

# Combined Assurance: One Language, One Voice, One View



Sam C. J. Huibers  
EMIA, RO, CRMA



## Executive Summary

In increasingly complex organizations, where more and more players are involved in providing different measures of assurance, how can we prevent management from being overwhelmed by information and reports and succumbing to “assurance fatigue”?

Combined assurance can help solve this problem by integrating and aligning assurance processes so that senior management and audit and supervisory committees obtain a comprehensive, holistic view of the effectiveness of their organization’s governance, risks, and controls to enable them to set priorities and take any necessary actions.

There are multiple benefits to implementing combined assurance, including:

- One voice and taxonomy across all governance bodies and functions in the organization

- Efficiency in collecting and reporting information
- Common view of risks and issues across the organization
- More effective governance, risk, and control oversight

However, the 2015 CBOK survey results show that knowledge and implementation of the combined assurance concept is not yet widespread. Specific guidance on how best to implement combined assurance is still limited, though IIA Standard 2050: Coordination recommends that “the chief audit executive should share information and coordinate activities with other internal and external providers of assurance and consulting services to ensure proper coverage and minimize duplication of effort.”

Additionally, there are different ways of combining assurance. Depending on the specific requirements and

desired integration of activities in individual organizations, the type of coordination varies:

- *Integrated audits*: coordination through audit activities by performing audits jointly
- *Integrated planning and reporting*: coordination through the planning and reporting processes
- *Alignment of activities*: coordination through alignment of the activities of separate functions
- *Functional integration*: coordination through hierarchical lines by combining internal audit and functions within the organization that support management

For any implementation of combined assurance, it should be noted that the Three Lines of Defense Model, in which internal audit is positioned as an independent and separate function in the third line of defense, is considered by The IIA to be good practice from the perspective of independent assurance. Management acts as the first line of defense (owning the processes, controls, and risks); various support functions, including risk management, internal control, and compliance, are the second line of defense (monitoring the processes as well as its risks and controls); and internal audit represents the independent third line of defense. In light of this model, functional integration is not the preferred way to promote combined assurance because of the challenges it causes for auditor independence and objectivity.

The aim of this report is to help internal audit functions and their organizations embark on the combined assurance journey. Internal audit has a key role to play in both the implementation and the coordination of activities as well as ongoing improvement. The report offers highlights on the current position of internal audit regarding implementation of combined assurance, why organizations have embarked on the journey, what lessons can be learned, and actionable guidance on good practice steps for implementation.

Combined assurance should be seen by internal audit not as a threat but as an opportunity to play a key role in the coordination and alignment of assurance players

to ensure that the organization will benefit over time from having “one language, one voice, and one view.” Ultimately, this will result in fewer unknowns or surprises and support progress toward the full realization of an organization’s objectives and strategy.

## Section 1: Introduction

*“When combining assurance, the role of internal audit is key in supporting the board in having effective oversight of the company. Otherwise, it does not work.”*

—Marie-Helene Laimay, CAE,  
Sanofi, France

As organizations grow and become more complex, so do the number of functions needed to ensure that boards can properly discharge their responsibility for effective control, compliance, and risk management across the organization.

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 a company to maximise risk and governance oversight and control efficiencies, and optimise overall assurance to the audit and risk committee, considering the company’s risk appetite.”\*

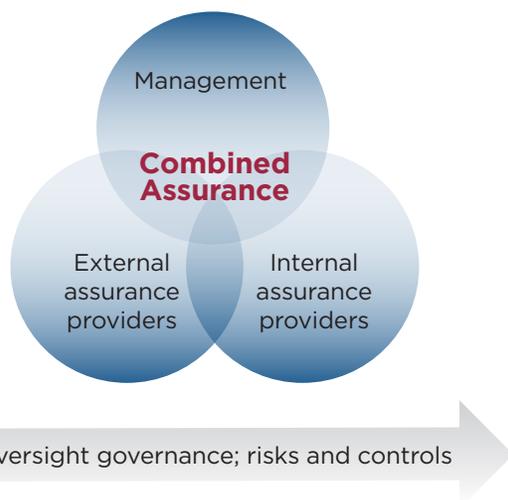
By aligning and harmonizing assurance activities and ways of working across different functions, delivering assurance becomes increasingly efficient and effective. Hence, with combined assurance, there will be a number of parties involved in providing assurance, and their activities require coordination and alignment, as shown in **exhibit 1**. These parties are:

1. **Management:** Responsible for ensuring that a robust risk and control framework is in place so that deviations are identified timely and adequately remedied

---

\* *King Code of Governance for South Africa 2009* (Institute of Directors in Southern Africa), 50. <http://www.ecgi.org/codes/documents/king3.pdf>

### Exhibit 1 Parties Involved in the Combined Assurance Framework



Source: Adapted from *King Code of Governance for South Africa 2009* (Institute of Directors in Southern Africa) and *Combined Assurance: Case Studies on a Holistic Approach to Organizational Governance* by G. Sarens, Decaux, L., & Lenz, R. (Altamonte Springs, FL: The Institute of Internal Auditors Research Foundation, 2012).

- 2. Internal assurance providers:** Responsible for supporting management, such as risk management, internal control, and compliance functions (also referred to as second line of defense functions) and internal audit (third line of defense)
- 3. External assurance providers:** Responsible for independent external assurance, such as the external financial auditor

Ultimately, a single language (taxonomy), single voice (e.g., integrated reporting), and a single overview of governance, risks, and controls will result in fewer unknowns or surprises and will benefit the organization.

This report is explorative in nature and is intended to set out the current position on implementation of combined assurance, why organizations have embarked on the journey, and what lessons can be learned. It focuses on the internal parties involved and offers practical guidance by sharing lessons learned. The report ends with best practice steps for implementing combined assurance.

## Section 2: Benefits of Combined Assurance

*“The foremost key success factor is that you have to believe in the benefits of combining assurance yourself and have the energy to embark on the journey.”*

—Jenitha John, CAE,  
FirstRand, South Africa

Combined assurance is a means of providing assurance in an effective and efficient way that overcomes the difficulties of having different rating systems and reporting formats provided by different functions. This can lead to such an overload of information that any message and call for action by senior management is actually lost.

