



Project Services Pty Ltd

# EFFECTIVE PROJECT GOVERNANCE - LINKING PMI'S STANDARDS TO PROJECT GOVERNANCE

Presented at



29–31 January 2007  
Hong Kong Convention and Exhibition Centre

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## Introduction

The topic of governance and more specifically project governance is not new; from the earliest times the initiators of projects have been interested in the timely and efficient delivery of the project's 'product, service or result', ranging from the completion of a pyramid in Ancient Egypt before its intended resident died to the construction of various walls and castles before the invading hordes arrived.

During the last five years legislative, regulatory and other changes have forced a dramatic shift in governance practice causing a transition from a relatively secret, unstructured system to a regulated, public process. The leading change was the introduction of the Sarbanes-Oxley Act 2002 (SOX), in the USA followed by similar legislation and regulation in the UK, Europe, Australia and many other jurisdictions. These changes firstly focused attention on corporate governance, which in turn significantly changed the expectation of shareholders and others, and has then flowed on to influence the expectations and actions of people and organisations world wide.

For the first few years of this transition, corporations focused primarily on the operational areas of their business including finance, security and reporting. Today, most corporations now have compliance programs in place for these aspects of their businesses and some are starting to see the opportunities and benefits derived from their improved governance systems creating a competitive advantage. This trend has spread from the corporate sector to see effective governance become an objective of most other types of organisation, including government departments, Non Government Organisations (NGOs), and volunteer bodies world wide.

The degree to which effective governance is actually being achieved varies but in the vast majority of organisations there is at least an intention to improve, and many corporations have shown significant improvements in their governance systems and capabilities. A survey of the top 300 European firms showed a distinct improvement in value for businesses deemed to have good governance practices over others (Bauer and Guenster 2003).

The first paper in this series '*Effective Project Governance – A Cultural Sea Change*' (Weaver 2005)<sup>1</sup>, outlined the emerging legal framework and the likely short and long term impact of the legislative changes on organisational governance. The paper predicted an initial focus on developing systems and avoiding risk, followed by smart businesses using their improved systems and information flows to create new competitive advantages; this trend is likely to continue. The paper also identified the need for effective project, program and portfolio management to ensure project delivery conformed to overall corporate governance requirements and suggested an appropriate framework.

The second paper in this series, '*Effective Project Governance – The Tools for Success*' (Weaver 2005)<sup>1</sup>, expanded on the framework and described the tools, systems and structures needed for the efficient management of projects, programs and portfolios based on PMI's standards and research undertaken by a number of organisations including KPMG. However, achieving effective project governance and control remains difficult.

The complex issues surrounding the governance and control of projects have been described, surveyed and reported on at length by a wide range of authorities and authors. A recent survey of major construction projects (AU\$20 million to AU\$100 million+) by the Australian legal firm of Blake Dawson Waldron in conjunction with the Australian Contractors Association (Blake Dawson Waldron, 2006) found 44% of projects ran late, over 40% were inadequately scoped and more than 20% finished over budget. This problem is not unusual; numerous surveys indicate the performance of the Australian construction sector is typical of most industries in most countries.

While running a project badly is not a crime, under the new corporate governance regime, if a listed company fails to keep the market properly informed of its problems both the company and its Directors are in breach of the law. A 2006 judgement in the Australian Federal Court fined Chemeq Ltd AU\$½ million for breaches of the disclosure provisions of the *Corporations Act 2001*. One of the breaches admitted by Chemeq was its failure to

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<sup>1</sup> See: [www.mosaicprojects.com.au/Resources\\_Papers.html#Governance](http://www.mosaicprojects.com.au/Resources_Papers.html#Governance) for papers

disclose cost overruns on a project to construct its production facility. Again, while this example is specific to Australia, similar disclosure provisions exist in most major markets world wide.

The failure to properly disclose information and the failure to properly scope major projects are as much a failure of the performing organisation's corporate governance systems as they are a failure of the organisation's project management systems. From the evidence, it would appear that the majority of Boards still have to deal with the issues surrounding the effective governance of projects within their organisations (in this context Board refers to the peak governance body within an organisation; including 'Boards of Directors' and their equivalents in the public sector, NGOs and volunteer organisations).

