



**Significant Community Based
Projects Fund
Recommendations Stages -
Independent Assessment
Methodology
For the
2006/07 Funding Round**

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1 Background information

The Department of Internal Affairs (DIA) invites community organisations seeking funding to complete major community projects to apply to the Significant Community Based Projects Fund (Fund) 2006/07 Funding Round.

This document sets out the Independent Assessment Methodology that will be adopted in relation to the Fund process and should be read in conjunction with other documents to understand the entire process.

The Independent Assessment Team's responsibility is to provide an opinion to the Department/Secretariat portion of the *financial eligibility criteria* as follows:

- one-off capital expenditure,
- not for debt servicing,
- not retrospective, and
- alternative funding sources have been exhausted and are insufficient to complete the project.

and the extent of *risk* in each application related to:

- technical and financial feasibility of the project and demonstrated ability and expertise to successfully complete it,
- whether community support for the project includes demonstrated financial support and funding/commitments have been received from non-Government sources, and
- financial and technical sustainability of the applicant organisation, including the adequacy of governance and management arrangements.

In reviewing project costs we will be mindful of the Auditor-General's principles of accountability and include an assessment of value for money.

1.1 Attributes of the Independent Assessment Methodology

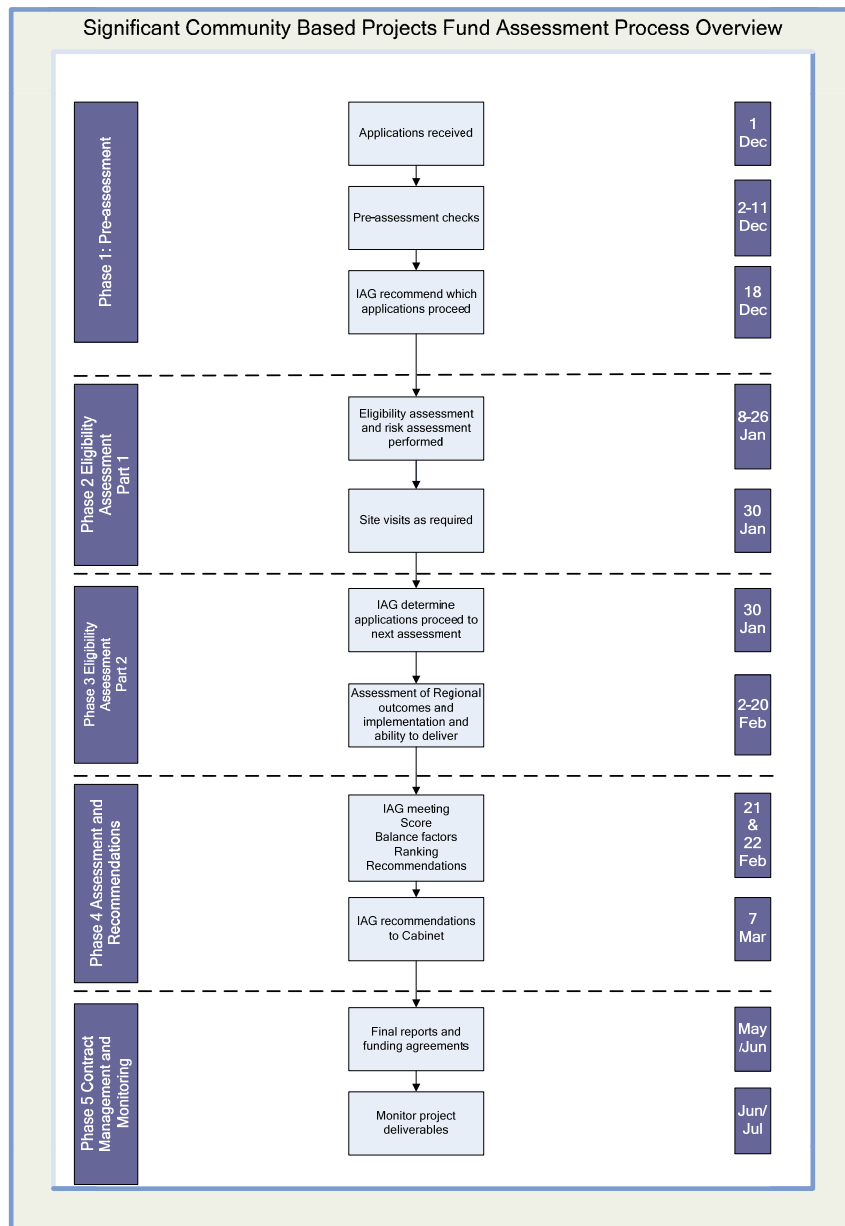
The attributes required for this Independent Assessment Process include:

- Documented objective criteria that are consistently applied to all applications in assessing whether the applicant organisation meets the eligibility criteria, and for grading applications.
- Documentation of processes relating to decision recommendation points. The application files should contain sufficient working papers and records to support the Independent Assessment Team's opinion in its report to the Department/Secretariat. It should be possible for an independent reviewer to review the documentation held and to be able to reach the same conclusions.
- Where additional information has been obtained in support of a conclusion this should be clearly documented (e.g., minutes of discussions, copies of documents) as part of the audit trail supporting the conclusions.