Jenitha John, CAE), FirstRand, South Africa, helped to implement combined assurance at FirstRand, one of the largest financial institutions in South Africa. She commented that the fruitful implementation of combined assurance was preceded by interviews with senior executives and the audit and risk committee to simultaneously identify potential benefits and obtain buy-in. **Exhibit 2** lists the benefits of combined assurance that were identified at FirstRand. One board member said that combined assurance helped to counteract the challenge of prioritizing assurance from multiple sources (commonly called “assurance fatigue”). He commented: “Actually we get too much assurance, but we do not get a balanced view of what we have to act on and in particular what the priorities are.”

### Key Point

**Effective coordination and alignment of a range of assurance providers is essential for a board or supervisory committee to have adequate oversight of the organization’s governance.**

So the aim is to connect, analyze, and report the information supplied 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 organization to enable them to take any necessary actions. By aligning and harmonizing assurance

**Exhibit 2 Ten Ways Combined Assurance Supports Organizational Objectives**

1	Eradication of assurance fatigue. Resources are no longer being wasted on unnecessary duplication.
2	Assurance efforts are directed to the risks that matter most. Resources are freed up for more productive tasks.
3	A common view of risks and issues across the organization is created.
4	Escalation of information to governance committees is more precise and insightful.
5	Assurance activities produce valuable, relevant data based on collaboration and not silos. This facilitates better decision making.
6	Use of a common language and consistency helps to facilitate value-added discussions.
7	Efficiencies are enhanced by sharing lessons learned.
8	Cost savings are realized through better resource allocation and greater coverage.
9	Commitment to enhance controls is demonstrated.
10	Ultimately, fewer unpleasant surprises will occur.

Source: Adapted from “Harnessing the Benefits of Combined Assurance,” a presentation by Jenitha John, CAE, FirstRand, South Africa. Used by permission. FirstRand LTD corporate website (August 16, 2015). <http://www.firstrand.co.za>

activities and ways of working across different functions, delivering assurance becomes increasingly efficient and effective. As shown in **exhibit 3**, the benefits of implementing combined assurance include:

- One taxonomy across all governance bodies and functions in the organization
- Breaking down of silos and more efficient collection and reporting information
- A common view of risks and issues across the organization

- More effective governance, risk, and control oversight

**Section 3: Adoption of Combined Assurance**

While the benefits described in the previous section are extensive, the CBOOK 2015 Global Internal Audit Practitioner Survey indicates that knowledge and implementation of the combined assurance concept is not yet widespread.

In the survey, respondents were provided with the description of combined assurance from the *King Code of Governance for South Africa 2009* (known as King III) and asked to indicate whether combined assurance was implemented in their organization, or they were not familiar with the concept.

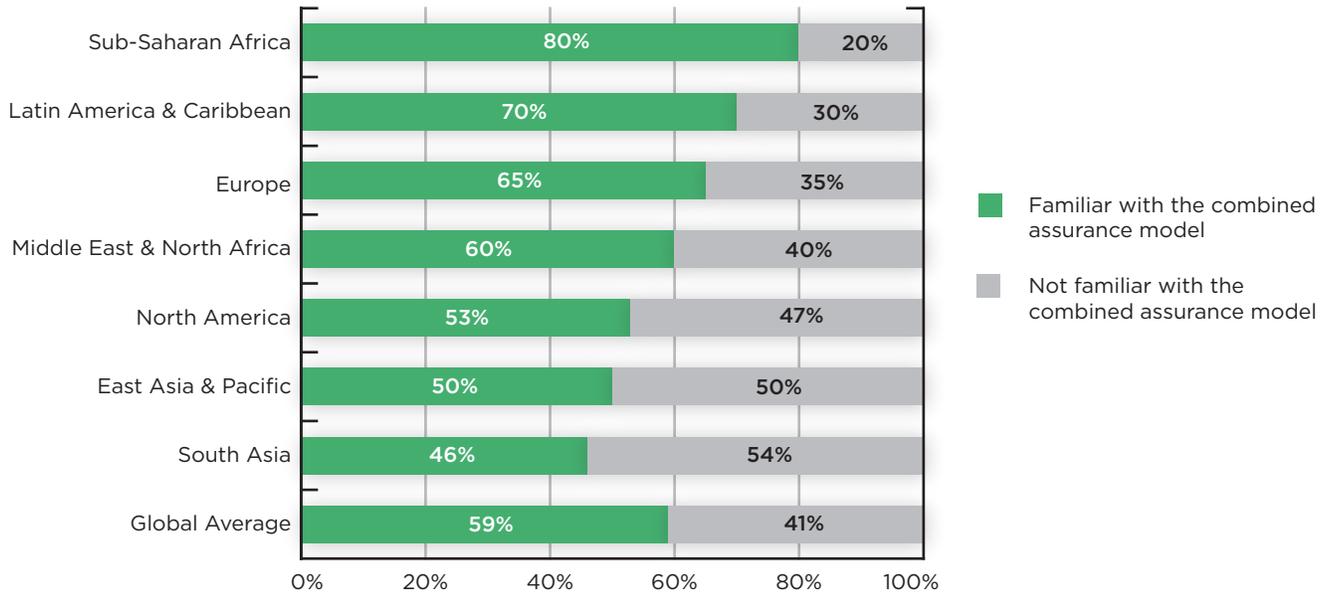
**Awareness of Combined Assurance**

Globally, only 59% of respondents were aware of combined assurance, although there were large differences between regions. Awareness of combined assurance ranged from a high of 80% in Sub-Saharan Africa to a low of 46% in South Asia (see **exhibit 4**).

**Exhibit 3 Benefits of Combined Assurance**

One Language	One Voice	One View
One taxonomy across all governance bodies and functions in the organization	Breaking down of silos and more efficient collection and reporting of information	A common view of risks and issues across the organization
<b>Resulting in:</b> More effective governance, risk, and control oversight		

#### Exhibit 4 Familiarity with Combined Assurance Model



Note: Q61: Has your organization implemented a formal combined assurance model? Respondents who selected “I don’t know. I am not familiar with the combined assurance model” are compared to those who were familiar with the model. Due to rounding, some region totals may not equal 100%. *n* = 10,417.

