PRESENTATION TWO · 09:55 – 10:15

Implications for Combined Assurance and the Service Delivery Mandate

Reading the Reviewed Draft White Paper on Local Government from a Combined Assurance vantage point

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Joint webinar of the School of Public Leadership, Stellenbosch University and CIGFARO

WHY I'M IN THIS SESSION

One seat, three vantage points

Combined Assurance is easiest to explain by living it. I'm at this table wearing three hats at once; which is, in miniature, the argument I want to make.

CIGFARO Committee Member

Shaping the profession's standards for government finance, audit and risk: including the Combined Assurance position paper this dialogue previews.

Insurance Specialist, Maisha Financial Services

Pricing and transferring risk for a living: the assurance layer that catches what governance controls miss or arrive too late to prevent.

M&E Practitioner, Public Sector

Testing whether public money produced the outcome it promised: the evidence layer that turns activity into demonstrated value.

THE QUESTION AT THE CENTRE

Money moves. Capability doesn't move with it.

The Equitable Share formula

Refined repeatedly. Technically thoughtful. Progressive by design.

It funds basic services and the administration that delivers them; but it assumes a functioning institution on the receiving end.

What the Reviewed White Paper itself documents alongside it:

- Declining financial sustainability
- Weakened administrative capacity
- Deteriorating audit outcomes
- Mounting service-delivery backlogs
- Recurring governance failures

The proposition this session tests

Funding and institutional capability are two halves of one reform problem. Treat them separately, and a well-designed formula keeps landing on ground that isn't ready to hold it.

So the adequacy of the White Paper shouldn't be judged only on what it allocates…

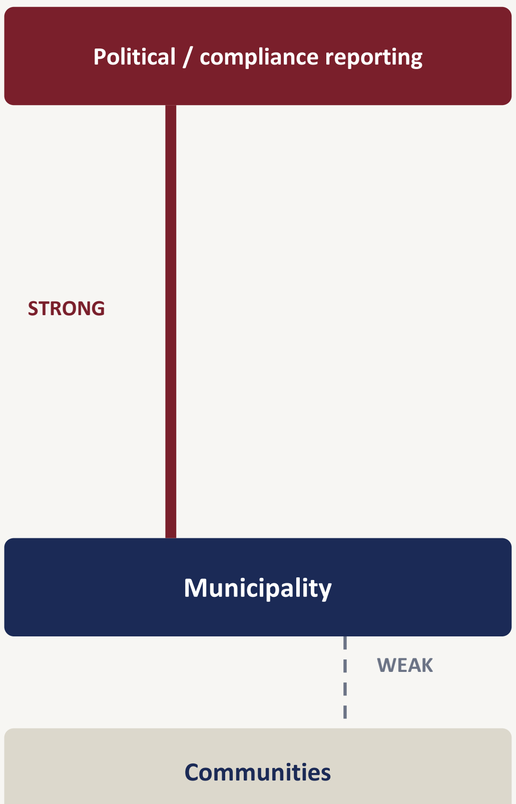
…but on the assurance and accountability architecture it assumes will travel with the allocation.

— Concept Note, Beyond Funding

WHAT THE DIAGNOSIS ALREADY TELLS US

An “accountability inversion”

The Reviewed White Paper's own language for why oversight isn't landing where it should.



1 Upward focus

Accountability tilts to the political realm and to compliance reporting, while accountability to communities is weakened.

2 Diffuse ownership

Where problems cut across departments and entities, ring-fenced mandates and separate reporting lines let accountability fall through the gaps.

3 Consequence gap

Weak consequence management has, in the White Paper's own words, enabled a culture of impunity around non-performance.

THE FOURTH LINE OF INQUIRY

Five systems, one municipality, no relationship

Performance management, internal audit, risk management, oversight, and M&E all exist in most municipal environments — but they run as parallel tracks.

Performance Management

Internal Audit

Risk Management

Council Oversight

Monitoring & Evaluation

Parallel reports · compliance artefacts · no shared picture of risk or performance

The question isn't whether these functions exist. It's whether they're brought into relationship with one another; so they generate insight rather than merely evidence their own activity.

FRAMING THE ANSWER

Combined Assurance, in one picture

Not a new structure to build from scratch; a deliberate coordination of assurance the municipality already pays for.

Council / MPAC	Sets the risk appetite and governance tone; owns the ultimate oversight line.
Management	Owns and operates the day-to-day controls that keep service delivery on track.
Internal Assurance	Internal audit, risk management, compliance and M&E: testing whether management's controls hold.
External Assurance	The Auditor-General, external audit and regulators: the independent, final check.

Combined Assurance is the discipline of mapping these four lines against the same risks: so gaps and duplication both become visible.

