

A Guide to Auditing Programmes and Projects

First edition



Because when projects
succeed, society benefits

A Guide to Auditing Programmes and Projects

Association for Project Management

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1 Introduction

Organisations invest in organisational changes that are important for an organisation's success and sometimes even critical to an organisation's very survival. The desired organisational changes affect, for example, products, services, infrastructure, digital technology, processes, people, regulatory compliance or organisational structures. These changes can be complex, for example, transcending multiple internal and external organisational boundaries. To plan and deliver the complex changes, project-based forms of organising, i.e. portfolios, programmes and projects, are employed by organisations.

Definition: Throughout this guide, the term **programme or project** refers collectively to all forms of project-based organising, which includes the use of projects, programmes or portfolios.

Note: Programmes and projects may use linear, hybrid, iterative or agile methods to organise, design and implement organisational changes. The discussion of these methods is beyond the scope of this guide (APM 2016).

Decision makers need to be confident that their programmes and projects are being delivered in a controlled manner and in accordance with good management practice.

Programme and project audits are a principal way for organisations to review and assess whether the investments they are making in a programme and project will deliver the expected outputs, outcomes and benefits.

Purpose of this guide

This guide aims to provide direction to individuals involved with the executives (e.g. sponsors) and professionals (e.g. auditors) involved in the programme and project audit processes. This guide is structured as follows:

- Introduction (Section 1)
- The audit process (Section 2)
- Appendix: some areas of programme and project risk and controls that are expected to manage those risks.

I 1.1 Organisational change life cycle

Organisations typically use some form of progressive decision making during the planning and delivering of organisational changes using programmes and projects. The *APM Body of Knowledge 7th edition* identifies five phases of an organisational change life cycle.

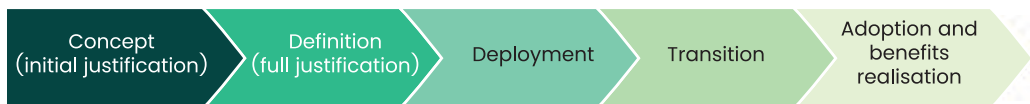


Figure 1 The five phases of an organisational change life cycle

- **Concept:** Development of an initial idea through initial studies and high-level requirements management, and assessment of viability, including an outline business case.
- **Definition:** Development of a detailed definition, plan and statement of requirements, including a full justification for the work.
- **Deployment:** Implementation of plans and verification of performance through testing and assurance to realise intended outputs, outcomes and benefits.
- **Transition:** Handover, commissioning and acceptance of outputs to the sponsor and wider users, culminating in formal closure.
- **Adoption and benefits realisation:** Operational implementation and maintenance of the new project to ensure its acceptance and realise its benefits.

Programme and project management is a fundamental way of delivering this conceptually staged organisational change (APM 2018).

I 1.2 Why are programme and project audits needed?

Throughout the programme or project life cycle, there should be provision for an independent audit and other forms of assurance so that funding organisations and executives can be confident that the objectives and benefits of the desired organisational change will be achieved (APM 2014).

Audit is defined by APM as 'a means to provide assurance that enables the sponsor to have confidence that the governance is working and that the project is being managed as intended' apm.org.uk/resources/glossary.

In any audit, the auditor seeks to understand the background of the programme or project and the audit objective, designs control tests, collects evidence, evaluates the evidence, and formulates an opinion on the adequacy of controls and operational effectiveness within the activity being audited.

1.3 What is programme and project auditing?

Programme and project audits serve to provide insights related to the likelihood that programmes and projects will realise expected benefits, e.g. those found in a business case. To achieve this, programme and project audits investigate how well programme or project management controls are defined, implemented and function.

Management controls should exist in the following areas, during programme or project delivery:

- scope and benefits
- governance and organisation
- stakeholder engagement and communications
- risks and opportunities
- planning and estimating
- organisational capability and culture
- sourcing and supply chain
- solution design
- finance
- performance
- social responsibility and sustainability

1.4 Principles of programme and project audits

Successful programme and project audits operate according to a set of good practice principles. The APM publication (APM 2014) identifies the principles for assurance, which also apply to programme and project audits. Programme and project audits should be:

- independent and objective
- accountable within a governance and reporting system
- planned and coordinated as part of the organisation's management system
- proportionate to risk potential and the assurance needs of stakeholders
- risk based, against an independent risk evaluation
- able to allow the impact of identified weaknesses to be reported and addressed, by follow-up and escalation

1.5 Roles

Three main roles work together when auditing programme and project delivery, as shown in the table below. This guide provides direction to individuals in these three roles.

Role	Description
Governance bodies and individuals	Those in the governance structure who commission the programme and/or project audit and receive the audit opinion and findings
Auditor	Those who undertake the audit on behalf of the governance bodies and individuals, and report its findings and make recommendations
Auditees	Those who are responsible for the delivery of the programme or project being audited

The auditor can play an impactful role during programme or project delivery, as one critical component of an integrated assurance framework. They can be an external organisation, an internal audit team or members of teams responsible for ensuring compliance to corporate standards and policies.

Definition: Auditing programme or project delivery should be seen in the context of the definition of project, programme and portfolio (P3) assurance set out in the *APM Body of Knowledge 7th edition*. P3 assurance is ‘the process of providing confidence to stakeholders that projects, programmes and portfolios will achieve their scope, time, cost and quality objectives and realise their benefits’.

The auditor works with auditees to help provide confidence to governance bodies (e.g. the sponsoring group, the programme board) and governance individuals (e.g. sponsor) that management controls are well defined, implemented and functioning effectively. Where management controls are lacking or delivery is at risk, the auditor provides recommended actions to governance bodies and individuals.

