

ASSURANCE FRAMEWORK

May 2020



RELATED FRAMEWORKS

- Building Queensland Business Case Development Framework
- Building Queensland Compliance Management System
- Building Queensland Enterprise Risk Management Framework
- Building Queensland Lessons Learned Framework
- Building Queensland Project Risk-categorisation Framework



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1 INTRODUCTION

The Assurance Framework provides an overview of the policies and procedures followed by Building Queensland to provide assurance in meeting enterprise management and business case development obligations.

The Assurance Framework is structured in two parts:

- enterprise assurance
- business case assurance.

2 ROLE OF BUILDING QUEENSLAND

The Queensland Government established Building Queensland in late 2015 as a statutory body to improve public sector infrastructure outcomes. Building Queensland is focused on improving the definition and selection of projects for recommendation to government to support effective investment-decision making.

The key roles relevant to infrastructure business cases are defined in Section 14 (Preparation of business cases for infrastructure proposals) of the *Building Queensland Act 2015* (the Act), as summarised below.

Building Queensland leads the development of detailed business cases with an estimated capital cost of \$100 million or more and assists with those between \$50-\$100 million. This threshold is higher for road transport proposals that do not incorporate a toll road, with Building Queensland leading detailed business cases for proposals over \$500 million. Where a toll road is included the \$100 million threshold applies.

Building Queensland will also lead or assist in the preparation of a business case for any other infrastructure proposal if directed by the Minister.

3 ASSURANCE FRAMEWORK

3.1 Purpose of this framework

The purpose of the Assurance Framework is to assure the Building Queensland Board that Building Queensland's enterprise management and business case development activities are operating effectively, comply with legislative obligations and provide a level of independent assurance that business case analysis is robust and provides a sound basis for the Building Queensland Board to endorse business case recommendations for consideration by government.

The Assurance Framework addresses the areas of:

- Enterprise: compliance with legislative and regulatory requirements
- Business case development: lead and assist business cases.

3.2 Assurance in context of this framework

Assurance in the context of this framework is:

1. An assessment of Building Queensland enterprise level activities to ensure compliance with all legislative and regulatory requirements.
2. An assessment of Building Queensland led business cases ensuring they are robust and provide a sound basis for the Board to endorse for government consideration where the following requirements have been met:
 - i. Complete: Documents all the information necessary for an investment decision.



- ii. **Reliable and reasonable:** The quality of the information is considered reasonable (i.e. appropriate to address specific requirements of the project) and can be relied upon because it has been prepared with appropriate expertise and rigour.
- iii. **Comparable:** The information is presented in a way that allows ‘like-for-like’ comparison with other business cases.
- iv. **Transparent:** The information has been prepared without bias and with all risks, implications and mitigations clearly documented.
- v. **Owner-engaged:** Throughout the development of the business case the Senior Responsible Owner (SRO) is engaged and ultimately accountable for justifying the service needs and the benefits identified in the business case.

3.2.1 Risk based approach to assurance

The Building Queensland assurance processes focus on identifying and managing key strategic risks at both the enterprise and project level. In this context, strategic risks may be defined as risks that impact on Building Queensland:

- exercising its key statutory functions
- applying efficient and effective development of robust business cases
- reputation and stakeholder engagement.

The enterprise risks are characterised by tasks undertaken by Building Queensland to carry out business-wide activities. The business case risks are characterised by tasks undertaken by Building Queensland in developing business cases. The assurance activities do not replace the accountability of the:

- Chief Executive Officer (CEO) to manage all enterprise risks
- Agency Project Director/SRO to manage all project risks.

The CEO or SRO may delegate responsibility for risk management (or parts thereof) to other members of the project team or organisation. For example, the SRO may delegate Building Queensland’s Business Case Director responsibility of day-to-day risk management, with the risk strategy setting out the rules for when risks are to be escalated to the SRO for consideration and direction.

3.3 Assurance areas

Enterprise and business case assurance are delivered through key plans as presented in Table 1.

Table 1 Assurance Framework

ASSURANCE FRAMEWORK	
ENTERPRISE ASSURANCE	BUSINESS CASE ASSURANCE
Three-Year Strategic Internal Audit Plan	Annual Business Case Assurance Plan
↳ Annual Internal Audit and Assurance Plan and Annual Compliance Plan	↳ Business Case Assurance Plan and project initiations (for individual projects)
↳ individual audits, assurance and compliance activities	↳ business case assurance activities



ASSURANCE FRAMEWORK

ASSURANCE REPORTING (Building Queensland Board, Risk and Audit Committee, CEO)

Generally, the timing of assurance or audit activities are in accordance with the relevant approved plan:

- Enterprise: Three-year Strategic Internal Audit Plan, with a rolling annual audit and assurance plan. This plan considers compliance management and risk management activities and reporting.
- Business case development: Annual Business Case Assurance Plan¹, with individual Business Case Assurance Plan for a Building Queensland lead business case or other agreed assurance plan, noting assurance activities are undertaken at key milestones throughout the development of the business case.

The Assurance Framework outlines a three-tier assurance environment for enterprise and business case activities to:

- establish boundaries and assign responsibilities to each risk and control group
- avoid gaps in controls and unnecessary duplication of coverage
- deliver, strong integrated and cost-effect organisation-wide assurance activities.

This assurance function is supported by Building Queensland’s Compliance Management System, Enterprise Risk Management Framework and other corporate governance arrangements. Building Queensland maintains an internal assurance function to monitor adherence to legislation, policies and procedures and assess the effectiveness and efficiency of operations. This risk-based approach includes an option to procure additional services as required.

The key accountabilities and purpose for enterprise and business case assurance are presented in Table 2.

