

Project Initiation and Business Cases Handbook

Chapter 13

Project Assurance

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Introduction

1.1. Organisations must have a defined and consistent approach to project assurance as part of their assurance framework (such as an integrated assurance strategy) to provide confidence to Ministers, Accountable Officers and Senior Responsible Owners that the work is controlled, on track to deliver and, in terms of Scottish Government funded projects, aligned with Scottish Government policy and industry best practice.

1.2. Assurance reviews deliver this, but must be planned, costed and take place before significant decisions (such as approval gates). Clients must include in the appointment agreements of project team members a requirement to participate fully in reviews to test whether or not objectives and value for money have been achieved. Following the completion of reviews, assessments must be made of the lessons learned and a lessons learned report produced.

1.3. Approaches to assurance must comprise at least three lines, including:

- **First line:** carried out by, or on behalf of, the operational management that own and manage risk to ensure appropriate standards are being used.
- **Second line:** undertaken by, or on behalf of, those who have no first line responsibilities, to ensure the first line defence is properly designed, in place and operating as intended.
- **Third line:** carried out by an independent audit or independent body to provide senior management with an objective opinion on the effectiveness of governance, risk management and internal controls, including the effectiveness of the first and second lines of defence.

1.4. The [Scottish Public Finance Manual](#) (SPFM) mandates core Scottish Government, SG Executive Agencies, non-ministerial departments and SG sponsored bodies responsible for the delivery of major investment projects to put arrangements in place to identify and evaluate benefits and capture lessons from project delivery. Other organisations to which SPFM is directly applicable should follow procedures consistent with the guidance.

1.5. Senior Responsible Owners of major investment projects must ensure that:

- the Scottish Government's [SG's Risk Potential Assessment \(RPA\) Form\(s\)](#) are completed to determine the type of assurance support the project should have;
- those projects assessed as potentially high risk are considered for [SG Gateway Review](#) support; and
- those projects assessed as potentially low or medium risk are supported with appropriate peer or in-project reviews (which may vary from sector to sector), undertaken at regular intervals as part of on-going monitoring arrangements.

1.6. In addition, high risk or mission critical projects not defined as major investment should also be considered for formal Gateway Review.

1.7. Delivery bodies should be aware that some sectors have specific requirements for evaluating and assuring the delivery of programmes and projects. Information on these requirements for health sector projects and programmes is set out in the [NHS Scotland Scottish Capital Investment Manual \(SCIM\)](#). Certain major investment projects may require [Key Stage Reviews](#), these are undertaken by the [Scottish Futures Trust](#)

Scottish Government's Independent Assurance Framework

2.1. The [Scottish Government's Programme and Project Management – Centre of Expertise](#) manages and supports the delivery of the independent programme and project assurance framework. Independent assurance aims to increase the likelihood that change initiatives delivered by policy, programmes or projects achieve the intended results and outcomes. It involves people who are not directly associated with the initiative or delivery area. This brings a fresh perspective and constructive challenge for teams tasked with delivering in complex but strategically important environments.

Key Stage Reviews

3.1. It is a condition of Scottish Government funding support that all projects in the revenue funded programme are, in addition to any existing project approval processes, externally validated by the [Scottish Futures Trust](#). This validation approach includes [Key Stage Reviews](#) of projects at key stages of the procurement process by providing an assessment of the readiness and application of best practice of projects before they move onto the next stage of the procurement process. Each review is an assessment of whether the project is suitably developed in terms of: project readiness, affordability, value for money and commercial robustness.

Post Project Evaluation and Post Occupancy Evaluation

4.1. Project reviews include:

- Completion of a formal post project evaluation in order to review the project performance, its delivery of objective and value for money, and to identify lessons to be learned from the procurement process. These lessons should be used to influence the approach to the procurement of future schemes; and
- Completion of a post occupancy evaluation (possibly by an independent consultant) which focuses on whether the building is meeting users' needs and identifies lessons to be learned. These reviews are usually carried out within twelve to eighteen months of occupation and repeated at regular intervals.

Summary

5.1. Assurance provides confidence to all stakeholders including the client that projects will achieve their scope, time, cost and quality objectives, and realise their benefits. It is essential and must be as integral a part of projects as good design and risk and cost management are.