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Department:  
Community Safety and Transport Management  
North West Provincial Government  
REPUBLIC OF SOUTH AFRICA



# ***DEPARTMENT OF COMMUNITY SAFETY AND TRANSPORT MANAGEMENT***

## **COMBINED ASSURANCE POLICY FRAMEWORK 2025/2026**

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## 1. GLOSSARY OF TERMS

TERM	DEFINITION
<b>Combined assurance</b>	<p>Integrating and aligning assurance processes in the Department to maximise risk and governance oversight and control efficiencies, and optimise overall assurance to the Audit and Risk Committee.</p> <p><b>OR</b></p> <p>A co-ordinated approach that ensures that all assurance activities provided by management, internal assurance providers and external assurance providers adequately address significant risks facing the Department and that suitable controls exist to mitigate these risks.</p>
<b>Assurance</b>	A declaration that inspires or is intended to inspire confidence.
<b>Framework</b>	A conceptual structure intended to serve as a guide for the building of something that expands the structure into something useful.
<b>Combined assurance Champion</b>	The individual appointed to coordinate the combined assurance process and ensure process continuity.
<b>Extensive assurance</b>	All lines of defence are responding to the risk to the extent that coverage is duplicated.
<b>Adequate assurance</b>	There is a balance between risk severity and assurance coverage.
<b>Inadequate assurance</b>	The assurance coverage is not sufficient to ensure effective risk management.
<b>No assurance</b>	The risk has eluded all lines of defence and action is needed to respond to the risk.
<b>Not assessed</b>	Assurance was not performed by any of the identified assurance providers.
<b>Integrated Assurance</b>	<p>An integrated and coordinated approach by Assurance Providers that can be the basis of the Board / Accounting Authority in assessing whether the Department will be able to execute its strategies successfully to achieve its Departmental objectives.</p> <p>A combination of two or more service providers for providing the most effective and complete independent assessment on Risk management, control, and governance processes for the Department.</p>

<b>First Line of defence</b>	Line function managers, the risk owners
<b>Second line of defence</b>	Internal assurance functions (Risk Management Unit and Corporate units) such as enterprise Risk Management, Health and Safety, Legal services, etc.
<b>Third line of defence</b>	Independent (external or not line function) oversight activities/functions such as Internal Audit, Audit Committee, Auditor-General.
<b>Fourth line of defence.</b>	Regulator bodies, e.g. Office of premier, Portfolio committee /Legislature.
<b>Fifth line of defence</b>	Regulatory bodies in a specific sector or fraternity.
<b>Accounting Officer</b>	Head of Department.
<b>Combined Assurance Plan</b>	Is about effectively coordinating management and internal and external assurance providers, increasing collaboration, and developing a more holistic view of the Departmental risk.
<b>Risk</b>	An unwanted outcome, actual or potential, to the Institution's service delivery and other performance objectives, caused by the presence of risk factor(s). Some risk factor(s) also present upside potential, which Management must be aware of and be prepared to exploit. This definition of "risk" also encompasses such opportunities.

## 2. Introduction

As Department grow and become more complex, so do the number of functions needed to ensure that accounting officer can properly discharge their responsibility for effective control, compliance, and risk management across the Department. The problem then becomes how to prevent management from becoming overwhelmed with information and reports, thus creating "assurance fatigue." The purpose of combined assurance is to address this problem by "integrating and aligning assurance processes in an institution to maximise risk and governance oversight and control efficiencies, and optimise overall assurance to the Audit and Risk committee, considering the institution's risk appetite.

Aligned and harmonized assurance activities and ways of working across different functions, has the potential to deliver efficient and effective assurance model. Combined assurance, is made up of a number of parties involved in providing assurance, and their activities require coordination and

alignment. The Model aims to inform, in a simple manner, on the effectiveness of assurance providers and to create confidence in the assurance provided over key Departmental risks.

### **3. Background**

The International Standards for Professional Practice of Internal Auditing (Standard 2050) prescribes that the Chief Audit Executive should share information and co-ordinate activities with other internal and external providers of relevant assurance and consulting services to ensure proper coverage and minimize duplication of efforts.

