controls are adequate to ensure that the project remains compliant with such a directive
- Consideration has been given to the format of the Project Initiation Documentation. For small projects a single document is appropriate. For large projects it is more appropriate for the Project Initiation Documentation to be a collection of stand-alone documents. The volatility of each element of the Project Initiation Documentation should be used to assess whether it should be stand-alone, e.g. elements that are likely to change frequently are best separated out.

A.21 PROJECT PRODUCT DESCRIPTION

A.21.1 Purpose

The Project Product Description is a special form of Product Description that defines what the project must deliver in order to gain acceptance. It is used to:

- Gain agreement from the user on the project's scope and requirements
- Define the customer's quality expectations
- Define the acceptance criteria, method and responsibilities for the project.

The Product Description for the project product is created in the Starting up a Project process as part of the initial scoping activity, and is refined during the Initiating a Project process when creating the Project Plan. It is subject to formal change control and should be checked at stage boundaries (during Managing a Stage Boundary) to see if any changes are required. It is used by the Closing a Project process as part of the verification that the project has delivered what was expected of it, and that the acceptance criteria have been met.

A.21.2 Composition

- **Title** Name by which the project is known
- **Purpose** This defines the purpose that the project's product will fulfil and who will use it. It is helpful in understanding the product's functions, size, quality, complexity, robustness etc.
- **Composition** A description of the major products to be delivered by the project
- **Derivation** What are the source products from which this product is derived? Examples are:
  - Existing products to be modified
  - Design specifications
  - A feasibility report
  - Project mandate
- **Development skills required** An indication of the skills required to develop the product, or a pointer to which area(s) should supply the development resources
- **Customer's quality expectations** A description of the quality expected of the project's product and the standards and processes that will need to be applied to achieve that quality. They will impact on every part of the product development, and thus on time and cost. The quality expectations are captured in discussions with the customer. Where possible, expectations should be prioritized
- **Acceptance criteria** A prioritized list of criteria that the project's product must meet before the customer will accept it – i.e. measurable definitions of the attributes that must apply to the set of products to be acceptable to key stakeholders (and, in particular, the users and the operational and maintenance organizations). Examples are: ease of use, ease of support, ease of maintenance, appearance, major functions, development costs, running costs, capacity, availability, reliability, security, accuracy or performance
- **Project-level quality tolerances** Specifying any tolerances that may apply for the acceptance criteria
- **Acceptance method** Stating the means by which acceptance will be confirmed. This may simply be a case of confirming that all the project's products have been approved or may involve describing complex handover arrangements for the project's product, including any phased handover of the project's products
- **Acceptance responsibilities** Defining who will be responsible for confirming acceptance.

A.21.3 Derivation

- Project mandate
- Discussions with the Senior User and Executive – possibly via scoping workshops
- Request for proposal (if in a commercial customer/supplier environment).

A.21.4 Format and presentation

A Product Description for the project product can take a number of formats, including:

- Document, presentation slides or mindmap
- Entry in a project management tool.

A.21.5 Quality criteria

- The purpose is clear
- The composition defines the complete scope of the project
- The acceptance criteria form the complete list against which the project will be assessed
- The acceptance criteria address the requirements of all the key stakeholders (e.g. operations and maintenance)
- The Project Product Description defines how the users and the operational and maintenance organizations will assess the acceptability of the finished product(s):
  - All criteria are measurable
  - Each criterion is individually realistic
  - The criteria are realistic and consistent as a set. For example, high quality, early delivery and low cost may not go together
  - All criteria can be proven within the project life (e.g. the maximum throughput of a water pump), or by proxy measures that provide reasonable indicators as to whether acceptance criteria will be achieved post-project (e.g. a water pump that complies with design and manufacturing standards of reliability)
- The quality expectations have considered:
  - The characteristics of the key quality requirements (e.g. fast/slow, large/small, national/global)
  - The elements of the customer's quality management system that should be used
  - Any other standards that should be used
  - The level of customer/staff satisfaction that should be achieved if surveyed.

A.22 QUALITY MANAGEMENT STRATEGY

A.22.1 Purpose

A Quality Management Strategy is used to define the quality techniques and standards to be applied, and the various responsibilities for achieving the required quality levels, during the project.

A.22.2 Composition

- **Introduction** States the purpose, objectives and scope, and identifies who is responsible for the strategy
- **Quality management procedure** A description of (or reference to) the quality management procedure to be used. Any variance from corporate or programme management quality standards should be highlighted, together with a justification for the variance. The procedure should cover:
  - Quality planning
  - Quality control: the project's approach to quality control activities. This may include:
    - Quality standards
    - Templates and forms to be employed (e.g. Product Description(s), Quality Register)
    - Definitions of types of quality methods (e.g. inspection, pilot)
    - Metrics to be employed in support of quality control
  - Quality assurance: the project's approach to quality assurance activities. This may include:
    - Responsibilities of the Project Board
    - Compliance audits
    - Corporate or programme management reviews
- **Tools and techniques** Refers to any quality management systems or tools to be used, and any preference for techniques which may be used for each step in the quality management procedure
- **Records** Definition of what quality records will be required and where they will be stored, including the composition and format of the Quality Register
- **Reporting** Describes any quality management reports that are to produced, their purpose, timing and recipients
- **Timing of quality management activities** States when formal quality management activities are to be undertaken, for example audits (this may be a reference to the Quality Register)
- **Roles and responsibilities** Defines the roles and responsibilities for quality management activities, including those with quality responsibilities from corporate or programme management.

A.22.3 Derivation

- Project Board
- Project Brief:
  - Project management team structure (for roles and responsibilities)
  - Project Product Description (for the customer's quality expectations and acceptance criteria)
- Organizational standards
- Supplier and customer quality management systems
- Configuration management requirements
- Change control requirements
- Corporate or programme strategies
- Facilitated workshops and informal discussions.

A.22.4 Format and presentation

A Quality Management Strategy can take a number of formats, including:

- Stand-alone document or a section of the Project Initiation Documentation
- Entry in a project management tool.

A.22.5 Quality criteria

- The strategy clearly defines ways in which the customer's quality expectations will be met
- The defined ways are sufficient to achieve the required quality
- Responsibilities for quality are defined up to a level that is independent of the project and Project Manager
- The strategy conforms to the supplier's and customer's quality management systems
- The strategy conforms to the corporate or programme quality policy
- The approaches to assuring quality for the project are appropriate in the light of the standards selected.

A.23 QUALITY REGISTER

A.23.1 Purpose

A Quality Register is used to summarize all the quality management activities that are planned or have taken place, and provides information for the End Stage Reports and End Project Report. Its purpose is to:

- Issue a unique reference for each quality activity
- Act as a pointer to the quality records for a product
- Act as a summary of the number and type of quality activities undertaken.

A.23.2 Composition

For each entry in the Quality Register, the following should be recorded:

- **Quality identifier** Provides a unique reference for every quality activity entered into the Quality Register. It will typically be a numeric or alpha-numeric value
- **Product identifier(s)** Unique identifier(s) for the product(s) that the quality activity relates to
- **Product title(s)** The name(s) by which the product(s) is known
- **Method** The method employed for the quality activity (e.g. pilot, quality review, audit etc.)
- **Roles and responsibilities** The person or team responsible for the quality management activities (e.g. auditor or, for quality reviews, presenter, reviewer(s), chair, administrator)
- **Dates** Planned, forecast and actual dates for:
  - The quality activity
  - Sign-off that the quality activity is complete
- **Result** The result of the quality activity. If a product fails a quality review, then any re-assessment should be listed as a separate entry in the register, as the original quality activity has been completed (in deciding that the result is a 'fail')
- **Quality records** References to the quality inspection documentation, such as a test plan or the details of any actions required to correct errors and omissions of the products being inspected.

A.23.3 Derivation

- The format and composition of the Quality Register will be defined in the Quality Management Strategy
- Entries are made when a quality activity is entered on a Stage Plan for the current management stage. It may be updated when a Team Plan is created
- The remaining information comes from the actual performance of the quality activity

- The sign-off date is when all corrective action items have been signed off.

A.23.4 Format and presentation

A Quality Register can take a number of formats, including:

- Document, spreadsheet or database
- Stand-alone register or a carry forward in progress review minutes
- Entry in a project management tool
- Part of an integrated project register for all risks, actions, decisions, assumptions, issues, lessons etc.

A.23.5 Quality criteria

- A procedure is in place that will ensure that every quality activity is entered on the Quality Register
- Responsibility for the Quality Register has been allocated
- Actions are clearly described and assigned
- Entries are uniquely identified, including to which product they refer
- Access to the Quality Register is controlled
- The Quality Register is kept in a safe place
- All quality activities are at an appropriate level of control.

A.24 RISK MANAGEMENT STRATEGY

A.24.1 Purpose

A Risk Management Strategy describes the specific risk management techniques and standards to be applied and the responsibilities for achieving an effective risk management procedure.

A.24.2 Composition

- **Introduction** States the purpose, objectives and scope, and identifies who is responsible for the strategy
- **Risk management procedure** A description of (or reference to) the risk management procedure to be used. Any variance from corporate or programme management standards should be highlighted, together with a justification for the variance. The procedure should cover activities such as:
  - Identify
  - Assess
  - Plan
  - Implement
  - Communicate
- **Tools and techniques** Refers to any risk management systems or tools to be used, and any preference for techniques which may be used for each step in the risk management procedure
- **Records** Definition of the composition and format of the Risk Register and any other risk records to be used by the project
- **Reporting** Describes any risk management reports that are to be produced, including their purpose, timing and recipients
- **Timing of risk management activities** States when formal risk management activities are to be undertaken – for example, at end stage assessments
- **Roles and responsibilities** Defines the roles and responsibilities for risk management activities
- **Scales** Defines the scales for estimating probability and impact for the project to ensure that the scales for cost and time (for instance) are relevant to the cost and timeframe of the project. These may be shown in the form of probability impact grids giving the criteria for each level within the scale, e.g. for 'very high', 'high', 'medium', 'low' and 'very low'
- **Proximity** Guidance on how proximity for risk events is to be assessed. Proximity reflects the fact that risks will occur at particular times and the severity of their impact will vary according to when they occur. Typical proximity categories will be: imminent, within the stage, within the project, beyond the project
- **Risk categories** Definition of the risk categories to be used (if at all). These may be derived from a risk breakdown structure or prompt list. If no risks have been recorded against a category, this may suggest that the risk identification has not been as thorough as it should have been
- **Risk response categories** Definition of the risk response categories to be used, which themselves depend on whether a risk is a perceived threat or an opportunity
- **Early-warning indicators** Definition of any indicators to be used to track critical aspects of the project so that if certain predefined levels are reached, corrective action will be triggered. They will be selected for their relevance to the project objectives

- **Risk tolerance** Defining the threshold levels of risk exposure, which, when exceeded, require the risk to be escalated to the next level of management. (For example, a project-level risk tolerance could be set as any risk that, should it occur, would result in loss of trading. Such risks would need to be escalated to corporate or programme management.) The risk tolerance should define the risk expectations of corporate or programme management and the Project Board
- **Risk budget** Describing whether a risk budget is to be established and, if so, how it will be used.

A.24.3 Derivation

- Project Brief
- Business Case
- The corporate or programme management's risk management guide, strategy or policy.

A.24.4 Format and presentation

A Risk Management Strategy can take a number of formats, including:

- Stand-alone document or a section of the Project Initiation Documentation
- Entry in a project management tool.

A.24.5 Quality criteria

- Responsibilities are clear and understood by both customer and supplier
- The risk management procedure is clearly documented and can be understood by all parties
- Scales, expected value and proximity definitions are clear and unambiguous
- The chosen scales are appropriate for the level of control required
- Risk reporting requirements are fully defined.

A.25 RISK REGISTER

A.25.1 Purpose

A Risk Register provides a record of identified risks relating to the project, including their status and history. It is used to capture and maintain information on all of the identified threats and opportunities relating to the project.

A.25.2 Composition

For each entry in the Risk Register, the following should be recorded:

- **Risk identifier** Provides a unique reference for every risk entered into the Risk Register. It will typically be a numeric or alpha-numeric value
- **Risk author** The person who raised the risk
- **Date registered** The date the risk was identified
- **Risk category** The type of risk in terms of the project's chosen categories (e.g. schedule, quality, legal etc.)
- **Risk description** In terms of the cause, event (threat or opportunity) and effect (description in words of the impact)
- **Probability, impact and expected value** It is helpful to estimate the *inherent* values (pre-response action) and *residual* values (post-response action). These should be recorded in accordance with the project's chosen scales
- **Proximity** This would typically state how close to the present time the risk event is anticipated to happen (e.g. imminent, within stage, within project, beyond project). Proximity should be recorded in accordance with the project's chosen scales
- **Risk response categories** How the project will treat the risk in terms of the project's chosen categories. For example:
  - **For threats:** avoid, reduce, fallback, transfer, accept, share
  - **For opportunities:** enhance, exploit, reject, share
- **Risk response** Actions to resolve the risk, and these actions should be aligned to the chosen response categories. Note that more than one risk response may apply to a risk
- **Risk status** Typically described in terms of whether the risk is active or closed
- **Risk owner** The person responsible for managing the risk (there can be only one risk owner per risk)
- **Risk actionee** The person(s) who will implement the action(s) described in the risk response. This may or may not be the same person as the risk owner.

