








INVESTMENT QUALITY ASSURANCE (IQA)

Business Case assessment should be fit-for-purpose: While all five cases need to be completed at the PBC, IBC, DBC, or SSBC stages, the emphasis or level of detail required for each case will vary based on the stage and the complexity of the proposal.

Additional resources can be accessed following the link provided inline .

PROJECT DETAILS	
Project/Activity Name Approved Organisation / Region	Provide AO name, Project name and links to InfoHub for Business Case / funding application including Version Number or Date.

RECOMMENDATION	
Delegated decision maker 	Choose an item. Explain if escalated. Chief Financial Officer, Investment & Finance. Waka Kotahi Board.
Recommendation and commentary	Choose an item. Other factors, readiness, acceptance on certain conditions, good enough, etc.
Proposed conditions (if applicable)	We recommend that the National Manager P&S includes the following conditions. As a condition precedent that ... / As a condition subsequent that ... Specific conditions, referenced elsewhere and the responsibility of someone to sign off.
Does this activity breach the significance policy? 	Has the significance assessment been completed for the previous phases? What are the outcomes of the significance assessment regarding the approval path and funding request?

SUMMARY			
Proposal overview	A 1-2 paragraph summary of the business case.		
Scope of activity for this IQA 	Scope of proposed work in x activity class and y work category, cost/timing of next and subsequent phases.		
Results alignment / GPS alignment 	Choose an item. (Applicant) Choose an item. (Reviewer)	Scheduling	Choose an item. (Applicant) Choose an item. (Reviewer)
Efficiency / Cost-benefit appraisal 	Choose an item. (Applicant) Choose an item. (Reviewer)	BCR (expected) BCR range	x.x x.x to x.x
IPM priority order 	Choose an item. (Applicant)	Choose an item. (Reviewer)	
Economic robustness 	Robust analysis (including incremental analysis if appropriate) completed in line with PIKB guidance, MBCM, and NMBM?	Choose an item.	
	Has the preferred option considered climate change and the transition to a low carbon transport system (i.e. reduction in harmful emissions)? Explanations to be provided in Section E.	Choose an item.	
	Sensitivity tests of appropriate factors?	Choose an item.	

Finance	Preferred option included in the NLTP? ⓘ	Choose an item.
	Preferred option above the investment threshold in the NLTF?	Choose an item.
	Have Activity Class Manager(s) and Manager, Treasury and Cashflow confirmed funding availability?	Choose an item.
	Have costs been calculated using SM014 ?	Choose an item.
Procurement ⓘ	Does the applicant have a currently endorsed Procurement Plan/Strategy and does the intended approach align with this?	Choose an item.
Independent Review (if required) ⓘ	Peer review as per Waka Kotahi requirements?	Choose an item.
	Parallel costs estimate?	Choose an item.
	Road safety audit?	Choose an item.
Readiness / urgency factors to consider	Ready to proceed within three months of funding approval	Choose an item.
	Highlight any critical dependencies, interdependencies or other factors to consider. Has a Point of Entry been completed?	

OVERALL ASSESSMENT: IS THERE A COMPELLING CASE FOR INVESTMENT?			
Business Case Process / Local Government Partnerships assessment			
Assessed by		Date	Click or tap to enter a date.
Investment Assurance assessment (if applicable, e.g. >\$50M, breaches significance)			
Assessed by		Date	Click or tap to enter a date.

STRATEGIC CASE	
A. Are the problem statements clear and is there evidence to support them? Are the problems a strategic priority in national, regional and local contexts?	
<p>Are problem statements clear, with cause, effect and consequence and supported by evidence? Are the problems material in the context of the investors' strategic aims and objectives (strategies, plans)? Does the investor own this problem, or should a broader perspective be taken, potentially with third parties? Could there be impacts on other modes / routes / land use as a result of fixing this problem? Does the problem need to be addressed at this time? Does the problem align with the LTMA, GPS, Arataki and Waka Kotahi's objective to undertake functions that contribute to an effective, efficient and safe land transport system in the public interest?</p>	
B. Are the benefits clear and a logical consequence of resolving the problems? Is there a clear line of sight from problems and benefits through to the proposed investment objectives, performance measures and targets?	
<p>Are benefits clear and are they a logical consequence of resolving the problems? Has Waka Kotahi's land transport benefits framework been used appropriately to identify benefits and measures? If not why not? Are the benefits of high value to Waka Kotahi? Are the proposed measures and targets likely to be good indicators that the problems have been resolved and that the benefits and investment objectives have been achieved? Are the investment objectives and proposed measures attributable to the investment and are they SMART (Specific, Measurable, Achievable, Relevant and Timebound to the investment)?</p>	

ECONOMIC CASE

C. Have a suitable range of alternatives or options been identified in the long list, drawing on the intervention hierarchy? [i](#)

At PBC stage have demand management, productivity and supply strategic alternatives been considered as stand-alone alternatives or in combination? After PBC stage, have demand management and productivity project options been considered as stand-alone options or as complimentary to supply options? Has a clear rationale been provided for the selection of the proposed alternatives or options? Has the [EAST tool](#) been used (recommended)? Is an appropriate Do-Minimum specified? Are critical dependencies identified?

