



Combined Assurance: Enhancing Financial Report Integrity Through Integrated Assessment

Combined Assurance: Avaliando Relatórios Financeiros de Forma Integrada

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ABSTRACT | Purpose: This study aims to conduct a systematic literature review on the concept of *Combined Assurance*, focusing on its origins, evolution, and the recommended steps for implementing this process within organizations. **Theoretical/Methodological Approach:** The research was based on a systematic review of articles indexed in the Capes, Emerald, Web of Science, and Scopus databases. The analysis enabled the mapping of the conceptual development of *Combined Assurance* and the identification of key practices and guidelines for its implementation. **Findings:** The results indicate that the concept of *Combined Assurance* originated in South Africa, specifically in the *King II Report on Corporate Governance for South Africa (2002)*. The study identified the main steps for adopting the model: (i) establish a mature risk management framework; (ii) raise awareness about *Combined Assurance*; (iii) appoint a program leader; (iv) develop a structured strategy; and (v) map assurance providers and consolidate assurance results. **Contributions:** This study offers a systematized theoretical foundation for professionals, researchers, and institutions interested in implementing *Combined Assurance*, providing a practical roadmap for its application. The research also highlights that the model enhances internal control environments and mitigates risks, including accounting fraud, thus promoting greater institutional integrity and sustainability. **Originality/Relevance:** The topic remains underexplored in most Brazilian organizations, making this review a relevant contribution to the advancement of corporate governance and sustainable institutional management practices.

Keywords | Systematic review, *Combined Assurance*, Corporate governance, Institutional sustainability

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RESUMO | Objetivo: Este estudo tem como objetivo realizar uma revisão sistemática da literatura sobre o conceito de *Combined Assurance*, com foco em sua origem, evolução e nas etapas recomendadas para a implantação desse processo em organizações. **Abordagem teórica/metodológica:** A pesquisa baseou-se em uma revisão sistemática da literatura, com seleção de artigos indexados nas bases de dados Capes, Emerald, Web of Science e Scopus. A análise permitiu mapear a trajetória conceitual do *Combined Assurance* e identificar práticas e diretrizes para sua implementação. **Resultados:** Os achados revelam que o conceito de *Combined Assurance* teve origem na África do Sul, mais especificamente no *King II Report on Corporate Governance for South Africa* (2002). A análise identificou os principais passos para a adoção do modelo: (i) estabelecer uma estrutura madura de gestão de riscos; (ii) promover a conscientização sobre o *Combined Assurance*; (iii) designar um líder para o programa; (iv) desenvolver uma estratégia estruturada; (v) mapear os provedores de garantia e consolidar os resultados das atividades de garantia. **Contribuições:** Este estudo oferece uma base teórica sistematizada para profissionais, pesquisadores e instituições interessados na adoção do *Combined Assurance*, fornecendo um roteiro prático para sua aplicação. A pesquisa destaca ainda que o modelo contribui para o fortalecimento dos controles internos e para a mitigação de riscos, inclusive fraudes contábeis, promovendo maior integridade e sustentabilidade institucional. **Originalidade/Relevância:** O tema ainda é pouco difundido entre as organizações brasileiras, o que torna esta revisão uma contribuição relevante para o avanço das práticas de governança corporativa e sustentabilidade organizacional.

Palavras-chave | Revisão sistemática, *Combined Assurance*, Governança corporativa, Sustentabilidade institucional

1 INTRODUCTION

Corporate fraud events have evolved over the past decades. Since the 2000s, several cases have been uncovered worldwide, prompting increased government regulation through the creation of specific anti-fraud laws aimed at curbing this trend. Some examples of regulations that were created and/or enhanced in response to corporate fraud events include the Sarbanes-Oxley Act, enacted on July 30, 2002 (Borgerth, 2005) in the United States, and in Brazil, the *Regulamento do Novo Mercado* (Balcão, 2017) and the *Lei Brasileira Anticorrupção* (Ribeiro & Diniz, 2015). In response to the rise in regulation, Corporate Governance - particularly the structuring of a better internal control environment - became a topic of discussion (Maciel et al., 2022).

As in many parts of the world, in Brazil, each newly revealed scandal reignites the debate about what is failing in existing regulations and internal processes, and raises questions about what is preventing the early detection of such frauds (Hendriksen & Van Breda, 1999). Findings related to fraud risk highlight the importance of strengthening Corporate Governance mechanisms, implementing robust internal controls, and establishing appropriate incentives to prevent and detect fraud (de Sousa Araujo et al., 2023). The importance of investigating the effectiveness of existing regulations in combating corporate fraud is also emphasized, in order to identify legislative gaps and propose reforms or additional measures (Jesus, 2024).

In a bibliometric study covering publications from 1979 to 2020 on fraud detection, Mansour et al. (2022) found that attention to this topic has consistently increased since 2000, especially from 2017 onward. Of a total of 1,133 studies, 29 (3%) were published before 2000, and the remaining after that year, with 621 (55%) published between 2017 and 2020. This demonstrates the growing interest in the topic of fraud in both corporate and academic spheres.

An adequate Internal Control environment, as well as good Corporate Governance practices, are already key factors influencing the fraud prevention process (Florid et al., 2023). In addition to the Internal Controls function, the Internal Audit function also contributes to the fraud prevention process (Budiatmaja & Ramadhan, 2022).



