



Treasury

The Recurrent Investment Assurance Framework: A Quick Reference Guide

November 2017

Introduction

This quick reference guide provides a high level introduction and overview of NSW Treasury's Recurrent Investment Assurance Framework (RIAF) which was approved by Government in February 2017. Treasury Policy Papers TPP 17-01 NSW Gateway Policy and TPP 17-02 Recurrent Investment Assurance Framework should be consulted for details.

Recurrent Investor Assurance

What is a recurrent investment?

In very simple terms, a recurrent investment is predominantly neither a capital infrastructure nor an ICT investment.

Recurrent investments include:

- A new Policy/Program
- Significant amendment/upgrade to an existing Policy/Program
- Extension of an existing Policy due to lapse or rollover
- Creation of a new public entity (or new business unit within a public entity) with resource or regulatory cost implications
- Creation of a new government service with resource or regulatory cost implications
- Significant (non-routine) maintenance-for example, to address a large maintenance backlog
- Investments to enhance/extend agency capability.

What is recurrent investor assurance?

Recurrent investor assurance is a process that requires recurrent proposals above a threshold (see below) to be risk assessed and undergo a series of external assurance –or “Gateway”- reviews at key milestones – or “Gates”.

The RIAF applies to:

- Proposals (projects or programs) greater than \$100 million in ETC over four years or \$50 million in one year; or
- Proposals of lower value nominated by ERC, an Agency or by Treasury.

Projects are classified into 4 Tiers based on Estimated Total Cost ETC and risk. The RIAF prescribes the number of mandatory gateway reviews for each Tier, with high profile/high risk proposals required to undergo a greater level of external assurance reviews¹.

¹ Under the NSW Gateway Policy, Treasury and agencies can nominate additional Gateway reviews or health checks.

What does this mean to agencies?

Agencies must register and self-assess recurrent proposals that meet the definition and are above the threshold using the Registration and Risk tool available on the Treasury website. It also means that agencies need to prepare the documentation, such as preliminary or final business cases (or other existing documents which contain this information), required to inform the reviews at the various Gates.

Gateway reviews are not required retrospectively. Nor it is expected that agencies will specifically create documentation for the purpose of a Gateway review.

Note that no additional project status reporting, beyond what is already being provided by agencies, is envisaged for recurrent projects.

What happens next?

Agency self-assessment will be reviewed by the Major Recurrent Advisory Group (MRAG), with membership drawn across the sector. MRAG will endorse the Risk Tier and the corresponding assurance plan.

The approved assurance plan outlines how many and at which stages in the project life reviews and health checks must be undertaken. MRAG may determine an assurance plan that varies from those set out in the RIAF depending upon the circumstances of each proposal.

The Treasury Gateway team will advise agencies of the decision and work with them to schedule Gateway reviews in accordance with the approved plan.

Alignment with Budget process

Gateway Reviews and Budget proposals

Gate 0 (Initiation /justification)	Proposals above the threshold that are required after risk assessment (Tier 1, 2 and 3) to undergo a Gate 0 review must be registered in PRIME as emerging issues
Gate 1 (Strategic)	Preliminary budget proposals for Tier 1 and 2 projects should have undergone a Gate 1 review- <u>as a minimum</u> . Review Report(s) must be attached along with preliminary business case in PRIME
Gate 2 (Business Case)	Final Budget proposals must be accompanied by the Business case and the gate 2 review
Gates 3-6	Gateway reports should be uploaded into PRIME as these are completed

Further information and contacts

For further Information or clarification, please contact Gateway Team, NSW Treasury

Telephone: 02 9228 4207

Email: gateway@treasury.nsw.gov.au

Annexure – RIAF on a page