The concept of combined assurance is supported by King IV report, which provides that the governing body should assume responsibility for assurance by setting the direction concerning the arrangements for assurance services and functions. The governing body should delegate to the audit committee, the responsibility for overseeing that those arrangements are effective in achieving the following objectives:

- a. Enabling an effective internal control environment.
- b. Supporting the integrity of information used for internal decision-making by management, the governing body and its committees.
- c. Supporting the integrity of external reports.

### **4. Purpose of the Combined Assurance Policy Framework**

This Policy Framework is a guide that informs the development of the annual Combined Assurance Plan (CAP) for the Department. The annual CAP will be based on the annual risk assessment conducted by the Department on an annual basis, with specific reference to the strategic risks, and will include activities to be performed by each assurance providers.

### **5. The Definition of Combined Assurance**

Combined assurance process is defined as "a holistic and strategic focused assurance model, that integrates assurance activities based on the business model and risk profile, matched with the effectiveness of systems, controls and reporting structures to preserve, protect and grow institution value, whilst minimising risk exposure and optimising opportunities and returns for best long term interest of the Department, its shareholders and stakeholders and performance and results based".

The Department has adopted this approach to assess the extent and adequacy of assurance coverage on key Departmental risks, and reporting thereon to Senior Management, the Risk Management Committee, Audit Committee and other regulatory bodies.

Risk Management function will play the lead role and facilitation of combined assurance implementation. There are key dimensions that must be carefully managed, such as; *A combined assurance plan (CAP); appropriate assurance activities and standards; competent assurance service providers; the combined assurance process and a combined assurance report.* Following are some key features of combined assurance;

- a. It is based on analysis of the (current) situation.
- b. By its nature, it is a collaborative and synergistic model.
- c. Lastly, not only is it a performance based and facilitates conformance, it is value based and drives business to operate in the best interest of the Department.

## **6. Benefits of Combined Assurance**

Implementing the Combined Assurance effectively support achievement of Departmental objectives and should yield a number of tangible benefits which extend well beyond providing compliance, which include among others:

- a. Eradication of assurance fatigue. Resources are no longer being wasted on unnecessary duplication.
- b. Assurance efforts are directed to the risks that matter most. Resources are freed up for tasks that are more productive.
- c. A common view of risks and issues across the Department is created.
- d. Improved reporting within/by the Department, including reducing the repetition of reports being reviewed by different committees and supporting the Audit and Risk Committee in making their control statements in the integrated report.
- e. Assurance activities produce valuable, relevant data based on collaboration and not silos. This facilitates better decision making.
- f. Use of a common language and consistency helps to facilitate value-added discussions.
- g. A comprehensive and prioritised approach in tracking of remedial actions on identified improvement opportunities/weaknesses. At the same time, efficiency will be enhanced by sharing lessons learned.
- h. Cost savings are realized through better resource allocation, possible reduction in assurance costs and greater coverage.
- i. Commitment to enhance controls is demonstrated.

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- j. Ultimately, fewer unpleasant surprises will occur.

## **7. Challenges of Combined Assurance**

Implementation of a successful combined assurance process often faces obstacles, which need to be managed:

- a. Often, there is no buy in from the Management.
- b. Other times, there is not sufficient commitment by all assurance providers to the combined assurance processes, including reporting.
- c. Rivalries and conflict between the key role players.
- d. Incorrectly appointing the combined assurance champion.
- e. The biggest challenge though is the management of the combined assurance mission control and engagement of the total Department.