1.5.1 Governance bodies and individuals

Programme and project governance structures include one or multiple individuals with accountabilities for successful programme and project delivery. The governance individuals are responsible for ensuring that programmes and projects meet expectations and deliver the commitments (e.g. benefits) that have been identified.

The sponsor is the most senior governance individual. There are often other individuals with delegated authority from the sponsor. The role and title of these individuals varies depending on the size and complexity of the programme or project. For example, there may be a senior responsible owner and an executive who is responsible for representing the client and the operational areas affected.

These individuals typically have roles in the programme or project governance bodies, such as in a sponsoring group, programme board or project board. The governance bodies serve to help governance individuals execute their accountabilities, such as setting the scope and timing of programme and project audits during the delivery life cycle, providing resources and timely information to support the audits, and ensuring that recommended management actions are defined and executed.

The governance bodies and individuals function at one of the three levels of accountability during project-based organising – corporate focused, integration focused, and output focused. These levels of governance align to the levels found in ‘three lines of defence’ models (see, for example, the description by the Chartered Institute of Internal Auditors at iia.org.uk/policy-and-research/position-papers/the-three-lines-of-defence).

1.5.2 Auditors

The auditors are individuals or a team commissioned to conduct the programme and project audit, and are responsible for working with governance individuals and auditees to conduct the audit.

The auditor identifies potential risks to be reviewed, scopes the programme and project audit, executes the audit, reports their findings to the individuals accountable for governance, and presents the overall risk rating of the audit.

1.5.3 Auditees

The auditees are the people who will be audited. They are the individuals in the organisation (or organisations) responsible for delivering the programmes and projects being audited.

During the audit, the auditees interact with the auditor, ensuring that relevant documentation and interviewees are readily available to the auditor for review and assessment. After the audit, the auditees are responsible for actioning the identified management responses.

2 The audit process

I 2.1 Overview

The audit process consists of four stages: planning, fieldwork, reporting and action follow-up. This section will outline the purpose of each stage and how it might be applied to a programme and/or project audit.

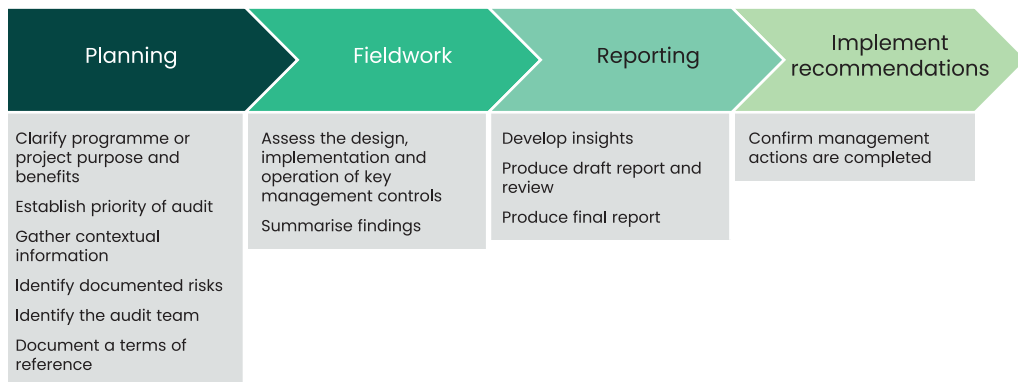


Figure 2 The four stages of the audit process

Programme or project delivery is dynamic, and risks are emergent and ever changing. During the programme and/or project audit, risks will be assessed to ensure adequate controls are in place.

Agile principles should be considered when planning and executing the audit process itself, to provide faster, client-focused and relevant insight to decision makers.

This section outlines:

- planning programme and project audits (section 2.2)
- fieldwork for agreed elements of the programme and/or project to be reviewed (section 2.3)
- evaluating and reporting on findings of the programme and/or project audit (section 2.4)
- implement recommendations (section 2.5)

I 2.2 Planning

A programme and/or project audit is similar to other forms of risk-based or compliance audit. However, the range of topics, disciplines and risks to consider is likely to be more extensive and complex. Without careful planning, the scope of a programme and/or project audit can become too broad to manage or lack sufficient depth to find the real issues. Programme and project audits should be broken down into a collection of audits, each with a distinct purpose, over the lifetime of a programme or project.

2.2.1 Clarify programme or project purpose and expected benefits

Audits exist to help ensure benefits are realised. Hence, when planning, all audits should first seek to identify the purpose and benefits of the programme or project. The auditors' expert judgement may be required to articulate the benefits, as they may not be well defined. Later, when benefits begin to be realised, data will become available to better understand benefits.

2.2.2 Establish priority of the audit

The current phase of the programme or project (i.e. concept, definition, deployment, transition, adoption and benefits realisation; see 1.1) should be considered when prioritising a particular programme and/or project audit. This helps the auditor to focus the scope on the most relevant areas of risk within a given phase. For example, assessing the controls for developing the business case is a higher priority at the concept phase than at the transition (handover and close) phase, and assessing the controls around programme or project closure would be a lower priority at the concept phase than it will be at the transition phase.

The challenge for the organisation (and the sponsor) may then be to manage and integrate all of these audit interventions to ensure that the auditees are not inundated, there is no duplication, and each audit adds value (APM 2014).

Programme and project audits should be prioritised within the context of the organisation's audit plan and the requirements of its audit committee. Programme and project audits should be scoped based on the severity and impact of the risks to achieving the benefits being sought.

2.2.3 Gather contextual information

This table below is an example of relevant information for planning the audit. Note: the list is not meant to be prescriptive and should be adapted according to the needs of the programme and/or project audit.

The auditor should also consider whether the programme or project is using a linear, hybrid, iterative or agile delivery method. The risks and controls may vary depending on the delivery approach.

