

	<b>Scope of Work</b>	<b>Group Capital Division</b>
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Title: **Governance, Compliance and Assurance Service Provider Scope of Work**

Document Identifier: **559-729608378**

Alternative Reference Number: **Not applicable**

Area of Applicability: **Group Capital Division**

Functional Area: **Governance, Compliance and Assurance**

Revision: **1**

Total Pages: **24**

Next Review Date: **Not applicable**

Disclosure Classification: **Controlled Disclosure**

**Compiled by**



**Leonora Rabie**

**Chief Engineer:  
Governance, Compliance & Assurance**

Date: 30 September 2025

**Functional Responsibility**



**Kennedy Subramoney**

**General Manager:  
Governance, Compliance & Assurance (Acting)**

Date: 30 September 2025

**Authorised by**



**Roman Crookes**

**Group Executive: Group Capital Division**

Date: 2025-10-01

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## 1. Introduction

The scope of work outlines the responsibilities and deliverables of the service provider to be appointed to capacitate the mandate of the Governance, Compliance and Assurance (GC&A) functions in the Group Capital Division (GCD).

## 2. Supporting Clauses

### 2.1 Scope

#### 2.1.1 Purpose

The purpose of this scope of work document is to articulate the services required from a Contract Partner to deliver services in support of the GC&A mandate for a period of five years.

#### 2.1.2 Applicability

This document shall apply throughout the Group Capital Division.

#### 2.1.3 Effective date

This document will be effective from the date of authorisation.

### 2.2 Normative/Informative References

Parties using this document shall apply the most recent edition of the documents listed in the following paragraphs.

#### 2.2.1 Normative

- [1] [240-56927206](#) Corporate Plan
- [2] [240-62072907](#) Eskom Delegation of Authority Policy
- [3] [240-87241909](#) Combined Assurance Policy
- [4] [240-87242017](#) Combined Assurance Standard
- [5] [240-112292436](#) Deliver Projects Policy
- [6] [32-20220224](#) Deliver Projects Methodology Model
- [7] [240-95401790](#) Reference Project Lifecycle Model (PLCM) Standard
- [7] [240-95232993](#) Reference PLCM Framework
- [8] [240-130339875](#) Portfolio Delivery Framework (PDF) Standard
- [9] [240-75513149](#) Procedure for conducting Compliance Reviews and Advisory Services

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### 2.2.2 Informative

Not applicable.

### 2.3 Definitions

Definitions are applied in accordance with the guidance provided in the Normative References.

### 2.4 Abbreviations

Abbreviation	Explanation
AFI	Approved for final inspection
BRA	Benefits Realisation Approval
CRA	Concept Release Approval
CTO	Construction turnover per package/milestone
DRA	Definition Release Approval
DPM	Deliver Projects Methodology
EHVC	Eskom Holdings Value Chain
EXCO	Eskom Executive Committee
EPMO	Eskom Project Management Office
ERE	Eskom Real Estate
ERA	Execution Release Approval
FPMS	Field progress measurement system
GE	Group Executive
GC&A	Governance, Compliance and Assurance
GCD	Group Capital Division
IRA	Implementation Readiness
HoA	Implement and Handover
IT	Information Technology
NTCSA	National Transmission Company of South Africa
OT	Operational Technology
PDRI	Project Definition Rating Index
PKHI	Project Key Health Indicator
PDF	Portfolio Delivery Framework
PCM	Process Control Manuals
PLCM	Project Lifecycle Model
SHEQ	Safety, Health, Environmental, and Quality
SOW	Scope of Work

### 2.5 Roles and Responsibilities

- The Group Executive responsible for the Group Capital Division (GCD) to authorise the Scope of Work.

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- The General Manager: Governance, Compliance and Assurance (GC&A) shall be functionally responsible for the contracting activities to award the GCD contract.

## **2.6 Process for Monitoring**

The Scope of Work document is a record and is not subject to be reviewed.

## **2.7 Related/Supporting Documents**

No documentation applicable.

# **3. Governance, Compliance and Assurance Service Provider Scope of Work**

## **3.1 Background**

The GCD is accountable for strategically planning, developing, and executing capital projects in Eskom. These capital projects are classified in accordance with its complexity and strategic importance.

GCD should also provide governance, compliance and assurance on all projects within GCD and selected projects across the Eskom divisions and subsidiaries.

GCD has established the GC&A Business Unit with the mandate to oversee group project governance frameworks, compliance and providing monitoring, oversight and assurance, supported by strategic project reporting and evaluation.

Therefore, the contractor shall provide services to enable GC&A to deliver on its mandate.

## **3.2 Strategic Contribution**

An objective of Eskom is to create assets in support of its strategic intent and corporate plan, ensuring economic growth and social prosperity in South Africa.

GC&A is an advisory organisation and mandated to provide Eskom Board, the Eskom Executive Committee (EXCO), the Group Chief Executive Officer (CEO) and the GCD Group Executive (GE) independent governance, compliance and assurance reports and reviews on validated project data across Eskom's divisions and subsidiaries' portfolios, programmes and projects. Timeous visibility on critical and constraining issues, recommendations and solutions is provided in support of successful asset creation and infrastructure project delivery. GC&A is an enabler that strives for continuous improvement through embedment and management of lessons learned.

