



# Integrated Assurance & Approval Strategy and Integrated Assurance & Approval Plans

A guide to implementing integrated assurance and approvals  
Version 1.0 - May 2011

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# Introduction

## This document

This guide outlines how to produce an Integrated Assurance and Approval Strategy and Integrated Assurance and Approvals Plans that are fit for purpose. It should be read in conjunction with the joint Cabinet Office and HM Treasury *Major Project Approval and Assurance Guide (April 2011)*, which can be found on: <http://www.cabinetoffice.gov.uk/content/major-projects-authority>

## The Major Projects Authority

In January 2011 the Prime Minister wrote to Cabinet confirming the mandate for the new Major Projects Authority (MPA) in the Cabinet Office. The MPA represents a sea change in the oversight of central government's major projects, at both an individual and a portfolio level. It aims to address the findings from the NAO report *Assurance of High Risk Projects (June 2010)* and from the Major Projects Review undertaken during summer 2010. The MPA is a new partnership between the Cabinet Office and HM Treasury with the fundamental aim of significantly improving the delivery success rate of major projects across central government.

A 'major project' is defined as any central government funded project or programme that requires HM Treasury approval during its life, as set out in Delegated Authority letters, and/or is of special interest to the Government. From April 2011 all major projects are included in the Government Major Projects Portfolio (GMPP).

## Integrated assurance and approval

The NAO report called for a central, mandatory system of assurance to be established for government which:

- has a clear mandate and is non-optional
- is outcome focused and is built on a higher and more exacting evidence base
- is integrated across all mechanisms
- provides the ability to plan and resource assurance activity
- minimizes the burden placed on projects
- triggers further interventions where necessary
- systematically propagates lessons learned.

'Integrated assurance and approval' is defined as the planning, coordination and provision of assurance activities and approval points throughout the 'policy to delivery' lifecycle.

Project<sup>1</sup> assurance, in conjunction with formal approval points, helps manage risk and improve delivery confidence. Both support Senior Responsible Owners (SROs) and others responsible for successful delivery whilst providing funders and other stakeholders with the confidence that the project can deliver to time, budget and quality. All projects – be they procurements, property developments, policy initiatives or business change schemes – benefit from independent challenge; all organisations should therefore have in place an effective framework to provide a suitable level of

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<sup>1</sup> The word 'project' is used throughout this document to represent both projects and programmes.

assurance and approval for their portfolio of projects. This should be proportionate to levels of project cost and risk.

### Integrated assurance and approval requirements for major projects

The MPA has the authority to require an Integrated Assurance and Approval Plan (IAAP) from every major project, including a timetable for Treasury approvals, which is to be jointly validated by the MPA and HM Treasury. From 2011 compliance with the agreed IAAP will normally be a condition of Treasury approval.

The MPA recommends that central government bodies develop an Integrated Assurance and Approval Strategy (IAAS) to ensure agreed and consistent assurance standards and IAAPs across their portfolio of projects. An IAAS will normally build on existing descriptions of how each organisation makes its investment approval decisions.

# Integrated Assurance and Approval Strategy

## Why?

Integrated assurance and approval provides organisation-wide visibility of the project portfolio and an agreed view of risk, and is key to the learning and dissemination of lessons.

An Integrated Assurance and Approval Strategy (IAAS) sets out the purpose and goals of the assurance and approval regime required for all projects within an organisation's portfolio. It provides guidance to project teams, with the aim of them all applying a consistent quality standard and approach, in line with organisational, MPA and Treasury requirements.

It is recommended that any programme fulfilling the major project definition should provide strategic direction on assurance and approval to all the projects within it, if necessary by developing a programme-specific IAAS that is aligned with the corporate strategy.

## Who?

A corporate IAAS should be developed and managed by the organisation's Portfolio Management Office (PMO), or equivalent, and agreed at executive board level.