Table 2 Assurance tiers

ASSURANCE ACCOUNTABILITY		
ASSURANCE PURPOSE		
TIER	ENTERPRISE	BUSINESS CASE
1	<p>Building Queensland Leadership Team</p> <p>Ensure compliance with policies and procedures and to identify continuous improvement opportunities</p>	<p>Building Queensland Business Case Director / Program Director</p> <p>Oversee assurance activities at multiple stages throughout the business case development to ensure business cases are delivered on time, on budget in accordance with the:</p> <ul style="list-style-type: none"> ▪ business case management plan ▪ Building Queensland processes and procedures including the Building Queensland Business Case Development Framework.
2	<p>Building Queensland Chief Executive Officer</p> <p>Ensure Building Queensland’s compliance with its policies and legislative obligations, and the day-to-day administration of Building Queensland.</p>	<p>Senior Responsible Officer</p> <p>Oversee assurance activities to ensure the business case aligns with the agency’s policies, procedures, including the Project Steering Committee performing its role and responsibilities in accordance with its Terms of Reference.</p>

¹ Refer Section 5.3.2 for description of a Business Case Assurance Plan



ASSURANCE ACCOUNTABILITY

ASSURANCE PURPOSE

3	Building Queensland Risk and Audit Committee Provides independent assurance and advice to the Board consistent with its duties under the Charter.	Building Queensland Chief Executive Officer Ensure elements of analysis are robust and independently assured for Board consideration.
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All assurance activities are undertaken for the Board.

It is noted that:

- Tier 2: is undertaken for the SRO, however Building Queensland can also rely on these activities.
- Tier 3: the CEO is accountable.

In accordance with the Board's Charter, the Board will:

- monitor compliance by Building Queensland with its obligations under the *Building Queensland Act 2015*, *Financial Accountability Act 2009* and other relevant laws
- ensure the proper, efficient and effective performance of Building Queensland's functions.

The assurance tiers are described further detail in Sections 4 (Enterprise) and 5 (Business case).



3.4 Governance arrangements

The Building Queensland's internal governance arrangements that inform specific assurance activities are set out in Table 3.

Table 3 Governance arrangements

GOVERNING BODY OR PERSON	ASSURANCE ROLE DESCRIPTION
Building Queensland Board	<p>The Building Queensland Board is responsible for:</p> <ul style="list-style-type: none">▪ Ensuring that Building Queensland is compliant with all legislative and regulatory requirements. This includes maintaining a key focus on:<ul style="list-style-type: none">– compliance with requirements under the <i>Building Queensland Act 2015</i> and other relevant legislation– continuous improvement in relation to Building Queensland's role in leading the development of business cases.▪ Advising government on the extent to which business cases are robust and a sound basis for considering a possible investment decision. This involves undertaking the following at arm's length from the CEO, SRO and Project Team:<ul style="list-style-type: none">– assessing the overall quality of business cases to confirm that fit-for-purpose assurance processes have been undertaken– assessing the outcomes of the business case to provide a level of assurance to government that the business case outcomes form a sound basis to either invest in the project or explore other options to address an identified service need.
Building Queensland Risk and Audit Committee	Responsible for providing independent assurance and assistance to the Board on its risk, control and compliance framework, and its external accountability requirements.
Building Queensland CEO	Responsible for the administration of Building Queensland and is accountable to the Board.
Building Queensland Internal Assurance Manager Group Director, Governance and Business Services	Responsible for reporting on enterprise and business case assurance activities to the Risk and Audit Committee and Board.



4 ENTERPRISE ASSURANCE

Enterprise assurance in this framework refers to policy, procedures and information systems that support Building Queensland's compliance with legislative and regulatory requirements.

4.1 Legislative environment

Building Queensland is required to comply with various legislation. The *Financial Accountability Act 2009* defines internal controls as 'the methods adopted within an entity

to—

- (a) safeguard its assets; and
- (b) check the accuracy and reliability of its accounting information; and
- (c) secure compliance with the prescribed requirements that apply to the entity.'

The Financial and Performance Management Standard 2019 Section 7 outlines the requirements for internal control structure:

- (1) A department's accountable officer or a statutory body must establish and maintain a cost-effective structure (an internal control structure) to provide for the internal controls of the department or statutory body.

Building Queensland ensures its enterprise controls are effective and comply with legislative and regulatory requirements through its compliance and assurance programs. The difference between compliance and assurance for enterprise activities is described as:

- Compliance—demonstrates that the obligations under various legislation and policies etc. are being met
- Assurance—designed to add value to the activity or deliverable. Assurance is a systematic approach to evaluate and improve quality, the effectiveness of risk management, control and governance processes.

4.1.1 Compliance Management System

In addition to its obligations under the Act relative to infrastructure proposals, Building Queensland must comply with applicable legislative and regulatory requirements. Key legislative and regulatory obligations of Building Queensland are set out in the following:

- *Building Queensland Act 2015*
- *Financial Accountability Act 2009*
- Financial and Performance Management Standard 2019
- *Statutory Bodies Financial Arrangements Act 1982*.

One of the key objectives of the Building Queensland Compliance Management System is to ensure that Building Queensland's systems are robust, and that appropriate level of controls are applied across the business to minimise risk of non-compliance. The Compliance Management Plan is made up of internal self-assessment activities and is administered by the Group Director, Governance and Business Services.



Regular activities include:

1. Half-yearly legislative requirements review, utilising Queensland Treasury's Information for Statutory Bodies: Legislation, Policies and Guidance April 2016²
2. Liaison with Corporate Administration Agency (Building Queensland's corporate services provider) to confirm required policy updates relating to human resource and industrial relations to ensure Building Queensland is compliant with its statutory obligations
3. Three-yearly external review of the Compliance Management System.

