

NAO insights from government programmes: Understanding the value of project controls

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The role of the NAO

Value of project controls

Importance of project controls

What does the NAO look for?

Role of the NAO



We are the UK's independent public spending watchdog.

We support Parliament in holding government to account and help improve public services through our high-quality audits



Role of the NAO



Our strategic priorities

- 1. Improving our support for effective accountability and scrutiny
- 2. Increasing our impact on outcomes and value for money
- 3. Providing more accessible insight

Importance of project controls

"Value for money comprises the optimal use of resources to achieve the intended outcomes."

(NAO definition)

"the loss of downward pressure on costs, and the absence of a realistic plan were set the absence an atmosphere where against an atmosphere where hecame unrealistic..."

organisation is accurate, consistent, and timely"

"Tailoring processes to add value and momentum to programme decision-making"

What does the NAO look for?

The framework comprises 18 key questions grouped into the four elements we consider when we audit programmes.



Purpose

Need for programme

 Is it clear what objective the programme is intended to achieve?

Portfolio management and dependencies

 Does the programme make sense in relation to the organisation's trategic priorities?

Stakeholos, engagement

 Have the right people bought into the programme, such as users, suppliers the who have to implement it?

Value

Options appraisa

4. Does the option chosen meet the programme's objective and provide longterm value?

Business case

5. Does the business case demonstrate value for money over the lifetime of the programme?

Costs and duration

6. Are cost and duration estimates appropriate to the stage of development of the programme, with risks and uncertainties appropriately reflected?

Recepto

7. Does the programme have a plan to deliver benefits and is this being implemented?

Set-up

Governance and assurance

8. Are there structures (internal and external) that provide strong and effective oversight, challenge and direction?

Leadership and culture

 Does the programme have the right culture and leadership with the necessary authority and influence?

Delivery resources

10. Has the organisation the resources (staffing, capability, equipment, and so on) required to support the programme?

Putting the programme into practice

11. Are scope and business requirements realistic, understood, clearly articulated and capable of being put into practice?

Risk management

12. Are key risks identified, understood and addressed?



Delivery strategy

13. Are there appropriate incentives for all parties to deliver (contractual, performance management, or other)?

Change control

14. Is there an effective mechanism to control programme alterations?

Responding to external change

15. Is the programme sufficiently flexible to deal with setbacks and changes in the operating context?

Performance management

16. Is progress being measured and assessed including consideration that the programme is still the right thing to do? Are benefits being achieved?

Legenne learner

17. Is the programme learning from experience on the current programme and previous relevant programmes?

Transition to business as usual

18. Does the programme have a clear plan for transfer to operations/business as usual?

Change control

14. Is there an effective mechanism to control programme alterations?

Performance management

16. Is progress being measured and assessed including consideration that the programme is still the right thing to do?



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reflected?

Costs and

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Truth and honesty must be in place for controls to be effective

Our lessons learned from major programmes include...

"Organisations should examine their, and contractors', **culture and behaviours** so effective line of sight."





"....were set against an atmosphere where 'can do' became unrealistic"

Decision-makers need good information at the right time, allowing them to assess risks and early warning signs

"Bodies must ensure that information within their organisation is accurate, consistent, and timely with indicators that alert to emerging issues." For programmes delivering at speed, decisionmakers should ensure data and information:

- Focuses on what needs to be delivered
- Is shared efficiently
- Is considered at the right time so action can be taken
- Includes early warning indicators to anticipate likely points of failure across risks
- Is considered in the right environment, so issues are raised and acted upon

Think widely about the controls needed but always do the thinking

Delivering at speed



Sometimes you need to get somewhere faster.

But speed does not mean ignoring the basics or ploughing ahead.

Processes and controls will always help reduce delivery risks, but be innovative when considering what these look like



To deliver successfully at speed decision-makers need to:

Tailor programme processes to add value and momentum to programme decision-making.

- Establish strong and timely risk management processes, particularly to identify the emerging risks of delivering quickly.
- Align programme controls, such as approvals, to the specific programme risks.
- Be transparent on the decisions and risks that have been taken, particularly where processes have changed to deliver at speed.
- Tailor assurance to align with programme risks.



Thank you

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