

# The 20 Critical Questions Series

## What Directors should ask about Project Governance and Assurance

Updated 2022

### Project Foundations and Governance

1. Does the organisation have a defined process for scoping and approving new programs / projects / business initiatives? Are they all subject to the organisation process for new projects? Is the difference between a new project and enhancement of a business-as-usual activity clearly defined? Are related projects treated as an integrated program of work rather than as individual projects?
2. Is it an organisation requirement for all project-like activities to be treated as projects including ICT projects, construction projects, office relocation projects, business initiatives, acquisitions, etc? Is there a tiered system applied so projects have fit-for-purpose (a) management (b) governance (c) assurance?
3. Does the organisation have an up-to-date inventory of all programs / projects / business initiatives?
4. Do new programs / projects / major business initiatives require a comprehensive business case defining such things as (a) the problem to be solved (b) analysis (c) clearly defined objectives (d) scope (e) scope limitations (f) assumptions (g) constraints (h) options and costs (i) benefits (j) risks (k) timeframes (l) best / likely / worst case scenarios (m) governance framework including quality (n) assurance framework (o) recommendations together with itemised budget?
5. Does the organisation have a defined and approved project management framework mandated to be used consistently for all programs / projects / business initiatives? Is it assigned to a responsible person to maintain the framework and educate people in its use? Is it periodically reviewed to ensure it is kept up-to-date? Is ownership of project governance and assurance responsibilities clearly defined throughout the organisation?
6. Do business owners have clear ownership and line of sight to their programs / projects / business initiatives? Are business owners the project driver rather than the driver being enablers such as ICT and vendors?
7. For large scale programs and projects, is there a prime contractor rather than the organisation dealing separately with a range of vendors?
8. Has the organisation formally articulated and approved its project governance model? Does this effectively cover all projects such as ICT projects, construction projects, office relocation projects, major business initiatives, acquisitions, etc? Is gap analysis periodically performed to assure all project governance components are operating effectively?

### Project Assurance

9. Has the organisation formally articulated and approved its project assurance model? Does this effectively identify its three lines of project assurance activities? Have the three lines of project assurance activities had their effectiveness reviewed and rated, with improvement plans in place to remediate any gaps identified?
10. Where an organisation is sufficiently large and with ongoing projects, is there a project management office with sufficient resources to effectively prescribe project management requirements and to monitor (a) conformance with the organisation project management framework (b) programs / projects / business initiatives throughout their lifecycle to assure good governance and tracking for success?
11. Is the extent of project assurance activities for individual projects based on organisation-wide specified criteria such as (a) project tier rating (b) importance (c) size (d) value (e) complexity?
12. Are Line 2 project assurance activities really doing their job to make sure the Line 1 is doing what they are supposed to do, or do they rely on Line 1 self-reporting and pass this to management without validation and value-adding commentary?
13. Does the project management office actively review projects and project data rather than relying on unvalidated self-assessed project reporting by projects themselves? Is project management office reporting upwards to management

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and steering committees based on data that has been validated independent of the project?

14. Is the organisation risk management framework consistently applied across all programs / projects / business initiatives? Are initial project risk assessments dynamic and continually updated to ensure they remain current? Is the organisation risk management framework mandated to vendors so they cannot use their own risk management approaches except in exceptional circumstances?
15. Does the board and audit committee have line of sight and receive regular validated progress reports for significant programs / projects / business initiatives? Are project assurance activities taken seriously, with sufficient support from the audit committee, chief executive officer and senior management?
16. Does internal audit (a) periodically review the project management framework (b) periodically review project management office effectiveness (c) perform risk-based multi-stage audits at key points of the project lifecycle of programs / projects / business initiatives (d) provide procurement integrity (probity) services for project procurements? Does internal audit have an unwise hands-off approach for example (a) performing no project assurance activities (b) limiting project involvement to sitting as observers on project steering committees (c) limiting project assurance activities to post-implementation reviews?
17. Is there periodic independent review to assess competence and effectiveness of the various project assurance activities across all lines of assurance? Are these reviews reported to management and the audit committee?
18. Is there an up-to-date project assurance map that provides an overview of all project assurance activities? Does it illustrate through heat map style reporting whether there are gaps or duplicated efforts in the organisation holistic project assurance arrangements?

## Project Assurance Reporting

19. Does the audit committee have visibility of all project assurance activities across all lines of assurance, including reporting on their effectiveness? Is this written into the audit committee annual work plan? What assurance is provided to management and the audit committee to demonstrate the organisation has effective controls over its project risks?
20. Does management take responsive and timely action to implement remedial actions identified by project assurance activities from the various lines of assurance and external assurance activities?

## The Big Question

**Does the organisation clearly know how its project governance and assurance activities fit together, how much they cost, how effective they are, and whether there is meaningful objective examination of evidence to provide independent assessment of programs / projects / business initiatives?**

### Definitions

**Project** – A unique set of processes consisting of co-ordinated and controlled activities with start and finish dates, undertaken to achieve an objective.

**Program** – A group of related projects, managed in a coordinated way to obtain benefits and control not available from managing them individually.

**Project Governance** – The management framework within which project decisions are made.

**Project Assurance** – A positive declaration intended to give confidence designed to improve the quality of information to aid informed project decision-making.