4.1.1.1 Compliance Management System reporting and review

The results of the compliance activities are:

- reported to the Risk and Audit Committee
- regularly evaluated to identify and implement continuous improvement opportunities
- evaluated annually to ensure the overall system aligns with current business needs.

Key components of the Compliance Management System are presented in Table 4.

Table 4 Compliance Management System

ELEMENT	DESCRIPTION
Compliance Plan	The Compliance Plan specifies the timing and type of compliance check for each business category.
Compliance Information Register	The Compliance Information Register contains a list of all the Acts, policies, guidelines and procedures that Building Queensland must comply with. For example, publication requirements under the <i>Building Queensland Act 2015</i> . The register says what Building Queensland must comply with; the plan says how and when Building Queensland will assess compliance.
Compliance reporting	The Internal Assurance Manager executes the compliance activities in accordance with the plan, and reports to the Risk and Audit Committee. Any significant high-risk non-compliance is immediately escalated to the Risk and Audit Committee.

² <https://s3.treasury.qld.gov.au/files/statutory-bodies-information-overview.pdf>



4.2 Enterprise assurance processes

The Building Queensland enterprise level assurance process ensures compliance with all legislative and regulatory requirements. A non-exhaustive summary list of relevant procedures and legislation is provided in Table 5 and the tiers and assurance activities are described within this section.

Table 5 Building Queensland enterprise level procedures and legislation

PROCEDURES	LEGISLATION
<ul style="list-style-type: none"> ▪ Internal Assurance Guideline ▪ Annual Internal Audit and Assurance Plan ▪ Compliance Management System ▪ Building Queensland Lessons Learned Framework ▪ Independent Audit (on as required basis) ▪ Queensland Audit Office (based on the audit program, includes annual review of financial outcomes) 	<ul style="list-style-type: none"> ▪ <i>Building Queensland Act 2015</i> ▪ <i>Financial Accountability Act 2009</i> ▪ <i>Financial Accountability Regulation 2019</i> ▪ Financial and Performance Management Standard 2019 ▪ <i>Statutory Bodies Financial Arrangements Act 1982</i>

4.2.1 Tier 1

The purpose of Tier 1 enterprise level assurance reviews is to ensure compliance with the procedures and activities presented in Table 6.

Table 6 Tier 1 Enterprise level assurance requirements

	KEY TIER 1 ASSURANCE ACTIVITIES	SUPPORTING DOCUMENTATION AND SYSTEMS
	<ul style="list-style-type: none"> ▪ Internal assurance activities ▪ Independent audits ▪ Self-assessments and business improvement activities ▪ QAO audit of Building Queensland's financial statements, other commissioned audits 	<ul style="list-style-type: none"> ▪ Building Queensland policies ▪ Compliance Management System ▪ Annual Internal Audit and Assurance Plan ▪ Assurance and audit reports ▪ Queensland Audit Office Building Queensland External Audit Plan and reports
Activities may be undertaken by	<ul style="list-style-type: none"> ▪ Internal Assurance Manager ▪ Group Director Governance and Business Services ▪ external auditors/advisers (e.g. Queensland Audit Office (QAO)) 	
Oversight provided by	CEO Building Queensland Risk and Audit Committee and Board	



4.2.2 Tier 2

The purpose of Tier 2 enterprise level assurance is to provide information to assist the CEO in ensuring Building Queensland’s compliance with its written policies and the day-to-day administration of Building Queensland. This is achieved through the non-exhaustive list of activities in Table 7.

Table 7 Tier 2 Enterprise level assurance requirements

	KEY TIER 2 ASSURANCE ACTIVITIES	SUPPORTING DOCUMENTATION AND SYSTEMS
Activities may be undertaken by	Advising on and endorsing: <ul style="list-style-type: none"> ▪ assurance and audit plans and Reports ▪ risk management ▪ compliance management ▪ financial management 	<ul style="list-style-type: none"> ▪ compliance management reports ▪ Building Queensland Enterprise Risk Register and reports ▪ three-year Strategic Internal Audit Plan ▪ assurance and audit reports
	<ul style="list-style-type: none"> ▪ Internal Assurance Manager ▪ Group Director Governance and Business Services ▪ CEO 	
Oversight provided by	Building Queensland Risk and Audit Committee and Board	

4.2.3 Tier 3

The purpose of Tier 3 enterprise level assurance reviews is for the Risk and Audit Committee to monitor compliance with its obligations under legislation, including but not limited to the *Building Queensland Act 2015*, the *Financial Accountability Act 2009* and the Financial and Performance Management Standard 2019. This is achieved through the non-exhaustive list of activities in Table 8.

Table 8 Tier 3 Enterprise level assurance requirements

	KEY TIER 3 ASSURANCE ACTIVITIES	SUPPORTING DOCUMENTATION AND SYSTEMS
Activities may be undertaken by	<ul style="list-style-type: none"> ▪ Providing independent assurance and assistance to the Board for the enterprise 	<ul style="list-style-type: none"> ▪ Risk and Audit Committee Charter ▪ Enterprise reports presented to Risk and Audit Committee e.g. financial, risk, compliance
	<ul style="list-style-type: none"> ▪ internal Building Queensland ▪ external auditors/advisers (e.g. QAO) 	
Oversight provided by	Building Queensland Risk and Audit Committee and Board	



4.3 Enterprise assurance reporting

Results of enterprise assurance activities are reported at milestones or deliverables as defined in the various plans. The key reports to the Board and/or Risk and Audit Committee are presented in Table 9.

