MHHS Independent Programme Assurance (IPA)

FINAL
Terms of Reference

Baseline Assurance Health Check

20 May 2022
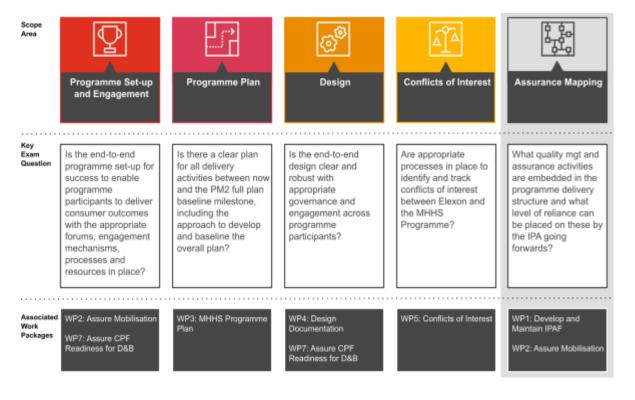
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Introduction

The purpose of this document is to set out the Terms of Reference for the 'Baseline Assurance Health Check' to be performed by the Independent Programme Assurance (IPA). The overall objective of the Health Check is to provide an assurance baseline of the programme to assess and build confidence that it is set up for success to deliver the consumer outcomes and to help inform future assurance activity.

This document sets out the scope, approach and timing of the assurance activities, which will be performed under IPA Work Packages:

- WP1 'Develop and Maintain IPAF'
- WP2 'Assure Mobilisation'
- WP3 'MHHS Programme Plan'
- WP4 'Design Documentation'
- WP5 'Conflicts of Interest'
- WP7 'Assure CPF Readiness for D&B'.

Scope

The scope of the Health Check aims to address the original intent of the IPA WPs due to be delivered over the initial phases of the programme prior to commencement of programme participant Design and Build. The Health Check will also seek to understand and map the quality management and assurance activities embedded within the programme delivery structures to inform future assurance activity in line with the assurance Lines Of Defence model in the IPAF. The overall Baseline Assurance Health Check scope, key exam questions and associated Work Packages are set out below:

Scope Area	Programme Set-up and Engagement	Programme Plan	Design	Conflicts of Interest	Assurance Mapping
Key Exam Question	Is the end-to-end programme set-up for success to enable programme participants to deliver consumer outcomes with the appropriate forums, engagement mechanisms, processes and resources in place?	Is there a clear plan for all delivery activities between now and the PM2 full plan baseline milestone, including the approach to develop and baseline the overall plan?	Is the end-to-end design clear and robust with appropriate governance and engagement across programme participants?	Are appropriate processes in place to identify and track conflicts of interest between Elexon and the MHHS Programme?	What quality mgt and assurance activities are embedded in the programme delivery structure and what level of reliance can be placed on these by the IPA going forwards?
Associated Work Packages	WP2: Assure Mobilisation WP7: Assure CPF Readiness for D&B	WP3: MHHS Programme Plan	WP4: Design Documentation WP7: Assure CPF Readiness for D&B	WP5: Conflicts of Interest	WP1: Develop and Maintain IPAF WP2: Assure Mobilisation

The assurance exam questions for each scope are is set out in the table below:

