

PROJECT GOVERNANCE FRAMEWORK

Project Governance is an oversight function that is applicable through-out the life cycle of a project. It determines the effectiveness of the project and programme manager, because governance gives a framework for making project decisions, defines roles, responsibilities and accountabilities for the success of the project.

What is Project Governance?

The Project Management Body of Knowledge Guide (PMBOK) the definition is:

“The alignment of project objectives with the strategy of the larger organisation by the project sponsor and project team. A project’s governance is defined by and required to fit within the larger context of the program or organisation sponsoring it, but is separate from organisational governance.”

Projects are undertaken to achieve strategic business outcomes. Many organisations adopt formal organisational governance processes and procedures. Organisational governance criteria can impose constraints on projects especially if projects are for new products or services.

A project manager needs to be knowledgeable about corporate governance policies and procedures pertaining to the product/services in question; it tends to be very industry related.

Why Project Governance?

A project governance framework:

- ▶ **Provides the project manager and team with structured processes, decision making models and tools for managing the project while supporting and controlling the project for successful delivery.**
- ▶ **Is critical for any project especially on complex and risky projects.**
- ▶ **Provides a comprehensive, consistent method of controlling the projects.**
- ▶ **Will ensure success by defining, documenting and communicating reliable, repeatable project practices.**
- ▶ **Provides important deliverable acceptance criteria and success measures to measure the benefits and success of your projects.**

Use of Project Governance

Use project governance to ensure that Project Portfolios are aligned to corporate goals.

It will then form the basis to see that projects are delivered efficiently and that the interests of project staff and other stakeholders are aligned.

Governance will also ensure that the Project Board/Steering Committee and major stakeholders are provided with timely, relevant, and accurate information.

Who is Responsible?

A Project Management Office (PMO) if it exists, is responsible to define and own the project governance framework. Their role for project governance involves:

- ▶ Documented policies, procedures and standards
- ▶ Health Checks - Are we doing right things? Are we using right process? Have we conformed to standards?
- ▶ Stakeholders

Where to document Governance

The project governance approach should be described in the project management plan, which is the planning document compiled by the PM to describe how a project will be executed, monitored and controlled.

The PM is responsible and accountable for setting realistic and achievable boundaries for the project and to accomplish the project within the approved baselines.

Principles of Project Governance

- ▶ Projects should be clearly linked to key business objectives.
- ▶ There should be clear senior management ownership of projects.
- ▶ There should be effective engagement with Stakeholders.
- ▶ Projects should be driven by long-term value, rather than short term costs.
- ▶ Projects should be broken down into manageable steps.

Governance Framework elements

Here are examples of elements included in a project governance framework:

- ▶ Guidelines for aligning project governance and organisational strategy
- ▶ A process to identify, escalate, resolve issues that arise during the project
- ▶ Relationship among project teams, organisational groups and external stakeholders
- ▶ Project organisational chart that identifies project roles
- ▶ Processes and procedures for communication of information
- ▶ Project decision making processes
- ▶ Project life cycle approach including the transfer to Operations and readiness of business
- ▶ Process for stage gate or phase reviews - Authorise to proceed. Approval of process/documents.
- ▶ Process for review and approval for changes to budget, scope, quality, schedule which are beyond the authority of the PM