on the role of compliance units. A semi-structured interview schedule encompassed open-ended questions and was used to guide the researcher during the interviewing process (Saunders et al., 2019). A technique is an instrument for collecting information from the sample population (Abawi, 2013). The interview guide with open-ended questions enabled the researcher to get the data from respondents easily. To harmonise the data capturing and reduce bias, identical questions were directed at all the interviewees. Figure 3.2 below illustrates the relationship between the research and Interview questions.

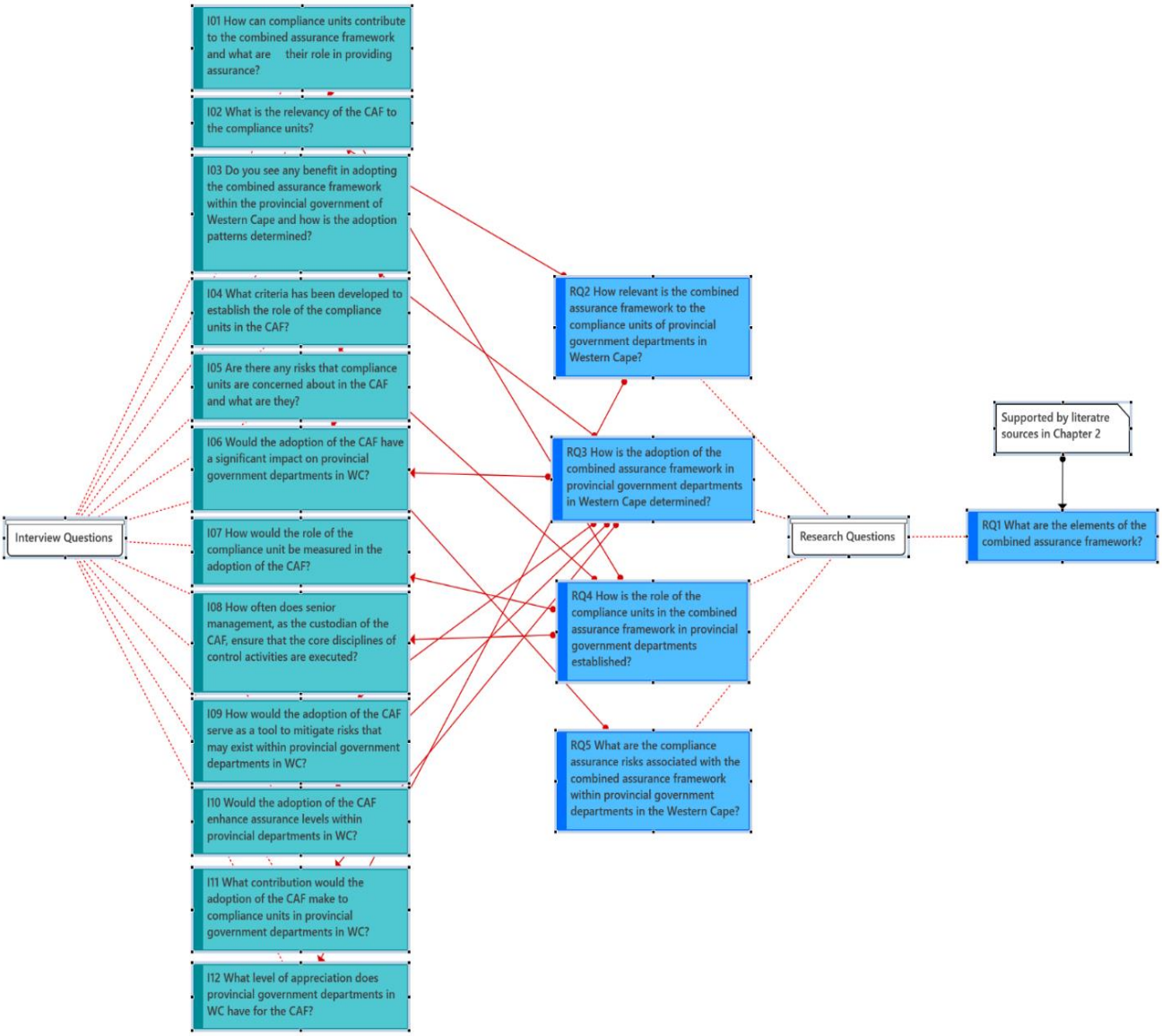


*Figure 3.2: Mapped relationship between research and Interview questions*

Source: Atlas-ti

## 3.9 Data Analysis

According to Bezuidenhout, Davis and Du Plooy-Cilliers (2014), the process of bringing soundness, structure and sense to the immense data is called qualitative data analysis. Therefore, common factors such as reduction, organisation, interpretation and substantiation of data are considered significant. One could infer that data analysis requires

some sort or form of the logic applied to research. As such, this demanded some form of interaction with the data, which presented itself as overwhelming initially. The process of regularly examining and compiling observation notes, interview transcripts, or other entirely non-textual materials that the investigator gathers to deepen their understanding of an event is known as qualitative data analysis. Writing or classifying the data is a major step in the analysis of qualitative data. The main objective is to make sense of vast amounts of data by first minimizing the amount of raw data, then identifying significant patterns, finally deriving meaningful knowledge, and lastly creating a logical pattern (Pedamkar, 2023)

Due to the coronavirus pandemic, interviews were conducted and recorded via MS Teams and transcribed verbatim. Data were analysed using thematic content analysis, which was done according to themes and perspectives using ATLAS.ti™. The researcher became familiar with the data by in-depth reading and re-reading, summarising the data and categorising it into emerging themes and data interpretation will be made.

### 3.9.1 Data analysis process

Recorded interviews were transcribed to allow content analysis of the statements of individual responses and for key messages to materialise after compressing the data according to the major themes emerging from the respondents' statements. Leedy and Ormrod (2010:135) further state that qualitative researchers construct the interpretive narrative from their data and try to capture the complexity of the phenomenon under study. Qualitative researchers thus use a more personal, literary style and often include the participant's language.

To summarise, concerning the current study, the qualitative data included the recorded responses from the semi-structured interviews. The phenomenological research (Belotto, 2017) semi-structured interview ensured that the same core information from each participant was elicited while also providing the flexibility to probe more deeply into the detailed descriptions of experiences that participants shared. This enabled the researcher to follow rather than lead the participants, as they guided the researcher to the relevant

factors associated with compliance units and combined assurance. The data collected was cleaned, transcribed, and analysed using ATLAS.ti™.

## 3.10 Qualitative Approach

## 3.11 Validity and Reliability

As attested by Creswell et al. (2019), validity in qualitative research means that the researcher focuses on the correctness of the findings by applying particular approaches. In contrast, qualitative reliability shows that the researcher's procedure is homogeneous across non-identical researchers and amid disparate projects. Furthermore, the data to be used by the researcher will involve academic and professional literature; hence the analysis of data contained evidence from various sources in a way that indicates the interconnection of enhancement and evidence of validity. In order to boost reliability in this study, a clear research design and methodology was built and adopted respectively by the researcher that provides high reliability (Yin, 2013).

## 3.12 Ethical considerations

A set of guidelines that direct your research designs and procedures are known as ethical considerations in research (Bhandari,2023). In carrying out this study, numerous ethical considerations were considered essential. First, permission to carry out the study was obtained from the various respondents. Second, the use of virtual recordings for recording interviews also ensured the accuracy and reliability of the findings. Peer validation will also increase the truthfulness of the findings. Third, participation was voluntary, and informed consent was sought from participants. Finally, the researcher guaranteed the confidentiality and anonymity of participants in the final study report.

The following ethical considerations were upheld in this study:

- Keeping confidentiality and anonymity of participants, that is, no information or documents for public consumption, and that confidentiality is of cardinal importance.

- Informed consent: senior members were briefed that participation in the study was voluntary and that they were under no obligation to participate with which they were uncomfortable. Participants may withdraw from the study at any point they may desire to do so (Bhandari, 2023);
- Debriefing: The officials were given room to get the results of the research as well as to make follow-ups. The research participants were given the option to supply their contact details (Resnik, 2015).

## 3.13 Chapter Summary

This chapter provided a detailed research methodology used in the study. It provides answers to the question of why the philosophical assumptions, research paradigm of interpretivism and qualitative approach were adopted. It has also looked at the population, research design (case study), sample frame, sample, sampling techniques, data collection methods and techniques. Furthermore, in order to grasp the nature of the data, data analysis was discussed in terms of the procedures to be employed. Thematic content analysis using ATLAS.ti™. will be used for analysing qualitative data by the researcher. The next chapter four (4) will present the results of the data analysis.

# CHAPTER 4
# DATA ANALYSIS, FINDINGS AND DISCUSSION

## 4.1 Introduction

The previous chapter unpacked the research paradigm, research approach and the research design that was followed for this study. In addition, it discussed the methodology, sampling frame, size, procedures, techniques, target population and data collection employed to address the research questions and objectives of this study. This chapter will explore the data analysis, interpretation, findings and discussions around the findings.

### 4.1.1 Generating and coding of themes

This research focused on numerous "new" computer-aided designs and techniques for thematic content analysis. The use of ATLAS.ti™ V9, a program which has been used by many theorists in various fields, including psychology, was espoused for this project (Sheridan & Storch, 2009:2; Zhang & Wildemuth, 2009:1-6; ATLAS.ti™, 2011; Friese, 2011:2; ATLAS.ti™, 2012). The potency of computer-assisted thematic content analysis is that it automates various processes such as cataloguing of primary documents, organising of codes and code descriptions, and the use of memos which both leave a research audit, as well as aid in noting qualitative findings and moments of inspiration (Zhang & Wildemuth, 2009:6; ATLAS.ti™, 2011:3; Menter, Elliot, Hulme, Lewin, & Lowden, 2011).

ATLAS.ti™ V9 is a qualitative data analysis (QDA) tool that extracts and interprets data from research instruments. In this study, ATLAS.ti™ V9 enabled the application of analytical techniques designed to encode and provide focused feedback based on transcribed interviews. Methods included open, axial and selective coding, memoing, thematic analysis and the construction of network maps.

Also, ATLAS.ti™ V9 allows the researcher to organise and catalogue all data comprehensively and efficiently. Apart from the preceding strengths, ATLAS.ti™ V9 also makes possible connections (relations) between codes, categories and sub-categories, as

well as the creation of networks. Moreover, networks can point out different relationships, similarities and differences (Kelle, 2004:483; Lu & Shulman, 2008:105-107; Ryan, 2009:142-145). Bazely (2010:453) also emphasises the importance of ATLAS.ti™ when she states that ATLAS.ti™ manages research data effectively by arranging codes alphabetically, presenting the strength of codes and depicting data graphically.

Various outputs allow the researcher to examine specific aspects of the textual data. One can filter outputs using documents, quotations, memos and super-codes. In this way, one can, for example, output all quotations in a specific document related to a specific code. This process would involve significantly more time if it were done manually. Considering that not all hunches regarding code formations will be correct, computer-aided content analysis saves countless hours of fruitless work by providing data manipulation at the click of a mouse button. ATLAS.ti™ V9 allows codes to be dynamically linked to quotations and documents to facilitate the quick and easy navigation of complex data sets.