Table 9 Key Enterprise assurance reports

REPORT	TIMING
Chief Executive Officer Report to the Board	As per Board's Calendar, or as required
Building Queensland Three-year Strategic Internal Audit Plan	Three-yearly, including annual review
Building Queensland Internal Audit and Assurance Plan	Annual- informed by Three-year Strategic Internal Audit Plan
Compliance reports (refer Section 4.1.1)	Quarterly or as required to the Risk and Audit Committee
Annual Assurance and Audit Report (includes enterprise and business case reporting)	Annual
Individual audit reports (as per the annual Internal Audit and Assurance Plan)	As required
QAO Building Queensland Financial Audit Plan and Report	Annual
Reporting to Risk and Audit Committee	As per Risk and Audit Committee calendar, or as required out of session

Further details on enterprise assurance tiers, associated roles, activities, supporting documents, systems and roles are provided in Appendix A.

5 LEAD BUSINESS CASE ASSURANCE

5.1 Overview

Building Queensland undertakes and coordinates assurance as part of its role in developing the state's business cases. Business case assurance ensures Building Queensland led business cases provide a robust and consistent basis for the Building Queensland Board to endorse recommendations for government consideration.

For each detailed business case led by Building Queensland, an individual Business Case Assurance Plan is developed that details the assurance activities that are undertaken throughout the development of that business case (refer 5.3.2).

Business case assurance is informed by the project risk-categorisation process and business case assurance factors below and reflects a three-tiered approach as detailed in the following sections (5.2.1 – 5.2.3).

Business case assurance

The nature and extent of business case assurance activities will be informed by the following factors:

- **The nature and risk of the business case and project.** An assessment will be made of the overall risk and potential financial exposure associated with the project. Project and business case risks rated as high will inform specific business case assurance activities.



- **The maturity of the agency or department.** The extent of business case assurance activities undertaken by Building Queensland will also be informed by the experience and maturity of the agency in relation to infrastructure assessments and/or development of business cases.

The process of risk categorisation is set out in Section 5.3.1.

5.2 Business case assurance tiers

The business case assurance process reflects a three-tiered approach as outlined in the following sections.

5.2.1 Tier 1

The purpose of Tier 1 business case assurance is to ensure that Building Queensland led business cases are completed on time, on budget and to the highest quality. This is achieved through initial and ongoing reporting to the SRO (typically via meetings of the Project Steering Committee) and the Board. Key Tier 1 business case assurance activities and reporting requirements are presented in Table 10.

Table 10 Tier 1 Business case assurance requirements

	KEY TIER 1 ASSURANCE ACTIVITIES	KEY SUPPORTING DOCUMENTS AND SYSTEMS
	Key assurance activities include: <ul style="list-style-type: none"> ▪ Developing the Business Case Assurance Plan to: <ul style="list-style-type: none"> – identify key business case and project risks and set out mitigation strategies – establish appropriate governance arrangements to manage business case strategic risks – identify and establish appropriate project assurance resourcing – establish a business case budget and schedule – establish a peer review program informed by the business case strategic risk – establish a reporting program to the SRO and the Board ▪ Review of previous projects’ lessons learned ▪ Business Case Health Review ▪ Business Case Governance Review ▪ Business Case Development Framework Alignment Review 	The assurance activities will be reflected in the following key project deliverables: <ul style="list-style-type: none"> ▪ Business Case Assurance Plan ▪ Project risk-categorisation ▪ Project Initiation-Building Queensland Board Summary Project Management Plan ▪ Project Health Review Report ▪ Project Governance Review Report ▪ Business Case Development Framework Alignment Report
Activities may be undertaken by	<ul style="list-style-type: none"> ▪ Business Case Team (including internal Building Queensland team members), Business Case Director or Business Case Manager ▪ Program Director ▪ Executive Director, Strategy and Advisory ▪ Executive Director, Infrastructure Assessment 	
Oversight provided by	<ul style="list-style-type: none"> ▪ Building Queensland Board 	



5.2.2 Tier 2

The purpose of Tier 2 business case assurance is to ensure that the business cases will address service requirements and deliver identified benefits. This level of assurance activity is led by the SRO and reflects both internal and external agency processes (e.g. Gateway Reviews). Examples of agency governance or investment bodies include:

- Department of Transport and Main Roads Infrastructure Investment Committee
- Queensland Health Investment Review Committee
- Board of Directors for government-owned corporations (GOCs) and statutory authorities
- Technical review panels for the water GOCs and statutory authorities.

While these assurance activities are undertaken by or on behalf of the SRO, it is essential Building Queensland has an understanding and access to assurance outcomes to better inform development of a robust business case. This is achieved through the assurance processes presented in Table 11.

Building Queensland will utilise information from assurance activities undertaken prior to and during the business case development. For example, Building Queensland will be informed by Gateway Reviews previously undertaken for the project.

Building Queensland will consider the agency’s assurance processes when developing its assurance program for the business case.

Table 11 Tier 2 Business case assurance requirements

	KEY TIER 2 ASSURANCE PROCESSES	SUPPORTING DOCUMENTATION AND SYSTEMS
	<ul style="list-style-type: none"> ▪ Project Steering Committee (PSC) meetings throughout the duration of business case development ▪ Gateway Reviews (Gate 1 for options analysis and Gate 2 for detailed business case) ▪ Agency specific assurance processes including those belonging to the investment review bodies (e.g. Department of Transport and Main Roads Infrastructure Investment Committee; Government Owned Corporations Board; Statutory Authority Board; Queensland Health’s Investment Review Committee) 	<ul style="list-style-type: none"> ▪ Business case and project artefacts ▪ PSC Terms of Reference—identifies the PSC role, responsibilities and meeting protocols ▪ PSC minutes, actions and decisions register ▪ Letter from the PSC Chair to the Building Queensland Board, outlining key issues addressed/ compliance with its Terms of Reference/detailed business case ready for Building Queensland Board consideration ▪ Agency policies, procedures and assurance documentation e.g. Board Charters, Terms of Reference for internal governance bodies ▪ Gateway Review guidelines, reports
Activities may be undertaken by	<ul style="list-style-type: none"> ▪ SRO or nominee ▪ Agency investment review bodies ▪ Business Case Director or Manager ▪ Gateway Review Panel 	
Oversight provided by	<ul style="list-style-type: none"> ▪ Building Queensland Board 	