- The final report to the Department/Secretariat should describe the areas where an adverse conclusion has been reached sufficiently to enable Department/Secretariat to understand the basis for the adverse recommendation.
- The Independent Assessment Team will comply with the relevant principles of the Standards for the Professional Practice of Internal Auditing and the New Zealand Institute of Chartered Accountants Handbook.

1.2 2006/07 Funding Round Process

The following diagram sets out the phases of the overall Fund process:



The Independent Assessment Team is responsible for carrying out the Phase 2 eligibility assessments and any site visits that may be required, as well as any follow up work requested by IAG- which would be carried out concurrently with Phase 3.

The other phases are undertaken by IAG with the support of the Secretariat within DIA.

1.2.1 Roles and Responsibilities

Who	Role and Responsibility
Cabinet	Cabinet will provide the approval of the funding recipients and amount.
Interdepartmental Advisory Group (“IAG”)	IAG is the body comprising officials from a number of government agencies with responsibility for key sectors. It will make recommendations to Cabinet on which applications to approve, together with advice on the respective merits of the applications.
Secretariat	Administration of the Fund. Initial pre-assessment reviews of all the applications with recommendations to the IAG on which applications should proceed to Phase 2, Eligibility Assessment Part 1.
Independent Assessment Team	Independent and objective opinion to the Department/Secretariat about specific aspects of the applications that have proceeded to Phase 2, Eligibility Assessment Part 1 which may include site visits to applicants if necessary. In addition, further site visits may be made upon recommendation by the IAG, where clarification or additional assurance is required. These would be carried out concurrently with Department/Secretariat Phase 3, Eligibility Assessment Part 2 activities.

1.3 Timeframe

The timeframe for completion of these assessments is 26 January 2007. This timeframe is dependent upon a number of factors:

- the number of applications requiring assessment;
- the quality and availability of information provided by the applicant;
- the availability of the applicant to respond to information requirements; and
- the number of applications requiring a site visit.

The Independent Assessment Team will communicate with the Secretariat on a regular basis to update progress on the assessment process and indicate as early as possible whether further time maybe required.

2 Overview of Independent Assessment Process

This section provides an overview of the Independent Assessment approach and team member requirements.

2.1 Stages in the Independent Assessment Process

The Independent Assessment Methodology comprises 6 stages. It is expected that for most applications through to Phase 2, Eligibility Assessment Part 1, these stages can be carried out at the Independent Assessment Team premises using information and documentation provided by the applicants. The stages might not necessarily be completed in the order set out below, depending on the availability of information or missing documentation that has been requested. However, Stage 1 should usually be completed first.

The stages are as follows:

Stage 1: Project Costs Assessment Review

The objective of this review is to assess:

- If the project meets the Fund criteria i.e. one-off capital expenditure, not for debt-servicing, not retrospective.
- If economical rates have been used to cost the project components.

If any of the eligibility criteria are not met then this will be highlighted to the Secretariat in a timely manner and may include a recommendation to “Not Proceed”. With Secretariat agreement, no further work will be carried out on the application.

There may be some individual components of the project that do not comply with the criteria e.g. some items may not be classified as capital expenditure or are excessively priced. Where any such items are identified we would recommend an appropriate reduction in the total application funding.

Stage 1 should ordinarily be carried out before Stages 2 through 6.

Stage 2: Project Plan and Capability Review

The objective of this is to assess:

- Whether the project plans applies appropriate project management good practice and, if not, the extent of risk arising for this specific project.
- The extent of demonstrated relevant experience of the proposed project manager and team and the extent of risk arising from any gaps.
- The basis for assurance that the project resource requirements have been fully identified, that these are not excessive, and that the costs are sufficient but economical.
- If the applicant has good project management and capabilities.

Stage 3: Financial Sustainability Review

The objective of this is to assess:

- The extent of risk as to whether the applicant organisation is a going concern in the longer term.
- The nature and quality of its cash flows (e.g. power to levy or rate).
- To estimate its unused capacity to borrow as an indicator of financial sustainability.

Stage 4: Funding Review

The objective of this is to assess:

- If the project has achieved significant financial support from the community; and
- If all reasonable channels for alternative funding have been exhausted.

Stage 5: Governance and Management Review

The objective of this is to assess:

- If the applicant organisation has good practice governance and capability management processes; and
- To estimate the extent of risk to the specific project of any gaps identified.

