
PMO Assurance Management Framework

Strategy and Plan

Programme Management Office

Property & Infrastructure

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DOCUMENT VERSION CONTROL

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1. ASSURANCE STRATEGY

1.1 WHAT IS PROGRAMME/PROJECT ASSURANCE?

Assurance ensures that all the management aspects of a programme and projects are working appropriately to achieve the objective. It is the systematic set of actions necessary to provide confidence to the Sponsor, Executive Leadership Team, Councillors, community and all stakeholders that the programme remains under control. It also assures that the programme is on track to deliver the required benefits within agreed scope, time, quality and costs and is aligned with the organisation's strategic objectives.

Quality assurance is separate to quality control. Quality control is completed at a project level as relates to the quality of the outputs.

The assurance process runs throughout the life of all programmes and projects.

1.2 PURPOSE OF THE ASSURANCE STRATEGY

The PMO Assurance Strategy provides a mechanism for reviewing and advising on all projects and programmes managed by the Project Management Office (PMO).

1.3 ASSURANCE MANAGEMENT PRINCIPLES

The assurance strategy should satisfy the 5 Assurance Management Principles as described in the Managing Successful Programme (MSP) framework. These principles are:

INDEPENDENCE

The assessors should have no provision for direct line management of the programme team. They should be disinterested in and have no control over the project or programmes outcomes or service operations. However the first line of assurance could include one PM within the programme providing a within-in programme audit i.e. independent from the project (but not the programme).

INTEGRATED

(Defined and consistent approach)

A Project Manager can audit a project that they are not managing for independence

The planning, coordination, and provision of assurance activities should provide efficiencies. This is achieved through an agreed plan which indicates how assurance reviews of all types will be scheduled to support decision-making.

LINKED TO MAJOR DECISION POINTS

The assurance activity should be planned to support major events, outcomes, gateways and tranche end, throughout the life of the projects and programme.

RISK-BASED

The assurance activity should be focused on the high-risk areas, such as commercial, legal, regulatory, investment, consenting and land acquisitions and performance requirements. This activity should be based on an independent risk assessment.

ACTION AND INTERVENTION

The assurance is most effective when appropriate follow-up actions are taken to resolve any serious issues identified through the planned assurance activity. These activities may include further reviews of action plans.

1.4 ASSURANCE MANAGEMENT TECHNIQUES

Assurance management techniques are those techniques that help to assure that the programme is being delivered in the most effective way for achieving its purpose and objectives.

The following techniques can be used:

AUDIT

Used to assess the management and conduct of a project and programme.

The following are a few facts about the audit:

- It involves the examination of activities of the project and programme to determine the extent to which they conform to the specified criteria.
- The criteria may be internal or external standards, contract conditions or statutory requirements.
- Audits may be carried out by the internal or external audit team.
- Programme audits consider any or all aspects of the programme, including its management and the ability to deliver.

ASSURANCE REVIEWS

- Audits tend to focus on conformance and compliance, while assurance reviews are used as an assurance tool by senior managers to determine whether a programme/project should continue.
- Without reviews, the findings of audits or other forms of assessment cannot be evaluated properly by leadership.

- Review activities include inspection of information, meetings with key individuals or attendance at any meeting where decisions that affect the efficiency of the programme are taken.

The review should determine:

- How well the programme is controlling and enabling its projects, and whether the level of overhead is appropriate.
- Are internal processes and governance strategies working effectively and optimally for the purpose of the programme.

STAGE GATE REVIEWS

- They are an ideal way to apply assurance controls, as a project cannot progress to its next stage unless it has undergone a gated review.
- They can take place at the end of programme tranches and ensure that the programme is under control and on target to meet the organization's needs.
- Gated reviews should also be applied to projects to ensure that they are under control and aligned programme objectives.
- While Stage Gate reviews are conducted at the end of each stage to assess whether the project is on track to deliver the benefits agreed, and within the agreed parameters of the project, the Deliver stage is often a lengthy one, particularly for large and complex projects, and therefore health assessments at agreed milestone points during this stage are required to assess how well the project is functioning and highlight any areas that could be improved or require escalation. Interim health checks are a component of quality assurance for the project.

P3M3 MATURITY ASSESSMENT

The level of organisational maturity in programme delivery has a direct bearing on how well an organisation is able to support its projects.

The Portfolio, Programme and Project Management Maturity Model (P3M3) has been developed to offer a specific programme management maturity model so that organisations can assess their effectiveness.