5.2.3 Tier 3

The purpose of Tier 3 business case assurance is to provide a level of independent assurance that the business case is based on robust and transparent analysis that provide a sound basis for an investment decision. Business case assurance activities of the Board include:

- Endorsing the Business Case Assurance Plan, monitor progress reporting against the Business Case Assurance Plan and consider the outcomes of assurance activities when considering the business case.
- Assessing the overall quality of the business case to confirm that fit-for-purpose assurance processes have been undertaken. This independent assessment will be undertaken at arm's length from the Project Team, Project Director and SRO.
- Undertaking assurance reviews to provide a level of assurance to government that the business case outcomes are ready for endorsement and form a sound basis to either invest in the project or explore other options to address the service need as identified in the business case (if other options are recommended).
- To provide a reasonable³ level of assurance, the following principles will underpin business case assurance:
 - independent of the political cycle
 - independent to the Project Team and SRO, however assurance activities at the Project Team/SRO level (Tiers 1 and 2) will inform the broader assurance processes
 - strategically focused to ensure that issues and risks considered as part of the assurance activities are focussed on key issues and risk associated with completion of a robust and transparent business case that provides a sound basis for government consideration
 - undertaken by appropriately experienced individuals across key disciplines and aligned with key strategic and assurance risks.

This is achieved through the assurance activities presented in Table 12.

³ Reasonable Assurance implies a high degree of confidence and allows the review conclusions to be expressed in the positive



Table 12 Tier 3 Business case assurance requirements

	KEY TIER 3 ASSURANCE ACTIVITIES	SUPPORTING DOCUMENTATION
	<ul style="list-style-type: none"> Endorse reporting against the Business Case Assurance Plan Review outcomes from Tier 1 (if escalated) Review outcomes of Tier 2 assurance activities e.g. Gateway Review Obtain presentations from the Business Case Director, SRO, Peer Reviewers Review and interrogate peer reviews initiated by the Business Case Director, SRO or independently by the Board endorse final detailed business case outcomes, noting conclusions of the assurance undertaken in accordance with the Business Case Assurance Plan 	<ul style="list-style-type: none"> Business Case Assurance Plan Business Case Development Framework Board of Management Charter Risk and Audit Committee Charter Gateway Review Report Peer Review Report Escalated assurance reports (due to non-compliance or high-risk) Project monthly summary reports (includes assurance report) Business Case Report to the Board
Activities may be undertaken by	<ul style="list-style-type: none"> Peer Reviewers/external reviewers Business Case Project Team including internal Building Queensland team members and the Business Case Director Program Director CEO/SRO 	
Oversight provided by	<ul style="list-style-type: none"> Building Queensland Board 	

Further details on business case assurance tiers, associated roles, activities, supporting documents, systems and roles are provided in Appendix B.

5.3 Business case development phases

There are four sequential phases in developing a detailed business case: commencement, initiation, delivery and close-out. The business case assurance activities occur throughout all phases and are designed to provide confidence to the Board that tailored assurance has been undertaken for the business case. Figure 1 shows high-level assurance activities in each phase.

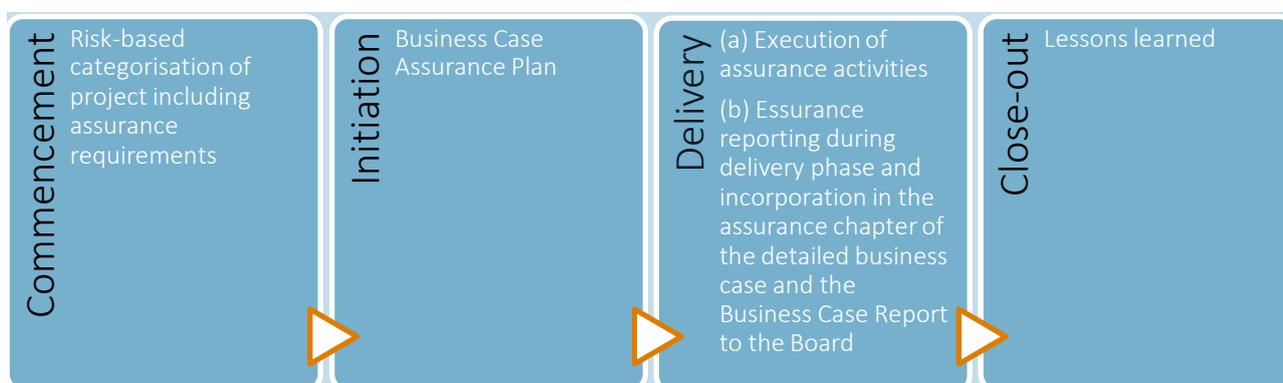


Figure 1 Business case development phases



5.3.1 Commencement phase—project risk-categorisation

Building Queensland’s project risk-categorisation process guides Building Queensland’s approach to business case delivery, recognising that Building Queensland’s business case ‘lead’ role can be tailored according to business case and project risks, and agency capability. Project risk-categorisation provides a three-level approach to the role Building Queensland takes in leading business case development. The objective is to focus Building Queensland’s involvement on areas of highest risk and not duplicating existing effort by agencies, whilst ensuring robustness, independence and transparency in business case delivery.