To help Boards in this process, the Association for Project Management (APM - UK) has produced '*Directing Change – A guide to the governance of project management (GoPM)*' (APM, 2004) which describes the principles of effective project governance and the information a Board needs, to be confident its organisation's projects are being managed in accord with the governing principles.

Working from the opposite end of effective project governance, PMI has developed an integrated set of standards focusing on the processes required to manage projects, programs and portfolios. These baseline standards are supported by best practices and organisational maturity as defined by PMI's Organizational Project Management Maturity Model (OPM3<sup>®</sup>) and individual competencies described in the Project Manager Competency Development Framework (PMI, 2002 to 2006).

The other comprehensive project and program delivery framework generally available has been delivered by the Office for Government Commerce, UK (OGC, 2001 to 2006). Where PMI has focused on developing standards, OGC has focused on developing methodologies including PRINCE2, MSP, ITIL and Gateway. The OGC framework is based on the Association for Project Management Body of Knowledge (APM, 2006).

The element missing from these initiatives and the literature, addressed in this paper, is mapping the outputs from an effective project, program and portfolio management system to the key governance principles defined by GoPM. This paper will show how processes defined in the PMI Standards effectively answer most of the 42 governance questions posed in GoPM. The paper will also suggesting appropriate structures and outputs from project management and PMO systems that provide conforming, and informative answers.

## Overview of Corporate and Project Governance

### Corporate governance

Corporate governance, as defined by the Organisation for Economic Co-operation and Development (OECD) states corporate governance is: "*a set of relationships between a company's management, its board, its shareholders and other stakeholders. Corporate governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined*" (OECD, 2004).

Similarly, Sir Adrian Cadbury in his address to the World Bank's Global Corporate Governance Forum in 2000 described corporate governance in the following terms: "*[It] is concerned with holding the balance economic and social goals and between individual and communal goals. The corporate governance framework is there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources. The aim is to align as nearly as possible the interests of individuals, corporations and society*" (Cadbury, 2000).

Based on these definitions, an organisation needs to develop an appropriate strategy and then work to achieve its strategic objectives. Given projects are the method of choice in most organisations for the delivery of the changes needed to implement strategy, one would assume the majority of projects will be closely aligned to the organisation's strategic objectives. Unfortunately, this would not appear to be the situation.

A 2005 survey of project management office (PMO) leaders by Business Improvement Architects (BIA, 2006) found that 87% of organisations “do not align projects strategically with corporate strategy”. When this finding is linked to earlier surveys by KPMG (KPMG, 2002 to 2005) that clearly indicate that the presence of a PMO is associated with a relatively proficient (mature) project delivery capability; then the general lack of an effective ‘project governance’ systems within most organisations becomes clear.

## Project governance

Project governance is a subset of corporate governance focusing on the areas of corporate governance related to project activities, including:

- Portfolio direction
- Project sponsorship
- Project and Program management and efficiency
- Disclosure and reporting.

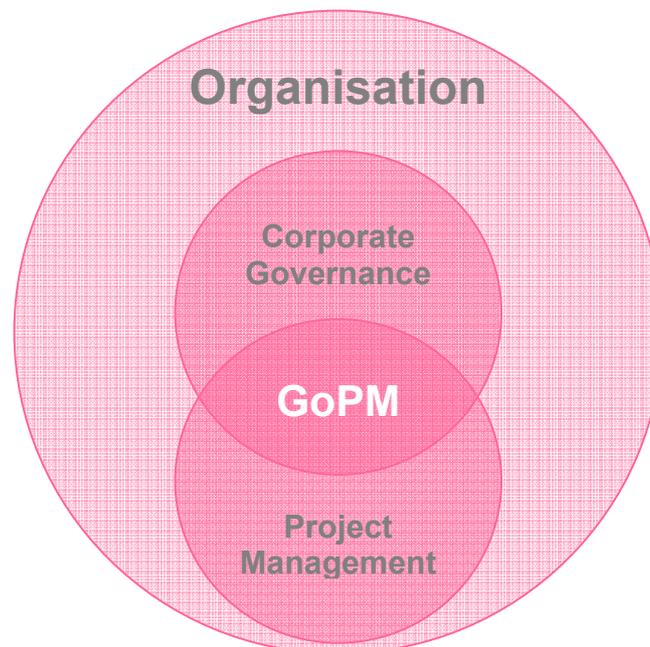


Fig. 1 Governance of Project Management (GoPM) in Context

The primary focus of an effective project governance system is the elimination of project failure; doing the right projects and doing them right time after time.

