HEALTH CHECK REVIEW GUIDE

Health Check

Contents

Introduction

The Infrastructure SA Assurance Framework (ISAAF) sets out the requirement for assurance reviews on major infrastructure projects.

The ISAAF makes provision for Gate Reviews to be undertaken prior to key decision points in a project's lifecycle to inform directions and decisions about how it should progress. The assurance review process provides a view on the current progress and an understanding of whether it is properly prepared to successfully proceed to the next stage.

The Health Check Review will be undertaken in accordance with the ISAAF, the assurance review guide, this guide and the specific Terms of Reference (ToR) that will be developed and agreed to for each assurance review.

This guide should be used by the SRO/project team to prepare for the Review and the review team to conduct the Review. It offers key areas to explore and evidence to look for. As each project is unique and circumstances change, the guide should be used as a guide to the range of appropriate questions and evidence, rather than a full checklist of mandatory items.

The ISA *Assurance Review Guide* provides comprehensive guidance on how to undertake an assurance review in South Australia.

Assurance review objectives

The objective of the Health Check review is to investigate:

- how well the project is being planned, procured, and/or delivered

- how well the project is performing against the five key focus areas, and

- if the proposed way forward is achievable and if it will enable the project/program to be successfully delivered.

The Sponsor Agency should demonstrate the progress made relevant to the stage of the project/program lifecycle, either in planning, procuring or delivering the project and provide confidence that the Sponsor Agency can deliver the project to time, cost and government objectives.

Health Check reviews cover five key focus areas and may be undertaken at any point in the project/program's lifecycle.

Documents

The assurance review team will require access to a range of documentation. These documents, and any other information the assurance review team considers relevant, will be required for the review. If the equivalent information resides in other documents these can be provided by annotating this list to identify the relevant document(s) provided.

Required information 5 business days before the planning meeting

- Previous primary document(s) from previous Gate Review
- Previous assurance review report and recommendation action plan (RAP)

Required information for the planning meeting:

- Overview presentation (PowerPoint) that provides an overview of the project and addresses the five key focus areas. This will be delivered at the planning meeting.

Minimum information required for the review:

- Benefits management plan / benefits register
- Stakeholder management plan
- Stakeholder engagement/communications strategy/plan
- Cost and revenue plans/reports
- Financial impact (incl. confirmed funding sources)
- Overall project budget (actuals and forecast)
- Governance structures/governance arrangements documents (including ToR, minutes and agendas (last three) for project steering group or similar decision-making group)
- Organisation chart for project
- Project management plan/project implementation plan
- Project status reports (last three)
- Issues register, risk management plan and risk register
- Change control plan and change management plan
- Examples of lessons learns captured by or used to inform the project
- Any other information/documents sought by the review team.

Additional required/likely information for Health Check – Justification and Definition Phases:

- Justification documents, including strategic assessment, options analysis and business case.

Additional required/likely information for Health Check – Procurement Phase:

- Business case
- Design approach and concept and/or masterplan
- Procurement and market engagement documents.

Additional required/likely information for Health Check – Delivery Phase:

- Business case
- Contracts/agreements and approvals
- Environmental management plan/documents
- Industry participation documents.

Interviews

The assurance review team will interview key stakeholders involved in the project. Likely stakeholders to be interviewed include:

- Senior Responsible Officer (SRO)

- Project Sponsor if not SRO

- Project Director and/or Project Manager, project team members involved in design/cost planning/scheduling/planning approvals/communication (sponsor agency, delivery agency and external)

- Specialists/Consultants that have contributed to the project

- Senior agency representatives responsible for infrastructure strategy, planning and prioritisation

- Senior representatives of the asset owner and operator

- Stakeholders from other agencies, bodies and/or user groups (internal and external). For a more detailed list of potential interviewees, please refer to the previous and next assurance review guide in the project lifecycle.

The sponsor agency must provide a stakeholder list to ISA before the planning meeting. The review team will select who they would like to interview at the planning meeting. The sponsor agency (i.e. SRO) is responsible for ensuring that interviewees (or appropriate proxies) are available on the specified interview days. A final interview record is included in the review report.

Key focus areas (KFAs)

Strategic Fit

This KFA examines the strategic alignment, case for change, integration and intended benefits and outcomes of the project.