Stage 6: Reporting to the Secretariat and the IAG

This stage occurs informally throughout the entire programme so that the Secretariat is informed in a timely manner of any significant issues arising. This is particularly relevant if missing documents/information are identified during Stages 1 to 5 of this process. The Independent Assessment Team member should consider which missing documentation/information, given the nature of the project, will be required and request this information from the applicant organisation. All requests should be made through the Secretariat unless otherwise agreed.

All files will be reviewed by the engagement manager to help ensure that the team has treated all applications consistently.

The formal report on each application will be prepared according to the reporting template and with sufficient detail for the Secretariat and the IAG members to understand the basis for the opinion.

Site Visits

It may be necessary to carry out a site visit in order to complete one or more of these stages. If so, all stages should be completed to the extent possible before the site visit, which should cover all stages with missing information. A site visit should not be carried out unless there is no alternative.

A member of the Independent Assessment Team attending a site visit will at all times behave in accordance with the KPMG policies and procedures.

2.2 Requirements for Independent Assessment Team Members

The following table sets out the skills and experience required for each of the stages:

Stage	Skill Requirements
1 Project Costs Assessment	Experienced/qualified accountant
2 Project Plan & Capability Review	Experienced project assurance professional
3 Financial Sustainability Review	Experienced/qualified accountant
4 Funding Review	Accounting/audit professional
5 Governance & Management Review	Accounting/audit professional
6 Reporting to IAG	Accounting/audit professional

3 Detailed Guidance - Fieldwork

This section contains the detailed guidance and reference to additional tools in support of the Independent Assessment Methodology. All the steps in this section should be applied for each application being assessed. Further guidance is detailed in Appendix 2.

Section Four covers the reporting processes.

3.1 Stage 1: Project Costs Assessment

The objective of this is to assess:

- If the project meets the Fund criteria i.e. one-off capital expenditure, not for debt-servicing, not retrospective.
- If economical rates have been used to cost the project components.

If any of the eligibility criteria are not met then this will be highlighted to the Secretariat in a timely manner and may include a recommendation to “Not Proceed”. With Secretariat agreement, no further work will be carried out on the application.

References

Capital expenditure definition (Statement of Concepts – Definition of Assets, NZ IAS 16, New Zealand Institute of Chartered Accountants)

Finance Lease definition (NZ IAS 17, New Zealand Institute of Chartered Accountants)

Independent Assessment Steps Performed

	W/P Reference	Initials/ Date	QA Initials/ Date
<p>1 Capital Expenditure:</p> <ul style="list-style-type: none"> • Review the project description information and detailed project components. Assess whether the project meets the definition of an asset per the Statement of Concepts and NZ IAS 16. Identify and quantify any components that do not meet this definition. Assess the impact on the application if the non capital expenditure relating to administration and project management expenses which may not been included is significant (i.e. above 20% of total or if it impacts on one of the eligibility criteria). 			
2 One-off			

	W/P Reference	Initials/ Date	QA Initials/ Date
<ul style="list-style-type: none"> Assess whether the work to be funded will complete a project or whether it is really only an intermediate step requiring significant further work (more than 5% of the total project cost) to completion. Assess whether any internal charging has been included (such as a charge for the use of internal staff) and include this in the conclusion. Cross reference to Stage 3 work papers on adequacy of the project components to deliver the end product described in the application. 			
<p>3 Not for debt servicing</p> <ul style="list-style-type: none"> Assess whether the project description includes items that are equivalent to principal or interest payments i.e. loan payments and finance leases. Cross reference to workpapers in Stage 3 to assess whether the applicant has the capacity to fund the project costs from its balance sheet. Where such capacity is identified this should be highlighted as a risk in the conclusion. 			
<p>4 Not retrospective</p> <ul style="list-style-type: none"> Assess any representation from the applicant organisation that none of the relevant expenditure has been incurred or will be incurred before the Fund approval date. Review the project timeline and status reports for evidence that the requested expenditure is all in the future. Cross reference to work papers in Stage 3 to assess whether the project components may have been incurred already. Assess the risk that some of the expenditure is retrospective. Where a significant proportion (5% or more) may be retrospective the conclusion should identify this issue in the application. 			
<p>5 Economy of costings – Assess whether the project costing process included competitive</p>			

	W/P Reference	Initials/ Date	QA Initials/ Date
quotes for large components. If so, sample test three components back to documented quotes. If quotes are not available assess the costing by means of a “reasonability” test and if necessary seek specialist advice within the area of concern. If not, the conclusion should include a risk that no evidence has been obtained that the project costings are not economical.			