In compiling the IAAS the PMO team should consider the range of assurance required to support corporate and Treasury approval points, as well as corporate requirements for regulatory, technical and audit assurance, including those of the NAO. Relevant stakeholders from these areas should be consulted when developing the IAAS, to ensure that the final approved strategy is widely supported and fit for purpose.

Responsibility for ensuring project compliance with the corporate IAAS rests with the SRO.

Annex A provides a Responsibilities Matrix.

## What?

The corporate IAAS should cover the organisation's full portfolio of projects.

Any IAAS must recognise the fundamental links between assurance and relevant investment approval systems – both within the organisation and from HM Treasury.

A framework for an IAAS is outlined at Annex B.

## How?

An IAAS should be developed with reference to this guidance and taking into account good practice developed by other government and industry bodies, and discussions with assurance providers and key stakeholders such as the MPA, HM Treasury and the corporate finance function.

# Integrated Assurance and Approval Plans

## Why?

Regular assurance is important to the successful delivery of projects, providing an independent challenge, bringing in expertise external to the project, and helping identify major risks. Assurance can provide comfort that a project is on track to deliver or, conversely, identify remedial action required or even recommend that a project be halted or re-scoped. All projects should have their own costed and resourced assurance plan and this must be proportionate with the complexity of, and risks associated with, the project.

A project's level of complexity and risk are key factors, alongside its cost, that define the nature and number of corporate and Treasury approval points required throughout its policy to delivery lifecycle.

Integrated Assurance and Approval Plans (IAAPs) are a mandatory requirement for all central government major projects from April 2011. Compliance with the agreed IAAP will normally be a condition of Treasury approval for these projects. This requirement has a number of benefits:

- Planning all assurance requirements in advance means that projects can ensure that they have a more timely and coordinated assurance regime - this will result in less but more effective assurance.
- Integrating assurance and approvals processes, and scheduling assurance before Treasury approval points, will enable Treasury Spending Teams to make decisions that are better informed by assurance assessments, including overall delivery confidence.
- Pre-planning of assurance requirements by all major projects will enable the MPA to better forward plan resources to meet assurance demand from central government bodies.

However, such benefits are not exclusive to major projects - an IAAP for any project should be designed to ensure that appropriate assurance and approval activities are effectively planned, scheduled and coordinated, and that resources are secured in advance.

## When?

The IAAP should initially be developed at the outset of the project, alongside the Project Initiation Document (PID) or equivalent, and from then on should be integral to the overall project plan. Ideally it should form part of the management section in the business case for the project.

It is particularly important for major projects that the initial IAAP is defined, and validated by the MPA and HM Treasury, in sufficient time for appropriate planned assurance to take place prior to submission of a Strategic Outline Business Case (SOBC) to Treasury for approval. Treasury will not normally approve major projects unless they have an IAAP and have complied with it. The process for submission of IAAPs is described in the *Major Project Approval and Assurance Guide (April 2011)*: <http://www.cabinetoffice.gov.uk/content/major-projects-authority>

An IAAP should be periodically reviewed and updated after each assurance review, change in scope or in significant risk potential of the project. Amended IAAPs for major projects should be submitted to the MPA so that significant changes can be validated and assurance and approval schedules amended by the MPA and HM Treasury – this is particularly important to enable the MPA

to forward plan reviewer resources to meet overall demand, and to prevent delays in approval schedules.

An IAAP should be maintained until the project is closed and delivery responsibility passes to the operational business.

## Who?

Effective project assurance requires senior management commitment to undertaking assurance activities and to acting on recommendations. Getting the right SRO, with seniority and experience commensurate with the priority, complexity and risks of the project, is key to having an effective assurance regime.

Development of the IAAP is the responsibility of the project manager<sup>2</sup>. Compliance with it is the responsibility of the SRO.

Once validated by the MPA and HM Treasury (if applicable), an IAAP should be approved by the project board and subsequently reviewed periodically by the board in the light of any assurance activity undertaken, changes in risk potential or scope of the project.