#### Current Implementation of Combined Assurance

Exhibit 5 shows a wealth of information regarding implementation of combined assurance among those survey respondents who were familiar with the concept. Among those familiar with combined assurance, key findings include:

- A global average of 40% of respondents say their organizations have implemented the model so far (see the combined total of the green and blue bars in exhibit 5).
- The lowest level of implementation is in North America at 25% and the highest is in South Asia and Sub-Saharan Africa (around 50%).

#### Plans to Adopt Combined Assurance in the Future

Exhibit 5 also captures information about those who have not implemented combined assurance but plan to do so in the next two to three years (see the gold bars).

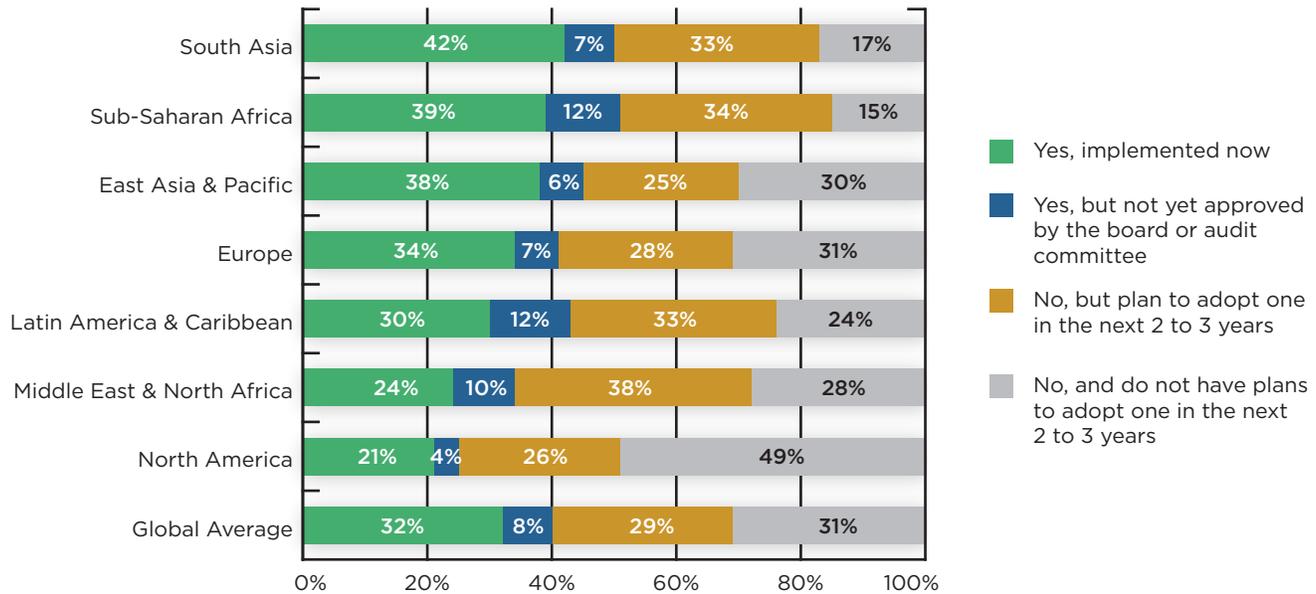
- About 3 out of 10 say their organizations have not adopted combined assurance but expect to do so in the next two to three years.
- The regions most likely to say they would adopt combined assurance in the future were the Middle East & North Africa, Sub-Saharan Africa, South Asia, and Latin America & Caribbean (between 33% and 38%).

#### No Plans to Adopt Combined Assurance

Finally, exhibit 5 shows those who say they have no plans to adopt combined assurance in the next two to three years (see the gray bars).

- About 3 out of 10 say their organizations have no plans to adopt combined assurance in the next two to three years.
- North America was by far the least likely to adopt combined assurance in the future, with 49% saying they had no plans to do so in the next two to three years.

## Exhibit 5 Implementation of Combined Assurance



Note: Q61: Has your organization implemented a formal combined assurance model? Those who selected “I don’t know. I am not familiar with the combined assurance model” were excluded from these calculations. Due to rounding, some region totals may not equal 100%. *n* = 6,185.

### Key Point

Knowledge and implementation of the combined assurance concept is not yet widespread.

- Regionally, the highest rates for a written assessment are in East Asia & Pacific, Sub-Saharan Africa, and South Asia, with about 7 out of 10 issuing a written combined assurance assessment. The lowest rates are in North America (44%).

### Written Assessments of Combined Assurance

For those who had implemented combined assurance, the survey included a follow-up question to find out whether they had issued a written combined assurance assessment.

Exhibit 6 shows these findings:

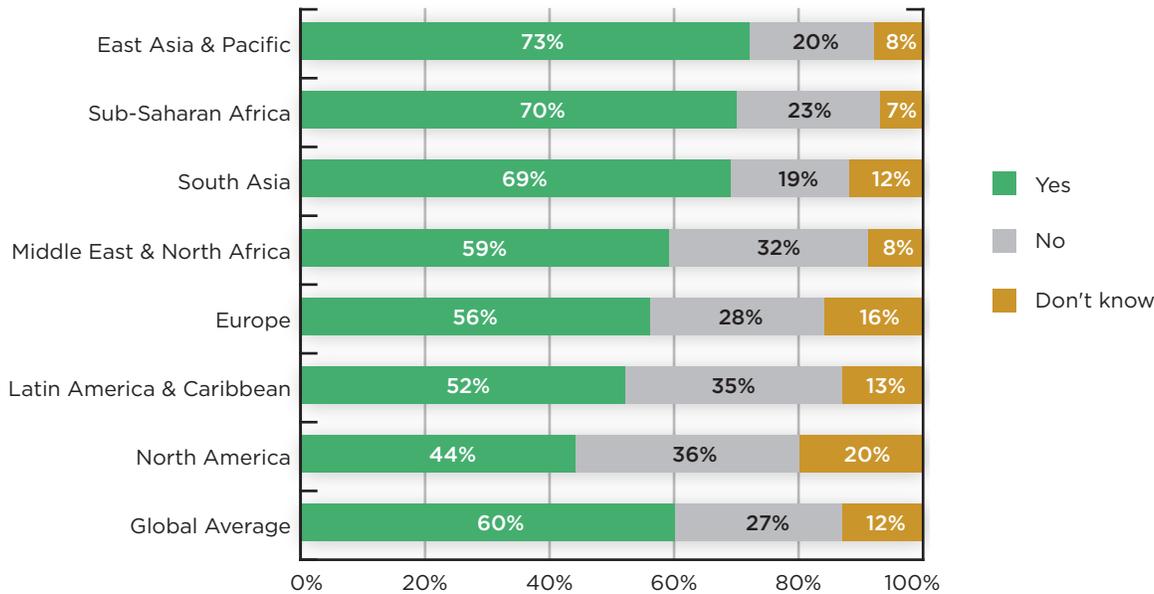
- In organizations where combined assurance has been implemented, a global average of 27% say they have not issued a written combined assurance assessment.
- Another 12% do not know whether their organization has issued a written report.
- This leaves about 60% of respondents who say that their organization has issued a written combined assurance assessment.