## 4.2 THEMES

Five themes emerged from the participants' narratives which can be referred to in figure 4.1:

1. Combined Assurance Framework
2. Relevance
3. Adoption
4. Roles
5. Risks

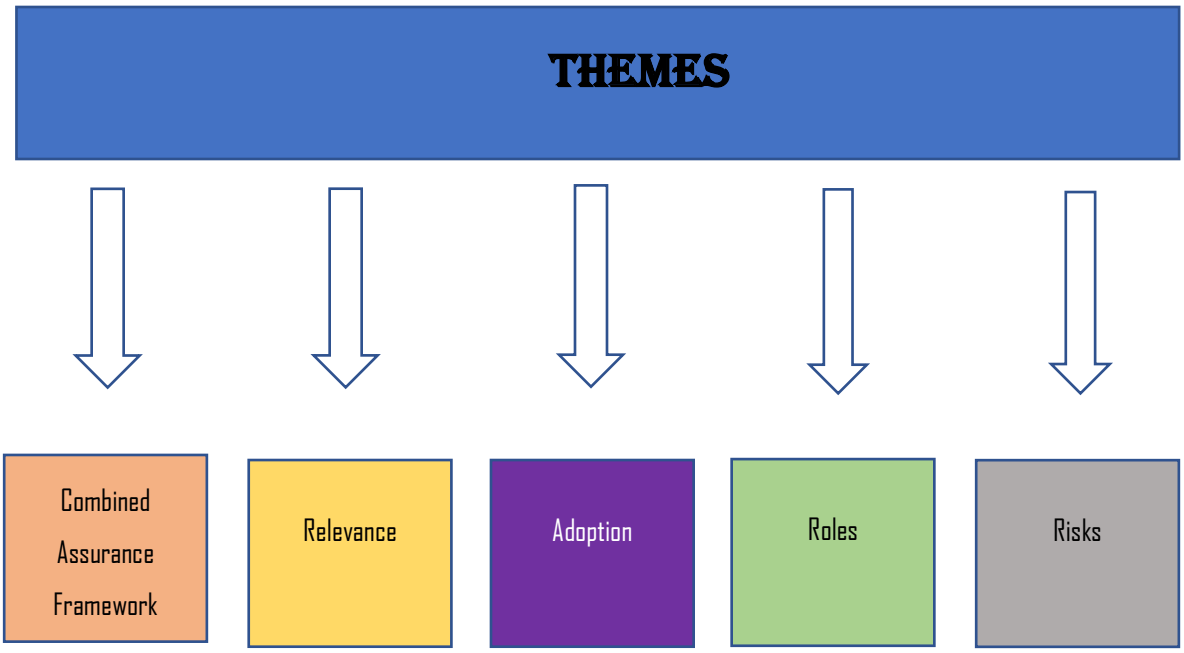


*Figure 4.1: Themes*

Source: Own construction

### 4.2.1 Theme 1: Combined Assurance Framework

This theme produced 14 codes in this study which is depicted in Figure 4.2:

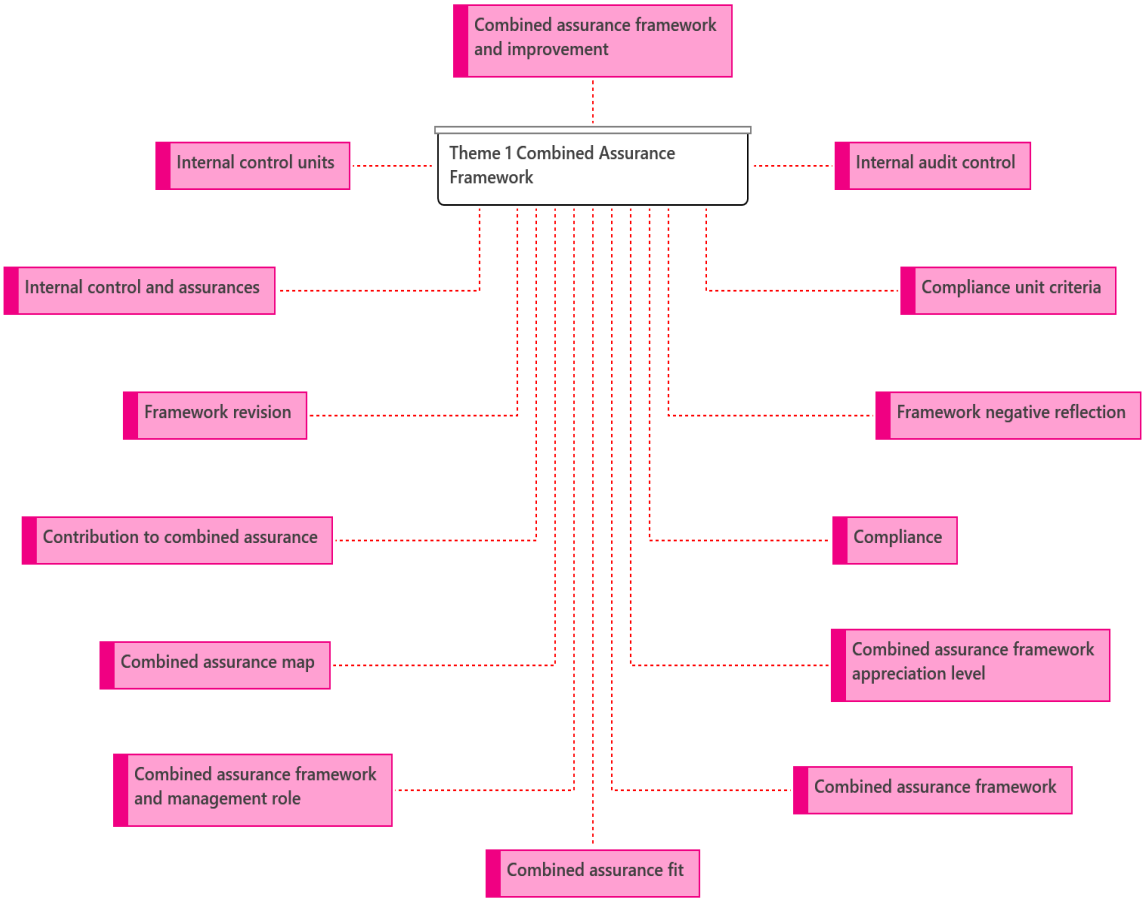


*Figure 4.2: Combined Assurance Framework Theme*

Source: ATLAS.ti™

**Combined Assurance Fit**

One respondent [P01] indicated that the combined assurance applies to the entire organisation, so ideally, people across the departments should be aware of the framework. In contrast, another respondent (P02) added that the CAF is seen as an Internal Audit initiative, which is why IA promotes the value combined assurance offers. Finally, one respondent (P07) raised the concern that the combined assurance model often fails due to assurance providers stuck in their ways. Findings on this theme is illustrated in table 4.1.

*Table 4.1: Excerpts on Combined Assurance Fit*

| Time Stamp/Position/Speaker | Quotation |
|---|---|
| **1:116/267 / P01** | "Combined assurance applies to the entire organisation, so ideally, people across the organisation would know." |
| **2:52/349/P02** | "Combined assurance is being seen as an internal audit thing they think it is our thing and that is why we advocate the value that you can get out of combined assurance" |
| **7:22/180/P07** | "many times the combined assurance model fails because assurance providers are stuck" |

**Combined Assurance Framework as a tool**

One of the respondents (P02) exclaimed that the combined assurance framework can serve as a warning tool for management as this will be projected in the reports, which will show them whether the implemented controls This same respondent (P02) also stated that the CAF will create awareness of the importance of internal controls and the risk coverage that assurance providers will provide. Another respondent (P01) stated that they are trying to shift from financial governance to covering the entire organisation. He also agreed with the respondent (P02) that the CAF is meant to be a management tool.

Respondent (P03) claimed that the CAF had a significant impact, which can be measured by the number of clean audits the provincial government departments in the Western Cape have produced due to the role players buying into the framework. One of the respondents (P04) agreed that the combined assurance framework had been implemented in the WC provincial government departments, but further rollout requires maturity. Findings on this theme is illustrated in table 4.2.

*Table 4.2: Excerpts on Combined Assurance Framework*

| Time Stamp/Position/ Speaker | Quotation |
|---|---|
| 2:43/268/P02 | "it can serve as an early warning tool for management because in the combined assurance they obviously get reports to tell them whether controls are working or not, so as early warning tool but it can also assist management in making investment decisions." |
| 2:48/275/P02 | "it creates an awareness of the importance of controls and then secondly so it gives an adoption by the compliance units or internal controls like I said it just spread the coverage in terms of assurance being provided on the risks." |
| 1:47/176 in P01 | "We are trying to move away from the notion that it is all about financial governance" |
| 1:51/178/P01 | "It is absolutely so it covers the entire organisation so it is meant to be really a management tool a snapshot that the department can use to say look this are my risks" |
| 3:21/150/P03 | "it is having significant impact because I mean if you take for instance the amount of clean audits that have been introduced by departments within Western Cape Government, the only way that you can achieve that is that if you have all role players buying into the combined assurance framework" |
| 4:46/208/P04 | "the combined assurance framework as it stands now it has been implemented in all departments but it is the further role out of combined assurance that is wearing labels of maturity" |

**Combined Assurance Framework and Improvement**

One respondent (P04) stated that the CAF would improve the compliance unit to become a reliable second line of defence. The respondent (P04) further added that currently, the CAF stops with assurance mapping, but the CAF can contribute further if ICU starts reporting to oversight bodies on the risk-based plan that was developed. Another respondent (P06) stated that if the CAF is implemented correctly, it would be advantageous to the compliance unit if they assign roles to the experts and provide the right skills in the right focus areas. This contrasts with respondents (P03) and (P04), who stated that the CAF has been implemented and significantly impacts the number of clean audits.

Another respondent (P07) also emphasised that the CAF will force the ICU to relook at areas they can improve or leverage. This respondent also explained that the 1st and 2nd lines of defence would pick up the issues, the 2nd line would serve as a detecting control, and the 3rd line would confirm that the first two lines of defence are working. This respondent further acknowledged that the CAF would provide a better overview of the organisation by having different levels look at it and that there will be some alignment between the different lines of defence, and if not, they will be able to investigate why there is a misalignment. Another respondent (P08) believes that if the combined assurance mapping is not in place, they will not be able to determine the percentage of risk coverage for a particular year, and if they follow the mapping correctly and have their own IC plan, it will enhance the department. This is further confirmed by the rest of the respondents (P09) and (P10), which agreed that more assurance would be provided on different risks. Findings on this theme is illustrated in table 4.3.

