

Infrastructure SA

Assurance Framework

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1.

Overview

1.1. Introduction

Infrastructure SA (ISA) is established under the *Infrastructure SA Act 2018 (SA)* to improve infrastructure planning, prioritisation, operation and implementation. Figure 1 outlines the four key responsibilities under the Act.



A uniting 20 year South Australian State Infrastructure Strategy, to set the long term vision.



An annual Capital Intentions Statements to the SA Cabinet, advising on the relative priority of major projects for funding in the annual SA budget.



Reforms to policy and practice, including advice on better planning for key projects and better quality and cost outcomes for the community and taxpayer.



Maintain oversight of delivery for all major SA infrastructure projects.

Figure 1:
Functions of ISA

1.2. ISA's role in project oversight

The Act creates a requirement for ISA to independently monitor and report on South Australia's infrastructure delivery performance, during project planning, delivery and after projects are completed.

In response, this Infrastructure SA Assurance Framework – the **ISAAF**, has been developed. ISAAF is a new, independent and risk-based assurance process for South Australia.

Sponsor Agencies are required to liaise with ISA and to engage in the assurance process including, preparing an Assurance Plan, participate in Assurance Reviews and prepare and implement a Recommendation Action Plan and a Completion Report, in accordance with the ISAAF under Treasurer's Instruction TI-17, *Evaluation of and approvals to proceed with public sector initiatives* and Premier and Cabinet Circular; *PC 049 – Infrastructure SA Assurance Framework*.

The ISAAF is complemented by a range of agency guidance materials, which support this Framework. These documents are currently under development. Until completed, Guidance materials will be bespoke documents developed for each project, based on this ISAAF and other jurisdictions documentation.

1.3. ISAAF implementation and review

This ISAAF is the initial version and there will be a phased implementation and trial over a twelve month period. A 360 degree review will be undertaken with feedback from Sponsor Agencies, Delivery Agencies, Reviewers, the ISA Board and Management and Cabinet. Results of the 360 degree review will be incorporated into the next revision of the ISAAF.

Further, various aspects of the ISAAF will be phased in over the initial period and beyond, depending upon the resources available to ISA and the Sponsor and Delivery Agencies. This includes:

- Agency reporting frequency
- Risk Profile assessment
- Development of the online portal
- Program Assurance
- Assurance Reviews for projects already commenced prior to the operation of ISAAF

2.

ISAAF

2.1. Background

The past two decades have seen most Australian jurisdictions adopt central procurement 'Gateway' processes, imposing 'process assurance' via a series of point-in-time 'Gateways'. Recently, some Australian and global jurisdictions have sought to extend Gateways by adopting modern, streamlined central project delivery reporting, providing 'project assurance' between the process reviews offered by Gateways.

South Australia's major infrastructure agency (Department of Planning Transport & Infrastructure (DPTI)) has adopted the UK Gateway process; and also provides delivery reporting to a range of agencies and entities including the Cabinet, DTF, agency executives and also, the Public Works Committee (PWC) of the SA Parliament. The ISAAF is intended to operate independently of the DPTI internal process but minimise any duplication. The focus of the ISAAF is for investor assurance, whereas the DPTI process is focused on *coaching and mentoring*.

ISA's new ISAAF process modernises South Australia's approach to infrastructure planning, approvals, investment decisions, project monitoring and reporting.

The ISAAF is designed to give the SA Government early and continuous oversight of risk management and performance, and to provide agencies with support, through the expert reviewer recommendations, when projects experience downside pressures. This is outlined in the following diagram.

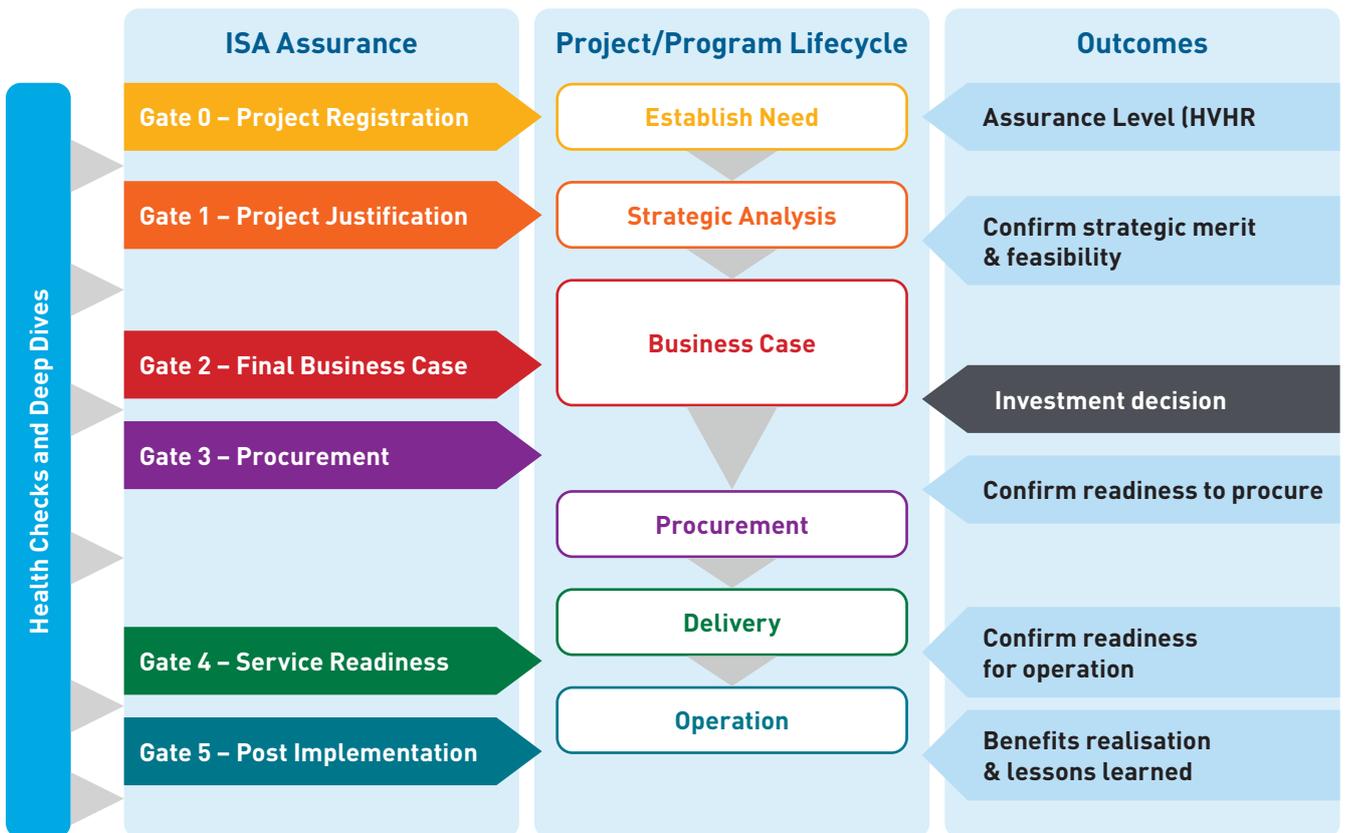


Figure 2: Assurance Outline

2.2. ISAAF's objectives

The ISAAF has been designed in consultation with key central and line agencies, to achieve the objectives set out in Figure 3 below:

- 1 Apply assurance efforts in proportion to project risks, complexity and value**
Ensure appropriate level of assurance effort is applied to projects through a tiered approach to risk assessment.
- 2 Provide accountability for thorough up-front planning and honest business cases**
End to end visibility of performance - against estimates in approved project business cases.
- 3 Provide transparent reporting, and independent oversight, during delivery**
'One up' oversight of performance; with regular agency performance reporting augmented by ISA Assurance Reviews and Health Checks at key project stages.
- 4 Have early visibility of risk events during delivery and operations**
Provide early visibility of developing downside risk events, allowing the State to deploy skills to assist agencies to identify, manage and cure problems early - and well.
- 5 Drive continuous improvement of capital planning and delivery**
Connect the 'lessons learned' to the SA Government's procurement toolkit to drive continuous improvement in capital planning and delivery.
- 6 Support line agencies**
Support agencies to procure well - and encourage transparent and clear reporting of downside risks.
- 7 Be efficient, effective and low cost**
Process to be efficient and effective to complement agency's internal project governance processes and not hinder the project's development, delivery, and operations.
- 8 Improve reporting and data collection**
Project information to be collected via an online portal - providing agencies a simple and easy to use system to provide project information.

Figure 3:
ISAAF objectives

2.3. ISAAF is designed to provide benefits to taxpayers and agencies

From the initiation of a project, ISAAF will monitor delivery performance and measure actual, final benefits against those assumed when the investment decision was made.