Scope Area	Assurance Exam Questions
Programme Set-up and Engagement Is the end-to-end programme set-up for success to enable programme participants to deliver consumer outcomes with the appropriate forums, engagement mechanisms, processes and resources in place?	**Governance:** ● Have all the required governance structures (including membership) been defined, agreed and does it support effective delivery and decision making for the programme including in relation to consumer interests? ● Are these groups designed effectively including roles and responsibilities and the processes in place to support their effective operation? ● Are programme participants and consumer representatives effectively engaging in the governance processes? ● Have key consumer risks, impact and priorities been identified by the programme and reflected into the management approach and programme plan? **Programme management and resourcing:** ● Are core PMO processes designed and operating effectively to manage the end-to-end programme? (eg., planning, reporting, RAID, financials) ● Is the programme scope clearly articulated and effectively managed by change control including ensuring consumer impacts are appropriately considered? ● Are resources in place for all key programme roles and clearly agreed responsibilities, ways of working and onboarding processes? **Stakeholder engagement:** ● Is a stakeholder engagement approach and strategy in place and fit-for purpose across all workstreams? ● Are programme participants being engaged appropriately based on the current required activities and are they engaging appropriately with the programme? **Central Party and Programme Participant Mobilisation:** ● Have Central Parties (Eg., Elexon, DCC) mobilised with internal budgets secured and programme teams, structures and processes in place? Are plans in place and on track for delivery? ● Have Programme Participants mobilised with internal budgets secured and programme teams, structures and processes in place or planned to be in place? **Outstanding areas of policy which may affect consumers:** ● Is there a common understanding of the remaining policy decisions resting with Ofgem which may affect consumers between Ofgem and the Programme? ● Are these decisions included in the overall programme plan and is there activity included to assess the implications on the Programme?
Programme Plan Is there a clear plan for all delivery activities between now and the	**Clarity on what participants need to do:** ● Does the plan contain sufficient detail so that programme participants are clear on what is expected of them and when? **Deliverables and milestones:** ● Does the plan provide sufficient information as to what will be delivered

Scope Area	Assurance Exam Questions
PM2 full plan baseline milestone, including the approach to develop and baseline the overall plan?	when and how deliverables/milestones will be approved as complete? **Plan management and reporting:** • Does the plan provide a sound basis for reporting and management of the programme up to the point of the full plan baseline? **Plan for the full-plan (approach):** • Is the approach for the full plan development clear in terms of what is produced and when? • Are the timelines credible? **Plan for the full-plan (participant engagement):** • Does the plan for the full plan include a suitable approach engaging participants not only in the detailed planning but also in terms of more broadly communicating and taking feedback on iterations of the plan? • Are Programme Participants sufficiently engaging with the planning activity to support the Programme in developing a robust and credible full plan baseline? **Risks:** • Has the team appropriately considered the risks to the plan and made appropriate accommodations in the plan to minimise their impact/likelihood?
Design Is the end-to-end design clear and robust with appropriate governance and engagement across programme participants?	**Planning & Architecture:** • Is there a clearly defined architectural framework and associated principles? • Have these been applied to the programme objectives and the business case? **Design:** • Is design documentation clear, complete and to an appropriate level of detail? • Are agreed standards for each design artefact in place (eg., product descriptions) to ensure the design meets the needs of programme participants for their own Design and Build work? • Does the design show how the various components across the end-to-end solution integrate with each other including those aspects delivered by Central Parties and other Programme Participants? • Are there appropriate data, process, and technical models, sufficiently cross-referenced, consistent, and complete? • Has sufficient thought been given to how the system will be tested and design requirements that will simplify testing? • Has sufficient thought been given in the design to how the system will be managed during operation, including outages/disruption and system recovery across all parties? • Has an appropriate process been followed to derive and validate the assumptions on which non-functional requirements are based? • Is the design activity on track against the plan across all components (eg., DIP, Central Parties)? **Governance & Industry Engagement:**

Scope Area	Assurance Exam Questions
	- Are the project mechanisms for Industry Consultation (e.g. DAG and the sub working groups) providing sufficient input and challenge on the design? - Are programme participants sufficiently engaging in the design process to support a robust end-to-end design? - Are the design milestones consistent with other programme milestones? - Has sufficient time been provided for resolving open design decisions, giving consideration for the need for industry engagement?
Conflicts of Interest Are appropriate processes in place to identify and track conflicts of interest between Elexon and the MHHS Programme?	**Processes and procedure design**: - Are processes designed effectively to ensure the CPF acts in a non-discriminatory way towards Elexon and Programme Participants e.g. in relation to: **Managerial Separation** - eg CPF remains managerially/operationally separate and that there are clear decision making rights defined **Staffing** - risks of any current or future secondments of staff from Elexon to the CPF are being mitigated **Escalations** - CPF has a process in place for parties to raise conflict of interest complaints, including relating to specific decisions or change **Training** - is training on conflicts of interest established, effective and completed by all relevant team members in a timely manner **Operating effectiveness of processes** - Decisions (including Change request approvals) have been taken in a fair and balanced manner - The change control process is operating to ensure that conflicts of interest are identified and considered with relevant information from all parties being captured and given appropriate consideration? - Information is kept confidential when submitted by Programme Participants - They have been monitoring compliance, recording incidents and undertaking lessons learned (within reason) **Reporting:** - Is Programme reporting a true representation of progress, is fact-based, supported by evidence and is unambiguous?
Assurance Mapping What quality mgt and assurance activities are embedded in the programme delivery structure and what level of reliance can be placed on these by the IPA going forwards?	- How is the information collected, assured and reported across lines of defence, as articulated in the lines of defence diagram? **Underlying Information**: - How has the operational information collected by workstreams to monitor and assess delivery been identified? - Is operational information collected across workstreams in a consistent, timely and accurate manner? - How is the quality and accuracy of this information assessed? **Analysis and Reporting**: - What analysis is performed on collected information?

