

Project Governance

"What do you mean there is no Governance on my project?" exclaimed the Program Manager in disgust after reading an independent review report. "We have a steering committee made up of all the company's execs, which meets monthly, I know, I chair it!! The project budget is managed by me; every change request gets my approval before being actioned. Without me Project Managers would just change the forecasts without approval. Schedules, Status reports, budget forecasts all get reviewed by me before being made public. Without me it would be a disaster. No Governance, what a joke!!"

What is Governance? Ask around and you will get many and varied opinions. Most people you ask will re-iterate how important Governance is however. So, if the lack of Governance is considered a common problem, shouldn't we all share a common view on what Governance is? For the purposes of this article, we will limit discussion to Project Governance and not get into Corporate Governance or IT Governance, which are whole other topics.

We asked the brains trust what Project Governance was and got varying opinions:

- It's the Project Management framework we use, it's about how projects are delivered and the reporting we do
- It's about the role of the PMO isn't it?
- It's about decision making, particularly the investment decisions
- It's about reporting and oversight
- It's about steering, setting the strategy and direction, ensuring we deliver

What do the text books say? Project Governance

- (according to Wikipedia) *"is the management framework within which project decisions are made"*
- (according to OGC) *"is the control framework through which programs deliver their change objectives and remain within corporate visibility and control"*
- (according to PMBOK, it barely gets a mention) *"provides a comprehensive, consistent method of controlling the project and ensuring its success."*
- (according to Gartner, in reference to broader IT Governance) *"is the assignment of decision rights & the accountability framework to encourage desirable behaviour"*

So who should make decisions on a project? What decisions should a Project Manager be making? What about the PMO, should they be making decisions around prioritisation and project approvals?

We believe Wikipedia's definition of Project Governance is quite good. Project Governance is the framework within which project decisions are made, specifically the "should we" decisions. We recommend a Project Governance framework include:

- A project delivery methodology which has defined decision points or gates to authorise moving forward (e.g. Business Case approval)
- A project delivery environment which ensures decision makers are fully informed (e.g. a decent Business Case document, status reports etc)
- An organisational decision forum where one project can be compared to another (e.g. relative priority setting, resource allocations etc)
- A clear change control framework and approval process with fully defined (incl. impact assessed) change requests
- Defined thresholds and escalation points which clearly differentiate Project Manager and Steering Committee responsibilities
- A PMO Charter which clearly defines the role of the PMO

So back to our Program Manager friend, who was really making the decisions on their program? Were the people that should have been making decisions actually making them? Were they fully informed or did they get a filtered view of the world? Did the decision making forum really exist or was the Steering Committee really treated as a stakeholder communications forum? Did the Program Manager's strength of personality over ride the Program Governance structure put in place?

What about the role of the PMO? We would propose that the PMO exists to facilitate Project Governance. Their role is to help decision makers convene, check quality of information provided to them, and ensure the framework is followed. They also have a more subtle role, to analyse and provide opinion over and above the written reports as well as provide advice back to Project Managers and others. In that respect they certainly have a role in Project Governance, but should not cross the line into decision making themselves.

About the author

Martin Vaughan (AIPM MPD) is the Managing Director of Core Consulting Group (www.coreconsulting.com.au), a Melbourne based consulting business specialising in Planning/Scheduling, Estimating/Cost Management and PMOs.

If you'd like to debate or discuss, join the AIPM PMO Special Interest Group or contact your local PMO SIG Chair in your state for more details.