*Table 4.3: Excerpts on Combined Assurance Framework and improvement*

| Time Stamp/Position/Speaker | Quotation |
|---|---|
| 3:34 ¶ 169 in P03 | it is all fine and well this is just my opinion to give something to an official and then just expect them to run with it, so they obviously needs to be kind of like a upscaling program that they can basically follow in terms of how they need to deal with certain aspects of the combined assurance framework |
| 4:5 ¶ 90 in P04 | it will allow a compliance unit within the combined assurance framework then to become that reliable second line of defence. Then in terms of contributing further within the combined assurance framework it is then about reporting to oversight in terms of that risk based plan that they would have develop reporting to oversight bodies like the audit committee |
| 4:28 ¶ 167 in P04 | if you look at the framework you will see that the framework does not as it stands at the moment it stops with assurance mapping |
| 6:26 ¶ 98 in P06 | If implemented correctly I think it would but it could only be for the better |
| 6:27 ¶ 98 in P06 | I think we will all benefit if we implement the combined assurance framework and assign roles to the experts |
| 6:28 ¶ 98 in P06 | if we have the right skills in the right focus areas |
| 7:36 ¶ 215 in P07 | times maybe you are enforcing us to relook where are those common areas where we can save or we can work better or where we can leverage |
| 7:49 ¶ 238 in P07 | if the output of the different levels of assurance if that is somehow evidence will document it, because then it is giving you feedback |
| 7:50 ¶ 240 in P07 | The first line of defence is working properly through supervision and review of what you pick up a lot issues, so that already is the biggest basket where you can catch your issues |
| 7:51 ¶ 240 in P07 | your second line is almost like your detecting control that means that is now trapping it |
| 7:52 ¶ 240 in P07 | 3rd line will then either confirm the second and first line of defences are actually working |
| 7:53 ¶ 240 in P07 | it is going to give you a better sense of the sight of your organisation by having the different levels looking at it |
| 7:54 ¶ 245 in P07 | you can then almost confirm if what the one I said is correct and are there alignment and if there is misalignment what are the reasons for the misalignment |

| | |
|---|---|
| **8:43 ¶ 299 in P08** | if we did not have that combined assurance mapping in place we are not going to be able to determine what a percent of coverage is per particular year. |
| 8:45 ¶ 301 in P08 | I think if they can follow the mapping correctly and have their own IC plan it will be great for us to enhance the in the department. |
| **9:28 ¶ 85 in P09** | yes because more assurance will be provided actually on different risks. |
| 10:38 ¶ 119 in P10 | Yes, most definitely. |

**Combined assurance and management role.**

One of the respondents (P03) indicated that management has strategic planning sessions at the beginning of the year, where they set the bar on what they would want to achieve. Subsequently, they would meet monthly or even more often to address the risks within the organisation and strategies for finding risk mitigations to close any control gaps. Another respondent (P06) also stated that management is required to implement, so whatever recommendations were received, their role would be to ensure that those recommendation has been implemented. This respondent also noted that monthly reporting meetings take place. However, another respondent (P04) added that CA would be a tool to confirm whether management's risk assessments were accurate as it would show how those risks were managed. This respondent further stated that management report and provide evidence linked to controls when doing reviews and that evidence provides some confirmation of the controls in place, but other than that, he does not see reporting taking place regularly. Findings on this theme is illustrated in table 4.4.

*Table 4.4: Excerpts on Combined Assurance and management role*

| Time Stamp/Position/ Speaker | Quotation |
|---|---|
| 3:27/158/P03 | "they have on a monthly or maybe even more than on a monthly basis they have meetings that normally address the risks within the organisation and obviously finding mitigation strategies to those risk so that we can close the not have any control gaps." |
| 3:28/158/P03 | "the strategic planning session, and that sets your bar from the beginning of the year of what it is that you want to achieve." |
| 4:52/222/P04 | "they report and they provide evidence for that a lot of that can be linked to controls that are executed throughout the processes and so when they submit any review that evidence that is probably some sort of confirmation of those controls happening, but other than that I do not see it happening regularly." |
| 4:54/226/P04 | "I think combined assurance will serve as a good way of confirming whether the risk assessments or the assessment by management was accurate or not in terms of how that risk is actually being managed." |
| Time Stamp/Position/ Speaker | Quotation |
| 6:33/108/P06 | "our organisation senior management is very involved we do monthly reporting" |

| | |
|---|---|
| 6:34/108/P06 | "they are required to implement so they are aware of all new developments and they are held accountable for ensuring that those whatever recommendations are made are implemented timeously" |

**Combined assurance framework appreciation level**

According to respondent (P02), the appreciation for combined assurance within the WCG provincial departments is minimal. However, respondent (P03) states that the appreciation in their department is relatively high, respondent (P10) agrees with respondent (P03) and claims that the appreciation level is significant as they have implemented risk management and the CAF also assists them in performing their duties by showing them what they should be on the lookout. Another respondent (P04) states that the framework is well respected and understood but does not know if it is appreciated. Also, another respondent (P06) states that the topic is relatively new to the provincial government and that not enough is known about it. This respondent further added that there is an appreciation from senior or top management for the work that IA does, so there is some appreciation. However, he claims that it can be better. Respondent (P08), on the other hand, believes that the appreciation level is non-existent. Findings on this theme is illustrated in table 4.5.

*Table 4.5: Excerpts on Combined Assurance appreciation level*

| Time Stamp/Position/ Speaker | Quotation |
|---|---|
| 2:53/349/P02 | "appreciation is minimal" |
| 3:38/180/P03 | "it is quite a high level, let me not, I would say it is more than, I am not going to speak for other department but I would say it is high in our department because managers are, were of the different aspects of combined assurance" |
| 3:39/182/P03 | "there is a high regard for it" |
| 10:44/144/P10 | "I think they have a lot of appreciation for that given the fact that as we have implemented risk management" |
| 10:46/144/P10 | "gives them the ability to what they need to actually look out for within carrying out their responsibility, so there is obviously a very huge appreciation" |
| 4:62/250/P04 | "I cannot say what level of appreciation they were, I think that is, I think it is well respected, it is understood but whether there is an appreciation I do not know." |
| 6:46/132/P06 | "it is a fairly new topic to provincial governance" |
| 6:47/132/P06 | "do not think enough is known" |
| 6:50/132/P06 | "there is appreciation for the work that internal auditor is appreciation from senior management or top management" |

| Time Stamp/Position/ Speaker | Quotation |
|---|---|
| 6:51/132/P06 | "there is some appreciation I think it can be better" |
| 8:48/312/P08 | "None existent at this, at now, it none existence" |

**Compliance and Compliance unit criteria**

Respondent (P01) stated that the internal control unit's role is linked to compliance; they are compliance driven. Another respondent (P02) states that the compliance unit is considered the 2nd line of defence and provides a monitoring role. This respondent added that the criteria would include the experience of officials within the unit and whether there is an existing methodology. Another respondent (P04) indicated that there are not many criteria set out in the CAF for the ICU, but the criteria will probably be based on the requirements for reliance. Finally, one respondent (P06) claimed that ICU units are very critical and are in the process of re-aligning their focus areas and assessing whether they are still relevant; they have found that people continue with the same process for years on end. Findings on this theme is illustrated in table 4.6.

*Table 4.6: Excerpts on Compliance units and compliance units criteria*

| Time Stamp/Position/ Speaker | Quotation |
|---|---|
| 1:10/102/P01 | "a very specific role to internal control units and that is pretty much linked to compliance" |
| 1:16/104/P01 | "I think it is compliance driven" |
| 2:17/196/P02 | "monitoring role as they check controls in the management level of assurance" |
| 2:19/205/P02 | "second line of defence assurance provider" |
| 2:21/216/P02 | "those criteria would usually include things like the experience of the people within the unit and whether there is a methodology and you know making an assessment of that methodology whether it surface in terms of providing assurance against the risk and controls" |
| 4:34/184/P04 | "There is no much criterial within the combined assurance framework as it currently stands but I think the criteria will be guided by probably what will be the requirements for reliance, so I think we would start off with are we doing everything we should be doing to get to the current combined assurance framework requirements" |
| 6:2/63/P06 | "I personally think compliance units within the departments are very critical obviously, it depends on where the focuses are, we are busy with a process of re-aligning our focus areas assessing whether the areas that we have been focusing on are still relevant so what you find is that people continue for years and end with the same processes" |

### 4.2.2 Theme 2: Relevance

This theme produced six codes in this study which are depicted in Figure 4.3:

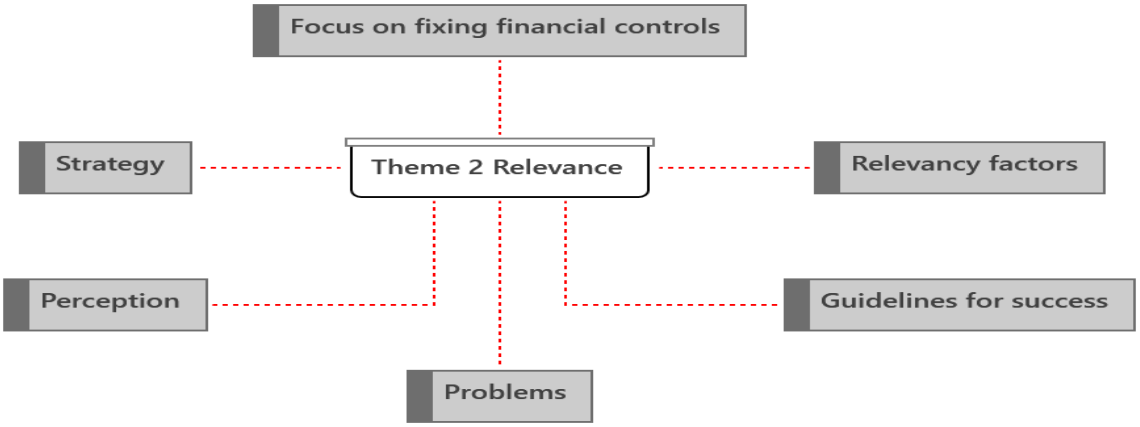


*Figure 4.3: Relevance Theme*

Source: ATLAS.ti™

**Focus on fixing financial controls and guidelines for success**

One of the respondents (P02) indicated that one of the flagging risks is that ICU is only focused on financial controls. Another respondent (P01) indicated that with any strategy, you must define your success measures. As the framework stands now, it takes them up to mapping, and if they start using that mapping to look at where they are placing their assurance effort, then it could enhance the effort (P04). It was also revealed by another respondent (P06) that when information and methods of working are shared, the ICU will certainly improve on the focused areas. Another respondent (P07) claimed that building in unanimous terms in the methodology of the different assurance providers will also enhance assurance efforts. This respondent also suggested requesting management assistance in

determining the adequacy and effectiveness of controls once a risk or risks has been identified. Findings on this theme is illustrated in table 4.7.

*Table 4.7: Excerpts on Focus on fixing financial controls and guidelines for success*

| Time Stamp/Position/ Speaker | Quotation |
|---|---|
| 2:31/242/P02 | "one of the risk that the flagging is that they are just focus on financial controls which I think is something good to fix" |
| 1:96/238/P01 | "with any policy or any strategy you need to define your measures for success" |
| 4:57/236/P04 | "if it reduces application then it will then enhance assurance effort, but yah as it stands now remember as the framework stands now it only takes us up to mapping and so if we start using that mapping to actually look at where we are placing our assurance effort then yes it could enhance the effort" |
| 6:39/117/P06 | "in sharing information, in sharing methods of working we will definitely improve what it is that we focus on" |
| 7:23/180/P07 | "what helps it better is that you already start in the methodology of assurance providers to start building in those unanimous terms" |
| 7:24/182/P07 | "we identify the risk and then we get or ask the management to assist the controls in terms of the adequacy of the control and the effectiveness of the control" |

**Relevancy Factors**

The findings on this theme were overwhelming, as all respondents agreed that the combined assurance is relevant to the ICU. The first respondent (P01) indicated that the CAF recognises the ICU as an internal assurance provider. Another respondent (P02) stated that all the assurance providers have the same objective in assisting the department in achieving its objectives. Therefore, the ICU's relevancy would then provide a level of assurance to management on whether the, although limited to financial controls, financial controls are adequate and effective. One of the respondents (P03) indicated that the CAF is relevant as it ties all the roles players together, i.e., everyone has access to each other; this, to me, also means that silos will fade. In addition to that, one of the respondents (P04) added that the framework is relevant as it was approved by top management and is being categorised as a 2$^{nd}$ line of defence in the framework and therefore needs to roll out and become a living document and should become the way they do things. Another respondent (P06) stated that it becomes relevant, especially with the ICU facing the problem of limited resources and looking at the scope of the work, especially when faced with many risks. The relevancy is then that it allows the role players to focus on specific areas knowing that the other risk areas are covered by other parties, which means a role player's attention is less divided. The relevancy of the ICU adopting the CAF is that compliance will strengthen the control environment, and duplication of efforts will also be minimised (P08). Findings on this theme is illustrated in table 4.8.