- ‘Doing the right projects’ requires the prioritisation, selection and alignment of projects with the organisation’s strategic objectives.
- ‘Doing the projects right’ requires effective project, program and portfolio management processes to deliver the selected projects in a way that meets or exceeds the expectations of its key stakeholders in the areas of scope, quality, risk, budget, time, etc, leading to the delivery of the expected benefits.

Projects deliver new capacity and capabilities to organisations that contribute to its ability to generate revenues, or reduce costs (or both); which in turn impact profits. Significant changes in the costs associated with a project, the risks associated with a project, or the project’s completion date will impact the timing of future cash inflows and outflows to the corporation and will require timely disclosure to the ‘market’. Consequently, a key secondary focus of effective project governance is the monitoring and forecasting of the impact of project

performance on overall corporate performance to meet reporting obligations required by SOX, similar legislation in other countries, and the continuous disclosure rules of most Stock Exchanges.

While this level of legal obligation only applies to publicly listed corporations, stakeholder expectations, frequently augmented by legislative or policy requirements, are increasingly placing similar obligations on other types of organisation. By way of example:

- In Australia Federal Government departments (and their projects) are subject to review by the Australian National Audit Office (ANAO) and the Dept. of Prime Minister and Cabinet has recently established a policy unit to ensure all programs forwarded to Cabinet for approval are supported by an appropriate implementation plan.
- In the UK, the OGC Gateway process enforces regular reviews of major government projects.

These government review processes are at least as rigorous as any corporate disclosure requirements demanded by SOX and/or exchange listing rules and demand effective project governance. The direct consequence of this 'sea change' in project governance requirements is forcing Boards to address the issues of how to implement an effective system. One approach is to use the GoPM principles developed by the Association for Project Management in the UK.

## **Directing Change, a guide to governance of project management' (GoPM)**

*Directing Change - a guide to governance of project management (GoPM - APM, 2004)* is a freely available publication produced by the Association of Project Management (UK). It defines standard governance requirements that should be applied to every organisation's portfolio of projects. The use of GoPM will help improve corporate performance, reduce surprises at boardroom level and avoid hardship to stakeholders.

The project management profession is now relatively 'mature'. The skills of a competent project manager are well defined and project management certifications exist to qualify appropriate individuals. Standards for the effective management of projects, programs and portfolios have been published and are in general agreement world wide. World best practices have been defined and several benchmarking and organisational maturity models developed. However, projects continue to fail at an alarming rate.

The gap is the ability of an organisation's governing board to apply effective surveillance to the activities of the organisations managers (ie 'ask the right questions') to ensure appropriate best practices are applied and the portfolio of projects undertaken by the organisation are optimised to meet the strategic objectives of the organisation.

In the 'Zone' (Bourne, 2005) between the top and bottom levels of the organisation, the organisation's strategic vision becomes disconnected from the tactical delivery of its projects. I would suggest this is more a failure of organisational management than project management and whilst in the past there may have been excuses based on a lack of readily available information; the publication of GoPM, PMI's Standards for the Management of Portfolios and Programs the development of OPM3<sup>®</sup> has reduced, if not eliminated the information gap.

GoPM lays out the principles of effective project governance in a concise way and then lists 42 questions that Boards of Directors, or their equivalents, should ask to satisfy themselves and their stakeholders that effective project governance exists in their organisation. The PMI standards offer one effective way of achieving these objectives.

The eleven overarching principles defined by GoPM are:

- The Board has overall responsibility for governance of project management.
- The roles, responsibilities and performance criteria for the governance of project management are clearly defined.