In compiling the IAAP the project team should consider the functional assurance required to support corporate and Treasury approval points, as well as corporate requirements for regulatory, technical and audit assurance, including those of the NAO. Relevant stakeholders from these areas should be consulted when developing the plan, to ensure that the final approved IAAP is widely supported and fit for purpose.

## What?

A range of assurance is usually required. Assurance reviews that are timed and/or designed to inform approval points, for example, should be only one element within a comprehensive assurance framework. Any assurance review may consider the findings of previous assurance activities, and in turn may usefully feed into further assurance activities.

Achieving the maximum benefit from an assurance framework requires the mapping of a project's assurance needs throughout its lifecycle, and identification of the resources needed and the potential sources for providing them. Only by mapping out a single assurance plan can the project look for assurance synergies and avoid assurance overload.

At Annex C is a framework and example structure for an IAAP. This demonstrates the range of assurance and approval activities to consider when building an IAAP – it is not a standard template that must be complied with.

Unless the remaining lifetime of the project is less than this time period, an IAAP should cover a minimum two-year period (the NAO recommends around three years) to enable sufficient forward planning of key milestones, whilst realistically allowing for environmental change over time within the organisation and therefore avoiding the need for continuous re-planning.

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<sup>2</sup> For programmes, this will be the programme director or programme manager.

Elements to consider and include in an IAAP are:

- Corporate and programme-specific IAAS requirements and guidelines
- Functional assurance, e.g. technical, Health & Safety, quality, data security, information, regulatory, construction, financial, due diligence
- Audits, e.g. internal and NAO
- Independent assurance reviews provided by the MPA, e.g. Starting Gate, OGC Gateway™, Project Assessment Reviews
- Organisational approval processes
- HM Treasury approval processes.

A fit for purpose IAAP is not just a schedule of assurance and approvals. A summary of the IAAP schedule is an integral part of quarterly GMPP reporting to the MPA, but this does not replace the requirement to have a full IAAP in place, which would also include the purpose and scope of the IAAP, roles and responsibilities, costs and resources, management and communication of outcomes, etc. See Annex C for more detail.

### How?

Before starting, it is important that the organisation's PPM Centre of Excellence or Portfolio Management Office (or equivalent) is consulted, as they may have established corporate guidelines and templates for design, production and agreement of IAAPs. Alternatively, these may be covered by the corporate IAAS.

An IAAP should be developed using a risk-based approach to ensure that the assurance provision is both proportionate and meets the needs of all those parties requiring assurance. An IAAP for a programme should take into account the assurance coverage of its constituent projects, so that activities are scheduled to best avoid assurance overlap and assurance overload.



## Annex A - Responsibilities Matrix

Responsible bodies and roles	Integrated Assurance and Approval Strategy (IAAS)	Integrated Assurance and Approval Plan (IAAP)
<p><b>Departmental Board</b></p> <p>(These responsibilities may be delegated to the Audit Committee)</p>	<p>Approves the corporate IAAS</p> <p>Monitors portfolio performance against the corporate IAAS</p> <p>Monitors indications of significant new initiatives which are likely to be delivered through a major project</p> <p>Advises MPA about requirement/s for mandatory Starting Gate for these emerging initiatives</p>	
<p><b>Portfolio Management Office or Centre of Excellence</b></p> <p>(or equivalent)</p>	<p>Liaises with investment bodies to ensure their assurance requirements are considered and appropriate</p> <p>Develops and maintains the corporate IAAS</p> <p>Monitors indications of significant new initiatives which are likely to be delivered through a major project</p> <p>Advises MPA about requirement/s for mandatory Starting Gate for these emerging initiatives</p>	<p>Liaises with investment bodies to ensure their assurance requirements are considered and appropriate</p> <p>Provides local IAAP guidance and/or templates to project teams</p> <p>Local validation of IAAPs in line with corporate IAAS</p>
<p><b>Programme/Project Board</b></p>	<p>Approves programme IAAS (if applicable)</p>	<p>Approves IAAP</p>
<p><b>SRO/Sponsor</b></p>	<p>Agrees programme IAAS (if applicable)</p> <p>Ensures IAAP and assurance activities comply with strategic requirements in corporate/programme IAAS</p>	<p>Agrees IAAP</p> <p>Sponsors assurance reviews</p> <p>Disseminates assurance review reports to keep all interested parties informed</p> <p>Owns project response and implementation of actions and recommendations from assurance review reports</p>