*Table 4.8: Excerpts on Relevancy Factors*

| Time Stamp/Position/ Speaker | Quotation |
|---|---|
| 1:24/111/P01 | "The relevancy of the combined assurance framework to the compliance unit, so the combined assurance framework actually recognises compliance units as an internal assurance provider. So the relevance of the combined assurance framework is that they need to do work which contributes to the assurance profile of the department" |
| 2:4/178/P02 | "I think we're all driving the same objective in trying to assist through our work the department to achieve its objective so the relevancy" |
| 2:5/183/P02 | "the relevancies also provide a level of assurance to management on whether those financial controls is adequate and effective so that the relevancy for me. Although limited just to financial controls but it is those controls in relation to financial risks to the organisation." |
| 3:5/118/P03 | "we have lots of role players, like I said this is the first, the second line and the third line of defence which you have with the third line is the oversight and so we tie in basically with all, we even tie in with the internal auditors, external auditors, risk management and even the fraud for the provincial forensic services, so everybody we kind of like access to everybody. |
| 6:8/7/P06 | "combined assurance becomes crucial because it allows you to focus on specific areas knowing that there is another party focusing on other risk area so your attention is less divided" |
| 8:5/185/P08 | "the compliance unit, right will strengthen the control environment of a particular department and couple to that it is also to minimise the duplication of efforts as you know that will map the risk" |

| Time Stamp/Position/ Speaker | Quotation |
|---|---|
| 4:15/140/P04 | "is an approved framework that was approved by provincial top management, so by that being approved by PTM it then makes it relevant for every department within Western Cape government and so then it becomes immediately relevant to every internal control unit, and so I think it is definitely relevant and that them being mentioned as a second line of defence means that there is a requirement to consider the combined assurance framework within the context of Western Cape Government departments, and so it needs to become, it needs to be rolled out, it needs to become a living document and not just the framework but the framework needs to become the way we do things within departments" |
| 6:7/70/P06 | "we all face a problem of limited resources, if you look at the scope of everything that needs to be done it becomes a challenge especially when you are faced with a lot of risks" |

### 4.2.3 Theme 3: Adoption

This theme produced eight codes in this study which is depicted in Figure 4.4:

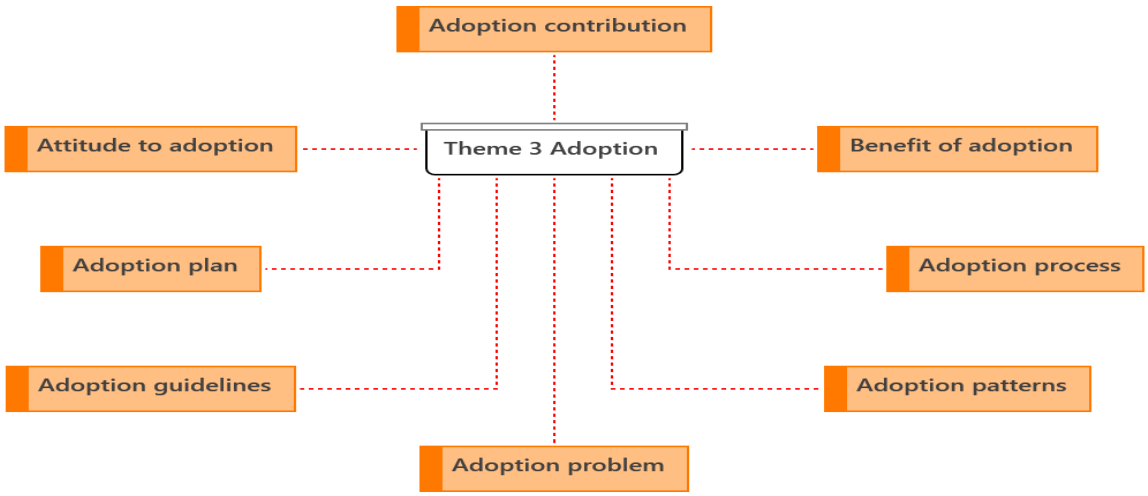


*Figure 4.4: Adoption Theme*

Source: ATLAS.ti™

**Adoption Contribution and guidelines**

The CAF's contribution is that more assurance is provided (P02). There would also be a transfer of knowledge, skills, and sharing of ideas, methods, and tools, so it would be a significant contribution if implemented correctly (P06). One respondent (P10) added that the CAF allows you to see where your gaps are in those risks where there is either a lack or minimal assurance being provided. Another respondent (P04) stated that they need to bring internal control units along so that they can first understand what it means to be a second line of assurance provider and also then understand at what point the internal control is what they need to do to be able to play their role within the combined assurance framework fully. Findings on this theme is illustrated in table 4.9.

*Table 4.9: Excerpts on Adoption contribution and guidelines*

| Time Stamp/Position/ Speaker | Quotation |
|---|---|
| 2:8/187/P02 | "so if they adopted, then what happens is that there is more assurance provided" |
| 6:44/130/P06 | "knowledge transfer skills, transfer sharing of ideas, sharing of methods, sharing of tools, so it would be a great contribution if it is implemented correctly" |
| 10:25/101/P10 | "you can actually see where your gaps are in terms of those risk" |
| 10:26/101/P10 | "where there is either a lack or very limited assurance being provided" |
| 4:23/155/P04 | “we need to bring internal control units along so that they can firstly understand what it means to be a second line of assurance provider and also then to understand at what point do I as internal control what is it that I need to do to be able to fully play my role within the combined assurance framework," |

**Adoption patterns, adoption problem and process**

One of the respondents (P01) stated that an extensive consultation process took place to get people aware of what is in it and get them on board because they knew that adoption would not really work unless people were aware of what was happening and felt part of the process. This respondent further indicated that they had a formal adoption process through adopting the framework as a formal WCG policy.

Another respondent (P04) also indicated that they have not defined how the level of adoption of combined assurance would be measured as it is still very much in the implementation phase. Finally, one of the respondents (P10) also indicated that adoption patterns are directed through identifying and assessing risks in collaboration with internal audit and risk management.

According to the findings, one respondent (P01) indicated that the role players did not know about it or were unfamiliar with the CAF content and, therefore, could not drive the adoption. Another respondent (P03) also stated that you are only as good as your resources, so if you have a weak link and somebody is not competent and does not understand the strategies, then you are going to be on the back foot all the time. One respondent (P06) indicated that they are not sure how effectively they will implement the combined assurance framework as it depends on your skills within your various units and the internal audit units, for example, are not sufficiently capacitated. Hence, there is a limited amount of function. This view was supported by another respondent (P08), who claimed that it is based on resource constraints per department, so it will not be possible for them to cover all the department's risks. Findings on this theme is illustrated in table 4.10.

*Table 4.10: Excerpts on Adoption patterns, adoption problem and process*

| Time Stamp/Position/ Speaker | Quotation |
|---|---|
| 1:69/213/P01 | "extensive consultation process to get people aware of what is in it and to get them on board because we knew that adoption would not really work unless people were aware of what was going on and felt part of the process." |
| 4:26/167/P04 | "we have not defined how we would measure the level of adoption of combined assurance" |

| Time Stamp/Position/ Speaker | Quotation |
|---|---|
| 4:27/167/P04 | "we are still very much in the implementation phase" |
| 10:1/81/P10 | "adoption patterns is actually been directed through the identification and the assessment of risks in collaboration with internal audit and then risk management" |
| 1:72/213/P01 | "they did not really know about it or they were not that familiar with the content of it, they could not really drive the adoption thereof" |
| 3:36/171 – 176/P03 | "you only as good as your resources, so that is what I am saying is like your if you going to have a weak link and somebody is not competent and does not understand the and does not understand the strategies then you going to be on the back foot all the time" |
| 6:42/121/P06 | "dependent on the skills you have within your various units" |
| 6:48/132/P06 | "the internal audit units for example is not sufficiently capacitated so is a limited amount of function" |
| 6:49/132/P06 | "I am not sure how effectively we are going to implement the combined assurance framework" |
| 8:13/198/P08 | “we are based on resource constraints per department so it will not be possible for us to cover all the risk the department has" |
| 1:70/213/P01 | "Then we had that formal adoption process through the adoption of the framework as a formal WCG policy" |

**Benefit of Adoption**

The findings revealed that one of the respondents (P01) thinks there is a massive benefit in adopting the framework. However, although it has happened, the adoption has been very slow. According to respondent (P07), the CAF will tell you which of those identified mitigations are working effectively, are adequate and effective, not only today but also tomorrow. Another benefit of adopting the framework is that it will enhance assurance by ensuring that assurance is optimised cost-effectively, eliminating duplication of effort between different assurance providers (P01). One respondent (P02) indicated that the CAF, with ICU on board, increase risk coverage; it will assist management or accounting officers with investment decisions in terms of resources and where to direct their resources, e.g., should an internal audit, or internal control report indicate control deficiencies in those areas it will assist them in mitigating the risks. This respondent also indicated that it would broaden compliance units' work scope. Respondent (P04) added that from an oversight perspective, they would get a better view of all the assurance and a more accurate indication of the actual assurance gaps. This respondent also concluded that internal control units' benefit would be expanding knowledge. First, there will be a need for additional training and knowledge sharing that will increase knowledge within those units. Secondly, because of this broadened assurance, work that is now open to them will allow them to enhance their knowledge and understanding. Another respondent (P07) also indicated that it would assist the province in determining how work can be done more efficiently and effectively and how they can leverage the existing assurance structures. This respondent also added that their role would be elevated if people could understand their contribution to the more extensive combined assurance framework that the ICU is assuring them on the risks and mitigation as opposed to just an internal control review on compliance. Findings on this theme is illustrated in table 4.11.