Conclusions

	Risk Grading WP/C200	Initials/ Date	QA Initials/ Date

3.2 Stage 2: Project Plan and Capability Review

The objectives of this stage are to assess:

- Whether the project plans applies appropriate project management practice and, if not, the extent of risk arising for this specific project.
- The extent of demonstrated relevant experience of the proposed project manager and team and the extent of risk arising from any gaps.
- The basis for assurance that the project resource requirements have been fully identified, that these are not excessive, and that the costings are sufficient but economical.
- If the applicant has good project management and capabilities.

Independent Assessment Steps Performed

	W/P Reference	Initials/ Date	QA Initials/ Date
1 Project Planning – As the funding applications are for project completion there will, in most cases, be some project history.			
<ul style="list-style-type: none"> • Assess the adequacy of project charter (or equivalent). Consider whether the project 			

	W/P Reference	Initials/ Date	QA Initials/ Date
<p>scope has been clearly defined (final deliverable, boundaries, requirements).</p> <ul style="list-style-type: none"> • Assess whether an effective steering committee (or equivalent <i>project</i> governance) has been operating. Evidence should include documented minutes with an actions arising schedule where items have cleared on a timely basis. The minutes should demonstrate that project costs (both to-date and to-go) have been monitored. Where there has been no project governance and no monitoring of project costs these risks should be included in the conclusion. • Assess whether project risks have been identified and managed. There should be documented evidence that: <ul style="list-style-type: none"> - The process for identifying risks involved a number of people associated with the project team - The risks have been quantified - Risk mitigation measures have been identified and agreed/approved with responsibility for the countermeasure clearly assigned - Risks include availability of key personnel and legal requirements (e.g. resource consents) and countermeasures are adequate - Project risks have been regularly monitored by the steering committee (or equivalent) • Assess whether the project plan has been developed in sufficient detail to include responsibilities, timelines and dependencies. Assess whether the plan has been reviewed by someone other than the project manager. • Formally consider the risk impact of the completion phase by reference to the project performance in the earlier stages. 			

	W/P Reference	Initials/ Date	QA Initials/ Date
<p>2 Capability and Governance</p> <ul style="list-style-type: none"> Assess whether either the applicant organisation or the project manager has successfully managed at least one comparable project. This means completion with minimal delays (no more than 15% of original planned time) and minimal overruns (no more than 10% of project budget). This should be evidenced by project reports or references. Assess whether project team members have been identified to carry out the planned tasks and whether they are available at the planned times. Assess whether the required attributes of key team members (skills, experience, positive attitude, commitment to results) have been considered. This should be evidenced by CVs which are supported by references. In addition, for projects with a technical component formally consider the technical skills required and use these requirements to assess the proposed project team's qualifications. This should include relevant experience with similar projects and may also include formal qualifications and membership of professional bodies. 			
<p>3 Project Resource Requirements and Governance</p> <p>Assess whether there is reliable evidence that the components set out in the project detail will deliver the end product described in the application. This will usually mean a suitably qualified and independent person or group has reviewed the project plan. If this is not the case an external professional suitable qualified may be called on for technical advice. Note that for the purpose of this review, a specialist does not lose independence merely by having been engaged by the applicant organisation.</p> <ul style="list-style-type: none"> Formally document and consider the adequacy of the reviewer's independence: 			

	W/P Reference	Initials/ Date	QA Initials/ Date
<ul style="list-style-type: none"> - Separate from the sponsor(s) of the project, and - Affiliated to a professional body that has quality performance standards and disciplinary processes. This body should be relevant to the project. <p>If both of these requirements are not met then this represents a risk and should be included in the conclusion.</p> <ul style="list-style-type: none"> • Formally document and consider the adequacy of the reviewer’s qualifications: <ul style="list-style-type: none"> - Relevant to the project (this may mean that more than one person is required for the review team), and - Experienced. This means that the review team includes at least one person who meets the practical experience requirements of the professional body (ies) as above. <p>If both of these requirements are not met then this represents a risk and should be included in the conclusion.</p> <ul style="list-style-type: none"> • Assess the adequacy of contingency. As a starting point 10% is appropriate although a lesser amount may be appropriate for less risky projects. Projects of higher risk would be expected to have a greater contingency and if the contingency is not appropriate this represents a risk and should be included in the conclusion. <p>These risks should be carried through to the conclusion together with an overall assessment of the project plan.</p>			

Conclusions

	Risk Grading	Initials/ Date	QA Initials/ Date

	WP/C200		

3.3 Stage 3: Financial Sustainability Review

The objective of this is to assess:

- The extent of risk as to whether the applicant organisation is a going concern in the longer term or until the project milestones are complete.
- The nature and quality of its cash flows
- To estimate its unused capacity to borrow as an indicator of financial sustainability