A programme can use the maturity model to:

- Improve performance.
 - This can be done by using the model to assess the maturity of projects within the programme.
- Measure itself against one or more perspectives such as stakeholder engagement.
- Ensure that it is working consistently across projects.

To ensure effective decisions are made during the assurance process, accurate data and analysis of reliable information is required. The following activities will ensure effective measures are in place:

- **Baselining**
To measure progress and assess performance, inputs, resources, activities, and outputs prior to any planned change activity need to be measured. These will form the baseline.
- **Analysis and review of data against baseline**
Similar data will be taken at different points throughout the programme's and projects lifecycle.
- **Effective decision-making**
Assurance should ensure that measurements, analysis procedures, and systems are effective.

There are two types of measurements:

- Those concerned with the management and control, e.g. cost and budget reports
- Those concerned with the outcomes to assess whether acceptable benefits are materialising.

1.5 ROLES IN ASSURANCE MANAGEMENT

SENIOR RESPONSIBLE OWNER (SRO)/PROGRAMME DIRECTOR

- Consults the Sponsoring Group on the approach to programme assurance.
- Ensures that adequate assurance management is in place for all aspects of quality in the programme.
- Initiates assurance reviews and audits, and
- Maintains focus on the programme management principles.

PROGRAMME MANAGER

- Develops and implements the assurance strategy.
- Plans and coordinates the delivery of outputs from projects that are suitable for achieving the desired outcomes and benefits.
- Performs audits as required
- Initiates assurance reviews of the projects
- Initiates supplier performance
- Ensures that the lessons learned are implemented.

BUSINESS CHANGE MANAGER (BCM)

- Implements the transition, realisation, and review of benefits from project outputs.
- Initiates assurance reviews of change readiness and business performance. This will ensure that the business change lessons that are learned are implemented.

PROGRAMME OFFICE

- It establishes and maintains the programme's assurance plan as well as the information management plan.
- Develops and implements the information management (document control) strategy and plan.
- It ensures that appropriate audits, assurance, and review processes are carried out for the programme as defined in the respective strategies.
- The programme office also provides information to support the assurance reviews.

PROJECT MANAGER

- Monitors and controls the project
- Conforms to governance frameworks.

1.6 ASSURANCE MANAGEMENT FRAMEWORK

FOUR LINES OF DEFENCE

The 'four lines of defence' model is essentially the same as the 'three lines of defence' assurance model but adds in a fourth line: the external assurances provided by an external organisation. Each line or group is responsible for effective assurance or risk management.

The four lines of defence are:

- **First line (Project):** Assurance comes directly from those responsible for delivering specific objectives or processes. It may lack independence but its value is that it comes from those who know the business, culture and day-to-day challenges. They own and manage the risks. The first line monitors and controls at a project level, using the specified governance frameworks, tools and templates and reports against baselines for cost scope time and budget.
- **Second line (Programme):** The way the organisation oversees the control framework so that it operates effectively. The assurance provided is separate from those responsible for delivery, but not independent of the management chain. They oversee the risks. The second line ensures compliance, by the first line of defence, and reports upwards on deviations
- **Third line (PMO):** Objective and independent assurance, providing reasonable (not absolute) assurance of the overall effectiveness of governance, risk management and controls. The third line provides independent assurance
- **Fourth line (P3M3):** Assurance from external independent bodies such as the external auditors and other external bodies. External bodies may not have the existing familiarity with the organisation that an internal audit function has, but they can bring a new and valuable perspective. Additionally, their outsider status is clearly visible to third parties, so that they can not only be independent but be seen to be independent.

Each line of defence has a purpose and can provide robust assurance. There is no one line which provides better assurance than any of the others. A range of assurance activities from across all lines of defence will add value.

1.7 ASSURANCE MANAGEMENT APPROACH

All projects found within programmes are managed by the PMO. A Portfolio, Programme and Project (3PM) delivery methodology has been adopted and embedded across the PMO. This methodology takes the form of a staged lifecycle approach.