2.2 Planning

	Background information	Results
1	Programme or project name/reference	
2	Brief description of the objectives of the programme or project and any relevant notes. Record any information here that will help in assessing risk areas for audit	
3	Investment value this year and in total over the life of the programme or project	
4	Appropriate (outline or full) business case approved / date / value	
5	Agreed programme and/or project audit scope, objectives and name/ reference	
6	Programme or project governance arrangements, including sponsor, manager and team member names and roles	
7	Programme or project management approach / method (e.g. linear, hybrid, iterative or agile)	
8	Programme or project phase (concept, definition, deployment, transition)	
9	Overview of programme or project management controls	
10	Project management plan (PMP) synopsis / approved date	
11	Programme and/or project audit team details	
12	Organisational policies and procedures to be used as basis for the programme and/or project audit	
13	Extent of programme or project management office support required, including management, cost and financial reports	
14	Risks from corporate, programme or project risk registers, and additional risks from discussions with stakeholders	
15	Corporate, programme or project risk mitigation measures	
16	Integration with other assurance providers	
17	Alignment of programme or project with corporate strategy	
18	Risk-based audit programme and schedule	
19	Audit reporting details, including timetable	
20	Significant stakeholders, including their influence and interest	
21	Arrangements to hand over programme or project to its next phase or client	

2.2.4 Identify documented risks

A risk assessment, using the auditor's independent experience and the documented risks in a risk register, should be the basis of planning a programme and/or project audit. This should be supplemented by a discussion about risk with governance individuals to verify that all risks are identified, including those not formally in the risk register.

2.2.5 Identify the audit team

The size of the audit team should be appropriate to the scale and risks faced by the decision makers or the requirements of the audit. Each audit team will include a lead auditor supported by specialists. These specialists may come from within the organisation, if available, or contracted, if not available.

Conducting a programme and/or project audit is a specialist skill, so the audit team should include members with deep knowledge and experience of programme and project management and the associated risks, for example, an engineer to audit the design elements of the programme or project, an environmentalist to cover environmental compliance and sustainability, and a health and safety expert to assess how safety has been built into the design.

2.2.6 Document a terms of reference

The auditor will issue terms of reference (ToR) to the auditees to formally communicate details of the audit. The ToR will include a summary of the audit's objective and rationale, the audit's approach and timings, any risks or issues already disclosed by the auditees, the audit's scope and any areas out of scope. Each organisation has its own reporting requirements, including who should receive the report, who has responsibility for responding to it and to what timescale, and who will be tasked with implementing its findings and recommendations. These requirements should be considered and used to draft the ToR.

As an example, the organisation may wish to use the audit process to capture the lessons learned a programme or project before the programme or project team is disbanded. A notable example is the Learning Legacy programme developed by the 2012 Olympic Delivery Authority: this is open to everyone, to share knowledge of construction and event organisation. The results of programme and project audits can provide valuable reference points for the organisation's legacy and lessons learned process. The audit team should be aware of the organisation's requirements for confidentiality if involved in the legacy and lessons learned process.

I 2.3 Fieldwork

The audit team should gather and review documentation, and interview, as appropriate, members of the governance structures, the programme or project team, the programme management office (PMO), the project office (PO), risk management teams, suppliers, contactors, etc. Building an effective working relationship with the PMO and PO ensures that information, documents and reports are readily available for the purposes of the audit, including the procedures and policies that form the basis of evaluation.

2.3.1 Assess the design, implementation and operation of risk controls

The APM publication *Measures for Assuring Projects* identifies 11 key elements for measuring programme or project delivery that should be considered when scoping and executing programme and/or project audits:

- Scope and objectives – clear and controlled baseline requirements, objectives, success criteria, business case, benefits management and realisation.
- Governance and organisation – clear and controlled management of the programme or project to meet interests and the strategic direction of sponsors and decision makers. This includes coordination between the non-project business activities and the programme or project management activities. Decision making should avoid overoptimism, and aim to align with the programme or projects in the external environment.
- Stakeholder engagement and communication – clear and controlled identification and involvement of stakeholders affected by the programme or project.
- Risks and opportunities – clear and controlled management of risk and opportunity through the life cycle of the programme or project, evidenced by a RAID (risks, assumptions, issues and dependencies) log.
- Planning and estimating – a clear and controlled approach to integrated planning and scheduling activities to deliver the programme or project. This will include not only the schedule but also the dependencies and assumptions.
- Organisational capability and culture – clear and controlled management of the people, leadership, behaviours, teams, processes, systems and working environment.
- Sourcing and supply chain – clear and controlled commercial arrangements, procurement processes and engagement with, and capability of, both the internal and external supply chain.
- Solution design – clear and controlled deliverables and outcomes that meet the client's requirements. This includes product and/or service quality and the evaluation of the impact of the finished product or service on the social, physical and economic environment.
- Finance – clear and controlled management of the costs and funding of the programme or project.
- Performance – clear and controlled measurement of all facets of performance against the baseline requirements, variance analysis and management actions.
- Health and safety, social responsibility and sustainability – clear and controlled management of the impact of the programme or project on the social, physical, environmental and economic environment.

The Appendix lists potential areas of review and associated risks, controls and audit methods for each of these elements. This detail is not exhaustive but is meant to be a starting point to be adapted to the programme or project being delivered and its associated risk profile.

2.3.2 Summarise findings

The audit team should review the collected documentation and minutes from interview, and group emerging ideas according to the key elements for measuring programme and project delivery. Prevalent and re-occurring ideas should be summarised and documented as initial findings.

I 2.4 Reporting

To conclude the audit, the auditors will evaluate the findings and report conclusions according to the assessment criteria agreed by the auditor and the organisation at the start of the review.. This will enable the sponsor to assess the likelihood of a successful outcome and to develop a clear set of actions to address any matters arising.

