



Australian Government

Department of Finance and Deregulation



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Gateway Review Process – Overview

Introduction

This brochure provides an overview and practical guidance for anyone involved in a Gateway Review (Gateway). It supports and should be read in conjunction with the primary Gateway publications found on the Department of Finance and Deregulation (Finance) website at: www.finance.gov.au/gateway.

Gateway is not an audit, a detailed technical review or an inquiry. Gateway identifies and focuses on issues that are most important to a project, so that the project team's effort is directed to those aspects that will help make the project successful. It is designed to assist the sponsoring agency to achieve its project objectives and deliver its projects on time and within budget. It involves conducting a series of brief, independent reviews at critical stages in the development and implementation of a project.

The Gateway review findings and recommendations are provided to the sponsoring agency's Senior Responsible Official (SRO) at the conclusion of the review. It is the responsibility of the sponsoring agency to determine what action should be taken to address recommendations.

The Benefits of Gateway

Gateway has been used in the United Kingdom since 2000, in Victoria since 2003 and in the Australian Government since 2006. Participants in these jurisdictions confirm that applying Gateway improves project delivery.

Gateway strengthens the governance of major projects and assists agencies to deliver projects on time, within budget and in accordance with the stated objectives. Some key benefits for agencies include:

- better alignment of service delivery with the government's desired outcomes and available funds;
- access to the knowledge of highly experienced peers;
- improved accuracy in planning;
- improved allocation of skills and resources;
- improved procurement and contract management processes;
- improved risk management;
- reduced time and cost over-runs;
- increased supplier confidence;
- greater assurance that the project can progress to the next stage of development or implementation;
- increased competence and valuable development opportunities for individuals involved in reviews;
- dissemination of better practice techniques across the public sector, leading to enhanced project management awareness and skills; and
- enhanced agency awareness, responsibility and accountability through open, targeted and honest communication.

What is the Gateway Review Process?

A Gateway review is a highly interactive, cooperative process involving the Gateway review team, the SRO and the project team. It is neither an audit nor intended to be onerous on the sponsoring agency. The review should not require new documentation to be produced – it focuses on information already developed. The project can continue while the review is being conducted.

At key decision points (referred to as ‘Gates’), a Gateway review focuses on the issues that are important to the project at that stage of its life. Figure 1 shows the relationship between a typical project’s life-cycle and the reviews at each stage.

Gateway reviews are conducted by independent reviewers – people not associated with the project itself. The cost of engaging reviewers is met by Finance. Gateway reviewers come from the public and private sectors and are selected for their skills and experience. Further information on becoming a Gateway reviewer is available from Finance’s Gateway website.

Review reports are confidential, high level, evidence-based, constructive and action oriented. They identify issues and recommendations that can contribute to the governance, assurance and overall success of the project. They provide an overall assessment of delivery confidence for the project at the Gate being assessed, as well as an indication of how critical its recommendations are. A red/amber/green rating is used to indicate the overall assessment of delivery confidence for the project.

An enhanced notification process is in place so that, if a project is experiencing problems, early remedial intervention can occur. This involves the Finance Secretary writing to the relevant agency chief executive to advise that the Gateway review team has raised concerns. This advice asks the agency to consider appropriate escalation action, including advising the relevant minister and the Secretaries of the Department of Prime Minister and Cabinet and Finance, and further investigating the findings through separate in-depth inquiry or review. Enhanced notification applies throughout the project life-cycle and is triggered by incidences of red or sequential amber ratings.

Application of Gateway

A Gateway risk assessment must be finalised for a new policy proposal prior to consideration of the proposal by the government, if it includes a project that:

- will be managed by an agency that is subject to the *Financial Management and Accountability Act 1997*, and
- has an ICT component valued at \$10 million and above, or has an infrastructure or procurement component valued at \$20 million and above.

These thresholds refer to the whole-of-program costs, excluding administered payments but including all related departmental expenses over the forward estimates.

Agencies that bring forward a new policy proposal, including projects that meet the above financial thresholds, must agree to a Gateway risk rating prior to consideration by the government. In the Gateway methodology, risk is assessed using the Gateway Assessment Tool (GAT) which is available from Finance’s Gateway website.

The GAT provides a set of criteria against which an agency provides an outline of the characteristics and degree of complexity of a proposed project in order to develop an overall indicative risk rating. The final risk rating must be confirmed in discussions with Finance's Gateway Unit.

The government may agree to apply Gateway to projects that meet the financial thresholds and are assessed as high risk after completion of the GAT.

There are other processes in the budget context that may also apply to projects, including the ICT Two Pass and the Two Stage Capital Works Approval processes. These processes focus on providing the government with more accurate budget estimates and better business cases – whereas Gateway focuses on the overall delivery throughout the life of the project.

There are complementarities between Gateway and the two pass processes during the initial phases of a project. For example, if the Gate 0 and Gate 1 reviews are scheduled shortly before the first and second pass respectively, they can provide pragmatic and timely contributions to these stages. Further information about these processes are available from Finance's website.