Independent Assessment Steps Performed

	W/P Reference	Initials/ Date	QA Initials/ Date
<p>1 Operating Position</p> <ul style="list-style-type: none"> • Obtain the most recent operating position and quantify the net operating result adjusted for any known abnormal items. Take this adjusted figure and add the budgeted operating performance impact of the proposed project. Use the resulting number to assess “financial operating risk” – high if the number is negative, medium if it is in a range of zero to positive 10% of project costs, and low if it is greater than positive 10% project costs. • If the operating results have been consistent for the past three years then the “operating stability risk” is low. If results have varied by more than 20% year-on-year it is medium and by greater than 20% it is high. If results are unavailable for the past three years then the risk is high. • If the nature of the organisation’s revenue are such that these are reasonably certain to continue in to the foreseeable future then “revenue risk” is low, otherwise it is medium or high. Factors that may give rise 			

	W/P Reference	Initials/ Date	QA Initials/ Date
<p>to reasonable certainty include the power to levy or rate, or the existence of long term revenue contracts.</p> <ul style="list-style-type: none"> Assess the size and duration of operating commitments in relation to committed/ secure revenue. If commitments are significant and for a longer duration than secure revenue then “commitment risk” is high. <p>These risks should be carried through to the conclusion together with an overall assessment of the operating position.</p>			
<p>2 Financial Position</p> <ul style="list-style-type: none"> Obtain the most recent audited financial statements. Calculate <i>current ratio</i> (current assets divided by current liabilities). If this is less than 1 “current ratio risk” is high (subject to a mitigating factor such as power to levy). If it is greater than 1.5 then the risk is low. Calculate <i>times interest earned</i> (operating surplus before interest expense divided by interest expense). If this is greater than 1.5 then the “leverage risk” is low, if between 1 and 1.5 the risk is medium, and below 1 the risk is high. The flip side of leverage risk is capacity to borrow. If <i>times interest earned</i> is greater than 1.5 then “borrowing capacity risk” is medium and if greater than 2 the risk is high. This is significant as unused capacity to borrow is a measure of financial health. Assess whether the correct policy has been used to value land in the statement of financial position. Verify the carrying value by reference to a valuer’s report as at date of acquisition or purchase/ sale documents. <p>These risks should be carried through to the conclusion together with an overall assessment of the financial position.</p>			

	W/P Reference	Initials/ Date	QA Initials/ Date
<p>3 Operating Projections</p> <ul style="list-style-type: none"> Assess whether the projections of ongoing operating expense and revenue (i.e. the figures used in 1 above) have been reviewed by an appropriately qualified independent person. A Chartered Accountant is suitably qualified for this purpose. Assess if objectives in the business plan are consistent with the operating budget prepared for the duration of the project. If significantly different the credibility of the project may be at risk. 			
<p>4 Audit Reports</p> <ul style="list-style-type: none"> If there are three years' audited financial statements available and the audit report is unqualified then there is no additional risk. If an audit report has been qualified on an "except for" or "subject to" basis then the additional risk may be quantified. If the audit report has been qualified on an adverse or disclaimer basis then the incremental risk is high. This will impact on our assessment of compliance with NZ GAAP and operation of effective financial policies and procedures. 			
<p>5 Financial Management Reporting</p> <ul style="list-style-type: none"> Assess the frequency of financial reporting by management to the governing body. If this is not done at least quarterly then management reporting risk is "high". Assess the content of financial reporting to management. This should include analysis of significant variances to plan and some form of periodic forecast updates. If these are not present then management reporting risk is "high". If any significant risks identified in the foregoing analysis have not been addressed in management reporting then management reporting risk is "high". 			

Conclusions

	Risk Grading WP/C200	Initials/ Date	QA Initials/ Date

3.4 Stage 4: Funding Review

The objective of this is to assess:

- If the project has achieved significant community support including financial support; and
- If all reasonable channels for alternative funding have been exhausted.

Independent Assessment Steps Performed

	W/P Reference	Initials/ Date	QA Initials/ Date
<p>1 Community Support</p> <ul style="list-style-type: none"> • Determine the amount either banked or promised from community sources is at least 35% of the total project cost. For amounts not yet banked there should be documented letters of promise. From the list of promises select a sample and trace to documentation. If one cannot be found double the sample size. If any further documents are missing from the expanded sample then there is a risk that should be reported. • Assess whether there are adequate controls over the tagging of funds held or promised to this project. If the applicant is not able to demonstrate controls then a sample of monies banked should be carried out in addition to the sample in 1 above. If there are any further exceptions then there is a risk that should be reported. 			