### Factors Affecting Adoption of Combined Assurance

According to the survey results, awareness and implementation of combined assurance seems low. This may be because there is no internationally adopted definition and guidance regarding combined assurance and how to implement it, including the different ways of combining assurance and different types of coordination that are possible.

Additionally, governance codes and requirements vary by country, and there is no global overarching guidance on how to govern a company and ensure effective oversight by its board and supervisory committee. One of the most frequently cited sources of information about combined

**Exhibit 6 Respondents Issuing a Written Combined Assurance Assessment (Among Those with Combined Assurance Implemented)**



Note: Q62: Does internal audit at your organization issue a written combined assurance assessment as part of the combined assurance initiative? This question was only answered by those who selected “yes, implemented now” for Q61. Due to rounding, some totals may not equal 100%. n = 1,919.

assurance is King III, which is a non-legislative code based on principles and practices. It adopts an “apply or explain” approach.

In many countries, management is required to provide a statement on the effectiveness of the internal control system as part of the annual report. To create this statement, internal audit often provides reports on risk and the effectiveness of controls in mitigating those risks. In addition, internal audit may provide assurance on the effectiveness of the second line functions (i.e., second line of defense reviews).

**Section 4: Guidance and Review of Combined Assurance**

Specific guidance on how best to implement combined assurance remains limited. However, it is useful to reference several of The IIA’s *International Standards for the Professional Practice of Internal Auditing (Standards)* that relate indirectly to the need for effective assurance. This chapter describes these standards and provides an overview

of the different ways to combine assurance, including specific consideration of the role of the internal auditor, particularly with respect to safeguarding auditors’ independence. The applicable standards are included and reference is made to the Three Lines of Defense Model.

**The IIA’s Standards**

The *Standards* are included in The IIA’s International Professional Practices Framework (IPPF), which provides internal audit professionals worldwide with authoritative mandatory and recommended guidance. Although there is no specific standard in the IPPF on how combined assurance should be provided, several standards are closely related (see exhibit 7).

The Practice Advisories related to Standard 2050 give additional helpful information about the coordination of assurance and consulting activities with other functions.

Practice Advisory 2050-1 recommends that the CAE should be responsible for regularly evaluating the coordination between internal and external auditors.

## Exhibit 7 IIA Standards Related to Combined Assurance

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

Source: From the *International Standards for the Professional Practice of Internal Auditing (Standards)* (Altamonte Springs, FL: The Institute of Internal Auditors, 2013).

Practice Advisory 2050-2 advises taking a streamlined holistic view of risk monitoring and controls by mapping assurance coverage against the risks identified in the organization.

Practice Advisory 2050-3 points out that “the internal auditor may rely on or use the work of other internal or external assurance providers in providing governance, risk management, and control assurance to the board,” provided that certain safeguards are in place.

In summary, the *Standards* clearly supports the philosophy of combined assurance. The next question is how does internal audit put it into practice? Different types of coordination may be used, which is explained in more detail in the next section, along with how this relates to the *Standards*.

### Ways of Coordinating Combined Assurance

There can be different methods and ways of combining assurance, and the *Standards* does not offer a specific definition. When it comes to the type of coordination, variations depend on the specific requirements and the kind of integration of activities that individual organizations prefer (see **exhibit 8**).

**1. Integrated audits.** Coordination takes place through audit activities; specifically, performing

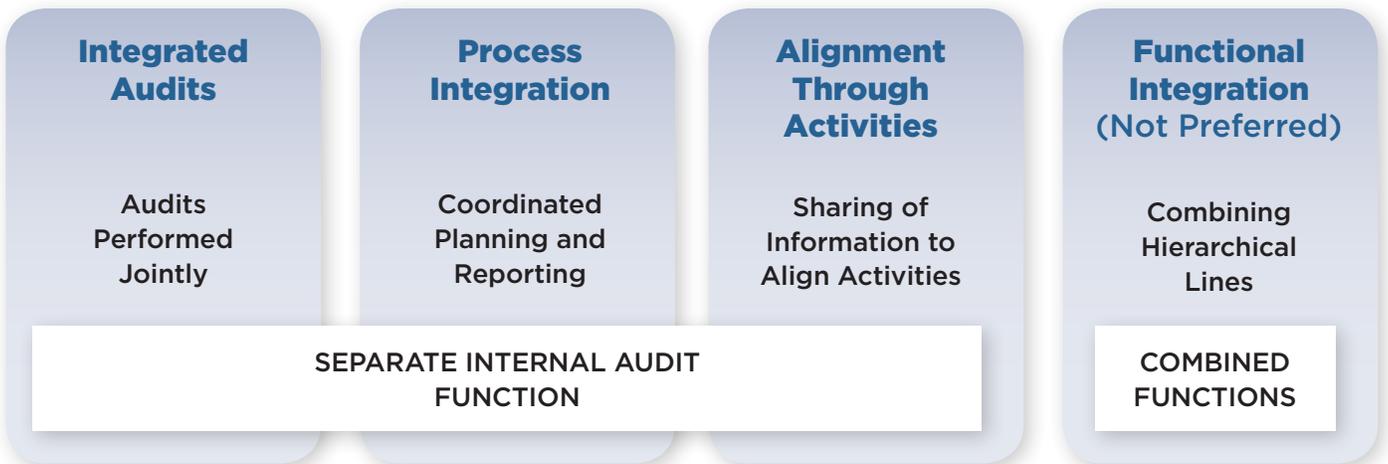
audits jointly with supporting functions and/or the external auditor.