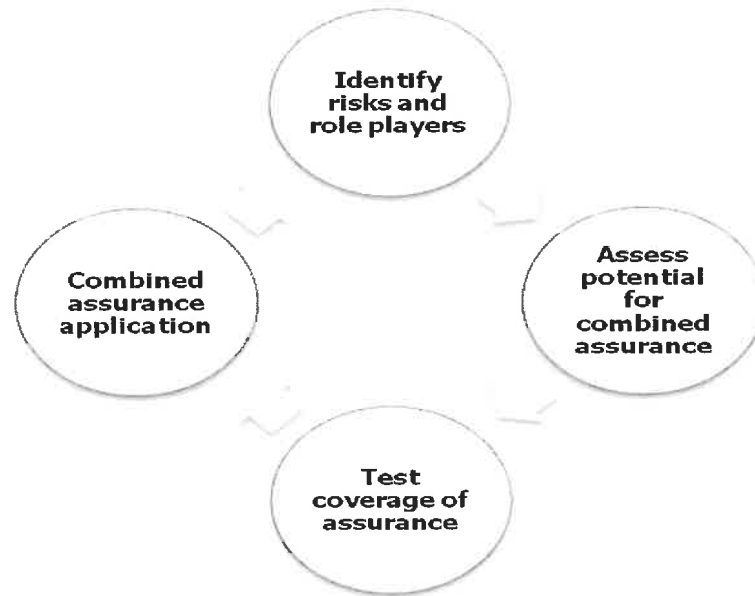
However, if applied and managed correctly, a combined assurance model is a certain way to create value and guarantee success of any business.

## **8. Process Flow**

The process should be employed in ensuring the success of a combined assurance model. The combined assurance model classifies the risk landscape into types of risk with a potentially positive or negative effects on the ability of the Department to meets its strategy and protects or create value. A full understanding is established of what assurance is currently being provided and what needs to be provided based on the strategic and operational risk profiles of the Department. It then goes on to formulate the approach to be followed in managing risks and the control and assurance continuum. Since, it is not feasible to consider all identified risks in the Combined Assurance Model, the department will confine itself to the strategic risks as they appear in the strategic risk register, emerging risks will however not be part of the CAP but will be managed in accordance with the normal risk management processes. The strategic risk register will therefore be the criteria for incorporation in the Combined Assurance Plan. This approach will simultaneously ensure that the assurance is worth the cost.

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**Figure 1: Combined assurance process flow:**

