Project Assurance Fundamentals

November 2020
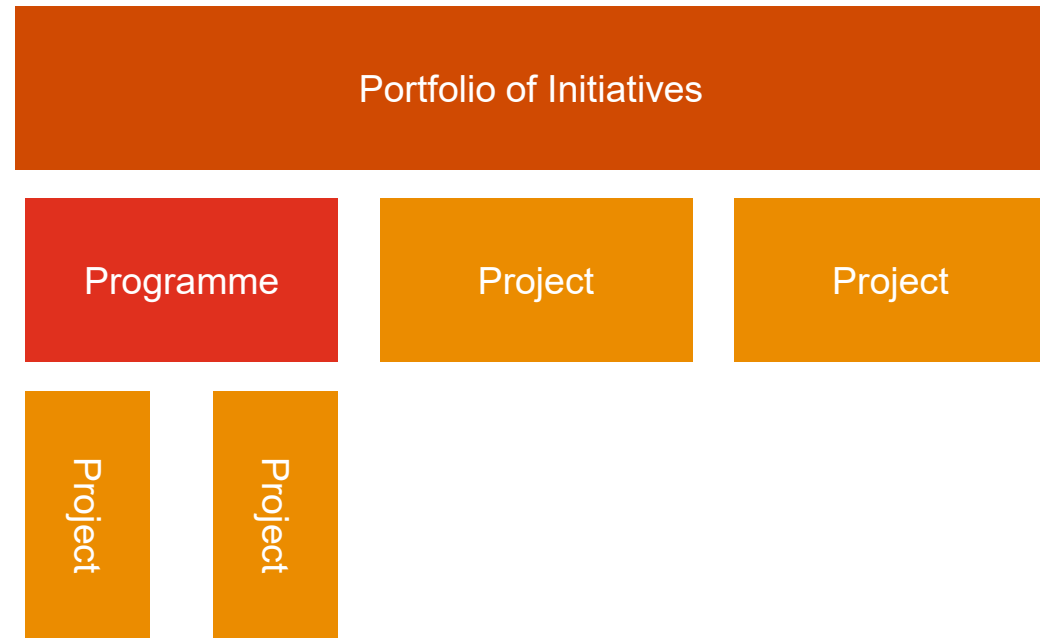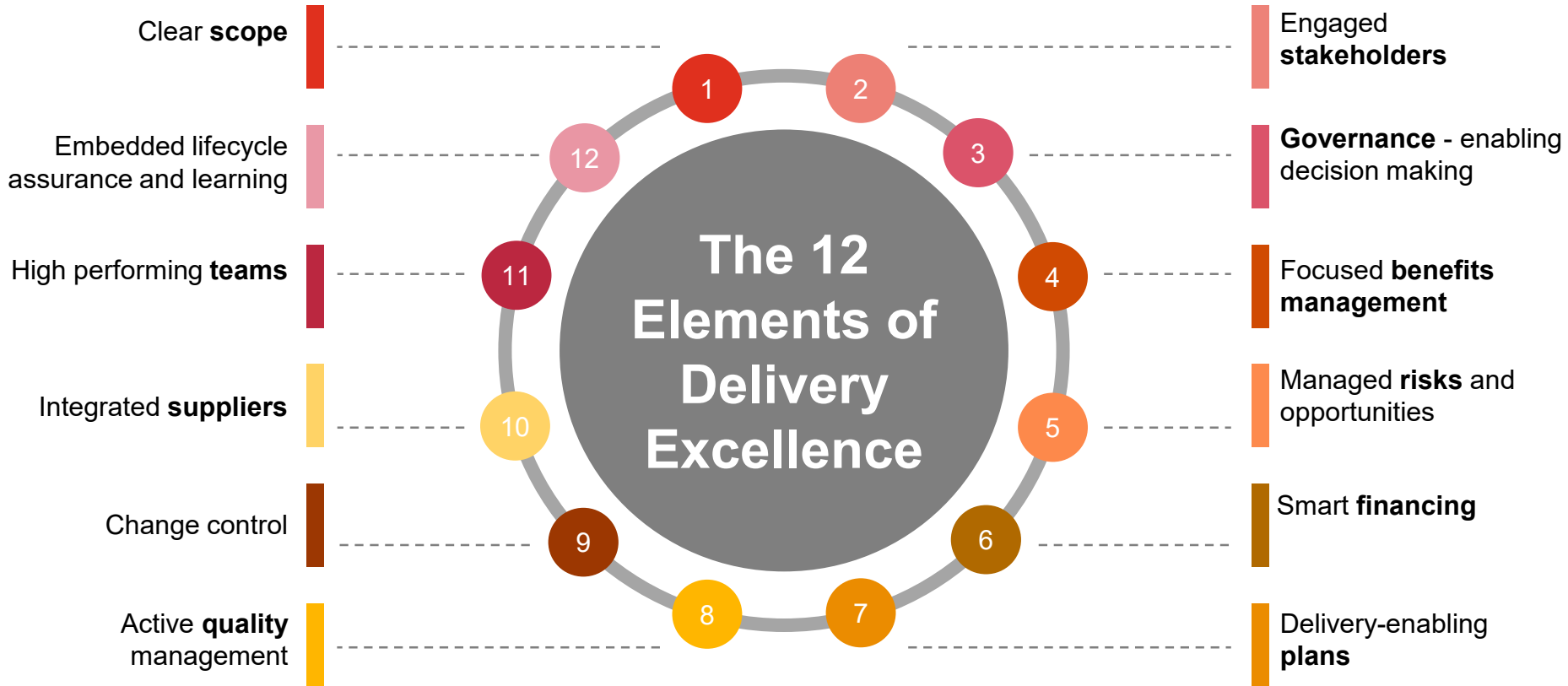
Defining project assurance