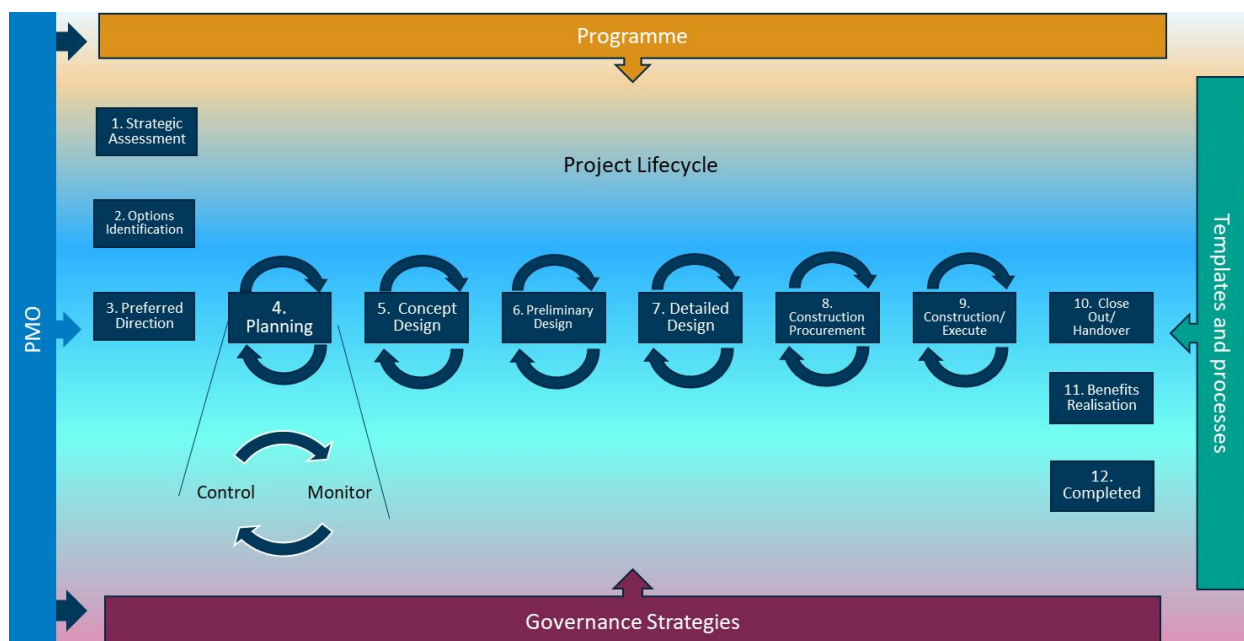


Figure 1: 3PM Assurance Framework

The stage gate methodology divides the project into distinct stages separated by decision gates. Each stage in the 3PM Methodology ends with a Stage Gate, the purpose of which is to ensure the project has successfully achieved all the objectives intended and relevant in the current stage, and is still on track to deliver its planned benefits, before proceeding to the next stage. Each stage has exit criteria. On exiting the stage the project then moves to the gate where reviews are completed by ECG and/or PCG to approve or decline the project moving to the next stage.

Each stage has a predefined list of:

- key activities
- key project deliverables (documents/artefacts)
- tools and templates
- relevant Governance Frameworks (strategies and plan)

The conformance to and use of the items in each list will form part of the assurance process when projects are under stage gate reviews or during audits and other assurance reviews.

Review of the Governance strategies will be periodic to ensure continued relevance.

The Artefacts that are delivered will be stored in line with the document control strategy.

COMBINING THE FOUR LINES OF DEFENCE AND THE 3PM ASSURANCE FRAMEWORK

The table below lists the key activities in each of the 4 lines of defence, in the integrated assurance management framework .

PMO	<ul style="list-style-type: none"> ● Embeds the processes, tools, templates and techniques that are described in individual governance strategies. ● Prescribes reporting format ● Determines integrated assurance plan ● Ensures compliance to governance strategies ● Integrates assurance approach, to include the gated review process. ● Applies assurance measures to the programme. ● Performs regular project audits ● Performs Gated reviews ● Performance reviews of internal and external partners ● Document control ● Implements lessons learnt
Programme (Delivering capabilities)	<ul style="list-style-type: none"> ● Formal reviews of strategies and plans and other programme documentation are conducted ● Completes audits on projects as required ● Determines acceptable tolerance levels per project ● Monthly financial reporting ● Health Checks on projects ● Completes exception reporting ● Implements lesson learnt
Project (Stages 4-9 - Delivering the outputs)	<ul style="list-style-type: none"> ● Strict quality management (See Technical Assurance Framework). ● Reports in agreed format ● Monitor and control <ul style="list-style-type: none"> - Exception report (against baseline) for: <ul style="list-style-type: none"> ○ Quality of outputs ○ Schedule/timing ○ Estimates/costs ○ Scope
P3M3	<ul style="list-style-type: none"> ● Maturity assessment of PMO ● Report on findings ● Builds improvement plan

2. ASSURANCE PLAN

The Assurance Plan implements the Assurance Strategy.