	W/P Reference	Initials/ Date	QA Initials/ Date
<p>2 Internal Funding</p> <ul style="list-style-type: none"> Assess whether the organisation is able to fully or partly fund the project completion internally. Internal funding is possible where the applicant has low risk financial ratios per the Financial Sustainability section above, and there are surplus reserves in the balance sheet represented by liquid assets. Surplus reserves are any amount that could be taken out of the balance sheet and still leave all financial ratio risks at “low”. 			
<p>3 All Alternative Avenues</p> <ul style="list-style-type: none"> Assess, by review of correspondence and other documentation, whether a large number of alternative avenues have been explored for the funding requested. At least a reasonable number of applications should have been made, covering charitable trusts, Lottery Grants Board, local government, community and gaming trusts and, if appropriate, commercial sponsorship. Assess whether the applicant’s fundraising efforts have been structured and broad-based. This means that the applicant should have at least formally considered the feasibility of seeking further community based fundraising such as gifts and legacies from individuals. Where the funds applied for will still leave a shortfall (should be no more than 5% to get through to Risk Assessment), review the applicant’s plans to cover this and assess the feasibility. 			

Conclusions

	Risk Grading WP/C200	Initials/ Date	QA Initials/ Date

3.5 Stage 5: Governance and Management Review

The objective of this is to assess:

- If the applicant organisation has good practice governance and management processes; and
- To estimate the extent of risk to the specific project of any gaps identified.

Independent Assessment Steps Performed

	W/P Reference	Initials/ Date	QA Initials/ Date
<p>1 Governing body composition</p> <ul style="list-style-type: none"> • Assess the skills and experience of the members of the governing body. At least one should have a financial background and at least one should have a background in the business of the organisation. • Assess whether turnover of governing body membership is excessive. For the past five years the number of non-scheduled departures should not exceed on average one per year. Scheduled departures include retirement by rotation or as the result of an election. 			
<p>2 Leadership</p> <ul style="list-style-type: none"> • Assess whether governing body attendance at meetings is monitored. If not, this should be identified as a risk. If attendance is monitored then a risk should be raised if fewer than 70% of members attend at least 70% of the meetings. • Assess whether a documented delegation of authority policy is in operation. The policy should be specific about financial thresholds above which the governing body must approve. Delegations should cover operating expenditure, capital expenditure, entering contracts (e.g. longer term commitments), 			

	W/P Reference	Initials/ Date	QA Initials/ Date
<p>hiring staff or contractors, engaging lawyers, external communications and media releases.</p> <ul style="list-style-type: none"> Assess by reference to minutes whether there is an annual budget and whether this is approved by the governing body. 			
<p>3 Governing Body Activities</p> <ul style="list-style-type: none"> Assess the adequacy of the frequency of governing body meetings. As a guideline meetings should take place at least quarterly, although for organisations facing significant change more frequent meetings should occur (at least 6 times per year). Assess whether the meeting papers are adequate. These should cover financial performance and reports on any major risks or change activities underway. Assess whether minutes are available for every meeting and approved at the subsequent meeting. Assess whether any matters arising schedule (covering actions arising from past meetings) is monitored at each meeting. Assess if there is evidence of conflict of interest policy and its application if relevant. 			

Conclusions

	Risk Grading WP/C200	Initials/ Date	QA Initials/ Date

3.6 Overall scoring

The Independent Assessment Team will be required to provide an overall Implementation Score and Ability to Deliver Score using DIA criteria set out in **Appendix 1**. The criterion is a 7 point scale. A score of 4 and above demonstrates that all the attributes of a good application are met.

Criteria	Score (1-7)
The Implementation Score relates to: What is the likelihood the project will be successfully implemented?	
The Ability to Deliver Score relates to: What is the likelihood the project team and/or organisation will achieve the project outputs?	

4 Guidance on Reporting

4.1 Reporting Template

A reporting template is provided. Refer Appendix 2.

4.1.1 Reporting on Risks Identified

Risks identified in the conclusion sections of the analysis phase should be brought through in to the report under the relevant section. Each risk should be graded using the following grading criteria.

High	<p>The project/application:</p> <ul style="list-style-type: none">• Contains insufficient documentation to support the application e.g project costs are not clearly defined, supporting documentation is lacking to demonstrate economical rates, debt servicing, capital expenditure, and one off requirements, no project plan or the plan is out of date and does not sufficiently demonstrate the stages involved in the project; lack of capability and sustainability to complete the project.• Internal control system may be lacking by failure to adhere to written policies and procedures and lack of good governance processes. The deficiencies could have adverse affects on the organisation or could lead to a low chance of the project being completed successfully if corrective actions are not taken.• Financial ratios indicate inability of the organisation to continue to operate (i.e. going concern issues or other financial concerns).• Could seriously compromise the achievement of the organisation's multiple outcomes, outputs or objectives in current year.• Could seriously undermine or damage the organisations/stakeholders reputation.
Moderate	<p>The project/application contains:</p> <ul style="list-style-type: none">• Some documentation to support the application, however the documentation may require further detail; the project plan may not be comprehensive or is slightly out of date, or the stages of the project are outlined but details are lacking.• Internal control system appears adequate but some deficiencies are apparent. Overall the board and senior management oversight, policies and limits, risk monitoring procedures, reports and management information systems are effective and risks controlled in a manner that does not required more than normal supervisory attention.• The project appears to have a chance of completing successfully.• Financial ratios indicate some inability of the organisation to continue to operate (i.e. going concern issues or other financial