A range of benefits are sought from ISAAF, including those illustrated in Figure 4 below:

| | |
|---------------------------------------|--|
| Informed decision making | Greater analytic support for the Government as an investor , before and after an investment decision has been made. |
| Visibility | Provide transparency over time, cost, quality and scope performance – as well as emerging risks and benefits achieved. |
| Continuous improvement | Monitoring and reporting allows a lessons learned approach, allowing SA's capital planning and procurement models to be adjusted over time. |
| Stakeholder confidence | Improve public confidence in government project planning, cost estimates – and in achieving overall value for money. |
| Effective use of resources | Use a risk based approach orienting higher levels of assurance and resources towards high risk and high priority projects . |
| Collaboration and co-operation | Sharing of skills, resources, experience and lessons learned within and across the government sector and various portfolios – including where risks are realised. |

Figure 4:
ISAAF benefits

3.

Applying the ISAAF

3.1. Application

The ISAAF applies to all major capital infrastructure projects or programs delivered by the State's Agencies, State Owned Corporations, Government Business Enterprises and any other infrastructure project or program as determined by the Premier.

3.1.1. Threshold

ISA recognises delivery agencies undertake a range of projects and programs with varying levels of complexity and capital cost. Given this, applying the ISAAF on less risky or less costly projects may be onerous and unnecessary. For this reason, the ISAAF only applies to:

- infrastructure projects with an estimated capital cost of \$50m or more
- infrastructure projects, ranking level two and above using the project risk level calculator
- new infrastructure programs with an estimated capital cost of \$50m or more per annum, and
- infrastructure projects or programs as may be directed by Premier or as requested by the agency.

3.2. Assurance reviews and tools

The ISAAF applies essential 'tools' as part of the assurance review process - to measure and report the performance and risks during project development and delivery. A high level overview of each tool is provided in Figure 5. Further information on each tool is provided in Section 4.6.

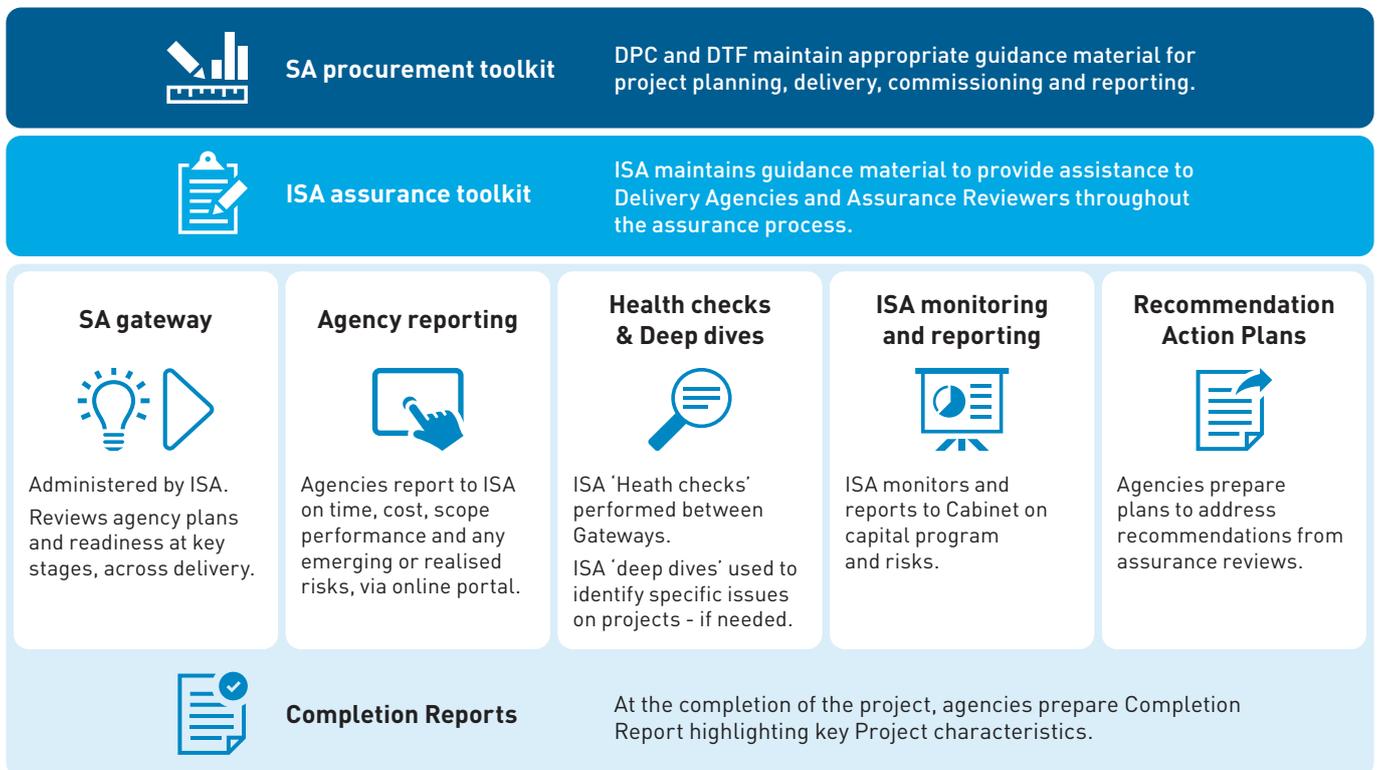


Figure 5: Assurance Tools

3.3. Roles and responsibilities

Successful assurance requires clear delineations between agencies. The roles and responsibilities for key stakeholders of the ISAAF are outlined in Table 1.

| Function | Roles and Responsibilities |
|----------------------------------|--|
| ISA Assurance | <p>ISA is responsible for:</p> <ul style="list-style-type: none"> • Establishing and administering project delivery performance reporting • Operating South Australia’s Project Assurance • Administering SA’s HVHR policies • Administering ‘Assurance Reviews’ and ‘health checks’ at key points, including approval of Project Assurance Plans and defining Terms of Reference for reviews • Coordinating ‘deep dives’, where required • Receiving Recommendation Action Plans and Project Completion Reports • Undertaking external reporting where required. |
| ISA Cabinet reporting | <p>ISA is responsible for:</p> <ul style="list-style-type: none"> • Reporting to Cabinet (EICC) on: <ul style="list-style-type: none"> - Status of Level 1 (HVHR) and Level 2 projects (>\$50m) and other projects as may be directed by the Premier - Initial project Levels and Assurance Plans - Projects which have their Levels changed as a result of changes in risks, scope, procurement approach, delivery approach or budget - Recommendation Action Plans performance - Summary of Completion Reports from agencies - Performance of panel of independent expert reviewers - Trends and Analysis of key issues identified through Assurance Reviews. |
| Panel of Expert Reviewers | <p>ISA is responsible for:</p> <ul style="list-style-type: none"> • Maintaining a panel of suitable external experts, who will undertake assurance reviews • Developing an Assurance Review Panel Framework • Appointing and administering each Assurance Review Team in consultation with the Delivery Agency. <p>The Assurance Review Team is responsible for:</p> <ul style="list-style-type: none"> • Undertaking the Assurance Review in accordance with the agreed Terms of Reference • Providing draft final report to ISA. |
| Sponsor Agencies | <p>The sponsor agency is responsible for:</p> <ul style="list-style-type: none"> • Self-registering qualifying projects • Undertaking initial self-assessment of projects • Preparation of initial Assurance Plan, in conjunction with ISA • Liaising with ISA Assurance Team point of contact where there may be a change to a project’s Level and Assurance Plan • Acting as the Delivery Agency where required • Providing all requested documentation to Assurance Review Manager for Assurance Reviews • Providing a SRO for Assurance Review • Assisting Assurance Review manager with fact checks for draft Assurance Review • Providing responses to recommendations within Assurance Reviews via Recommendation Action Plan • Preparation of Completion Reports once project is complete • Reporting to ISA on statistical information including risks, scope, time and budget against approved • Ensuring that the Delivery Agency complies with the ISAAF and TI 17. |
| Delivery Agencies | <p>The delivery agency is responsible for:</p> <ul style="list-style-type: none"> • Delivering the Project or Program on behalf of the Sponsor agency • Actively engaging with ISA in compliance with Assurance Reviews, TI 17 and PC049. |

Table 1:
Roles and responsibilities

3.4. Assurance review ownership and confidentiality

The Assurance Review and associated documentation is confidential between the nominated agency's Senior Responsible Officer (SRO) and ISA. However, the review will be fully transparent with Cabinet, and ISA will regularly report to Cabinet outcomes from Assurance Reviews – including agency reporting, Assurance Review reports, Recommendation Action Plans and status reports. This documentation will be classified as 'Sensitive: SA Cabinet'.