Scope Area	Assurance Exam Questions
	• Who is it reported to, and for what purpose? • What decisions does this information support? **Quality Management and Assurance**: • How have Second Line functions been mapped across the programme, and do they have clear remits and responsibilities? • What information is shared with the IPA? • How do Second Line functions satisfy themselves of the quality, accuracy and robustness of the information they receive? • What level of reliance do they place on it and what decisions does it inform? • How are recommendations and requests communicated back to the programme, and how is their implementation monitored?

Out of Scope / Limitations of Scope

- Where scope items include review of Programme Participant mobilisation/delivery this will be performed on a sample basis only.
- The programme plan scope area will focus on the overall MHHS Programme Plan and will not seek to assess individual Programme Participant plans. This will be covered through future assurance activities under WP8 'Readiness of other Programme Participants to enter DBT'.
- The assurance activities are being performed over the period from 16 May 22 to 17 Jun 22. The extent of assurance activities will be scaled to meet this timeframe and are dependent on the availability of interviewees and timely access to documentation.
- The Health Check will not cover aspects of the MHHS Programme already reviewed as part of previous IPA activities. For example, review of the Benefits Realisation Plan that has been performed separately under WP1.

Approach

The Health Check will be performed through a combination of the following activities, which will be agreed with a designated MHHS Programme key point of contact for each scope area:

- Where scope items include review of MHHS Programme or Central Parties (eg., DCC, Elexon) activities, this will include:
  - Review of key programme documentation and evidence
  - Walkthrough of programme processes and controls, as applicable
  - Attendance at key governance and programme management meetings
  - Interviews with key stakeholders for each of the scope areas
- Where scopes items includes review of Programme Participant activities, this will be performed on a sample basis and include:

- ○ Review of information provided to the Programme Party Coordinator as part of the Readiness Assessments
- ○ Interviews with the programme participants and review of supporting evidence

Reporting

The output of the Baseline Assurance Health Check will be a report that provides overall themes and recommendations along with detailed findings and recommendations for each scope area.

Weekly checkpoints will be held with MHHS Programme management during the fieldwork to share and validate emerging findings in relation to the programme and agree recommendations where possible. Where findings and recommendations relate to other Programme Participants, these will be shared, validated and, where possible, agreed with the party in question prior to any further sharing. Findings and recommendations will be anonymised, as appropriate.

Following fieldwork, the overall draft report will be shared with MHHS Programme management to validate findings and agree recommendations prior to sharing with Ofgem and finalisation of the report.

Timeline

The key review milestones will be as follows:

- Draft Terms of Reference - 11 May 2022
- Final Terms of Reference - 13 May 2022
- Fieldwork commencement - 16 May 2022
- Fieldwork completion - 17 June 2022
- Draft report - 1 July 2022
- Final report - 15 July 2022

Team

The Health Check led by Richard Shilton, who will be supported by individual leads for each scope area, as follows:

- Programme Set-up and Engagement - Richard Shilton
- Programme Plan - Steve Mullins
- Design - Colin Bezant
- Conflict of Interest - Martin Crozier
- Assurance Mapping - Rhiannon Harrison

David Gandee, IPA Engagement Partner, will provide overall quality assurance of the Health Check and other IPA team members will support assurance activities, as required.