	<p>concerns).</p> <ul style="list-style-type: none"> • Could create significant compromise or sub-optimal achievement to deliver one or more of the organisations outcomes, outputs or objectives in the current year. • Could create some reputational damage with certain stakeholders.
Low	<p>The project/application contains:</p> <ul style="list-style-type: none"> • comprehensive documentation to support the application where the project costs are clearly defined, contains supporting documentation to demonstrate economical rates, debt servicing, capital expenditure, and one off requirement; and has a detailed and up to date project plan which sufficiently demonstrates the stages involved in the project. Capability requirements are clearly outlined, and the project is being managed effectively. • Internal control system appears effective and indicates that management effectively identifies and controls all major types of risk. The board and management participate in managing risk and ensure that appropriate policies and limits exist. The project appears to have a high chance of being completed successfully. • Financial ratios indicate the organisation will be able to continue to operate (i.e. no going concern issues or other financial concerns). • Little to Nil effect on the achievement of organisation outcomes, outputs and objectives. • Any impact on the organisations capacity and capability can be absorbed. • Little to nil impact on any stakeholders.

5 Tools and Templates

The Independent Assessment Team will use a range of tools and templates to collect the information to ensure a consistent approach. Tools and templates will include:

Template	Description	Completed by	Reference
Independent Assessment Checklist	A checklist to ensure each step of the process has been completed for each application (as appropriate).	Independent Assessment Team	WP/A100
Phase 2: Assessment worksheet of the eligibility of project, organisation and community support	Detailed review of project costs, sources of funding, technical feasibility and ability for applicant to deliver, financial sustainability, governance processes and community support	Independent Assessment Team	WP/C100
Phase 2: Risk assessment	Risk criteria to assess the significance of any risks identified from the Phase 2 assessments	Independent Assessment Team	WP/C200
Findings Report	An overall summary of the assessment worksheets, risks and scores.	Independent Assessment Team	WP/C500
Phase 3: Work programme for site visits	Work programmes form the detailed approach for the audits. They outline what steps will be performed by who and when.	Independent Assessment Team	WP/D100
Final report template	Applications approved by Cabinet will require final written reports which recommend a final funding amount to be received. This will take into account any new information provided. The IAG will agree/decline/change the funding amount.	Independent Assessment Team	WP/F100
Funding Agreement template	Funding agreements will be developed to ensure project milestones are completed and an appropriate payment schedule is determined.	Independent Assessment Team and DIA Legal Services	WP/G100

A Appendix 1: SCBPF Score Criteria

Assessment Attributes

1) **Implementation:** What is the likelihood the project will be successfully implemented? Attributes of success to be assessed are listed below:

- Accurate project costing (project budget, future operating budget)
- Genuine sources of funds – funding recognised in accounts, ascribed values reasonable, comprehensive fund raising activity, reasonable expectations to meet shortfall
- Project technical feasibility – project scope and design, feasibility study, legal compliance
- Project management capability – project plan, governance structure, personnel, internal control, resource availability
- Community support
- End user commitment
- Track record: delivering projects of a similar nature and working with end users
- Risk management – identification, mitigation/management
- Application organisational financial
- Applicant governance
- Applicant management capability

Implementation – Anchor Point Attributes	
What is the likelihood the project will be implemented successfully?	
1	Few attributes of a good proposal are met.
2	<p>Some of the attributes of a good proposal are met, but there is an important instance where they are not met.</p> <p>a. Proposal does not demonstrate a relevant track record of successfully implementing previous projects and working with users or there is past contract performance of unsatisfactory facilitation of project implementation or there is neither track record/ past performance nor other information to provide confidence that the project can be implemented successfully.</p> <p>b. Proposal does not demonstrate a credible assessment of the barriers to successful implementation.</p> <p>c. Proposal does not demonstrate user involvement in the project development, user commitment to the project and lacks credible plans for facility exploitation beyond project completion.</p>