In particular, the review team should confirm:

- the project is strategically aligned and meets the specified business need
- the case for change and underlying investment logic is clear
- the project is well integrated and service planning is underway
- the scope and requirements specifications are realistic, clear and unambiguous, and
- benefits and outcomes are identified, and a benefits management plan is in place.

In addition to the ToR, the review team should explore the following areas and evidence.

Areas and questions		Evidence expected
Strategy		
1.1	How is the project delivering on policies, strategic objectives, standards and business change programs?	• Understanding of how the initiative is aligned to the State's greenhouse gas emission reduction targets. • Assessment against government strategies, frameworks, plans, policies and standards. • Assessment against a list of current organisational strategies (including strategic asset management plan), frameworks, plans and policies. • Confirmation of the role this project has with any wider program or policy initiatives.
1.2	Has the project confirmed the need for the investment?	• Confirmation that government intervention and investment is required. • The consequences and risks of inaction are clearly identified and described.
1.3	Will the asset meet the service need?	• Clear links between the scope and the service need and the built asset/infrastructure. • The service need and future demand is clear and appropriately modelled and defined. • Clear links between the business strategy, service need and the specifications.

Areas and questions		Evidence expected
Integration		
1.4	Is there a service plan and are all the interfaces with the broader service network being managed and met?	• A service plan. • The project is maintaining appropriate services and integration with other services. • Assessment and alignment of service integration and improvement across the asset portfolio and the relevant sector. • Interfaces with other programs including dependencies and direct impacts are being addressed. • Systems changes (technology, processes or procedures) are being managed and addressed.
1.5	Are all the interfaces with the sector's assets and infrastructure network being managed and met?	• The project is maintaining service integration across government and non-government infrastructure. • The project is integrated with government and non-government infrastructure. • Confirmation that the asset owner and operational requirements across affected organisations are engaged and integrated.
1.6	Are all built environment outcomes (place-making) being addressed?	• Place-making and integrated urban development outputs are being addressed.
1.7	Is the asset being planned/delivered in accordance with proposed/approved plans and designs?	• Concept/functional brief/masterplan. • Key technical requirements are being developed/met. • The asset is being designed and/or built to specifications and will meet the asset owners and users' requirements. • Design reviews and approvals as well as planning approvals are planned/followed/completed. • Project schedule allows enough time for the development of the required design quality.
1.8	Is the project complying with all relevant legislative, policy and regulatory requirements?	• Appropriate legislative, policy and regulatory requirements are considered. • Legislation, policy and regulatory issues are considered.

Areas and questions		Evidence expected
Benefits and outcomes		
1.9	Are the benefits and outcomes being managed and will they be realised?	• Scope and requirements specifications are defined and realistic, clear and unambiguous. • Project benefits and outcomes are clearly defined and confirmed. • All benefits have been identified, quantified and allocated in a benefits management plan and register. • All benefits can be delivered. • The outcomes sought (including functional and performance requirements, operational capabilities, service changes) are clearly defined and can be delivered.
1.10	Are the critical success factors being planned/ procured/delivered?	• The essential areas of activity that must be performed well are being planned/procured/delivered.

Stakeholders

This KFA examines stakeholder identification, engagement and management, and the level of support by users and key stakeholders in the project.

In particular, the review team should confirm:

- there is support for the project from key stakeholders and that they have confidence that the project will meet their needs and requirements,
- • the asset owner and operator are engaged and involved, and
- communication is clear and transparent.

In addition to the ToR, the review team should explore the following areas and evidence.

Areas to probe		Evidence expected
Management		
2.1	Are stakeholders and project partners being well engaged and managed?	• Stakeholder engagement plan has been developed showing roles and responsibilities. • Potential influence of each stakeholder on the project is defined and agreed. • Stakeholder engagement and communication roles between government and suppliers are clearly identified and documented. • Stakeholders have been consulted and their views have been incorporated into options identification and analysis of the longlist and shortlisted options. • Documented outcomes from any facilitated workshops.
2.2	Is communication effective?	• Communication in the project team and with internal and external stakeholders, as well as the local and wider community, is working well. • Communication is responsive to each stakeholder group and their engagement preferences. • Approach to engagement and communication is clear and aligns with plans.
Internal & asset owner/operator		
2.3	Are all key internal stakeholders engaged, and are their needs and requirements clearly understood?	• Decision-making process is inclusive of all the relevant stakeholders and is both efficient and effective. • Internal stakeholders support/endorse delivery of the project. • End-users for the project are engaged in the project and support/endorse delivery of the project. • Appropriate stakeholder consultation is occurring. • Consultation, decisions and results are clearly communicated and documented.