Assurance Reviews are conducted by an Assurance Review Team comprised of independent expert reviewers selected from a panel managed by ISA, or by a consultant expressly contracted to perform a specific review. The panel or consultant will include experts with skills, capability and experience across various stages of project lifecycles and infrastructure sectors, and may be sourced from the public or private sector. However, public sector reviewers are not to be sourced from within the Delivery or Sponsor Agency responsible for a Project, and may be sourced from interstate or internationally.

Assurance Review reports are 'Sensitive: SA Cabinet', confidential and remain the property of ISA until finalised. The SRO is free to distribute the finalised reports within Government – noting the confidential nature. The protocols for distribution are provided within **Appendix C**.

3.5. Assurance review costs

The costs of all direct and indirect ISA costs in relation to Assurance Reviews (including Health Check and Deep Dive reviews) undertaken on projects will be borne by, and recovered from, the Sponsor Agency.

4.

ISAAF Operations

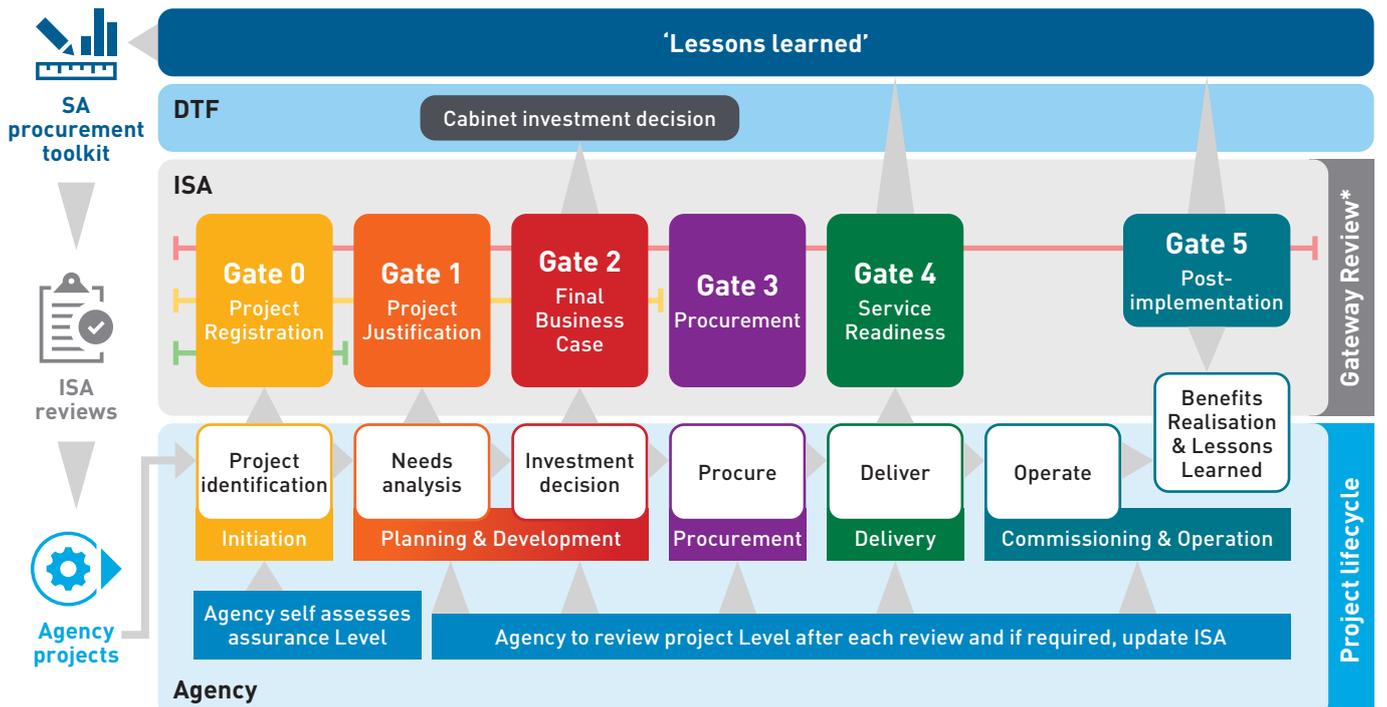
4.1. Outline

The ISAAF is an independent risk-based assurance framework for the State’s infrastructure Projects and Programs. The ISAAF supports the Premier, and Cabinet in ensuring that the government’s capital infrastructure is delivered effectively. It will assist those who sponsor, govern and manage Projects to help make better informed decisions to for capital allocation, implementation, methodology, risk management, governance and to subsequently reduce the causes of project failure.

The ISAAF has been designed to support Sponsor and Delivery Agency’s own internal Project Assurance requirements as well as allow for an independent review to identify potential project risks which could be remediated or mitigated.

The ISAAF applies through the entire project lifecycle, refer to Figure 6, – with assurance applied based on the project’s Level which calculated based on qualitative risk criteria and the estimated total cost of the Project to give a rating of Levels 1 to 3. Level 1 projects are required to undergo Assurance Reviews throughout the entire delivery lifecycle, with Level 2 projects only at the front-end of the delivery lifecycle. Level 3 projects require less Assurance Reviews.

When required, Health Checks and Deep Dives are used to assist in identifying issues between Gates and during a project’s lifecycle. For all Level 1 and 2 projects, agencies will provide agency reporting.



* Health Checks and Deep Dives to be conducted between Gates when required; Agency to provide statistical reporting
 Level 1: [Red line with ticks] Level 2: [Yellow line with ticks] Level 3: [Green line with ticks]

Figure 6:
Assurance on project lifecycle

Fundamental to the ISAAF is the capture and dissemination of 'lessons learned', the objective being to, both, establish good practice and identify areas for improvement and to share this across agencies and government. These lessons learned will also be used to update and maintain appropriate guidance material and templates for project planning, procurement, delivery, commissioning and report – as part of South Australia’s procurement toolkit.

4.2. Assurance review process

Broadly the Assurance Review process is outlined in figure 7.