*Table 4.11: Benefits of Adoption*

| Time Stamp/Position/ Speaker | Quotation |
|---|---|
| 1:55/189/P01 | "Yes definitely I think there is massive benefit to adopting it" |
| 1:67/198/P01 | "adoption has happened but it has been slow" |
| 7:45/231/P07 | "they are going to tell you which of those mitigations that were identified are actually working, are actually adequate and effective to mitigate the risk not only today but tomorrow also" |
| 1:112/276/P01 | "it will enhance assurance through making sure that assurance is optimised in a cost effective way cutting out duplication of effort between different assurance providers." |
| 2:35/253/P02 | "some departments our coverage, our assurance coverage on risks is like a 50 percent (%), now I think not I think, should we get internal control on board that 50 percent (%) can definitely increase" |
| 2:44/268/P02 | "Investments and those investment decisions can be, it can be in terms of money which we obviously do not have but investment decisions also in terms of resources and where to direct your resources to, so let us say as an example your internal audit report or even an internal control report indicate some control deficiencies" |
| 2:45/273/P02 | "mitigate that particular risk and that can then trigger what, where does, how do you prioritise your post as an example in the current circumstances where there is no money" |

| Time Stamp/Position/ Speaker | Quotation |
|---|---|
| 2:46/273/P02 | "combined assurance can be used as a tool to actually assist management or accounting officers in making those type of decisions." |
| 2:50/285/P02 | "I think it will also broaden the level, not the level of assurance, it will broaden the, I am trying to think of the word, the scope, it will broaden the scope of work of compliance unit." |
| 4:22/155/P04 | "a huge benefit I think departmentally also from oversight body perspective because they now got a better view of actually all the assurance and a more accurate indication of what the true assurance gaps were" |
| 4:24/155/P04 | "I think the benefit for internal control units will be that there will be an expansion of knowledge, there will be, there is a need for additional training and knowledge sharing and so that will obviously hopefully increase the knowledge just within those units and then secondly because you have this broadened work or you know, broadened assurance work that they can that is now open to them, yah I think it is just all round will provide them with an opportunity" |
| 4:60/240/P04 | "enhance knowledge and understanding" |
| 7:16/156/P07 | "assist the province because we are now taking a look and see how are we, can we work more efficient and effective" |
| 7:17/156/P07 | "how can we leverage of our existing assurance structures better" |

| Time Stamp/Position/ Speaker | Quotation |
|---|---|
| 7:56/247/P07 | "it is going to elevate your role if you start playing actively in that second line of defence" |
| 7:57/249/P07 | "If people can understand your contribution to the bigger combined assurance framework that you are actually giving them assurance on the risks and mitigation as opposed to just internal control review compliance" |
| 7:58/249/P07 | "so it still allow them for time let us say their weaknesses identified that they still have time for corrective measures" |
| 8:10/198/P08 | "I will definitely see the benefits of adopting the combined assurance framework in a sense that as a HOD of a department or a CFO of a specific department, right I will have a detail" |
| 8:12/198/P08 | "I go on a consultancy basis look for consultant to do this audit for me or do we manage it internally" |

### 4.2.4 Theme 4: Roles

This theme produced six codes in this study which are depicted in Figure 4.5:

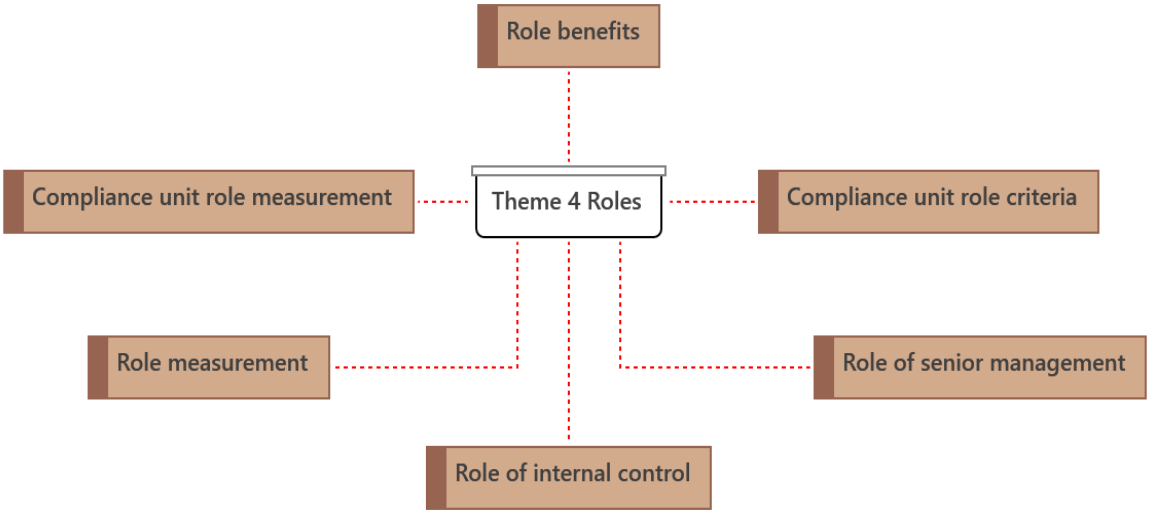


*Figure 4.5: Roles*

Source: ATLAS.ti™

**Role of Internal Control and Compliance Unit role Criteria**

The findings concluded that internal control plays a more significant role in focusing on the management controls and looking at their entirety; and giving assurance on how those risks are being managed through the adequacy and effectiveness of the controls in place (P01). Further to that another respondent (P04) indicated that the ICU role is to play that second line of defence, to contribute to the combined assurance framework through the work that they do and to make sure that everything is in place so that the work that they do can be relied upon by the oversight bodies. However, one of the respondents (P06) specified that the framework is still very new and not enough has been discussed regarding the matter,

and many engagements need to happen between departments and the premier department. One respondent (P07) stipulated that the internal control unit will be coming there where there is a gap; therefore, it would be independent assurance. Another respondent (P08) also agreed and noted that ICUs are functioning at a very, very operational level they are not there to assist management in terms of growing the control environment in the department. This was further substantiated by another respondent (P10), that claimed that not much which have been developed. So, it is more or less like a blank statement and that provincial treasury with departments has done minimum requirements for internal control units. Hence, it fits within the combined assurance but predominantly focuses on finance, and its responsibility is to provide assurance on various financial compliance for the department. Findings on this theme is illustrated in table 4.12.

*Table 4.12: Role of Internal Control and Compliance Unit role Criteria*

| Time Stamp/Position/ Speaker | Quotation |
|---|---|
| 1:82/220/P01 | "internal control has a much bigger role to play in terms of not only focusing on the management controls but also actually looking at risks in their entirety and giving assurance on how those risks are being managed by looking at the adequacy and effectiveness of the controls in place" |
| 4:19/100/P04 | "I think the role is very clear the role is to play that second line of defence, to contribute to the combined assurance framework through the work that they do and to make sure that everything is in place so that the work that they do can be relied upon by the oversight bodies" |
| 6:17/85/P06 | "is very new so not enough have been discussed regarding this matter" |

| Time Stamp/Position/ Speaker | Quotation |
|---|---|
| 6:18/85/P06 | "a lot of engagements that needs to happen between departments and the department of the premier" |
| 7:2/103/P07 | "internal control unit will be coming there where there is a gap then, so the first price would be independent assurance" |
| 8:15/208/P08 | "we had a look at various departments in the provincial government space right and we saw that some IC unit right they are functioning at a very, very operational level they are not there to assist management in terms of growing the control environment in the department" |
| 10:17/90/P10 | "there is not much which have been developed, you know it is like more or less like a blank statement" |
| 10:18/90/P10 | "provincial treasury with departments has actually done minimum requirements for internal control, so it actually fits within the combined assurance but predominantly focus then on the finance part" |
| 10:19/90/P10 | "is our responsibility is to provide a level of assurance on various financial compliance for the department" |
| 4:38/188 /P04 | "these are the conclusive risks this is just my opinion. So, I think what obviously initially there is a concern about adequate resourcing" |

### 4.2.5 Theme 5: Risks

This theme produced five codes in this study which are depicted in Figure 4.6:

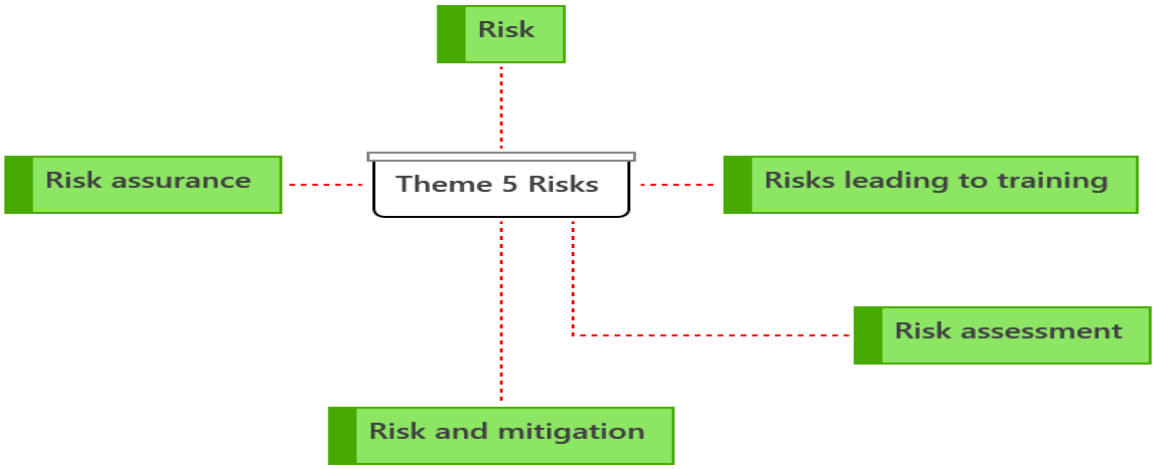


*Figure 4.6: Risks*

Source: ATLAS.ti™

**Risks leading to training**

Respondent (P04) raised concern that adequate resourcing and the necessary training, knowledge and understanding of the CAF might not exist in order to implement the framework. This respondent also raised an additional concern regarding the mandate for ICU in the CAF. Another respondent (P06) indicated that the other role players that you and the work that you place reliance on fail, and that could be due to several reasons, other parties do not understand your organisation necessarily the way you do, or they do not deem certain areas to be the same type of risk or category of risk as you do, so focus areas

might be skewed. As a result, objectives might not be met, and resources available on the other side also concern whether the relevant skills are there and do they have the right people to do the work.

One of the other respondents (P09) raised a few other concerns that all their work is not the same and at the same level. For example, AGSA, internal audit and internal control unit perform different audit procedures, which is the issue. This respondent additionally stated that the coverage may be different, the independence of staff and that there are so many elements when it comes to the audit of how they operate differently. In addition, the nature and extent of the reports are completely different between the different assurance providers, as the three parties do not sit together and agree on procedures. Findings on this theme is illustrated in table 4.13.

*Table 4.13: Risks leading to training*

| Time Stamp/Position/ Speaker | Quotation |
|---|---|
| 4:39/193/P04 | "training and knowledge and understanding and is there that require level of understanding of combined assurance for us to be able to implement, so I think that is a concern" |
| 4:40/193/P04 | "concern around just generally having clarity of mandate because like I said there is this, what is that framework that combined assurance works with" |
| 6:20/94/P06 | "other role players that you and the work that you place reliance on fails" |
| 6:21/94/P06 | "other parties do not understand your organisation necessarily the way you do or they do not deem certain areas to be the same type of risk or category of risk as you do" |

| Time Stamp/Position/ Speaker | Quotation |
|---|---|
| 6:22/94/P06 | "focus areas might be skewed and objectives might not be met" |
| 6:23/94/P06 | "so do they have the right people to do the work" |
| 9:14/61/P09 | "the problem is that all our work is not the same and at the same level" |
| 9:15/61/P09 | "we all basically perform different audit procedures, so that is the issue and I mean the coverage may be different" |

**Risk and mitigation**

The combined assurance model, according to respondent (P01), can be used as a tool to give management the assurance that the risks mentioned in the risk profile are really being managed effectively.

Furthermore, according to respondent (P02), it will help management determine whether the risk mitigation mechanisms they have in place are effective or if more work needs to be done.

