

Enhanced Assurance Framework Update

Investment Board 17 September 2018

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Investment Programme Governance Audit 2017 – Key Outputs

- Clear demonstration and documentary evidence of the appraisal process undertaken for each project was not in place as part of providing overall assurance for the progression and delivery of the Investment Programme.
- Roles and responsibilities for the Technical Appraisal Panel needed to be clearly defined and a responsible officer (accountable for appraisal and its sign-off) assigned.
- Formalised mechanisms for initiation of projects into the Investment Programme and a selection and prioritisation process (proportionate to the overall approval of programmes within the Devolution Deal) for submitted individual projects had yet to be established.
- Suitable mechanisms for undertaking individual project appraisal, scoring and evaluation, due diligence activities and use of Dynamic Economic Impact Model data had not fully been established or utilised. Current processes did not reflect major project appraisal best practice.
- Mechanisms for tracking and progressing projects and associated recommendations for approval from lower levels of governance through to higher levels of governance with clarity and consistency required significant development.
- Local assurance was not always documented or confirmed by the Technical Appraisal Panel as having been obtained by the project sponsor per their own organisation's governance arrangements, prior to submission of a project to the Investment Programme and endorsement to progress.
- Although the Strategic Economic Plan Board had been incorporated into the governance arrangements, its role was yet to be clearly defined regarding its remit to review strategic alignment and reporting of outcomes to the Combined Authority, as well as involvement at different stages rather than only at Strategic Business Case stage.
- Whilst recognising projects have not yet reached delivery stage and the requirement to submit monitoring data has been mandated within funding agreements, monitoring and evaluation plans required to be submitted by the project sponsor at Full Business Case stage were not currently reviewed as part of the appraisal process to ensure fit for purpose going forward.



Arcadis

Drivers for Appointing Arcadis

- Outcome of Investment Programme Audit – Summer 2017
- Requirement to progress Benefits Management in the absence a permanent appointed Benefits Manager to PMO
- Capacity & capability within current PMO Team

Scope

Phase 1	Key Activities	Outputs
Benefits Management	Identification and socialisation of Vision and Strategy Goals (VSGs)	Draft Vision and Strategic Goals
	Develop initial working draft of Benefits Register	
Investment Control & Assurance	Current Assurance Framework review	Portfolio & Programme objectives and design principles agreed
	Focus interviews with key WMCA stakeholders	
	Framework objectives and design principles development	

Phase 2	Key Activities	Outputs
Benefits Management	Socialising and refining draft Benefits Register	As is Benefits Commitment Register (defined in proposal as Benefits Register)
	Develop and refine Benefits Map	
Investment Control & Assurance	Strengthen and improve Assurance Framework	Portfolio, Programme & Project Governance Framework & Assurance
	Develop Programme and Portfolio governance and assurance	

Arcadis Recommendations

- Simplify Investment Programme engagement common principals, evaluate control and assurance options and standardise terminologies
- Propose organisational structure, PMO target operational model and role of Corporate Assurance
- Introduce clear Investment Programme engagement model that simplifies relationship between combined authority and delivery partners with clear expectations, support mechanism, roles and responsibilities
- Define control and assurance measures for business cases using the 'Five case business framework' for well documented and evidence based evaluation approach. Embed assessment and 'value management planning' within business cases for robust financial risk management and contingency planning
- Define tactical, regional and strategic programme reporting mechanism and dashboards

Progress

- Last update to Investment Board May 2018
- Vision, Strategies & Goals (VSG's) refined and submitted by Arcadis along with an 'As is Benefits Register'. All benefits are mapped to a Strategic Objective
- Completed the comprehensive review of the existing governance and assurance framework for the Investment Programme
- Produced Framework objectives and design principles
- Enhanced approach and methodology for governance and assurance of the Investment Programme . The enhancements build and expand on the existing assurance framework and are based on HMT Green Book Guide, DfT Standards, WebTAG and Five Case Framework
- PMO produced a plan of activities to implement the changes required as part of the enhanced framework (see following slide)
- New Head of Strategic Programme Delivery appointed July 2018 – Responsible for delivering Enhanced Assurance Framework

Enhanced Assurance Framework – Key Activities

Activities	Duration (Weeks) *	Effort (Man Days)**
Governance Review	12	12
Business Case Template Development & Approval	17	26
Business Case Appraisal Development & Approval	18	11
Stakeholder Engagement, Communication & Training	20	12
Process Documentation Development/Update & Approvals	19	27.6
Management Information Development	7	10
Monitoring & Evaluation Development & Approval	5	40
Assurance Framework Update and Approval	10	10
PMO Operating Manual – Inc. PMO T.O.M	5	10

(Start dependent on completion of prioritisation exercise)

* Dependent on availability of key personnel and consideration of approval timescales (where applicable)

** Based on PMO resource only at this stage. WMCA SMEs/Resources will need to be engaged and provide specialist input

Elapsed Man Days effort



Benefits of Revised Assurance Framework

- Provides simplicity and clarity to Assurance Framework
- Strengthen compliance, appraisal and assurance arrangements
- Clear and easy to follow set of documentation setting out proposed WMCA Investment Programme Governance and Assurance
- Clarity on roles & responsibilities of delivery organisation
- Accountable and transparent decision making
- Clarity on business case development and what is required from business partners at each stage of the development lifecycle
- Investment Programme Assurance Process that can be used as the foundation for Assurance across WMCA i.e. Housing, Skills & Productivity & TfWM
- Provide WMCA with 'Portfolio' level overview provided by current PMO working at a Portfolio level
- Consistent use of P3M terminology

Investment Board - Improvements

1. Improved quality of reporting on Investment Programme - additional information will include:
 - Overview of Investment Portfolio
 - Increased visibility on Portfolio risks
 - Milestone schedule:
 - Forecast plan for SOC/OBC/FBD
 - Delivery plan
 - Increased focus on Benefit Management:
 - Benefit Realisation Plan
 - Progress Report

2. Revised Assurance model based on the latest HMT Green Book approach:
 - Clarity on Business Case development
 - Increased scrutiny by WMCA PMO
 - Increased quality of Business Cases to be reviewed by the Investment Board

3. Robust Portfolio Change Process :
 - Structured approach for managing change to the Investment Portfolio
 - Maintain and manage a well “balanced” portfolio

Investment Board Support

- Commitment to an Enhanced Assurance Framework for the Investment Programme
- Socialise/promote within own organisations
- Approval of Enhanced Assurance Framework for Investment Programme
- Provide feedback/share best practice

Final Slide

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