For better context, it is important to note that fraud is any activity based on deception to obtain a gain (ACFE, 2024). Accounting fraud, in turn, can be defined as a set of techniques and practices carried out by a manager with the intent to manipulate (defraud) and achieve a desired level of results (profits or losses) (Santos & Grateron, 2003). This practice has intensified within organizations and can occur anywhere and at any time (Santos & Grateron, 2003). Therefore, professionals responsible for ensuring efficient Internal Controls to prevent such manipulation—such as managers, Risk/Internal Controls/Compliance and Internal Audit functions, Audit Committees, and Boards of Directors, are increasingly prominent in this context.

Risk, Internal Controls, Compliance, and Internal Audit are functions with complementary activities, and therefore, activity overlap may occur when the same task is repeated across multiple lines, or the opposite, when essential activities are not performed by any of the functions (Kurnia & Yulian, 2017).

This presents a problem - a dilemma - whose solution is not yet clear, and an opportunity for improvement in activities that, with proper integration and synergy, could minimize the risk of accounting fraud. The regulatory requirement to create various control mechanisms - known as Oversight and Control functions, as mandated, for example, by the *Regulamento do Novo Mercado* (Balcão, 2017), without proper integration, can pose a challenge for large companies in ensuring the quality of their internal control environment. We will refer to this integration using the term Combined Assurance, which will be explored in this article.

South Africa, a country considered a leader in sustainability and integrated reporting (Prinsloo & Maroun, 2021), was a pioneer in addressing the topic of Combined Assurance in the context of integrated report quality, and in applying quality assessments to these reports (IoD, 2002). Thus, the evaluation of integrated report quality began to be discussed in that country, with an emphasis on function integration to ensure the quality of information in integrated reports. South Africa's Corporate Governance Codes evolved, and their application began to be encouraged.

With the evolution of South Africa's Corporate Governance Codes, the term Combined Assurance was first mentioned in the King II - King Report on Corporate Governance for South Africa – 2002 (IoD, 2002). In this initial mention, the document established a connection between Combined Assurance and the Internal Audit function, noting that the standards for the professional practice of Internal Auditing (IIA, 2024) recognize the importance of Combined Assurance through proper coordination among all functions that work to ensure an adequate Internal Control environment within the organization (IoD, 2002). Thus, it came to be considered that the head of Internal Audit should play a leadership role in coordinating the planning, activities, and assurance of the various involved parties (Kurnia & Yulian, 2017). The King III - King Report on Corporate Governance for South Africa – 2009 elaborated on the concept, especially in Chapter 3, Principle 3.51 (IoD, 2009), and the King IV - King Report on Corporate Governance for South Africa – 2016 (IoD, 2016) continued to promote, reinforce, and expand the scope of this concept.

More than just a compliance requirement, integration through the implementation of Combined Assurance can bring business benefits, as will be discussed in this article.

Galvanize (2025) highlights that, despite the time since its introduction in 2009, the adoption of Combined Assurance remains fragmented, and many organizations struggle to implement it. Although supported by major audit firms and regulatory bodies, auditing standards (IAASB, 2024) do not reference Combined Assurance. Combined Assurance addresses an issue for the audited entity, not the auditor, and is a corporate governance tool typically used by the board through the audit committee. It appears the issue is seen as more operational than strategic and is therefore left to the individual management processes of each organization.



In this context, the objective of this article is to conduct a systematic literature review on the Combined Assurance process, aiming to identify the existing literature on the topic, highlight the challenges and advantages of its adoption, and outline a possible path for its implementation.

This article contributes academically to the scientific literature on Combined Assurance by conducting a systematic review of articles published from its emergence in 2009 through 2024. This study also aims to encourage other researchers to develop work in this area, including in Brazil, where the topic has been discussed at the organizational level but with limited academic output. It is also expected that the results obtained may support the implementation of an initial discussion agenda within organizations, which have been penalized by recurring events of accounting fraud.

The remainder of this article is organized as follows. The second section presents the theoretical foundation of the study. The third section outlines the research methodology, while the fourth section presents the results. The fifth section discusses the findings and concludes by pointing to possible future research directions, as well as specifying the limitations of the study.

2 THEORETICAL REVIEW

The following subtopics address the origin of the term Combined Assurance, the level of adoption of this practice in companies, the Oversight and Control functions, and Combined Assurance as a tool for strengthening Corporate Governance.

2.1 Combined Assurance – origin and adoption by companies

Since 1994, the Institute of Directors South Africa has published reports or codes on Corporate Governance with the aim of promoting this topic in the country. The first was released in 1994, King I, followed by King II in 2002, King III in 2009, and currently, King IV, published in 2016 - is in effect (IoD, 2024).

The King I – King Report on Corporate Governance for South Africa – 1994 (IoD, 1994) did not address the concept of Combined Assurance. Starting with the King II – King Report on Corporate Governance for South Africa – 2002 (IoD, 2002), the concept was introduced and began to be used. From its initial introduction, there was already a reference to the IPPF - International Professional Practice Standards of Internal Auditing (IIA, 2024), noting that Combined Assurance is an activity to be carried out by evaluation functions such as Internal Controls, Risk Management, and Internal Audit, which provide some form of assurance to the organization and should operate effectively and efficiently (IoD, 2009).

The King III – King Report on Corporate Governance for South Africa – 2009 was the one that detailed the concept, especially in Chapter 3, Principle 3.51 (IoD, 2009). The King IV – King Report on Corporate Governance for South Africa – 2016 (IoD, 2016) continued to promote, reinforce, and expand the scope of this concept.