Projects, Programmes and Portfolio(s) represent the hierarchy for change initiatives in an organisation.

Projects are temporary with a defined beginning and end; and through the use of resources (budget, resources, time) they deliver **change**.

- A project is **unique** in that it is not a routine operation, but a specific set of operations designed to accomplish a singular goal.

- A **program** is a temporary, flexible organisation structure created to coordinate, direct and oversee the implementation of a set of related projects and activities in order to deliver outcomes and benefits not available through managing the projects individually.

- A **portfolio** is the total of an organisation's investment (or segment thereof) comprising the changes (projects and programs) required to achieve its strategic objectives.

Project management practices

Clear **scope**

Embedded lifecycle assurance and learning

High performing **teams**

Integrated **suppliers**

Change control

Active **quality** management

The 12 Elements of Delivery Excellence

Engaged **stakeholders**

Governance - enabling decision making

Focused **benefits management**

Managed **risks** and opportunities

Smart **financing**

Delivery-enabling **plans**

Indicators for Project Assurance

Complex and risky projects

Project budget, schedule and status concerns

Significant transactions or organisational transformations

Poor realisation of intended benefits

Merger synergies

Portfolio risk

Compliance / regulatory initiatives

Unskilled workforce

Different types of project assurance activities

Light Health Check	**Full Health Check**	**Gate Review**	**Pre-Gate Review**	**Targeted Review**
Implementation/ Go-Live Review	**SRO Advisory**	**Governance Oversight**	**Post Implementation Review (PIR)**	**Program Maturity Assessment**
Portfolio Maturity Assessment	**PMO/EPO Maturity Assessment**	**Steering Committee Attendance**	**Embedded Assurance**	**Project Evaluation**

Different types of project assurance activities

Portfolio maturity assessment:
Assesses the maturity of the portfolio management capability and creates a prioritised improvement roadmap.
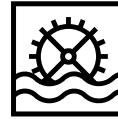
Program maturity assessment:
Assesses the maturity of the program management capability and creates a prioritised improvement roadmap.

PMO/EPO maturity assessment
Assesses the PMO/EPO's governance, tools and methods and creates a prioritised improvement roadmap.

Deep dives:
Review of particular areas of risk (eg business case data migration, testing, security assessment), or at the portfolio level (eg portfolio planning & estimating).

Light health checks:
A high level review of how the project is performing, and managing its risks. This often identifies if other more detailed review is required.

Full health checks
A more detailed assessment of how the project is performing, and managing its risks, with deep review into areas of risk/concern.

