Australian Government
Department of Finance

Questions & Answers

For Senior Responsible Officials on the Assurance Reviews Process

Audience

This Q&A is intended to assist Senior Responsible Officials (SROs) of major projects and programs subject to an assurance review. It provides an overview and practical guidance for SROs. Additional assistance is available from the Assurance Reviews Unit (ARU) in the Department of Finance (Finance). The SRO is encouraged to contact the ARU at any point to seek advice or to discuss any queries or concerns. In the event of any methodological issues arising in relation to an assurance review, these should be raised with the ARU at the earliest opportunity.

At a glance

The Q&A supports and should be read in conjunction with the publication, *Resource Management Guide 106: Australian Government Assurance Reviews* (the Guidance) at: https://www.finance.gov.au/government/assurance-reviews-risk-assessment

Q&A: Overview and Practical Guidance for SROs

Q: What is the purpose of the assurance review process?

A: Finance administers two types of assurance reviews; the Gateway Review process and Implementation Readiness Assessments.

The purpose of the Gateway Review process (Gateway) is to strengthen existing governance and assurance practices and to increase program and project management capability across Government. Gateway comprises a series of short, intensive reviews conducted at key milestones by an independent review team. Each review takes up to five days to undertake and provides a point in time, independent peer-review assessment that focuses on completed work. Reviews are intended to be supportive and forward-looking, taking into account future plans to deliver intended outcomes and benefits. Gateway is not an audit process nor does it replace an entity's responsibility and accountability for implementation.

The Implementation Readiness Assessment (IRA) is a one-off review focused on reviewing policy proposals, these may occur prior to seeking a Government decision or soon after. The purpose of an IRA is to provide assurance to the responsible Minister, the relevant Secretary and Cabinet on the implementation readiness of certain high-risk proposals. The outcome of the IRA informs the Cabinet's consideration of the proposal.

IRAs focus strategically on key areas in determining the capability and preparedness of the entity in planning to implement a proposal and, in doing so, provide entities with the opportunity to gain independent assurance on how well practical delivery issues are being addressed.

Q: What is the role of the SRO?

A: The SRO is the official within a sponsoring entity who is the single point of overall accountability for the successful realisation of program/project outcomes and objectives. Typically, the SRO would be an officer at the Senior Executive Service Band 2 or Band 3 level.

The SRO also has the authority to make decisions affecting the progress of the program or project. However, the SRO is not responsible for the day-to-day management of a program or project.

The SRO is responsible for meeting the sponsoring entity's obligations in preparing for, participating in, and implementing the recommendations of an assurance review.

The assurance review report represents the advice from the review team to the SRO who is then responsible for determining the response to the recommendations contained in the report. Proactive involvement of the SRO throughout an assurance review helps to maximise the benefits for the program or project that is the subject of the review.

Q: How does the entity and SRO prepare for the review?

A: Assurance reviews are scheduled in consultation with the ARU. While the aim is to minimise the disruption to a program/project, the SRO should commit the necessary time for the entity and for the program/project team during the review.

In the lead up to an assurance review the entity should aim to:

- liaise with the ARU to discuss review preparations and to specify the skill requirements and security clearance needed for the review team members;
- arrange for the SRO to attend the Planning Meeting to brief the review team on key aspects of the program or project;
- ensure the logistical requirements associated with the Planning Meeting and the on-site review activity are arranged;
- ensure meetings with stakeholders, as requested by the review team, are scheduled in time for the on-site review activity; and
- ensure requested documents are located and made available to the review team prior to and during the review as required.

Q: What is required of the entity and SRO during the review?

A: During the on-site review activity the entity must ensure that the review team has full and timely access to requested stakeholders and documentation. The entity should ensure that the assurance review team is:

- provided with documentation requested at the Planning Meeting prior to the review; and
- provided with documentation requested during the review as soon as possible.

The SRO should be available to attend a briefing by the review team on each day of the on-site review activity. This ensures the SRO is made aware of any emerging findings and that there are 'no surprises' in the final review report. During these briefings, the SRO may seek any clarification required from the review team, or correct any factual errors, particularly in the content of the draft report.