In Brazil, publicly traded companies listed and classified under the Novo Mercado level of Corporate Governance are required to establish a Board of Directors, supported by Oversight and Control functions such as the Audit Committee, which in turn supervises the Internal Audit, Risk Management, Internal Controls, and Compliance functions. These are the so-called Oversight and Control functions (Balcão, 2017). However, for companies listed on the Novo Mercado, there is neither a requirement nor even a mention of the term Combined Assurance. Therefore, it is important to understand the responsibilities of each of these Oversight and Control functions and what role Combined Assurance could play in this context.



2.2 Oversight and Control

The Audit Committee is an advisory body to the Board of Directors and functions as a monitoring mechanism that contributes to reducing agency costs (Jensen & Meckling, 1976) by applying its expertise to improve the quality of financial reporting (JAMIL, 2011). In Brazil, among the responsibilities of the Audit Committee are the oversight of Risk Management, Internal Controls that mitigate those risks, the operation of a Compliance function, and the supervision of the Internal Audit function (Balcão, 2017).

The relationship between management and the Risk, Internal Controls, Compliance, and Internal Audit functions - through integrated operation - was addressed in the former Three Lines of Defense Model, updated in 2020 as the The IIA's Three Lines (IIA, 2020). This model shows that these functions are organized into three lines within the organization. The First Line consists of business operations; the Second Line includes Risk Management, Internal Controls, and Compliance; and the Third Line is Internal Audit (Maciel et al., 2022). The model emphasizes the importance of alignment, communication, coordination, and collaboration among the lines (IIA, 2020).

Starting with the Risk Management function in the Second Line, risk is defined as anything that, if it materializes, may prevent the organization from achieving its objectives (COSO, 2017). This function supports the organization in monitoring risks to reduce the likelihood of their occurrence.

The Internal Controls function, also part of the Second Line, aims to provide reasonable assurance of achieving the organization's objectives - whether related to operations, financial reporting, or compliance (COSO, 2013). It often works in conjunction with Risk Management, as controls are designed to mitigate risks.

Next is Compliance, a function that has gained prominence in recent years. In Brazil, the demand for structured compliance programs has grown in response to accounting scandals and corporate fraud, culminating in the enactment of Law 12.846/2013 (Ribeiro & Diniz, 2015) – the Brazilian Anti-Corruption Law. Companies listed on the Novo Mercado are required to implement Compliance functions, as mandated by B3 regulations (Balcão, 2017). Also, part of the Second Line, Compliance focuses on fighting corruption through the implementation of an Integrity Program, including an Ethics Hotline and enforcement of laws, policies, and procedures. An Integrity Program aims to prevent or reduce corruption, which may include acts such as cheating, deceit, fraud, embezzlement, bribery, nepotism, and other misconduct (Brei, 1996, p. 65).

Finally, in the Third Line, we have Internal Audit. According to The IIA, Internal Audit is an independent and objective activity that provides assurance and consulting services designed to add value and improve an organization's operations. It evaluates the effectiveness of governance, risk management, and control processes (IIA, 2024). Internal Audit is placed in the Third Line to ensure its independence, as it is recommended that this function report directly to the Board of Directors through the Audit Committee. Objectivity, which ensures that the auditor is free from external influence, is another essential aspect of its role (Maciel et al., 2022).

Thus, the Risk, Internal Controls, Compliance, and Internal Audit functions are complementary monitoring functions. Risk Management identifies, analyzes, evaluates, treats, monitors, and communicates risks across the organization (COSO, 2017; ISO, 2018). Internal Controls support this activity by ensuring the proper operation of controls to mitigate risks (COSO, 2013). Many organizations even maintain a combined Risk and Controls department due to the complementary nature of their activities. Compliance, in turn, focuses on ethics and integrity (Ribeiro & Diniz, 2015). Internal Audit, by nature, is an independent and objective activity that evaluates the processes managed by the First Line and monitored by the Second Line (IIA, 2024).



The Audit Committee, in performing its Oversight and Control role, interacts with both the Second and Third Lines. The Third Line - Internal Audit - is a key support function for the Audit Committee, and best practices recommend that Internal Audit be supervised by it (Maciel et al., 2022).

Despite the progress in implementing Oversight and Control functions, it appears that these efforts have not been sufficient to prevent ongoing accounting fraud events. Legal requirements and market demands reinforce the need for greater integration among Oversight and Control functions to ensure effective control that contributes to fraud prevention.

2.3 Corporate Governance and Combined Assurance

Corporate Governance, the system within which all Oversight and Control functions are embedded, has evolved significantly in recent years. It has shifted from focusing solely on maximizing economic value for shareholders to embracing the creation of shared value among shareholders and other stakeholders. This new perspective also incorporates the economic, social, and environmental realities in which organizations operate. According to IBGC (2023):

Corporate governance is a system composed of principles, rules, structures, and processes through which organizations are directed and monitored, aiming at the sustainable generation of value for the organization, its shareholders, and society at large. This system guides the actions of governance agents and other individuals within an organization in the pursuit of balancing the interests of all parties, contributing positively to society and the environment (IBGC, 2023, p. 16).

The literature presents several theories to address the topic of Corporate Governance. Among the most prominent are the Stewardship Theory, Resource Dependence Theory, Resource-Based View Theory, Shareholder Theory, and Agency Theory (Madhani, 2017).