**2. Process integration.** Coordination takes place through the planning and reporting processes. The risk-based audit plan is fully aligned with second-line governance functions. Integrated reporting can be internally or externally oriented. The International Integrated Reporting Council (IIRC) describes an integrated report that is externally oriented as: “An integrated report is a concise communication about how an organization’s strategy, governance, performance, and prospects, in the context of its external environment, lead to the creation of value in the short, medium, and long term.”\*

**3. Alignment through activities.** Coordination takes place through alignment of activities, either on a structured or an ad hoc basis. For example, informing governance functions of the scope and outcome of internal audit activities allows these to be taken into account in their own activities (for example, control weaknesses identified by internal audit can be addressed by internal control).

\* *Integrated Reporting* (International Integrated Reporting Council [IIRC], 2015). <http://integratedreporting.org/>

## Exhibit 8 Ways of Coordinating Combined Assurance



**4. Functional integration.** Coordination takes place through hierarchical lines by combining internal audit and functions that support management, such as risk management, internal control, and compliance.

Internal audit stays separate from other governance functions in the first three described ways of coordinating assurance—integrated audits, process integration, and alignment of activities. Consequently, these ways are not mutually exclusive but should be seen as complementary.

Regarding the fourth way (functional integration), it should be noted that The IIA strongly promotes—from auditors’ objectivity and independence point of view—to maintain a separate internal audit function. Therefore, functional integration is not a preferred option by The IIA. If functional integration occurs, it is preferably done on a temporary basis with the end goal of having fully separated functions (see The IIA Position Paper, The Three Lines of Defense in Effective Risk Management and Control). In such cases, safeguards and conditions should be put in place to minimize the negative impact on the auditor’s objectivity and independence. Examples include situations where the maturity of the governance functions is not strong enough yet and internal audit plays a role in developing risk and compliance activities. For further discussion, see The IIA–Netherlands whitepaper about

internal audit and the second lines of defense, released in 2014.\*

**Exhibit 9** provides more details about different ways of combining assurance, including specific consideration of the role of the internal auditor, particularly with respect to safeguarding auditors’ independence. References to the *Standards* are included.

### Combined Assurance and the Three Lines of Defense Model

The IIA endorses the Three Lines of Defense Model. Each of the three “lines” plays a distinct role within the organization’s governance framework. The different lines of defense within the organization may be described as follows:

- **First line of defense—management.** Business management has primary responsibility for monitoring and controlling operations. They are the “owners” of the processes and accountable for risk identification and mitigating controls.
- **Second line of defense—governance support functions.** Management is supported

\* S. C. J. Huibers, G. M. Wolswijk, and P. A. Hartog, Combining Internal Audit and Second Line of Defense Functions (The Institute of Internal Auditors Netherlands, 2014). <http://tinyurl.com/pftg2o2>

## Exhibit 9 Special Considerations for Ways of Coordinating Combined Assurance

Type of Coordination	Description	Means of Coordination	Consideration	Guidance
Integrated audits	Audits performed together with second line of defense functions	Coordination through audit activities	Audit to coordinate audit execution and ensure compliance with IPPF standards	All IPPF Performance Standards apply (The IIA, 2013)
Process integration	Integrated planning of assurance activities and reporting	Coordination through planning and reporting process	Audit coordinates planning and provides integrated reports on the assessment of governance, risks, and controls to the board and audit committee	Enhanced Integrated Reporting (Enhanced Integrated Reporting, Internal Audit Value Proposition, The IIA, 2015)
Alignment through activities	Coordination through alignment of activities	Coordination through alignment	Coordination through alignment of activities can be either on a structured or an ad hoc basis	The Three Lines of Defense in Effective Risk Management and Control (The IIA Position Paper, 2013)
Functional integration	Internal audit and second line of defense functions combined	Coordination through hierarchical lines	Consider safeguards and boundaries to ensure independence	Combining Internal Audit and Second Line of Defense Functions (Whitepaper by The IIA-Netherlands, 2014)

in its monitoring responsibility by dedicated functions that help to implement a sound framework and monitor risks and controls. Examples of these second line of defense functions are risk management, internal control, and compliance.

- **Third line of defense—internal audit.** Internal audit provides additional independent assurance on the activities of the first and second lines of defense. This may include assessing the design of various processes and effectiveness of controls, compliance with procedures, and review of the effectiveness of the second line of defense. Internal audit may also play an advisory role, according to The IIA’s Definition of Internal Audit.

Sometimes reference is also made to a so-called fourth line of defense by external assurance providers:

- **Fourth line of defense—external auditors, regulators, and external bodies.** Independent assurance is offered by external third parties, typically the company’s financial auditor who provides assurance regarding the financial statements.

Primary responsibility for maintaining robust controls and ensuring compliance with procedures and legislation lies with management. However, increasingly, dedicated functions are being established to support and oversee these “control” activities. At the same time, the growing number of functions and bodies within the organization may cause management to become overloaded with information and reports. To avoid this, internal audit may:

- Coordinate and align assurance activities by participating in joint audits or integrating the planning and reporting of different assurance providers.

- Give assurance to management by reviewing the effectiveness of the so-called second line of defense functions.

