

Nambucca Shire Council
PROJECT CONTROL GROUP
Governance & Terms of Reference

Project	Extension of Nambucca Heads Library and Activation of Cultural Space
Description	Funding to refurbish and expand the Nambucca Heads Library and Cultural Precinct.
RCF No.	RCF18A031

Extracted from the Funding Agreement

1. Background:

The NSW Government has established the Regional Cultural Fund (RCF) to support local communities and to upgrade or develop cultural infrastructure to enable bold and exciting arts and culture that reflects the rich diversity of regional NSW.

The Department has agreed to provide funding from the RCF, to the Recipient, to facilitate the carrying out of the Project by the Recipient. The Department must provide funds only where there is certainty of project completion and a realisation of the benefits mentioned above.

To ensure these benefits are achieved; projects of a certain monetary value or complexity are subject to a predefined governance structure. Whilst an RCF funding recipient is solely responsible for delivery and completion of their project, adherence to this governance structure is one of the conditions of receiving RCF funding and is noted in the **Special Conditions to Schedule A, Item 2** of your Funding Agreement.

The structure of this governance is simple; where an RCF funded project meets one of the conditions (below); a Create Infrastructure representative must be included as a member of the Project Control Group (PCG) or similar project body. As a guide, a Create Infrastructure (CI) representative would be included in RCF project governance where:

- The RCF grant is over \$1million; or
- The RCF grant is greater than 40 per cent of the project's total capital cost and the Department determines that representation is appropriate.

2. Our Involvement:

2.1 Create Infrastructure Representative

In general, we expect that any appointed CI representative would fulfil a project assurance role in RCF project governance. The CI representative would:

- maintain oversight of RCF-funded project progress;
- identify and where necessary escalate issues that could negatively impact the progress or completion of the project in accordance with the Funding Agreement;
- advise on project management issues in relation to Funding Agreement requirements;
- liaise with the managers of projects for access to project documentation as required;
- attend PCG and PCG meetings as appropriate; and
- organise health check reviews to gain independent assurance that a project will meet its objectives.

In practise, we see the CI representative role to be of greater assistance than these prescribed assurance functions. For example, your assigned CI representative could:

- provide advice on program timelines & milestones
- provide independent review of costs and budgets

- facilitate funding payments and variation requests
- review designs and provide 'second eyes' advice on design issues
- assist with regulatory approvals and referrals to other regulatory bodies
- take part in procurement briefing, assessment and engagement

In summary, your CI Representative is here to help you achieve your projects goals, not just monitor the spending of the Departments investment. With upfront assistance for a CI representative, a project is more likely to avoid undergoing a project health check review.

2.2 Health check reviews

Create Infrastructure will also determine whether and when a health check review is required for an RCF project. This fulfils **Section 7.2** of the RCF Funding Agreement which states:

"The Department may, at the Recipient's cost, appoint an Approved Auditor to conduct audits under this Agreement."

The purpose of a Create Infrastructure health check review is to gain an expert reviewer's insights regarding a project and an indication of whether it will be delivered on time, to cost and will realise the benefits outlined in the final business case.

The health check review considers all relevant aspects of the project and provides recommendations to the Project Sponsor to improve likelihood of successful project delivery. Health check reviews would be conducted by independent, qualified and experienced third parties, such as NSW Public Works Advisory or external providers, including those used by Infrastructure NSW.

Reviewers would use a pre-defined template based on the 'Health Check in Delivery' template developed by Infrastructure NSW. A health check review could be instigated at the request of the Executive Director, Create Infrastructure; or the request of the RCF Project Sponsor.

Create Infrastructure would develop the Terms of Reference for a health check review, inviting input from the RCF Project Sponsor. The Terms of Reference guide the Reviewers in conducting the health check review and would highlight key issues to be specifically considered.

A Create Infrastructure health check review would result in a brief report providing a snapshot of a project's status and include prioritised recommendations for project manager to improve project delivery.

The RCF project would provide a response to these recommendations indicating how the project intends to address the recommendations and within what time-frame. The health check review report would be available to PCG, PSC or Project Board and to Create Infrastructure.

3. Create Infrastructure PCG guidelines:

Many funding Recipient organisations, that have a RCF governance implemented, will already be familiar with running PCG's. However, some smaller organisations may not have this expertise. CI have provided the following as the Departments expectations or 'Terms of Reference' for running a PCG. It can be adopted by the Recipient or used as a comparison for an audit of existing organisation Terms of Reference.

3.1 Purpose

The Project Control Group (PCG) is responsible for monitoring performance against project objectives, approving key engagements, deliverables, processes and endorsing project decisions – of both design & budget.

3.2 Authority and Decision Making

While the primary responsibility of the project rests with the funded agency, the PCG is comprised of relevant parties, with appropriate experience, to provide strategic direction and advice.

3.3 Guiding Principles

The PCG is committed to establishing, maintaining and promoting good governance. It recognises the robust governance standards and commits to adhering to the Code of Ethics and Conduct for NSW Government Sector Employees.