A.25.3 Derivation

- The composition, format and presentation of the Risk Register will be derived from the Risk Management Strategy
- Entries are made on the Risk Register once a new risk has been identified
- There may be one or more risks inherent in the project mandate
- New risks may be discovered when creating the Project Brief, designing and appointing the project management team, establishing the project's controls and developing its plans, when issuing Work Packages, when reviewing Work Package status, or when reviewing stage status
- Daily Log/Issue Register – often issues raised to the Project Manager and captured in the Daily Log or Issue Register are actually risks and only identified as such after further examination.

A.25.4 Format and presentation

A Risk Register can take a number of formats, including:

- Document, spreadsheet or database
- Stand-alone register or a carry forward in progress review minutes
- Entry in a project management tool
- Part of an integrated project register for all risks, actions, decisions, assumptions, issues, lessons etc.

A.25.5 Quality criteria

- The status indicates whether action has been taken
- Risks are uniquely identified, including information about which product they refer to
- Access to the Risk Register is controlled and it is kept in a safe place.

A.26 WORK PACKAGE

A.26.1 Purpose

A Work Package is a set of information about one or more required products collated by the Project Manager to pass responsibility for work or delivery formally to a Team Manager or team member.

A.26.2 Composition

Although the content may vary greatly according to the relationship between the Project Manager and the recipient of the Work Package, it should cover:

- **Date** The date of the agreement between the Project Manager and the Team Manager/person authorized
- **Team Manager or person authorized** The name of the Team Manager or individual with whom the agreement has been made
- **Work Package description** A description of the work to be done
- **Techniques, processes and procedures** Any techniques, tools, standards, processes or procedures to be used in the creation of the specialist products
- **Development interfaces** Interfaces that must be maintained while developing the products. These may be people providing information or those who need to receive information
- **Operations and maintenance interfaces** Identification of any specialist products with which the product(s) in the Work Package will have to interface during their operational life. These may be other products to be produced by the project, existing products, or those to be produced by other projects (for example, if the project is part of a programme)
- **Configuration management requirements** A statement of any arrangements that must be made by the producer for: version control of the products in the Work Package; obtaining copies of other products or their Product Descriptions; submission of the product to configuration management; any storage or security requirements; and who, if anyone, needs to be advised of changes in the status of the Work Package
- **Joint agreements** Details of the agreements on effort, cost, start and end dates, and key milestones for the Work Package
- **Tolerances** Details of the tolerances for the Work Package (the tolerances will be for time and cost but may also include scope and risk)
- **Constraints** Any constraints (apart from the tolerances) on the work, people to be involved, timings, charges, rules to be followed (for example, security and safety) etc.

- **Reporting arrangements** The expected frequency and content of Checkpoint Reports
- **Problem handling and escalation** This refers to the procedure for raising issues and risks
- **Extracts or references** Any extracts or references to related documents, specifically:
  - **Stage Plan extract** This will be the relevant section of the Stage Plan for the current management stage or will be a pointer to it
  - **Product Description(s)** This would normally be an attachment of the Product Description(s) for the products identified in the Work Package (note that the Product Description contains the quality methods to be used)
- **Approval method** The person, role or group who will approve the completed products within the Work Package, and how the Project Manager is to be advised of completion of the products and Work Package.

There should be space on the Work Package to record both its initial authorization and its acceptance and return as a completed Work Package. This can be enhanced to include an assessment of the work and go towards performance appraisal.

Projects with common controls across all Work Packages may simply cross-reference the controls defined in the Project Plan or Stage Plan.

A.26.3 Derivation

- Existing commercial agreements between the customer and supplier (if any)
- Quality Management Strategy
- Configuration Management Strategy
- Stage Plan.

A.26.4 Format and presentation

A Work Package can take a number of formats, including:

- Document
- Oral conversation between the Project Manager and a Team Manager
- Entry in a project management tool.

The Work Package will vary in content and in degree of formality, depending on circumstances.

Where the work is being conducted by a team working directly under the Project Manager, the Work Package may be an oral instruction – although there are good reasons for putting it in writing, such as avoidance of misunderstanding and providing a link to performance assessment. Where the work is being carried out by a supplier under a contract and the Project Manager is part of the customer organization, there is a need for a formal written instruction in line with standards laid down in that contract.

A.26.5 Quality criteria

- The required Work Package is clearly defined and understood by the assigned resource
- There is a Product Description for each required product, with clearly identified and acceptable quality criteria
- The Product Description(s) matches up with the other Work Package documentation
- Standards for the work are agreed
- The defined standards are in line with those applied to similar products
- All necessary interfaces have been defined
- The reporting arrangements include the provision for raising issues and risks
- There is agreement between the Project Manager and the recipient on exactly what is to be done
- There is agreement on the constraints, including effort, cost and targets
- The dates and effort are in line with those shown in the Stage Plan for the current management stage
- Reporting arrangements are defined
- Any requirement for independent attendance at, and participation in, quality activities is defined.

Appendix B: Governance

The governance of project management concerns those areas of corporate governance that are specifically related to project activities. Effective governance of project management ensures that an organization's project portfolio is aligned to the organization's objectives, is delivered efficiently, and is sustainable. Governance of project management also supports the means by which the corporate board and other major project stakeholders are provided with timely, relevant and reliable information.

Table B.1 The Association for Project Management's governance of project management principles

Governance of project management principles	Addressed by PRINCE2?
The board has overall responsibility for governance of project management.	This governance principle relates to the main board of the corporate organization and is outside the scope of PRINCE2.
The roles, responsibilities and performance criteria for the governance of project management are clearly defined.	Partially. The project has clearly defined roles, responsibilities and performance criteria for governance, but PRINCE2 does not extend into the governance responsibilities of the corporate roles.
Disciplined governance arrangements, supported by appropriate methods and controls, are applied throughout the project lifecycle.	Fully.
A coherent and supportive relationship is demonstrated between the overall business strategy and the project portfolio.	Partially. Each PRINCE2 project should demonstrate alignment to corporate strategy through its Business Case. PRINCE2 does not provide guidance on portfolio management.
All projects have an approved plan containing authorization points at which the Business Case is reviewed and approved. Decisions made at authorization points are recorded and communicated.	Fully.
Members of delegated authorization bodies have sufficient representation, competence, authority and resources to enable them to make appropriate decisions.	Partially. PRINCE2 provides the framework for effective delegation. The competence of project personnel is outside the scope of PRINCE2.
The project Business Case is supported by relevant and realistic information that provides a reliable basis for making authorization decisions.	Fully.
The board, or its delegated agents, decide when independent scrutiny of projects and project management systems is required, and implement such scrutiny accordingly.	Partially. PRINCE2 recommends independent scrutiny by corporate or programme management as part of the Project Assurance responsibilities.
There are clearly defined criteria for reporting project status, and for the escalation of risks and issues to the levels required by the organization.	Fully.
The organization fosters a culture of improvement and of frank internal disclosure of project information.	Partially. PRINCE2 encourages open reporting through its management-by-exception and assurance structures.
Project stakeholders are engaged at a level that is commensurate with their importance to the organization, and in a manner that fosters trust.	Fully.

From *Directing Change: A Guide to Governance of Project Management* (reprinted with minor revisions 2005), APM Governance SIG.

PRINCE2 provides (if applied within the spirit of its principles) a framework for effective governance. Table B.1 shows how PRINCE2 addresses the governance principles published by the Association for Project Management.

Appendix C: Roles and responsibilities

C.1 PROJECT BOARD

The Project Board is accountable to corporate or programme management for the success of the project, and has the authority to direct the project within the remit set by corporate or programme management as documented in the project mandate.

The Project Board is also responsible for the communications between the project management team and stakeholders external to that team (e.g. corporate and programme management).

According to the scale, complexity, importance and risk of the project, Project Board members may delegate some Project Assurance tasks to separate individuals. The Project Board may also delegate decisions regarding changes to a Change Authority.

C.1.1 General responsibilities

During start-up and initiation:

- Confirm project tolerances with corporate or programme management
- Approve the Project Brief
- Approve the Stage Plan for the initiation stage
- Authorize project initiation
- Decide whether to use a Change Authority and, if so, agree the level of authority to be delegated
- Set the scale for severity ratings for issues
- Set the scale for priority ratings for requests for change and off-specifications
- Approve the supplier contract (if the relationship between the customer and supplier is a commercial one)
- Approve the Project Initiation Documentation (and its components)
- Authorize the start of the project.

During the project:

- Set tolerances for each stage and approve Stage Plans
- Authorize each management stage and approve the Product Descriptions for each stage
- Approve Exception Plans when stage-level tolerances are forecast to be exceeded
- Communicate with stakeholders as defined in the Communication Management Strategy (including briefing corporate or programme management about project progress)
- Provide overall guidance and direction to the project, ensuring it remains viable and within any specified constraints
- Respond to requests for advice from the Project Manager
- Ensure that risks are being tracked and managed as effectively as possible
- Approve changes (unless delegated to a Change Authority)
- Make decisions on escalated issues
- Approve completed products.

At the end of the project:

- Provide assurance that all products have been delivered satisfactorily
- Provide assurance that all acceptance criteria have been met
- Confirm acceptance of the project product
- Approve the End Project Report and ensure that any issues, lessons and risks are documented and passed on to the appropriate body
- Authorize follow-on action recommendations and Lessons Reports to be distributed to corporate or programme management
- Transfer responsibility for the updated Benefits Review Plan to corporate or programme management
- Authorize project closure and send project closure notification to corporate or programme management.

C.1.2 Competencies

To be successful, the Project Board should:

- Have sufficient authority to make decisions, approve plans and authorize any necessary deviation from Stage Plans
- Have sufficient authority to allocate resources to the project
- Be capable of adequately representing the business, user and supplier interests

- Ideally be able to stay with the project throughout its life.

Key competencies include:

- Decision making
- Delegation
- Leadership
- Negotiation and conflict resolution.

C.2 EXECUTIVE

The Executive is ultimately responsible for the project, supported by the Senior User and Senior Supplier. The Executive's role is to ensure that the project is focused throughout its life on achieving its objectives and delivering a product that will achieve the forecast benefits. The Executive has to ensure that the project gives value for money, ensuring a cost-conscious approach to the project, balancing the demands of the business, user and supplier.

Throughout the project, the Executive is responsible for the Business Case.

The Project Board is not a democracy controlled by votes. The Executive is the ultimate decision maker and is supported in the decision making by the Senior User and Senior Supplier.

C.2.1 Responsibilities

In addition to the Project Board's collective responsibilities, the Executive will:

- Design and appoint the project management team (in particular the Project Manager)
- Oversee the development of the Project Brief and the outline Business Case, ensuring that the project is aligned with corporate strategies (and presenting the outline Business Case to corporate or programme management for approval where required)
- Oversee the development of the detailed Business Case
- Secure the funding for the project
- Approve any additional supplier contracts (if the relationship between the user and supplier is a commercial one)
- Hold the Senior Supplier to account for the quality and integrity of the specialist approach and specialist products created for the project
- Hold the Senior User to account for realizing the benefits defined in the Business Case, ensuring that benefits reviews take place to monitor the extent to which the Business Case benefits are achieved
- Transfer responsibility for post-project benefits reviews to corporate or programme management
- Monitor and control the progress of the project at a strategic level, in particular reviewing the Business Case regularly
- Escalate issues and risks to corporate or programme management if project tolerance is forecast to be exceeded
- Ensure that risks associated with the Business Case are identified, assessed and controlled
- Make decisions on escalated issues, with particular focus on continued business justification
- Organize and chair Project Board reviews
- Ensure overall business assurance of the project – that it remains on target to deliver products that will achieve the expected business benefits, and that the project will be completed within its agreed tolerances. Where appropriate, delegate some business Project Assurance activities (see section C.7).

C.3 SENIOR USER

The Senior User(s) is responsible for specifying the needs of those who will use the project's products, for user liaison with the project management team, and for monitoring that the solution will meet those needs within the constraints of the Business Case in terms of quality, functionality and ease of use.

The role represents the interests of all those who will use the project's products (including operations and maintenance), those for whom the products will achieve an objective or those who will use the products to deliver benefits. The Senior User role commits user resources and monitors products against requirements. This role may require more than one person to cover all the user interests. For the sake of effectiveness, the role should not be split between too many people.

The Senior User(s) specifies the benefits and is held to account by demonstrating to corporate or programme management that the forecast benefits which were the basis of project approval have in fact been realized. This is likely to involve a commitment beyond the end of the life of the project.