In the CBOK 2015 Global Internal Audit Practitioner Survey, of the respondents who are familiar with the Three Lines of Defense Model, between 45% and 64% indicated that internal audit operated as a fully separate independent function in the third line of defense in their organization (see **exhibit 10**). However, on average, 19% of the respondents who were familiar with the Three Lines of Defense Model, and whose organizations had adopted the model, indicated that the split between the second and third line was not clear, or internal audit operated as a second line of defense function (instead of being an independent third line assurance provider). There is a lack of familiarity with the model in certain regions, particularly South Asia, North America, and the Middle East & North

Africa, indicating opportunities for further education (see **exhibit 11**).\*

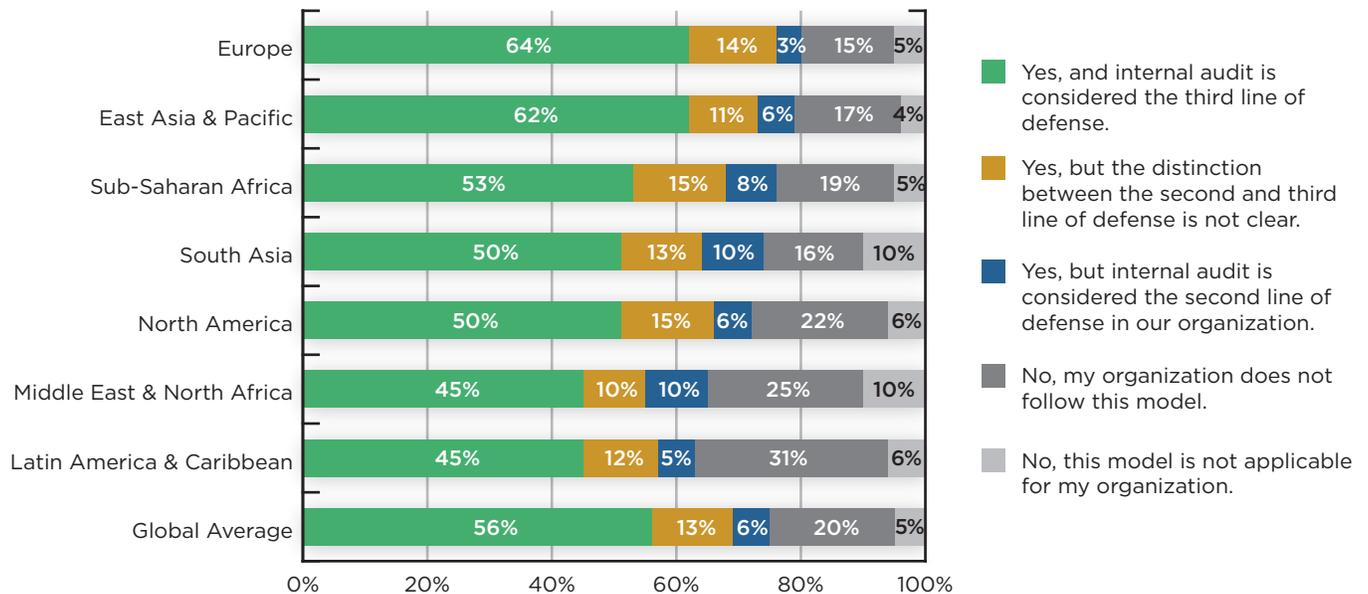
### Considerations on the Adoption of the Three Lines of Defense Model

*“Still today, in many companies, the board has never heard about Three Lines of Defense. We, as internal auditors, have the responsibility to explain what it means.”*

—Rene Andrich, Internal Audit Manager, Latin America, Electrolux, and member of the Board of Directors, IIA–Brazil

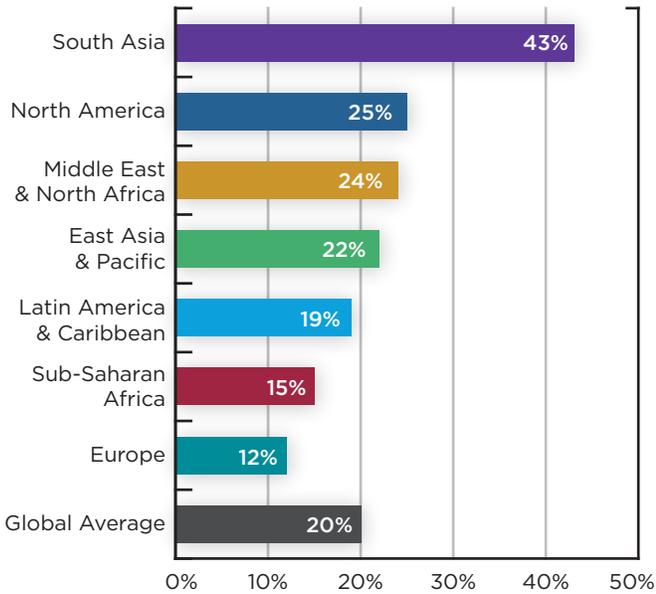
\* See the report by Larry Harrington and Arthur Piper, *Driving Success in a Changing World: 10 Imperatives for Internal Audit* from the Global Internal Audit Common Body of Knowledge (CBOK) Practitioner Survey (Altamonte Springs, FL: The Institute of Internal Auditors Research Foundation, 2015).

**Exhibit 10 Usage of the Three Lines of Defense Model**



Note: Q63: Does your organization follow the three lines of defense model as articulated by The IIA? Those who responded “I am not familiar with this model” were excluded from these calculations. Due to rounding, some region totals may not equal 100%. n = 9,093.

**Exhibit 11 Respondents Not Familiar with the Three Lines of Defense Model**



Note: Q63: Does your organization follow the three lines of defense model as articulated by The IIA? This exhibit shows respondents who chose the option, “I am not familiar with this model.” n = 11,255.

Why do organizations have so many different governance structures? One reason is that some organizational structures may have developed organically; therefore, leadership was not making explicit rational decisions about how to optimize the organization’s governance structure.

As a result, the design of the assurance model varies by organization and also may be driven by stakeholders other than the internal audit function, such as the board and the supervisory committee (supported by the audit committee), and what their members consider desirable.

The IIA–Netherlands whitepaper addressed the concerns about these instances when internal audit is combined with other governance functions. It also noted that when management considers combined functions, it may also consider optimizing efficiency gains by having one person report to the board for all assurance-related matters. On the other hand, the supervisory board may have other considerations, such as the safeguarding of assets and compliance with laws and regulations, so establishing

a dedicated separate independent internal audit function may prevail over more internally oriented considerations.

The whitepaper also provided further direction about minimum requirements and safeguards to ensure auditors’ independence. The starting point is that combining functions is not the preferred way of working from the auditors’ objectivity and independence point of view. It should be noted that in some sectors, such as the financial services and insurance industry, regulations apply that stipulate the establishment of dedicated risk management and compliance functions, with internal audit acting as an independent assurance provider in the third line of defense. The determining factor will be the sector-specific regulations with which the organization has to comply, including any guidance set by the applicable governing bodies.