In particular, members promote the following principles of public sector governance:

- Accountability — being answerable for decisions and having meaningful mechanisms in place to ensure the agency adheres to all applicable standards
- Transparency/openness — having clear roles and responsibilities and clear procedures for making decisions, exercising power, and communicating outcomes
- Integrity — acting impartially, ethically and in the interests of the agency, and not misusing information acquired through a position of trust
- Stewardship — using every opportunity to enhance the value of the public services, institutions and assets that have been entrusted to care
- Efficiency — ensuring the best use of resources to further the aims of the organisation, with a commitment to evidence-based strategies for improvement
- Leadership — achieving a wide commitment to good governance through leadership from the top

3.4 Role and Responsibility

It is the responsibility of the PCG to:

- Provide strategic direction and oversight of implementation outcomes;
- Monitor performance against objectives;
- Make recommendations to and implement decisions;
- Undertake validation of project planning and scope;
- Approve key deliverables and processes;
- Approve all engagements with contractors and consultants;
- Approve expenditure of project funds and release of project funds to pay for project expenses incurred;
- Monitor expenditure within the Budget;
- Oversee project activities and achievement against milestones;
- Ensure compliance with the applicable government policy and frameworks;
- Monitor project risks;
- Approve variations and expenditure of contingencies (subject to Department approval)

3.5 Meeting Structure and Operations

Meetings of the PCG will be held every month to ensure that adequate direction and approvals are received to maintain positive momentum.

The Recipient will chair the PCG meetings and is responsible for ensuring agendas, minutes and committee papers are distributed to members of the committee.

3.6 Decision making

The Chair has responsibility for all key decision points, milestones, and contentious and contested issues for the achievement of the funding goals.

Decisions will be made by consensus within the PCG wherever possible. Where consensus cannot be reached, the decision may be made by the Chair, having taken all the relevant requirements and these Terms of Reference into account.

Where a decision needs to be made out-of-session, then a recommendation shall be made by the Project Director to the Chair. The Chair will provide information to and canvas opinion from all Project Steering Committee members. The Chair will then make a recommendation.

3.7 Dispute Resolution

In the event of a dispute that the PCG and Chair are unable to resolve, the Chair will escalate the issue to the Minister for Arts.

The minutes of each meeting shall be recorded and distributed promptly to each member of the Group within one week of the meeting together with an updated Action Log. The agenda and PCG papers will also be distributed a minimum of three days in advance of the next scheduled meeting.

3.8 Project Control Group – Membership

The PCG will consist of members from the following agencies and areas of expertise:

- Create Infrastructure
- Recipient
- Other agency nominated by Create Infrastructure
- Project Director
- Key Contractors – e.g. architect, builder, museum/theatre/arts consultant, quantity surveyor

3.8.1 Proxies:

Members who are unable to attend in person (or by teleconference) and do not have a delegate officially acting in their role, are unable to nominate a proxy, unless approved by the Chair.

Persons officially acting in a member's position are expected to participate and contribute, and formally report back to the member that they are representing.

If the Chairperson is absent from a meeting or vacates the Chair at a meeting, he/she will appoint another person to act as the Chair on a temporary basis. If the Chairperson is unexpectedly not present and has not appointed another member to act as Chair, members present will appoint a Chair.

3.8.2 Other Participants

The Chair may from time to time invite other individuals or groups to present to, or observe, meetings. Where agreed by the Chair, members may invite guests to attend meetings to provide expert advice and support to a specific topic raised. A guest's attendance is limited to the duration of discussion on that specific topic.

3.9 Ground Rules

Minimum governance behaviours include adherence to the Code of Ethics and Conduct for NSW Government Sector Employees and the NSW Planning CORE values of collaboration, openness, respect and empowerment. Members adopt the following ground rules guiding the conduct of meetings, and interactions between members outside of session:

3.10 Collaboration

- Actively foster collaboration through committing to at least one informal check-in with each of our colleagues every week.
- Consistently demonstrate collaboration through ensuring a regular, visible presence at key forums, meetings and gatherings.
- Support openness by respecting the need to treat information provided by team members with discretion.
- Actively encourage openness through supportive and sensitive giving and receiving of feedback.
- Respect
- Continually demonstrate respect by listening and allowing others to finish their point during our meetings.
- Positively display respect by standing as a team and backing the team decision.
- Actively encourage empowerment by allowing each of us to bring matters to the table for decision, discussion or information, without judgment.
- Take personal responsibility for communicating key priorities and key messages to our teams following our meetings

Ground rules can be reviewed every six months to recognise that as a unique team, interactions will evolve and change over time.

3.11 Quorum

The quorum for PCG meetings is a minimum of half the total membership plus one (more than 50%). In the absence of a quorum the meeting may continue at the Chair's discretion. Proxies are included in the determination of a quorum.

3.12 Secretariat

Secretariat support will be provided by a nominated person by the Chairperson.

Responsibilities of the Secretariat include:

- Preparing agenda and coordinating papers in consultation with the Chair
- Preparing an annual work plan and meeting schedule
- Recording and maintaining meeting proceedings (decisions and actions only).

3.13 Out of Session Papers

Items will be managed out-of-session following usual business processes.

3.14 Performance

Evaluation of functioning of the Group with respect to these Terms of Reference will be conducted via an annual review.

3.15 Confidentiality

Members of the PCG may receive information that is regarded as confidential or has privacy implications. Members and proxies acknowledge their responsibility to maintain confidentiality and adhere to established practices and confidentiality provisions.

3.16 Conflicts of Interest

Members and proxies must declare any conflicts of interest and manage those in consultation with the Project Director. This may relate to a position a member holds (for example, Chair of an external organisation) or to the content of a specific item for deliberation.