PwC Internal Audit
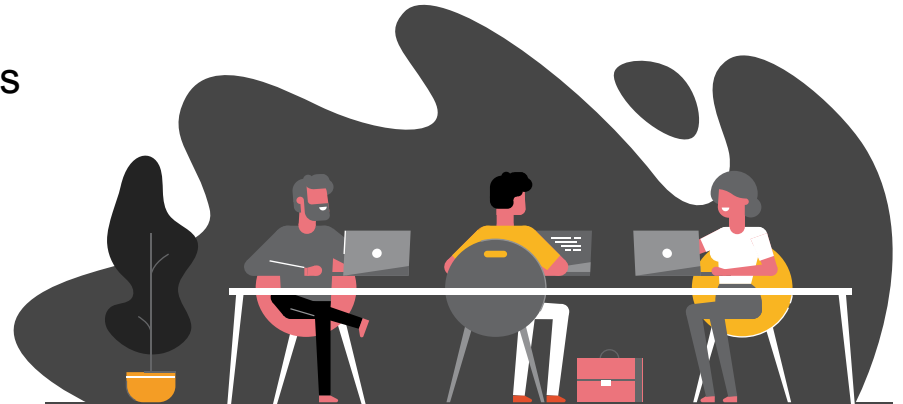## *Project Assurance*

November 2020

pwc

Agenda

1. What is Project Assurance?

2. When may Project Assurance be required?

3. Project assurance approaches

4. Project Assurance and its relationship to Internal Audit

5. How do I plan out a Project Assurance review?

Learning objectives

By the end of this session, you will be able to:

- Define Project Assurance.

- Recall indicators for Project Assurance.

- Explain different Project Assurance activities and when they can be useful.

- Articulate different models for Project Assurance in the context of a broader Assurance function.