As different departments have varying degrees of maturity when it comes to governance, respondent (P04) further stated that minimizing risks is contingent upon that maturity. Findings on this theme is illustrated in table 4.14.

*Table 4.14: Risk and mitigation*

| Time Stamp/Position/Speaker | Quotation |
|---|---|
| 1:114 ¶ 274 in P01 | mitigate the risks I think it serves as a tool that provides management to the assurance that the risks that are included in the risk profile are actually being managed appropriately |
| 2:13 ¶ 192 in P02 | just give management better understanding of whether the controls that they have in place to mitigate the risk are working as intendent or whether there is some additional work to be done |
| 4:42 ¶ 197 in P04 | all of that can be mitigated by just the governance maturity that exist within an organisation |
| 4:43 ¶ 197 in P04 | within different departments, we have different levels of maturity |
| 6:40 ¶ 117 in P06 | that contributes to how we can mitigate risk by gaining efficiencies |
| 7:11 ¶ 131 in P07 | you do but it can be focusing on areas that does not necessarily contribute towards mitigating the risks |

## 4.3 Demographic Analysis

### 4.3.1 Age

The respondents' ages ranged between 31 and 41 or older. Of note is that 40 per cent of the respondents were between the ages of 31 and 40. A total of 60 per cent of the respondents were between the ages of 41 and above.

### 4.3.2 Gender

A total of 60 per cent of the study's respondents are male, and 40 per cent are female. This study reveals that male in government still dominates the higher positions of employment.

### 4.3.3 Department employed in

A total of 40 per cent of the study's respondents are in the Internal Control Unit. In addition, a total of 40 per cent of the study's respondents are in the Internal Audit Unit, 10 per cent of the respondents are in Enterprise Risk Management, and 10 per cent is in Finance.

### 4.3.4 Position in organisation

A total of 30 per cent of the respondents are Deputy Directors, 20 per cent are Directors, and 20 per cent are Managers. Of note is that 10 per cent of the respondents are Chief Audit Executives, 10 per cent are Chief Risk Officers, and 10 per cent are Accountants.

### 4.3.5 Organisational functions involved in

A total of 50 per cent of the respondents are involved in strategy formulation, and 30 per cent in Auditing. Of note is that 10 per cent of the respondents are involved in risk identification, mitigation, strategy formulation, and hiring, and 10 per cent are involved in governance, risk management, compliance, forensics, and internal control.

### 4.3.6 Number of years in current position

The study revealed that 60 per cent of the sampled population has been in his/her current employment between 0-5 years. 20 per cent of respondents have been in their current employment between 6–10 years, and 20 per cent of respondents have been in their current employment between 11-15 years

### 4.3.7 Amount of working experience in total

In terms of work experience, the study revealed that 40 per cent of respondents had between 20 to 26 years of experience, 30 per cent had 11 to 15 years of experience, and 10 per cent had been working for 0–10 years. Twenty per cent of the respondents did not answer this additional question or were not asked this additional question.

### 4.3.8 Amount of working experience in combined assurance

To note is that of the total amount of working experience, 70 per cent of the respondents have 0-10 years of working experience in the combined assurance framework space. On the other hand, 10 per cent of the respondents have 11-20 years of working experience in the combined assurance framework space, and 20 per cent of the respondents did not answer this additional question or were not asked this additional question.

### 4.3.9 Training in field of work

A total of 80 per cent of the respondents go on training fairly regularly, and 20 per cent always goes on training.

### 4.3.10 Promotions in compliance related field

The study revealed that 50 per cent of the respondents had never been promoted in a compliance-related unit. A total of 30 per cent of the respondents were promoted twice or more. A total of 20 per cent of the respondents were promoted once.

### 4.3.11 Qualifications

Of note is that the study revealed that 50 per cent of the respondents have degree qualifications, while 40 per cent have professional qualifications and another 10 per cent have national diplomas as a qualification.

### 4.3.12 Number of people reporting to you

A total of 40 per cent of respondents have 6-10 people reporting to them, and 30 per cent have 0-5 people reporting to them. Note that 20 per cent of the respondents have 21-30 plus people reporting to them, and 10 per cent have 11-15 people reporting to them.

### 4.3.13 Roles fulfilled in the combined assurance space

Of note is that the study revealed that 20 per cent of the respondents are involved in developing and implementing the combined assurance framework. By comparison, 10 per cent are involved in drafting the CAF. 10 per cent are involved in coordinating and providing assurance, 10 per cent was involved as an Internal Auditor, 10 per cent was involved as a second line of defence as an ASD, 10 per cent were involved in the assessment of risk, review of assurance providers and 10 per cent played a role as an oversight body in providing assurance. However, 20 per cent of the respondents did not answer this additional question or were not asked this additional question.

### 4.3.14 Demographics

The profile of the participants of the qualitative study offered the demographic details of the interviewees. It includes age, gender, rank, tenure and level of education. Eleven participants participated in the interview. Table 4.15 summarises the profile of the participants.

*Table 4.15: Demographic Analysis*

| Organisational Code | Participant Code | Gender | Education | Rank | Tenure Years | CAF Experience |
|---|---|---|---|---|---|---|
| DOTP | P01 | Male | Degree | IAE | 26 | 13 |
| DOTP | P02 | Female | CIA | CAE | 20 | 8 |
| DOTP | P03 | Female | Degree | AM | 13 | 6 |
| DOTP | P04 | Female | Degree | CRO | 0 | 0 |
| DOTP | P05 | Female | Degree | IAE | 26 | 7 |
| DCAS | P06 | Male | ND | MMS | 24 | 8 |
| DOH | P07 | Male | CA | MMS | 13 | 3 |
| DEA | P08 | Male | PGD | MMS | 10 | 5 |
| DOE | P09 | Male | CA | AC | 12 | 0 |
| DOA | P10 | Male | CIA | MMS | 15 | 5 |

(Source: Author's construction)

## 4.4 Chapter Summary

This chapter addressed the qualitative data results from this empirical study to describe the role of compliance units in adopting combined assurance within provincial departments in the Western Cape. The key findings of the study reveal that the role of the compliance unit, referred to as the internal control unit, is mainly focused on financial compliance. Although some respondents believe that the CAF has been fully adopted and implemented, others seem to believe the opposite. The results have supported the conceptual premise that combined assurance benefits organisations, as all respondents agreed on this; however, some felt that it would create more work for the compliance units. It also confirms that combined assurance is integral to strengthening or broadening risk coverage within an organisation if implemented correctly.

The chapter discussed each of the five themes generated on Atlas-ti and ended with an analysis of the demographics of the respondents.

The following chapter, conclusions and recommendations, will conclude the study in terms of revisiting the research questions, discussing the study's limitations and offering recommendations on the research study.

# CHAPTER 5
# CONCLUSION AND RECOMMENDATIONS

## 5.1 Introduction

This research is about the role of compliance units in adopting the combined assurance framework within provincial government departments in the Western Cape. The study used a qualitative methodology, and data was drawn from Internal Auditors, Officials within the Internal Control Unit, CAEs, and officials within finance and enterprise risk management. This chapter discusses the qualitative results drawn from Chapter four and the importance and purpose of the study. After that, a summary of the chapter is finally provided.

## 5.2 Addressing the Research Questions

The following questions were addressed in this study:

- What are the elements of the combined assurance framework?
- How relevant is the combined assurance framework to the compliance units of provincial government departments in the Western Cape?
- How is the adoption of the combined assurance framework in provincial government departments in the Western Cape determined?
- How is the role of the compliance units in the combined assurance framework in provincial government departments established?
- What risks are compliance units more concerned about in the combined assurance framework within provincial government departments in the Western Cape?

### 5.2.1 What are the elements of the combined assurance framework?

This research question was addressed using relevant literature. Combined assurance is becoming fundamental and provides critical integral components of corporate governance. Achieving the ultimate maturity level of combined assurance requires formal intra-organisational agreements on the overall combined assurance approach from the Audit Committee, Executive Management, and assurance stakeholders on the fundamental elements. These examples are given in the subsequent sections.

**Bottom-Up Element**

The “bottom-up” element of the combined assurance framework makes the risk management process stronger through the consumption of existing audit protocols and the skills of coordinated multi-disciplinary teams to assess the risks at each operation, validating the risks developed by each operation as recorded in the group’s risk register – Audit Risk. Each review tests the completeness of risks and the accuracy and effectiveness of the risk management process AGSA (2012).

**Top-Down Element**

The “top-down” element of the framework concentrates on the group's strategic objectives and the risks that have an impact on the achievement of those objectives. It identifies risk owners, control strategies and assurance providers within the different “lines of defence”. Assurance obtained from assessed assurance providers is then combined and plotted against the appropriate risk and associated control strategy, supplying the Board and management with a consolidated view of the management of strategic risks AGSA (2012). Figure 5.1 illustrates the top-down bottom-up element.

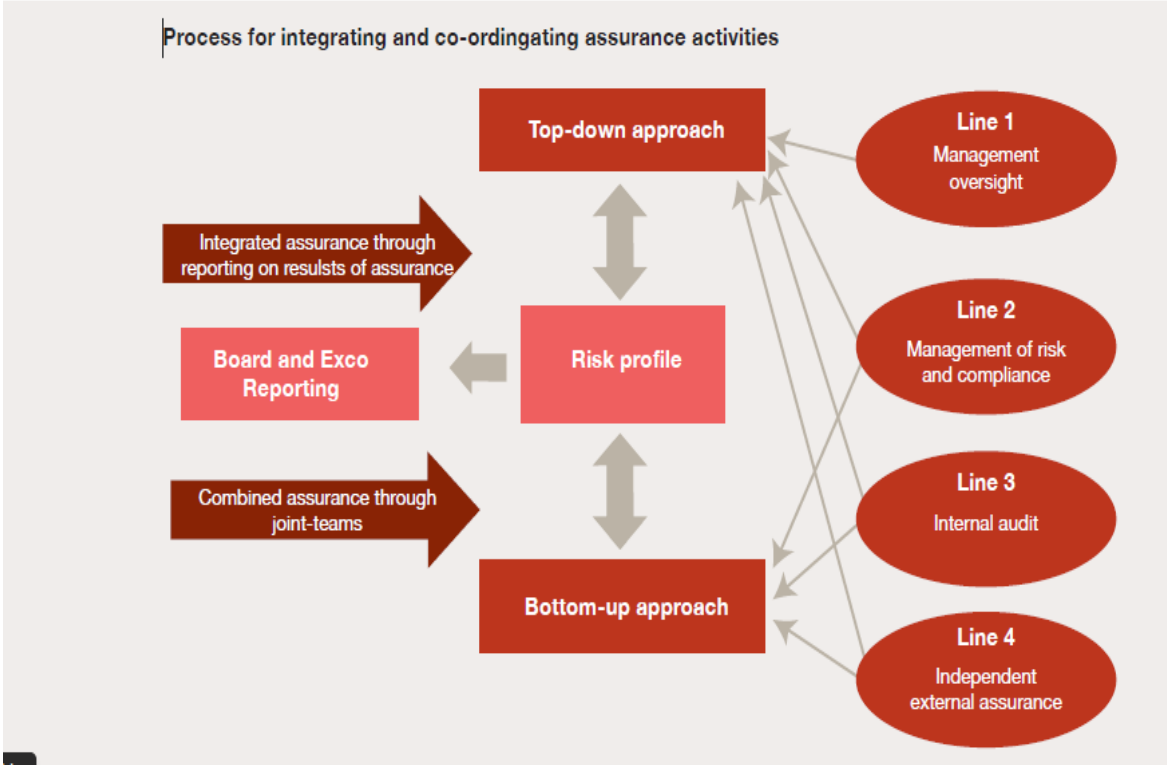


*Figure 5.1: Process for integrating and co-ordinating assurance activities, Top-Down Bottom-Up element*

Source: PWC (2013)

### 5.2.2 How relevant is the combined assurance framework to the compliance units of provincial government departments in the WC?