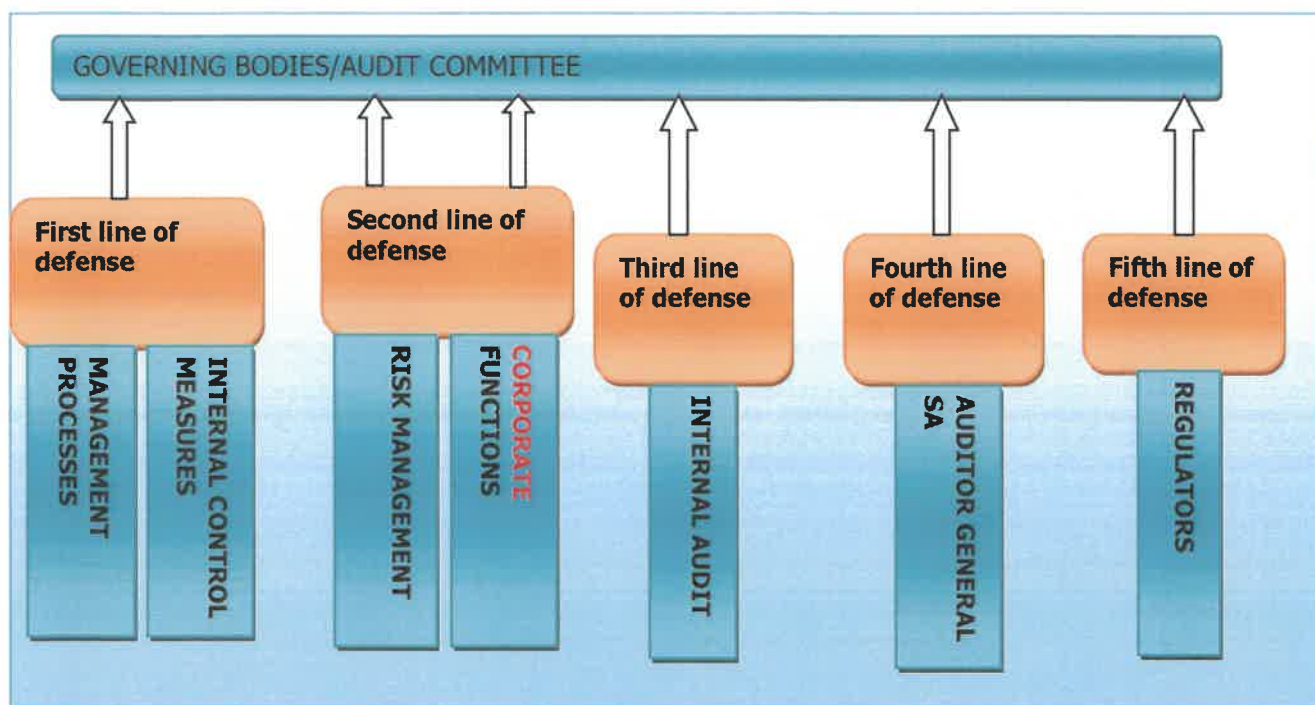


### **8.1. STEP 1: IDENTIFYING ROLE PLAYERS/COMPLETE THE ASSURANCE MAP**

The first step in the process is completing the assurance map/matrix by indicating who assures what risk and to where this assurance is reported; Head of the Department identifying and appointing a combined assurance champion and the Risk Management Committee. The champion will coordinate the process and ensure process continuity. The Risk Management Committee should provide the authority, oversee the process and ensure that cooperation is provided throughout the initiative and report progress to the Head of the Department, an assurance Map/Matrix streamlines the processes regarding:

- i. Who is doing what?
- ii. What has been done to date; and
- iii. Provides comfort to those at the top by demonstrating that all
- iv. Participants are being responsible and accountable.

**FIGURE 2: FIVE LINES OF DEFENSE MODEL**



### 8.1.1 The first line of defence (Management - based assurance)

Managers (the risk owners), are responsible for ensuring the management of the risks and are termed the "**first line**" of assurance providers. The first line of defence is best suited to offer broader assurance coverage.

The first line of defence is process and risks owners; and they are responsible to put controls measures in place in mitigation of the risks. This includes management, supervision and oversight. Line management are accountable and responsible for the management of risk and performance. A key element of this line of defence is the extent of management reviews and the actions that follow, management can establish a system of self-assessment / audits to inform them of the adequacy of risk management activities.

### 8.1.2 The second line of defence (Risk Management and corporate-based assurance)

The **second line of defence** comprises corporate functions such as Risk Management, Human Resource Management, Supply Chain Management, Occupational Health and Safety, Legal Services and Internal Control Units. Combined Assurance Champion is selected from the second line of defence.

The second line of defence should monitor these risks and controls and report to Management. The second line should be working directly with the Programmes to define and drive the risk management



policy and the internal control structure as part of the day-to-day operations and oversight of the Department.

Corporate functions provide support to line management in executing their duties. These typically include functions such as Human Resource Management, Supply Chain Management, Risk Management (fraud and corruption risk management, Risk Management Unit and Corporate functions), Strategic Planning, Monitoring and Evaluation, Occupational Health and Safety, etc. Support functions includes but are not limited to the following:

- a. Defining, setting and maintaining risk management policies
- b. Promotion of risk awareness
- c. Advising line one on how to manage risks
- d. Facilitating/Governance of risk and controls self assessments to identify and measure risks and assess related controls
- e. Monitoring of key risk and control indicators
- f. Monitoring of losses
- g. Performing targeted deep dives
- h. Tracking remediation/risk acceptance of issues
- i. Scenario planning and stress testing
- j. Managing the incidents
- k. Providing portfolio, programme / project oversight and quality assurance

### **8.1.3 The third line of defence (Independent Internal Assurance Providers)**

Internal audit provides the third line of defence by performing the risk-based audits that provide independent and objective assurance over the controls, risk management and governance activities of the Department. Internal audit may also provide combined assurance with line two on activities in line one, or combined assurance with line four on activities in line one and two. Should the inherent and residual risk be high, lines two and three may review the same areas.

Examples of activities that may be performed are:

- a. Risk-based internal audits
- b. Risk management reviews
- c. Compliance with policies and procedures
- d. Corporate governance reviews
- e. Specific ad hoc reviews requested by Management and
- f. Consulting services if so requested by Management or need be.

#### **8.1.4 The fourth line of defence (Independent External Assurance Providers)**

The fourth line of defence introduced by the combined assurance model consists of all external assurance providers who are completely independent of the Department. In public service, this refers to Auditor General SA. They have a very important role in the Department's overall governance and control structure. External audit provides the public with assurance, but also delivers valuable information to the institution around financial risk and reporting, especially to the Accounting Officer and Senior Management. External Auditors may also be required to perform non-audit services, but this depends on the decisions by Executive and/or Accounting Officer and also whether there is an appetite for this.

