pwc

Moving beyond silos – how combined assurance can build confidence across Middle East organisations

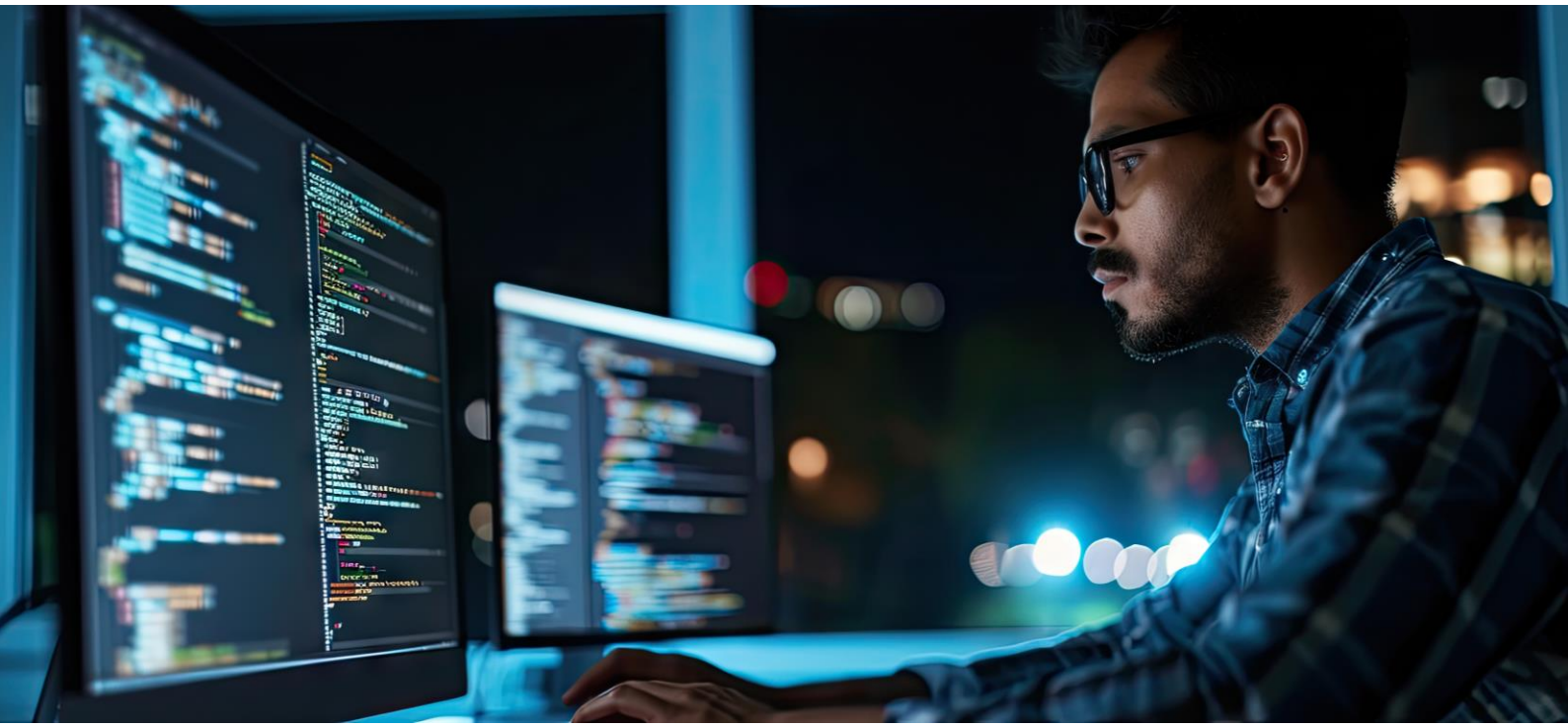
As risks evolve quickly, fragmented assurance can leave boards with blind spots. Combined assurance closes those gaps by aligning assurance activities across the organisation, giving leaders clearer visibility of risk, stronger confidence in controls and the insight to act with confidence.

Organisations across the Middle East are operating in a risk environment that is fast, more interconnected and less predictable. Technology disruptions, evolving regulations, shifting stakeholder expectations and macroeconomic volatility are converging in ways that demand a fundamentally unified response. For boards and executive teams, the question has moved beyond whether risks are being managed, to whether they are understood and whether organisation leaders can act on them with confidence.