The term steward refers to the role of directors and managers within an organization. In Stewardship Theory (McGregor, 1989), directors and managers act to protect shareholders interests, aiming to safeguard and maximize their wealth. They are portrayed as diligent and motivated by the organization's success. There is strong alignment of interests, cooperation, and collaboration between managers and shareholders, with little focus on personal gain and a strong emphasis on ethical and integrity-driven behavior. This theory is often seen as an alternative to Agency Theory.

In Resource Dependence Theory, organizations rely on critical external resources to operate (Madhani, 2017). In the context of corporate governance, these critical resources are the Board of Directors and shareholders, who tend to influence the organization due to their control over these resources. In Resource-Based View Theory, organizations are seen as a collection of tangible and intangible resources (Penrose, 2009). These resources form the basis of competitive advantage, being valuable, rare, difficult to imitate, and non-substitutable (Barney, 1991).

Shareholder Theory focuses on maximizing shareholder wealth, profit, and ethical considerations. Executives are responsible to the shareholders, who are seen as the moral owners of the business. The shareholder's relationship with the business is akin to property ownership, protected by contractual rights. Countries where this model predominates tend to have strong protections for minority shareholders, as organizations are financed by this capital (Madhani, 2017).



Stakeholder Theory, on the other hand, advocates for balancing the interests of all stakeholders. Multiple interests create value, with a focus on long-term outcomes, reduced agency costs, lower information asymmetry, less risk appetite, and greater concern for social issues (Madhani, 2017).

Finally, Agency Theory (Jensen & Meckling, 1976), which addresses agency costs, is closely related to Oversight and Control functions, as these represent costs to the organization. Originating as an economic theory (Alchian & Woodward, 1987), it was later developed to explain the relationship between a Principal and an Agent, where the Agent is expected to act in the Principal's best interest. This relationship is evident in organizations that rely on Oversight and Control mechanisms to protect shareholder interests.

The 18th edition of the study "Corporate Governance and the Capital Markets" (KPMG, 2023) provides a detailed view of the evolution of corporate governance practices in Brazil, including an analysis of the implementation of Second and Third Line functions. Conducted by the ACI Institute and Board Leadership Center, both KPMG initiatives, the study analyzed data from 282 publicly traded Brazilian companies based on their updated reference forms (FR), revised at the end of 2021 and effective since January 2023. Key findings include:

1. Growing importance of risk management: 82% of the companies analyzed have a risk management department, and 91% have a risk management policy. Companies listed on the Novo Mercado stand out, with 99% having such a policy.
2. Internal Audit adoption: In 2019, 80% of companies reported having an Internal Audit function; this rose to 88% in 2021 and reached 95% in 2023. Among Novo Mercado companies, 99% reported having Internal Audit.
3. Audit Committees: The presence of Audit Committees increased from 84% in 2022 to 88% in 2023.

3 METHODOLOGY

The methodology used in this research was a systematic literature review. The definition by Fink (2019) was adopted for systematic literature reviews: "a systematic, explicit, (comprehensive), and reproducible method for identifying, evaluating, and synthesizing the existing body of completed and recorded work produced by researchers, scholars, and professionals."

A rigorous standalone literature review must be systematic by following a methodological approach; explicit in explaining the procedures by which it was conducted; comprehensive in scope by including all relevant material; and therefore, reproducible by others who wish to follow the same approach in reviewing the topic.

Accordingly, a detailed review was conducted of articles on the topic of Combined Assurance, retrieved from the Capes, Emerald, Web of Science, and Scopus databases. These databases are important tools for academic and scientific research and were selected for this reason. Capes provides access to thousands of national and international scientific publications across various fields of knowledge; Emerald focuses on areas such as management, business, education, and health; Web of Science offers access to references and abstracts of scientific articles in multiple disciplines; and Scopus, similar to Web of Science, is a comprehensive database that includes abstracts and citations from scientific literature across a wide range of disciplines.

The search was conducted on May 1, 2024, using the keywords "Combined Assurance" and "Report." The objective was to find studies applying the Combined Assurance process to improve an organization's Internal Control environment, ensuring reliable reporting and mitigating the risk of accounting fraud, thereby preventing the existence of inaccurate reports that do not reflect the organization's reality.



In the Capes database, the keywords were searched in any field, while in the other databases, the search was limited to abstracts. These databases cover a wide range of journals and citation analyses worldwide. Duplicate articles were removed, and the results are presented in Table 1 below:

Table 1. Databases searched

Databases	Number of articles found
Capes	15
Emerald	18
Web of Science	0
Scopus	1
Total	34

Source: Prepared by the authors

A total of 34 international articles were identified: 15 from the Capes database, 18 from Emerald, and 1 from Scopus. For the literature review, the titles and abstracts of all 34 articles were read, aiming to identify information within these sections that indicated the article's content was focused on evaluating Combined Assurance programs as a means to ensure higher quality in financial reporting and to mitigate the risks of accounting fraud.

The connection between Combined Assurance, reporting, and accounting fraud significantly reduced the number of selected articles. In the end, 14 articles were chosen for full reading based on their alignment with the research objective. However, 2 articles could not be retrieved in full text from any database, resulting in a final sample of 12 articles for complete analysis.

4 RESULTS

In this section, we present the descriptive analysis of the 12 articles selected for in-depth reading, as well as the main conclusions drawn from the analysis of these articles.

4.1 Descriptive analysis of the articles

Of the 12 articles selected for full reading, 5 are from South Africa, 1 from South Africa and Indonesia, 3 from Australia, 1 from Belgium, 1 from England, and 1 from Malaysia, published between 2015 and 2024. A total of 25 authors contributed to these articles, with Warren Maroun and Andre Prinsloo being the only ones with two publications each. They also co-authored both of those articles.