Areas to probe		Evidence expected
External & asset users		
2.4	Are all key external stakeholders (including the broader community) identified, engaged and support the project and if not how is this managed?	• External stakeholders identified and documented. • Decision-making process is inclusive of all the relevant stakeholders and is both efficient and effective. • Key external stakeholders and partners are engaged. • Key end-users are engaged and support/endorse the project. • The project considers and manages the impacts on the local and broader community. • Consultation, decisions and results are clearly communicated and documented.
2.5	Have stakeholders been identified and their views and/or needs clearly understood?	• Assessment of Aboriginal significance and consultation with local Aboriginal groups. • Results of consultations are documented.

Areas to probe	Evidence expected

Impact and Value for Money

This KFA examines economic, social, environmental and financial impacts and the overall value for money, affordability and commercial viability.

In particular, the review team should confirm:

- objective assessment criteria and an objective process is utilised to arrive at the recommended shortlist / option.
- an appropriate economic, social, environmental and sustainability assessment is undertaken
- an appropriate economic and financial appraisal is completed, the proposed budget is appropriate.
- The overall approach is generally affordable and achievable, and
- the project is likely to achieve value for money.

In addition to the ToR, the review team should explore the following areas and evidence.

Areas to probe		Evidence expected
Impacts		
3.1.	Are economic, social and environmental impacts being addressed and managed?	• Economic, social and environmental impacts and opportunities are understood. • Impacts and opportunities have been clearly identified as either being qualified, quantified or monetised (and those monetised are included in the CBA). • All outcomes remain realisable and measurable.

3.2.	Are sustainability and resilience requirements being addressed and managed?	• An appropriate assessment on future adaptability.
		• An appropriate assessment on overall resilience:
		   o Shocks and stressors
		   o Adaptability/flexibility

3.3.	Are all the locational constraints and opportunities being addressed?	• Locational, Aboriginal and environmental constraints and opportunities are being addressed. • Issues are identified and managed. • Client and contractor requirements are clearly defined and documented. • Relevant management plans.
Value for Money		
3.4.	How will the project realise the revenue targets?	• Capital and operational revenues (including whole-of-life) are being managed and will be realised.
3.5.	Is the project demonstrating and delivering value for money?	• Ongoing confirmation that the project will meet the service need and remains value for money. • The project is seeking to continuingly improve value for money.

Areas to probe		Evidence expected
3.6.	Is risk appropriately identified, allocated and assigned?	• Continual examination of the sensitivities and financial implications of major risks, plus an assessment of their effect on the projects return. • Risks are appropriately allocated/assigned.
3.7.	Is there a strategy and approach to delivering benefits and managing costs (including the Benefit-Cost Ratio (BCR))?	• Evidence that the project team is comprehensively managing the BCR. • Value engineering and innovation is being actively pursued.
3.8.	How is the project managing expenditure and ensuring the project remains within budget?	• Capital and operational costs (including whole-of-life) are being managed and will be realised.
3.9.	Does the project appear/remain affordable?	• Stakeholders approve the project budget. • Reconciliation of projected whole-of-life costs (and revenues) with the available budget. • Project costs are within the organisation's forecast spending plans. • The project team is maintaining a project budget.

Governance and Risk Management

This KFA examines governance, project management, risk management, change management and decision-making.

In particular, the review team should confirm:

- the project is well governed and managed, and

- risks are continuously identified, managed and resolved.

In addition to the ToR, the review team should explore the following areas and evidence.

Areas to probe		Evidence expected
Governance		
4.1	Is the project management approach appropriate and fit for the project?	• Project management plan (up to date for the phase of the project and being utilised). • Utilisation of project management framework and project management tools. • Assurance reviews are planned and prepared for.
4.2	Is change being planned for/managed and controlled?	• Change control / Change management plan (appropriate for the phase of the project). • Appropriate decision registers/change logs are used.
4.3	How is the project managing contractors and suppliers?	• Requirements for 'intelligent customer' capability considered. • Structure and approach for managing contractors/suppliers. • Where multiple suppliers are likely to be appointed, high-level plans for managing the interfaces. • Appropriate relationship determined and hence optimum scale of contract(s) appropriately considered.

