Investment management framework

Source policy

These Procedures and Guidelines support and must be read in conjunction with the following:

- VPMP Investment management framework

Application

Procedures and Guidelines are provided to support the interpretation and application of rules and responsibilities. They include recommended good practices and assessment tools to help employees make lawful, ethical and professional decisions. Employees should use the **Professional and ethical standards** to inform the decisions they make to support interpretation of Procedures and Guidelines.

Procedures and Guidelines are not mandatory requirements on their own. However, where rules and responsibilities state that employees must have regard to Procedures and Guidelines, the Procedures and Guidelines must be used to help make decisions in support of the rules.

Procedures and guidelines

1. General

- The Investment Management Framework (IMF) and associated requirements are coordinated by the Project Portfolio Governance Branch (PPGB), Business Services Department.

- Each stage of the IMF includes mandatory documentation, key decision points, governance and reporting requirements, which must be completed prior to progressing to subsequent stages.

- The IMF is governed by the Finance and Investment Committee (FIC) who makes recommendations to the Victoria Police Executive (VPE) regarding key decisions made at each stage of the IMF.

- The Portfolio Evaluation Group (PEG), is comprised of investment subject matter experts, and supports the FIC in the evaluation of the strategic alignment of investment proposals with organisational priorities.

- The IMF is consistent with Victoria Police Values and Code of Conduct, and allows for informed, transparent decision making in relation to investment proposals and projects.

2. Five stages of the IMF

General

- The IMF encompasses the project lifecycle from proposal to delivery and benefits realisation. The IMF and associated requirements are coordinated by the PPGB, Business Services Department.

- The first three stages of the IMF relate to investment proposals, and the final two relate to project delivery.

Stage 1 - Strategic Assessment

- Stage 1 - Strategic Assessment is a structured and standardised approach to developing and presenting investment proposals for the Finance and Investment Committee and the Victoria Police Executive.

- Proposal Executive Sponsors (Victoria Police Executive members) and authors are required to present the investment proposal in the following documents:
  - Investment Concept Brief (ICB)
  - Investment Logic Map (ILM)
  - Excel Costing Spreadsheet
  - Benefit Management Plan (BMP)

- The first step in developing Stage 1 documentation is having an Investment Logic Map (ILM) facilitated by an accredited facilitator. The PPGB coordinates the allocation of accredited facilitators on behalf of proposal authors. Contact PPGB for assistance.

- Once Stage 1 documentation is completed and endorsed by the Proposal Executive Sponsor, it is submitted for consideration by the Finance and Investment Committee (FIC). FIC will assess the proposal and make a recommendation to the Victoria Police Executive regarding if the proposal should progress to Stage 2 - Business Case.

- Decisions regarding the progression of Stage 1 proposals to Stage 2 are made by the Finance and Investment Committee twice a year (March and September), unless the proposal is seeking less than $300,000 (IMF Lite) or is considered urgent, essential or unforseen.

- Further information regarding IMF Stage 1 requirements and templates can be accessed from the IMF Stage 1: Strategic Assessment intranet page.

Stage 2 - Business Case

- If a proposal has received Stage 1 approval, it progresses to Stage 2 – Business Case. The business case is a standardised and structured approach to preparing and presenting the detailed requirements of the investment proposal.

- Proposal Sponsors and authors are required to present business cases in one of the following formats:
  - IMF Lite Business Case (>$100,000 & <$300,000)
  - IMF Full Business Case (>$300,000)
  - ERC Business Case

- Completed draft Stage 2 documentation, endorsed by the Proposal Executive Sponsor, is reviewed by the Portfolio Evaluation Group (PEG) who provides feedback regarding recommendations to improve the quality. The PEG can also provide assistance and guidance with the development of business cases.

- Once the PEG review process has been completed, Stage 2 documents are considered by the Finance and Investment Committee to determine if they should progress to Stage 3 - Investment Decision.

- Decisions regarding the progression of Stage 2 proposals to Stage 3 are made by the FIC twice a year (March and September), unless the proposal is seeking less than $300,000 (IMF Lite) or is considered urgent, essential or unforseen.

- Further information regarding IMF Stage 2 requirements and templates can be accessed from the IMF Stage 2: Business Case intranet page

- If a sound business case to proceed has been presented, and approved by the Finance and Investment Committee (FIC), then the proposal proceeds to Stage 3 – Investment Decision. A briefing paper from the FIC is presented to the Victoria Police Executive (VPE) regarding the proposal and the FIC recommendation. This is discussed by the VPE and a decision is made to fund / not fund the proposal (March and September)

- Further information regarding IMF Stage 3 requirements can be accessed from the IMF Stage 3: Investment Decision intranet page

- If the proposal is funded, it then becomes a project, and must progress through Stage 4 - Quarterly Reporting and Stage 5 Benefits Realisation.

Stage 4 - Quarterly Reporting

- Quarterly Reporting allows governance groups to monitor strategic alignment of projects with Victoria Police priorities, co-ordinate interdependencies, and review project performance.

- Project Managers are responsible for reporting project status each quarter to the PPGB. Project Managers provide key project information to the PPGB to allow for an assessment of project performance in relation to the following criteria:
  - Progress against schedule
  - Budget expenditure against cashflow
  - Changes in scope
  - Effectiveness of governance arrangements
  - Risk assessment and mitigation
  - Project team resources
  - Organisational change management
  - Benefits management/tracking

- With the input of Business and Executive Sponsors and Project Managers, an overall RAGG (red / amber / green / grey) 'traffic light' assessment is made, and a concise commentary of project performance and PPGB recommendations are provided.

- Information aggregated from Quarterly Reports is provided internally to Steering Committees, the Finance and Investment Committee, the Victoria Police Executive, and the Chief Commissioner of Police.

- Department of Justice and Department of Treasury and Finance Project Reporting is managed by the PPGB and Corporate Reporting Unit on a monthly basis for those projects that have an asset/operating investment funded by Expenditure Review Committee.

- Projects must participate in Quarterly Reporting (unless exempted by the Finance and Investment Committee) until they have been completed, and the documentation associated with this submitted.

- Further information regarding IMF Stage 4 requirements and templates can be accessed from the IMF Stage 4: Quarterly Reporting intranet page

Stage 5 - Benefits Realisation

- The primary reason for investing in a project or program (time, $, resources) is to achieve the benefits (positive outcomes) that the organisation expects the project/program will deliver. The realisation of expected project benefits is a key measure of project success. Victoria Police projects and programs need to demonstrate that they have delivered what they set out to achieve. In order to do this they need to define measure and track project/program benefits.

- PPGB has developed a benefits management, tracking and reporting process consistent with the Department of Treasury and Finance Investment Management Standard to assess if the expected benefits were achieved.

- Victoria Police projects and programs are required to develop a Benefits Management Plan (BMP) and assign a person to the role of Benefits Manager (usually the Project Business Sponsor). When a project/program begins to realise benefits (often after project completion) the Benefits Manager is required to report to PPGB on the progress of benefit achievement on a twice-yearly basis.

- Further information regarding IMF Stage 5 requirements and templates can be accessed from the IMF Stage 5: Benefits Reporting intranet page

Further advice and information

For further advice and assistance regarding these Procedures and Guidelines, contact the Senior Project Officer, Project Portfolio Governance Branch (PPGB), Business Services Department, 9247 3248

Update history

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