3	Most of the attributes of a good proposal are met, but there is an important instance where it is not met.
4	<p>All the attributes expected of a good proposal are met and there may be an instance where an attribute is excellent.</p> <ul style="list-style-type: none"> a. Proposal demonstrates a significant track record of successfully implementing previous projects, supported by past contract achievements or the information provided gives confidence that the project can be implemented successfully. b. Proposal provides a credible assessment of the barriers to successful implementation and mitigation/resolution strategy. c. Proposal provides co-funding or other types of meaningful end-user engagement in areas where it is expected (e.g. collaborations with end-users are appropriate and adequate for project's contribution to the specified outcomes) and includes credible plans to achieve uptake beyond project completion.
5	Most attributes of an excellent proposal are met, but there is an important instance where it is not met.
6	<p>All the attributes expected of an excellent proposal are met and there may be an instance where an attribute is outstanding.</p> <ul style="list-style-type: none"> a. Proposal demonstrates a substantial track record of successfully implementing previous projects, supported by past contract achievements. b. Proposal provides a highly credible assessment of the barriers to successful implementation and mitigation/resolution strategy. c. Proposal provides a substantial level of co-funding and/or on-going, quality relationships with users that are likely to assist with the contribution to the specified outcomes, and specific plans for uptake that provide confidence the organisation can achieve this proposed uptake beyond project completion.
7	<p>All attributes expected of an outstanding proposal are met.</p> <ul style="list-style-type: none"> a. Proposal demonstrates an outstanding track record of successfully implementing previous projects which demonstrably contributed to intended outcomes. b. Proposal provides an outstanding assessment of the barriers to successful implementation and mitigation/resolution strategy. c. Proposal provides an outstanding level of co-funding and very effective and possibly innovative relationships with an integrated approach to idea generation, project design, feedback processes and project execution and innovative plans to achieve uptake beyond project completion.

- 2) **Ability to deliver:** What is the likelihood the project team and/or organisation will achieve the project outputs?. Attributes of success to be assessed:
- Organisation/team track record (key individuals fit for purpose experience, appropriate collaborations to deliver the project and track record of previous grants, similar projects, risk management)
 - Project management capability – project plan, governance structure, personnel, internal control, resource availability
 - Contingency planning for key individuals
 - ‘Agreement ready’ project plan: clearly defined, well sequenced critical path, milestone and objectives; change events and critical points identified; and risk and management/mitigation strategies identified

Ability to deliver – Anchor Point Attributes	
What is the likelihood the team/organisation will achieve the projects outputs?	
1	Few attributes of a good proposal are met.
2	<p>Some of the attributes of a good proposal are met, but there is an important instance where they are not met.</p> <p>a. While the team/organisation has demonstrated some relevant capability, as a whole the team/organisation does not have a sufficient track record of skills and experience fit-for-purpose for the project proposed.</p> <p>b. The organisation/team or its key individuals members do not have sufficient project management skills or the support to undertake and/or deliver the project proposed, e.g. sufficient resources to complete the project, or it is not clear how the team will work together as a cohesive whole in delivering the project.</p> <p>c. Project risks and uncertainties have not been adequately accounted for in the project plan (development of critical path, project milestones).</p>
3	Most of the attributes of a good proposal are met, but there is an important instance where it is not met.
4	<p>All the attributes expected of a good proposal are met and there may be an instance where an attribute is excellent.</p> <p>a. The team/organisation demonstrates relevant capability, successful performance in previous projects, and as a whole the team/organisation has a significant track record of skills and experience fit-for-purpose for the project proposed.</p> <p>b. The organisation/team has significant project management skills and support necessary to undertake and/or deliver the project proposed (e.g. sufficient resources to complete the project) and demonstrates that they can work together as a cohesive whole.</p> <p>c. Project risks and uncertainties have been adequately accounted for in the project plan (e.g. project plan is best practice, development of critical path, project milestones, project</p>

	governance).
5	Most attributes of an excellent proposal are met, but there is an important instance where it is not met.
6	<p>All the attributes expected of an excellent proposal are met and there may be an instance where an attribute is outstanding.</p> <ul style="list-style-type: none"> a. The team/organisation demonstrates a high impact relevant capability, substantial performance in previous projects, and as a whole the team/organisation has a substantial track record of skills and experience fit-for-purpose for the project proposed. b. Substantial evidence the team/organisation has the project management skills and support necessary to undertake and/or deliver the project proposed (e.g. sufficient resources to complete project), and demonstrates that they can work together well and (at least potentially) offer substantial synergies as a team. c. Project risks and uncertainties have been substantially accounted for in the project plan (e.g. project plan is best practice, development of critical path, project milestones, project governance).
7	<p>All attributes expected of an outstanding proposal are met.</p> <ul style="list-style-type: none"> a. The team/organisation demonstrates a high impact relevant capability, outstanding performance in previous projects, and as a whole the team has an outstanding track record of skills and experience fit-for-purpose for the project proposed. b. Outstanding evidence leaders have a track record of possessing the project management skills and support necessary to undertake and/or deliver the project proposed, the team makes a cohesive whole and offers outstanding potential synergies. c. The project plan is outstanding in addressing project risks and uncertainties (e.g. project plan is best practice, development of critical path, project milestones, project governance).

B Reporting Template