This assurance covers not only the investigation and reporting of findings, but also the identification and implementation of actions to address those findings. The auditor will need to assess the findings, decide how critical these are to the success of the programme or project, and assess the risks they present to the organisation.

Reporting requirements will vary between programmes and projects, but a sound and useful technique is to rate the findings in accordance with agreed criteria, and to provide an overall evaluation score for the programme or project. Clear criteria benefit the sponsor and the audit and programme or project teams by supporting the audit process's consistency, rigour and objectivity.

2.4.1 Develop insights

The number of identified findings and their risk ratings will determine the overall rating given to the programme or project. There are numerous methods to rate and evaluate findings, but the basic idea is to use a grade to rank each audited element and indicate the extent to which the programme or project has performed against it.

The 'traffic light' system with three ratings of red, amber and green (RAG) is used extensively to measure performance. During programme and project audits, it may be more appropriate to use four or five ratings, with additional definitions and next steps. Definitions of RAG will depend on the programme or project and its reporting requirements. However, the traffic light technique is used by many assurance providers, especially when reporting achievement against key performance indicators (KPIs). One definition of the ratings is as follows:

2.5 Implement recommendations

- Red: there are significant issues with the programme or project controls (such as exceeding tolerances set by the board for cost, time or quality). The matter should be escalated to the sponsor and governance bodies immediately.
- Amber: a problem has had a negative effect on programme or project performance but can be dealt with by the programme or project team. One aspect of programme or project viability is at risk but is within agreed tolerances. The sponsor and governance bodies should be notified.
- Green: the programme or project is performing to plan. All aspects of programme or project performance are within tolerance. No action is needed.

2.4.2 Produce draft report

A draft report should be prepared and reviewed by the audit team before it is issued to those auditees and other stakeholders for their comments on the findings. The insights should be validated, often verbally, with auditees to verify that they are correct and that the underlying qualitative and quantitative evidence that supports them is correct. Importantly, the auditee's responses may indicate that the organisation is willing to accept a degree of risk greater than that on which the audit was based.

2.4.3 Produce final report

The final report should contain key insights with their individual risk ratings, recommended management actions to take in response to the key insights and, if it is a requirement in the ToR, an overall risk rating for the programme or project. Before the final report is issued to the organisation's corporate audit committee, it should be reviewed by the Sponsor. The auditors should work with the Sponsor to agree the recommended management actions and that owners are assigned to each recommended management actions.

The final report should be distributed in accordance with the requirements of the Terms of Reference, including, for instance, issuing it to the organisation's audit committee.

Provision should be made to issue the report in line with the agreed timetable, or sooner if circumstances require this. Some of the content of the report may be commercially or otherwise sensitive, which should be borne in mind when circulating and distributing reports.

I 2.5 Implement recommendations

2.5.1 Confirm that management actions are completed

Action follow-up is the final element of the audit process, in which the audit team confirms that the sponsor and programme or project team have implemented the agreed actions to address programme or project risks and issues that the audit identified. This can be confirmed by monitoring the implementation process, or by accepting a formal statement from the sponsor or programme or project team that the recommended actions have been carried out.

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Appendix – Risks, controls and audit methods

This appendix provides a list of potential elements of review, and associated risks, controls and audit methods to employ for each element.

This detail is meant to be a starting point. It is not exhaustive and hence it needs to be adapted to the programme or project being investigated and its risk profile.

Element 1

Scope and benefits

Clear and controlled management of baseline requirements, change control, objectives, success criteria, business case, and expected benefits.

Area of review	Risk	Controls	Audit methods include
Initiation	The programme or project has commenced prior to formal authorisation	Programme or project governance arrangements reflect organisation requirements Schedule of delegated authority, e.g. in project initiation documents or approved business case	Review programme or project governance arrangements, including authorisation to start programme or project
Scope definition	The scope of the programme or project is not aligned with organisational or business strategy	Formal approval and confirmation of programme or project start-up is recorded to ensure it aligns with strategic objectives	Review appropriate board minutes and documentation Review stage gate (decision gateway) approvals
Business case	The business case is not robust or does not exist, or outputs and outcomes are not measurable	Senior responsible owner/sponsor is identified, with appropriate authority to deliver programme or project outcomes	Review approved business case to identify responsibilities and ensure that business case template and guidance are available
Business strategy	Business case does not fit with organisation's model, e.g. five-case model: strategic, economic, commercial, financial and management cases	Business cases are required to take account of approved model	Review approved business case to assess extent of compliance

(continued)

Area of review	Risk	Controls	Audit methods include
Programme delivery method and schedule	Target dates are unrealistic or overly ambitious	Target dates are subjected to a reality check and a mechanism put in place for these dates to be refined Due account taken of optimism bias in respect of target dates and schedules	Review schedule and programme methodology and processes Review approved business case
Change control processes	The programme or project scope/ requirements are not clearly defined or understood	Programme or project scope is defined Change control processes are implemented Programme or project manager's responsibilities and limits of authority are defined	Review approved business case – scope must be clear and unambiguous Assess change control processes
Requirement definition	The baseline of the programme or project's scope/ plan is not identified at programme or project start	Delivery plan is developed to appropriate level and is clear, complete and approved	Review project initiation documents and approved business case to ensure clarity of scope and planning
Deliverables and outcomes	Programme or project deliverables and outcomes, and what will represent success, have not been identified or cannot be measured Business cases are not used as a change control against achievement of the programme or project deliverables	Clear and unambiguous deliverables and objectives are set out in project initiation documents and the project management plan (PMP) Outcomes and success criteria are agreed Approved business case is used as a change control baseline document, and is subject to periodic review	Review project initiation documents and PMP to ensure clarity and consistency with approved business case Review measurement criteria