**Section 5: How to Implement Combined Assurance**

*“When combining assurance, the role of internal audit is key in supporting the board in having effective oversight of the company. Otherwise, it does not work.”*

—Marie-Helene Laimay, CAE, Sanofi, France

When implementing combined assurance, one of the key challenges is in aligning the different activities, ways of working, definitions, and rating systems of different assurance providers.

From interviews and other research, it can be concluded that implementing combined assurance is not something that can be achieved from one day to the next—it should be considered a journey. The key lessons learned are listed in **exhibit 12**.

One of the foremost lessons is the need for full buy-in and support from senior management. To get this support in her organization, Jenitha John from FirstRand said that a member of the executive committee was assigned to sponsor the initiative, endorsed by the audit committee, while the role of internal audit was to drive the actual implementation supported by the board. To give practitioners multiple ways to address this challenge, The IIA

## Exhibit 12 Lessons Learned for Implementing Combined Assurance

Lessons Learned	Internal audit has a key role to play in driving the implementation.
	Buy-in and support is required from the top.
	Anticipated value should be articulated up front.
	All participants should reach a consensus on taxonomy.
	Control assessment and risk ratings should be standardized.
	The level of maturity of the different players in the combined assurance field should be identified.

Research Foundation published *Combined Assurance: Case Studies in a Holistic Approach to Organizational Governance* written by an academic research team from Université Catholique de Louvain (Belgium).\*

Another set of helpful guidelines was developed by Larry Rittenberg, Chair Emeritus of the Committee of Sponsoring Organizations of the Treadway Commission (COSO).\*\* He recommends the following steps when implementing combined assurance:

1. **Make the business case.** Spell out the benefits of implementing combined assurance and estimate the project costs for doing so.
2. **Inventory who provides assurance.** Perform an inventory of all the players who assist management in providing assurance on risks and controls in the organization.

\* G. Sarens, L. Decaux, and R. Lenz, *Combined Assurance: Case Studies in a Holistic Approach to Organizational Governance* (Altamonte Springs, FL: The Institute of Internal Auditors Research Foundation, 2012).

\*\* Larry Rittenberg, *Internal Audit Challenges: Integration of Strategy, Risk, Control, and Combined Assurance*. Presentation delivered at the Clain Conference, May 17, 2013.

3. **Map risks to assurance providers.** Map the risks universe and relate this to the assurance providers who are monitoring those risks.
4. **Design the combined assurance plan.** Identify who will provide assurance across the risk universe, including the role of internal audit, specifying what assurance will be provided.
5. **Create an implementation roadmap.** Define a roadmap with key milestones. One of these must be to align the definitions and risks ratings used among the assurance providers to lay the foundation for implementing an effective combined assurance model.
6. **Plan for continuous improvement.** Evaluate the assurance model on a regular basis, identifying areas for improvement and deciding how information and assurance services to management could be further optimized.

## Conclusion

By aligning and harmonizing assurance activities and ways of working across different functions, delivering assurance becomes increasingly efficient and effective, avoiding the pitfall of boards becoming overloaded with information and eventually resulting in “assurance fatigue.” At the same time, care must be taken to ensure that combined assurance is implemented in a form that preserves the distinction between the three lines of defense.

Clear benefits of implementing combined assurance among different assurance providers have been identified. However, understanding and implementation of the combined assurance concept is not yet widespread.

There are different ways to combine assurance depending on the specific requirements and desired type of integration of activities in individual organizations. As the saying goes, all roads lead to Rome, and in-depth interviews with CAEs globally show that implementing combined assurance should be considered a journey, not something that can be put in place from day one.

Therefore, we strongly recommend following a structured, project-based approach with a roadmap that includes clear milestones to ensure new ways of working are fully implemented and benefits are completely delivered over time.

### Key Point



Having “one language, one voice, one view” will benefit all by supporting progress toward the full realization of a company’s objectives and strategy.

It is also clear that internal audit has a key role to play both in the implementation and the coordination of combined assurance activities as well as in ensuring ongoing and continuous improvement. However, the most important message is that full buy-in and support from senior management are essential when embarking on the combined assurance journey. In the end, having “one language, one voice, one view” will benefit all by supporting progress toward the full realization of a company’s objectives and strategy.

## About the Author

**Sam C. J. Huibers** has extensive experience in a range of international managerial business, audit, and advisory functions in multinational organizations, including Heineken and DSM. As a member of the Dutch IIA Professional Practices Committee, he leads task forces such as the Three Lines of Defense and the Project Auditing advocacy initiatives and performs research in cooperation with the Management Innovation Centre. He is also the coordinator and lecturer of Internal Audit Excellence of the Executive Internal Auditing Programme at the Amsterdam Business School of the University of Amsterdam.

He has written various articles on internal auditing, provides training to auditors, and speaks at international conferences and round tables. His credentials include MSc (master of science in business administration), EMIA (executive master internal auditing), RO (Dutch certified internal auditor), and certified risk management assurance (CRMA).

More information about Sam Huibers is available on LinkedIn: <https://www.linkedin.com/in/samhuibers>.

## Acknowledgments

The author thanks the following internal audit leaders for being interviewed for this project:

- Marie-Helene Laimay, Chief Audit Executive, Sanofi, France
- Jenitha John, QIAL, Chief Audit Executive, FirstRand Ltd., South Africa
- Rene Andrich, Internal Audit Manager, Latin America, Electrolux, and member of the Board of Directors, IIA–Brazil
- Qing Xia, Vice President Supervision and Auditing Department, China Unionpay Merchant Services Company, China

The author also thanks the editor (Ian Phillipson) and proofreader (Myriam Southgate) who worked with him in developing this report.