C.3.1 Responsibilities

In addition to the Project Board's collective responsibilities, the Senior User(s) will:

- Provide the customer's quality expectations and define acceptance criteria for the project
- Ensure that the desired outcome of the project is specified
- Ensure that the project produces products that will deliver the desired outcomes, and meet user requirements
- Ensure that the expected benefits (derived from the project's outcomes) are realized
- Provide a statement of actual versus forecast benefits at the benefits reviews
- Resolve user requirements and priority conflicts
- Ensure that any user resources required for the project (e.g. to undertake user quality inspections and product approval) are made available
- Make decisions on escalated issues, with particular focus on safeguarding the expected benefits
- Brief and advise user management on all matters concerning the project
- Maintain business performance stability during transition from the project to business as usual
- Provide the user view on follow-on action recommendations
- Undertake Project Assurance from the user perspective (user assurance) and, where appropriate, delegate user Project Assurance activities (see section C.7).

C.4 SENIOR SUPPLIER

The Senior Supplier represents the interests of those designing, developing, facilitating, procuring and implementing the project's products. This role is accountable for the quality of products delivered by the supplier(s) and is responsible for the technical integrity of the project. If necessary, more than one person may be required to represent the suppliers.

Depending on the particular customer/supplier environment, the customer may also wish to appoint an independent person or group to carry out assurance on the supplier's products (for example, if the relationship between the customer and supplier is a commercial one).

C.4.1 Responsibilities

In addition to the Project Board's collective responsibilities, the Senior Supplier will:

- Assess and confirm the viability of the project approach
- Ensure that proposals for designing and developing the products are realistic
- Advise on the selection of design, development and acceptance methods
- Ensure that the supplier resources required for the project are made available
- Make decisions on escalated issues, with particular focus on safeguarding the integrity of the complete solution
- Resolve supplier requirements and priority conflicts
- Brief non-technical management on supplier aspects of the project
- Ensure quality procedures are used correctly, so that products adhere to requirements
- Undertake Project Assurance from the supplier perspective (supplier assurance) and, where appropriate, delegate supplier Project Assurance activities (see section C.7).

C.5 PROJECT MANAGER

The Project Manager has the authority to run the project on a day-to-day basis on behalf of the Project Board within the constraints laid down by them.

The Project Manager's prime responsibility is to ensure that the project produces the required products within the specified tolerances of time, cost, quality, scope, risk and benefits. The Project Manager is also responsible for the project producing a result capable of achieving the benefits defined in the Business Case.

C.5.1 Responsibilities

The Project Manager's responsibilities include the following:

- Prepare the following baseline management products, in conjunction with any Project Assurance roles, and agree them with the Project Board:
  - Project Brief, including the Project Product Description
  - Benefits Review Plan

  - Project Initiation Documentation (and its components)
  - Stage/Exception Plans and their Product Descriptions
  - Work Packages
- Prepare the following reports:
  - Highlight Reports
  - Issue Reports
  - End Stage Reports
  - Lessons Reports
  - Exception Reports
  - End Project Report
- Maintain the following records
  - Issue Register
  - Risk Register
  - Daily Log
  - Lessons Log
- Liaise with corporate or programme management to ensure that work is neither overlooked nor duplicated by related projects
- Liaise with any external suppliers or account managers
- Lead and motivate the project management team
- Ensure that behavioural expectations of team members are established
- Manage the information flows between the directing and delivering levels of the project
- Manage the production of the required products, taking responsibility for overall progress and use of resources and initiating corrective action where necessary
- Establish and manage the project's procedures – risk management, issue and change control, configuration management, and communication
- Establish and manage the project controls – monitoring and reporting
- Authorize Work Packages
- Advise the Project Board of any deviations from the plan
- Unless appointed to another person(s), perform the Team Manager role (see section C.6)
- Unless appointed to another person (or corporate/programme function), perform the Project Support role (see section C.9)
- Implement the Configuration Management Strategy
- Ensure project personnel comply with the Configuration Management Strategy
- Schedule configuration audits to check that the physical products are consistent with the Configuration Item Records and initiate any necessary corrective action.

C.5.2 Competencies

Different types of project will require different types of project management skills. To be successful, the Project Manager must be able to balance the different aspects of the Project Manager role for a particular project.

Key competencies include:

- Planning
- Time management
- People management
- Problem solving
- Attention to detail
- Communication
- Negotiation
- Conflict management.

C.6 TEAM MANAGER

The Team Manager's prime responsibility is to ensure production of those products defined by the Project Manager to an appropriate quality, in a set timescale and at a cost acceptable to the Project Board. The Team Manager role reports to, and takes direction from, the Project Manager.

C.6.1 Responsibilities

- Prepare the Team Plan and agree it with the Project Manager
- Produce Checkpoint Reports as agreed with the Project Manager
- Plan, monitor and manage the team's work
- Take responsibility for the progress of the team's work and use of team resources, and initiate corrective action, where necessary, within the constraints laid down by the Project Manager
- Identify and advise the Project Manager of any issues and risks associated with a Work Package
- Advise the Project Manager of any deviations from the plan, recommend corrective action, and help to prepare any appropriate Exception Plans

- Pass back to the Project Manager products that have been completed and approved in line with the agreed Work Package requirements
- Liaise with any Project Assurance and Project Support roles
- Ensure that quality activities relating to the team's work are planned and performed correctly, and are within tolerance
- Ensure that the appropriate entries are made in the Quality Register
- Manage specific issues and risks as directed by the Project Manager
- Assist the Project Manager in examining issues and risks
- Ensure that all assigned issues are properly reported to the person maintaining the Issue Register.

C.6.2 Competencies

Different types of project will require different types of skills from the Team Manager.

Key competencies are similar to that of a Project Manager.

C.7 PROJECT ASSURANCE

Project Assurance covers the primary stakeholder interests (business, user and supplier).

Project Assurance has to be independent of the Project Manager; therefore the Project Board cannot delegate any of its assurance activities to the Project Manager.

C.7.1 Responsibilities

The implementation of the assurance responsibilities needs to answer the question: what is to be assured? A list of possibilities applicable to the business, user and supplier stakeholder interests would include ensuring that:

- Liaison is maintained between the business, user and supplier throughout the project
- Risks are controlled
- The right people are involved in writing Product Descriptions
- The right people are planned to be involved in quality inspection at the correct points in the products' development
- Staff are properly trained in the quality methods
- The quality methods are being correctly followed
- Quality control follow-up actions are dealt with correctly
- An acceptable solution is being developed
- The scope of the project is not changing unnoticed
- Internal and external communications are working
- Applicable standards are being used
- The needs of specialist interests (for example, security) are being observed.

Business assurance responsibilities

- Assist the Project Manager to develop the Business Case and Benefits Review Plan (if it is being prepared by the Project Manager)
- Advise on the selection of project management team members
- Advise on the Risk Management Strategy
- Review the Business Case for compliance with corporate or programme standards
- Verify the Business Case against external events and against project progress
- Check that the Business Case is being adhered to throughout the project
- Check that the project remains aligned to the corporate or programme strategy
- Review project finance on behalf of the customer
- Verify that the solution continues to provide value for money
- Periodically check that the project remains viable
- Assess that the aggregated risk exposure remains within project tolerance
- Check that any supplier and contractor payments are authorized
- Review issues and risks by assessing their impact on the Business Case
- Constrain user and supplier excesses
- Inform the project management team of any changes caused by a programme of which the project is part (this responsibility may be transferred if there is other programme representation on the project management team)
- Monitor stage and project progress against the agreed tolerances.

User assurance responsibilities

- Advise on stakeholder engagement
- Advise on the Communication Management Strategy
- Ensure that the specification of the user's needs is accurate, complete and unambiguous
- Assess whether the solution will meet the user's needs and is progressing towards that target
- Advise on the impact of potential changes from the user's point of view
- Monitor risks to the user
- Ensure that the quality activities relating to products at all stages has appropriate user representation
- Ensure that quality control procedures are used correctly to ensure that products meet user requirements
- Ensure that user liaison is functioning effectively.

Supplier assurance responsibilities

- Review the Product Descriptions
- Advise on the Quality Management Strategy and Configuration Management Strategy
- Advise on the selection of the development strategy, design and methods
- Ensure that any supplier and operating standards defined for the project are met and used to good effect
- Advise on potential changes and their impact on the correctness, completeness and integrity of products against their Product Description from a supplier perspective
- Monitor any risks in the production aspects of the project
- Assess whether quality control procedures are used correctly, so that products adhere to requirements.

C.7.2 Competencies

To be successful, Project Assurance should:

- Be capable of adequately representing the business, user or supplier stakeholder interests
- Have sufficient credibility to ensure that advice and guidance are followed
- Have sufficient specialist knowledge of the business, user or supplier stakeholder areas
- Ideally be able to stay with the project throughout its lifecycle.

Key competencies include:

- Diplomacy
- Thoroughness
- Attention to detail
- Communication.

C.8 CHANGE AUTHORITY

The Project Board may delegate authority for approving responses to requests for change or off-specifications to a separate individual or group, called a Change Authority. The Project Manager could be assigned as the Change Authority for some aspects of the project (e.g. changing baselined Work Packages if it does not affect stage tolerances).

C.8.1 Responsibilities

- Review and approve or reject all requests for change and off-specifications within the delegated limits of authority and change budget set by the Project Board
- Refer to the Project Board if any delegated limits of authority or allocated change budget are forecast to be exceeded.

C.8.2 Competencies

The Change Authority should:

- Be capable of adequately representing the business, user and supplier stakeholder interests
- Have sufficient credibility to ensure that advice and guidance are followed
- Have sufficient specialist knowledge of the business, user or supplier stakeholder areas.

Key competencies include:

- Decision making
- Planning
- Attention to detail
- Problem solving.

C.9 PROJECT SUPPORT

The provision of any Project Support on a formal basis is optional. If it is not delegated to a separate person or function it will need to be undertaken by the Project Manager.

One support function that must be considered is that of configuration management. Depending on the project size and environment, there may

be a need to formalize this and it may become a task with which the Project Manager cannot cope without support.

Project Support functions may be provided by a project office or by specific resources for the project. Refer to OGC's guidance *Portfolio, Programme and Project Support Offices* (2008) for further information on the use of a project office.

C.9.1 Responsibilities

The following is a suggested list of tasks:

- Set up and maintain project files
- Establish document control procedures
- Collect actuals data and forecasts
- Update plans
- Administer or assist the quality review process
- Administer or assist Project Board meetings
- Assist with the compilation of reports
- Contribute expertise in specialist tools and techniques (for example, planning and control tools, risk analysis)
- Maintain the following records
  - Quality Register
  - Configuration Item Records
  - Any other registers/logs delegated by the Project Manager
- Administer the configuration management procedure (these responsibilities may be undertaken by a configuration librarian from corporate or programme management):
  - Administer the receipt, identification, versions, storage and issue of all project products
  - Provide information on the status of all products (by preparing and issuing Product Status Accounts)
  - Archive superseded product copies
  - Ensure the security and preservation of the master copies of all project products
  - Maintain a record of all copies issued
  - Notify holders of any changes to their copies
  - Number, record, store and distribute Issue Reports
  - Conduct configuration audits.

C.9.2 Competencies

Typical competencies for Project Support roles will depend on the type of project and organization.

Key competencies include:

- Administration and organization
- Knowledge of specialist tools and techniques
- Knowledge of corporate or programme management standards applicable to the project.

Appendix D: Product-based planning example

D.1 SCENARIO

A project is required to organize and run a conference for between 80 and 100 delegates. The date and subject matter are set, and the focus of the conference is to bring members of a particular profession up to date on recent developments in professional procedures and standards. The project team will need to identify a venue, and check its availability, facilities and price before booking it. They will also need to identify suitable speakers and book them, before producing a detailed agenda and programme. A mailing list of delegates is available, and once the venue has been booked, the project team will need to issue a press release based on the agreed programme. Part of the project will involve producing 100 delegate handouts, with a cover reflecting the selected subject matter. These handouts must contain a printed agenda covering the agreed programme, copies of slides and notes used by the speakers, and a feedback form to capture attendee reviews. Booking arrangements for attending the conference, including details of the programme and venue, must be sent out in the mail-shot. The team will need to regularly update the attendance list based on responses to the mail-shot, and make arrangements to recruit staff to help on the day, based on the final attendance list.

D.2 EXAMPLE OF A PROJECT PRODUCT DESCRIPTION

Table D.1 gives an example of a Project Product Description for an annual conference.