D. Has an appropriate approach to evaluating long list options been developed and has it been implemented effectively to deliver a robust options short-list?

Has [Waka Kotahi MCA guidance and template](#) been used (recommended – not SSBC Lite)? Is there a clear justification presented for the MCA framework, including criteria and any weighting? Has scoring been based on enough reliable information by suitably qualified and experienced people? Has there been moderation of the results and are they fair? Has all this been documented? Was the [Indicative Efficiency Rating tool](#) used? Are proposed short-listed options the most effective response to the problem (comprehensive and balanced)?

E. Is there sufficient evidence to demonstrate the preferred option / preferred way forward is the most economically efficient and effective response to the problems?

On balance has the MCA reached the correct conclusion for a preferred way forward / option? Is the economic assessment of the short listed and preferred options appropriate and robust, complying with Waka Kotahi requirements (e.g. PIKB, MBCM, NMBM, evaluation period, discount rate, incremental analysis, sensitivity testing)? Do cost estimates include whole of life costs and have they been checked to the extent required (peer review / parallel estimate)? Are cost estimates, contingencies and funding risks appropriately accounted for in accordance with the cost estimation manual? Is the preferred option really likely to deliver on the benefits and achieve the investment objectives? Are there any unique form, function or standards issues associated with the preferred option? Have [peer review, safety audit](#) requirements been met? Has an [AST](#) been completed for each short-listed option? Have critical dependencies been identified? Has optioneering and selection of a preferred way forward align to the [Climate Change](#) priority and the primary outcome as laid out in Section 2.5 of GPS 2021.

COMMERCIAL CASE

F. Is the proposed procurement approach for the next and subsequent phases clearly explained and aligned to an approved and current procurement strategy?

Is there a [procurement](#) plan that clearly sets out the procurement approach to the next and subsequent phases? Does the procurement plan confirm the currency and approval status (by both AO and Waka Kotahi) of the Approved Organisation's Procurement Strategy? Does the plan clearly explain how the proposed procurement approach is consistent with the Approved Organisation's Procurement Strategy? If the proposed procurement approach departs in any way from their current, approved procurement strategy, is this clear and has it been reviewed and confirmed by the appropriate person in Waka Kotahi Procurement?

FINANCIAL CASE

G. Is the preferred option a funding priority and is it affordable? What are the proposed funding arrangements?

Affordability should be considered in the context of the size of the problem. How will the preferred option be funded (activity class, work category, priority)? Is the proposed cashflow accurate and realistic? Has [SM014](#) been used to develop cost estimates? Have contingencies been included in the cost estimates? Is the preferred option P95 cost estimate affordable? Is both local and NLTF funding availability confirmed? Have all funding options been considered (e.g. multiparty, third party). Variance from standard FAR? How will any cost increases be managed? Are all elements of the financial case complete? How robust is it overall?

MANAGEMENT CASE

H. Is the proposed option sufficiently well planned and specified to enable the next phase to proceed successfully? [i](#)

Is the next phase clearly and fully specified in line with Waka Kotahi guidance? Is it clear what the next steps are, who will make them (management and governance), when, how, where and at what cost? Are all necessary changes identified including (as required) maintenance requirements, any system or process changes, policy changes or other business practice changes? Is the solution ready to be progressed to the next phase? Can the preferred option/s be delivered successfully, including via appropriate sequencing? How will critical dependencies be managed?

I. Are there appropriate plans in place for benefit realisation measurement and reporting?

For funding applications that include implementation are there clear and robust arrangements in place for the development, approval and subsequent reporting against a benefit realisation plan (measures, targets, benefits, investment objectives)? Has the benefits framework been used appropriately to support development of a benefits realisation plan?

J. Are the risk management arrangements adequate?

Have risks and significance been thought through sufficiently in accordance with [Minimum Standard Z/44](#)? What are the key risks and opportunities identified? Has appropriate mitigation/management been identified? If so, describe briefly; if not, include concerns. Are conditions required to manage any residual risks? Is a 'lessons learned' process in place with clear documentation and a pathway back into the business?

GENERAL

K. Can the activity really be delivered (programme, costs, risks, timeframes, governance, etc)?

Is there ample detail included for this activity to successfully scope/plan/deliver the next phase? Holistically can the activity be delivered in the next phase? Has all consideration been factored into determining the deliverability of this activity? Is it clear what is expected in the next phase (scope, programme, cashflows, governance/management, procurement, risk management)? Is there contingency for delivery of this project? Is there confidence in delivery of this activity? Is there gaps in the activity that pose a significant threat to delivery of the next phase? Does the deliverability of the activity support the recommendation for the IQA?