The GC&A team supports the GE by providing detailed expert analysis of the project reports, which may then be followed by a briefing session to update the GE on the respective projects and the project progress towards achieving forthcoming milestones, including but not limited to discussing key issues/trends and high-risk activities with potential mitigation measures.

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The GC&A team will be instrumental in engaging with the project teams, analysing progress and recommending appropriate execution methodology and through the use of skilled personnel to enable key projects specific milestones to be met. The unrelenting focus, coupled with strategic and tactical “deep dives” (comprehensive reviews), collaborative reviews and analysis will result in enhancing the projects likely successful outcome. In addition, collaborative reviews will be scheduled with the intention of undertaking deep interrogation of the project schedules and cost, providing an independent view of project delivery.

GC&A will also provide robust oversight services through issue exploration by following the Defence in Depth philosophy, to make precursors for performance deviations visible, determine root and contributing causes to project performance deviations, provide analysis on organisational weakness classifications and track and monitor delivery with solution driven recommended plans to deal with negative performance deviations.

The purpose is:

- To avoid performance deviations proactively – by anticipating events and managing the way they impact on projects.
- To minimise the error rate by focusing on strengthening GCD’s defences and the rigorous use of prevention and improvement techniques.
- Minimise error consequence – by eliminating latent flaws and focusing on organisational effectiveness and reinforce good practices.

GC&A will implement as part of oversight and integrated business improvement systems, multidisciplinary and holistic frameworks for the project environment (internal, external and international) to ensure organisational and project operational error prevention and performance improvement. More specifically, it will assist in identifying and analysing important human and organisational performance gaps; a defence-in-depth philosophy to mitigate against human and organisational failures or risks; a framework for prevention and improvement principles which could be integrated into core business processes and practices; prevention and improvement techniques on individual, leader and organisational level; and an assurance framework that evaluates effectiveness of the cross-functional integration and interaction between the organisation, leader and individual.

### **3.3 GC&A Objectives**

The key objectives of GC&A shall be to:

- Demonstrate that Executive Management is in control of its mandate with focus on projects, resolving material issues in an expeditious manner within the agreed parameters i.e. schedule, cost, risk, safety, health, environment, and quality.
- Support delivery of GCD’s mandate by providing timeous visibility on critical constraining issues and in collaboration with project sites provide recommendations to manage project risks and issues and to implement timeous interventions/mitigations to expedite execution.

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### **3.4 GC&A Purpose**

GC&A provides the Eskom Board, EXCO, Group Chief Executive and respective GEs with independent reviews, validation of project data and an oversight and assurance of project delivery across mandated portfolios, programmes and projects of all Eskom divisions and subsidiaries viz, Group Capital, Generation, Distribution, Renewables, Group Technology, corporate departments and National Transmission Company of South Africa (NTCSA).

### **3.5 Value Proposition**

The value proposition of the GC&A Business Unit is:

- A single point of accountability for project oversight, monitoring, assurance and compliance review services in support of successful project delivery and benefits realisation.
- To facilitate transparent reporting and the promotion of continuous improvement of capital performance (i.e. portfolios, programmes and projects), achieved through continuous strategic and tactical oversight and assurance and its key activities that supports the capabilities applicable to project delivery.

### **3.6 GC&A Operating Model, Organisational Structure and Competencies**

The GC&A operating model is in the process of further development and refinement. The GC&A business unit structure and capacitation (including the resource mix of Eskom permanent staff and Third-party experts) will be subject to a phased approach based on the GC&A maturity evolution and the GCD business strategy scope and business needs.

The skill set (Eskom permanent employees and Third-Party experts) is envisaged to consist of specialists and expertise in (not restricted to):

- Data Management, Report Writing and Consolidation.
- Governance and Compliance Assurance and Professional Project Management.
- Electricity utility engineering, for example: Mechanical Engineering (Power Plant, Outside Plant, etc.), Civil Engineering, Commissioning, Construction Management, Project Development, Productivity Analysis, Master Planning, Cost Engineering, Claims Management, System engineering, Information and Operational Technology specialists.
- Business Integration Analysis, Human Performance, Industrial Engineering, Monitoring & Assurance and Knowledge Management.

Typical required competencies are:

- Technical audit.
- Project audit.
- Report writing.
- Facilitation skills.
- C-Suite presentation skills.
- Root cause analysis.
- Project Compliance reviews.

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- Project Assurance reviews.

### 3.7 GC&A Key Roles, Functions and Responsibilities

GC&A functions as a professional advisory body, independent of the projects within GCD, should be seen as an enabler that strives for continuous improvement through lessons learned by performing the following key functions:

- Strategic Reporting, Data Management, Systems & Evaluation function:** Responsible to consolidate project reports into project, programme, portfolio, executive and strategic levels and distribute to various stakeholders and governance forums as per stakeholder requirements. In addition, provides relevant reports on ad hoc basis and ensure data management for data mining and analysis and record keeping of all the outputs of the group.
- Governance Compliance & Advisory function** (*Are we doing the right things?*): Responsible for monitoring and evaluating regulatory compliance - adherence to policies, procedures, and controls.
- Oversight, Monitoring and Assurance function** (*Are we doing the things right?*): Responsible for continuous strategic and tactical assurance, including collaborative reviews and application of the deep dive methodology to provide independent reviews and an independent opinion about project status and health, and forecasting project performance while embedding lessons learned in collaboration with project teams.
- Project Performance Enablement function:** Responsible for providing robust holistic oversight service and integrated performance analysis through issue exploration by applying the “Defence in Depth Philosophy” making precursors for performance deviations proactively visible, determining root and contributing causes to project performance deviations, detecting latent deficiencies and compromised defences/controls that create an environment for performance deviations, and to reinforce good practices.