Table 2. List of articles used in the descriptive analysis

Nr.	Year	Country	Title	Authors	Summary
1	2015	Belgium	Implementing combined assurance: insights from multiple case studies	Decaux, Loïc Sarens, Gerrit	Focus on how to implement a Combined Assurance program, the step-by-step process, the role of the Chief Audit Executive as an effective coordinator, and the importance of a mature risk management process.
2	2016	South Africa	Espousal of combined assurance model in South Africa's public sector	Dzomira, Shewangu	Analyzes the Combined Assurance process in the public sector and discusses who the assurance providers are.
3	2016	Malasia	Audit committee and integrated reporting practice: does internal assurance matter?	Ahmed Haji, Abdifatah Anifowose, Mutalib	Focuses on the role of the Audit Committee as the function responsible for ensuring the quality of data in integrated reports.
4	2017	England	Internal auditor's role as a coordinator of combined assurance	Kurnia, Rama Yulian, Lufti	Analyzes the coordination of a Combined Assurance program by the Internal Auditor and discusses its benefits.
5	2018	South Africa	Implementing value-added combined assurance interventions for South African organizations	Masegare, Peter	Examines an implementation model of a Combined Assurance process, highlighting that this is still a topic with limited published scientific research.
6	2019	Australia	Evaluating combined assurance as a new credibility enhancement technique	Zhou, S. Hoang, R. S. H.	Examines the credibility of the Combined Assurance Program for use by market analysts.
7	2020	South Africa	Drivers of combined assurance in a sustainable development context: Evidence from integrated reports	Maroun, Warren Prinsloo, Andre	A review of the operation of a Combined Assurance model, highlighting that larger companies are not necessarily more advanced in this area.
8	2021	South Africa	An exploratory study on the components and quality of combined assurance in an integrated or a sustainability reporting setting	Prinsloo, Andre Maroun, Warren	Analyzes the Combined Assurance process as a means to ensure the quality of integrated reports, highlighting the responsibility of the Board of Directors in demanding the implementation of this process.
9	2021	Australia	How Does Combined Assurance Affect the Reliability of Integrated Reports and Investors' Judgments?	Hoang, Hien Phang, Soon- Yeow	Focuses on the Combined Assurance technique as a means to ensure the quality of integrated reports, also highlighting that the program is the responsibility of the Board of Directors, supported by the Audit Committee.
10	2021	Australia	Impacts of combined assurance on integrated, sustainability and financial reporting qualities: Evidence from listed companies in South Africa	Donkor, Augustine Djajadikerta, Hadrian Geri Mat Roni, Saiyidi	Focuses on the impact of Combined Assurance in ensuring the quality and credibility of external reports.
11	2022	Indonesia South Africa	Integrated Governance, Risk, and Compliance (GRC) and Combined Assurance: A Comparative Institutional Study	Wibowo, Setyo Achsani, Noer Azam Suroso, Arif Imam Sasongko, Hendro	Analyzes the adoption of the Combined Assurance process in Indonesia and South Africa, highlighting that regulatory demands drive the need for its implementation.
12	2023	South Africa	Adoption of the combined assurance model by South African state-owned enterprises (SOEs)	Adebayo, Adeyemi Ackers, Barry	Introduces the Combined Assurance model as a way to improve the quality of organizational reports, highlighting the importance of first focusing on risk identification.

Source: Prepared by the authors

4.2 Main findings obtained from the analysis of the articles

During the descriptive analysis, it was observed that all discussions used the IIA's Three Lines Model (IIA, 2020), represented in the following figure:

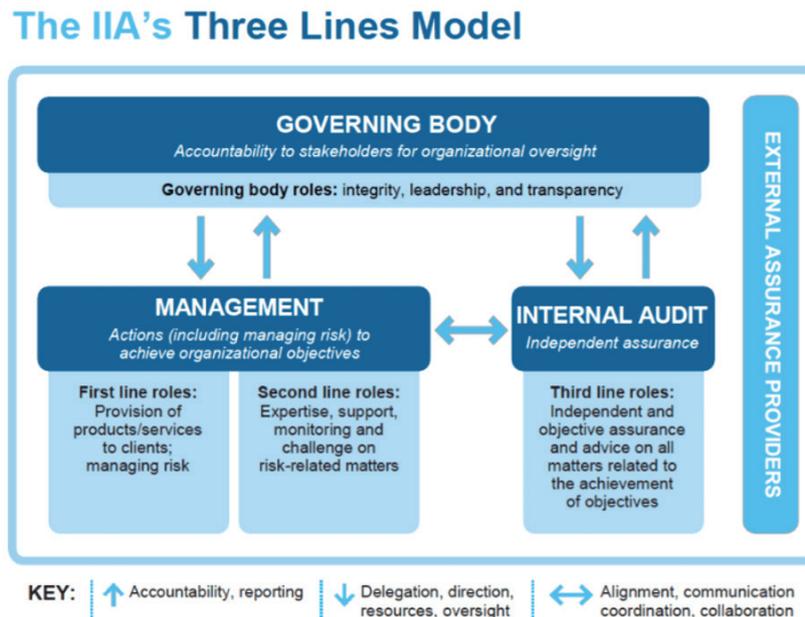


Figure 1. The IIA's Three Lines Model

Source: The IIA's Three Lines Model

This model addresses the relationship between governance bodies and the three lines that support them. The First Line consists of functions that are directly connected to the business. It is the line responsible for managing risk. The Second Line includes specialized functions responsible for providing support, monitoring, and raising questions on risk-related matters. Risk Management, Internal Controls, Compliance, among others, are considered Second Line functions. The Third Line is Internal Audit, an activity that must exercise objectivity, meaning its decisions should not be influenced by third parties. Furthermore, this activity must operate independently, assessing whether the company's objectives are being achieved.