- Disciplined governance arrangements, supported by appropriate methods and controls, are applied throughout the project life cycle.
- A coherent and supportive relationship is demonstrated between the overall business strategy and the project portfolio.
- All projects have an approved plan containing authorisation points at which the business case is reviewed and approved. Decisions made at authorisation points are recorded and communicated.
- Members of delegated authorisation bodies have sufficient representation, competence, authority and resources to enable them to make appropriate decisions.
- The project business case is supported by relevant and realistic information that provides a reliable basis for making authorisation decisions.
- The Board or its delegated agents decide when independent scrutiny of projects and project management systems is required, and implement such scrutiny accordingly.
- There are clearly defined criteria for reporting project status and for the escalation of risks and issues to the levels required by the organisation.
- The organisation fosters a culture of improvement and of frank internal disclosure of project information.
- Project stakeholders are engaged at a level that is commensurate with their importance to the organisation and in a manner that fosters trust.

These principles are entirely consistent with the approach to project management defined in the PMI standards; in particular:

- OPM3 and the organisation enablers described in the OPM3 ProductSuite assessment tool.
- The Standard for Portfolio Management

Appendix 1 maps the relationship between these overarching principles to relevant sections of PMI's standards. This is not a complete mapping due to the very different objectives served by the two documents. GoPM is designed for use by Boards; PMI's standards are designed for use by portfolio, program and project managers.

The mechanism for validating if the principles outlined above are being achieved, are the 42 questions GoPM recommends a Board should ask of its managers. The questions are divided into four groups:

- Portfolio Direction
- Project Sponsorship
- Project Management – effectiveness and efficiency
- Disclosure and reporting.

## Portfolio Direction

This group of 10 questions focus on the effectiveness and efficiency of the Portfolio direction processes. GoPM is predicated on the assumption of one portfolio of projects in an organisation. PMI's Standard for the Management of Portfolios assumes there may be more than one portfolio with each portfolio aligned to a strategic objective. This difference has little real effect as all GoPM questions should be capable of being answered in the affirmative for each PMI portfolio. Appendix 2 maps the relationship between these 10 questions and relevant sections of PMI's standards.

## Project Sponsorship

This group of 11 questions focus on the critical role of the sponsor as the link between the senior executives in an organisation and the management of projects (and programs). The role of the sponsor, and how this role interacts with the roles of program and portfolio managers, in the management and governance of projects is probably the least well defined element in PMI's various standards. Appendix 3 maps the relationship between these 10 questions and relevant sections of PMI's standards.

## Project Management – effectiveness and efficiency

This group of 9 questions focus on testing the capability and competence of the teams assigned to the management of projects. It also tests the appropriateness of the levels of decision making authority delegated to project teams. Appendix 4 maps the relationship between these 9 questions and relevant sections of PMI's standards.

## Disclosure and Reporting

This group of 12 questions focus on ensuring that the project reporting process is open, honest, efficient, timely, relevant and reliable. Appendix 5 maps the relationship between these 12 questions and relevant sections of PMI's standards.

## The Role of Project / Program / Portfolio Management Offices (PMOs)

PMOs are an indispensable link in the chain of effective corporate governance. Every PMO will have a structure and set of functions defined by the organisation that it is established to support, influenced by the maturity of the organisation and the attitude of its senior managers. However, regardless of its structure, an effective PMO from the governance perspective will have a number of key capabilities (Bourne 2006):

- The PMO should provide support at three levels, project, program and portfolio to assist in the alignment of projects to an organisation's strategic objectives. It should deliver support within three key areas:
  - monitoring (and control);
  - methodology (infrastructure support and resource management); and
  - mentoring (PM training and career development).
- The PMO should work towards improved corporate governance through ensuring / reporting on the strategic alignment of projects to corporate strategy
- The PMO should have mechanisms to track the delivery of value through monitoring benefits realisation.
- The PMO should be skilled in managing relationships and facilitating open communications through focused and tailored engagement strategies:
  - between the various levels of the PMO (project, program and portfolio)
  - between the PMO and organisation executives
  - between the PMO and project / program management and teams.