Furthermore, the GG&A functions ensure the implementation of integrated business improvement to ensure organisational, portfolio, programme and project performance improvement, and is also responsible for verification of project reports and system data.

### 3.8 Key Principles

The roles, responsibilities and output of the GC&A Business Unit is based on the following key principles:

- Be independent yet deliver the necessary governance, compliance and assurance as consolidated reports and reviews to the respective GE’s, Group Chief Executive Officer, EXCO and the Eskom Board.
- By providing independent assessments and validating project data, the GC&A Business Unit should have the capability to identify issues and outline recommendations for potential solutions to project challenges.
- Be consistent and shall work alongside the GCD Capability Partner, the Eskom Project Management Office (EPMO) and the GCD PMO, while adhering to the Combined Assurance

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and Deliver Projects Policies and utilising the Eskom Deliver Projects Methodology (DPM) and integrated Eskom Holdings Value Chain (EHVC) processes.

- Implement and maintain oversight, monitoring and assurance role and function based on best practice for effective project execution through continuous strategic and tactical oversight and assurance and its key activities that supports the capabilities applicable to project delivery.
- Be viewed as an enabler that will ensure improved performance, incorporate lessons learned, root cause identification/resolution and drive continuous improvement.
- Operate across Eskom divisions and subsidiaries to enhance overall project delivery through the application of the DPM and the EHVC processes, applicable to the selected/accepted classified and strategic important projects e.g. green and brown fields projects.
- Ensure value for investment, return on investment, reliability, availability and maintainability on a sustainable basis.
- Be established with highly competent core internal staff and complemented by highly skilled external resources comprising of experts from industry (locally & internationally).

### **3.9 Motivation for Scope of Work/Contract**

GCD's performance has a crucial impact on Eskom and ultimately the economy of South Africa. The stakeholders of GCD involve the organisation's Shareholder and the wider stakeholder community including regulatory authorities. GCD's client offices are within the Eskom Real Estate (ERE), Group Technology, Generation, Distribution and Renewables Divisions and the NTCSA subsidiary (but not limited to).

The profile of the capital projects delivered within GCD is summarised (not exclusive) below:

- Coal Fired Technologies
- Hydro and Pumped Storage Technology
- Open or Combined Cycle Gas Turbines Technology
- Heat Recovery Steam Generator Power Technology
- Nuclear Technologies
- Renewables Technologies
- Energy Storage Technologies
- Emissions Abatement Technologies
- Information Technology (IT) /Operational Technology (OT) Projects
- Distribution Infrastructure Technology
- Transmission Infrastructure Technology

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The disciplines integrated and involved in delivering a project, apart from the Portfolio, Programme and Project Management capabilities (subject to the Deliver Projects Policy), are various and embrace the application and adherence of the discipline applicable Eskom policies and processes. These are (not exclusive) Procurement and Supply Chain Management, Contracts Management, Project Engineering, Construction Management, Commissioning, Project Controls (addressing project risk, schedule and cost), Quantity Surveying, Finance, Project Accounting, the applicable Business Sustainability capabilities of Safety, Health, Environmental, and Quality (SHEQ), Strategy, Planning and Legal and Regulations.

The projects are assessed in terms of its strategic importance, integration of numerous/various distinct disciplines, the level of impact of legal, social and/or environmental implications while performing the project, stability of the overall project context and its financial impact on Eskom and ultimately on South Africa.

The spectrum of stakeholders, their strategic importance and the (high) number of reports require an optimal data management process, based on central repositories, data analysis, tracking of treatment actions and reliable, repeatable and “true” information. The quality of reporting to the GE and the GCD stakeholders is critical, and the reporting processes and system(s) in use should be effective and the reports reflecting to balance the quantity and quality of the information.

The GCD project milestones contribute significantly to the Shareholder and annual GCD compact. The GC&A function shall greatly enhance the quality of reporting by robustly interrogating project reports. This will further be supported by continued site presence whereby they will undertake detailed analysis of project activities and progress towards agreed milestones. The outcomes of these analysis and progress updates will be available on a timeous basis, which then allows proactive executive management of GCD projects from an informed independent information base.

Eskom’s current financial health status has also triggered the need for oversight and analysis pertaining to aspects such as cost to completion performance, cost benefit analysis, compensation events/claims, and project delays. Therefore, the focus of the GC&A function is broadened to span across portfolio, programme and project management and the respective project life cycle models (PLCMs) with a strong focus on integrated project controls, addressing, project risk / treatment management, cost/schedule performance, cost and schedule interrelationships, earned value, cost benefit analysis, benefits realisation and contract claims management and other contractual related matters. GC&A will also monitor and provide oversight and assurance on quality, safety, engineering, governance amongst others.

It’s also important to note that the number of projects to which oversight, monitoring and assurance is required has significantly increased to the entire Eskom Group (i.e. projects in Eskom divisions and subsidiaries, e.g. Generation, Distribution, Corporate Divisions, Renewables, NTCSA, etc). In addition, collaborative reviews will be scheduled with the intention of undertaking a deep interrogation of the project schedules and cost, providing an independent view of project performance, milestone delivery and probability of meeting approved scope, cost and time approvals, business requirements and benefits.