Gated reviews
Review will be focused at key project stages, to inform critical project decisions (e.g. to sign up a vendor, or go-live).

Embedded assurance
Regular review of key deliverables and task. Real time advice, which helps to address risks and issues early.
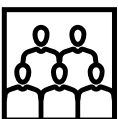
Steering committee attendance
Regular attendance at key governance bodies, to provide independent oversight and query. This provides an opportunity to identify issues early.

Tailoring project assurance to a project's needs

Higher risk, higher complexity projects require more rigorous project assurance.

Government departments and private industry have criteria in place to manage risk inherent in delivery of complex projects and programs.

These criteria aim to ensure the highest risk, highest complexity projects receive sufficient and appropriate independent assurance.

Many organisations have 'Tiers' as part of their Project Assurance Framework, which supports tailoring of Project Assurance activities to the Tier (risk, complexity, budget) of the project.

Criteria to consider when determining assurance needs:
- Budget
- Delivery complexity
- Level of risk
- External scrutiny
- Technology enabled
- High priority

Different models for providing Project Assurance

01
- Co-sourced or outsourced internal audit function
- Small portfolio of projects and programs
- Mostly low risk and low complexity.

02
- In-house internal audit function
- Small portfolio of projects and programs
- One or two high risk or complex projects.

03
- Organisation with smaller portfolio of projects
- Some (2-5) high risk, high complexity, high value projects
- Organisational PMO function

04
- Organisation with large portfolio of projects and programs
- A number of high risk, high complexity, high value projects
- Organisational PMO function

01 Internal audit function to conduct 'third line' assurance over key projects or programs. Delivery of 'point in time' project assurance reviews (Health Checks or Post Implementation Reviews) by Internal Audit over key projects and programs.

02 Internal audit function to conduct 'third line' assurance (e.g. Health Checks) over key risk projects or programs. Procurement of a Project Assurance provider by individual projects or programs that require independent assurance.

03 PMO and internal audit function work together to conduct 'second or third line' assurance over lower risk projects or programs. Procurement of a Project Assurance provider by individual projects or programs to conduct ongoing, independent project assurance over high risk areas.
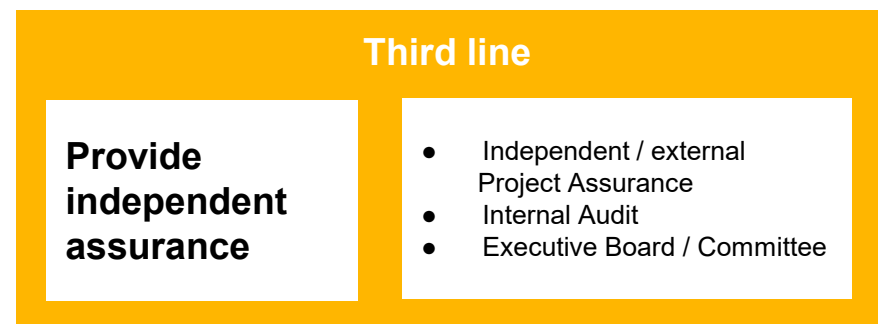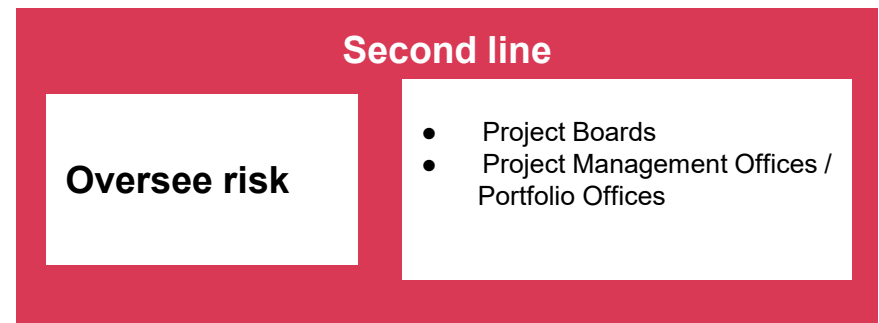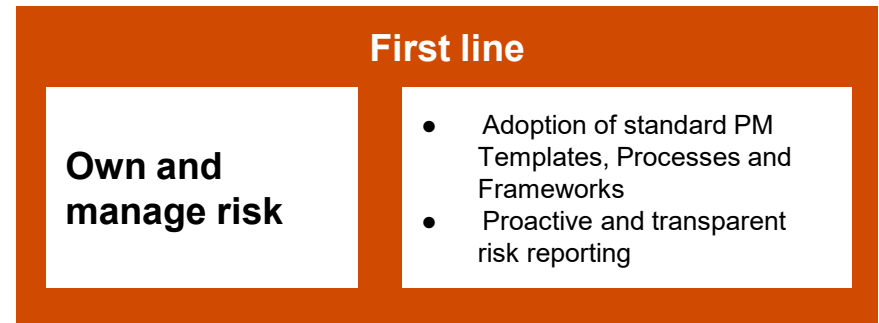
04 PMO and internal audit function to conduct second or third line assurance over lower risk projects or programs. Establishment of an organisational panel of project assurance provider(s) to promote consistency and standardisation of assurance over critical projects.