Some relevant aspects in analyzing this structure include the fact that governance bodies, such as Boards of Directors, delegate activities to management, which in turn is accountable for its actions. These governance bodies interact in the same way with Internal Audit. Internal Audit acts as the entity responsible for ensuring that decisions are not deviated from shareholder interests, representing the governance bodies or the Board of Directors.

As shown in the figure, Internal Audit should operate in alignment with the First and Second Lines, establishing a frequent and coordinated communication process, acting collaboratively, yet without compromising its independence and objectivity. The First, Second, and Third Lines are internal assurance providers. Finally, external assurance providers are presented, such as independent audit, oversight bodies, regulators, etc. (Maciel et al., 2022).

The implementation of a Combined Assurance structure involves the integration of internal and external assurance providers (IoD, 2009), as shown in Figure 2, in order to ensure that this integration leads to greater control over the organization's activities.



Figure 2. Combined Assurance Model

Source: Combined Assurance Model (adapted from King III).

Decaux and Sarens (2015) highlight that six international case studies of organizations at different stages of Combined Assurance implementation revealed that companies apparently still lack mature programs. The studies converge in concluding that Combined Assurance supports boards and committees in their oversight role. It aims to provide the board with holistic assurance on the effectiveness of risk management and internal control systems by coordinating assurance activities from various sources. Furthermore, without an adequate and mature risk management system, the proposal to implement Combined Assurance becomes a futile exercise, and organizations will struggle with its implementation.

The Risk function is more connected to business strategy, while the Internal Controls function is more aligned with the company's operational processes. According to Decaux and Sarens (2015), there should be more focus on risk management than on the evaluation of Internal Controls. Another observed trend is that the Chief Audit Executive (CAE) should share information and coordinate activities with other internal and external areas that provide assurance and consulting services to ensure adequate coverage and minimize duplication of efforts. The CAE is considered a strong candidate to coordinate the implementation of the program. Finally, the studies report that no organization has yet reached the stage of issuing formal reports. Surprisingly, none of the cases even considered this possibility.

Dzomira (2016) emphasizes that in the South African public sector, in general, first-level assurance providers (senior management, accounting officers, directors), second-level providers (Internal Audit and Internal Controls functions, Audit Committees), and third-level providers (public authorities, government auditors general) practice Combined Assurance in most of the studied cases.

Kurnia and Yulian (2017) highlight that the internal auditor should coordinate a Combined Assurance program. They emphasize that each assurance provider has its own objectives and reports results to stakeholders. This situation can create assurance fatigue, as management may focus too heavily on facilitating assurance in certain areas, leading to gaps in the assurance process due to unclear and



inefficient risk responses and assessments. The authors highlight the benefits of the Combined Assurance process, which include: i) Combined Assurance planning reduces duplication and clarifies the roles of assurance providers and risk-related functions; ii) Combined Assurance planning identifies and measures all risks related to the organization's objectives and communicates them to the risk management department; and iii) Internal Audit activities will focus on significant areas where Combined Assurance has not been performed.

A study by the Institute of Internal Auditors states that internal auditors typically provide assurance and consulting services across the organization. However, contributions from other Combined Assurance providers are also essential. These other providers include senior management, external auditors, compliance functions, quality assurance, risk management, environmental auditors, health and safety auditors, government auditors, financial reporting review teams, and board subcommittees (Masegare, 2018).

Masegare (2018) notes that a Combined Assurance program as a business paradigm is relatively new, and consequently, there is limited research on how organizations are implementing combined assurance approaches. The benefits of Combined Assurance include a more coordinated and relevant assurance effort focused on key risk exposures, minimizing business/operational disruptions, providing a comprehensive and prioritized approach to tracking corrective actions and improvements. The program improves reporting to the Board of Directors and committees, including a reduction in the repetition of reports reviewed by different committees. There is also potential for reduced assurance costs and better control over statements in the integrated report.

Regarding credibility in investment decision-making, Zhou and Hoang (2019) emphasize that financial analysts are always eager for information that supports their analysis. Communicating the details of a Combined Assurance program is positive, as it is expected to reduce forecast errors and analyst dispersion, as well as the bid-ask spread, especially in companies with weaker information environments. The results support the notion that a Combined Assurance program is an effective new mechanism for enhancing credibility in integrated reporting, which is valued by capital market participants, particularly analysts in their earnings forecast tasks.

The combined disclosure by the Audit Committee of internal audit reports, external audit reports, and the effectiveness of risk management and internal control processes increases organizational credibility (Zhou & Hoang, 2019). A report on how to assess, manage, and mitigate risks within an organization contributes to the strength of corporate governance (Izelle & Izelle, 2015).

Larger companies listed in South Africa - where the concept of Combined Assurance originated - and which are more profitable and members of environmentally and socially sensitive industries are not necessarily using Combined Assurance models. These organizations have robust governance structures, but the application of Combined Assurance is limited. Internal Controls and processes needed to support integrated reporting are still under development, making it difficult for them to be formally verified by internal or external assurance providers (Maroun & Prinsloo, 2020).