The key purpose of the PMO (or the PMO structure) from the governance perspective is to provide open and effective communication channels within the organisation. This involves:

- Maintaining the PMO's independence and integrity.
- Translating, focusing and consolidating information to make it appropriate and useful to different levels of management
  - Senior executive reports (summary data, trends, early warning of problems)
  - Line management (benefits, resource requirements, capacity)
  - Project and program management (health checks, performance metrics, Earned Value, etc).

The PMO should not be a passive conduit for data; it should act as a 'translator' between technical project jargon and the business information needed by the organisation's governance committees; validating and checking the information communicated. As well as helping define and identify the appropriate processes and outputs needed to provide relevant information to meet governance requirements; and playing a central role in identifying future trends, issues and variances.

To succeed in this role the PMO needs to be staffed and managed by a team of people who between them are equally skilled in the arts of business management as project management.

## Conclusions

The need for effective project governance is being driven by a range of factors including legislative, competitive and cultural changes in the environment surrounding most organisations world wide. The challenge facing us as a profession is to make Boards aware of the resources now available and encourage them to use these resources to enhance project governance within their organisations. As a start, the GoPM publication should be in the hands of the leaders of every organisation that does projects. Certainly most competent project managers would welcome working in organisations that can answer the strategic and cultural questions posed by GoPM positively.

PMI's standards align with and address the tools and processes needed to answer most of the 42 questions posed by GoPM from the project and program level. However, the questions posed by GoPM highlight some significant areas where PMI's standard teams may need to focus in the future, including:

- The role of a 'governance board' and defined linkages between governance and delivery standards.
  - The role of 'critical success factors' and gateways to assess the on-going viability of projects within program and portfolio management.
  - The critical role of the Project Sponsor (and the relative roles of sponsor, portfolio manager and program manager in governing and managing projects).
  - The role of the Strategic Plan and appropriate input to the Strategic Plan by project, program and portfolio management.
  - The ownership of benefits and the responsibility for realising benefits (currently only addressed in the Standard for Program Management).
  - The different calculations of risk, contingency, and risk tolerance at the project, program, portfolio and organisational levels.
  - The critical role of an effective PMO, including systems, tools and the integrity of communications.
  - Adopting GoPM or developing a similar document to show boards how to make '*project management indispensable for business results*'.
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### Other papers in this series:

See: [www.mosaicprojects.com.au/Resources\\_Papers.html#Governance](http://www.mosaicprojects.com.au/Resources_Papers.html#Governance)

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## Key to Abbreviations used in Appendix

- SPoM = The Standard for Portfolio Management
- SPgM = The Standard for Program Management
- OPM3 = Organizational Project Management Maturity Model (Knowledge Foundation);
- BP = OPM3 Best Practice
- OPM3\_PS = OPM3 ProductSuite
- PMBOK = A Guide to the Project Management Body of Knowledge Third Edition

## Appendix 1 - Governance of Project Management Principles

#	Governance of Project Management Principles	PMI References
1	The board has overall responsibility for governance of project management.	Implied SPoM Ch 1.4 & 1.5 and OPM3_PS 'Organizational Enablers' OPM3 BP 5360
2	The roles, responsibilities and performance criteria for the governance of project management are clearly defined.	No specific reference – Implied SPoM Ch 1.4 & 1.5 and OPM3_PS 'Organizational Enablers 4.4 & 4.6'
3	Disciplined governance arrangements, supported by appropriate methods and controls, are applied throughout the project life cycle.	No specific reference – Implied SPoM Ch 1.4 & 1.5 and OPM3_PS 'Organizational Enablers'
4	A coherent and supportive relationship is demonstrated between the overall business strategy and the project portfolio.	SPoM Ch 3 (implied) OPM3 BP 5310, 5330, 5400, 5440
5	All projects have an approved plan containing authorisation points at which the business case is reviewed and approved. Decisions made at authorisation points are recorded and communicated.	SPoM Ch 3 OPM3 BP 5350
6	Members of delegated authorisation bodies have sufficient representation, competence, authority and resources to enable them to make appropriate decisions.	OPM3 BP 5300, 7020
7	The project business case is supported by relevant and realistic information that provides a reliable basis for making authorisation decisions.	SPoM Ch 3 (implied)
8	The board or its delegated agents decide when independent scrutiny of projects and project management systems is required, and implement such scrutiny accordingly.	-
9	There are clearly defined criteria for reporting project status and for the escalation of risks and issues to the levels required by the organisation.	OPM3 BP 5370, 5680
10	The organisation fosters a culture of improvement and of frank internal disclosure of project information.	OPM3 BP 5450, 5680 & 6590 to 6970
11	Project stakeholders are engaged at a level that is commensurate with their importance to the organisation and in a manner that fosters trust.	OPM3 BP 5430 PMBOK 10.4