- Understand how Project Assurance planning occurs, including key information inputs to the process.
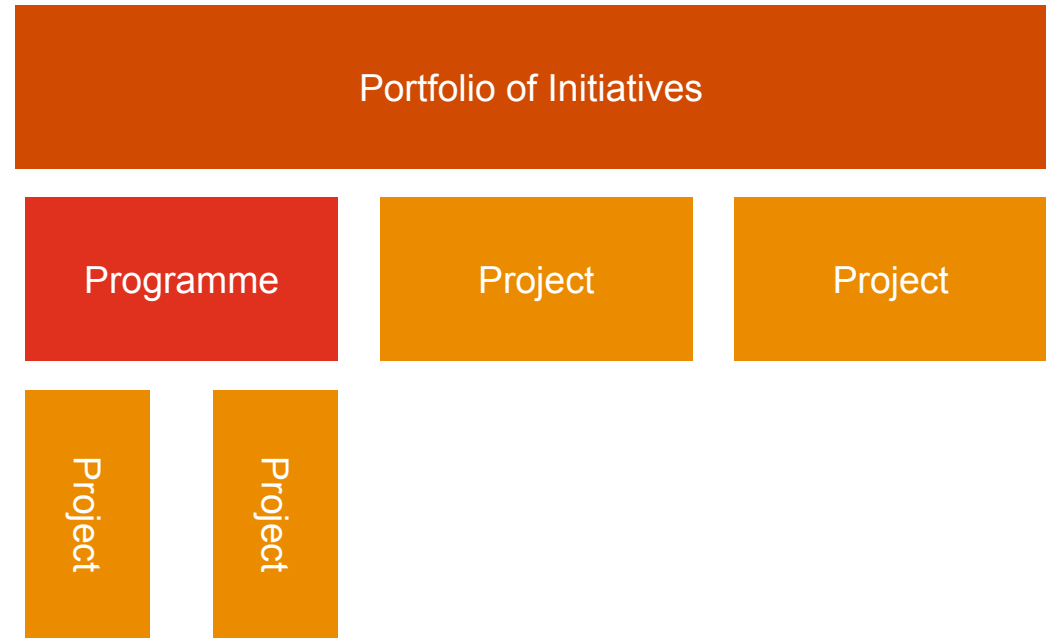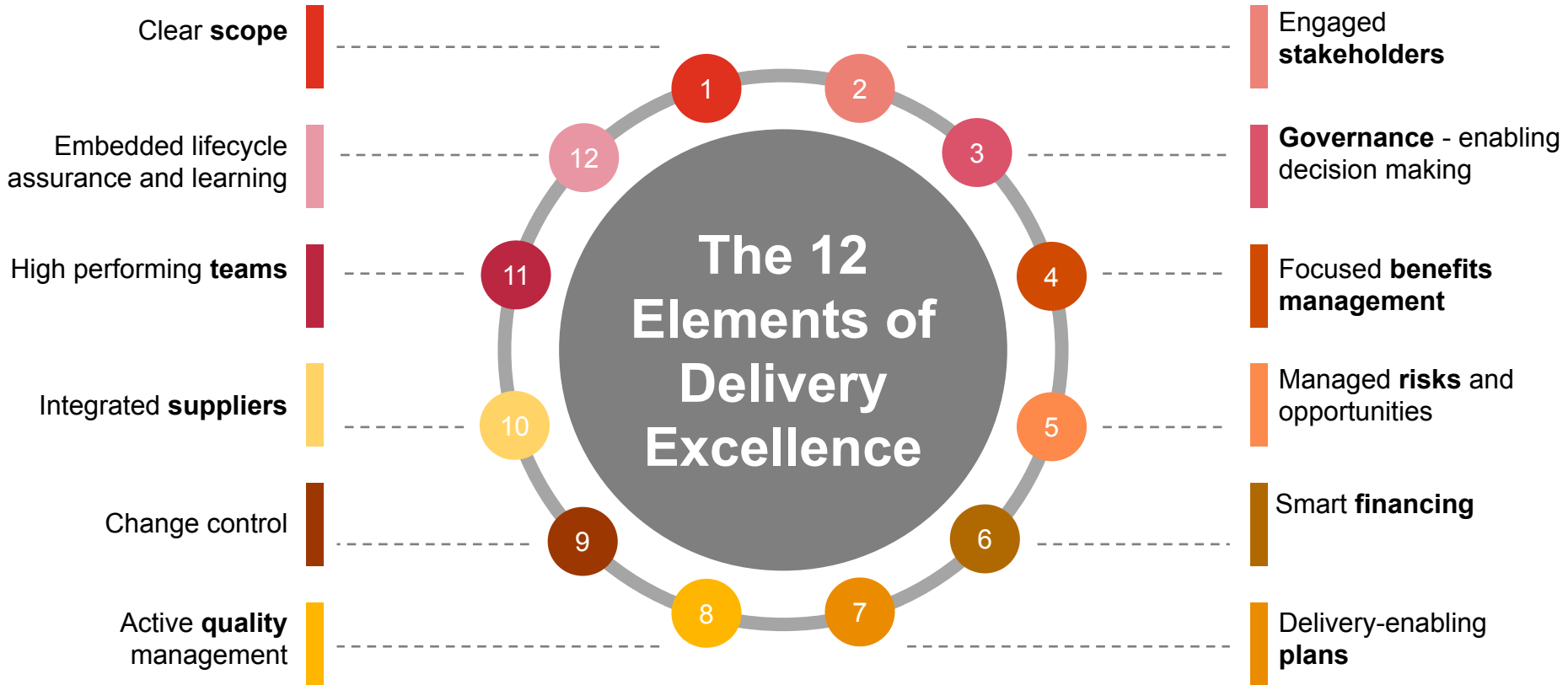
Defining project assurance

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**.
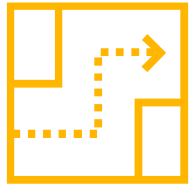
Assurance can occur at any level of this hierarchy, and it is important that all of these levels are considered in assurance planning to avoid duplication or gaps.

Portfolio of Initiatives		
Programme	Project	Project
Project	Project	

Project management practices

Clear **scope**

Embedded lifecycle assurance and learning

High performing **teams**

Integrated **suppliers**

Change control

Active **quality** management

Engaged **stakeholders**

Governance - enabling decision making

Focused **benefits management**

Managed **risks** and opportunities

Smart **financing**

Delivery-enabling **plans**

The 12 Elements of Delivery Excellence

1 2 3 4 5 6 7 8 9 10 11 12

Linking project management to project assurance

Navigating transformation program risk to enable the successful execution of strategies and realisation of the intended benefits.