### **3.10 Services Required in Scope of Work**

This Scope of Work (SOW) are to achieve the following strategic objectives:

- Enhanced effectiveness of risk management, governance and controls
- Leveraged digitalisation to improve quality of information
- Improved reputation to be beyond reproach

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- Attract, develop and retain skills

### **3.11 High-level Deliverables:**

The high-level deliverables are in support of the following strategic objectives.

**Table 1: High-level deliverables in support of strategic objectives**

<b>Service #</b>	<b>High level deliverables</b>	<b>Strategic (and GC&amp;A) Objectives</b>
Service 1:	Enhanced portfolio, programme and project reporting, system and data management.	<ul style="list-style-type: none"> <li>• Leveraged digitalisation to improve quality of information.</li> <li>• Attract, develop and retain skills.</li> </ul>
Service 2:	Reviewed and implemented portfolio, programme, project and related processes governance and compliance.	<ul style="list-style-type: none"> <li>• Ensure portfolio, programmes and portfolios meet their approved objectives and benefits.</li> <li>• Enhanced effectiveness of risk management, governance and controls.</li> <li>• Attract, develop and retain skills.</li> </ul>
Service 3:	Performed portfolio, programme, project and related processes oversight, monitoring and assurance reviews/reports.	<ul style="list-style-type: none"> <li>• Ensure portfolio, programmes and portfolios meet their approved objectives and benefits.</li> <li>• Improved reputation to be beyond reproach.</li> <li>• Attract, develop and retain skills.</li> </ul>
Service 4:	Enabled Project Performance: <ul style="list-style-type: none"> <li>a) providing robust holistic oversight service and integrated performance analysis through issue exploration by applying the Defence in Depth philosophy.</li> <li>b) Implements integrated business improvement to ensure organisational, portfolio, programme, project and related processes performance improvement.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure portfolio, programmes and portfolios meet their approved objectives and benefits.</li> <li>• Improved reputation to be beyond reproach.</li> <li>• Attract, develop and retain skills.</li> </ul>
Service 5:	Capacitated project assessment functionality.	<ul style="list-style-type: none"> <li>• Enhanced effectiveness of risk management, governance and controls.</li> </ul>

#### **3.11.1 Service 1: Enhanced portfolio, programme and project reporting, system and data management**

##### **3.11.1.1 The activities involved are:**

- Review, develop/improve and implement current reporting, data management and systems processes, procedures, standards and reporting templates, and close the gaps.
- Develop and implement verification processes and procedures ensuring verified project reports and system data.
- Review current reporting, data management and systems processes and advise on gaps thereby assisting GCD to implement and ensure compliance with all applicable laws, regulations, and standards.

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- Consolidate project reports into project, programme, portfolio, executive and strategic levels and distribute to stakeholders and governance forums in accordance with stakeholder requirements.
- Provide relevant reports on ad hoc request basis.
- Ensure data management for data mining, analysis and record keeping of all the outputs of the group.
- Manage business documentation and records.
- Ensure database and analysis systems is compatible with Eskom systems.
- Verify project reports and system data for accuracy, transparency and completeness.
- Verify (oversight) of consolidated reports.

#### **3.11.1.2 Service 1 Deliverables:**

- Data mining and analyses applications and tools.
- Design of various reports for applicable stakeholder needs (outline and framework).
- Reporting, process flows and alignment of data systems.
- Reporting tools and templates.
- Optimised reporting.
- Identified shortcomings on data systems and improvement recommendations.
- Verified project reports, verified (oversight) consolidated project reports and system data for accuracy, transparency and completeness.
- Reviewed and updated reporting, data management and systems guidelines, processes, procedures, standards and templates.
- Consolidated and ad hoc reports and presentations.

#### **3.11.2 Service 2: Reviewed and implemented portfolio, programme, project and related processes governance and compliance**

##### **3.11.2.1 The activities involved are:**

- Monitor and evaluate regulatory compliance in terms of adherence to policies, processes, procedures, and controls.
- Develop, improve and implement the monitoring and evaluating regulatory compliance systems, processes and templates while adhering to Eskom policies, processes, procedures, and controls.
- Review and optimise the method(s) and output of the methodology and governance models and frameworks applied within the GC&A operating model.
- Conduct pro-active project reviews/assessments, internal audits, third-party reviews, governance reviews and compliance checks to assess adherence to regulations and policies.
- Develop response plans for governance failures or compliance breaches and facilitate lessons-learned exercises.

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- Review, identify gaps, develop/improve current governance and compliance planning processes.
- Review, implement and improve governance frameworks through policies, processes, procedures, and reporting structures.
- Review project governance and structure, as well as implementing agreed recommendations.
- Provide oversight on compliance policies alignment with evolving legal and industry standards.
- Undertake compliance reviews to existing processes across projects in Eskom in accordance with existing policies and the Eskom Holdings Value Chain (EHVC) processes (as captured in Process Control Manuals (PCMs)).

#### **3.11.2.2 Service 2 Deliverables**

- Reviewed and updated governance frameworks within the Eskom policies, processes, procedures, and reporting structures.
- Reviewed and updated governance artefacts (such as policies, standards and control points in the EHVC PCMs).
- Reviewed and updated compliance review templates.
- Reviewed and improved GC&A functionality; and specific GC&A methodology and operating model.