#### **8.1.5 The fifth line of defence (Regulatory bodies)**

This line of defence includes other external assurance providers such as external oversight structures, i.e. Portfolio Committees, Office of the Premier, Provincial Treasury, Department of Public Service and Administration (DPSA), Department of Monitoring and Evaluation (DPME), Road Traffic Management Corporation (RTMC), South African Civil Aviation Authority (SACAA), sustainability and environmental auditors, external actuaries, external forensic fraud examiners, etc.

### **8.2 STEP 2: ASSESS POTENTIAL FOR COMBINED ASSURANCE/ASSURANCE REALITY CHECK**

The second step entails establishing a high-level understanding of who the assurance providers are for the risk exposures facing the Department. Now the challenge is to assess the actual assurance provided and to whom the assurance is provided. The quality of assurance should also be assessed through interaction with the recipients of the assurance and assessment of the reports issued. Assurance is provided primarily by the second, third, fourth and fifth lines of defence.

Management should ensure that both internal and external assurance providers are appropriately skilled and experienced to follow an adequate approach.

### **8.3 STEP 3: TEST COVERAGE OF ASSURANCE / COMBINED ASSURANCE DESIGN**

The third stage in the process is to test the coverage of assurance provided through interaction with recipients and assessment of reports to establish what is being done and for what reasons. This test will ensure coordination of efforts and eradicate duplication. This step identifies the recommended area of assurance and needs to articulate the nature of the assurance activities. The assurance provided must be credible. This is achieved by ensuring that the skill and experience levels of the assurance providers are appropriate for the work to be performed, and that the extent of the work performed will address the potential and actual exposures. Management will need to ensure that the assurance providers appointed – both external and internal – have the appropriate experience and skills and follow an

acceptable approach / methodology. The key output from step 3 is the blueprint for combined assurance. This will include the risk-based assurance coverage, analysed per assurance provider and management / governance committee responsible.

It should include the frequency and extent of assurance required. Ultimate acceptance of the blueprint will need to be championed by the risk owner and will require extensive consultation with the operations, executive and governance committees and ultimately the Executive Authority. Ownership of the blueprint must also be determined.

King IV states that the governing body should assume responsibility for assurance by setting the direction concerning the arrangements for assurance services and functions. The governing body delegates to the Risk Management Committee, the responsibility for overseeing that those arrangements are effective in achieving the following objectives:

- a. Enabling an effective internal control environment.
- b. Supporting the integrity of information used for internal decision-making by management, the governing body and its committees.
- c. Supporting the integrity of external reports.

#### **8.5 STEP 4: COMBINED ASSURANCE APPLICATION / MAKING COMBINED ASSURANCE A CONTINUING REALITY.**

The final stage requires stakeholder acceptance of the approach and respective responsibilities through identifying and recommended areas of assurance and articulating the nature of the assurance activities. The diligence and effort in establishing an effective combined assurance approach must be matched by on-going efforts to ensure the approach provides the value it is designed to provide. It is proven that activating the assurance reporting on the risk management platform provides the lasting solution. Assurance providers plot their assurance activities planned against the risk profile. The risk and process owners can then assess the extent of disruption and overlap together with the Combined Assurance Forum.

- a. The assurance assessment on residual risk status is recorded manually in preparation of the assurance report.
- b. The assurance assessment can be compared to management assessment of residual risk.
- c. Assurance findings are recorded as actions per the risk management system and remediate according to overall priority of all recorded remediation. Action tracking will apply equally to those findings.

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- d. Management then have access to "real time" assurance and do not have to wait for the audit process to be completed.
- e. Assurance reporting is a couple of key strokes away at any time as required.