Quick and effective identification of risks and areas for improvement in projects that are of concern to senior executives or are critical to the organisation.
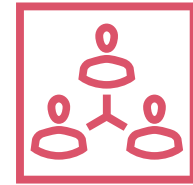
Enabling the full range of stakeholders, including those who sponsor, govern and manage a project, program, or portfolio to understand the likelihood of success, and providing practical and experiential advice and insights.

Indicators for Project Assurance

Complex and risky projects

Project budget, schedule and status concerns

Significant transactions or organisational transformations

Poor realisation of intended benefits
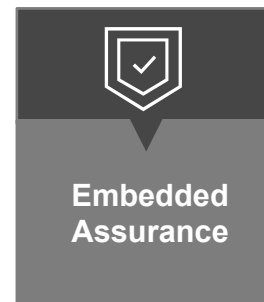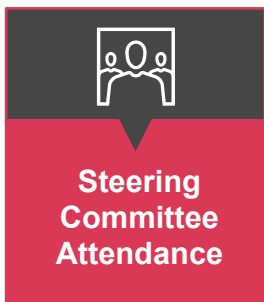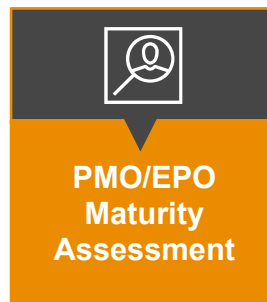
Merger synergies

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**
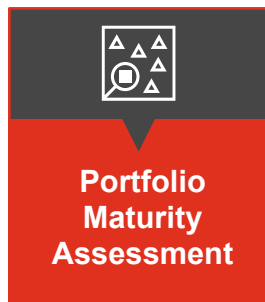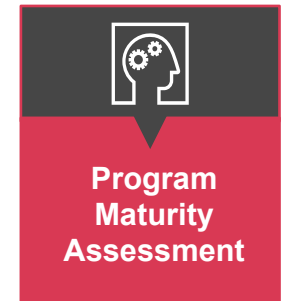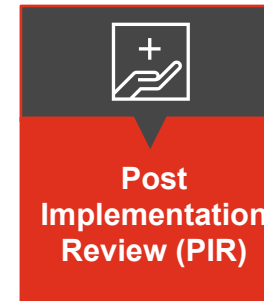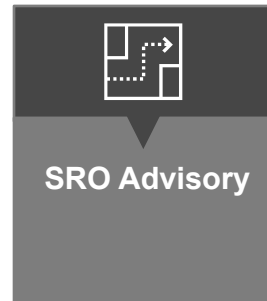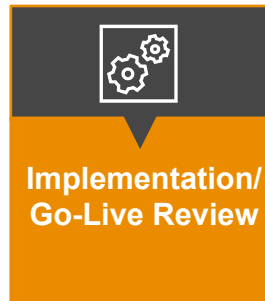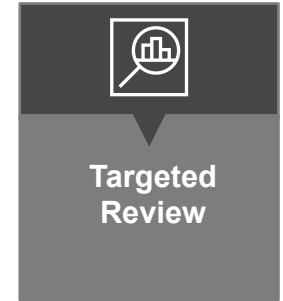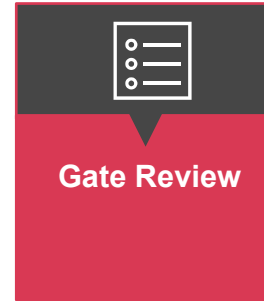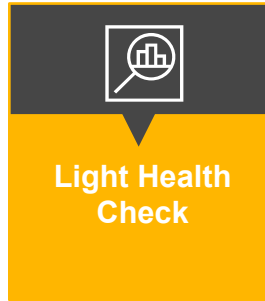
Tailoring project assurance to a project's needs