continued over

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Area of review	Risk	Controls	Audit methods include
Expected benefits	Programme or project is undertaken without expected benefits being managed	<p>Business case contains stated and quantified benefits</p> <p>Realisation of benefits is controlled by established processes</p>	<p>Review approved business case to ensure benefits are stated</p> <p>Review processes to ensure benefits can be baselined, controlled and measured</p>
Acceptance process	Unclear acceptance process	<p>Documented acceptance process for change control and its elements</p> <p>Contractual controls are available for implementation as needed</p>	<p>Review project initiation documents and changes to details to ensure clear acceptance process</p>
Readiness for acceptance and implementation of programme or project	Commissioning processes and resources are not adequate to accept and deliver programme or project benefits	<p>Commissioning plans and processes are agreed in advance</p> <p>Enough resources are available for commissioning programme or projects to commence</p>	<p>Review commissioning plans to ensure consistency with approved business case and benefits management processes</p> <p>Review resourcing and equipment planning</p> <p>Review measures in place for embedding benefits</p>

Element 2

Governance and organisation

Clear and controlled management of the programme or project, relative to interests and strategic direction of sponsors and decision makers. This includes coordinating with non-project business functions and with the programme or project management, avoiding overoptimism during decision making, and aligning with the programme or projects in the external environment.

Area of review	Risk	Controls	Audit methods include
Programme or project governance structures	Inadequate programme or project governance structures or organisation is inexperienced in implementing governance	<p>Defined programme or project governance structures are based on organisation and programme or project requirements</p> <p>Programme or project sponsor is appointed with authority to allocate resources and reinforce governance best practice</p>	<p>Review programme or project governance arrangements to ensure consistency with organisation governance</p> <p>Review terms of reference for governance bodies, and roles and responsibilities for governance individuals</p> <p>Review organisation's delegation of accountabilities</p>
Sponsorship	The programme or project sponsor is not an effective link between the organisation and programme or project management	Ownership of business case and accountability for delivery are approved at organisation board level	<p>Ensure role of sponsor is supported by organisation/ board governance structures and is recorded in project initiation document (PID)</p> <p>Provide evidence that there is buy-in to this process</p>

continued over

(continued)

Area of review	Risk	Controls	Audit methods include
Roles and responsibilities	Inadequately defined roles and responsibilities	Roles and responsibilities are defined within a formal programme or project and organisation management structure	Ensure roles and responsibilities are defined within a formal programme or project and organisation governance and management structure and are recorded in the PID
Authorisation and approvals	Decisions and authorisations are made without proper authority or are made at a level unsuitable for the requirements of effective programme or project control	Approvals and authorisation processes are defined and are based on organisation and programme or project requirements	<p>Ensure approval and authorisation processes are defined within a formal programme or project and organisation governance and management structure and are recorded in the PID</p> <p>Ensure that processes are being adhered to and that decisions are recorded appropriately</p>
Organisational structure	Programme or project staffing and resource structures are unsuitable for effective programme or project management	Programme or project structure reflects staffing and resource requirements of both programme or project and the organisation, at various phases of the programme or project life cycle	Review phased staffing and resource plans and implementation processes for various phases of the programme or project life cycle
Reporting	Timely, relevant and reliable information is not available to support the organisation's programme or project direction and decision-making processes	Reporting structures and methods are defined from the outset and periodic assurance is obtained that the information reported is timely, relevant and reliable	Review PID and approved business case for adequate reporting requirements and processes

(continued)

Area of review	Risk	Controls	Audit methods include
Programme management office (PMO)	Insufficient support of governance leads to governance of inadequate quality	A formal PMO structure is established and adequately resourced, based on the organisation's maturity, project size and nature of the programme or project	Assess PMO structure, processes and resourcing to assure that it is effective and supportive, and scaled to the size and needs of the programme or project
Decision management	Programme or project decisions are made without clear processes or formal documentation at the stage gates	Governance is supported by processes for efficient and transparent decision making	Review recording and communicating of key decisions and escalated issues Review processes for endorsing and approving documentation

Element 3

Stakeholder engagement and communication

Clear and controlled identification and engagement with stakeholders affected by the programme or project.

Area of review	Risk	Controls	Audit methods include
Stakeholder engagement strategy	Inadequate stakeholder engagement controls, leading to insufficient consideration of stakeholder interests	A stakeholder engagement strategy that identifies the required stakeholder management capability, i.e. governance, people, processes and tools Oversight of the strategy by governance	Review the design of stakeholder engagement methods, cadence of decision making and integration with other controls, e.g. risk management and quality management Review governance endorsements and approvals
Communication management strategy	Inadequate communication management controls, leading to insufficient engagement with stakeholders	A communications management strategy that identifies the required communication management capabilities, i.e. governance, people, processes and tools Oversight of the strategy by governance	Review the design of communication management controls, cadence of decision making and integration with other controls, e.g. risk management, and resource skills and knowledge Review governance endorsements and approval
Identification of stakeholders	Inadequate consideration of stakeholder interests, leading to planned organisational changes being compromised	A stakeholder map that identifies stakeholders and their influence, interest and involvement in the programme or project Documented accountability for engagement with individual stakeholders	Review the quality of stakeholder maps and the processes used to create and manage them Review documented accountabilities for stakeholder engagement

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Area of review	Risk	Controls	Audit methods include
Stakeholder engagement plan	The stakeholder engagement strategy is not implemented, leading to insufficient consideration of stakeholder interests	Stakeholder engagement plan that identifies activities and resources to effectively implement the stakeholder engagement strategy Regular reporting of progress to governance	Review the quality of the stakeholder engagement plan Review evidence of execution of activities identified in the plan Review lessons learned and change management Review feedback from stakeholders on whether their interests are being considered
Communication plan	The communication management strategy is not implemented, leading to insufficient engagement with stakeholders	A communication management plan that identifies activities and resources so that the communication management strategy is effectively implemented Regular reporting of progress to governance	Review the quality of the communication management plan Review evidence of execution of activities identified in the plan Review lessons learned and ownership for implementing lessons Review feedback from stakeholders on the effectiveness of engagement with them
Integration with communications strategies and plans of partner and supplier organisations	Inconsistencies in messages communicated, leading to inappropriate or misaligned decisions and behaviours	Activities and resources that help ensure communication strategies and plans are aligned	Review contractual documents to ensure they identify protocols between contracting parties Review strategies and plans to ensure alignment of intent Review the process for ongoing management of communications

Element 4

Risks and opportunities

Clear and controlled management of risk and opportunity throughout the life cycle of the programme or project.