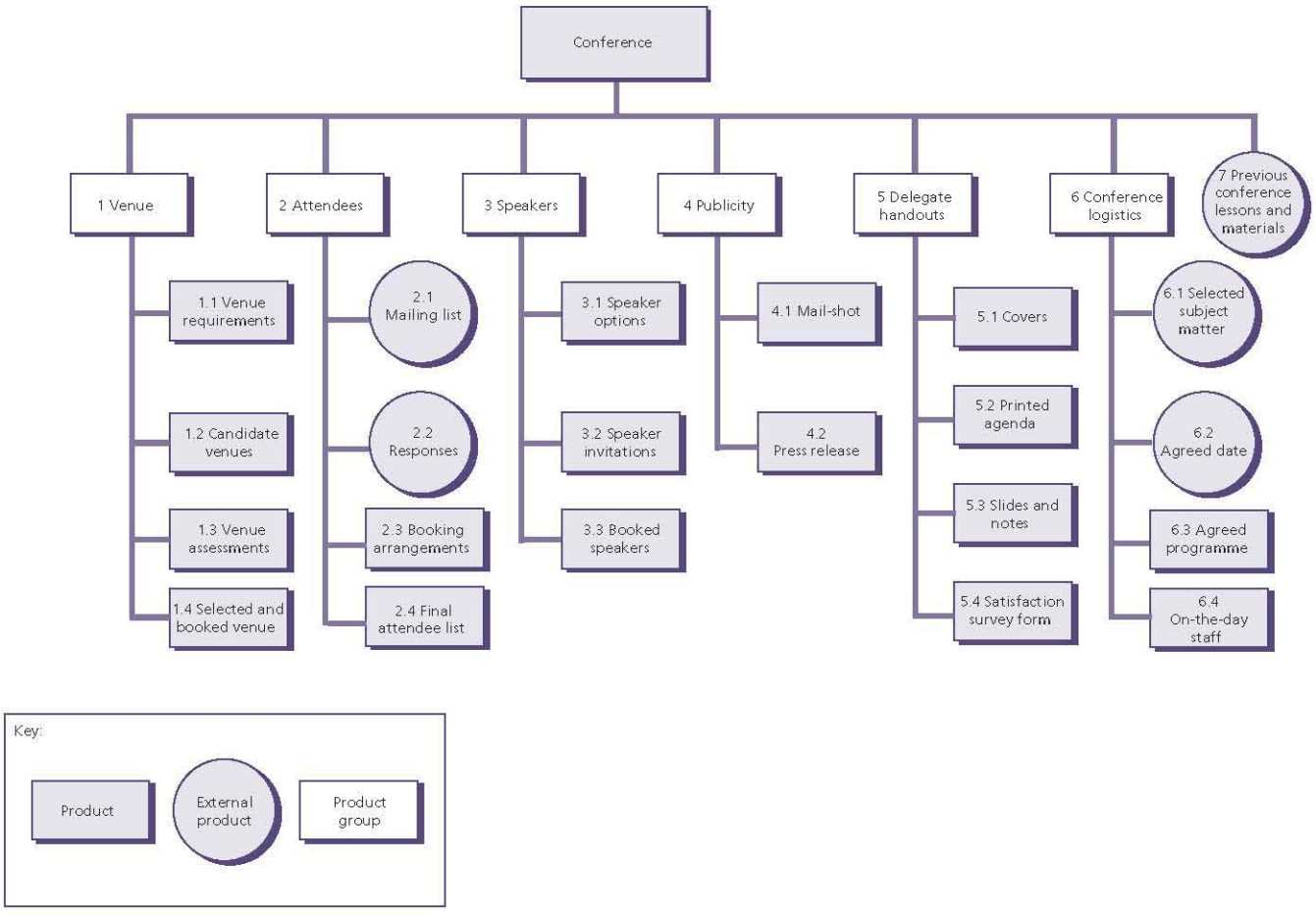

Figure D.1 Product breakdown structure in the form of a hierarchy chart

Table D.1 Example of a Project Product Description for an annual conference

Title	Annual conference
Purpose	The conference is the annual showcase of the profession and provides its members with an opportunity to learn about the latest developments in professional procedures and standards, and to network with fellow members
Composition	■ Conference venue ■ Attendees ■ Speakers ■ Publicity ■ Delegate handouts ■ Conference logistics.
Derivation	■ Selected subject matter ■ Mailing list ■ Previous conference lessons and materials ■ Agreed date.
Development skills required	■ Conference management ■ Marketing ■ Public relations.
Customer's quality expectations	Priority 1: The conference must be ■ Professional in style, funded by attendees and address the needs of the range of members (from beginners to experienced professionals) ■ The event will provide a forum for networking ■ Repeat attendance at future conferences is generated from satisfied members
	Priority 2: ■ The speakers will be chosen on the basis of their knowledge, experience and expertise. They are not delivering a 'sales pitch' to the members ■ The conference will be interactive in style ■ The conference will be held at a central location, therefore minimizing travel.
Acceptance criteria and project-level quality tolerances	In priority order: ■ The cost of the conference must be covered by the attendance fees ■ Minimum of 80 and maximum of 100 people attend the conference ■ More than 50% of the presentations are interactive (tutorials rather than lectures) ■ The speakers and programme are approved by the editorial board representing the interests of the members ■ The attendees' satisfaction survey indicates that >75% will attend next year's conference and/or recommend it to colleagues. ■ The hotel venue is within three miles of a main line train station
Acceptance method	As the conference cannot be rerun should it prove to be unacceptable, the Project Board will grant: ■ Preliminary acceptance – based on approval of the agreed programme by the editorial board and independent assurance that the attendee numbers and conference costs are forecast to be acceptable ■ Final acceptance – based on the End Project Report providing evidence that the acceptance criteria were met.
Acceptance responsibilities	■ The Senior User and Executive are responsible for confirming acceptance

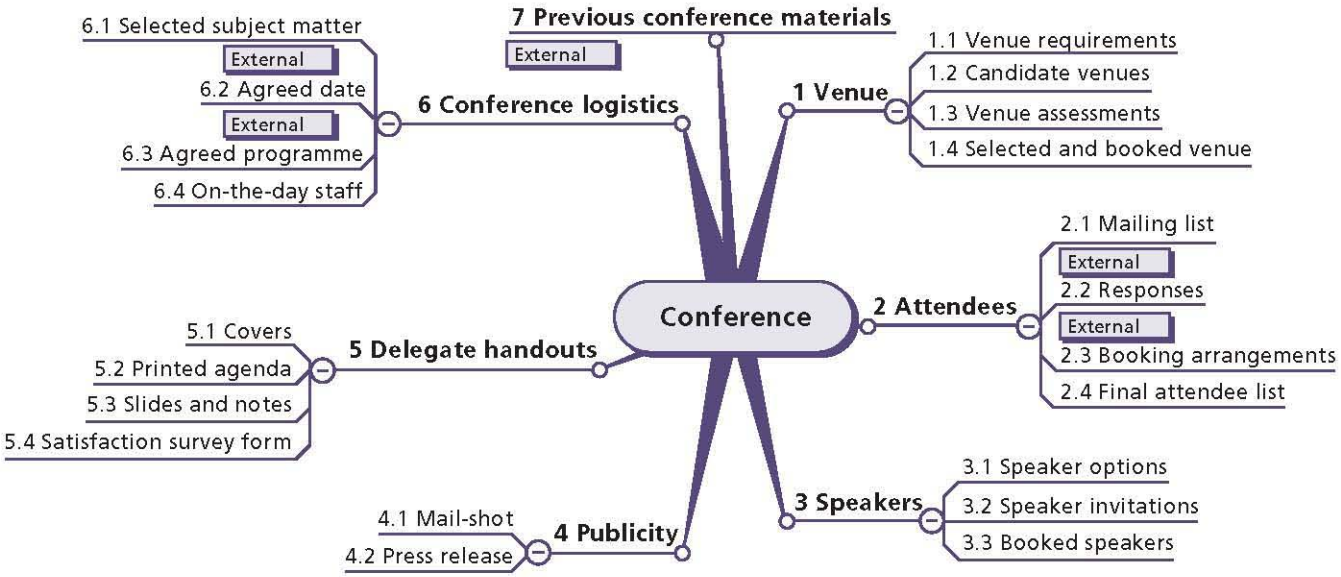

Figure D.2 Product breakdown structure in the form of a mindmap

D.3 EXAMPLES OF A PRODUCT BREAKDOWN STRUCTURE

PRINCE2 does not specify the format in which a product breakdown structure is drawn. Three example formats are provided for the conference project:

- Hierarchy chart (Figure D.1)
- Mindmap (Figure D.2)
- Indented list.

Product breakdown structure in the form of an indented list

Conference

1 Venue
  - 1.1 Venue requirements
  - 1.2 Candidate venues
  - 1.3 Venue assessments
  - 1.4 Selected and booked venue

2 Attendees
  - 2.1 Mailing list (external)
  - 2.2 Responses (external)
  - 2.3 Booking arrangements
  - 2.4 Final attendee list

3 Speakers
  - 3.1 Speaker options
  - 3.2 Speaker invitations
  - 3.3 Booked speakers

4 Publicity
  - 4.1 Mail-shot
  - 4.2 Press release

5 Delegate handouts
  - 5.1 Covers
  - 5.2 Printed agenda
  - 5.3 Slides and notes
  - 5.4 Satisfaction survey form

6 Conference logistics
  - 6.1 Selected subject matter (external)
  - 6.2 Agreed date (external)
  - 6.3 Agreed programme
  - 6.4 On-the-day staff

7 Previous conference lessons and materials (external).

D.4 EXAMPLE OF A PRODUCT DESCRIPTION

Identifier	Conference/4.1/version 1.0		
Title	Mail-shot		
Purpose	The mail-shot is the primary means of advertising the conference to potential delegates. It will be mailed to a list of professionals working in the industry.		
Composition	• Mailing envelope • Letter giving outline explanation of the conference • Leaflet giving detailed explanation of the conference, the venue and how to make a booking • Booking form • Response envelope		
Derivation	• Mailing list • Agreed programme • Booking arrangements • Selected venue		
Format and presentation	Letter to be A4 on standard branded letterhead Leaflet and booking form to be A5 size Mailing envelope to be C5		
Development skills required	Marketing, design and copywriting skills required Knowledge of conference necessary		
Quality responsibilities	• **Producer** – Event management company • **Reviewers** – as stated under 'Quality Skills Required' • **Approver** – Membership secretary		
Quality criteria	**Quality tolerance**	**Quality method**	**Quality skills required**
Adheres to corporate identity standards	As defined in corporate identity standards	PRINCE2 quality review	Marketing team
Letter and leaflet accurately reflect all agreed details of the conference	None	Inspection	Conference Project Manager
No spelling or grammatical errors in any elements of the mail-shot	None	Word processor spell checker Inspection	Proof reader
The covering letter fits on one side of A4	May extend to reverse of a single sheet of A4	Inspection	Proof reader

D.5 PRODUCT FLOW DIAGRAM

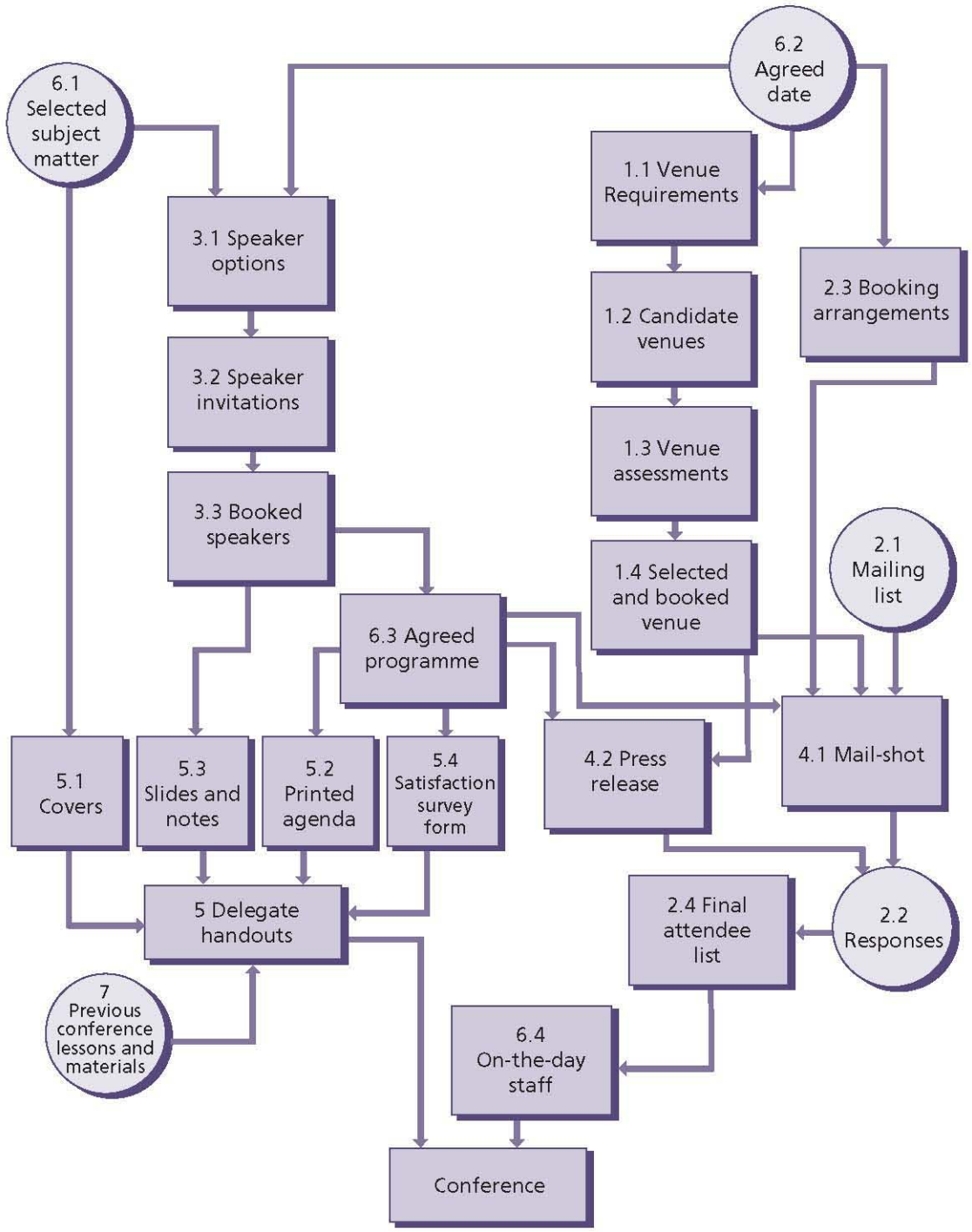

Figure D.3 Example of a product flow diagram for the conference project

Note: Only the project product, releases and products need to be transferred from the product breakdown structure to the product flow diagram. For example, in this scenario the planner has used 'publicity' in the product breakdown structure but the only publicity products that need to be produced are the mail-shot and press release. 'Publicity' is not a product that requires work but a convenient way to describe the products that provide the publicity for the conference, whereas the delegate handout is a product that is created by bringing together the covers, printed agenda, printouts of the conference slides and notes, and the satisfaction survey form products.