In the region, this challenge is compounded by structural complexity. Many organisations operate through holding companies, government-related entities, family groups, subsidiaries, joint ventures and strategic partnerships. These models are engines of scale and strategic growth, but they also make it considerably harder to achieve a consistent, enterprise-wide view of who owns which risks, how effectively controls are operating and where assurance coverage may fall short.

Despite significant investment in risk management, compliance and internal audit, assurance activities often remain fragmented. Risks are assessed multiple times, controls are tested in isolation, and insights are reported through different lenses. The result is often more noise, not more confidence – limiting leadership's ability to form a clear view of risk exposure and control effectiveness, particularly in periods of uncertainty when decisions need to be made quickly and decisively.

Combined assurance addresses this challenge by bringing together assurance providers – risk, compliance, internal audit and others – to create a unified and aligned understanding of risk and control effectiveness. By aligning assurance efforts around priority risks, organisations can reduce duplication, optimise the allocation of assurance effort, and ensure that leadership is supported by consistent, decision-useful insight.



A regional risk landscape that is changing faster than assurance models

Today's risk landscape in the Middle East is moving fast, becoming more interconnected and harder to contain. A data risk can quickly become a regulatory, operational and reputational challenge. A third-party failure can affect service continuity, cyber exposure, customer trust and financial performance. Weak environmental, social and governance (ESG) reporting can raise questions about governance, disclosure controls and data reliability.

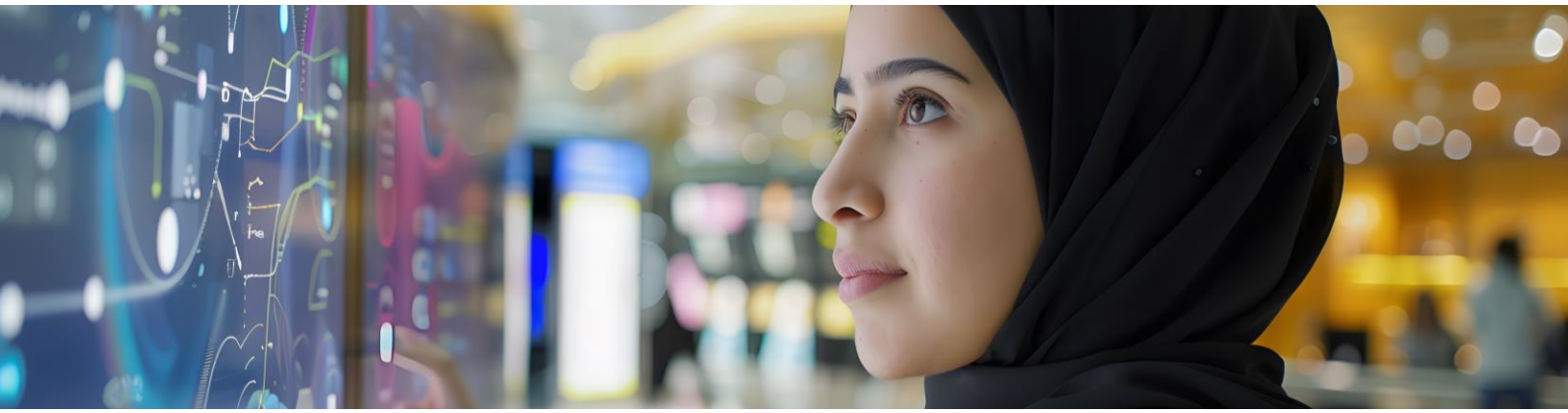
Traditional assurance models often struggle to keep pace. Risk teams assess the exposure, compliance teams may test obligations, internal audit reviews controls and management tracks remediation. Each activity may be valid, but boards are left to piece together the full picture from separate reports and different timelines.

Emerging technologies such as artificial intelligence, advanced analytics and distributed ledger technologies are transforming operating models and decision-making and adding further complexity. They introduce new vulnerabilities around data integrity, ethics, security and accountability. These risks rarely sit neatly within a single function or follow existing control boundaries.

Third-party ecosystems are also becoming more extended and interdependent. A disruption in one part of the network can quickly create operational, financial and reputational consequences, making traditional vendor oversight too narrow for today's level of dependency.