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

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

01

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

02

03

04

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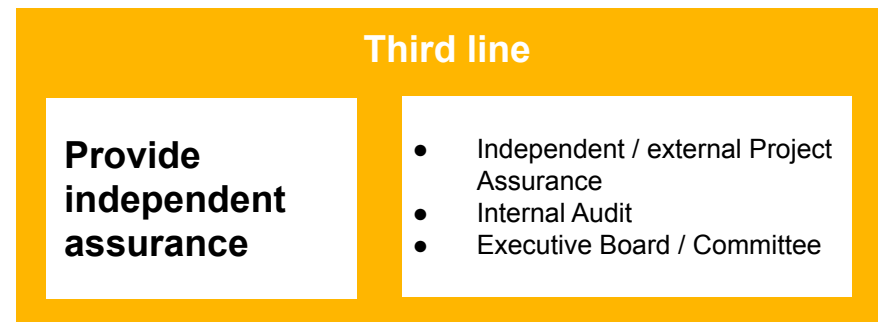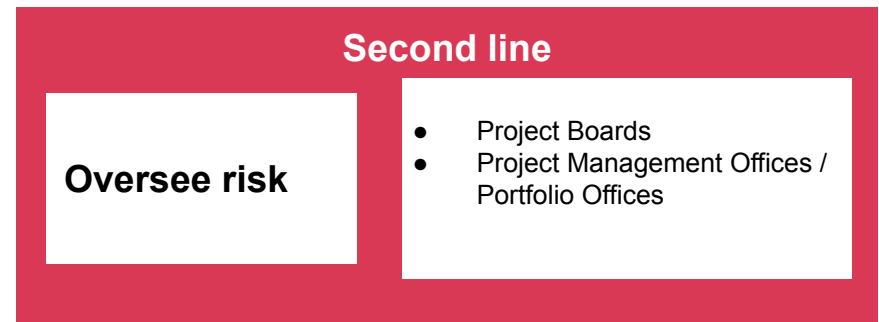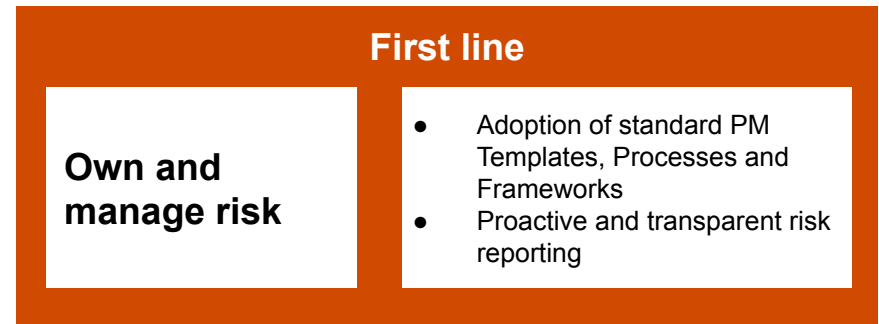- Organisational PMO function

- 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.
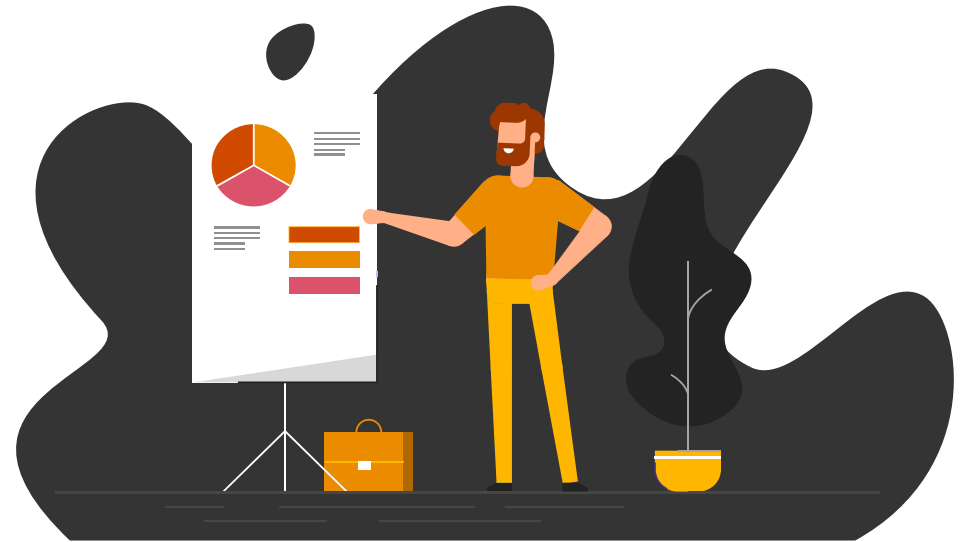
Developing a project assurance scope and approach

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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