The detailed gap analysis should highlight areas of ***extensive assurance, adequate assurance, inadequate assurance, no assurance and not assessed.***

**Table 2: Assessment of assurance provided:**

<b>Extensive assurance</b>	<b>Adequate assurance</b>	<b>Inadequate assurance</b>	<b>No assurance</b>	<b>Not assessed</b>
All lines of defence are responding to the risk to the extent that coverage is duplicated.	There is a balance between risk severity and assurance coverage.	The assurance coverage is not sufficient to ensure effective risk management.	The risk has eluded all lines of defence and action is needed to respond to the risk.	Assurance was not performed by any of the identified assurance providers.
Period of the work covers more than half a year.	Work performed covers less than 6 months of the period under review.	Work performed is of a period of less than 3 months	N/A	N/A
Positive opinion provided.	Limited Assurance Statement Provided	No Assurance Statement provided	N/A	N/A
Accredited Assurance Provider	N/A	N/A	N/A	N/A

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## 9. REPORTING LINES

Management or process owner shall report the status of the assurance coverage performed quarterly on the attached template to Risk Management Unit. Risk Management as the second line of defence will furnish the template with the status of the level of assurance it performed and the coverage performed by the third and the fourth line of defence. The completed template/report will be presented to the Risk Management Committee during the quarterly meetings. Combined Assurance Forum will meet quarterly to discuss progress on the Combined Assurance Plan (CAP) and assist in drafting report for presentation to Management, Risk Management Committee. The Combined Assurance Champion (CRO) in conjunction with the Risk Management Committee (RMC) must address inadequate assurance coverage identified.

**Table 3: Criteria used to determine the assurance coverage.**

First line of defence	Second line of defence	Third line of defence	Fourth line of defence	Fifth line of defence
Executive Management and Operational committees providing direction, guidance and oversight over the focus areas.	Risk management function reports to Risk Management Committee	Internal Audit reports to Audit committee.	AGSA report to Regulators/oversight bodies	Regulators/Oversight bodies reports to Parliament/Provincial Legislature.

## 10. CRITERIA FOR ASSESSING ASSURANCE PROVIDERS

It is important that assurance provided should be credible. It is recommended that Management ensures that both internal and external assurance providers are appropriately skilled and experienced to follow an adequate approach. The following assessment criteria will apply:

**Table 4: Criteria used to assess assurance providers**

No	Category	Minimum requirements
1	Independence / objectivity	Independent reporting lines, no recent involvement and / or work done in the area / aspects to be audited.
2	Conflict of interest	In the areas / aspects in which assurance is to be provided, there should not be any conflict of interest.
3	Skill and experience	The assurance provider should have the appropriate skills and experience to effectively conduct the assignment.
4	Qualification	The assurance provider should hold an appropriate qualification(s).
5	Assurance methodology	The assurance provider should adopt a sound audit / review methodology. Ideally, a risk-based approach should be followed. The reported findings and opinions should be supported by adequately documented working papers/audit trails.
6	Accreditation body / registration. ( <i>non-core aspect</i> )	The assurance should be accredited or registered with a recognized accreditation body for the areas/aspects over which he/she is proving assurance.

## 11. CONCLUSION

Combined assurance process shall be implemented in line with the documented Combined Assurance Plan (CAP). The CAP details the five lines of defence that is mapped to the risk profile of the department. The cross reference will then detail the assurance coverage. Judgement can be made on over or under assurance and adjustments may be made accordingly. The CAP is also used for reporting processes.

## 12. REVIEW OF THE POLICY

This policy shall be reviewed annually or as and when it is deemed necessary to reflect any changes that may occur in the Department.

### 13. EFFECTIVE DATE OF THE POLICY

This policy framework, shall take effect immediately after the Accounting Officer has approved the Policy.

### 14. RECOMMENDATION AND APPROVAL

DISCUSSED AND ADOPTED DURING	DATE
COMBINED ASSURANCE FORUM	<u>    </u> / <u>    </u> /2025
DEPARTMENTAL MANAGEMENT COMMITTEE	<u>25</u> / <u>03</u> /2025
DEPARTMENTAL RISK MANAGEMENT COMMITTEE	<u>26</u> / <u>03</u> /2025

#### RECOMMENDED



MR. A. KYEREH

CHAIRPERSON: RMC

DATE: 27 / 03 /2025

#### APPROVED



DR. HANS KEKANA

ACCOUNTING OFFICER

DATE: 31 / 03 /2025