WHY THIS SESSION, WHY NOW

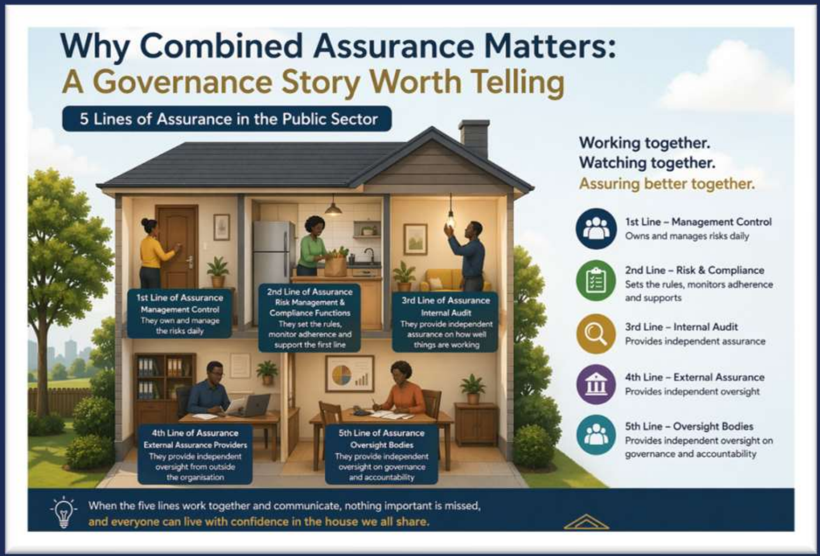
A position paper is joining the conversation

CIGFARO's Combined Assurance position paper

Currently in the process of being published by CIGFARO, this dialogue is one of the venues where its thinking is being tested in public, ahead of release.

It sets out, from a Combined Assurance vantage point, how governance and assurance reforms can strengthen implementation of reforms like the Reviewed White Paper and improve what public money is shown to achieve.

What follows in this presentation previews some of that thinking offered to provoke this discussion, not to close it.



LENS ONE: RISK & INSURANCE

The layer municipalities under-price

Governance controls prevent. Risk transfer absorbs what prevention misses.

An insurance specialist's instinct is to ask what happens when a control fails, not if. Infrastructure risk, cyber exposure, professional liability, business continuity: these sit at the end of the same risk chain the White Paper is trying to manage from the front.

Underinsurance and uninsured exposure rarely appear in audit findings; until the event that turns them into a service-delivery crisis and an unbudgeted liability at once.

Where risk financing belongs in the assurance map

- Asset and infrastructure risk registers feeding directly into cover decisions, not sitting apart from them
- Risk-financing capacity treated as evidence of institutional readiness; alongside audit and performance data
- Claims and loss history read as a governance signal: what it reveals about control weaknesses, not just cost
- Combined Assurance reporting that includes risk transfer, so Council sees the whole exposure; insured and not

LENS TWO: MONITORING & EVALUATION

Activity is not evidence

The difficulty in local government is often not the absence of activity; it's the absence of trustworthy evidence about what that activity achieved.

1

Funds transferred

Equitable share allocated against the formula

2

Activity reported

Spend, outputs and compliance returns filed

3

Outcome tested

M&E asks whether the activity changed anything for residents

4

Evidence assured

Combined Assurance carries that outcome evidence to Council, MPAC and the AG

M&E is the "so what" layer of Combined Assurance: without it, a clean audit and a fully spent grant can still sit next to a service that never improved.

BRINGING THE THREE LENSES TOGETHER

What Combined Assurance could look like in practice

One assurance map

PM, internal audit, risk, oversight, M&E and risk-financing plotted against the same municipal risk register; not five separate reports.

One view for Council & MPAC

A single, combined picture of what's controlled, what's insured, and what's been shown to work; replacing five uncoordinated ones.

Shared accountability, both ways

Assurance providers coordinate on mandate and timing, so findings reinforce each other instead of arriving in isolation.

Evidence tied to funding

Equitable share conditionality and reporting draw on this combined evidence; not on compliance returns alone.

WHAT THIS ASKS OF THE REFORM

For Combined Assurance to be more than an aspiration on paper

Mandate

Write Combined Assurance coordination into municipal governance instruments, not just good-practice guidance.

Skill

Build the risk, audit, M&E and insurance literacy municipal officials need to run it; this is a capacity investment, not a compliance cost.

Culture

Reward findings that connect across disciplines; stop treating each assurance function's report as its own island.

And tied to funding: the equitable share should recognise evidenced institutional readiness; not penalise the communities least able to absorb the consequences of getting this wrong.

CARRYING THIS INTO POINTS OF CONTENTION

The one trade-off I'll carry forward

Combined Assurance only works if someone owns the coordination; and right now, no single mandate in local government clearly does. Assign that ownership, or the position paper stays a paper.

Discussion questions for the floor

- Who should hold the Combined Assurance mandate; and at what level?
- What would make risk-financing and M&E evidence count toward equitable share conditionality?

Thank you

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