Project information is assessed using the guidance provided in the project risk-categorisation process outlined below. This information informs the overall consequence and complexity/capability ratings (low, medium and high), with the consequence and complexity/capability scores determining the overall risk level. Once risk is assessed based on consequence and complexity, the project is classified as a Level 1, Level 2 or Level 3 using the matrix in Figure 2. This level determines the delivery model for the detailed business case, as presented in Table 14.

Key considerations for project risk categorisation are presented in Table 13.

Table 13 Project risk-categorisation considerations

CONSEQUENCE CONSIDERATIONS	COMPLEXITY AND CAPABILITY RISKS
Level of government priority <ul style="list-style-type: none"> Has the project been given a mandate, for example in the budget, election commitment, State Infrastructure Plan, or in response to a legislative change? 	Agency maturity <ul style="list-style-type: none"> Assessment of capacity/capability of the agency to develop business cases
Source of funding <ul style="list-style-type: none"> Is investment reliant on funding from non-state entities? Will the business case require consideration by Infrastructure Australia? 	Project solution <ul style="list-style-type: none"> Has an appropriate level of early stage analysis been undertaken? Is this a routine project for the agency or department with a tried and tested solution?
Level of financial exposure for the state	Program <ul style="list-style-type: none"> Is the business case part of a larger program?
Social and environmental impacts	Procurement <ul style="list-style-type: none"> Are there complexities associated with the procurement approach?
Extent of dependency on other initiative, programs or projects, or other delivery agencies <ul style="list-style-type: none"> Complexity of stakeholders, agency relationships 	Project delivery <ul style="list-style-type: none"> Are there complexities associated with delivery of the project?



RISK CATEGORISATION MATRIX				
Consequential Impact Assessment	H			LEVEL 1
	M		LEVEL 2	
	L	LEVEL 3		
		L	M	H
Project Complexity Assessment				

Figure 2 Project risk-categorisation matrix

Table 14 Lead business case delivery model level

PROJECT RISK-CATEGORISATION LEVEL	BUILDING QUEENSLAND LEAD BUSINESS CASE DELIVERY MODEL ROLE
LEVEL 1	Building Queensland undertakes responsibility for the delivery of all aspects of the detailed business case. Where appropriate relevant technical elements are led by the owner agency.
LEVEL 2	Building Queensland undertakes responsibility for some aspects of the detailed business case (based on areas of risk and agency capability) and all assurance activities. Building Queensland will typically lead the following areas: economics/demand/service need/social impact assessment.
LEVEL 3	Building Queensland undertakes responsibility for assurance activities and provides guidance to the agency or department on delivery of relevant components of the detailed business case.



The project risk-categorisation process works alongside Building Queensland's Business Case Development Framework and this Assurance Framework to ensure consistency in:

- determining the business case delivery model (i.e. Level 1, 2, 3)
- determining the approach to developing the business case, role and activities undertaken by Building Queensland and the relevant agency
- developing the Business Case Assurance Plan.

In instances where the project characteristics or risks that informed the risk-categorisation changed materially during the development of the business case, advice will be provided to the Board on how these will be addressed as part of assurance activities.

5.3.2 Initiation phase—Business Case Assurance Plan

All Building Queensland led business cases are required to have an approved Business Case Assurance Plan. The Business Case Assurance Plan is a key document to ensure the business case is robust and provides a consistent basis to allow government to make an informed decision. The Business Case Assurance Plan reflects the outcomes from the project risk-categorisation and confirmed delivery approach.

At a minimum, the Business Case Assurance Plan will outline the following to manage key strategic risks:

- governance arrangements
- description of the risk-categorisation assessment undertaken
- an assessment of key project and business case risks, including the identification of key areas of risk that may require assurance activities (such as external peer review) and documentation of the link between those risks and assurance activities
- identification of agency data to be used in the development of the detailed business case and assurance steps undertaken to validate the data
- an assurance program including internal and external reviews (e.g. project health review, Gateway Review and references to the agency's assurance program if applicable, probity arrangements)
- a business case budget and schedule that allows for assurance activities
- resourcing strategy for assurance activities (e.g. including Building Queensland internal advisors, peer reviewers)
- reporting requirements.

Requirements for peer reviews are to be identified at the planning stage as the reviewers are to be engaged at the beginning of a detailed business case. Peer reviewers will be involved in methodology development and final output reviews. There is to be a clearly documented process for the close-out of any recommendations arising from peer reviews undertaken during a business case.

The Business Case Assurance Plan will be endorsed by the SRO and the Board at the initiation of a Building Queensland led business case and will form the basis for ongoing reporting to the PSC and the Board on assurance activities.



Business Case Assurance Plan changes

Any significant changes to the Business Case Assurance Plan arising from emerging or identified risks or material changes in key components to the business case are to be undertaken in consultation with the SRO and Building Queensland, and provided to the Board for endorsement.

5.3.3 Business case delivery phase

5.3.3.1 Business case delivery

The detailed business case will be delivered as per the Business Case Development Framework, and assurance activities delivered as per the individual project's Business Case Assurance Plan.

5.3.3.2 Business case assurance reporting

Results of business case assurance activities are reported to the Board and where appropriate to the SRO (via the PSC meetings) at milestones or deliverables as defined in the Business Case Assurance Plan. The key business case assurance reports include:

- b. Monthly progress reports to the Board and reporting to the SRO (via PSC meetings).
- c. Assurance reports to the Board outlining outcomes of the business case assurance activities in consideration of the business case. This will be set out in the:
 - i. reports detailing the process and outcomes from individual assurance activities
 - ii. detailed business case including the assurance chapter/appendix
 - iii. governance and assurance section of the detailed business case
 - iv. Business Case Report to the Board.

Reporting to the Board is to include the outcomes/findings of all tiers of assurance activities, including agency assurance activities, and the resultant changes that were made to the detailed business case.