<b>Programme/Project Management Office</b>	<p>Develops initial programme IAAS with definition documentation (if applicable)</p> <p>Maintains oversight of assurance and approvals framework across projects within the programme (if applicable), to prevent assurance overload</p>	<p>Develops initial IAAP through consultation with stakeholders and independent and internal assurance providers</p> <p>Completes Risk Potential Assessment (RPA) and sends it to SRO for approval to instigate each assurance review from the MPA</p> <p>Liaises with potential assurance providers to schedule and resource assurance reviews in line with IAAP</p> <p>Reviews IAAP after each assurance activity and updates IAAP if appropriate – for major projects sends amended IAAP to MPA for validation</p> <p>Monitors execution of IAAP and actions exceptions</p>
<b>Programme/Project Manager</b>		<p>Manages execution of the IAAP schedule and requirements</p>
<b>Stakeholders</b>	<p>Input to development of the corporate and/or programme IAAS</p>	<p>Indicate assurance requirements</p> <p>Receive assurances (e.g. reports)</p>
<b>Investment Bodies</b> (Corporate/Treasury)	<p>Monitor indications of significant new initiatives which are likely to be delivered through a major project</p> <p>Advise MPA about requirement for mandatory Starting Gate for these emerging initiatives</p>	<p>Indicate assurance and approval requirements</p> <p>Receive assurances to inform decision making (e.g. reports)</p>
<b>Major Projects Authority</b>	<p>Reviews corporate or programme IAAS on request</p>	<p>Validates (in partnership with HM Treasury) IAAPs for major projects in the GMPP</p> <p>Monitors execution of IAAPs across the GMPP including escalation of non-compliance or slippage</p> <p>Implements consequential assurance, applied support and/or intervention (as appropriate) when planned assurance activities identify that a major project is in significant difficulty</p> <p>Monitors indications of significant new initiatives which are likely to be delivered through a major project – identifies requirement for mandatory Starting Gate</p>

## Annex B - Integrated Assurance & Approval Strategy (IAAS) Example structure

### **Introduction**

- What an IAAS is
- Its objectives.

### **Purpose and scope**

- How the IAAS will be used within the organisation
- Scope of the IAAS, including any exclusions or exceptions
- Reference to the MPA requirements for IAAPs (for major projects).

### **Application of assurance**

- A commitment to end-to-end, risk-based, integrated assurance across the organisation
- A commitment to use established best practice, e.g. planned and consequential assurance and escalation processes where appropriate
- A short summary outlining and endorsing the tools and techniques to be used, e.g. IAAPs, corporate functional assurance, audit, and independent assurance reviews from the MPA.

### **Approvals**

- Why and how assurance processes must be linked to the approvals processes within the organisation and from HM Treasury.

### **Responsibilities and accountabilities**

- A description of the organisation's strategic assurance responsibilities and accountability model – including local validation processes for IAAPs not validated by MPA and Treasury.
- Principles for how assurance must be applied, e.g. timely, best practice, etc
- Statement of relevant SRO responsibilities, including dissemination of assurance review reports so that all interested parties are kept informed, and implementation of the actions and recommendations in such reports.

### **Reporting and communications**

- A description of the reporting processes, tools and schedules to be used – both internal and external, including GMPP reporting to the MPA
- The corporate approach to, and means of, communicating outcomes (both positive and negative) from assurance activity, both internally and externally
- Transparency requirements and commitments in relation to assurance outcomes and reports.

### **Resourcing**

- Commitment to develop a pool of resources for deployment on assurance reviews both within the organisation and for release to other public bodies for assurance activities
- Show the relationship between assurance review participation and the individual's learning and development and with the corporate PPM capability enhancement
- Corporate recognition of assurance reviewer expertise and contribution.