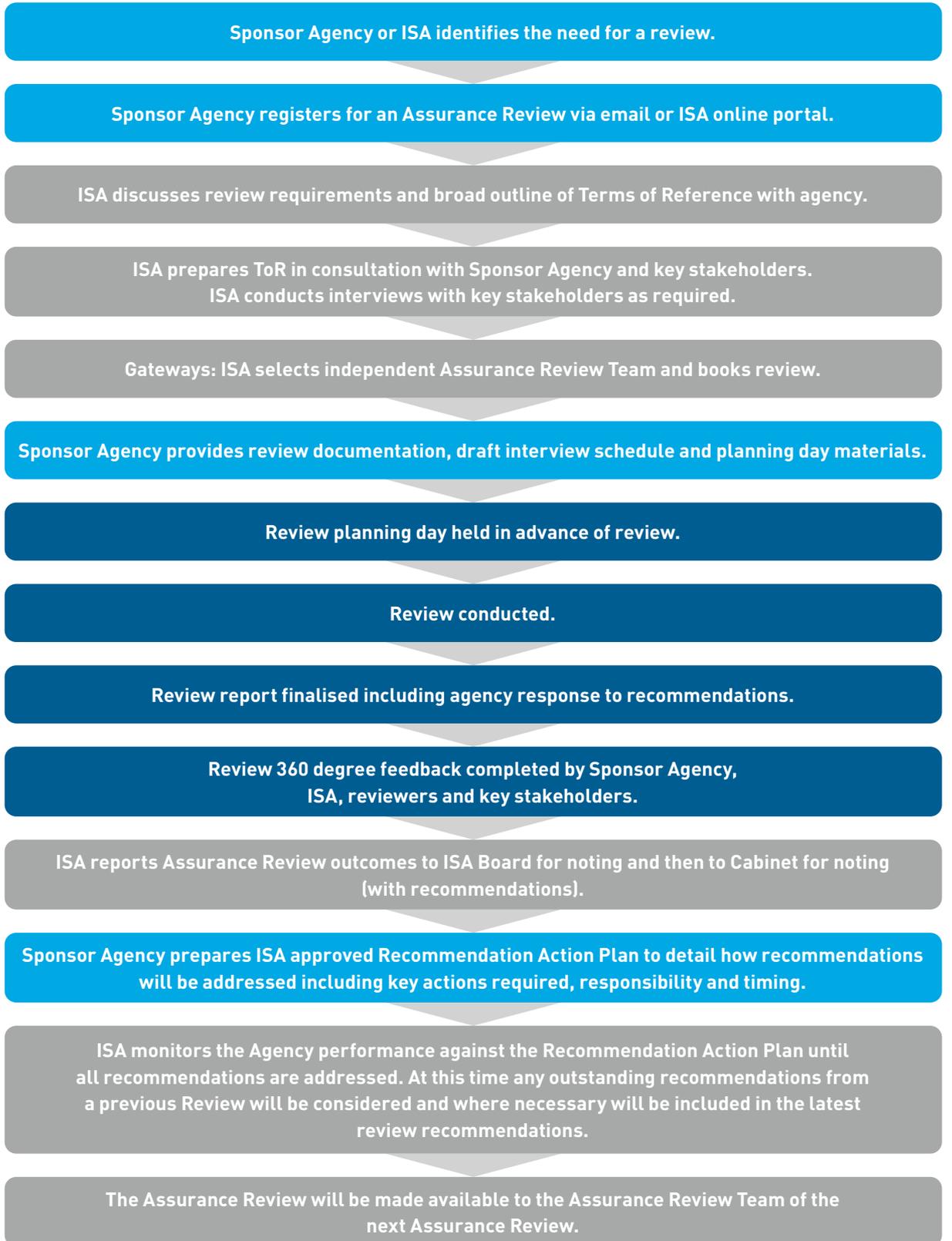


Figure 7:
Assurance review process

Sponsor agency led
 ISA led
 Review team led

4.3. Assurance for projects

Agencies must self-register all applicable infrastructure projects with ISA. The self-registration includes an initial risk profile self-assessment by the Sponsor Agency and a submission of an initial Assurance Plan (refer **Appendix A**). During the initial risk assessment, the Project will be assigned a Project Level – based on the outcome of the initial risk assessment and the estimated capital cost of the project.

ISA will review the registered Project, its initial assigned Project Level and the submitted Assurance Plan. ISA will then inform the agency of the review. In the instance where the outcome of the review is not aligned with that of the agency, ISA will notify the agency and provide the agency an opportunity to justify their initial submission. Agencies will be notified of the approved Project Level as well as the Assurance Plan. This process is outlined within **Appendix B**.

Regular coordination and reporting between the Sponsor Agency and the ISA Assurance Team will be undertaken to confirm timing of Assurance Reviews and provision of documentation.

ISA, through its Assurance Managers, will prepare Terms of Reference for each Assurance Review. This will ensure that project specific issues are identified and the appropriate amount of focus given. ISA also selects independent reviewers from the panel and books the review dates in consultation with the Sponsor Agency.

ISA will monitor each Project Level through the project lifecycle to ensure the endorsed Project Level still remains applicable. Agencies are to note that although a Project Level has been approved by ISA, if there is a material change to the Project – regarding risks, scope, procurement approach, delivery approach or budget, the agency will need to consult with ISA at the first instance and may need to update the Project Level with ISA.

4.4. Assurance for programs

All Programs with specific Budget funding above the minimum threshold (\$50 million p.a.) are to be registered. Agencies will be required to undertake a self-assessment of the Program under the HVHR profile criteria.

Similar to the process for Projects, the initial Program rating will be reviewed by ISA. In the case where the outcome of the review is not in line with the initial rating provided, ISA will notify the agency and provide the Delivery Agency an opportunity to justify the initial submission. Agencies will be notified of the approved Program Level.

Agencies are also required to submit an initial Program Assurance Plan (**Appendix A**) outlining the assurance requirements for the entirety of the Program. Like Project Levels the Program Level will determine the assurance required (Table 3).

However, once level 1 or 2 Programs are justified (Gate 1), the Program is separated into individual Projects to account for the potential for each Project having delivery timing, staging requirements and/ or funding requirements. The individual Projects will need to be assessed using the HVHR Framework to determine the assurance requirements for each Project between Gate 2 and 5. The separated Projects will be consolidated back into a Program at Gate 5 to assess the benefits of the Program in its entirety.

4.5. Determine the project level

4.5.1. High Value High Risk (HVHR) methodology

A key principle of the ISAAF is the overarching requirement to increase scrutiny and oversight for projects seen as higher value and/or higher risk (HVHR). In this context, the 'HVHR methodology' supports ISAAF by ensuring appropriate levels of assurance and reporting are applied through a project risk evaluation scoring tool, tailored in proportion to a project's potential risk profile and estimated total cost.

This sees the design of the framework increasing the level of rigour required for projects with certain potential risk characteristics, but, at the same time, achieving value for money by only increasing the intensity of assurance where it is most needed e.g. for Level 1 (HVHR) projects. Refer to Figure 8.

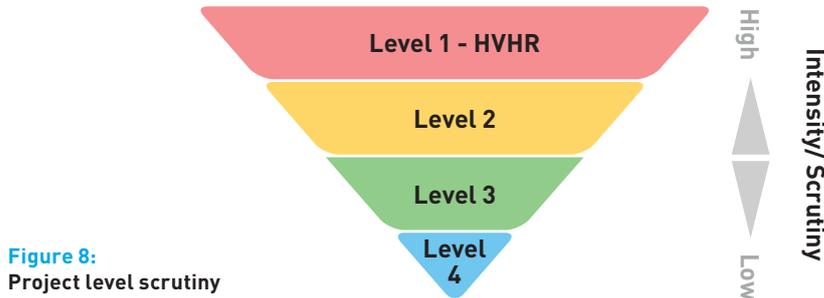


Figure 8:
Project level scrutiny

The initial risk profiling of a project arises in the form of a self-assessment, whereby agencies allocate a 'weighting score' for each of the Risk Profiling Criteria and, ultimately, determine an overall Project Level, to which different degrees of Project Assurance can be applied. Each Project is thereafter endorsed, by ISA, with a Project Level from 1 (being HVHR) through to 4.

A weighted risk score is calculated based on the qualitative risk criteria, based on important attributes of project delivery, shown in **Appendix D**, coupled with the estimated total cost of the Project to determine the Project Level as shown in Table 2. The criteria weighting and the characteristics are used to calculate the weighted risk score which is between 0 -1.

| Weighted Risk Score | Estimated Total Cost | | |
|---------------------|----------------------|---------------|---------|
| | \$15m to \$50m | \$50m to 100m | >\$100m |
| 0 to 0.3 | Level 3 | Level 2 | Level 2 |
| 0.31 to 0.5 | Level 3 | Level 2 | Level 1 |
| 0.51 to 0.74 | Level 3 | Level 1 | Level 1 |
| 0.75 to 1 | Level 2 | Level 1 | Level 1 |

Table 2:
Project level weighted risk matrix

All projects over \$15 million are self-assessed by the Sponsor Agency, however only projects with a high weighted risk score (0.75 to 1) will be referred to ISA.

Project Levels will be routinely reviewed by ISA for appropriateness after each review. If a change in Level is required, the proposed amended Project Level will firstly be reviewed by ISA.

If a Project is to be removed from the Project Level 1 – HVHR list, before it is operational, the relevant agency must request the removal in writing to ISA.

Projects under the \$15m threshold are considered Level 4 where no independent assurance is mandatory but agencies can elect to have reviews conducted by ISA at their discretion.

4.6. Review types

The ISAAF includes 4 key tools (refer Figure 9 - Assurance Tools) as part of the assurance process.



Figure 9:
Assurance Tools

4.6.1. Agency Reporting

Agencies are required to provide ISA with project reporting. Reporting will consist of the project’s performance against scope, cost and time against the approved and also include project risks and mitigation measures.

The frequency of agency reporting is every two months for Level 1 and Level 2 projects.

ISA will review the agency reports and utilise a traffic light dashboard system. The project status is independent to the overall confidence rating provided during the Gateway review or health check. It will provide the status of the Project at the time of agency reporting. The traffic light system will consist of:

| | | |
|--------------|--|---|
| Green | Successful project delivery appears highly likely. No major outstanding issues or risks identified at this stage. | |
| Amber | Green | Successful project delivery appears likely. Minor issues and/ or risks identified with appropriate mitigation measures provided. |
| Amber | Successful project delivery appears probable. Major issues and/ or risks identified with appropriate mitigation measures provided. | |
| Amber | Red | Successful project delivery appears to be in doubt. Major issues and/or risks identified needing immediate action. |
| Red | Successful project delivery appears unachievable. Major issues and/ or risks identified and do not appear to be manageable or resolvable. | |

Figure 10:
Project Status Reporting Dashboard

The agency reporting will also be collated as part of ISA’s monitoring and reporting requirements.

Reporting for Programs will be dependent on Program Level. Agency reporting will only be required up to Gate 2, as post Gate 1 the Program will be separated into individual Projects and each having individual assurance requirements.

4.6.2. Gateway Reviews

Gateway Reviews are short, sharp examinations at key decision points (gates) in their lifecycle. The Assurance Reviews look to identify project risks that could potentially jeopardise successful project delivery as well as identify any opportunities to improve Projects in their current lifecycle and ensure the best possible outcome for the Project.

