

**Submission
No 10**

**EXAMINATION OF THE AUDITOR-GENERAL'S
PERFORMANCE AUDIT REPORTS JULY 2015 –
JANUARY 2016**

Organisation: Transport for NSW
Name: Mr Tim Reardon
Position: Secretary
Date Received: 21 October 2016



**Transport
for NSW**

FS16/15026

Mr Bruce Notley-Smith MP
Chair
Legislative Assembly
Public Accounts Committee
Parliament of NSW
Macquarie St
SYDNEY NSW 2000

Dear Mr Notley-Smith MP

Thank you for your letter of 6 September 2016 regarding the Auditor-General's Performance Audit Report on Albert 'Tibby' Cotter Walkway.

Transport for NSW (TfNSW) has completed the provided template outlining our actions to date on the recommendations of the Final Performance Audit Report on Albert 'Tibby' Cotter Walkway, refer attached.

TfNSW has remained committed to ensuring the recommendations of the final report have been met over the past year. I trust you are pleased with the information contained within this submission.

Yours sincerely

**Tim Reardon
Secretary**

Encl

19 OCT 2016

IMPLEMENTATION OF RECOMMENDATIONS

Transport for NSW (September 2016) Albert 'Tibby' Cotter Walkway

RECOMMENDATION		ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
1) TfNSW and RMS should follow Treasury capital program assurance requirements and before any public announcement of a project:	a) prepare a robust preliminary business case adequately justifying the project and analysing the costs and benefits of any unusually tight deadline	Accepted	<p>Transport for NSW (TfNSW) response to Recommendations (a) and (b)</p> <p>TfNSW strictly requires strategic and final business cases to be prepared before any further consideration of investment proposal for funding.</p> <p>This requirement is embodied in the Transport Business Case Policy supported by business case guidelines and templates.</p> <p>The policy and guidelines require articulation of need for the project, project objectives and expected outcomes, strategic alignment, cost-benefit analysis, project management, stakeholder and change management plans, benefit realisation management plan and key risk and mitigation measures.</p> <p>The business cases are required to be submitted to the Finance and Investment Committee (FIC) which make investment decisions for the Transport Cluster which ensures that investment will commence lifecycle only after a robust business case has been considered and the delivery agency's capability and capacity to manage and deliver the project has been assured.</p>	2015	Completed / On-going	TfNSW-relevant divisions where projects are originating for the preparation of the business cases. Finance and Investment Division-for guidance in the preparation of business cases.
	b) arrange a Gateway review of the preliminary business case	Accepted	TfNSW has an internal assurance team which provide assurance for capital projects. With the recently released INSW Infrastructure Investor Assurance Framework (IAAF), TfNSW will work closely with operating agencies and INSW to arrange gateway reviews (all Gates for	2016	Completed / On-going	TfNSW- Assurance & Evaluation, Finance and Investment

	and address issues arising from the review.		<p>High Risk High Profile – HRHP projects).</p> <p>Health check reviews and reporting of HRHP and Tier 2 projects are conducted in close collaboration among TfNSW, INSW and operating agencies.</p> <p>The TfNSW Assurance team will continue to provide investment assurance for Tiers 3 and 4 projects as required.</p>			Division.
2) TfNSW and RMS should follow Treasury capital program assurance requirements and:	<p>a) prepare a robust final business case demonstrating the worth of the project and analysing the costs and benefits of any unusually tight deadline</p> <p>b) arrange a Gateway review of the final business case and address issues arising from the review</p>	Accepted	<p>In addition, TfNSW has undertaken / is undertaking the following activities:</p> <ul style="list-style-type: none"> • Development of an investor assurance framework and guidelines, updated assurance tools such as the Business Case Workbooks (which cover Service Delivery, Affordability and Value for Money, Sustainability, Governance, Risk Management, and Stakeholder Management). Additional tools such as Assurance Plans and Checklists are also being developed. • The current restructuring of Finance and Investment Division (FID) (including the consolidation of the Evaluation and Assurance teams) aims to strengthen the support to business case development, provision of assurance to transport investment and benefit realisation management to ensure investment decisions are robust and supported by evidence and effective processes. • The restructured FID will also strengthen and enhance engagement with stakeholders and business areas to ensure alignment of investment planning and project development with business needs and corresponding funding models. • Improvement of staff and project capability in business case preparation and management through training and provision of relevant tools. • Enhancement of staff capabilities in the assurance of investment (process and technical aspects) 	2015/16	<p>Completed</p> <p>To Dec 2016</p> <p>To be completed in FY 2016/17</p> <p>On-going</p> <p>On-going</p> <p>On-going</p>	TfNSW- Assurance & Evaluation, Finance and Investment Division.