2.1 STAGE GATE REVIEWS (DOCUMENT AUDIT) AND PROJECT HEALTH CHECKS

Frequency	End of each stage
Description	<p>While Stage Gate reviews are conducted at the end of each stage to assess whether the project is on track to deliver the benefits agreed, and within the agreed parameters of the project, the delivery stage (gates 4-9) is often a lengthy one. Therefore, health checks at agreed milestone points during this stage are required to assess how well the project is functioning and to highlight any areas that could be improved or require escalation.</p> <p>Health checks should confirm:</p> <ul style="list-style-type: none"> • Benefits, timelines, and costs – is the project on track to deliver the benefits at the cost and timelines agreed in the Business Case? • Project Change Requests - have all project changes been covered by Change Requests according to the change request process. How have the project changes impacted on the benefits, costs and timelines agreed in the Business Case? • Quality of documentation - often indicated by the number of revisions required and promptness of sign-off • Resources – are project team resources being managed effectively and has resource allocation for upcoming work been confirmed by line managers and third parties • Project status reports – are they being completed to the timelines agreed, and are they an appropriate and accurate reflection of the project • Project governance – are governance structures in place and operating as planned • Stakeholder engagement – have all required stakeholder assessments been done and are change and communication plans operating successfully • Issues – are issues being managed effectively and escalated as agreed, how many high impact issues are there, and how long is it typically taking to resolve issues • Risks - are risks being assessed regularly, managed effectively and owners identified; and are stakeholders comfortable that mitigation strategies are appropriate and adequate • Finances – are finances being managed effectively and the finance metrics (e.g. actuals, Estimate to Completion) regularly updated, are the Actuals to Date reasonable in relation to the % complete of the project.
Actions	<ul style="list-style-type: none"> • PMO finalises the assessment report and recommendations and distributes this to the Project Manager and Programme Manager. • The Project Manager acts on the recommendations and incorporates them into the project plans and schedule. • PMO incorporates the learnings into PMO processes for the enhancement of future initiatives.

2.2 AUDITS

Frequency	Ad hoc
Description	At any point during the project lifecycle the Programme Manager can perform an audit on a project. The audit will confirm the health of the project against budget and schedule and will check process conformance as agreed in Governance Frameworks.
Actions	<ul style="list-style-type: none"> • Finances – are finances being managed effectively and the finance metrics (e.g. actuals, Estimate to Completion) • Schedule • Risk and Issue registers • Stakeholder Engagement Plans • Fortnightly and monthly reports • Minutes

2.3 ASSURANCE REVIEWS

Frequency	Following on after audits
Description	Reviews are needed to evaluate audits and reports to determine if the projects should continue and what areas require improvement. Reports are assessed through exception reporting
Actions	<ul style="list-style-type: none"> • Inspection of information • Meetings with key individuals or attendance at any meeting where decisions that affect the programme are taken. • Record lessons learnt and generate corrective actions

2.4 P3M3 ASSESSMENTS (PROGRAMME HEALTH CHECK)

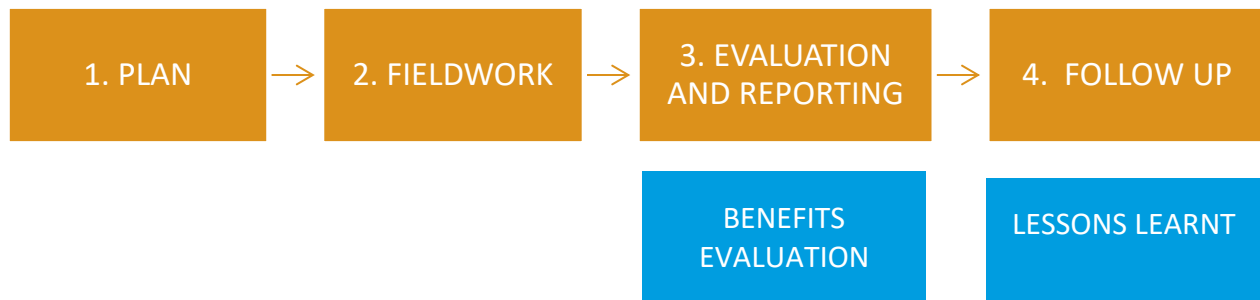
Frequency	Every 18 months after self- assessment until level 3 maturity obtained
Description	External assessment to determine the effectiveness of the organisation and the areas for improvement
Actions	<ul style="list-style-type: none"> • Schedule P3M3 assessment • Action recommendations provide after assessment