Reviews are undertaken on behalf of ISA by a team of independent expert reviewers, or a consultant, in the spirit of cooperation and collaboration between the review team and Sponsor Agency. Expert reviewers will look to provide constructive feedback – where required, and recommendations for any identified project issue.

For the SA Government, Assurance Reviews provide confidence and a means of evidence to support its investment decisions and assess the capability of the agencies involved to manage and deliver the Project. It is important to note Assurance Reviews are designed to support effective development, planning, management and delivery of Projects and are in place to assist agencies to successfully deliver their Projects.

Assurance Reviews are mandatory throughout the project lifecycle for all large and high risk Projects (refer Figure 9). Agencies have the option to 'opt-in' on Assurance Reviews for other Projects if the agency sees a requirement. The responsibilities for agencies – specific to the Project Level are outlined in Table 3.

| Applicability - HVHR (Level) | | | | Gateway Review No. | Gateway Review Description | Agency Requirements ¹ | Assurance - Area of focus |
|------------------------------|-----|-----|---|--------------------|----------------------------|--|---|
| 1*1 | 2*1 | 3*1 | 4 | | | | |
| R | R | R | 0 | 0 | Project Registration | All projects / programs <ul style="list-style-type: none"> Agency self registers projects over minimum threshold Levels 1 & 2 only <ul style="list-style-type: none"> Preliminary project assurance plan | Review against HVHR methodology to determine Assurance Level. |
| R | R | 0 | 0 | 1 | Project Justification | Levels 1 & 2 only <ul style="list-style-type: none"> Project justification, using ISA assurance toolkit | Review methodology for project justification and findings. |
| R | R | 0 | 0 | 2 | Final Business Case | Levels 1 & 2 only <ul style="list-style-type: none"> Final business case, using ISA assurance toolkit | Review final business case methodology and findings. |
| R | 0 | 0 | 0 | 3 | Procurement | Level 1 only <ul style="list-style-type: none"> Procurement documentation Procurement and delivery strategy Evaluation strategy Probity plan | Review agency procurement and delivery documents and overall strategy. |
| R | 0 | 0 | 0 | 4 | Service Readiness | Level 1 only <ul style="list-style-type: none"> Testing and commissioning documentation Operational readiness docs Handover strategy | Review to focus on the level and adequacy of the handover strategy from project team to operator to allow benefits from the FBC to be achieved. |
| R | 0 | 0 | 0 | 5 | Post Implementation | Level 1 only <ul style="list-style-type: none"> Benefits realisation report by agency Evidence of performance Lessons learned | ISA undertakes independent benefit realisation assessment, against the outlined within the final business case. |

Table 3:
Assurance Review requirements – Sponsor Agencies and ISA

R = Required, O = Optional

* Health Checks and Deep Dives to be conducted when required

1 Agency Reporting required

Assurance Reviews will be undertaken in accordance with Gateway Review guidance material. The ISA Assurance Manager will develop project specific terms of reference after a review of project/program documentation. From this, ISA will select an Assurance Review Team comprised of expert reviewers from its panel or a consultant.

All final assurance reports will be provided to Cabinet for information and noting, ISA will coordinate with Agencies in closing out recommendations provided as part of each Assurance Review.

4.6.3. Health Checks and Deep Dives

Health checks may be conducted at any time during a project's lifecycle, but most typically, during long durations between Gateways. Health checks will identify any issues that may emerge between key decision points in a project's lifecycle and are undertaken by an independent team of expert reviewers. Deep Dives are similar to Health Checks, however focus on specific project issues.

Health checks will be used for Level 1 projects during the delivery phase and should be conducted on a minimum half yearly basis.

For all other Levels Health Checks are optional, however will be undertaken:

- If recommended by the ISA Assurance Director
- Included as a recommendation as part of the previous Gateway review
- If recommended by a central Government Agency
- If recommended by the Premier or Minister
- When insufficient progress has been made on closing out recommendations provided at the Assurance Review, or
- A major incident has occurred during a project's lifecycle, and
- Any other material changes.

Where Health Checks and Deep Dives have not been recommended, agencies are able to 'opt-in' to have these undertaken for their projects. All final Health Checks and Deep Dives will be provided to Cabinet for noting and ISA will coordinate with Sponsor Agencies in closing out recommendations provided as part of the Assurance Review.

4.6.4. ISA monitoring and reporting

ISA will monitor and report the status of Projects through:

- Findings and recommendations from assurance reviews
- Agency reporting
- Recommendation Action Plans, and
- Completion Reports.

A summary of these findings and any potential project risks will be provided to Cabinet for noting with Level 1 Projects having a greater emphasis compared to other Levels.

ISA will also report monthly to the ISA Board on:

- (Rolling) Forward looking Assurance Plans
- Assurance Reviewer Panel – changes to the panel and any areas where there are deficiencies in skills
- Assurance Reviewer performance – by exception, and
- Recommendation Action Plan Summary for all Projects by exception.

4.6.5. Recommendation Action Plan (RAP)

As part of the Assurance Review process, Recommendation Action Plans (RAP) will need to be prepared by agencies to address the recommendations provided within the completed Assurance Review. The objective of the Recommendation Action Plan is to detail how agencies will 'close-out' the recommendations, including stating the actions, timing and responsibility to each recommendation.

ISA will review and where satisfactory, the Recommendation Action Plan will be provided to Cabinet for information. ISA will monitor the status of the recommendations and provide any major risks to the attention of Cabinet.

4.6.6. Completion Reports

For all Level 1 and 2 projects, Sponsor Agencies will prepare Completion Reports in preparation for a Gate 5 Post-implementation review. The Completion Report will include:

- The initial scope of the Project and any changes
- The delivery strategy used
- The procurement model used
- The funding approach
- Time performance measured against the approved final business case
- Costs measured against the approved final business case, and
- Project risks and their mitigation measures.

The collation of Completion Reports by ISA will allow identification of any trends across SA's infrastructure projects including particular funding approaches, delivery approaches and procurement models and any particular risks to these approaches. The reports will also provide benchmark data for comparison of future Projects.

4.7. Assurance online portal

ISA plan to establish a secure online portal to manage and support the processes within the ISAAF. The online portal will have dual user interfaces - an internal user interface for ISA and an external user interface for Delivery Agencies. The portal provides ISA and Delivery Agencies a simple and easy to use system to manage all assurance activities.

Key features of the online portal will include:

- **Agency self-registration** – Agencies will self-register (refer **Appendix A**) each new Project or Program on the online portal. At this stage an initial self-risk assessment will be conducted. The portal will provide a preliminary Project Level based on the initial risk assessment. This initial Level will be reviewed by ISA with agencies notified of the approved Project Level.
Agencies will also complete the initial Assurance Plan in this process.
- **Agency Reporting** – Agencies will provide project reporting to ISA (frequency dependent on Project Level) on project performance against scope, cost and time against the approved and also include project risks and mitigation measures (refer **Appendix E**).
- **ISA Monitoring** – ISA will monitor the status of Projects through the online portal. This will require the uploading of findings and recommendations from Assurance Reviews, status of Recommendation Action Plans, findings from completion reports and a collation of the agency reporting.

Until the portal is established, processes will be undertaken manually.

4.8. Assessment regime of framework

A key component of the ISAAF is for ISA to regularly evaluate the performance of the framework and contribute to the analysis of project and assurance issues and trends.

The assessment regime of the ISAAF is outlined in Table 4.

| | | |
|--|---|----------------|
| Forward looking Assurance Plans | Forward looking plans to identify assurance requirements over the next 12 months | Rolling Annual |
| Assessment of the capability of independent review panel | Assessment of the Assurance Reviewers on the expert review panel and their requisite experience and skills to provide advice for Projects they review | Post-review |
| Assurance Reviewer performance | Monitoring the robustness and timeliness of individual Assurance Reviewer performance | Six monthly |
| Performance of closing out recommended actions from assurance reviews | Report on performance of delivery agencies in closing out review recommendations | Monthly |
| Trends and analysis of key issues | Report on the issues identified in Assurance Reviews and Completion Reports | Annual |
| Overall performance of the ISAAF | Report on ISAAF performance in key areas including any amendments or updates to the Framework | Annual |

Table 4:
ISAAF Assessment Regime

Self-Registration and Assurance Plan Templates

Step 1:

Agency self-risk assessment (refer to Appendix D) – note, as part of the assessment there is a need to include explanations for the rating provided for each risk criteria.