#### **3.11.3 Service 3 Performed portfolio, programme, project and related processes oversight, monitoring and assurance reviews and reports**

##### **3.11.3.1 The activities involved are: (Refer to Appendix A for detail)**

- Review existing assessment/assurance frameworks and templates and develop/implement the necessary improvement.
- Review, refine/develop/implement proactive assurance measures.
- Review, identify gaps, develop/implement improved oversight, monitoring and assurance processes and procedures, emphasizing the necessary planning processes.
- Provide assurance at project, programme and portfolio levels to assess health and viability and whether strategic objectives will be met including risks.
- Establish the systems and processes to ensure continuous strategic and tactical assurance, including collaborative reviews.
- Provide independent reviews and unvarnished opinions about project status and health.
- Analyse project performance and trends and, based on the analysis, forecast future project performance and trends.
- Provide recommendations for potential solutions to project challenges as required.
- Ensure embedment of lessons learned in collaboration with project teams in terms of the tracking, managing and the application thereof in similar projects.

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- Conduct strategic and tactical assurance, including collaborative reviews and application of the deep dive methodology to provide independent reviews and an independent opinion about project status and health.
- Review project statuses for consistency.
- Provide cost analysis.
- Undertake Schedule Risk Analysis, analyse variances against the baseline and analyse schedule uncertainties.
- Perform Risk Analysis – analyse the impact of uncertainty and risk events.
- Verify variance to key milestones by cause, effect and mitigation.
- Ensure identification, assessing, and monitoring of business, portfolio, programme and projects risks during project delivery.
- Review resource plans identifying whether the resources are adequate.
- Apply the divisional Benefits Registers and create a project key milestone database.
- Analyse project float.
- Assess methods and benchmarks between sites.
- Review, identify gaps, develop/implement improved schedule methodology for optimisation.
- Perform/assess/conduct/review:
  - schedule cost interrelationship analysis.
  - schedule acceleration investment as cost benefit analysis.
  - resources scheduling and productivity.
  - Earned Value Analysis; produce S-Curves.
  - analysis and recommendations for cost optimisation.
  - cost benefit analysis on operational, tactical and strategic levels.
  - projects integrated schedules for best practice compliance.
- Correlate schedule forecasting with cost forecasting.
- Create analysis presentation material for GE's based on portfolio, programme and project performance.
- Provide oversight and assurance across the PLCM on all project management matters i.e. quality, safety, cost, claim management, construction laws, permits and licences, compensation events.
- Evaluate and analyse GCD contracts in term of scope definition, contracting strategies and contracting structure; provide reports on findings and recommendations.
- Review Employer Contract Packages/Contractor's Claims/Employer's Counter Claims.
- Monitor the resolution of the Employer's Commercial and Contractual challenges on a task-by-task basis.
- Evaluate/review valuation variations and change orders and impact.
- Determine the probability of achieving a project's cost and schedule objectives.

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- Provide regular feedback with presentations to the relevant Stakeholders e.g. GE, Executives, Project Teams, etc.
- Transfer knowledge and skills to the Eskom GC&A staff & Eskom role players.
- Provide unbiased, independent evaluation of prospects for success.

Oversight, monitoring and assurance key activities grouped and described that may include for example:

- **Oversight:**
  - Continuously validate reported project progress, physically observed and checked.
  - Strategically analyse the reported progress shortfalls and accept the mitigation plans and revised schedule.
  - Review Integrated Risk Management (Identification, Assessment and Treatment of Risks).
  - Report SHEQ trends and potential outcomes
- **Monitoring:**
  - Systematically, purposeful and continuously observe the progress to achieve portfolio, programme or project objectives, or the lack thereof.
  - Thus, it forms the basis for corrective actions, both substantive and operational, and enables the reinforcement of initial positive results.
  - Identify the lessons learned when executing similar projects.
  - Track and analyse the progress activities in terms of on-course and on-schedule to meet objectives and performance targets.
- **Assurance:**
  - Consolidate, implement and track the lessons learned.
  - Validate the data repository to forecast dates.
  - Confirm the robustness of the project schedule (in terms of integrity and timeframes).
  - Verify compliance to the schedule format.
  - Confirm the robustness of the project organisation and resourcing (interface management).
  - Review the completeness of Integrated Risk Management (Identification, Assessment and Treatment of Risks).
  - Strategic Assurance:
    - Part of corporate governance, provide an independent and objective oversight of the likely future performance of projects and their alignment to the strategic direction of the organisation.
    - Provide assurance (conformance and concordance) that what was strategically planned (benefits to achieve), had ultimately been delivered (in terms of projects (benefit enablers) through an Eskom approved PLCM Subset).