Area of review	Risk	Controls	Audit methods include
Risk and issue management strategy	Inadequate risk and issue management controls, leading to insufficient consideration of risks and issues that affect benefits	A risk and issue management strategy that identifies the required risk and issue management capability, i.e. governance, people, processes and tools Oversight of the strategy by governance	Review the design of risk and issue management methods, cadence of decision making and integration with other controls, e.g. benefit realisation and funding management Review governance endorsements and approvals
Risk and opportunity identification and assessment	Programme or project risks and opportunities are not identified or managed effectively, leading to, for example, unnecessary costs, delays and a reduction in quality	The risk and opportunity identification and assessment processes are documented and implemented Specialists operate the process Governance is involved in the process	Assess the quality of the design and use of the risk, issue, assumption and dependency logs or registries Assess the impact of the processes for refreshing the definition and description of logs or registries Assess the adequacy of risk management expertise
Risk and opportunity response to planning and implementation	An unplanned or unconsidered response to planning and implementation processes leads to issues related to, for example, unnecessary costs, delays or a reduction in quality	The risk and opportunity response to the planning and implementation process is documented and implemented Specialists operate the process	Assess the clarity and relevance of the management actions for each risk identified in the risk register Assess the effectiveness of processes for agreeing the identity

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Area of review	Risk	Controls	Audit methods include
			<p>of owners of risk and opportunity responses</p> <p>Assess the clarity of the process for risk escalation and the delegation criteria, and the processes in place to support this</p> <p>Assess the adequacy of risk management expertise</p>
Contingency and change control	Insufficient flexibility in the governance individual’s decision making, leading to the involvement of senior decision makers outside the governance of the programme or project	<p>Governance is involved in the process</p> <p>Contingency and change control processes, procedures and skills are available that are commensurate with the level of risk</p> <p>An agreed risk tolerance for the programme</p>	<p>Assess the process for risk-based estimating</p> <p>Identify and apply useful reference datasets for estimating costs and timelines</p> <p>Assess the quality of the documented change control and contingency release governance processes</p> <p>Review the processes for agreeing risk tolerance with decision makers outside the governance of the programme or project</p>
Business continuity and disaster recovery	A business continuity or disaster event leads to the avoidable loss of, for example, valuable information, revenue, reputation or life, due to the lack of, or deficiency in, a plan	<p>Business continuity and disaster recovery plans identify potential risks and actions in advance</p> <p>Review and endorsement of plans by experts</p> <p>Simulation of events to test plans</p>	<p>Assess comprehensiveness of the business continuity and disaster plans</p> <p>Assess how well the plans are communicated and understood</p> <p>Assess the effectiveness of the process for reviewing plans</p> <p>Review the implementation of lessons learned from simulations</p>

Element 5

Planning and estimating

A clear and controlled approach to integrated planning and schedule activities to deliver the programme or project. This will include not only the schedule but also the dependencies and assumptions.

Area of review	Risk	Controls	Audit methods include
Integrated approach to planning	Planning processes are not internally connected or aligned with external processes, leading to poor decisions about the current state, the progress and the forecasted future state of the programme or project	An integrated planning framework aligns internal plans for the delivery of the programme or project Processes bring leaders and delivery teams together to develop and maintain an integrated plan	Assess the effectiveness of the planning framework to connect high-level and detailed delivery planning Assess team and leadership integration processes to determine their effectiveness
High-level delivery planning	Commitments made to sponsors are poorly articulated, leading to misalignment with management expectations for funding and the delivery of outcome and benefits	Plans provide the detail required for sponsors to understand the scope of the programme or project and to commit to funding Mechanism for governance is in place to allocate and track funding in relation to the high-level delivery plan	Assess how well high-level plans reflect management expectations and are supported by detailed delivery plans Assess clarity of funding milestones and the associated benefits and releases of new capabilities Assess the process for identifying, assessing, recording and reviewing high-level planning dependencies and assumptions

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Area of review	Risk	Controls	Audit methods include
Release management	Deliverables are not efficiently and effectively released into the operating environment	Release plans define when deliverables will produce new capabilities that need to be put into operation Plans are in place for transition and sign-off	Review commissioning plans, including training and resourcing, to assure there is a fit with service provision Assess the process for testing and embedding deliverables Review the approved business case and the transition plans
Detailed delivery planning	Programme- and project-level plans are unrealistic, leading to insufficient activity to deliver the programme or project to the time, cost and quality expected by management	Plans provide the detail required by team leaders to understand the scope of the programme or project and to execute the correct amount of work A mechanism is in place for governance to allocate and track resources in relation to the detailed delivery plan	Assess how well detailed plans are supported by activity-level plans (e.g. for contractors) Assess the accuracy of the work breakdown structure (WBS) and assumptions about dates and allocated resources Assess the skill and experience of the estimators and planners Assess the process for identifying, assessing, recording and reviewing detailed planning dependencies and assumptions

Element 6

Organisational capability and culture

Clear and controlled management of the people, leadership, behaviours, teams, processes, systems and working environment.

