



# WHY IS THE COMBINED ASSURANCE MODEL IMPLEMENTATION IN INDONESIA SO LOW? AN INSTITUTIONAL ANALYSIS

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## ABSTRACT

The combined assurance model has a pivotal role in integrating a company's Governance, Risk, and Compliance (GRC). It has been more than a decade since the South African market initiated the model through King Report III in 2009, and the Indonesian market strived to adopt it in 2013. However, very few companies in Indonesia have reported the implementation of this model. We hypothesized that institutional theory could explain the phenomenon. We used comparative study to analyze the adoption of the combined assurance model in South African and Indonesian markets. We employed qualitative content analysis to interrogate the annual reports of 130 companies listed on the Johannesburg Stock Exchange and the Indonesian Stock Exchange to identify essential dimensions and variables in implementing the model. Afterward, we build an estimation model using binary logistic regression based on the identified variables. We found that companies in Indonesia's market with weaker regulatory and governance requirements less likely to implement a combined assurance model. These findings can be the basis for authorities, regulators, and standard-setting bodies, especially in Indonesia, to formally regulate the application of combined assurance and related dimensions.

**Keywords:** *Combined Assurance; Corporate Governance; Risk Management; Institutional Theory; Internal Audit*