## Annex C - Integrated Assurance & Approval Plan (IAAP) Example structure

### **Introduction**

- Reference to the corporate IAAS
- What an IAAP is
- Its objectives.

### **Purpose and scope**

- How the IAAP will be used by the project team
- Scope of the IAAP, including any exclusions or exceptions
- Reference to the MPA requirements for IAAPs (for major projects).

### **Assessment of risks and determination of assurance requirements**

- Tools and techniques used to determine risk and focus for assurance activities, e.g. the RPA form submitted to the MPA prior to arrangement of assurance reviews
- Description of how the IAAP has been developed.

### **Roles and responsibilities**

- Identify who within the organisation has what responsibilities in relation to assurance and approvals – see Annex A
- List of additional key stakeholders and interested parties.

### **Planned assurance coverage and scheduling**

- Description of the assurance products to be used (see IAAP guidance above)
- When and why they are to be used.

### **Approvals**

- Outline of the approvals process within the organisation, as relevant to the project
- Whether and why approvals will be required from HM Treasury and at what stages
- Explanation of the assurance evidence that will be required to support approvals at each level.

### **Cost and resources**

- An estimate of chargeable costs required for all assurance activities for the period of the plan e.g. MPA-led reviews, audits and other functional assurance – these should be incorporated into the project budget
- An indication of project resource (days) requirements for both assurance and approval activities.

### **Reporting and communications**

- A description of the reporting processes, tools and schedules to be used – both internal and external, including GMPP reporting to the MPA
- The project approach to, and means of, communicating outcomes (whether positive or negative) from assurance activity, both internally and externally
- Transparency requirements and commitments in relation to assurance outcomes and reports.

**Managing outcomes, consequential assurance and escalation**

- SRO responsibility for implementing the actions and recommendations in the assurance review reports
- Overall approach to acting on assurance findings
- Processes and tools to be used in different circumstances, e.g. MPA Assurance of Action Plans.

**Schedule**

- The planned assurance activities for a minimum of two years ahead
- Assurance links to approval points and key milestones (see example template below).

**Generic example template for an Integrated Assurance and Approvals Plan (IAAP)**

Assurance/Approval	Primary client	Last review date	Current Financial Year (show expected start date)											
			A	M	J	J	A	S	O	N	D	J	F	M
<b>Programme/Project* Milestones (*delete as applicable)</b>														
Approvals	Investment Board													
	HMT approval points (SOC/OBC/FBC/other)													
	Other approvals e.g. ICT													
<b>Independent Assurance</b>														
Starting Gate	Senior Policy Lead													
PAR	MPA/SRO													
OGC Gateway™	MPA/SRO													
GMPP Reporting	MPA													
<b>Functional Assurance</b>														
Technical	PM/Board													
Quality	PM/Board													
Information	PM/Board/ISO													
Security	PM/Board/DSO													
Financial (Compliance audit)	PM/Board Audit Committee													
<b>Audit</b>														
Internal	Audit Committee													
External	NAO/PAC													

## Glossary of acronyms used

<b>Acronym</b>	<b>What it means</b>
COE	Centre of Excellence
GMPP	Government Major Projects Portfolio
IAAP	Integrated Assurance and Approval Plan
IAAS	Integrated Assurance and Approval Strategy
MPA	Major Projects Authority
NAO	National Audit Office
PID	Project Initiation Document
PMO	Portfolio/Programme/Project Management Office (as applicable)
PPM	Programme and Project Management
RPA	Risk Potential Assessment
SOBC	Strategic Outline Business Case
SRO	Senior Responsible Owner

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This document is also available from our website at: <http://www.cabinetoffice.gov.uk/content/major-projects-authority>

More information about the Major Projects Authority, and guidance for central government bodies on the requirements for integrated assurance and approvals from April 2011, is available from our website at: <http://www.cabinetoffice.gov.uk/content/major-projects-authority>

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