Oversight, monitoring and assurance key activities grouped, described and added within the PLCM phases that may include for example:

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- **Pre-Project phase:** Confirm the strategic fit and classification of the project by confirming and validating the following:
  - The provision of the long-term funnel view as input into planning for strategic resource capacity.
  - Registered divisional benefits: Mapped and profiled benefits to enable effective measurement and tracking and adjudicated benefits realisation governance.
  - Planned benefits in approved the Benefits Realisation Plan(s): Linked (long-term funnel) projects to a specific benefit and delivery portfolio (portfolio demand) with determined benefits targets and milestone dates.
  - Generated planning alternatives to satisfy the required business change (pre-feasibility).
  - Validated funding options and selection process.
  - Reviewed appropriateness of the portfolio component structure (governance structure in which projects are delivered).
  - Validate the:
    - Justified project's thorough appraisal of the short-listed planning alternatives whether to proceed or not.
    - Prepared Concept Release Approval (CRA) to obtain mandate to arrive at a single solution (concept design) in the next phase (feasibility study).
- **Concept phase:** Provide assurance on the business planning phase and the feasible single solution (concept design) by:
  - Evaluate macro-economic risks associated with portfolio demand.
  - Review the respective project definitions and provide assurance that it meets strategic objectives and will deliver the benefits.
  - Ensure that the projects within the portfolio are delivered within its respective CRA mandate for scope, cost and time.
  - Ensure Engineering governance is followed for the project concept design.
  - Forecast and predict associated risks for the project design and the execution of the project asset.
  - Validate funding options and selection process.
  - Validate the:
    - Demonstrated commercial viability (the financial evaluation to be a bankable project and ascertain affordability).
    - Prepared Definition Release Approval (DRA) to obtain mandate to proceed with formal procurement of a stable converged solution (basic design) in the next phase.
- **Definition phase:** Provide assurance that the basic designs are conducted as per project specification by:
  - Validate project assumptions and design principles.
  - Validate and assure the optimised Portfolio Investment Plan against the Benefits Realisation Plan.

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- Ensure Engineering governance is followed for the project basic design.
- Monitor regulatory compliance.
- Validate funding options and selection process.
- Review appropriateness of portfolio component structure.
- Validate the:
  - Demonstrated investment viability.
  - Demonstrated stable, converged solution (basic design) with detailed final project scope, schedule and cost estimate.
  - Prepared Execution Release Approval (ERA) to obtain the decision to contract in the next stage.
- **Execution phase:** Monitor and assure the project schedule, cost, quality, safety, stakeholder engagement risks and impacts, and confirm the project is handed over for commercial operation by:
  - Collate and validate project information.
  - Ensure Engineering governance is followed for the project final design.
  - Conduct interpretive analysis on project performance.
  - Establish trends and forecasts based on interpretive analysis and monitor these.
  - Identify and track risks and impacts.
  - Identify and highlight lessons learned.
  - Report on portfolio performance, future outlook, risks and recommended actions.
  - Validate the:
    - Implementation Readiness (IRA gate): e.g. finalised project location to establish the site, confirmation of legal approvals, and the final design to be ready for implementation.
    - Implement and Handover (HoA gate), with the objective of:
      - The final design implemented safely, on time, and within budget.
      - The stable project asset is handed over to operations after confirmed operational readiness for operational and commercial use.
- **Finalisation phase:** Monitor the evaluation of the project and confirm the administrative close-out of the project by:
  - Evaluate the confirmation that all obligations (including warranties/guarantees, contracts, other legal documents etc.) have been transferred to operations to maintain until maturity e.g. valid appointed DCF Holder(s) per outstanding contract.
  - Monitor that all aspects of the project are closed out, including the relevant systems.
  - Assure the evaluation of the project execution performance in terms of the approved Investment Committee project mandate (scope, time, cost), as well as the performance/effectiveness of each area of the project, in accordance with the measurement metrics as defined for each of the subsidiary plans in the Project Management Plan.

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- **Post Project phase:** Monitor the confirmed realisation of benefits results post the HoA gate by:
  - Evaluate the measured realisation of benefits for the Post Project phase duration up to the predetermined date of the Benefits Realisation Approval (BRA) gate.
  - Validate the evaluated chosen solution (business case) for suitability.
  - Evaluate the approved final Benefits Realisation Report.
  - Conduct interpretive analysis on the required treatment actions identified to achieve desired benefits, including identification of future projects.
  - On a specific benefit, conduct interpretive analysis on the consolidated benefits realisation results of the various delivery portfolios to obtain the summated and final results of the specific benefit. Evaluate these results against the desired future state change the benefit had to achieve, as specified in the Benefits Register, and against the values and its contribution to the divisional objectives.

### **3.11.3.2 Service 3 Deliverables:**

- Output of the activities described in Appendix 1.
- Established oversight, monitoring and assurance processes.
- Developed and optimised maturity model.
- Schedule(s) to conduct project reviews.
- Oversight, monitoring and assurance reports and presentations to various stakeholders.
- Captured and embedded lessons learned with implemented and tracked recommended actions.
- Conducted project evaluations (desk top reviews).
- Mini and deep dive reviews on project performance across the Deliver Projects Methodology and EHVC processes applicable to deliver projects.
- Independent reviews and an independent opinion(s) about project status and health.
- Forecasted project performance.
- Embedded lessons learned in collaboration with project teams.

## **3.12 Service 4: Enabled project performance**

### **3.12.1 The activities involved are:**

- Develop and implement, as part of oversight, an integrated business improvement systematic, multidisciplinary and holistic framework for the project environment to ensure organisational and project performance improvement.
- Develop and implement an assurance framework that evaluates effectiveness of the cross-functional integration.
- Provide robust holistic oversight service and integrated performance analysis through issue exploration by applying the “Defence in Depth Philosophy”.
- Make precursors for performance deviations visible.