Area of review	Risk	Controls	Audit methods include
People and staffing	Programme or project staff resource requirements are unplanned	The programme or project staffing plan is established as part of the approved business case, and achievement is reported to the organisation and programme or project boards	Review approved business case and PID to provide assurance that the staffing plan has been established and is reported under governance arrangements
Teamwork	Teams are not integrated sufficiently to support programme or project objectives	Programme or project manager ensures staff resources form effective teams whose performance is subject to review	Discuss with programme or project manager the structure and performance of the programme or project team(s), and their roles and responsibilities
Culture	Programme or project or contractor culture does not align with that of organisation	An integrated culture requirements statement forms part of the business case, or cultural expectations are included in contractual documents	Review approved business case and contractual documents for details of cultural arrangements, including governance arrangements
Processes and systems	Processes and systems do not enhance delivery or deliverability of the programme or project and its benefits	All systems are reviewed to ensure flexible flow is maintained and disruption to achievement of objectives is minimised	Discuss with programme or project manager and review the processes and systems to assure flexibility is maintained and disruption caused by inappropriate systems is minimised

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Area of review	Risk	Controls	Audit methods include
Working environment	No suitable premises or work locations to work are supplied or available, preventing effective delivery	<p>The business case and contractual documents state a requirement for suitable working environment(s) in appropriate locations, as necessary</p> <p>Compliance with statutory and other requirements regarding workplaces</p>	Review approved business case and PID for provision of a suitable working environment and accommodation (such as co-location for collaborative working), in conjunction with review of staffing and other programme or project resource plans
Leadership	Unidentified or ineffective programme or project leadership does not allow staff to flourish	Leadership assessment audits, related to the outcomes of programme or project assurance activities, are instigated to improve performance of programme or project management and staff. Sponsor and board fully understand their roles	Review the outcomes of leadership assessment audits and subsequent actions to assess how performance of programme or project management is improving
Administrative, technology and IT resources	Administrative and IT services, software and equipment do not effectively support delivery of the programme or project objectives	<p>Provision of effective administrative and IT resources forms part of the approved business case</p> <p>Available administrative and IT resources are subject to review, to best support the achievement of the programme or project's objectives</p>	Review approved business case and PID to assess the extent to which administrative and IT resources have been provided, and how they are subject to review

Element 7

Sourcing and supply chain

Clear and controlled management of commercial arrangements, procurement processes, and engagement with, and capability of, both the internal and external supply chain.

Area of review	Risk	Controls	Audit methods include
Procurement strategy	Procurement strategy is not consistent with business case requirements, particularly in respect of timing and life cycle costs	Procurement strategy is agreed within the business case and is consistent with organisational requirements	Review procurement planning processes and their fit with organisation strategy Ensure engagement with the organisation's procurement teams to ensure compliance with strategy
Procurement processes	Procurement processes do not comply with legal and organisational requirements and are not effectively planned and managed	Procurement processes are subject to rigorous planning, evaluation and review by both the programme or project and organisation	Review procurement processes, including tendering and evaluation, to assure transparency and compliance with legal and organisational requirements
Contract strategy	The contract strategy is not consistent with procurement strategy or legal requirements and may not offer value for money Contract strategy does not apportion risk to the party best able to bear it	The contract strategy should be assessed for consistency with organisational and legal requirements	Assess the contract strategy and planning for consistency with organisational and legal requirements Assess whether contract and procurement risks are borne by the party best able to bear them, in accordance with the party's organisational risk appetite

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Area of review	Risk	Controls	Audit methods include
Contract administration	Administration of contracts does not support the achievement of the programme or project's objectives or does not comply with requirements of conditions of contract	Enough resource is available to manage and administer contracts effectively	Review procurement resource strategy at all phases of the programme or project life cycle Review contract administration plans
Commissioning resources from within the organisation	Processes to acquire human, technical and capital resources from within the organisation are not well managed, resulting in poor delivery and increased costs	Resources, plans and equipment are made available for training stakeholders in the methods of provision of the services and goods that will result from introduction of the programme or project deliverables Formally documented processes for commissioning resources from within the organisation are defined, implemented and operating well	Review processes to commission resources from within the organisation
Contract close-out and handover	Work is accepted and payment made before delivery is confirmed	Robust approval processes for the acceptance of contracts are in place A documented process for changes to contract is established to ensure that completion is in accordance with the conditions of contract	Review contract close-out and handover clauses to ensure that they exist and are explicit

Element 8

Solution design

Clear and controlled management of the deliverables and outcomes that meet the client requirements. This includes product and/or service quality and the impact evaluation of the finished product or service on the social, physical and economic environment.

Area of review	Risk	Controls	Audit methods include
Analysis and requirements	The solution does not meet the needs of the business, organisation or customer	Detailed business and technology requirements are captured, agreed and baselined The programme or project has implemented clear traceability processes between requirements, design and test	Review documentation of requirements to ensure business needs are systematically identified, understood, baselined, prioritised and tracked
Architecture	The solution does not fit into, or operate effectively within, the business or technical architecture of the organisation	The target architecture describes the business and technical capabilities that need to be delivered by the programme or project to achieve the required benefits	Review the business and technical architecture design documentation to ensure that business capabilities and systems support the delivery of specified benefits and outcomes Assess whether a gap analysis has been performed between the existing and the target business and technical architecture

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Area of review	Risk	Controls	Audit methods include
Business and technical design	The solution design does not meet the needs of the organisation	The solution design provides the required direction and level of detail to shape the programme or project	Review the design documentation to ensure it is sufficiently detailed, considers people, processes, technology and data, and has been approved by all required governance forums/ individuals
Solution delivery	The solution is not successfully delivered into the business	An appropriate build, test and implementation approach has been outlined and agreed	Review the project documentation related to the build, test and implementation of the final solution Consider: <ul style="list-style-type: none"> • delivery models • solution development • test approach and test phases • product description/ quality and acceptance criteria • statement of works aligned to master services agreement • service support model

Element 9 Finance

Clear and controlled management of accounting, affordability and funding.