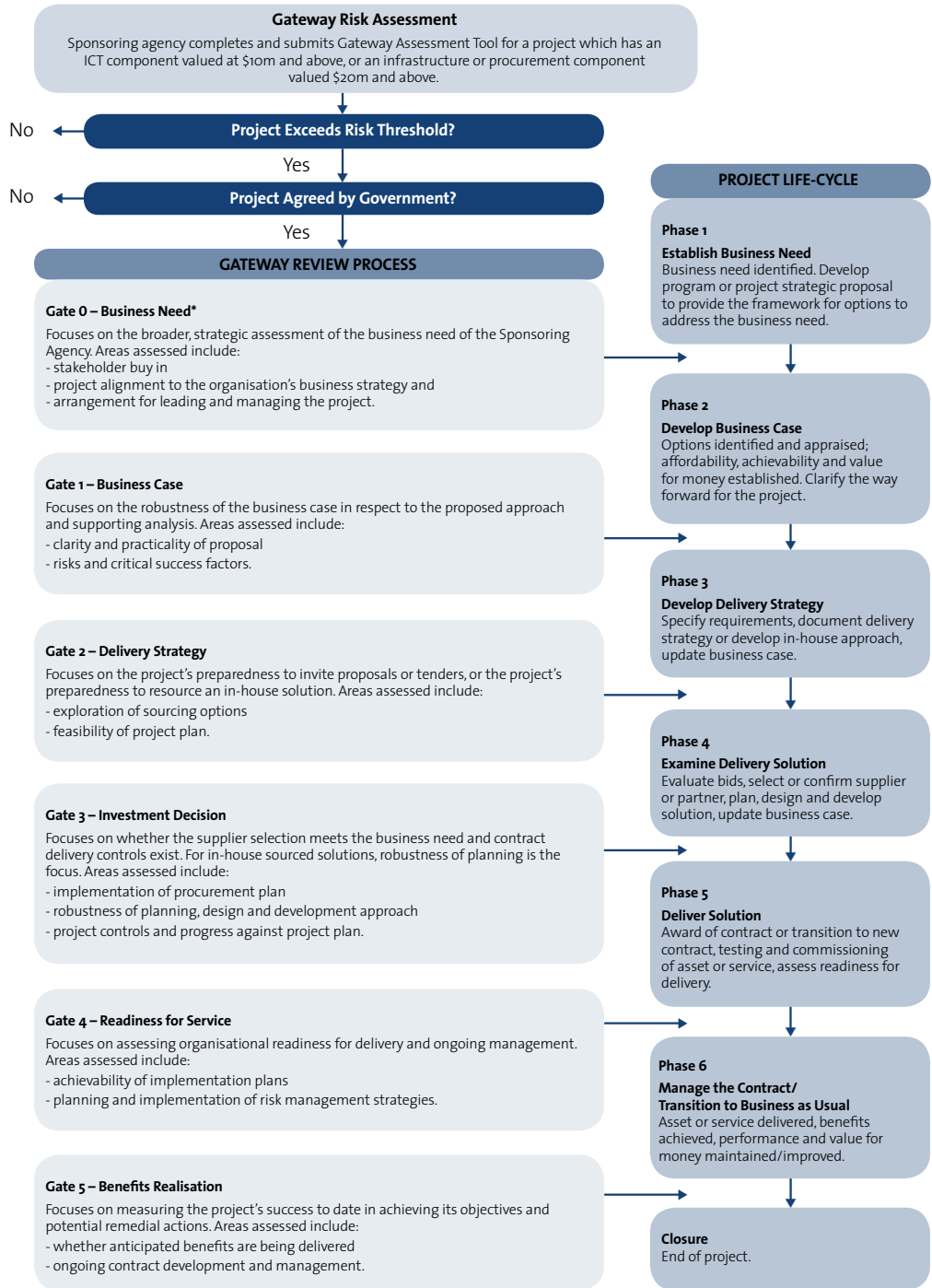
Key Steps in Gateway

At each Gate, a Gateway review generally comprises four elements:

- 1. Assessment meeting:** The Gateway Unit and the project's SRO¹ meet to clarify the characteristics of the project, discuss the timing and logistics of the review and determine the skill and security clearance requirements of potential reviewers.
- 2. Planning meeting:** The assigned Gateway review team and the significant project personnel (including the SRO and the project manager) discuss the status of the project and agree on requirements for the review including documentation to be provided, people to be interviewed and logistics. This generally takes no more than half a day.
- 3. Onsite review activity:** The review team examines critical documentation and conducts interviews with key project team members and other stakeholders. This typically takes four to five days to complete. Reviews are held at the sponsoring agency's premises.
- 4. Gateway review report:** This is provided to the SRO on the last day of the on-site review activity following a briefing by the review team on the review's conclusions and recommendations. The review team leader also provides a copy of the final Gateway review report to the Gateway Unit at the conclusion of the review.

¹ Senior Responsible Official is a generic title for the official within the sponsoring agency that has overall accountability for the realisation of the outcomes and objectives of the project under review.

Figure 1: Gateway Review Process and the Project Life-Cycle



* Gate 0, Business Need Reviews, are usually conducted as the initial Gate of a project to inform the government’s decision making. Gate 0 can be repeated periodically throughout the life of a program.

The Gateway Unit

The Gateway Unit coordinates Gateway reviews but does not participate in them, nor is it responsible for actions taken by agencies on Gateway report recommendations. The unit does not disclose any project information to other areas of Finance. The Gateway Unit:

- verifies GAT indicative risk ratings for projects prior to Cabinet consideration;
- maintains a multi-use list of suitable Gateway reviewers;
- assembles Gateway Review teams and assists with logistical and administrative arrangements;
- provides guidance and advice to agencies and reviewers;
- disseminates generic lessons learned on the management of major projects; and
- implements enhanced notification processes where appropriate.

Further guidance is available from the Gateway website <http://www.finance.gov.au/gateway>

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Acknowledgement

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