Appendix E: Health check

The following are process-oriented checklists that can be used at various points in the project to assess that the key aspects of PRINCE2 are adequately addressed. The checklists are not exhaustive but should provide reasonable confidence as to whether a project is being managed in accordance with PRINCE2.

It is important to note that any reference to a management product means 'in accordance with the Product Description in Appendix A' and in particular the quality criteria for those management products should also be reviewed.

E.1 STARTING UP A PROJECT

Question		Yes/No
1	Have project management team roles been allocated for the:	
	a Executive?	
	b Project Manager?	
	c Senior User(s)?	
	d Senior Supplier(s) – if appropriate at this point?	
	e Project Support?	
	f Team Managers – if appropriate at this point?	
	g Project Assurance?	
	h Change Authority – if appropriate at this point?	
2	Do the Project Board members have sufficient authority, availability and credibility to direct the project?	
3	Are the project's stakeholders sufficiently represented by the Project Board?	
4	Do role descriptions exist for each key appointment?	
5	Have those people appointed confirmed their acceptance?	
6	Has a Daily Log been set up?	
7	Has the Lessons Log been set up?	
8	Have lessons from previous similar projects been identified and, where appropriate, applied?	
9	If the organization has not undertaken a project like this before, have lessons been sought from comparable projects external to the organization?	
10	Has the Project Brief been produced?	
11	Is there an outline Business Case?	
12	Has the Project Product Description been produced?	
13	Has the project approach been decided upon?	
14	Is there a Stage Plan for the initiation stage?	

E.2 DIRECTING A PROJECT

E.2.1 Authorize initiation

Question		Yes/No
15	Has the Project Board approved the Project Brief? Specifically, has it:	
	■ Confirmed the project definition and approach?	
	■ Reviewed and approved the Project Product Description?	
	■ Formally confirmed the appointments to the core project management team?	
	■ Reviewed and approved the outline Business Case, particularly the projected benefits?	
16	Has the Project Board approved the Initiation Stage Plan? Specifically, has it:	
	■ Approved the plan to develop the Project Initiation Documentation?	
	■ Obtained or committed the resources needed by the Stage Plan for the initiation stage?	
	■ Ensured that adequate reporting and control mechanisms are in place for the initiation stage?	
	■ Set tolerances for the initiation stage?	
	■ Requested the necessary logistical support (for example, accommodation, communication facilities, equipment and any Project Support) from corporate or programme management?	
	■ Confirmed that they have understood any risks that affect the decision to authorize the initiation stage?	
	■ Confirmed to the Project Manager that the work defined in the Initiation Stage Plan may start?	
17	Has the Project Board informed corporate or programme management (and other interested parties) that project initiation has been authorized?	

E.2.2 Authorize the project

Question		Yes/No
18	Has the Project Board approved the Project Initiation Documentation? Specifically, has it:	
	■ Confirmed that the Business Case is viable, desirable and achievable and meets corporate or programme management expectations and standards, and approved it?	
	■ Confirmed that lessons from previous similar projects have been reviewed and incorporated?	
	■ Confirmed that the Quality Management Strategy will deliver the quality expectations, and approved it?	
	■ Confirmed that that the Configuration Management Strategy will deliver the approach expected, and approved it?	
	■ Confirmed that that the Risk Management Strategy will safeguard the project, and approved it?	
	■ Confirmed that there has been a risk assessment, and that risk response actions have been planned?	
	■ Confirmed the validity and achievability of the Project Plan and approved it?	
	■ Confirmed that the Benefits Review Plan covers all expected benefits, and approved it?	
	■ Confirmed that all members of the project management team have agreed their roles (the project management team structure, roles and responsibilities)?	
	■ Ensured that the project controls are adequate for the nature of the project?	
	■ Ensured that the information needs and timing of communications, as defined in the Communication Management Strategy, are adequate for the nature of the project, and approved it?	
	■ Reviewed the tolerances for the project provided by corporate or programme management to ensure that they are appropriate and realistic?	

Question		Yes/No
	■ Considered the consistency of the various components and approved the Project Initiation Documentation overall?	
19	Has the Project Board informed corporate or programme management (and other interested parties) that the project has been authorized?	

E.2.3 Authorize a Stage or Exception Plan

Question		Yes/No
20	Has the Project Board reviewed the End Stage Report? Specifically:	
	■ Did the board review the performance status of the project using the End Stage Report for the current management stage?	
	■ Has the board reviewed the benefits achieved and lessons learned during the stage?	
21	Has the Project Board assessed overall project viability? Specifically, has it:	
	■ Reviewed the Project Plan and the position in relation to project tolerances agreed with corporate or programme management?	
	■ Reviewed the Business Case to ensure that the project is still justified?	
	■ Reviewed the key risks to ensure that the exposure level is still acceptable and that response actions are planned?	
	■ Obtained decisions from outside the project for any potential deviations beyond project tolerances? (For example, if this project is part of a programme, then programme management should have examined the impact on the programme, and taken appropriate action.)	
22	Has the Project Board reviewed and approved the next Stage Plan (or Exception Plan)? Specifically, has it:	
	■ Reviewed the plan for which the Project Manager is seeking approval? (This will be a Stage Plan for the next management stage or an Exception Plan.)	
	■ Authorized the Project Manager to proceed with the submitted plan (Stage Plan or Exception Plan) or instructed the Project Manager to prematurely close the project?	
	■ Set the tolerances for the next management stage or (in the case of an Exception Plan) revised the current stage tolerances as necessary?	
23	Has the Project Board informed corporate or programme management (and other interested parties) that the next stage has been authorized (or an exception plan for the current stage has been approved)?	

E.2.4 Give ad hoc direction

Question		Yes/No
24	Has the Project Board responded to the Project Manager's requests? Specifically, has it:	
	■ Reviewed the request? (This could be informal or formal, the latter in the form of an Issue Report.)	
	■ Made a decision – for example, approved, rejected, deferred decision, requested more information?	
	■ Provided guidance to the Project Manager?	
25	Has the Project Board responded to reports? Specifically, has it:	
	■ Reviewed the latest Highlight Report in order to understand the status of the project and satisfied itself, through a dialogue with the Project Manager, that the stage is progressing according to plan?	
	■ Made decisions on Exception Reports – adjusted tolerances or approved responses to the exception as appropriate?	

Question		Yes/No
	■ Made decisions on Issue Reports within the board's delegated limits of authority or sought advice from corporate or programme management?	
26	Has the Project Board responded to external influences? Specifically, has it:	
	■ Ensured that the project is kept informed of external events that may affect it?	
	■ Ensured that the project remains focused on the corporate or programme objectives set, and remains justified in business terms?	
	■ Ensured that the Project Manager is notified of any changes in the corporate or programme environment that may impact on the project and that appropriate action is taken?	
27	Has the Project Board informed corporate or programme management (and other interested parties) of the project's progress in accordance with the Communication Management Strategy?	

E.2.5 Authorize project closure

Question		Yes/No
28	Has the Project Board confirmed handover and acceptance? Specifically, has it:	
	■ Verified that the handover of the project product was in accordance with the Configuration Management Strategy and in particular that records of all required user acceptance and operational/maintenance acceptance exist?	
	■ Ensured that, where appropriate, the resulting changes in the business are supported and sustainable?	
	■ Ensured that any customer quality expectations that cannot be confirmed until after the project closes (e.g. performance levels regarding reliability) are included in the Benefits Review Plan as a post-project check?	
29	Has the Project Board Approved the End Project Report? Specifically, has it:	
	■ Used the version of the Project Initiation Documentation which was approved at project initiation as the baseline to assess how the project has deviated from its initial basis, and to provide information against which the success of the project can be judged?	
	■ Ensured follow-on action recommendations have been recorded correctly in the End Project Report and that the appropriate groups have been made aware of their responsibility for taking them forward?	
	■ Approved the End Project Report for distribution to any interested parties, such as corporate or programme management?	
30	Has the Project Board reviewed the Lessons Report and agreed who should receive it? Has the Board ensured that the appropriate groups (for example, corporate or programme management, centre of excellence) have been made aware of their responsibility for taking any recommendations forward?	
31	Has the Project Board confirmed the Business Case? Specifically, has it confirmed the updated Business Case by comparing actual and forecast benefits, costs and risks against the approved Business Case within the Project Initiation Documentation? (It may not be possible to confirm all the benefits as some will not be realized until after the project is closed.)	
32	Has the Project Board approved the updated Benefits Review Plan? Specifically, has it:	
	■ Reviewed and gained approval for the updated Benefits Review Plan, ensuring that it addresses the expected benefits that cannot yet be confirmed?	
	■ Confirmed that the responsibility for the Benefits Review Plan has been transferred to corporate or programme management?	
33	Has the Project Board issued the project closure notification? Specifically, has it:	
	■ Reviewed and issued a project closure notification in accordance with the Communication Management Strategy?	

Question		Yes/No
	■ Advised those who have provided the support infrastructure and resources for the project that these can now be withdrawn?	
	■ Released the resources provided to the project?	
	■ Provided a closing date for costs being charged to the project?	

E.3 INITIATING A PROJECT

Question		Yes/No
34	Have lessons from previous similar projects been identified and, where appropriate, have they been applied?	
35	Has the Risk Management Strategy been defined and documented?	
36	Has the Risk Register been set up and populated?	
37	Has the Configuration Management Strategy been defined and documented?	
38	Have the initial Configuration Item Records been set up?	
39	Has the Issue Register been set up and populated?	
40	Has the Quality Management Strategy been defined and documented?	
41	Has the Quality Register been set up and populated?	
42	Has the Communication Management Strategy been defined and documented?	
43	Have the project controls been determined and established?	
44	Has the Project Plan been created?	
45	Has the project management team structure been updated to reflect any new roles being appointed or any changes to responsibilities of existing roles?	
46	For new appointments, do role descriptions exist and have those people who have been appointed confirmed their acceptance?	
47	Has the outline Business Case been refined into a detailed Business Case?	
48	Has the Benefits Review Plan been created (this may have been done by corporate or programme management)?	
49	Has the Project Initiation Documentation been assembled?	

E.4 CONTROLLING A STAGE

Question		Yes/No
50	Have Work Packages been created and issued?	
51	Have all the Team Managers agreed all their Work Packages?	
52	Have completed products been produced in accordance with the Work Package and Product Description?	
53	Have the relevant Configuration Item Records been created/updated?	
54	Has the Quality Register been maintained?	
55	Were any products handed over as part of a phased delivery? If so, were they handed over in accordance with the Configuration Management Strategy?	
56	Has the Risk Register been maintained?	
57	Has the Issue Register been maintained?	
58	Has the Stage Plan been updated with actuals and revised forecasts?	

Question		Yes/No
59	Has the Daily Log been maintained?	
60	Have Checkpoint Reports been received for each issued Work Package at the frequency and in the format agreed?	
61	Was progress (actual and forecast) checked against agreed tolerances?	
62	If tolerances were forecast to be exceeded, were they escalated to the Project Board?	
63	If corrective actions were required, were they logged, implemented and tracked?	
64	Was the Business Case periodically checked for ongoing viability?	
65	Were Highlight Reports created and issued in accordance with the agreed reporting format and frequency?	
66	Do Issue Reports exist for all issues being handled formally?	
67	Do Exception Reports exist for all exceptions raised to the Project Board?	
68	Has the Lessons Log been updated with any new lessons?	

E.5 MANAGING PRODUCT DELIVERY

Question		Yes/No
69	Did the Work Package and Product Description(s) contain sufficient information, including cross-references, to enable the Team Manager to produce the products required?	
70	Has a Team Plan been created that demonstrates that the Work Package could be completed within agreed tolerances?	
71	Has the Team Plan been updated with actuals and revised forecasts?	
72	Was progress (actual and forecast) checked against agreed tolerances?	
73	If tolerances were forecast to be exceeded, were they escalated to the Project Manager?	
74	Were Checkpoint Reports issued to the Project Manager at the frequency and in the format agreed?	
75	Did the Team Manager notify the Project Manager of any issues and risks?	
76	Do approval records exist for each completed product?	
77	Did the Team Manager notify Project Support of any required updates to Configuration Item Records and the Quality Register?	
78	Did the Team Manager notify the Project Manager that all the products in the Work Package had been delivered?	