The SRO should be mindful that it is essential to the success of the assurance review that the review team maintains its independence. The review team may examine any issues and documentation it feels are relevant to the review. The review team is not restricted by the suggested topics, questions or documents set out in the guidance publications; these are not intended to provide an exhaustive list of all issues to be covered during a review, but to provide guidance on the sort of issues that could be looked at.

The review report will follow an evidence-based approach derived from stakeholder interviews and project management documentation and will include:

- an overall conclusion on the program/project's status and its readiness to progress to the next phase (Gateway) or significant challenges to implementation (IRA);
- findings and recommendations;
- an indication of how critical its recommendations are;
- background to the program/project, including its origin, the outcomes it seeks to achieve, and how those outcomes link to the entity's business strategy and/or high level policy objectives;
- the purpose and scope of the current review; and
- logistics of the assurance review (SRO's details, dates of the review activities, information on interviewees and the project documentation reviewed, and the review team membership).

Q: What is required post-review?

A: The final review report is provided to the SRO at the conclusion of the review. The report represents the advice from the review team to the SRO. The responsibility for deciding on appropriate action in response to the recommendations in an assurance review report remains entirely with the SRO and the sponsoring entity.

An assurance review does not change the accountability of entities for their programs/projects in any way. The SRO is encouraged to ensure the entity program/project management board, accountable authority and where appropriate, the responsible minister are properly informed of the progress of the program or project, including the outcomes of the review.

It is left to the SRO to determine who has access to the Gateway review report, and to ensure that any requests made under the *Freedom of Information Act 1982* are handled appropriately by the sponsoring entity.

At the conclusion of each review, the Review Team Leader (RTL) provides a copy of the review report to the ARU. This is intended to facilitate an early understanding of issues arising from reviews and to enable compilation and dissemination of non-attributable Lessons Learned reports.

A copy of the review report is also provided to the next review team prior to the planning meeting as part of the pre-reading documentation for any subsequent review.

For the purpose of an IRA, the report is made available to the responsible Minister, the portfolio Secretary and/or entity accountable authority, the SRO, Finance, the Department of the Prime Minister and Cabinet (PM&C) and the Department of the Treasury. Finance will also refer to the outcome of the IRA in a briefing provided to Government. In limited scenarios where an IRA is applied post government decision, the IRA assessment will be included in a letter from the Minister of Finance to the Prime Minister, copied to the responsible Minister and the Treasurer.

Q: What is the Enhanced Notification process and when does it apply?

A: The Enhanced Notification (EN) process operates to ensure that key stakeholders are provided the earliest possible warning of increased risk of delivery failure, and an opportunity to initiate prompt action to get things back on track.

The EN is a staged escalation process, which involves the Finance Secretary writing to the relevant entity accountable authority to advise that the assurance review team has raised concerns, which may have a bearing on the likelihood of achieving the intended outcomes and benefits. This advice, which includes notification of all recommendations made in the Gateway review report, asks the entity to consider suitable escalation action, including where appropriate, advising the responsible Minister, the Secretaries of the Department of the Prime Minister and Cabinet, and the Department of Finance, and further investigating the findings through separate in-depth inquiry or review. The EN process may apply at any time throughout the program/project life-cycle if it is triggered by a Delivery Confidence Assessment (DCA) of red or sequential amber/red or amber ratings.

Subsequently, if a second EN letter is issued, a remedial action plan will be required. Entities may be offered a one-day Assurance of Action Plan (AAP) review, led by the RTL from the preceding review to provide constructive and timely assistance to the SRO in finalising the entity's action plan.

Q: Where can I find further information on assurance reviews?

A: *Resource Management Guide 106: Australian Government Assurance Reviews* provides a more detailed overview of assurance reviews. This document is available on the Finance website via the link below.

https://www.finance.gov.au/publications/resource-management-guides-rmgs/guidance-assurance-reviews-process-rmg-106