Geopolitical uncertainty is also reshaping how organisations in the region think about assurance coverage. For complex organisations operating across multiple markets and third-party networks, geopolitical developments can affect supply chains, project delivery, financing, liquidity, sanctions exposure, customer demand, workforce mobility and regulatory obligations. Assurance therefore needs to help leaders understand where existing coverage can be relied upon, where coverage is insufficient, and where deeper or more frequent review is required.

At the same time, ESG considerations have moved from the periphery to the core of corporate strategy. Regulators, investors and wider stakeholders expect organisations to demonstrate not only intent, but effective governance, reliable data and credible assurance over non-financial information. Workforce resilience is under similar pressure, as skills shortages, changing employee expectations and ongoing macroeconomic uncertainty test the ability of organisations to adapt while maintaining control.



Against this backdrop, audit and risk "hotspots" continue to evolve.

Common areas of focus include:

Data and artificial intelligence governance, including ethical use, model risk and data quality.

Third-party risk management, across suppliers, outsourcing arrangements and strategic partners.

ESG and sustainability risks, particularly around reporting integrity and regulatory compliance.

Organisational resilience and workforce management, including culture, conduct and operational continuity.

Geopolitical risks, including supply chain disruption and sanctions exposure.

Macroeconomic volatility, with implications for liquidity, credit risk and strategic investment decisions.

These risks cut across functions and do not follow organisational boundaries. Yet assurance activities often remain siloed, creating gaps in visibility, ownership and response.

The limits of the traditional assurance model

Many organisations in the Middle East have adopted the 'three lines' model in response to regulatory expectations and leading practice. While this has clarified roles and responsibilities, it can also reinforce silos when implemented without sufficient coordination.

First-line functions focus on owning and managing risks within their operations. Second-line functions provide oversight, frameworks and monitoring. Internal audit, as the third line, offers independent assurance. Each plays a critical role. The challenge arises when these roles operate in parallel, with limited coordination and little shared visibility.

Common pain points include:

- **Duplication of effort,** with the same risks and controls reviewed multiple times by different functions.
- **Gaps in coverage,** where certain risks fall between mandates or are assumed to be covered by others.
- **Inconsistent risk assessments,** driven by different methodologies, scoring approaches and reporting formats.
- **Management fatigue,** where ongoing and overlapping assurance activities dilute focus and strain management capacity.
- **Overloaded boards and audit committees,** receiving large volumes of assurance information but limited insight into what truly matters.

In a business-as-usual environment, these inefficiencies may be tolerable. However, in times of disruption, they are not. Fragmented assurance reduces organisational agility and dilutes accountability at exactly the moment when clarity is most needed.

This is where combined assurance comes in – not as a replacement for the three lines, but as a way to make them work together.

Combined assurance – gaining a unified view

Combined assurance goes beyond coordination. For Middle East organisations, it is a practical way to align assurance efforts across complex operating models, while preserving the independence and mandate of each assurance provider. It helps leadership understand which risks are covered, which controls have been tested, where reliance can be placed, and where further assurance is needed.

A well-designed combined assurance programme:

- Focuses assurance on what matters most.
- Clarifies who is providing assurance over which risks and controls, and to what depth.
- Reduces unnecessary duplication while strengthening overall coverage.
- Provides boards and executive management with a clear line of sight from strategy to risk to assurance, enabling more confident, data-driven decision-making and faster response to emerging risks.
- Supports organisational resilience by ensuring that critical risks are continuously monitored, and that control effectiveness is validated through coordinated assurance efforts.

Importantly, combined assurance is not a one-off exercise or a reporting overlay. It is a shift in mindset – from function-led assurance to risk-led assurance.

The building blocks of an effective combined assurance programme

While there is no one-size-fits-all model, successful combined assurance programmes are built on a common set of foundations.

1 A risk-based strategy

Combined assurance should be guided by an overarching strategy that is aligned with the business objectives and risk profile. This means clearly identifying the top risks that could impact the achievement of strategic objectives and ensuring assurance efforts are prioritised accordingly.

2 A clear framework

A combined assurance framework defines how assurance providers work together. It clarifies roles, responsibilities and accountabilities across the assurance providers, while setting expectations around coordination, reliance and escalation.