E.6 MANAGING A STAGE BOUNDARY

Question		Yes/No
79	Have all products that were planned to be completed within the stage been approved?	
80	Has a Product Status Account been created to verify the status of the stage's products?	
81	If there was a product handover during the stage, were related outstanding issues documented as follow-on action recommendations ready for distribution subject to Project Board approval?	
82	Has the Lessons Log been reviewed and updated?	
83	If required, has a Lessons Report been created ready for distribution, subject to Project Board approval?	
84	Has the Stage Plan been updated with actuals?	
85	Has the Risk Management Strategy been reviewed and (if necessary) updated?	
86	Has the Risk Register been reviewed and updated?	

Question		Yes/No
87	Has the Configuration Management Strategy been reviewed and (if necessary) updated?	
88	Have the Configuration Item Records been reviewed and updated?	
89	Has the Issue Register been reviewed and updated?	
90	Has the Quality Management Strategy been reviewed and (if necessary) updated?	
91	Has the Quality Register been reviewed and updated?	
92	Has the Communication Management Strategy been reviewed and (if necessary) updated?	
93	Have the project controls been reviewed and (if necessary) updated?	
94	Has the Project Plan been reviewed and (if necessary) updated?	
95	Has the project management team structure been updated to reflect any new roles being appointed or any changes to responsibilities of existing roles?	
96	For new appointments, do role descriptions exist and have those people who have been appointed confirmed their acceptance?	
97	Has the Business Case been reviewed and (if necessary) updated?	
98	Has the Benefits Review Plan been reviewed and (if necessary) updated?	
99	Has the Project Initiation Documentation been reviewed and (if necessary) updated?	
100	Has an End Stage Report been produced showing actual against planned performance, and summarizing lessons and follow-on action recommendations?	
101	Has the End Stage Report been issued to the Project Board in accordance with the project controls?	
For the next stage		
102	Has a Stage Plan for the next stage been created?	
103	Have Product Descriptions been created for the next stage's products?	
104	Has the Project Board been requested to authorize the next stage?	
For exceptions		
105	Has an Exception Plan been created (if requested by the Project Board)?	
106	Have Product Descriptions been created/updated for the Exception Plan?	
107	Has the Project Board been requested to approve the Exception Plan?	

E.7 CLOSING A PROJECT

Question		Yes/No
108	Have all products been completed and approved?	
109	Has a Product Status Account been created to verify the status of all the products?	
110	Have all outstanding issues been documented as follow-on action recommendations ready for distribution subject to Project Board approval?	
111	For premature closure, has the means for recovering products that have been completed or are in progress been approved by the Project Board? If requested, was an Exception Plan created and approved?	
112	Is there an acceptance record for the handover of the project product?	
113	Does the acceptance record include operational and maintenance acceptance?	
114	Has the Lessons Log been reviewed and a Lessons Report created ready for distribution subject to Project Board approval?	
115	Has the Project Plan been updated with actuals?	

Question		Yes/No
116	Has the Business Case been updated with actuals?	
117	Has the Benefits Review Plan been updated with actuals?	
118	Has an End Project Report been produced showing actual against planned performance and summarizing lessons and follow-on action recommendations?	
119	Has the End Project Report been issued to the Project Board in accordance with the project controls?	
120	Has a draft project closure notification been created for Project Board approval and onward distribution?	
121	Have all registers and logs been closed?	
122	Has all project documentation been archived?	

Further information

FROM THE OFFICE OF GOVERNMENT COMMERCE

PRINCE2

PRINCE2 is part of a suite of guidance developed by the Office of Government Commerce (OGC), aimed at helping organizations and individuals manage their projects, programmes and services. Where appropriate, this guidance is supported by a qualification scheme and accredited training and consultancy services.

Managing Successful Projects with PRINCE2 (2009). The Stationery Office, London.

Directing Successful Projects with PRINCE2 (2009). The Stationery Office, London.

Management of Risk (M_o_R)

Projects exist in a fundamentally uncertain world and, as such, effective management of risk is crucial to managing the delivery of the project's products, their outcomes and the ultimate benefits that have been identified. Management of risk (M_o_R) puts the management of project risk into the context of the wider business environment.

Management of Risk: Guidance for Practitioners (2007). The Stationery Office, London.

Managing Successful Programmes

Managing Successful Programmes (MSP) represents proven programme management good practice in successfully delivering transformational change across a wide range of public and private sector organizations. It provides a framework to direct and oversee the implementation of a set of related projects and activities in order to deliver outcomes and benefits related to the organization's strategic objectives.

Managing Successful Programmes (2007). The Stationery Office, London.

Portfolio Management Guide

The Portfolio Management Guide explains the key principles of portfolio management, from the experience of public and private sector organizations in the UK and internationally. It provides practical advice on setting up a portfolio management function, illustrated with real-life examples, and concludes with a section on further advice and guidance. The main audience for this guide comprises the teams responsible for coordinating programmes and projects, particularly those providing support for investment decisions and reporting on progress to the management board. A working knowledge of programme and project management and progress reporting is assumed.

Portfolio, Programme and Project Management Maturity Model (P3M3™)

The Portfolio, Programme and Project Management Maturity Model (P3M3) is a reference guide for structured best practice. It breaks down the broad disciplines of portfolio, programme and project management into a hierarchy of perspectives.

The hierarchical approach enables organizations to assess their current capability and then plot a roadmap for improvement prioritized by those perspectives that will make the biggest impact on performance.

Portfolio, Programme and Project Offices

Portfolio, Programme and Project Offices (P3O) provides guidance on how to define, establish and operate a portfolio, programme or project office. It covers the range of functions and services that P3Os may provide and includes references to the techniques that may be employed.

Portfolio, Programme and Project Offices (2008). The Stationery Office, London.

PRINCE2 Maturity Model (P2MM)

The PRINCE2 Maturity Model (P2MM) describes a set of key process areas (KPAs) required for the effective implementation and use of PRINCE2 within an organization. This is P2MM's core value: while the PRINCE2 manual describes how to manage a single project, it does not include any

processes on how to embed PRINCE2, whereas P2MM does.

P2MM describes key practices aligned with the PRINCE2 processes and components to enable repeatable application of the method (Level 2), and goes further to describe the key practices required to institutionalize the method (Level 3) as a standard business process for managing projects.

OGC Gateway Review process

OGC Gateway Review process is a well-established project and programme assurance review process which is mandated for all UK government high-risk programmes and projects. OGC Gateway Review delivers a peer review, in which independent practitioners from outside the individual programme/project use their experience and expertise to examine progress and assess the likelihood of successful delivery of the programme or project. The review process is used to provide a valuable additional perspective on the issues facing the internal team, and an external challenge to the robustness of plans and processes. This service is based on good practice and there are many similar examples across all business sectors of this type of peer review designed to provide assurance to the owner of the programme or project.

Full details of the OGC Gateway Review process are available from the OGC website.

Achieving Excellence in Construction

Achieving Excellence in Construction procurement guidance is contained within a set of 11 guides and two high-level guides. It builds on UK central government departments' recent experience, supports future strategy and aligns with the OGC Gateway Review process.

Through the Achieving Excellence in Construction initiative, central government departments and public sector organizations commit to maximize, by continual improvement, the efficiency, effectiveness and value for money of their procurement of new works, maintenance and refurbishment.

ITIL® Service Management Practices

ITIL is the most widely accepted approach to IT service management in the world. Providing a cohesive set of best-practice guidance drawn from the public and private sectors across the world, it has recently undergone a major and important refresh project.

IT Service Management (ITSM) derives enormous benefits from a best-practice approach. Because ITSM is driven both by technology and the huge range of organizational environments in which it operates, it is in a state of constant evolution. Best practice, based on expert advice and input from ITIL users, is both current and practical, combining the latest thinking with sound, common-sense guidance.

Continual Service Improvement (2007). The Stationery Office, London.

Service Design (2007). The Stationery Office, London.

Service Operation (2007). The Stationery Office, London.

Service Strategy (2007). The Stationery Office, London.

Service Transition (2007). The Stationery Office, London.

FROM THE STATIONERY OFFICE (COMPLEMENTARY PUBLICATIONS)

APMP for PRINCE2 Practitioners

This study guide enables candidates familiar with PRINCE2 to prepare for the APMP exam. It provides APMP exam candidates with a single source of reference material that covers all aspects of the APMP syllabus, including both pre-course and on-course material, whilst aligning it with the PRINCE2 method. This enables PRINCE2 practitioners (or project management staff working within a PRINCE2 environment) to expand their project management knowledge to cover all topics within the APMP syllabus.

APMP for PRINCE2 Practitioners (2008). The Stationery Office, London.

Focus on Skills series suite (set of three books)

The Focus on Skills series suite explores the various 'soft skills' that are demonstrated by effective project and programme managers, as the day-to-day coordination, motivation and communication aspects of project and programme management are very similar.

Leadership Skills for Project and Programme Managers (2008). The Stationery Office, London.

Team Management Skills for Project and Programme Managers (2008). The Stationery Office, London.

Communication Skills for Project and Programme Managers (2008). The Stationery Office, London.

Agile Project Management: Running PRINCE2 Projects with DSDM Atern

This ground-breaking book shows how users can combine the strength of both approaches considered, so that they complement each other and create a new, best-of-breed framework suitable for all project environments. Based on PRINCE2 and DSDM Atern, the two most established and internationally recognized project management approaches, this title explores the differences between the two approaches before showing where they overlap and how they can be integrated. While DSDM Atern is a project management methodology in its own right, this new publication sits within the PRINCE2 suite of titles.

Agile Project Management: Running PRINCE2 Projects with DSDM Atern (2007). The Stationery Office, London.

Improving Project Performance using the PRINCE2 Maturity Model

PRINCE2 is cited as the most widely used project management method worldwide, but, while the PRINCE2 manual describes how to manage a single project, it does not include any guidance on how to embed PRINCE2 into an organization.

Such guidance is now available: this publication describes the organizational processes and practices required for the effective implementation of PRINCE2 as an organizational standard. It includes guidance on assigning ownership, tailoring the method, training, integrating PRINCE2 with other management systems and establishing quality assurance mechanisms to gain a continual improvement capability.

In reading *Improving Project Performance using the PRINCE2 Maturity Model*, you will discover how organizations can gain full value from the PRINCE2 method. It contains practical advice on using the OGC's PRINCE2 Maturity Model (P2MM), and shows how P2MM can be applied in different situations.

Improving Project Performance using the PRINCE2 Maturity Model (2007). The Stationery Office, London.

OTHER SOURCES

The following is a list of useful references, some of which have been cited by the PRINCE2 authors.

Adair, John (2004) *The John Adair Handbook of Management and Leadership*, Thorogood, ISBN 978-1854182043.

APM GoPM Specific Interest Group (2005) *Directing Change: A Guide to the Governance of Project Management*, 2nd edition, Association for Project Management, High Wycombe, ISBN 1-903494-15-X.

Association of Project Management (2006) *APM Body of Knowledge*, 5th edition, High Wycombe, ISBN 978-1903494134.

British Standards Institution (2002) *BS6079–1:2002 A Guide to Project Management*, BSI, London.

Goldratt, Eliyahu M. (1997) *Critical Chain*, Avebury, ISBN 978-0566080388.

International Project Management Association (2006) *ICB-IPMA Competency Baseline, version 3.0*, ISBN 0-9553213-0-1.

Project Management Institute (2004) *A Guide to the Project Management Body of Knowledge: PMBOK Guide*, 3rd edition, ISBN 978-1930699458.

Winter, Mark and Smith, Charles (2006) *Rethinking Project Management*, EPSRC Network 2004–2006.

Glossary

accept (risk response)

A risk response to a threat where a conscious and deliberate decision is taken to retain the threat, having discerned that it is more economical to do so than to attempt a risk response action. The threat should continue to be monitored to ensure that it remains tolerable.

acceptance

The formal act of acknowledging that the project has met agreed acceptance criteria and thereby met the requirements of its stakeholders.

acceptance criteria

A prioritized list of criteria that the project product must meet before the customer will accept it, i.e. measurable definitions of the attributes required for the set of products to be acceptable to key stakeholders.

activity

A process, function or task that occurs over time, has recognizable results and is managed. It is usually defined as part of a process or plan.

agile methods

Principally, software development methods that apply the project approach of using short time-boxed iterations where products are incrementally developed. PRINCE2 is compatible with agile principles.

approval

The formal confirmation that a product is complete and meets its requirements (less any concessions) as defined by its Product Description.

approver

The person or group (e.g. a Project Board) who is identified as qualified and authorized to approve a (management or specialist) product as being complete and fit for purpose.

assumption

A statement that is taken as being true for the purposes of planning, but which could change later. An assumption is made where some facts are not yet known or decided, and is usually reserved for matters of such significance that, if they change or turn out not to be true, there will need to be considerable replanning.

assurance

All the systematic actions necessary to provide confidence that the target (system, process, organization, programme, project, outcome, benefit, capability, product output, deliverable) is appropriate. Appropriateness might be defined subjectively or objectively in different circumstances. The implication is that assurance will have a level of independence from that which is being assured. See also 'Project Assurance' and 'quality assurance'.

authority

The right to allocate resources and make decisions (applies to project, stage and team levels).

authorization

The point at which an authority is granted.

avoid (risk response)

A risk response to a threat where the threat either can no longer have an impact or can no longer happen.

baseline

Reference levels against which an entity is monitored and controlled.

baseline management product

A type of management product that defines aspects of the project and, once approved, is subject to change control.

benefit

The measurable improvement resulting from an outcome perceived as an advantage by one or more stakeholders.