Another relevant aspect is that a Combined Assurance program has effectively contributed to improving the credibility of sustainability reports (Donkor et al., 2021).

The Audit Committee is gaining increasing prominence within organizations. A Combined Assurance program is the means by which the Audit Committee coordinates assurance functions from management, internal assurance providers, and external assurance providers, and concludes on the effectiveness of risk management, Internal Controls, and reporting quality. The operation of a Combined Assurance program can restore investors' perceived reliability of reported information and their willingness to invest



when rumors arise involving uncertainty about estimates or manipulation of financial reports (Hoang & Phang, 2021).

According to Prinsloo and Maroun (2021), Combined Assurance is considered a process under the responsibility of the Board of Directors, aiming to ensure accurate, complete, and reliable reporting, and to leverage the characteristics of different internal and external environments as sources of assurance. By “assurance,” they refer to services provided by independent third parties and internal assurance sources, such as the work performed by internal auditors, ESG specialist verifications, Audit Committees, and monitoring functions.

They emphasize that both the King III – King Report on Corporate Governance for South Africa – 2009 (IoD, 2009) and the King IV – King Report on Corporate Governance for South Africa – 2016 (IoD, 2016) specifically refer to the importance of using multiple services and functions as part of a coordinated Combined Assurance model. This model is intended to create effective control and a supportive environment for generating relevant and reliable reports for stakeholders and those responsible for governance within an organization.

They also point out that although companies have traditionally relied on a combination of external assurance providers, internal auditors, and various control systems - which might suggest a need for deeper exploration of the topic - academic studies on the implementation of Combined Assurance remain scarce. Assurance predominantly stems from work performed by the Big Four (the four largest independent audit firms in the world) or is monitored and reviewed by Audit Committees.

Regulatory and normative pillars were the most decisive factors in the implementation of a Combined Assurance program (Wibowo et al., 2022).

A recurring emphasis in the literature is the maturity of ERM – Enterprise Risk Management programs. ERM is the process carried out by the Board of Directors, management, and other professionals within an entity, designed to identify potential events that may affect the entity and manage risk appetite (COSO, 2017). Implementing a Combined Assurance program requires organizations to first identify the significant risks that may hinder the achievement of objectives. Conducting a risk mapping exercise may be the most important component in the process (Adebayo & Ackers, 2023).

In addition to the importance of ERM program maturity in implementing a Combined Assurance program, it is evident that organizations still have a long journey ahead to implement integrated structures and benefit from such integration. Among the 12 articles reviewed, only one suggested steps or components for implementing a Combined Assurance program. These are: i) establish a mature risk management framework; ii) raise awareness around the Combined Assurance process; iii) identify a leader for the Combined Assurance program; iv) develop a Combined Assurance strategy; and v) map assurance providers with their assurance activities and report combined assurance results (Decaux & Sarens, 2015).

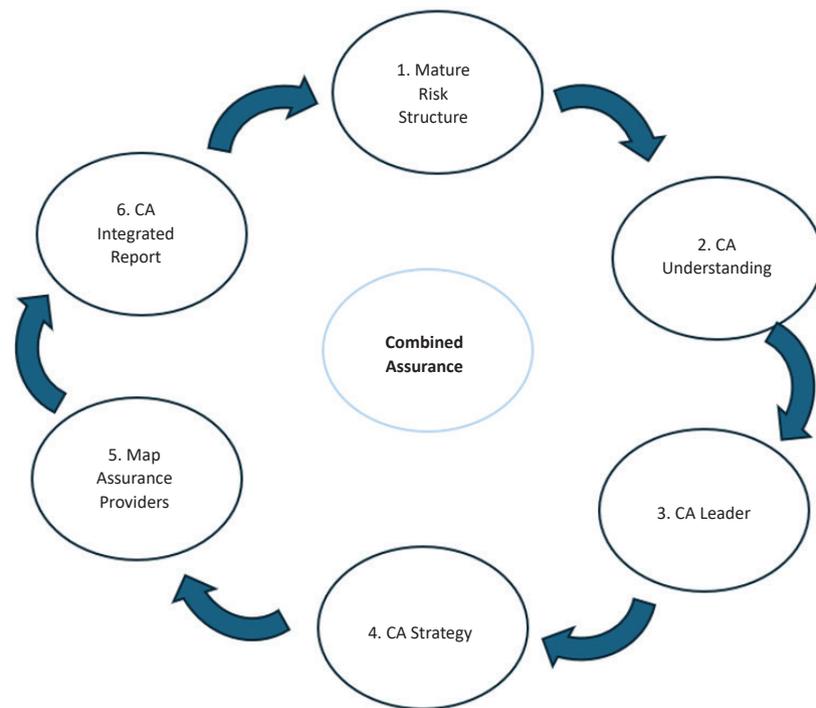


Figure 3. Combined Assurance Components

Source: Prepared by the author

In analyzing the six components, we have:

- i) Component 1 – Establish a mature risk management framework: if such maturity is lacking, it must first be developed; otherwise, efforts to implement a Combined Assurance program may be in vain.
- ii) Component 2 – Create awareness around the Combined Assurance program: the organization must understand the benefits, and this should be a top-down awareness process, meaning senior management must sponsor the program. Accordingly, training is necessary.
- iii) Component 3 – Identify a leader for the Combined Assurance program: there is consensus in the reviewed literature that the Audit Committee should sponsor the program, and the Chief Audit Executive (CAE) should be responsible for coordinating its day-to-day implementation.
- iv) Component 4 – Develop a Combined Assurance strategy: developing a Combined Assurance program requires agreement and consensus among senior management members regarding significant risks, so that efforts can be properly directed toward them. The organization must obtain a statement from senior management, involving the Board of Directors and executives, that defines the “tone at the top,” i.e., the message from leadership. By doing so, the organization should clearly state which risks may prevent the achievement of strategic objectives.
- v) Component 5 – Map assurance providers and their assurance activities: it is essential to map who the assurance providers are and what their activities entail. This can be a challenging task, as assurance providers are spread across various parts of the organization. Mapping them and categorizing them according to the IIA’s Lines (IIA, 2020) will facilitate the implementation process.