This question was primarily addressed using in-depth interview responses from the participants. With the aid of Atlas. ti, this qualitative analysis was used to assess the relevancy of the combined assurance framework to the compliance units. The information gathered from the interviewees contributed to answering the question and drawing conclusions. The respondents overwhelmingly acknowledged the relevancy of the framework in the ICU.

The qualitative analysis validated the relevance of combined assurance in the compliance units. The internal control units will need to do work that contributes to the assurance profile of the department. Although the study has revealed that the internal control unit purely

focuses on financial controls and combined assurance is about all controls, the relevancy would provide some level of assurance to management that the financial controls that have been put in place are adequate and effective in relation to the financial risks in the institution.

With combined assurance, there are various role players and levels of assurance providers, with the internal control unit being identified in the CAF as a second line of defence. The relevancy would pertain to all assurance providers within the framework having access to each other; this means that the silos that role players tend to work in will be shattered. Also, with them being mentioned as a second line of defence and having an approved framework by PTM means that the internal control unit is required to consider the combined assurance framework within the context of Western Cape Government departments.

The study revealed that with the adoption and implementation of the framework, it would become how things will be done in the departments. It will serve as a term of reference, a guide, providing structure to the function of the internal control units. It will address the problem of limited resources when looking at the scope of work and the specific risk areas that require coverage as there would be different parties focusing on certain risk areas and therefore, the attention of role players will be less divided, and more time can be spent on focusing on the critical areas that are not being addressed by someone else. So, in short, the framework allows for more extensive risk coverage and tapping in on the areas where there are gaps in assurance.

Further, it was noted that some of the IC units do not have an annual plan that clearly stipulates the risks to be covered and when they would be covered. Also, the scope of work is not clearly stipulated, making it difficult to determine which risks have been covered and this, in turn, increases duplication of efforts as there is uncertainty regarding which role player is covering which risks.

### 5.2.3 How is the adoption of the CAF in provincial government departments in the Western Cape determined?

The study examined how the adoption of the CAF in provincial government departments in the Western Cape was determined. Most of the answers to this question related to the in-depth interview responses from the participants. These responses contributed to the conclusions used to answer this question.

One of the study's objectives was to assess how the adoption of combined assurance in the WCG was determined. The findings of this study have presented several strategies as deliberated in this section. The findings highlighted that prior to the adoption of the CAF in 2015, extensive consultation was conducted with the drivers of the CAF, such as the HODs and EXCOs. The formal adoption of the CAF as a policy made it mandatory for all provincial departments in the Western Cape to implement it. However, Internal Audit noted that awareness of the policy was lacking and if they are not aware of something, they cannot drive the adoption thereof. IA stepped in to take up the coordinating role, which conflicts with the framework, as IA is seen as an independent assurance provider within the framework. As the coordinator, part of developing their annual audit plans, IA built a combined assurance table in their annual audit plan and engaged with the other assurance providers, be it internal or independent assurance providers, to map the work that will be performed as part of the combined assurance map.

It was further augmented that the adoption of the framework has been directed through identifying and assessing risks in collaboration with internal audit risk management on the other side. This is in contradiction to the results that highlighted that the adoption thereof has not been defined but would be measured by looking at the framework and requirements of the framework, whether they are mapping assurance and whether they are considering all the assurance providers. The next level will then be to determine if they are reporting to oversight bodies on the planned assurance and, if they are reporting the result of the planned assurance starting with compliance against the framework.

### 5.2.4 How is the role of the compliance units in the combined assurance framework in provincial government departments established?

This study has established the role that compliance units play within the combined assurance framework, and the following conclusions have descended in answering the above question.

The combined assurance framework adopted in the WCG, unfortunately, limits the role of internal control units to that of a monitoring role as they check that the controls in the management level of assurance are appropriately designed, in place, and operating as intended. However, the coordinator of the framework, IA, realised that internal control has a significant role to play in the process. It focuses on managing controls, examining risks in their entirety, and giving assurance how those risks are managed through the adequacy and effectiveness of the controls which are in place.

It was also established that there are not sufficient criteria in the framework. Also, from the perspective of the guidance that is being issued by the provincial treasury, there are no criteria established from the provincial treasury side that drives the internal control unit's role in combined assurance and that IC units function at a very operational level. The above conclusion is further supported by the Treasury circular issued in 2013 to Internal control units that the key responsibilities were compiled based on using the ICU as a mechanism to monitor and enforce compliance with the established internal control system. The CAF, however, categorises this unit as a 2nd line of defence assurance provider, contrary to the circular issued by PT, as the CAF does not limit a role player only to financial governance but is about the entire organization.

To summarise the answer to the above question, not much has been developed to establish the role of internal control units in the CAF. It predominantly focuses on monitoring and management of controls, and due to CAF being in its infancy stage, as it has been identified, many engagements still need to happen between departments and the premier department to ensure the combined assurance can be effectively rolled out.

### 5.2.5 What are the risks that compliance units are more concerned about in the combined assurance framework within provincial government departments in the Western Cape?

Although the combined assurance framework is mainly about optimizing the risk coverage in an organization, this study also explored whether compliance units have concerns about risks relating to adopting this framework. These findings are discussed in more detail below.

The findings revealed that some of the internal control units or compliance units are unaware of this framework, which means there is a lack of comprehension of the CAF and lack of training, leading to implementation barriers. It also revealed that there is a limitation on financial controls, their scope of work is limited, coupled with the lack of resources has also been firmly identified as a risk as adopting this framework is seen as additional work. Adopting the framework and addressing the resources-related concerns would require training, knowledge and understanding.

Furthermore, clarity regarding the role or mandate of the ICU has been flagged with concern because the CAF rates the ICU as the second line of defence. The PT circular limits its role to monitoring. However, it was suggested that all of that can be mitigated through governance maturity that exists within an organization. There are different levels within the Western Cape Government, different departments, and different levels of maturity. For example, in one department, the issue of sticking to financial governance is huge because units do not want to move beyond what their mandate is. In other departments where there is a more mature governance environment, they have already gotten to a point where people are looking at risk-based planning that takes ICU beyond financial governance.

An interesting risk which also surfaced was the support of the accounting officer as the internal control unit reports to the chief financial officer who is managing the information. There may be a conflict of interest between the two in the sense that the CFO will be in a position to overrule some of internal controls findings given their understanding as opposed to the accounting officer tabling the findings to the chief financial officer to address them. The authority of the internal control unit will possibly be led by the deputy director or

director. Therefore, they will not have much authority over the chief financial officer the suggestion that the accounting officer needs to be in support of the unit as the unit runs the risk of being overruled by the CFO.

Another interesting risk was the failure of the reliance placed on other role players, which could be due to several reasons, such as parties misunderstanding the organization, or not agreeing on specific areas to be the same type of risk or category of risk. In addition, focus areas might be skewed, and objectives might not be met.

In addition, all the role players' work is not the same and at the same level. AGSA, internal audit and internal control unit perform different audit procedures, which has also been identified as an issue. In addition, the coverage may differ, the independence of staff and even reporting, the nature of the reports and the extent of the reports are completely different between the different assurance providers. When it comes to audits, the role players operate differently.

In conclusion, the concerns which were highlighted throughout the findings of the study related to the question are the issue of the technical knowledge of what they must do, the training that they need, being fit or capable of applying the combined assurance framework and also the oversight body that will look after their needs whether it is on the competency side or whether it be on the software side. Who is going to cater for them in terms of providing systems and the competency that is needed?

## 5.3 Limitations of the Study

According to Ross and Zaidi (2019), study limitations represent weaknesses within a research design that may influence the outcomes and conclusions of the research. Price & Murnam (2004:66) further confirms this by claiming that the limitations of a research study are those limiting factors that impacted or influenced the interpretation of the research findings, the generalisability, and the applications to practice and serve as a prospect to make suggestions for further research. Therefore, the findings of this study must be seen in the light of some limitations, which will be further elaborated.

### 5.3.1 Sample size

Interview invitations were sent to twenty-five (25) officials within the thirteen (13) provincial government departments in the Western Cape. This was to ensure that at least one person per provincial department responded. However, only 18 responses were received. Of the eighteen (18) responses received, thirteen (13) were favourable and five (5) were not willing to participate as they felt that they would not add value to the study or that they did not have time to participate in an interview.

Availability of interviewees such as getting access to CFOs, senior government officials, Audit committee members and members from AGSA whose participation was necessary for this study, was a daunting exercise which contributed to the relatively small number of participants and respondents.

Of the thirteen (13) favourable responses, eleven (11) interviews were eventually conducted as two (2) of the respondents silently withdrew as no response was received from them when I had to schedule the meeting. Only six (6) provincial government departments participated in this study, and therefore, it is believed that a more significant number of participants would have produced a higher degree of variability in the responses.

### 5.3.2 Data transcription

Another challenge was faced when the interviews had to be transcribed for data analysis as the transcriber was not able to transcribe one (1) of the 11 transcripts due to the recording not being clear enough, and therefore, only ten (10) transcripts were successfully analysed.

### 5.3.3 Availability of funding

This study was undertaken without any funding and impacted when the data was transcribed and analyzed as a professional transcriber, and data analyst could only be consulted once funds became available. This, in turn, created enormous pressure due to

time constraints and deadlines as the time between the interviews, transcription and analysis was too far apart.

The above limitations require consideration when any attempt is made to interpret the findings and call for further research to increase the body of knowledge.

## 5.4 Contributions of the Study

This revolutionary study is the first research done attempting to bring forth the role that internal control units play in the combined assurance framework in the Western Cape Provincial Government Departments. This study, regardless of the necessity to consider the limitations and the substantiation of the outcomes with similar studies under different settings, presents valuable inputs and, therefore, has implications for practice as expressed below.

### 5.4.1 Contributions to practice

This study will enhance role players in the combined assurance framework understanding and appreciation of the framework and, possibly, the alignment of methodologies across all assurance providers within the CAF.

Further, the study provides valuable contributions to the drivers and the role players of the framework within the Western Cape Government who stand to benefit by comprehending the advantages of the framework and concerns raised by ICU regarding the adoption of this framework. It will provide helpful information to such people to enable them to have the right mindset when the framework is fully implemented and adopted. Further, the outcome of this study will, to some extent, equip the drivers of the framework and the role players with enough strategies to break silos, implement the required controls, effect proper implementation mechanisms, provide relevant resources, and the right leadership with the required qualifications, experience, and skills to apply the combined assurance framework.

## 5.5 Recommendations

In this section, the recommendations inspired by this study will be addressed. Based on the pioneering journey of this research, this study has revealed insightful surveillance on the role of compliance units in the combined assurance framework. In addition, the study has allowed the researcher to provide recommendations for future research.