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- Determine root and contributing causes to project performance deviations.
- Provide analysis on organisational weakness classifications.
- Detect latent deficiencies and compromised defences/controls that create an environment for performance deviations.
- Identify latent organisational flaws to be eliminated to reinforce good practices.
- Implement, track and monitor delivery of solution driven recommended plans to deal with negative performance deviations.
- Assist in the development and implementation of project performance and enablement procedures.
- Review, identify gaps, develop/improve current project performance and enablement planning processes.
- Strengthen GCD's defences and the rigorous use of prevention and improvement techniques.
- Establish and maintain knowledge management.
- Capture lessons learned and ensured successful implementation in the organisation.
- Review effect of lessons learned implementation and reinforcement of good practices.

#### **3.12.2 Service 4 Deliverables:**

- Integrated business improvement's systematic, multidisciplinary and holistic framework for the project environment to ensure organisational and project performance improvement.
- Assurance framework that evaluates effectiveness of the cross-functional integration and interaction between the organisation, leader and individual.
- Framework for prevention and improvement principles which could be integrated into core business processes and practices.
- Deviations reports on root and contributing causes to project performance, including recommendations.
- Deviation report tracking of the progress on the implementation of the recommendations.
- Solution driven recommended plans dealing with negative performance deviations.
- Established knowledge management.
- Identified, tracked and eliminated latent organisational flaws.
- Reinforced and implemented good practices.

#### **3.13 Service 5: Capacitated project assessment functionality**

##### **3.13.1 The activities involved are:**

- Analyse and advise on continuous business improvement of current Deliver Projects Methodology (DPM) project assessment methodology (e.g. gate readiness reviews) and tools (e.g. Project Definition Rating Index (PDRI), Project Key Health Indicator (PKHI), Project Maturity

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Model (PMM), Construction readiness assessment (accessible/available in the Eskom environment)).

- Analyse and advise on continuous business improvement of the approved divisional gate readiness assessment templates.
- Prepare, update and obtain approval for the plans in accordance with business requirements (across Eskom) for example:
  - Gate readiness reviews.
  - Project assessments.
  - Other project review structures.
- Conduct the reviews and assessments in accordance with the approved plans and schedules.
- Capacitate Eskom teams through formal training, on-job training and appropriate skills transfer interventions.
- Provide the authorised reports for the respective gate readiness reviews and the project assessments.

### **3.13.2 Service 5 Deliverables:**

- Change requests on DPM projects assessment methodology.
- Updated and published divisional gate readiness assessment templates.
- Gate readiness assessment plan(s)
- Project assessment plan(s).
- Conducted and authorised gate readiness reviews.
- Conducted project assessments and reports.

## **4. Acceptance**

This document has been seen and accepted by:

<b>Full Name and Surname</b>	<b>Designation</b>
Abigail Booth	Middle Manager Project Portfolio: Clean Energy Unit, Group Capital Division

## **5. Revisions**

<b>Date</b>	<b>Rev.</b>	<b>Compiler</b>	<b>Remarks</b>
September 2025	1	Leonora Rabie	Generate the SoW document; initiate awarding of a GCD contract.

## **6. Development Team**

The following people were involved in the development of this document:

- Charl van der Merwe, Middle Manager Project Portfolio: Governance, Compliance & Assurance

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## Appendix A – GC&A: Oversight, Monitoring and Assurance Function

### A.1 Collaborative Review detail

#### A.1.1 Objective

The objective of the Collaborative Review is to undertake an independent review of the project under consideration and provide a bare bones opinion regarding the status of the project and forecast the project completion date/s.

#### A.1.2 Deep dive methodology

The deep dive methodology is a 'solution-driven/value add' exercise and will be performed in close coordination with the project execution team. Any deficiencies or short comings will be debated and communicated along with workable solutions/alternatives. These solutions will be based on industry-best practices that have been successfully used across the globe.

The time required to complete a Level 1 deep dive would be significantly shorter than a Level 2 deep dive.

#### A.1.3 Level 1 and Level 2 Collaborative Reviews

##### A.1.3.1 Level 1:

- **Schedule Certainty**
- **Completion Milestones**
  - Resource analysis.
  - Schedule review/trends (construction and commissioning) against benchmarking milestones.
  - Critical path analysis.
  - Schedule risk/mitigation.
  - Field checking versus PMP duration (balance to go).
  - FPMS (Field progress measurement system).
- **Metrics per Milestone**
  - Commodities – planned vs. actual/trends.
  - CTO (construction turnover per package/milestone)/AFI (Approved for final inspection) – planned vs. actual/trends.
  - Data books (S-curve/resources).
- **Technical/Engineering Overview**
  - Scope definition and review (change management).
  - Quality management tracking deviations.
    - Concessions in progress/outstanding that impact schedule.

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- Compilation of data books to enable AFI/CTO to proceed timeously.
- Identifying and application of lessons learnt with benefits realization.
- **Site Stakeholder Review**
  - Schedule alignment.
  - Common goals.
- **Risks**
  - Milestone risks, impacts and likelihood.
  - Treatment plans and progress.