2.5 REPORTING

Frequency	Fortnightly and monthly (as prescribed by Sentient)
Description	<p>Project Managers report fortnightly on schedule versus baseline and monthly on spend, schedule and scope versus baselines. Key risks are also highlighted in this reporting.</p> <p>The PMO reports to PCG monthly on the programme highlights. The report focuses on budget versus spend versus forecast and demonstrates the predicted spend for the full life of the programme. Key risks are also highlighted.</p>

Actions	<ul style="list-style-type: none">• Generate Sentient reports• Update reports• Submit reports• Generate corrective actions through exception reporting
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APPENDIX A – PROJECT AUDIT PROCESS



1. PLAN THE AUDIT

1.1 Audit Prioritisation

Project audits are prioritised according to the [PMO Audit Schedule](#) and business requirements

1.2 Choose the Audit Team

1.3 Information Gathering

Relevant project information should be gathered for the audit.

1.4 Risk assess the project

The project risk register is to be used as the basis of planning the audit.

1.5 Project audit programme (timeline)

The audit programme is based on the audit scope and objectives, agreed with the sponsor/committee. Audit team should identify the risks to the project, and the controls and tests which are derived from these.

2. FIELDWORK

The audit team should gather information and documentation and talk to key stakeholders.

Elements for review (non-exhaustive):

- Project definition and requirements management – clear and controlled baseline requirements, objectives, success criteria, business case, terms of reference, contracts, and benefits realisation.
- Project organisation and governance – the processes to align the interests and strategic direction of sponsors and stakeholders
- Risks management – management of risks and opportunities through the life cycle of the project
- Commercial, procurement and commissioning – procurement and contract management, financial controls, and engagement with commissioning processes.
- Configuration management, project change controls and PMO – processes and systems to administer and control the project and changes to it.

- Project planning and scheduling – appropriately detailed execution strategies, plans and schedules.
- Performance and benefits management – to provide assurance that the benefits stated in the business case can be delivered within the resources made available
- Stakeholder management and communications – all stakeholders affected by the project have been identified and are appropriately involved
- Organisational capability and culture – people, behaviours, teams, and the working environment including the organisations culture
- Social responsibility and sustainability – managing the impact of project delivery on the social, physical, ecological, and economic environment including health and safety

3. EVALUATION AND REPORTING

At the conclusion of the audit, the project will need to be evaluated against a clear set of criteria which the org expects. This will enable the sponsor to assess the likelihood of a successful outcome from the project and to develop a clear set of actions to address any matters going forward.

The areas of the audit are aligned with the seven P3M3 Perspectives:

- Organisational Governance
- Management Control
- Benefits Management
- Risk Management
- Stakeholder Management
- Financial Management
- Resource Management (specifically Procurement).

Evaluation

The overall evaluation will be directed towards the sponsor, and the Corrective Actions Requests and Areas for Improvement will be the responsibility of the Project Manager.

The number of issues identified, and their ratings will determine the overall rating given to the project.

Each “theme/element” will be given a RAG status score between 1 - 5 to represent the projects performance. These will then be used to give the project an overall score.

SCORE	RAG STATUS	
1 – 2	R	Immediate action is required
3	A	Action required within an agreed timeline
4 – 5	G	Take action as required

Reporting

Reporting requirements: who should receive the report, who should be responsible for responding to it and the timeframe for response, and who will be responsible for implementing its findings and recommendations.

4. FOLLOW UP

This is the final step in the audit process, in which the audit team confirms that the agreed corrective actions to address identified project risks and issues.

5. BENEFITS EVALUATION

Where the audit is evaluating a project in the Benefits Realisation phase, a separate audit process is required.

6. LEGACY AND LESSONS LEARNED

The results of project audits provide valuable reference points for the future projects.

APPENDIX B: PROJECT AUDIT CHECKLIST AND REPORT

- The Project Audit Checklist and Report template can be found at the following location:
[..\Audit & Assurance\Project Audit\2021-02 Project Audit Checklist \[Draft v2_BW\].docx](..\Audit & Assurance\Project Audit\2021-02 Project Audit Checklist [Draft v2_BW].docx)