



White Paper 2025-03

How to Setup a Project Assurance Function within a Wider Project-Driven Organisation

Large Capex projects can be a major business risk for project-driven organisations, owners and contractors alike. It is therefore recommended to implement a small project assurance and support function, with the objective to provide executive management with a second opinion of project health and to support project execution as required. The overarching objective is to support adequate decision-making on those projects in the interest of the organisation. Based on our experience supporting both owner and contractor clients in this area, this White Paper exposes how to successfully implement a project assurance function.

Objectives of the project assurance function

The ultimate objective of a project assurance function is to contribute to adequate decision-making in the interest of the organisation on Capex projects, during both their development and execution phase. This is achieved by providing an independent view, as a second opinion, on the actual condition and expected perspectives of the project. To support the relevant discussions, this second opinion needs to be understandable and tangible for executive management. Therefore, the format of feedback provided by the assurance function to the executive management is important to support decision-making.

In addition, having expertise at-hand in terms of project management is necessarily an asset that should be used when relevant to help improve project outcomes whenever possible.

To be noted, this project assurance function differs from a project management office or similar which may provide methodological and operational support to projects. The setup of a project management office is described in our [White Paper 2025-02 'How to setup a centralised project management office within an owner organisation'](#). Improvement initiatives may sometime couple both functions, or have them sitting in the same department, but their remit is very distinct. Still, outcomes of the project assurance work may feed process and systems improvement work performed by the project management office.

Clearly defining the posture of the project assurance function

The project assurance function has two complementary objectives, which may be seen in some way as contradictory by some stakeholders:

- Provide support to the projects whenever needed on relevant topics that can make a difference.
- Provide an independent second opinion on project condition and perspectives to executive management – which may be different from the project director view and reports,

An additional third objective for organisations that have a wide portfolio of projects is to identify systemic issues that need to be addressed portfolio-wide.

In reality, those objectives are actually complementary: by developing trust with the project teams by supporting them when needed, and through a benevolent and transparent attitude during project reviews, it will be possible to have better access to the reality of projects and identify the key areas to be raised to executive management for consideration. Those issues will also have been discussed and pre-digested, clearly identifying the sources of difference of opinion and providing executive management with a higher quality basis for effective discussions. Project assurance activities should lead to positive tensions and discussions, leading to the best decisions for the interest of the overall organisation.

We observe that the project assurance function posture between the two main objectives described above may be very different from one owner to the other. Some owners may place more emphasis on project support, and others on independent review and opinion. Still, both objectives need to be considered simultaneously to make project assurance effective.

Potential stumbling blocks

From our experience, we have identified some stumbling blocks for project assurance functions that need to be considered in their setup:

- **Jeopardizing the authority of the project sponsor and project director.** It must be clear at all times that responsibility for delivering the project remains within the operational line of command. The project assurance function suggests but does not decide,
- **Lack of contradictory interaction with the projects.** From the debate will come clarity as to the source of differences of opinion. Executive teams must listen to both views simultaneously in a constructive manner,
- **Too frequent interaction with the projects.** Participation to regular project meetings, receiving regular reports etc may jeopardize the ability to develop an independent objective opinion with the risk

Setting up a project assurance organisation must be considered as a transformation journey

of falling in love with the project, or being too involved in the project view of the world,

- **Feedback format irrelevant for executive management.** One of the roles of project assurance is to translate for executive management the key project issues and act as an interpreter to project management professionals. Summary findings and issues should be prioritised and made short to be effective. This may require a specific effort if top management is not acquainted with project management terminology and aspects (this is a specific issue in many owner organisations),
- **Disclosure requirements for public companies.** The context and format of the project assurance function must be carefully vetted as an internal assurance to avoid any issue with regulatory disclosure requirements on expected evolution of the business.

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Organisation of the project assurance function

Project assurance units are generally small and may have half a dozen very experienced full-time personnel, if possible covering all key aspects of owner project success: project management, project control, engineering, procurement, construction, operations. Ideally the units should mix strong internal and externally hired expertise, with the important objective to have ample networks within the organisation and be considered relevant by the rest of the organisation.

This core assurance team should be able to call on specific experts to support its missions for specific projects. To maintain independence, it is essential that such experts have not recently been involved in the project under review. If the organisations is too small or expertise is not available in-house that would be deemed sufficiently independent, it should also have the ability and budget to engage external expertise as required.

Project assurance functions must report to the CEO or a member of the executive committee that is independent from the project delivery operational line.

Setting up a project assurance function: a journey

One essential learning point is that a project assurance function will not be effective immediately after having been set up. It represents a shift in the way the organisation operates and will disturb the status-quo. In particular, project directors and project organisations may resent the setup of what they feel is an additional layer of bureaucracy and a new source of workload. Gaining the trust, goodwill and the acknowledgment of the

organisation will take time, in particular in organisations where project directors were historically operating with limited supervision and very wide powers. It typically takes a couple of years for the new setup to be fully effective.

This should be apprehended as a transformation journey with a relevant transformation / change management plan and progressive implementation. Project assurance and review processes will have to be updated regularly taking into account the experience gained.

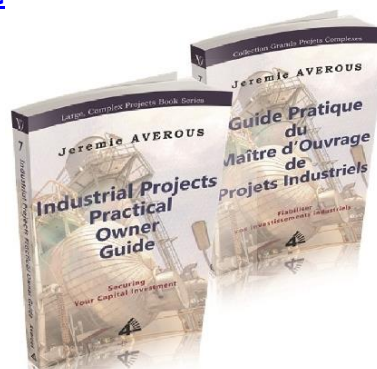
The key success factor is of course to effectively support the projects through sharing of experience or taking specific actions. Properly communicated as success stories, those events will generate goodwill throughout the project community.

Summary

Setting up a project assurance function is a must to generate powerful conversations around the right decisions to be made in project-driven organisations. This needs to remain a very small organisation. Setting it up must be considered as a transformation journey as it will disturb the status quo and may question the sense of authority of project directors. It must strike the right balance between effectively supporting projects and being an independent expert reviewer able to identify and anticipate issues to raise them in a timely and understandable manner to executive management.

Read the Industrial Projects Practical Owner Guide

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