5.3.4 Close-out phase—lessons learned

The Building Queensland Lessons Learned Framework provides guidance on undertaking lessons learned for Building Queensland operations.

The Business Case Director will undertake informal and formal lessons learned activities throughout development of the business case and will prepare a Lessons Learned Report as part of the project close-out activities. Lessons learned are also reported in the Business Case Report to the Board.

Lessons learned will be applied to future business cases led by Building Queensland, with learnings shared with Building Queensland staff and contractors via:

- distribution of a summary of key learnings from the lessons learned register
- a briefing on previous lessons learned at project commencement.



6 ASSIST BUSINESS CASE ASSURANCE

Building Queensland may assist an agency in the development of a business case (strategic assessment, options analysis or detailed business case). In some instances, Building Queensland undertakes assist roles in earlier stages (i.e. options analysis) prior to leading detailed business case processes.

All Building Queensland assist business cases are required to have an agreed letter of engagement with the agency. The letter identifies the scope of work (e.g. gap analysis of draft business case, facilitation of an Investment Logic Mapping workshop), resourcing, timing, references to business case assurance activities and other relevant matters.

Building Queensland cannot mandate the assurance activities for a business case where it has an assist role; however, strongly recommends the agency follow best practice in accordance with the Business Case Development Framework and Project Assessment Framework guidelines. Depending on the nature of Building Queensland’s assistance in developing the business case, the recommended assurance program may be contained in the documented letter of engagement.

Where Building Queensland may take the lead in developing a subsequent stage for a project following an assist role, Building Queensland will actively engage with the SRO to agree on a business case assurance program that addresses key project and business case risks appropriate for that stage of the business case (e.g. Gate 0 Review during an options analysis).

This approach will enable Building Queensland to identify and address key business case risks for further stages. It may also contribute to efficiencies when Building Queensland commences leading the development of a business case as less time may be spent on undertaking a gap analysis of the previous stage business case including assessing assurance activities that may have been undertaken.

Examples of assurance activities for Building Queensland assist business cases that may be undertaken are presented in Table 15.

Table 15 Business case assist assurance options

TIER	MECHANISM	BUILDING QUEENSLAND ROLE
Tier 1	Building Queensland Business Case Development Framework Alignment Review	Building Queensland may undertake the review and provide a report
Tier 2	Agency specific assurance activities or investment committees	Building Queensland to be informed by the agency’s quality and assurance activities (e.g. Project Assessment Framework) and investment committee roles and decisions
	Gateway Review	Building Queensland may participate as a stakeholder, or recommend a Gateway Review be undertaken Where Building Queensland subsequently leads the business case, Building Queensland will be informed by previous Gateway Reviews
Tier 3	Peer Reviews at earlier stages of business case development on key areas to the business case including demand, economics, costs, technical and financial/commercial.	Building Queensland may recommend peer reviews as part of the assist role.



7 CONTINUOUS IMPROVEMENT

The enterprise and business case assurance activities at the Board level maintain a focus on continuous improvement for Building Queensland.

For business cases, this may involve determining the extent to which outcomes and benefits identified in the business case development stage (e.g. project costs and budget outcomes, and achievement of identified benefits) have been achieved during procurement and delivery.

As identified in the Administrative Review of Building Queensland completed in 2017 and endorsed by Cabinet in 2018, Building Queensland may undertake post-completion reviews on a select basis. This can be achieved through Building Queensland either leading separate project reviews, or leading and/or participating in Gateway Reviews at the Gate 3 through to 5 stages⁴ to review and confirm whether cost and budget outcomes and benefits identified in the business case development stage are realised at future stages of the project.

The findings of these assessments will be used to inform and improve upon the development of Building Queensland led business cases and ensure lessons learned are formally captured and incorporated in Building Queensland processes and shared with relevant agencies.

To ensure continuous improvement in the business case assurance activities undertaken by Building Queensland, after Board consideration of each Building Queensland led business case, a review of the effectiveness of the assurance activities will be factored into the lessons learned process.

8 ASSURANCE FRAMEWORK REVIEW

To ensure the Assurance Framework reflects best practice, Building Queensland will:

1. On an ongoing basis, assess the effectiveness of the Assurance Framework through the review and application of enterprise and business case assurance activities. Key inputs to inform continuous improvement are the Building Queensland Three-Year Strategic Internal Audit Plan and individual audit reports; compliance reports, and individual Business Case Assurance Plans, reports and lessons learned.
2. On a biennial basis, review the Assurance Framework and its application, including ongoing comparison with best practice in other jurisdictions.

⁴ Queensland Treasury's Project Assessment Framework (PAF) defines the six stages (gates) of a project. The Gateway Review Gates align with the PAF stages.