Step 2:

Self Registration

| Project / Program Self Registration | | |
|-------------------------------------|---|--|
| 1 | Project / Program Name | Name: |
| 2 | Responsible Minister | Name: |
| 3 | Sponsor Agency | Name: |
| 4 | Project / Program Sponsor | Name: Position: Telephone No: Email: |
| 5 | Type of infrastructure | [type of passenger transport, freight transport, Energy Waste and wastewater, Education, Mining, resources and extractive industries, Health and human services, Public Housing, Justice, Agriculture, Sports and culture] |
| 6 | Is the Project part of a Program | [Yes/No] |
| 7 | Description of Project / Program | [insert summary including how and where project was initiated i.e. legislation, election commitment etc.] |
| 8 | Project / Program objectives | [insert including its relation to meeting state needs] |
| 9 | Project / Program benefits | [insert summary] |
| 10 | Expected duration | [insert estimate start and finish date for each project lifecycle phase] |
| 11 | Estimate capital cost | [\$] |
| 12 | Risk Profile | Weighted Risk Score |
| 13 | Submitted by | Name: Position: Date: Signature: |

For Level 1 & Level 2 Projects, proceed to Step 3.

If the capital works is a Project – complete Step 3a, if it is a Program complete Step 3b.

Note: This form may evolve over time and include additional information.

Step 3a:

Agency completes a draft Project Assurance Plan

| Draft Project Assurance Plan | | | | | | | | |
|------------------------------|--|---|-----------|-----------|-----------|-----------|-----------|-----------|
| 1 | Project Name | Name: | | | | | | |
| 2 | Responsible Minister | Name: | | | | | | |
| 3 | Sponsor Agency | Name: | | | | | | |
| 4 | Senior Responsible Officer | Name: Position: Telephone No: Email: | | | | | | |
| 5 | Project Assurance governance arrangements | [include governance arrangements for the assurance process] | | | | | | |
| 6 | Proposed Gateway assurance requirements and timing <small>(agency to ✓ where required and include indicative timing)</small> | Gate | 0 | 1 | 2 | 3 | 4 | 5 |
| | | Date | Month/yr. | Month/yr. | Month/yr. | Month/yr. | Month/yr. | Month/yr. |
| | | | | | | | | |
| 7 | Proposed health checks <small>(agency to ✓ where required and including indicative timing)</small> | Gates | 0-1 | 1-2 | 2-3 | 3-4 | 4-5 | |
| | | Date | Month/yr. | Month/yr. | Month/yr. | Month/yr. | Month/yr. | |
| | | | | | | | | |
| 8 | Proposed date for reporting | [insert day of month, i.e. first Monday of the month, last Friday of the month] | | | | | | |
| 9 | Additional comments | [insert – if required any comments which may clarify submission] | | | | | | |
| 10 | Submitted by | Name: Position: Date: Signature: | | | | | | |

Note: This form may evolve over time and include additional information.

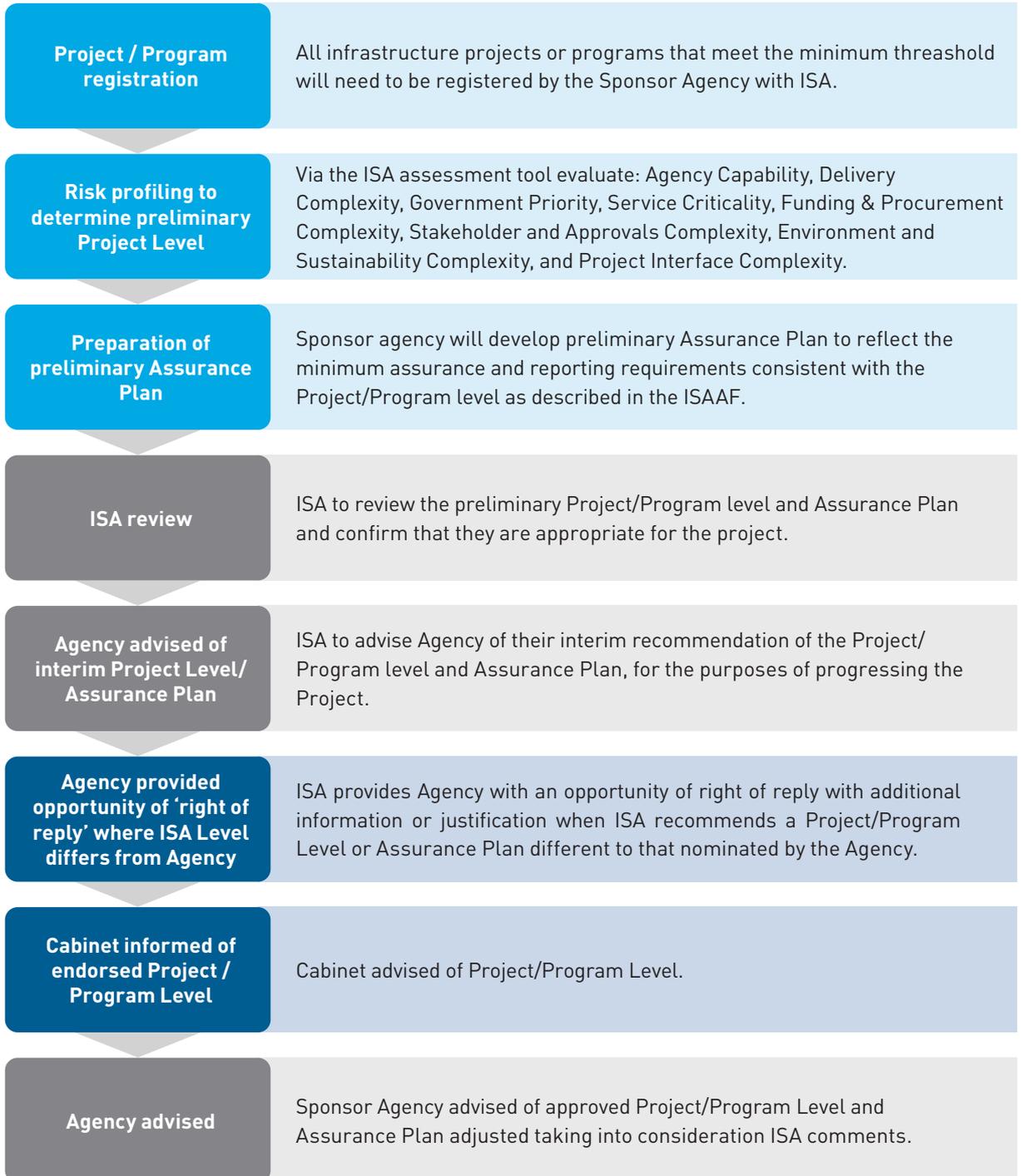
Step 3b:

Agency completes a draft Program Assurance Plan

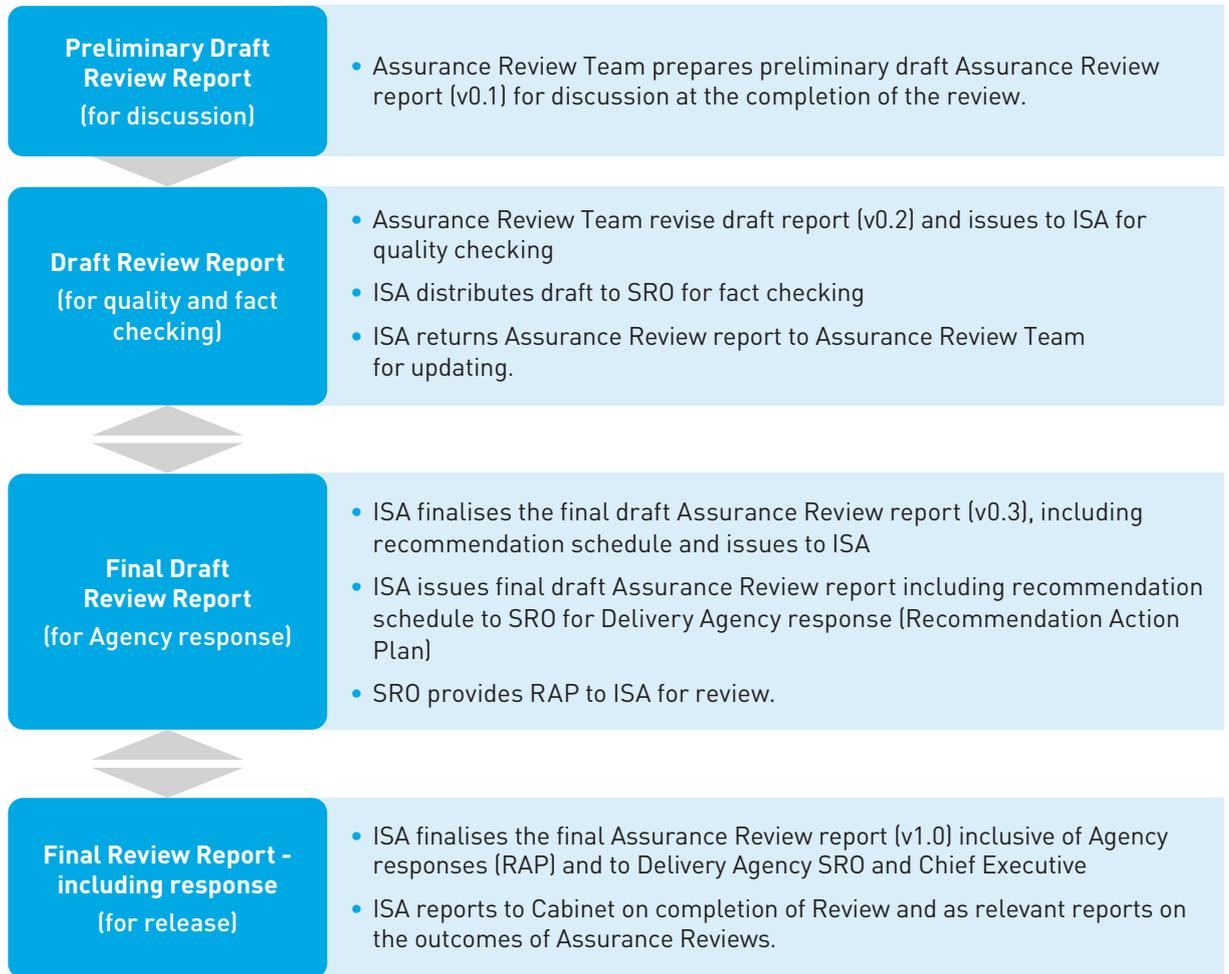
| Draft Program Assurance Plan | | | | | |
|------------------------------|--|---|-----------|-----------|-----------|
| 1 | Program Name | Name: | | | |
| 2 | Responsible Minister | Name: | | | |
| 3 | Sponsor Agency | Name: | | | |
| 4 | Senior Responsible Officer | Name: Position: Telephone No: Email: | | | |
| 5 | Program assurance governance arrangements | [include governance arrangements for the assurance process] | | | |
| 6 | Proposed Gateway assurance requirements and timing <small>(agency to ✓ where required and including indicative timing)</small> | Gate | 0 | 1 | 5 |
| | | | | | |
| | | Date | Month/yr. | Month/yr. | Month/yr. |
| | | | | | |
| 7 | Proposed health checks <small>(agency to ✓ where required and include indicative timing)</small> | Gates | 0-1 | | 5 |
| | | | | | |
| | | Date | Month/yr. | | Month/yr. |
| | | | | | |
| 8 | Proposed date for reporting | [insert day of month, i.e. first Monday of the month, last Friday of the month] | | | |
| 9 | Additional comments | [insert – if required any comments which may clarify submission] | | | |
| 10 | Submitted by | Name: Position: Date: Signature: | | | |

Note: This form may evolve over time and include additional information.

Process for assessment of Project/Program level



Assurance review distribution protocols



Project/Program profile risk evaluation Tool Criteria

| Criteria Weighting | Rating | Rating Characteristics |
|---|--------|--|
| <p>Agency capability: 15%</p> <p>The track record, level of skills and experience a Delivery Agency has demonstrated in Project/Program delivery, including the skills and expertise that may be recruited or procured for the development and/or delivery of the proposed Project/Program.</p> | 4 | Very high agency capability risk No projects of this type delivered within the previous 10 years. |
| | 3 | High agency capability risk Few number of similar projects delivered in the last 10 years. |
| | 2 | Medium agency capability risk At least five projects of this type over the previous 5 years. |
| | 1 | Low agency capability risk Multiple, recurring projects of this type. |
| | 0 | Very low agency capability risk 'Business as usual' type projects. |
| <p>Delivery complexity: 25%</p> <p>The degree of potential complexity a Project may face during project delivery, such as coordinating multiple project stages, relying on new or untested technologies which are difficult to forecast and complex terrain or geography, and the extent to which the project includes information and communications technology (ICT) elements.</p> | 4 | Very high delivery complexity Project involves multiple stages, new or untested technologies and face very complex deliverability issues e.g. high amount of ICT, complex terrain or environmental restrictions. |
| | 3 | High delivery complexity Project involves few stages and faces some complex deliverability issues, including ICT. |
| | 2 | Medium delivery complexity Project faces few complex deliverability issues. |
| | 1 | Low delivery complexity Project type is fairly common and has been delivered within the previous 5 years. |
| | 0 | Very low delivery complexity Project type is common and recurring within the previous 5 years. |
| <p>Government priority: 10%</p> <p>The extent to which a Project or Program is a prioritised and forecast to occur, where:</p> <ul style="list-style-type: none"> The priority is mandated in a strategic government document, such as the 20-year ISA Infrastructure Plan, Election Commitment, SA Budget or as result of a legislative change. The progression of the Project is forecast to occur, in particular the commencement of planning/development, construction or construction completion. | 4 | Very high Government priority Mandated priority Project, and business case or construction to be completed within projected estimates. |
| | 3 | High Government priority Mandated priority Project, and business case or construction to commence within projected estimates. |
| | 2 | Medium Government priority Mandated priority Project, and business case or construction to be completed outside projected estimates but within the next 1-2 years beyond forward projections. |
| | 1 | Low Government priority Mandated priority Project, and business case and construction to commence outside forward estimates but within the next 3-6 years beyond forward projections. |
| | 0 | Very low Government priority Agency priority in strategic planning document over the next 10 years. |

| Criteria Weighting | Rating | Rating Characteristics |
|---|----------|---|
| <p>Service Criticality: 10%</p> <p>The extent to which a Project / Program is deemed to be crucial to meet a deficiency that, if not addressed, may have major adverse consequences on the community or prevent the growth of a new community.</p> | 4 | <p>Very high project need</p> <p>Addresses an urgent and critical deficiency that could adversely impact service delivery for:</p> <ul style="list-style-type: none"> • an existing community e.g. provision of water or energy security or the growth of a new community, or • an accelerated and unexpected demand for services e.g. meeting rising demand for correctional facilities or provide critical transport access. |
| | 3 | <p>High project need</p> <p>Addresses a serious deficiency that could have a high impact upon service delivery for an existing community or the growth of a new community.</p> |
| | 2 | <p>Medium project need</p> <p>Addresses an important deficiency that could have a medium impact upon service delivery for an existing community or the growth of a new community.</p> |
| | 1 | <p>Low project need</p> <p>Addresses some deficiency that could have a low impact upon service delivery for an existing community or the growth of a new community.</p> |
| | 0 | <p>Very low project need</p> <p>Addresses minor deficiency that could have a very low impact upon service delivery for an existing community or the growth of a new community e.g. provision of cultural projects.</p> |
| <p>Funding and Procurement complexity: 15%</p> <p>The degree of certainty or complexity in funding or required procurement method required for the successful delivery of the Project. This could include complex mechanisms for funding such as private or multiple funders, or sophisticated procurements such as PPP or (Agency) non-traditional methods.</p> | 4 | <p>Very high funding & procurement complexity</p> <ul style="list-style-type: none"> • Funding arrangements are highly complex and include multiple parties (Federal, local and private entities), or • Procurement Highly complex procurement e.g. Public Private Partnership (PPP), or a Hybrid that includes a PPP. |
| | 3 | <p>High funding & procurement complexity</p> <ul style="list-style-type: none"> • Funding arrangements are fairly complex and include multiple parties (Federal, local and private entities), or • Unconventional complex procurement e.g. an Alliance or hybrid Alliance not normally undertaken by the agency. |
| | 2 | <p>Medium funding complexity</p> <ul style="list-style-type: none"> • Funding arrangements are not complex and include multiple parties (Federal, local and private entities), or • Limited procurement complexity e.g. Early Contractor Involvement. |
| | 1 | <p>Low funding complexity</p> <ul style="list-style-type: none"> • Funding or procurement arrangements are not complex and include no more than 2 funding entities (Federal, local or private entities), or • Minor procurement complexity e.g. Directly Managed Contract or Design and Construct. |
| | 0 | <p>Very low funding complexity</p> <p>Funding or procurement is straight forward and routine.</p> |