### Notes

- 1 The support for most of the key governance processes is implied within the PMI standards.
- 2 Key principles not explicitly dealt with include the concept of formal gateways and the processes for calling in independent scrutiny at appropriate times. These areas should be addresses in future updates of the Standard for Portfolio Management and OPM3.

## Appendix 2

#	Portfolio Direction	PMI References
PD1	Is the organisation's project portfolio aligned with its key business objectives, including those of profitability, customer service, reputation, sustainability and growth?	SPoM Ch 3.2.1 OPM3 BP 6160
PD2	Are the organisation's financial controls, financial planning and expenditure review processes applied to both individual projects and the portfolio as a whole?	SPoM Ch 3.2.2 SPgM Ch 3.7.7 PMBOK 7.3
PD3	Is the project portfolio prioritised, refreshed, maintained and pruned in such a way that the mix of projects continues to support strategy and take account of external factors?	SPoM 3.2.1.6
PD4	Does the organisation discriminate correctly between activities that should be managed as projects and other activities that should be managed as non-project operations?	SPoM 3.2.1.1 (implied)
PD5	Does the organisation assess and address the risks associated with the project portfolio, including the risk of corporate failure?	OPM3 4890, 4970, 5140, 5800, 5880, 6360, 6390, 6560 (see Note #1)
PD6	Is the project portfolio consistent with the organisation's capacity?	SPoM 3.2.1.6 OPM3 BP 6180
PD7	Does the organisation's engagement with project suppliers encourage a sustainable portfolio by ensuring their early involvement and by a shared understanding of the risks and rewards?	SPoM 2.2.13 (implied)
PD8	Does the organisation's engagement with its customers encourage a sustainable portfolio?	SPoM 2.2.12 (implied)
PD9	Does the organisation's engagement with the sources of finance for its projects encourage a sustainable portfolio?	SPoM 2.2.10 and 3.2.1.6.4
PD10	Has the organisation assured itself that the impact of implementing its project portfolio is acceptable to its ongoing operations?	SPoM 3.2.1.6.4

### Notes

- 1 The Standard for Portfolio Management does not address portfolio risk management – the degree of contingency and 'accepted risk' the portfolio is prepared to carry. This is a different calculation and decision to the processes needed to calculate the individual risk profiles of the portfolio components.
- 2 Interaction with the organisation and the organisations customers is not detailed in the PMI standards but are implied.

### Appendix 3

#	Project Sponsorship	PMI References
PS1	Do all major projects have competent sponsors at all times?	Implied SPoM 2.2.4: SPgM 1.7.2 PMBOK Ch. 2.2 OPM3_PS Organizational Enablers 4.5 – Executive Sponsorship
PS2	Do sponsors devote enough time to the project?	-
PS3	Do project sponsors hold regular meetings with project managers and are they sufficiently aware of the project status?	-
PS4	Do project sponsors provide clear and timely directions and decisions?	-
PS5	Do project sponsors ensure that project managers have access to sufficient resources with the right skills to deliver projects?	-
PS6	Are projects closed at the appropriate time?	SPoM 3.2.1.6
PS7	Is independent advice used for appraisal of projects?	-
PS8	Are sponsors accountable for and do they own and maintain the business case?	
PS9	Are sponsors accountable for the realisation of benefits?	SPgM 1.7.2
PS10	Do sponsors adequately represent the project throughout the organisation?	-
PS11	Are the interests of key project stakeholders, including suppliers, regulators and providers of finance, aligned with project success?	SPoM 2.2 (implied) SPgM 1.7.2 PMBOK 10.4