Areas to probe		Evidence expected
4.4	Is the project governance structure appropriate and is it fully utilised and effective?	• Documented governance and reporting arrangements. • Organisation charts with named individuals in key positions (such as SRO, project sponsor, project director, stakeholder representation). • Project governance chart showing relationships between Agency Governance/Executive, project Executive/Steering Committee(s), other project management group(s) and reference groups. • RACI matrix. • If the project crosses sector and/or organisational boundaries, clear governance arrangements must ensure sustainable alignment of the business objectives of all organisations involved, with clear lines of accountability and ownership. • Key project steering and control and/or management bodies/groups are regularly meeting and provided with sufficient information for steering/decision-making purposes. • Key decisions are captured and documented during the development of the project. • Appropriate approvals at key milestones or when statutorily required.
4.5	Is project reporting effective?	• Regular reporting is being undertaken in accordance with project management and/or governance plans. • Reporting provides sufficient detail on key milestones, progress, issues, risks, and cost and accurately reflect the current status to inform decision making. • Reports accurately reflect the current status of the project.
Risk management		
4.6	Are there processes to identify, assess, allocate, manage and monitor current, anticipated and emerging risks and opportunities?	• Risk management plan is developed in accordance with best practice with defined roles, responsibilities and processes for managing and closing risks. • Ongoing identification and active management of risks and opportunities using a structured and formal methodology • Risk register – which includes assessment, categorisation, prioritisation and planned mitigation options and contingency plans of uncertain events that could adversely affect the achievement of the project objectives. Each event is assigned to an individual.

Areas to probe		Evidence expected
4.7	Have the risks for the project been fully assessed?	• Risk registers are regularly reviewed and updated and demonstrate effective active management of risks. • Risk registers reflect the range of risks identified during the review. • Risks have been appropriately factored into the project cost and budget. • Involvement of senior stakeholders in assessing strategic risks. • Risks, costs and benefits demonstrate appropriate balance of risk and reward with planned risk-taking and support for innovation where appropriate. • Plans for managing and allocating through the contract(s).

Infrastructure Delivery

This KFA examines the capacity, capability and timeframes for the project.

In particular, the review team should confirm:

- internal and external resources and capabilities are adequate, and
- there are plans for the next stage, planning assumptions are appropriate and that the project team can deliver the next stage.

In addition to the ToR, the review team should explore the following areas and evidence.

Areas to probe		Evidence expected
Capability and capacity		
5.1	Are project team skills adequate?	• Resource plan for internal staff. • Identification of skills required for next phase of the project. • Skills appraisal and plans for addressing shortfalls. • Project team has requisite skills or access to specialist expertise.
5.2	Are contractors/delivery partner capability and skills appropriate to deliver the project?	• Delivery partner capability and skills are appropriate to deliver the program/project.
5.3	Does the contractor/delivery partner have capacity to deliver the project?	• There is adequate indication of sufficient capacity. • Senior management are sufficiently engaged with the industry to be able to assess supply-side risks. • Appropriate due diligence and checks on capacity.
Time		
5.4	Has the project assessed whether it is breaking new ground in any areas?	• Project's impact on the business, stakeholders and end-users. • Opinions on innovative solutions from professional advisors.
5.5	How is the project tracking against the project schedule and is the forward plan realistic?	• Project schedule outlines future activities and phases to a sufficient level of detail. • The critical path has been identified. • Targets/milestones are set and are realistic. • Senior management are committed to the plan.

Areas to probe		Evidence expected
5.6	Does the time plan (including project schedule/program) incorporate activities to a sufficient level of detail and is there a realistic plan to reach the next Gate?	• Project schedule identifies approvals and statutory processes, including assurance reviews. • Project schedule includes appropriate time for consultation and stakeholder, asset owner/user input into the project. • Specific objectives, planning assumptions, constraints, activities, quality plans, deliverables and milestones defined and agreed for the next project phase.