| Criteria Weighting | Rating | Rating Characteristics |
|--|----------|--|
| Stakeholders and approvals complexity: 10% <ul style="list-style-type: none"> The extent to which the project will require extensive management of stakeholders including: <ul style="list-style-type: none"> Organisations: where the organisations are involved in project funding or have operational responsibilities; and/or Planning agencies: where rigorous management is required to obtain necessary approvals for the project Political – where there is a potential political interface and the outcomes of Projects / Programs may be impacted from this. | 4 | Very high complexity Project requires extensive management of stakeholders and/or approvals. |
| | 3 | High complexity Project requires high amounts of management of stakeholders and/or approvals. |
| | 2 | Medium complexity Project requires minor amounts of management of stakeholders and/or approvals. |
| | 1 | Low complexity Project requires minimal amounts of management of stakeholders and/or approvals. |
| | 0 | Very low complexity Project requires no amounts of management of stakeholders and/or approvals. |
| Environmental and Sustainability complexity: 10% <p>The extent to which successful delivery may be impacted due to issues related to heritage, climate change and/or sustainability.</p> | 4 | Very high complexity Project has very high complexity in relation to heritage, climate change and/or sustainability issues. |
| | 3 | High complexity Project has high complexity in relation to heritage, climate change and/or sustainability to issues. |
| | 2 | Medium complexity Project has a minor amount of complexity in relation to heritage, climate change and/or sustainability issues. |
| | 1 | Low complexity Project has minimal complexity in relation to heritage, climate change and/or sustainability issues. |
| | 0 | Very low complexity Project has no complexity in relation to heritage, climate change and/or sustainability issues. |
| Project Interface complexity: 5% <p>The extent to which successful delivery of the Project / Program relies on other Projects / Programs, where delivery of the proposed Project has an interdependency with other projects that may impact the project scope or cost.</p> | 4 | Very high interface complexity Fully interdependent on other projects or services. |
| | 3 | High interface complexity Important interdependencies with other projects or services. |
| | 2 | Medium interface complexity Minor interdependencies with other projects or services. |
| | 1 | Low interface complexity Minimal interdependence with other projects or services. |
| | 0 | Very low interface complexity No interdependence on other projects or services. |

Agency reporting Template

| Draft Agency Reporting | | [Date], [Report No.] | | | | | | |
|--|--|--|---|---|---|---|---|---|
| Overall Confidence Level at previous assurance review | | [Green, Amber-Green, Amber, Amber-Red, Red, N/A] | | | | | | |
| 1 | Project / Program Name | Name: | | | | | | |
| 2 | Responsible Minister | Name: | | | | | | |
| 3 | Sponsor Agency | Name: | | | | | | |
| 4 | Senior Responsible Officer | Name: Position: Telephone No: Email: | | | | | | |
| 5 | Current stage of project lifecycle (Gate) <small>(agency to ✓)</small> | Gate | 0 | 1 | 2 | 3 | 4 | 5 |
| 6 | Project / Program time status compared to approved | [insert] | | | | | | |
| 7 | Project / Program cost status compared to approved | [insert] | | | | | | |
| 8 | Scope changes | [insert] | | | | | | |
| 9 | Risks and mitigation measures | [insert any risks and their mitigation measures] | | | | | | |
| 10 | Status of relevant Recommendation Action Plans | | | | | | | |
| 11 | Submitted by | Name: Position: Date: Signature: | | | | | | |
| ISA review of Project/Program status - at time of reporting <small>(ISA to ✓ status)</small> | | <p> Green: Successful delivery appears highly likely. No major outstanding issues or risks identified at this stage.</p> <p> Amber-Green: Successful delivery appears likely. Minor issues and/or risks identified with appropriate mitigation measures provided.</p> <p> Amber: Successful delivery appears probable. Major issues and/or risks identified with appropriate mitigation measures provided.</p> <p> Amber-Red: Successful delivery appears to be in doubt. Major issues and/or risks identified needing immediate action.</p> <p> Red: Successful delivery appears unachievable. Major issues and/or risks identified and do not appear to be manageable or resolvable.</p> | | | | | | |

Note: This form may evolve over time and include additional information.

Glossary

| Term | Definition |
|--|--|
| Agency Reporting | Project statistical and status reporting by agencies via ISA's online portal with the frequency dependent on the Project Level. |
| Assurance Framework/ Framework/ISAAF | Refers to this document and all supporting and associated material. |
| Assurance Reviews | Refers to Gateway Reviews, Health Checks and Deep Dives. |
| Assurance Review Team/ Assurance Reviewer | Team of independent highly experienced industry experts selected from a panel to conduct Assurance Reviews. An Assurance Reviewer may be a member of an Assurance Review Team. |
| Assurance Plan | Plan prepared by Sponsor Agency at the commencement of a project to outline the proposed assurance requirements for the project. |
| Cabinet | For the purposes of this document, Cabinet refers to the full Cabinet or Economic and Infrastructure Cabinet Committee (EICCC) of the SA Government. |
| Completion Reports | Reports completed by agencies once a project is in operations outlining - scope of the project and any changes, delivery strategy used, procurement model used, funding approach, time performance measured against the approved final business case, costs measured against the approved final business case and project risks and their mitigation measures to address. |
| Deep Dive Reviews/ Deep Dives | Deep Dives are similar to Health Checks, however tend to focus on project specific issues. Deep Dives are used only when issues have been raised by key stakeholders. |
| Delivery Agency | The Government agency tasked with developing and/or delivering a project applicable under this Framework. Note that the Delivery Agency may also be the Sponsor agency. |
| Gateway/Gate | Key defined decision points or milestones in the development lifecycle of a Project or Program. |
| Gateway Review | Gateway Reviews are short, sharp examinations of projects or programs at key decision points in their lifecycle. The Gateway Reviews look to identify project risks that could potentially jeopardise successful project delivery as well as identify any opportunities to improve projects in their current lifecycle and ensure the best possible outcome for the project. |
| Deep Dive Reviews/ Health Checks | Health Checks are once off Reviews conducted between Gateway Reviews with the aim to identify any issues that may emerge between key decision points in a Project's lifecycle. |
| High Value High Risk | The 'HVHR methodology' supports ISAAF by ensuring appropriate levels of assurance and reporting are applied, tailored in proportion to a Project's potential risk profile and estimated total cost. |

| Term | Definition |
|--|--|
| Major Infrastructure Project/ Program¹ | For the purposes of the ISAAF, Major Infrastructure is defined as project/ program types within Section 3.1 and having a monetary threshold or a calculated Project Level above the minimum (as per Section 3.2). |
| Program | A group of related projects managed in a coordinated way to obtain benefits and control not available from managing them individually. ² |
| Project | A temporary endeavour undertaken to create a unique project service or result. ³ A particular Project may or may not be part of a Program. |
| Project Assurance | For the purposes of this Framework, is defined as – the sophisticated governance and reporting process involving independent and objective oversight, one-up visibility, transparency and expert project assessment skills to ensure a Project or Program is effectively managed and capable of achieving its objectives of scope, time, cost, quality, risk and realisation of benefits. |
| Project Level/Level | Tier-based classification of the amount of assurance required for a Project, based on its risk potential and estimated total cost. Risk assessment conducted via a qualitative risk profile criteria with Level 1 being – High Value/High Risk projects and Level 4 having the lowest risk profile/value. |
| Public Authority | As defined by the SA Public Finance and Audit Act 1987, and includes: <ul style="list-style-type: none"> a. a government department; b. a Minister; c. a statutory authority— <ul style="list-style-type: none"> (i) that is an instrumentality of the Crown; or (ii) the accounts of which the Auditor General is required by law to audit. |
| Recommendation Action Plan | A Plan prepared by delivery agencies outlining how the agency will look to respond to ‘closing out’ the recommendations from Assurance Reviews, including stating the actions, timing and responsibility to each recommendation. |
| Senior Responsible Officer | An individual from the lead or delivery agency with responsibility and the single point of overall accountability for the Project. |
| Sponsor Agency | The public authority that secures the funding, owns the business case and ensures the Project remains strategically aligned and viable. |
| State Owned Corporations | Commercial businesses owned by the SA Government – established on behalf of the public to provide critical services and infrastructure to the State. |

1 Within in this document any reference to ‘projects’, in most cases, also refers to applicable programs

2 PMBOK (Project Management Body of Knowledge) 4th edition

3 PMBOK (Project Management Body of Knowledge) 3rd edition

List of acronyms

| Arconym | Definition |
|-----------------|---|
| DTF | Department of Treasury and Finance |
| DPC | Department of Premier and Cabinet |
| EICC | Economic and Infrastructure Cabinet Committee |
| FBC | Final Business Case |
| HVHR | High Value High Risk |
| ICT | Information and Communications Technology |
| ISA | Infrastructure SA |
| ISAAF | Infrastructure SA Assurance Framework |
| PCC / PC | Premier and Cabinet Circular / Premier's Circular |
| PPP | Public Private Partnership |
| PWC | Public Works Committee |
| RAP | Recommendation Action Plan |
| SRO | Senior Responsible Officer |
| TI | Treasurer's Instruction |
| ToR | Terms of Reference |

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