9 DEFINITIONS

Table 16 Definitions

TERM	DEFINITION
Agency	A Queensland Government department or business unit within a department, government-owned corporations and statutory authorities
Business Case Development Framework Alignment Review and Report	The Business Case Development Framework Alignment Review is undertaken to review the draft business case against the Business Case Development Framework guidance.
Board	Building Queensland Board
Business Case Assurance Plan	The Business Case Assurance Plan documents the tailored risk-based assurance activities to assess the robustness of the business case.
Business Case Health Review and Report	A Business Case Health Review is an assurance activity conducted for the Business Case Director. The review involves a review of the overall status of the project and how it is delivering to its Business Case Management Plan.
Business Case Governance Review and Report	A Business Case Governance Review is an assurance activity conducted for the Business Case Director. The review is designed to ensure Building Queensland's lead business cases establish and maintain best practice governance. The governance review will: <ul style="list-style-type: none"> ▪ assess governance arrangements to ensure they meet acceptable standards ▪ assesses the performance of the Project Steering Committee against its Terms of Reference.
Gateway Review	A Gateway Review is a short, independent review of a program or project undertaken at key decision points in its lifecycle conducted for the Senior Responsible Owner. The Gateway unit, within the Treasury Commercial Group, facilitates the establishment of review teams for agencies/projects.
Peer Review	A peer review is an independent assessment on business case, particularly in relation adequacy of documentation, methodology, key risks and uncertainties, assumptions and results. The Building Queensland Business Case Development Framework and the Assurance Framework requires peer reviews of the business case.
PSC	Project Steering Committee
SRO	The Senior Responsible Owner is the single individual with overall responsibility for ensuring that a project or programme meets its objectives and delivers the projected benefits. ⁵ The SRO must ensure the assurance program is tailored and addresses the project risks.
Strategic risk	Building Queensland strategic risks may be defined as risks that impact on: <ul style="list-style-type: none"> ▪ Building Queensland exercising its key statutory functions ▪ efficient and effective development of robust business cases ▪ Building Queensland reputation and stakeholder engagement.

⁵ Extract definition from Axelos global best practice PRINCE2 S19.9.1 Role of the SRO



APPENDIX A ENTERPRISE ASSURANCE TIERS

Table 17 outlines key details on enterprise assurance and associated activities undertaken for the Building Queensland Board, and supporting role, documents, and systems.

Table 17 Enterprise assurance tier details

ENTERPRISE ASSURANCE				
Accountable	Tier 1 Leadership Team	Tier 2 CEO	Tier 3 Risk and Audit Committee	Board assurance
Purpose	Ensure compliance with policies and procedures and to identify continuous improvement opportunities.	Ensure Building Queensland's compliance with its written policies and the day-to-day administration of Building Queensland.	Provide information to assist the Risk and Audit Committee discharge its duties under their Charter.	
Assurance activities	<ul style="list-style-type: none"> Independent audits QAO audit of Building Queensland's financial statements, other commissioned audits 	Advising on and endorsing: <ul style="list-style-type: none"> assurance and audit plans and reports risk management compliance management financial management 	Providing independent assurance and assistance to the Board for the enterprise on: <ul style="list-style-type: none"> the risk, control and compliance framework external accountabilities as prescribed in the <i>Financial Accountability Act 2009</i> and the Accounting Policy Standards 	
Supporting documentation and systems	<ul style="list-style-type: none"> Building Queensland policies Compliance Management System Annual Internal Audit and Assurance Plan assurance and audit reports Queensland Audit Office Building Queensland External Audit Plan and Reports 	<ul style="list-style-type: none"> compliance management and risk reports Three-year Strategic Internal Audit Plan assurance and audit reports 	<ul style="list-style-type: none"> Risk and Audit Committee Charter reports presented to the Risk and Audit Committee e.g. financial, risk, compliance management 	
Activities may be undertaken by	<ul style="list-style-type: none"> Internal Assurance Manager external auditors/advisers (e.g. QAO) 	<ul style="list-style-type: none"> Internal Assurance Manager Group Director, Governance and Business Services CEO 	<ul style="list-style-type: none"> external auditors/advisers (e.g. QAO) Internal Assurance Manager Group Director, Governance and Business Services CEO 	



APPENDIX B BUSINESS CASE ASSURANCE TIERS

Table 18 outlines key details on business case assurance and associated activities undertaken for the Building Queensland Board and supporting roles, documents and systems.

Table 18 Business case assurance tier details

BUSINESS CASE ASSURANCE				
Accountable	Tier 1 Business Case Director	Tier 2 SRO	Tier 3 CEO	Board Assurance
Purpose	Activities undertaken to ensure business cases are delivered in accordance with the business case management plan and Building Queensland guidelines.	Assurance activities undertaken to ensure the business case aligns with the agency's policies, procedures and governance arrangements.	Assurance activities undertaken to ensure the business case provides a robust basis to support Board consideration.	
Assurance activities	<ul style="list-style-type: none"> Building Queensland internal advisor inputs to business case development as part of the business case team Business case health review, governance and Business Case Development Framework reviews Gap analysis Review of previous projects' lessons learned Gateway review of previous business case stage 	<ul style="list-style-type: none"> Agency specific assurance processes including those belonging to the investment review bodies (e.g. Department of Transport and Main Roads Infrastructure Investment Committee; Government Owned Corporations Board; Statutory Authority Board, Queensland Health Investment Review Committee) Gateway Reviews 	<ul style="list-style-type: none"> endorse final detailed business case outcomes, noting conclusions of the assurance undertaken in accordance with the Business Case Assurance Plan. 	
Supporting documentation and systems	<ul style="list-style-type: none"> Business Case Development Framework Business Case Assurance Plan Business Case Development Management Plan Project Health Review Report Project Governance Review Report Business Case Development Framework Alignment Report 	<ul style="list-style-type: none"> Business case and project artefacts Agency policies, procedures and assurance documentation e.g. Board Charters, Terms of Reference for internal governance bodies Project Steering Committee documentation (including decision register, letter to Building Queensland Board) Gateway Review guidelines and reports 	<ul style="list-style-type: none"> Business Case Assurance Plan Peer Review Reports Business Case Report to the Board incorporating on outcomes of assurance activities 	
Activities may be undertaken by	<ul style="list-style-type: none"> Business Case Director, Business Case Manager, Project Team Program Director Executive Director, Strategy and Advisory Executive Director, Infrastructure Assessment 	<ul style="list-style-type: none"> SRO or nominee Agency investment/technical review bodies Business Case Director or Manager Gateway Review panel 	<ul style="list-style-type: none"> Peer reviewers/external reviewers Business Case Project Team, Business Case Director or Manager Program Director CEO/SRO 	

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