

# HVHR Project Assurance Framework

## High value or high risk overview and factsheet

### 2017 Update

In October 2017, Government approved an update to the High Value High Risk (HVH) Project Assurance Framework to streamline and target assurance efforts to projects with the highest risks. This is part of a broader review of DTF policies to reflect the increased scale and complexity of Government's expanded infrastructure program. The changes to the HVHR Framework include:

- optimising the selection of projects with the highest risks or value add opportunities;
- tailoring the assurance process for any project based on its characteristics by establishing a Project Assurance Plan; and
- releasing Gateway Gate 6 benefits evaluation reports to Government.

### Purpose of HVHR

The HVHR Framework comprises a series of project assurance checks and processes that provide greater scrutiny of major infrastructure and information and communications technology (ICT) investments. This greater scrutiny will increase the likelihood that projects will achieve their stated benefits and be delivered successfully, on time and to budget.

To this end, the HVHR Framework seeks to:

- verify that robust project planning and procurement processes have been followed to support quality project planning, procurement processes and documentation; and
- provide impartial and informed advice to Government on deliverability risks.

### Applying HVHR

A project will be classified as HVHR if it is a budget-funded project that is:

- considered high risk;
- considered medium risk with a TEI of between \$100 million and \$250 million;
- considered low risk with a TEI over \$250 million; or
- identified by Government as warranting the additional rigour applied to HVHR investments.

Risk will be assessed through DTF's updated risk assessment tool, the Project Profile Model.

Figure 1: Applying the HVHR Framework

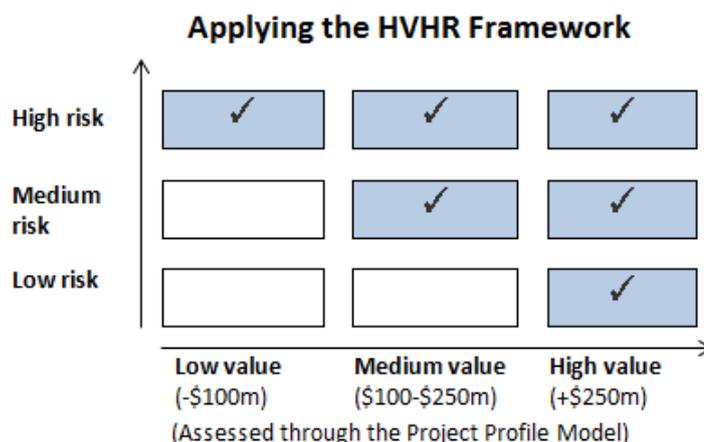
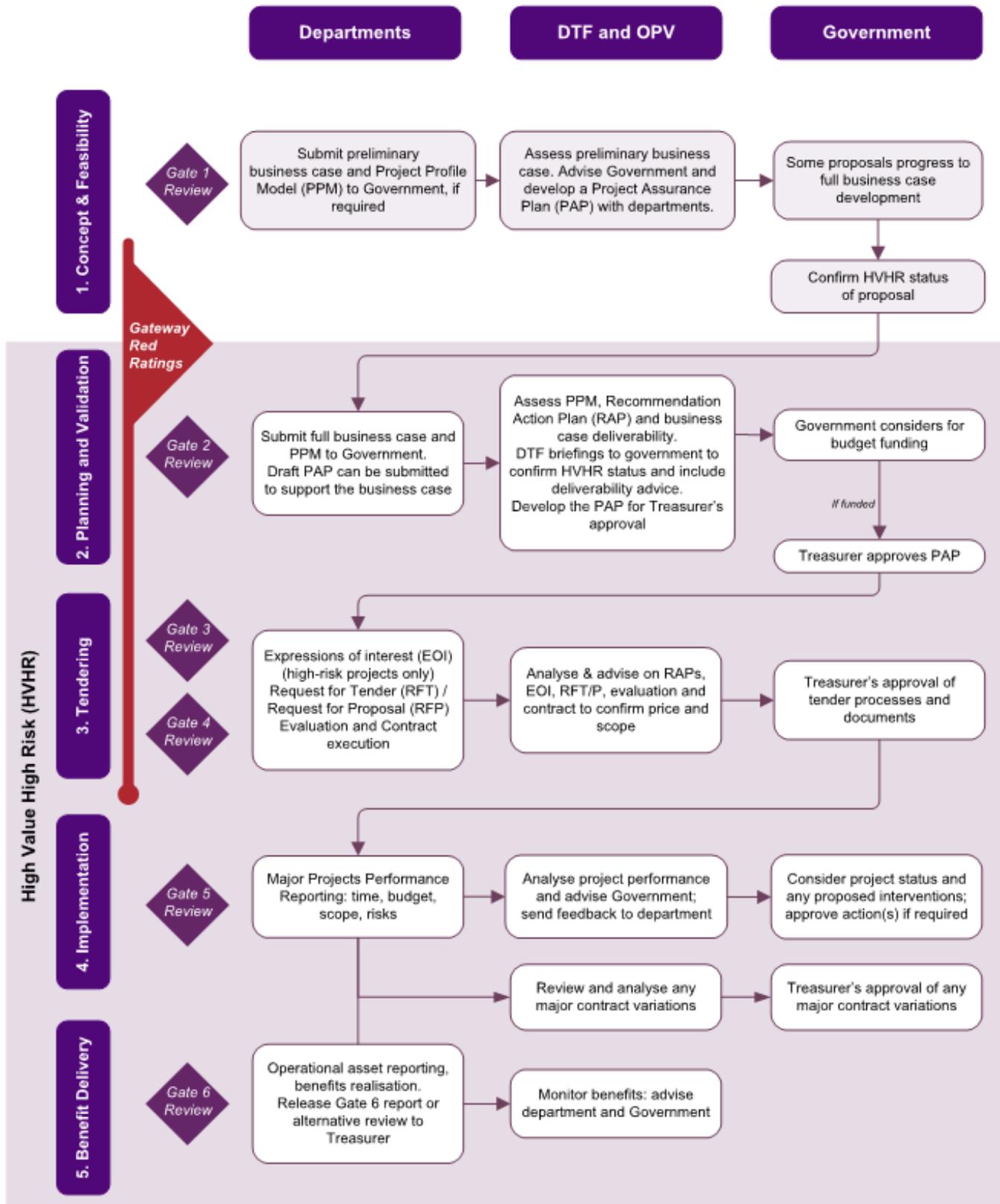