- vi) Component 6 – Report combined assurance results: issuing a combined assurance report is a goal not yet achieved, but it is the ultimate objective of the entire effort. This is the expected outcome for senior management (Decaux & Sarens, 2015).

Finally, it is important to highlight that in Brazil, the equivalent to South Africa's King Reports (IoD, 2024) - the first materials to mention the term Combined Assurance - is the Brazilian Code of Corporate Governance by IBGC (IBGC, 2023). The latest version of this document, revised in 2023, has not yet introduced this topic into the corporate governance debate, which certainly represents an opportunity for advancement in the Brazilian market.

5 CONCLUSIONS

This study aimed to analyze the Combined Assurance process through a systematic review of articles indexed in the Capes, Emerald, Web of Science, and Scopus databases. To achieve this objective, a total of 34 articles published between 2009 and 2024 were identified, and 12 articles were selected for analysis of the theory and development of the Combined Assurance concept and its relationship with strengthening the internal control environment to prevent accounting fraud.

The study identified the origin, evolution, and a proposed set of steps or components to be followed in the implementation of a Combined Assurance program.

The Combined Assurance process, initially mentioned in the King Report on Corporate Governance for South Africa – 2002 (IoD, 2002), already referenced IPPF – International Professional Practice Framework (IIA, 2024) at its inception. The model evolved primarily in South Africa, being cited in subsequent South African Corporate Governance Reports. The King III – King Report on Corporate Governance for South Africa – 2009 (IoD, 2009) detailed the concept, especially in Chapter 3, Principle 3.51. The King IV – King Report on Corporate Governance for South Africa – 2016 (IoD, 2016), although not presenting Combined Assurance as a mandatory requirement, promoted it as a way to ensure data quality in integrated reports. Its evolution was grounded in the Three Lines Model (IIA, 2020), which discusses the different layers of assurance within organizations and how these layers interact in a coordinated and integrated manner.

As a result of the research, the highest number of published articles was found in South Africa, where the King Report on Corporate Governance for South Africa – 2002 (IoD, 2002) first addressed the topic, and the King Report on Corporate Governance for South Africa – 2009 (IoD, 2009) provided further depth. Other articles were published in other countries such as Indonesia, Australia, Belgium, England, and Malaysia between 2015 and 2024. In total, 25 authors contributed, with Warren Maroun and Andre Prinsloo being the only ones with two published articles each, and co-authors in two additional papers. In Brazil, no articles on the topic were found in the scientific databases consulted.

Of the 12 articles analyzed, four addressed the use of Combined Assurance to ensure data quality in integrated reports, two focused on Combined Assurance in the public sector, and only one dealt with the implementation process of the Combined Assurance model.

The literature reveals that few programs have been implemented, and in Brazil, the Brazilian Code of Corporate Governance (IBGC, 2023) does not even mention the possibility of such a program.

Among the articles analyzed, only one presented a suggested set of steps or components for implementing a Combined Assurance program, which are: i) establish a mature risk management framework; ii) create awareness around Combined Assurance; iii) identify a leader for the Combined Assurance program;



iv) develop a Combined Assurance strategy; v) map assurance providers and their assurance activities; and vi) report combined assurance results (Decaux & Sarens, 2015).

Considering that the objective of this article was to conduct a systematic literature review on the Combined Assurance process, aiming to identify what literature exists on this process in Brazil and globally, the study highlights that the process is more advanced in countries such as South Africa - its place of origin - and Australia, while there is little guidance on the steps to implement such a program. In Brazil, for example, no organizations were identified as having an operational program, nor is there any mention of such a program in the Brazilian Code of Corporate Governance by IBGC – *Instituto Brasileiro de Governança Corporativa*. It was also observed that no combined reports have been issued, even in regions where the Combined Assurance process is more developed. Nevertheless, this is a topic frequently discussed in professional circles, especially by major audit firms.

The systematic review presented articles addressing the Combined Assurance process mainly in the context of avoiding overlap between functions, and how a combined report on the internal control environment can contribute to this goal. However, there are few studies that address the importance of Combined Assurance in preventing accounting fraud.

There is limited literature linking Combined Assurance to the strengthening of the internal control environment to prevent accounting fraud, which was a limitation of this study. On the other hand, there is extensive literature addressing the relationship between this topic and oversight and control functions. As a suggestion for future research, further studies are recommended, such as exploring the relationship between Combined Assurance and the functions of Risk Management, Internal Controls, Compliance, and Internal Audit, as well as the opportunities to avoid duplication of activities. It is also suggested to conduct interviews with professionals in the field, both in Brazil and other regions, and finally, to develop a practical model for implementing a Combined Assurance program, aiming to contribute to the quality of the internal control environment, the advancement of Corporate Governance, and the development of academic research on the topic.

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