The internal control units in departments should follow a risk-based approach. This will ensure a more comprehensive risk coverage by the various assurance providers and not only be focused on financial compliance. Their role should be linked to the key strategic risks of the department first and foremost and then also the programme risks and that they are then doing work or selecting their areas of work based on the risk profile of the department cognisant of the work that other service providers are doing so as not to duplicate or replicate the work that is already planned. Moreover, they provide a level of assurance to management that those risks are being managed appropriately. This will not only broaden risk coverage but also drastically reduce AG fees.

Management must be adequately educated regarding the combined assurance framework to take ownership of the CAF, as currently it has been found that the CAF is being coordinated within IA which should not be the case as combined assurance is a management tool. This will eliminate the current conflict of IA being the coordinator and fulfilling the role of an independent assurance provider on the framework.

The current CAF in the department clearly defines each assurance provider's role within the CAF. This will allow each role player in the CAF to have a clear understanding of the role they play in the CAF.

AG or Internal Audit to assess Internal Control to determine to what extent they can rely on the work of internal control, as it will be beneficial for the ICUs to perform work guided by the CAF, but whether the other assurance providers such as AG and Internal Audit, will or can rely on the work performed by ICU remains questionable.

A timeframe should be considered for the implementation of the framework.

## 5.6 Conclusions

This research study has appropriately met the research objectives and addressed all research questions, which was meant to assess the role of compliance units in combined assurance within the Western Cape provincial government departments. It bridges the existing gap, adding to and bolstering the existing literature, promoting the adoption and implementation of the CAF in WCG. The outcomes transpired as an aftermath of triangulation of the review of the extant literature, methodology, analysis and discussions of the findings. This process enabled the researcher to posit that the adoption and complete implementation of the combined assurance framework can address the challenges faced regarding risk coverage in the assurance space.

The study highlighted the pivotal role the internal control units play in adopting the framework, and the impact on the assurance environment in WCG. It will provide broader risk coverage and save on assurance costs, which is always a major factor.

The study is also cognisant of the concerns raised regarding the adoption of this framework, whether it will create more work for the IC units, and will the ICU have the necessary skills and knowledge. These are some of the concerns that surfaced during the study.

Finally, it is indeed vital that adherence to the findings, discussions and recommendations enhanced by this study could create an excellent opportunity for the provincial government in WC to examine the role of Internal control units and scrutinize their current combined assurance framework to turn around the situation to enable them to experience the improvements required to contribute to the assurance environment. Thus, the outcomes of this study have convincingly answered the research questions, and the conclusions have also displayed real value and flagged the way for future research.

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## APPENDICES

*Appendix A: Interview Questionnaire*

Cape Peninsula University of Technology

**Introduction.**

My name is **Henoacia Cannon**, a Master of Commerce in internal auditing candidate with CPUT.I am conducting a study entitled, '**The role of compliance unit in adoption of the combined assurance framework within provincial government departments in Western Cape'**. It will be appreciated if you can find time to respond to these questions. Your responses to the questions will be kept private and confidential.

**Instructions.**

The interview will begin once the interviewer has taken the interviewee through the consent form and the form signed by the interviewee.

**SECTION A. BIOGRAPHY**

Please cross the applicable boxes

1. How old are you this year? Please use table below to indicate your age range

| | | | |
|---|---|---|---|
| 18 – 25 years | 26-30 years | 31 – 40 years | 41- above |

2. What is your gender?

| | |
|---|---|
| Female | Male |

3. What department are you employed in?

| | | | |
|---|---|---|---|
| Human Resources | Finance | Auditing | Other |

If other, please specify ……

4. What is your position in the organisation?

| | | | | |
|---|---|---|---|---|
| Accountant. | Internal Audit Executive | Internal Auditor | Chief Executive Officer. | Other |

If other, please state in space below ……...

5. What are the organisational functions are you involved in? Indicate below.

| | | | |
|---|---|---|---|
| Strategy formulation | Auditing | Hiring | Other – please explain |

6. How long have you been in your current position? [including other places]

| | | | |
|---|---|---|---|
| 0 - 5 years | 6 – 10 years | 11 – 15 years | 16 – more years |

7. Have you been through any training and development in your field of work?

| | | | |
|---|---|---|---|
| No | Sometimes | Fairly regularly | Always |

8. Have you ever been promoted within a compliance related unit?

| | | | |
|---|---|---|---|
| No, I haven't | No, just extra duties | Yes, once | Yes, twice, or more |

9. What is your highest educational qualification?

| | | | | |
|---|---|---|---|---|
| National Diploma | Higher National Diploma | Degree | Masters | PhD |

If other, please specify----------

10. How many people report to you in your position?

| | | | | | |
|---|---|---|---|---|---|
| 0 – 5, | 6 – 10, | 11 – 15 | 16 – 20 | 21 – 30 + | None |

**SECTION B: GENERAL QUESTIONS.**

1. How can compliance units contribute to the combined assurance framework and what are their role in providing assurance?

2. What is the relevancy of the CAF to the compliance units?

3. Do you see any benefit in adopting the combined assurance framework within the provincial government of Western Cape and how is the adoption determined?

4. What criteria has been developed to establish the role of the compliance units in the CAF?

5. Are there any risks that compliance units are concerned about in the CAF and what are they?

6. Would the adoption of the CAF have a significant impact on provincial government departments in WC?

7. How would the role of the compliance unit be measured in the adoption of the CAF?

8. How often does senior management, as the custodian of the CAF, ensure that the core disciplines of control activities are executed?

9. How would the adoption of the CAF serve as a tool to mitigate risks that may exist within provincial government departments in WC?

10. Would the adoption of the CAF enhance assurance levels within provincial departments in WC?

11. What contribution would the adoption of the CAF make to compliance units in provincial government departments in WC?

12. What level of appreciation does provincial government departments in WC have for the CAF?

*Appendix B: Permission Letter*

{Date}

To whom it may concern

Dear Respondent

The importance of time cannot be overemphasised. At the same time, sharing time and space with someone is very enriching, rewarding and fulfilling. My name is **Henoacia Cannon**, and I am currently working on a research project for a master's degree in the field of Internal Auditing under the School of Accounting at the Cape Peninsula University of Technology. I am seeking your permission to share approximately 30-40 minutes of your valuable time during my questionnaire-based interviews. Granted, such permission will enable the student to carry out surveys across the sector for the project entitled, '**The role of compliance unit in adoption of combined assurance framework within provincial government departments in Western Cape'**.

The research project is intended to investigate the role of compliance unit in adoption of combined assurance framework within government departments in Western Cape.

I pledge, that all the data will be aggregated, that collected information will be treated with the strictest confidence; and that you are under no obligation to participate. All the data obtained will be used for research purposes only. The final report will not include any identifying information of your organisation. Should you have any queries, do not hesitate to contact me or my research supervisor. Your participation in the research project will be most appreciated. I kindly request that you provide your signature in the appended signature space below to show your consent.

| *Position/Office of Respondent* | *Signature* | *Date/Date stamp* |
|---|---|---|
| | | |
| | | |

Yours sincerely

……

Henoacia Cannon. Tel: +2774 8134 385. Supervisor; Prof Job Dubihlela Tel: +2783 9855 136.

*Appendix C: Code Book*

| Theme | | Code |
|---|---|---|
| Theme 1 Combined Assurance Framework | ● | Combined assurance fit |
| | ● | Combined assurance framework |
| | ● | Combined assurance framework and improvement |
| | ● | Combined assurance framework and management role |
| | ● | Combined assurance framework appreciation level |
| | ● | Combined assurance map |
| | ● | Compliance |
| | ● | Compliance unit criteria |
| | ● | Contribution to combined assurance |
| | ● | Framework negative reflection |
| | ● | Framework revision |
| | ● | Internal audit control |
| | ● | Internal control and assurances |
| | ● | Internal control units |
| Theme 2 Relevance | ● | Focus on fixing financial controls |
| | ● | Guidelines for success |
| | ● | Perception |
| | ● | Problems |
| | ● | Relevancy factors |
| | ● | Strategy |
| | | |

| | | |
|---|---|---|
| **Theme 3 Adoption** | ● | Adoption contribution |
| | ● | Adoption guidelines |
| | ● | Adoption patterns |
| | ● | Adoption plan |
| | ● | Adoption problem |
| | ● | Adoption process |
| | ● | Attitude to adoption |
| | ● | Benefits of adoption |
| **Theme 4 Roles** | ● | Compliance unit role criteria |
| | ● | Compliance unit role measurement |
| | ● | Role benefits |
| | ● | Role measurement |
| | ● | Role of internal control |
| | ● | Role of senior management |
| **Theme 5 Risks** | ● | Risk |
| | ● | Risk and mitigation |
| | ● | Risk assessment |
| | ● | Risk assurance |
| | ● | Risks leading to training |

*Appendix D: Editor's Certificate*

PROFESSIONAL EDITING SERVICES
Stand out for the Write reasons

**Gerald T du Preez**
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Brantwood, Kuils River, 7580
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geralddu9@gmail.com

# Certificate of Editing

**This serves to confirm that copy-editing and proofreading services were rendered to**

**for a master's thesis entitled**

**The Role of Compliance Units in the Adoption of a Combined Assurance Framework Within Provincial Government Departments in The Western Cape**
**Henoacia Cannon**

**with a final word count of 38 044 on 18 December 2022**

*I am a member of the Professional Editors' Guild (member number DUP015) and commit to the following codes of practice (among others):*

- *I have completed the work independently and did not sub-contract it out*
- *I kept to the agreed deadlines and communicated changes within reasonable time frames*
- *I treated all work as confidential and maintained objectivity in editing*
- *I did not accept work that could be considered unlawful, dishonest or contrary to public interest*

*I uphold the following editing standards:*

- *proofreading for mechanical errors such as spelling, punctuation, grammar*
- *copy-editing that includes commenting on, but not correcting, structure, organisation and logical flow of content, formatting (headings, page numbers, table of contents, etc.), eliminating unnecessary repetition*
- *checking citation style is correct, punctuating as needed and flagging missing or incorrect references*
- *commenting on suspected plagiarism and missing sources*
- *returning the document with track changes for the author to accept*

**I confirm I have met the above editing standards and professional, ethical practice. The content of the work edited remains that of the student.**

**Gerald T du Preez, PhD**

*Appendix E: 2nd Editors Declaration*

Robbie Hift
Freelance Editing, Proofreading and Assessing of Manuscripts
Member of Cape Peninsular University of Technology Language Editing Team
Member of Mandela University Language Editing Team
Cell: 0833 202 944
E mail: info@hift.co.za

**LANGUAGE PRACTITIONER DECLARATION**

I, **Robert Hift,** being the holder of the following qualifications

**B.A. HONS. (English) H.D.E.**

Certify that I am the language editor for **HENOACIA CANNON**
with a thesis entitled:

**THE ROLE OF COMPLIANCE UNITS IN THE ADOPTION OF A COMBINED ASSURANCE FRAMEWORK WITHIN PROVINCIAL GOVERNMENT DEPARTMENTS IN THE WESTERN CAPE**

And a journal entitled:
**Role of compliance unit in the adoption of a combined assurance framework within South Africa's Western Cape Provincial Government**

**I hereby certify that I have edited the referencing only.**

I have made a number of comments regarding changes that need to be made with regards to the cited references and the Lists of References in both documents.

I have not seen the documents subsequent to my checking to see if the changes that I advised were, in fact, attended to. I believe that the referencing is satisfactory for publication, if my advice is followed, as suggested in my comments.

LANGUAGE PRACTITIONER

28/11/2023
Date