Integrated Assurance Planning

**Projects, programs and portfolio assurance should align to wider organisational assurance approaches.**

- Projects, programs and portfolios should adopt and implement the 'three lines of defence' model consistent with the organisation's Assurance Framework.
- Assurance over projects and programs should be coordinated and consistent.
- A Project Assurance Framework with Tiering / Prioritisation enables consideration of which projects / programs receive second and third line assurance.

First line

Own and manage risk

- Adoption of standard PM Templates, Processes and Frameworks
- Proactive and transparent risk reporting

Second line

Oversee risk

- Project Boards
- Project Management Offices / Portfolio Offices

Third line

Provide independent assurance

- Independent / external Project Assurance
- Internal Audit
- Executive Board / Committee

Project Assurance Planning

Projects, programs and portfolio(s) must be considered in Assurance Planning, and a central assurance function should retain oversight of assurance activities to ensure integration and avoid duplication of effort.

- Implementation of a Project Assurance Framework.

- Development of a standard Project / Program Assurance Plan Template.

- Project / Program Assurance plans should be shared with the central Assurance function.
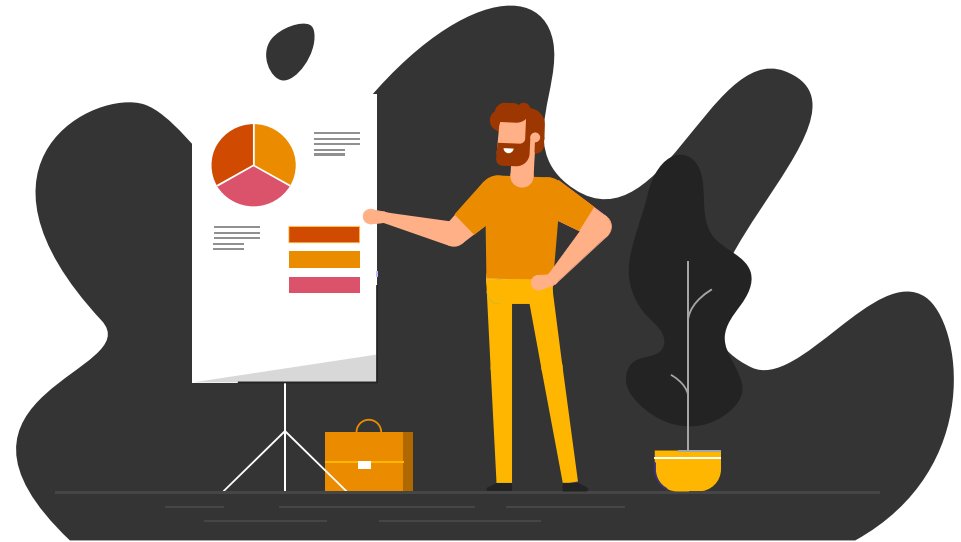
Developing a project assurance scope and approach

Collaborative consideration of risks and milestones is important to develop a project assurance scope and approach.

- Review the project schedule.

- Conduct a risk workshop with the Project Team.

- Work with the project team to link key risks to critical milestones to identify when suitable assurance activities can be helpful.

- Whiteboard the potential options.

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