Benefits Review Plan

A plan that defines how and when a measurement of the achievement of the project's benefits can be made. If the project is being managed within a programme, this information may be created and maintained at the programme level.

benefits tolerance

The permissible deviation in the expected benefit that is allowed before the deviation needs to be escalated to the next level of management. Benefits tolerance is documented in the Business Case. See also 'tolerance'.

Business Case

The justification for an organizational activity (project), which typically contains costs, benefits, risks and timescales, and against which continuing viability is tested.

centre of excellence

A corporate coordinating function for portfolios, programmes and projects providing standards, consistency of methods and processes, knowledge management, assurance and training.

Change Authority

A person or group to which the Project Board may delegate responsibility for the consideration of requests for change or off-specifications. The Change Authority may be given a change budget and can approve changes within that budget.

change budget

The money allocated to the Change Authority available to be spent on authorized requests for change.

change control

The procedure that ensures that all changes that may affect the project's agreed objectives are identified, assessed and either approved, rejected or deferred.

checkpoint

A team-level, time-driven review of progress.

Checkpoint Report

A progress report of the information gathered at a checkpoint, which is given by a team to the Project Manager and which provides reporting data as defined in the Work Package.

closure notification

Advice from the Project Board to inform all stakeholders and the host sites that the project resources can be disbanded and support services, such as space, equipment and access, demobilized. It should indicate a closure date for costs to be charged to the project.

closure recommendation

A recommendation prepared by the Project Manager for the Project Board to send as a project closure notification when the board is satisfied that the project can be closed.

Communication Management Strategy

A description of the means and frequency of communication between the project and the project's stakeholders.

concession

An off-specification that is accepted by the Project Board without corrective action.

configuration item

An entity that is subject to configuration management. The entity may be a component of a product, a product, or a set of products in a release.

Configuration Item Record

A record that describes the status, version and variant of a configuration item, and any details of important relationships between them.

configuration management

Technical and administrative activities concerned with the creation, maintenance and controlled change of configuration throughout the life of a product.

Configuration Management Strategy

A description of how and by whom the project's products will be controlled and protected.

configuration management system

The set of processes, tools and databases that are used to manage configuration data. Typically, a project will use the configuration management system of either the customer or supplier organization.

constraints

The restrictions or limitations that the project is bound by.

contingency

Something that is held in reserve typically to handle time and cost variances, or risks. PRINCE2 does not advocate the use of contingency because estimating variances are managed by setting tolerances, and risks are managed through appropriate risk responses (including

the fallback response that is contingent on the risk occurring).

corporate or programme standards

These are over-arching standards that the project must adhere to. They will influence the four project strategies (Communication Management Strategy, Configuration Management Strategy, Quality Management Strategy and Risk Management Strategy) and the project controls.

corrective action

A set of actions to resolve a threat to a plan's tolerances or a defect in a product.

cost tolerance

The permissible deviation in a plan's cost that is allowed before the deviation needs to be escalated to the next level of management. Cost tolerance is documented in the respective plan. See also 'tolerance'.

customer

The person or group who commissioned the work and will benefit from the end results.

customer's quality expectations

A statement about the quality expected from the project product, captured in the Project Product Description.

Daily Log

Used to record problems/concerns that can be handled by the Project Manager informally.

deliverable

See 'output'.

dependencies (plan)

The relationship between products or activities. For example, the development of Product C cannot start until Products A and B have been completed. Dependencies can be internal or external.

Internal dependencies are those under the control of the Project Manager. External dependencies are those outside the control of the Project Manager – for example, the delivery of a product required by this project from another project.

dis-benefit

An outcome that is perceived as negative by one or more stakeholders. It is an actual consequence of an activity whereas, by definition, a risk has some uncertainty about whether it will materialize.

DSDM Atern

An agile project delivery framework developed and owned by the DSDM consortium. Atern uses a time-boxed and iterative approach to product development and is compatible with PRINCE2.

embedding (PRINCE2)

What an organization needs to do to adopt PRINCE2 as its corporate project management method. See also, in contrast, 'tailoring', which defines what a project needs to do to apply the method to a specific project environment.

End Project Report

A report given by the Project Manager to the Project Board, that confirms the handover of all products and provides an updated Business Case and an assessment of how well the project has done against the original Project Initiation Documentation.

end stage assessment

The review by the Project Board and Project Manager of the End Stage Report to decide whether to approve the next Stage Plan. According to the size and criticality of the project, the review may be formal or informal. The authority to proceed should be documented as a formal record.

End Stage Report

A report given by the Project Manager to the Project Board at the end of each management stage of the project. This provides information about the project performance during the stage and the project status at stage end.

enhance (risk response)

A risk response to an opportunity where proactive actions are taken to enhance both the probability of the event occurring and the impact of the event should it occur.

event-driven control

A control that takes place when a specific event occurs. This could be, for example, the end of a stage, the

completion of the Project Initiation Documentation, or the creation of an Exception Report. It could also include organizational events that may affect the project, such as the end of the financial year.

exception

A situation where it can be forecast that there will be a deviation beyond the tolerance levels agreed between Project Manager and Project Board (or between Project Board and corporate or programme management).

exception assessment

This is a review by the Project Board to approve (or reject) an Exception Plan.

Exception Plan

This is a plan that often follows an Exception Report. For a Stage Plan exception, it covers the period from the present to the end of the current stage. If the exception were at project level, the Project Plan would be replaced.

Exception Report

A description of the exception situation, its impact, options, recommendation and impact of the recommendation. This report is prepared by the Project Manager for the Project Board.

Executive

The single individual with overall responsibility for ensuring that a project meets its objectives and delivers the projected benefits. This individual should ensure that the project maintains its business focus, that it has clear authority, and that the work, including risks, is actively managed. The Executive is the chair of the Project Board. He or she represents the customer and is responsible for the Business Case.

exploit (risk response)

A risk response to an opportunity by seizing the opportunity to ensure that it will happen and that the impact will be realized.

fallback (risk response)

A risk response to a threat by putting in place a fallback plan for the actions that will be taken to reduce the impact of the threat should the risk occur.

follow-on action recommendations

Recommended actions related to unfinished work, ongoing issues and risks, and any other activities needed to take a product to the next phase of its life. These are summarized and included in the End Stage Report (for phased handover) and End Project Report.

governance (corporate)

The ongoing activity of maintaining a sound system of internal control by which the directors and officers of an organization ensure that effective management systems, including financial monitoring and control systems, have been put in place to protect assets, earning capacity and the reputation of the organization.

governance (project)

Those areas of corporate governance that are specifically related to project activities. Effective governance of project management ensures that an organization's project portfolio is aligned to the organization's objectives, is delivered efficiently and is sustainable.

handover

The transfer of ownership of a set of products to the respective user(s). The set of products is known as a release. There may be more than one handover in the life of a project (phased delivery). The final handover takes place in the Closing a Project process.

Highlight Report

A time-driven report from the Project Manager to the Project Board on stage progress.

host site

A site where project work is being undertaken (for example, an office or construction site).

impact (of risk)

The result of a particular threat or opportunity actually occurring, or the anticipation of such a result.

inherent risk

The exposure arising from a specific risk before any action has been taken to manage it.

initiation stage

The period from when the Project Board authorizes initiation to when they authorize the project (or decide not to go ahead with the project). The detailed planning and establishment of the project management infrastructure is covered by the Initiating a Project process.

issue

A relevant event that has happened, was not planned, and requires management action. It can be any concern, query, request for change, suggestion or off-specification raised during a project. Project issues can be about anything to do with the project.

Issue Register

A register used to capture and maintain information on all of the issues that are being managed formally. The Issue Register should be monitored by the Project Manager on a regular basis.

Issue Report

A report containing the description, impact assessment and recommendations for a request for change, off-specification or a problem/concern. It is only created for those issues that need to be handled formally.

Lessons Log

An informal repository for lessons that apply to this project or future projects.

Lessons Report

A report that documents any lessons that can be usefully applied to other projects. The purpose of the report is to provoke action so that the positive lessons from a project become embedded in the organization's way of working and that the organization is able to avoid the negative lessons on future projects.

logs

Informal repositories managed by the Project Manager that do not require any agreement by the Project Board on their format and composition. PRINCE2 has two logs: the Daily Log and the Lessons Log.

management product

A product that will be required as part of managing the project, and establishing and maintaining quality (for example, Highlight Report, End Stage Report etc.). The management products stay constant, whatever the type of project, and can be used as described, or with any relevant modifications, for all projects. There are three types of management product: baselines, records and reports.

management stage

The section of a project that the Project Manager is managing on behalf of the Project Board at any one time, at the end of which the Project Board will wish to review progress to date, the state of the Project Plan, the Business Case and risks, and the next Stage Plan in order to decide whether to continue with the project.

milestone

A significant event in a plan's schedule, such as completion of key Work Packages, a technical stage, or a management stage.

off-specification

Something that should be provided by the project, but currently is not (or is forecast not to be) provided. This might be a missing product or a product not meeting its specifications. It is one type of issue.

operational and maintenance acceptance

A specific type of acceptance by the person or group who will support the product once it is handed over into the operational environment.

outcome

The result of change, normally affecting real-world behaviour and/or circumstances. Outcomes are desired when a change is conceived. They are achieved as a result of the activities undertaken to effect the change.

output

A specialist product that is handed over to a user(s). Note that management products are not outputs but are created solely for the purpose of managing the project.

performance targets

A plan's goals for time, cost, quality, scope, benefits and risk.

plan

A detailed proposal for doing or achieving something which specifies the what, when, how and by whom. In PRINCE2 there are only the following types of plan: Project Plan, Stage Plan, Team Plan, Exception Plan and Benefits Review Plan.

planned closure
The PRINCE2 activity to close a project.

planning horizon
The period of time for which it is possible to accurately plan.

portfolio
All the programmes and stand-alone projects being undertaken by an organization, a group of organizations, or an organizational unit.

premature closure
The PRINCE2 activity to close a project before its planned closure. The Project Manager must ensure that work in progress is not simply abandoned, but that the project salvages any value created to date, and checks that any gaps left by the cancellation of the project are raised to corporate or programme management.

prerequisites (plan)
Any fundamental aspects that must be in place, and remain in place, for a plan to succeed.

PRINCE2
A method that supports some selected aspects of project management. The acronym stands for Projects in a Controlled Environment.

PRINCE2 principles
The guiding obligations for good project management practice that form the basis of a project being managed using PRINCE2.

PRINCE2 project
A project that applies the PRINCE2 principles.

probability
This is the evaluated likelihood of a particular threat or opportunity actually happening, including a consideration of the frequency with which this may arise.

problem/concern
A type of issue (other than a request for change or off-specification) that the Project Manager needs to resolve or escalate.

procedure
A series of actions for a particular aspect of project management established specifically for the project – for example, a risk management procedure.

process
A structured set of activities designed to accomplish a specific objective. A process takes one or more defined inputs and turns them into defined outputs.

producer
The person or group responsible for developing a product.

product
An input or output, whether tangible or intangible, that can be described in advance, created and tested. PRINCE2 has two types of products – management products and specialist products.

product breakdown structure
A hierarchy of all the products to be produced during a plan.

product checklist
A list of the major products of a plan, plus key dates in their delivery.

Product Description
A description of a product's purpose, composition, derivation and quality criteria. It is produced at planning time, as soon as possible after the need for the product is identified.

product flow diagram
A diagram showing the sequence of production and interdependencies of the products listed in a product breakdown structure.

Product Status Account
A report on the status of products. The required products can be specified by identifier or the part of the project in which they were developed.

product-based planning
A technique leading to a comprehensive plan based on the creation and delivery of required outputs. The technique considers prerequisite products, quality requirements and the dependencies between products.

programme

A temporary flexible organization structure created to coordinate, direct and oversee the implementation of a set of related projects and activities in order to deliver outcomes and benefits related to the organization's strategic objectives. A programme is likely to have a life that spans several years.

project

A temporary organization that is created for the purpose of delivering one or more business products according to an agreed Business Case.

project approach

A description of the way in which the work of the project is to be approached. For example, are we building a product from scratch or buying in a product that already exists?

Project Assurance

The Project Board's responsibilities to assure itself that the project is being conducted correctly. The Project Board members each have a specific area of focus for Project Assurance, namely business assurance for the Executive, user assurance for the Senior User(s), and supplier assurance for the Senior Supplier(s).

project authorization notification

Advice from the Project Board to inform all stakeholders and the host sites that the project has been authorized and to request any necessary logistical support (e.g. communication facilities, equipment and any project support) sufficient for the duration of the project.