# About CBOK

## SURVEY FACTS

Respondents	14,518*
Countries	166
Languages	23

## EMPLOYEE LEVELS

Chief audit executive (CAE)	26%
Director	13%
Manager	17%
Staff	44%

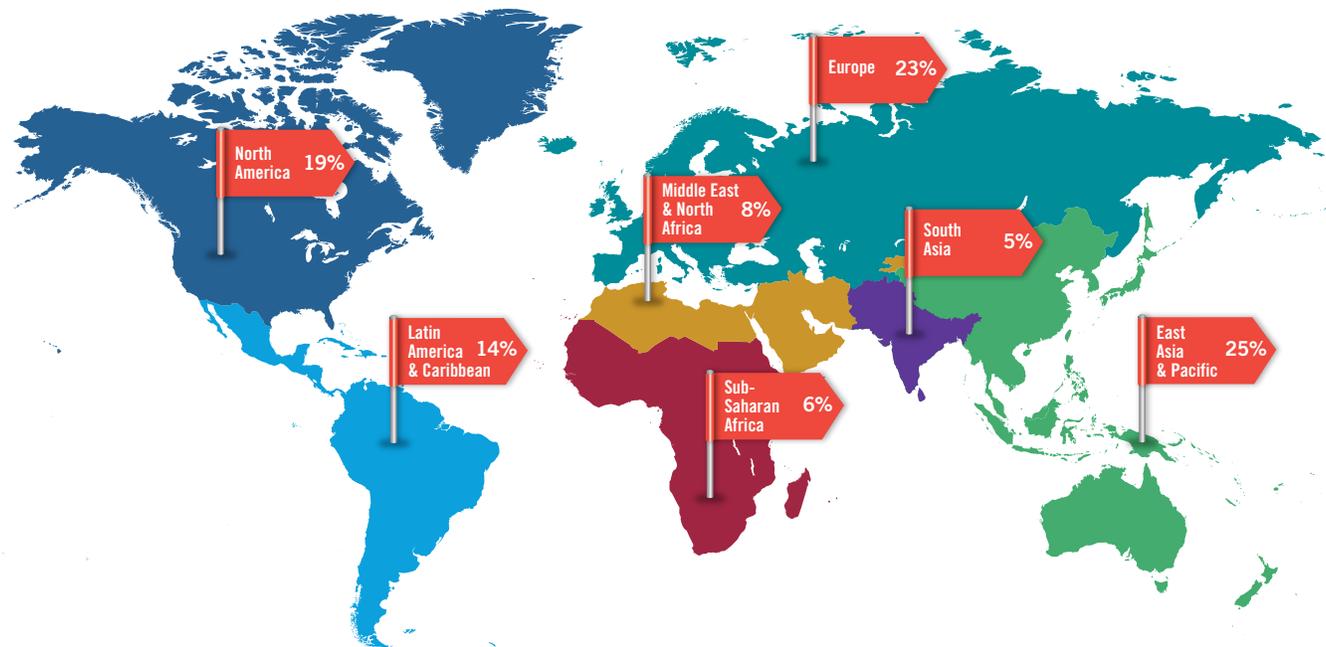
\*Response rates vary per question.

The Global Internal Audit Common Body of Knowledge (CBOK) is the world's largest ongoing study of the internal audit profession, including studies of internal audit practitioners and their stakeholders. One of the key components of CBOK 2015 is the global practitioner survey, which provides a comprehensive look at the activities and characteristics of internal auditors worldwide. This project builds on two previous global surveys of internal audit practitioners conducted by The IIA Research Foundation in 2006 (9,366 responses) and 2010 (13,582 responses).

Reports will be released on a monthly basis through July 2016 and can be downloaded free of charge thanks to the generous contributions and support from individuals, professional organizations, IIA chapters, and IIA institutes. More than 25 reports are planned in three formats: 1) core reports, which discuss broad topics, 2) closer looks, which dive deeper into key issues, and 3) fast facts, which focus on a specific region or idea. These reports will explore different aspects of eight knowledge tracks, including technology, risk, talent, and others.

Visit the CBOK Resource Exchange at [www.theiia.org/goto/CBOK](http://www.theiia.org/goto/CBOK) to download the latest reports as they become available.

## CBOK 2015 Practitioner Survey: Participation from Global Regions



Note: Global regions are based on World Bank categories. For Europe, fewer than 1% of respondents were from Central Asia. Survey responses were collected from February 2, 2015, to April 1, 2015. The online survey link was distributed via institute email lists, IIA websites, newsletters, and social media. Partially completed surveys were included in analysis as long as the demographic questions were fully completed. In CBOK 2015 reports, specific questions are referenced as Q1, Q2, and so on. A complete list of survey questions can be downloaded from the CBOK Resource Exchange.

## Your Donation Dollars at Work

CBOK reports are available free to the public thanks to generous contributions from individuals, organizations, IIA chapters, and IIA institutes around the world.

## Donate to CBOK

[www.theiia.org/  
goto/CBOK](http://www.theiia.org/goto/CBOK)

## Contact Us

The Institute of  
Internal Auditors  
Global Headquarters  
247 Maitland Avenue  
Altamonte Springs,  
Florida 32701-4201,  
USA

# About The IIA Research Foundation

CBOK is administered through The IIA Research Foundation (IIARF), which has provided groundbreaking research for the internal audit profession for the past four decades. Through initiatives that explore current issues, emerging trends, and future needs, The IIARF has been a driving force behind the evolution and advancement of the profession.

### CBOK Development Team

CBOK Co-Chairs:

Dick Anderson (United States)

Jean Coroller (France)

Practitioner Survey Subcommittee Chair:

Michael Parkinson (Australia)

IIARF Vice President: Bonnie Ulmer

Primary Data Analyst: Dr. Po-ju Chen

Content Developer: Deborah Poulalion

Project Managers: Selma Kuurstra and

Kayla Manning

Senior Editor: Lee Ann Campbell

### Report Review Committee

Urton Anderson (United States)

Adil Buhariwalla (United Arab Emirates)

Jenitha John (South Africa)

Marie-Helene Laimay (France)

Michael Parkinson (Australia)

Estanislao Sanchez (Mexico)

Ad Smits (Netherlands)

Gerard Wolswijk (Netherlands)

### Limit of Liability

The IIARF publishes this document for information and educational purposes only. IIARF does not provide legal or accounting advice and makes no warranty as to any legal or accounting results through its publication of this document. When legal or accounting issues arise, professional assistance should be sought and retained.

Copyright © 2015 by The Institute of Internal Auditors Research Foundation (IIARF). All rights reserved. For permission to reproduce or quote, contact [research@theiia.org](mailto:research@theiia.org). ID # 2015-1481

## CBOK Knowledge Tracks

Future



Governance



Risk



Talent



Global  
Perspective



Management



Standards &  
Certifications



Technology