Figure 2: Project lifecycle and the HVHR project assurance framework



## HVHR project requirements

All HVHR investments must:

- prepare a long form business case;
- complete Gateway reviews;
- advise DTF of risk mitigation strategies for any critical or urgent risks identified in a Gateway review's recommendation action plan (RAP); and
- provide quarterly progress updates through the Major Project Performance Report (co-ordinated by the Office of Projects Victoria (OPV)).

## Treasurer's approval

HVHR investments require the Treasurer's approval of the:

1. Project Assurance Plan (PAP) following a funding decision;
2. Release of expression of interest in the cases where the expression of interest is deemed by DTF to be high risk (prior to release) as required in the PAP;
3. Release of request for tender or proposal documentation (prior to release) as required in the PAP; and
4. Preferred bid and contract award (prior to announcement or prior to signing and any major contract variations) as required in the PAP.

## DTF project assurance role

HVHR investments are subject to greater and ongoing DTF involvement across the investment lifecycle, with more rigorous assessment at each stage:

- project concept, feasibility and validation – business case development and assessments;
- project tendering – expression of interest (EOI) (if the EOI is deemed by DTF to be high risk), request for tender (RFT), evaluation and contract award; and
- project implementation – schedule, budget, scope, governance and risk assessments.

The level of DTF involvement will vary for each project. The Project Assurance Plan (PAP) requires DTF, in consultation with departments, to assess project risks at each stage and determine whether there is a case for exemption from certain project assurance functions and/or whether there are additional functions (above the standard set) that should apply.

## Changes to Gateway

As part of the changes to the HVHR Framework, departments are required to release Gate 6 – benefits evaluation reports to DTF for reporting to Government.

## Project Assurance Reviews

Project Assurance Reviews have also been introduced to provide timely independent advice to the sponsoring Department and DTF on the current progress of a program of works. They also provide an opportunity for Government to be advised of any areas of concern regarding the program's progress and recommendations to improve program deliverability.

The terms of reference for Project Assurance Reviews are individually composed, based upon current and approaching key decision points and identified risks. Project Assurance Reviews are organised by DTF's Gateway unit with the costs for the review borne by the initiator of the review.

## Online resources

### Project Profile Model

- project risk rating can be assessed using the Gateway project profile model form at:

<http://www.dtf.vic.gov.au/Publications/Investment-planning-and-evaluation-publications/Gateway/Gateway-project-profile-model-form>

### Guidance

- **Investment lifecycle and HVHR guidelines** are available at:

<http://www.dtf.vic.gov.au/Publications/Investment-planning-and-evaluation-publications/Lifecycle-guidance/Stage-guides>

- **Investment lifecycle and HVHR products**, including business cases, the Project Assurance Plan, project tendering, implementation and reviews available at:

<http://www.dtf.vic.gov.au/Investment-Planning-and-Evaluation/Investment-professionals-toolkit/Investment-lifecycle-and-High-Value-High-Risk-products>

- Details and guidance on the **Gateway Review Process** available at:

<http://www.dtf.vic.gov.au/Publications/Investment-planning-and-evaluation-publications/Gateway/Gateway-review-process-Guidance-materials>

- Guidance and support on the **Investment Management Standard** practice and principles at:

<http://www.dtf.vic.gov.au/Investment-Planning-and-Evaluation/Understanding-investment-planning-and-review/What-is-the-investment-management-standard>