Project Brief

Statement that describes the purpose, cost, time and performance requirements, and constraints for a project. It is created pre-project during the Starting up a Project process and is used during the Initiating a Project process to create the Project Initiation Documentation and its components. It is superseded by the Project Initiation Documentation and not maintained.

Project Initiation Documentation

A logical set of documents that brings together the key information needed to start the project on a sound basis and that conveys the information to all concerned with the project.

project initiation notification

Advice from the Project Board to inform all stakeholders and the host sites that the project is being initiated and to request any necessary logistical support (e.g. communication facilities, equipment and any project support) sufficient for the initiation stage.

project lifecycle

The period from the start-up of a project to the acceptance of the project product.

project management

The planning, delegating, monitoring and control of all aspects of the project, and the motivation of those involved, to achieve the project objectives within the expected performance targets for time, cost, quality, scope, benefits and risks.

project management team

The entire management structure of the Project Board, and Project Manager, plus any Team Manager, Project Assurance and Project Support roles.

project management team structure

An organization chart showing the people assigned to the project management team roles to be used, and their delegation and reporting relationships.

Project Manager

The person given the authority and responsibility to manage the project on a day-to-day basis to deliver the required products within the constraints agreed with the Project Board.

project mandate

An external product generated by the authority commissioning the project that forms the trigger for Starting up a Project.

project office

A temporary office set up to support the delivery of a specific change initiative being delivered as a project. If used, the project office undertakes the responsibility of the Project Support role.

Project Plan

A high-level plan showing the major products of the project, when they will be delivered and at what cost. An initial Project Plan is presented as part of the Project Initiation Documentation. This is revised as information

on actual progress appears. It is a major control document for the Project Board to measure actual progress against expectations.

project product

What the project must deliver in order to gain acceptance.

Project Product Description

A special type of Product Description used to gain agreement from the user on the project's scope and requirements, to define the customer's quality expectations, and to define the acceptance criteria for the project.

Project Support

An administrative role in the project management team. Project Support can be in the form of advice and help with project management tools, guidance, administrative services such as filing, and the collection of actual data.

proximity (of risk)

The time factor of risk, i.e. when the risk may occur. The impact of a risk may vary in severity depending on when the risk occurs.

quality

The totality of features and inherent or assigned characteristics of a product, person, process, service and/or system that bears on its ability to show that it meets expectations or satisfies stated needs, requirements or specifications.

quality assurance

An independent check that products will be fit for purpose or meet requirements.

quality control

The process of monitoring specific project results to determine whether they comply with relevant standards and of identifying ways to eliminate causes of unsatisfactory performance.

quality criteria

A description of the quality specification that the product must meet, and the quality measurements that will be applied by those inspecting the finished product.

quality inspection

A systematic, structured assessment of a product carried out by two or more carefully selected people (the review team) in a planned, documented and organized fashion.

quality management

The coordinated activities to direct and control an organization with regard to quality.

Quality Management Strategy

A strategy defining the quality techniques and standards to be applied, and the various responsibilities for achieving the required quality levels, during a project.

quality management system

The complete set of quality standards, procedures and responsibilities for a site or organization. In the project context, 'sites' and 'organizations' should be interpreted as the permanent or semi-permanent organization(s) sponsoring the project work, i.e. they are 'external' to the project's temporary organization. A programme, for instance, can be regarded as a semi-permanent organization that sponsors projects – and it may have a documented quality management system.

quality records

Evidence kept to demonstrate that the required quality assurance and quality control activities have been carried out.

Quality Register

A register containing summary details of all planned and completed quality activities. The Quality Register is used by the Project Manager and Project Assurance as part of reviewing progress.

quality review

See 'quality inspection'.

quality review technique

A quality inspection technique with defined roles and a specific structure. It is designed to assess whether a product that takes the form of a document (or similar, e.g. a presentation) is complete, adheres to standards and meets the quality criteria agreed for it in the relevant Product Description. The participants are drawn from those with the necessary competence to evaluate its fitness for purpose.

quality tolerance

The tolerance identified for a product for a quality criterion defining an acceptable range of values. Quality tolerance is documented in the Project Product Description (for the project-level quality tolerance) and in the Product Description for each product to be delivered.

records

Dynamic management products that maintain information regarding project progress.

reduce (risk response)

A response to a risk where proactive actions are taken to reduce the probability of the event occurring by performing some form of control, and/or to reduce the impact of the event should it occur.

registers

Formal repositories managed by the Project Manager that require agreement by the Project Board on their format, composition and use. PRINCE2 has three registers: Issue Register, Risk Register and Quality Register.

reject (risk response)

A response to a risk (opportunity) where a conscious and deliberate decision is taken not to exploit or enhance an opportunity, having discerned that it is more economical to do so than to attempt a risk response action. The opportunity should continue to be monitored.

release

The set of products in a handover. The contents of a release are managed, tested and deployed as a single entity. See also 'handover'.

reports

Management products providing a snapshot of the status of certain aspects of the project.

request for change

A proposal for a change to a baseline. It is a type of issue.

residual risk

The risk remaining after the risk response has been applied.

responsible authority

The person or group commissioning the project (typically corporate or programme management) who has the authority to commit resources and funds on behalf of the commissioning organization.

reviewer

A person or group independent of the producer who assesses whether a product meets its requirements as defined in its Product Description.

risk

An uncertain event or set of events that, should it occur, will have an effect on the achievement of objectives. A risk is measured by a combination of the probability of a perceived threat or opportunity occurring, and the magnitude of its impact on objectives.

risk actionee

A nominated owner of an action to address a risk. Some actions may not be within the remit of the risk owner to control explicitly; in that situation there should be a nominated owner of the action to address the risk. He or she will need to keep the risk owner apprised of the situation.

risk appetite

An organization's unique attitude towards risk taking that in turn dictates the amount of risk that it considers is acceptable.

risk estimation

The estimation of probability and impact of an individual risk, taking into account predetermined standards, target risk levels, interdependencies and other relevant factors.

risk evaluation

The process of understanding the net effect of the identified threats and opportunities on an activity when aggregated together.

risk management

The systematic application of principles, approaches and processes to the tasks of identifying and assessing risks, and then planning and implementing risk responses.

Risk Management Strategy

A strategy describing the goals of applying risk management, as well as the procedure that will be

adopted, roles and responsibilities, risk tolerances, the timing of risk management interventions, the tools and techniques that will be used, and the reporting requirements.

risk owner

A named individual who is responsible for the management, monitoring and control of all aspects of a particular risk assigned to them, including the implementation of the selected responses to address the threats or to maximize the opportunities.

risk profile

A description of the types of risk that are faced by an organization and its exposure to those risks.

Risk Register

A record of identified risks relating to an initiative, including their status and history.

risk response

Actions that may be taken to bring a situation to a level where exposure to risk is acceptable to the organization. These responses fall into a number of risk response categories.

risk response category

A category of risk response. For threats, the individual risk response category can be avoid, reduce, transfer, accept or share. For opportunities, the individual risk response category can be exploit, enhance, reject or share.

risk tolerance

The threshold levels of risk exposure which, when exceeded, will trigger an Exception Report to bring the situation to the attention of the Project Board. Risk tolerances could include limits on the plan's aggregated risks (e.g. cost of aggregated threats to remain less than 10% of the plan's budget), or limits on any individual threat (e.g. any threat to operational service). Risk tolerance is documented in the Risk Management Strategy.

risk tolerance line

A line drawn on the summary risk profile. Risks that appear above this line cannot be accepted (lived with) without referring them to a higher authority. For a project, the Project Manager would refer these risks to the Project Board.

role description

A description of the set of responsibilities specific to a role.

schedule

Graphical representation of a plan (for example, a Gantt chart), typically describing a sequence of tasks, together with resource allocations, which collectively deliver the plan. In PRINCE2, project activities should only be documented in the schedules associated with a Project Plan, Stage Plan or Team Plan. Actions that are allocated from day-to-day management may be documented in the relevant project log (i.e. Risk Register, Daily Log, Issue Register, Quality Register) if they do not require significant activity.

scope

For a plan, the sum total of its products and the extent of their requirements. It is described by the product breakdown structure for the plan and associated Product Descriptions.

scope tolerance

The permissible deviation in a plan's scope that is allowed before the deviation needs to be escalated to the next level of management. Scope tolerance is documented in the respective plan in the form of a note or reference to the product breakdown structure for that plan. See 'tolerance'.

Senior Responsible Owner

A UK government term for the individual responsible for ensuring that a project or programme of change meets its objectives and delivers the projected benefits. The person should be the owner of the overall business change that is being supported by the project. The Senior Responsible Owner (SRO) should ensure that the change maintains its business focus, that it has clear authority, and that the context, including risks, is actively managed. This individual must be senior and must take personal responsibility for successful delivery of the project. The SRO should be recognized as the owner throughout the organization.

The SRO appoints the project's Executive (or in some cases may elect to be the Executive).

Senior Supplier

The Project Board role that provides knowledge and experience of the main discipline(s) involved in the production of the project's deliverable(s). The Senior

Supplier represents the supplier interests within the project and provides supplier resources.

Senior User

The Project Board role accountable for ensuring that user needs are specified correctly and that the solution meets those needs.

share (risk response)

A risk response to either a threat or an opportunity through the application of a pain/gain formula: both parties share the gain (within pre-agreed limits) if the cost is less than the cost plan; and both share the pain (again within pre-agreed limits) if the cost plan is exceeded.

specialist product

A product whose development is the subject of the plan. The specialist products are specific to an individual project (for example, an advertising campaign, a car park ticketing system, foundations for a building, a new business process etc.) Also known as a deliverable or output.

sponsor

The main driving force behind a programme or project. PRINCE2 does not define a role for the sponsor, but the sponsor is most likely to be the Executive on the Project Board, or the person who has appointed the Executive.

stage

See 'management stage' or 'technical stage'.

Stage Plan

A detailed plan used as the basis for project management control throughout a stage.

stakeholder

Any individual, group or organization that can affect, be affected by, or perceive itself to be affected by, an initiative (programme, project, activity, risk).

start-up

The pre-project activities undertaken by the Executive and the Project Manager to produce the outline Business Case, Project Brief and Initiation Stage Plan.

strategy

An approach or line to take, designed to achieve a long-term aim. Strategies can exist at different levels – at the corporate, programme and project level. At the project level, PRINCE2 defines four strategies: Communication Management Strategy, Configuration Management Strategy, Quality Management Strategy and Risk Management Strategy.

supplier

The person, group or groups responsible for the supply of the project's specialist products.

tailoring

The appropriate use of PRINCE2 on any given project, ensuring that there is the correct amount of planning, control, governance and use of the processes and themes (whereas the adoption of PRINCE2 across an organization is known as 'embedding').

Team Manager

The person responsible for the production of those products allocated by the Project Manager (as defined in a Work Package) to an appropriate quality, timescale and at a cost acceptable to the Project Board. This role reports to, and takes direction from, the Project Manager. If a Team Manager is not assigned, then the Project Manager undertakes the responsibilities of the Team Manager role.

Team Plan

An optional level of plan used as the basis for team management control when executing Work Packages.

technical stage

A method of grouping work together by the set of techniques used, or the products created. This results in stages covering elements such as design, build and implementation. Such stages are technical stages and are a separate concept from management stages.

theme

An aspect of project management that needs to be continually addressed, and that requires specific treatment for the PRINCE2 processes to be effective.

time tolerance

The permissible deviation in a plan's time that is allowed before the deviation needs to be escalated to the next level of management. Time tolerance is documented in the respective plan. See also 'tolerance'.

time-driven control

A management control that is periodic in nature, to enable the next higher authority to monitor progress – e.g. a control that takes place every two weeks. PRINCE2 offers two key time-driven progress reports: Checkpoint Report and Highlight Report.

tolerance

The permissible deviation above and below a plan's target for time and cost without escalating the deviation to the next level of management. There may also be tolerance levels for quality, scope, benefit and risk. Tolerance is applied at project, stage and team levels.

tranche

A programme management term describing a group of projects structured around distinct step changes in capability and benefit delivery.

transfer (risk response)

A response to a threat where a third party takes on responsibility for some of the financial impact of the threat (for example, through insurance or by means of appropriate clauses in a contract).

trigger

An event or decision that triggers a PRINCE2 process.

user acceptance

A specific type of acceptance by the person or group who will use the product once it is handed over into the operational environment.

user

The person or group who will use one or more of the project's products.

variant

A variation on a baselined product. For example, an operations manual may have an English variant and a Spanish variant.

version

A specific baseline of a product. Versions typically use naming conventions that enable the sequence or date of the baseline to be identified. For example, Project Plan version 2 is the baseline after Project Plan version 1.

waterfall method

A development approach that is linear and sequential with distinct goals for each phase of development. Once a phase of development is completed, the development proceeds to the next phase and earlier phases are not revisited (hence the analogy that water flowing down a mountain cannot go back).

Work Package

The set of information relevant to the creation of one or more products. It will contain a description of the work, the Product Description(s), details of any constraints on production, and confirmation of the agreement between the Project Manager and the person or Team Manager who is to implement the Work Package that the work can be done within the constraints.

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