#### A.1.3.2 Level 2:

- **Project Review & Analysis**
- **Project Organisation Structure**
  - Comparison to best practice in the industry.
- **Schedule Validation**
  - Detailed analysis of schedule (per package) construction and commissioning.
  - Earning rules, percentage progress and validation.
  - FPMS (Field progress measurement system) review.
  - Site resourcing overview/analysis.
- **Contractors' Schedules**
  - Master Schedule comparison against benchmarking milestones.
  - Overview of contractor's input/opinions.
  - Review of contractor's progress reporting and constraints.
  - Coordination and resourcing overview.
  - Technical analysis of main package schedules.
  - Turnaround time for information requests.
- **Metrics per Milestone**
  - Commodities – planned v actual/trends.
  - CTO (construction turnover per package/milestone).
  - AFI (Approved for final inspection) – plan vs. actual.
  - Data books (S-curve/resources).
  - Commissioning.
- **Key Risks - Schedule Validation**
  - Integrated schedule (Inclusive of commissioning).
  - Outcome from items above.

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- Detailed and measurable mitigation plans.
- Identifying and application of lessons learnt with benefits realization.

• **Safety Management**

- Analysis of stats to assist with trend forecasting.
- Benchmark statistics to industry norms.

**A.2 The GC&A Partner/Service Provider oversight, monitoring and assurance activities in the table below:**

1.	Execute Assurance Plan	<ul style="list-style-type: none"> <li>• Perform site visit to the area.</li> <li>• Analyse project schedule, cost and risk review.</li> <li>• Test key controls identified <ul style="list-style-type: none"> <li>– Transactional testing.</li> <li>– Evidence collection.</li> <li>– Paper and desktop review.</li> <li>– Informal/formal communication.</li> </ul> </li> <li>• Identify SHEQ compliance and non-compliance.</li> <li>• Formulate preliminary and details findings.</li> <li>• Discuss improvement areas and make recommendations through collaboration.</li> <li>• Identify best practices that can implemented to other areas, programs, etc. (e.g. milestone comparison).</li> <li>• Compile assurance report.</li> </ul>
1.1	<u>Perform Collaborative Reviews</u>	<ul style="list-style-type: none"> <li>• Perform collaborative reviews (deep dives) and analytics of the following (technical or strategic reviews):</li> <li>• Level 1: Schedule certainty; metrics per milestone; technical/engineering overview; site stakeholder review; risks.</li> <li>• Level 2: Schedule validation; contractors' schedules; metrics per milestone, key risks, safety management; site resourcing overview/analysis; data books; productivity; startup &amp; operations readiness.</li> <li>• Then discuss preliminary findings and recommendations with Project Manager/Programme Manager and Portfolio Delivery Manager.</li> <li>• Compile feedback on findings and recommendations after discussion with Project Manager/Programme Manager/Portfolio Delivery Manager.</li> </ul>
1.2	Perform Issue Explorations	<ul style="list-style-type: none"> <li>• Identify potential issue/receive request for issue exploration.</li> <li>• Explore issue/engagement.</li> <li>• Analyse, determine root causes and contributory causes, latent org. weaknesses and make recommendations.</li> <li>• Discuss preliminary findings and recommendations with Project Manager/Programme Manager/Portfolio Delivery Manager/ applicable GCD Exco member/s and obtain agreement.</li> <li>• Feedback (Deliver findings at appropriate forum/ persons).</li> </ul>

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		<ul style="list-style-type: none"> <li>Escalate non agreement if appropriate (GC&amp;A team believes it is essential that recommendation in question should be implemented).</li> </ul>
1.3	Compile Report	<ul style="list-style-type: none"> <li>Compile Issue exploration feedback.</li> <li>Compile collaborative reviews feedback.</li> <li>Report on project performance (e.g. weekly report).</li> <li>Extract action lists &amp; recommendations register, etc.</li> </ul>
2.	Monitor and Track Project Performance	<ul style="list-style-type: none"> <li>Monitor, track, trend and analyse project performance.</li> <li>Review weekly project performance independently.</li> <li>Review project performance reports as submitted by Portfolio Delivery Managers/Programme Managers/Project Managers.</li> </ul>
3.	Monitor and track actions and recommendations	<ul style="list-style-type: none"> <li>Monitor and track assurance findings, actions and recommendations are addressed. The action and agreed recommendation lists are owned by the Portfolio Delivery Manager Programme Manager / Project Manager while the GC&amp;A team facilitate.</li> <li>Escalate non-execution of the findings and recommendations.</li> <li>Follow-up engagement.</li> <li>Review effectiveness of implemented action/recommendation.</li> </ul>
4.	Document Lessons Learned	<ul style="list-style-type: none"> <li>Document lessons learned to improve future engagements.</li> <li>Share with the other Knowledge Management areas at GCD level</li> <li>Collaborative review.</li> </ul>
5.	Perform Oversight and Establish/Optimise GC&A Governance	<p>Oversight:</p> <ul style="list-style-type: none"> <li>Perform continuous Oversight on concordance level: are the right things really, right?</li> <li>Perform oversight across Portfolios, Programmes, Projects and applicable PLCM e.g. phases/stage and gates.</li> <li>Perform oversight on projects through its lifecycle in ensuring alignment to the business requirements/needs, strategy and delivery on what was promised.</li> <li>Oversight on project risk to Operations and Maintenance business and versa visa.</li> <li>Oversight to ensure benefits realisation.</li> </ul>
6.	Explore Assurance Data – For Validation and Forecasts	<ul style="list-style-type: none"> <li>Analyse assurance data for validation and forecasts.</li> </ul>

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