3 A consistent methodology

Without a shared methodology, integration is difficult. A common approach to risk assessment, assurance planning, execution and reporting enables meaningful aggregation of insights and avoids confusion at senior levels.

4 An integrated assurance plan

The combined assurance plan links top risks to key controls and planned assurance activities across all providers. It shows where assurance is being obtained, where reliance is placed on other work, and where gaps or overlaps exist.

5 Insight-driven reporting

Effective combined assurance reporting moves beyond activity-based updates. It provides a consolidated view of assurance over key risks and controls, highlights themes and trends, and connects assurance outcomes to strategic objectives.

6 Capability and culture

Combined assurance only works when people are equipped and willing to collaborate. Targeted training, shared language and leadership sponsorship are essential to embed combined assurance into day-to-day ways of working.

Implementing these building blocks takes time. The right pace and sequencing will depend on organisational maturity, regulatory context and strategic priorities.

Enablers of success – what organisations need to get right

Experience shows that the effectiveness of a combined assurance programme is shaped as much by organisational enablers as by design choices.

Key considerations include:

- **Function maturity:** The extent to which assurance providers have the capabilities, processes, and governance required to operate in a coordinated assurance model.
- **Skills and competencies:** Access to professionals with the technical, analytical and interpersonal skills required to contribute to combined assurance activities.
- **Relationships and trust:** A willingness among assurance providers to collaborate, share insights and place reliance on each other's work.
- **Leadership commitment:** Clear sponsorship from executive management and the board to drive behavioural change and resolve tensions.
- **Sustained investment:** Recognition that combined assurance is a long-term capability, not a cost-cutting exercise.

Where these enablers are in place, combined assurance becomes a catalyst for stronger risk ownership and more confident decision-making.

A growing regulatory and governance imperative

The shift towards combined assurance is also reinforced by global standards and governance frameworks. The Institute of Internal Auditors' Global Internal Audit Standards emphasise coordination and appropriate reliance across assurance providers, with a clear role for the chief audit executive in advising the board on the overall assurance landscape, minimising duplication, identifying gaps, and enhancing value.

Similarly, King IV places strong emphasis on integrated assurance. It highlights the need for effective risk governance in support of strategic objectives and for assurance that underpins the integrity of internal decision-making and external reporting.

The Committee of Sponsoring Organisations of the Treadway Commission (COSO) and International Organisation for Standardisation (ISO) frameworks further reinforce the principle of promoting integrated, enterprise-wide risk management, the use of consistent risk and control methodologies, and clear coordination across governance, risk and assurance functions.

These frameworks signal a clear direction of travel: assurance is no longer viewed as a set of isolated activities, but as an integrated system supporting governance and performance. In the Middle East, this shift is gaining relevance as regulators and market authorities raise expectations around governance, internal controls, risk management and non-financial reporting. In the UAE, public joint-stock companies face strengthened requirements around internal controls and corporate governance. In Saudi Arabia, ESG disclosure and sustainability transparency are receiving greater regulatory attention. These developments reinforce the case for assurance that is more connected, more reliable and more useful to decision-makers.

The value of combined assurance

For organisations based in the Middle East that have implemented combined assurance effectively, the benefits go well beyond efficiency gains. By aligning assurance activities to a common risk landscape, they are on track to reduce overlap and eliminate blind spots. Assurance providers spend less time re-testing the same controls and more time addressing emerging risks.

Boards and audit committees receive clearer, more focused reporting. Instead of navigating multiple assurance reports, they gain a consolidated view of risk coverage, control effectiveness and priority issues. This supports more robust and better-informed decisions, particularly in environments where timely responses to emerging risks are critical.

Executive management benefits from greater transparency and accountability. Clear ownership of risks and controls, combined with consistent tracking of remediation actions, drives continuous improvement.

Combined assurance strengthens organisational confidence, especially in a region where businesses are growing, transforming and operating through more complex structures. It gives leaders confidence that controls are working where they matter most, assurance efforts are focused on the right risks, and boards, audit committees and executive teams have the visibility needed to make informed decisions in an uncertain environment.

Contributors

Sherif Elsaid
Partner

sherif.elsaid@pwc.com

Hashim Ashraf
Director

hashim.ashraf@pwc.com

Alaa Sinno
Manager

Ghida Allam
Senior Associate

Thank you