#### Notes

- 1 PMI does not delve deeply into the roles and responsibilities of the Project Sponsor.
- 2 The PMI Standards recognise the role of the Sponsor as the person responsible for funding. Hopefully the new 'update' teams will pick up from where the Program team have been and place more focus on governance and sponsorship.
- 3 There is some ambiguity between the role of the sponsor, program manager and portfolio manager in the PMI standards. Other sources are more closely aligned with these governance principles in respect of the role of the sponsor.
- 4 Benefits realization is only dealt with in the Standard for Program Management – this should be a key element of Portfolio Management as well as a key responsibility of the sponsor.
- 5 Stakeholder management needs a major update to align with modern project management thinking.

## Appendix 4

#	Project management – effectiveness and efficiency	PMI References
PM1	Do all projects have clear critical success criteria and are they used to inform decision-making?	-
PM2	Is the board assured that the organisation's project management processes and project management tools are appropriate for the projects that it sponsors?	OPM3 and OPM3_PS – this is the primary aim of these two standards.
PM3	Is the board assured that the people responsible for project delivery, especially the project managers, are clearly mandated, sufficiently competent, and have the capacity to achieve satisfactory project outcomes?	Competency – refer PMCDF* Mandate – implied PMBOK and others
PM4	Are project managers encouraged to develop opportunities for improving project outcomes?	OPM3 and OPM3_PS – continuous improvement
PM5	Are key governance of project management roles and responsibilities clear and in place?	-
PM6	Are service departments and suppliers able and willing to provide key resources tailored to the varying needs of different projects and to provide an efficient and responsive service?	-
PM7	Are appropriate issue, change and risk management practices implemented in line with adopted policies?	PMBOK (various) SPgM 3.7.1 (change), 3.7.4 (issues), 3.7.11 (risk)
PM8	Is authority delegated to the right levels, balancing efficiency and control?	Implied
PM9	Are project contingencies estimated and controlled in accordance with delegated powers?	PMBOK Ch 11 SPgM 3.5.12 & 3.7.11

### Notes

- 1 PMI does require not critical success factors to be identified. The standards focus on the delivery of defined time, cost and scope.
- 2 PMCDF = Project Manager Competency Development Framework.
- 3 PMI does not deal with attitudinal issues such as PM6 above.

## Appendix 5

#	Disclosure and reporting	PMI References
DR1	Does the board receive timely, relevant and reliable information of project forecasts, including those produced for the business case at project authorisation points?	Implied – all standards.
DR2	Does the board receive timely, relevant and reliable information of project progress?	SPoM Implied – Communications PMBOK Ch 10, SPgM 3.6.5 (report to board implied)
DR3	Does the board have sufficient information on significant project-related risks and their management?	Implied PMBOK and SPgM risk and communications
DR4	Are there threshold criteria that are used to escalate significant issues, risks and opportunities through the organisation to the board?	SPgM only – implied missing from PMBOK and SPoM.
DR5	Does the organisation use measures for both key success drivers and key success indicators?	-
DR6	Is the organisation able to distinguish between project forecasts based on targets, commitments and expected outcomes?	PMBOK implied (EV, Reporting, etc)
DR7	Does the board seek independent verification of reported project and portfolio information as appropriate?	-
DR8	Does the board reflect the project portfolio status in communications with key stakeholders?	-
DR9	Does the business culture encourage open and honest reporting?	Implied all PMI Standards OPM3 BP 6100
DR10	Where responsibility for disclosure and reporting is delegated or duplicated, does the board ensure that the quality of information that it receives is not compromised?	-
DR11	Is a policy supportive of whistleblowers effective in the management of projects?	-
DR12	Do project processes reduce reporting requirements to the minimum necessary?	Implied

### Notes

- 1 PMI does deal with the role of a governance board in any detail. Many of these factors are directly related to the performance of the 'board' rather than the project, program and portfolio management.