Area of review	Risk	Controls	Audit methods include
Accounting	Control of finance and accounting matters is inadequate	Robust and effective financial control and management processes are established, including funding analysis, cost and cash-flow reporting	Review standing financial instructions and cost reporting procedures and processes to assess the extent to which they support effective governance Review the approved business case to ensure that the cost of risk has been accounted for
Costing	Costs (including life cycle costs) are not reliably estimated and a mechanism does not exist for them to be refined There is optimism bias in respect of cost	Robust and effective cost management controls are in place, such as: <ul style="list-style-type: none"> • cost/value analysis methods • risk register • forecasted costs and predictive analysis of costs • variance tracking and analysis • documented cost tolerances and exception reporting 	Review cost methodology and processes based on the approved business case Review cost forecast and actuals to ensure they are sufficiently accurate, up to date, approved and monitored
Funding	Funding is insufficient to allow delivery if the project or programme is already funded, the level of agreed funding is insufficient to deliver its objectives	Gated processes release funding according to predetermined criteria A streamlined decision-making process is in place for approving funding There is active engagement of governance and key decision makers with accountability for funding	Review whether additional funding should be sought to enable successful delivery

Element 10

Performance

Clear and controlled measurement of all facets of performance against the baseline requirements, variance analysis and management action.

Area of review	Risk	Controls	Audit methods include
Benefits realisation strategy	A benefits realisation strategy does not exist	A benefits realisation strategy forms part of the approved business case, and is controlled and measured against a baseline	Review approved business case for benefits strategy, and review subsequent reports against it to check that metrics are in place
Governance and management of benefits	Benefits do not align with organisation strategy or objectives	Aligning benefits with the organisation's strategy forms part of the approved business case and is controlled against the continuous review of the business case at all programme or project key phases	Review approved business case for strategic fit of benefits Check that the business case is reviewed at each gateway
Accountability for achievement of benefits	Accountability for the achievement of benefits is not allocated to the programme or project sponsor	The programme or project sponsor is recorded in the approved business case as being accountable for achieving the benefits, and is an appropriate person to be accountable for this	Review approved business case and PID for governance arrangements and assess whether these are extant Assess arrangements for tracking and monitoring benefits
Benefits realisation planning	There is no benefits realisation plan	A formal benefits realisation planning process is established, reporting to organisation and boards	Review approved business case and assess whether a benefits realisation plan has resulted from it

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Area of review	Risk	Controls	Audit methods include
Measurement of benefits	Programme or project benefits are not expressed in measurable form	<p>Programme or project benefits are expressed in a measurable form that can be baselined</p> <p>Performance is tracked against benefits realisation plan</p> <p>Benefits realisation measurement continues throughout the programme or project life cycle and appropriate action is taken to preserve and continue to embed benefits as required</p>	<p>Review approved business case and benefits realisation plan for the extent of measurable benefits, where these are consistent with the programme or project objectives</p> <p>Review whether the programme or project can demonstrate that it is delivering both outputs and outcomes (achieving benefits realisation)</p>
Benefits realisation review	Provision is not made to review benefits realisation nor to evaluate performance	<p>A benefits realisation review is planned for from the outset, based on the approved business case</p> <p>Benefit evaluations are planned from the outset to take place at appropriate times, particularly before the programme or project team is broken up</p>	<p>Review approved business case for provision for benefits realisation planning and management</p> <p>Review whether resource is in place to ensure that benefits realisation plan can be properly implemented</p> <p>Assess arrangements for evaluations and legacy learning (where appropriate)</p>

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Area of review	Risk	Controls	Audit methods include
Progress reporting	Progress reports are not provided or tailored to the appropriate level within the organisation	<p>Appropriately detailed progress reports are provided as per the programme or project's governance structure and assurance requirements</p> <p>Regular progress reports are presented to governance</p>	<p>Assess arrangements for effective governance of the programme or project, including reporting and assurance requirements</p> <p>Ensure that reporting is being implemented as per the governance and assurance recommendations</p>

Element 11

Social responsibility and sustainability

Clear and controlled management of the impact of the programme or project delivery on the social, physical, ecological and economic environment, including health and safety.

Area of review	Risk	Controls	Audit methods include
Social responsibility	Programme or project scope, delivery and benefits are not aligned with the organisation's reputational risk or social responsibility appetite	<p>Organisation board assesses social responsibility risks to the organisation while approving the business case</p> <p>Programme- or project-related social responsibility risk is placed on the organisation's risk register and is subject to review as required</p>	<p>Assess clarity of social responsibility objectives in the business case</p> <p>Review organisation's risk register for potential causes of reputational risk relating to social responsibility</p>
Health, safety and security	Health, safety and security management systems have not been developed or implemented	Health, safety and security requirements are the subject of a comprehensive management plan, progress against which is reported to organisational and programme or project management governance bodies	Review health, safety and security planning processes, and subsequent reports to organisational and programme or project governance bodies

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Area of review	Risk	Controls	Audit methods include
Sustainability	Stakeholder interests related to the environment, society, community and other sustainability objectives have not been fully considered	The programme and project's delivery approach and working processes fully consider sustainability (e.g. environment, society and community)	<p>Assess the extent to which sustainability was considered in the business case process</p> <p>Assess the level of consultation regarding sustainability with stakeholders</p> <p>Review the risk and issue registers for the identification and response to sustainability-related risks and issues</p> <p>Review processes and procedures for the management of all facets of sustainability to ensure they are externally benchmarked and fully embedded in all aspects of project delivery</p> <p>Review and confirm that key sustainability targets are in place and performance is monitored</p>

