Project Management in Compliance

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Scope and Objective

General idea of how does Project Management (PM) support an effective compliance program.

Specifically for Element VI: Effective System for Routine Monitoring, Auditing and Identification of Compliance Risks

Agenda:
- Project Management briefing
- PM Knowledge Areas vs. Elements of an Effective Compliance Program — A general view
- PM in Element VI: Effective System for Routine Monitoring, Auditing and Identification of Compliance Risks
Project Management

PROJECT MANAGEMENT
- Application of knowledge, skills, tools, and techniques to project activities to meet the project requirements.

PROJECT
- A temporary endeavor undertaken to create a unique product, service, or result. The temporary nature of projects indicates a definite beginning and end.

PROGRAM
- A group of related projects, subprograms, and program activities managed in a coordinated way to obtain benefits not available from managing them individually.

Source: A GUIDE TO THE PROJECT MANAGEMENT BODY OF KNOWLEDGE; (PMBOK® Guide) – Fifth Edition

Project Management

PROJECT PORTFOLIO
- Refers to projects, programs, subportfolios, and operations managed as a group to achieve strategic objectives.

PORTFOLIO MANAGEMENT
- The collective oversight of a grouping of projects in alignment with the strategic goals of the organization.

PROJECT MANAGEMENT OFFICE
- A management structure that standardizes the project-related governance processes and facilitates the sharing of resources, methodologies, tools, and techniques.

Source: A GUIDE TO THE PROJECT MANAGEMENT BODY OF KNOWLEDGE; (PMBOK® Guide) – Fifth Edition

Figure 1-1. Portfolio, Program, and Project Management Interactions

Source: A GUIDE TO THE PROJECT MANAGEMENT BODY OF KNOWLEDGE; (PMBOK® Guide) – Fifth Edition
PM Knowledge Areas

Integration

• Scope
• Time
• Cost
• Quality
• Human Resources
• Risk
• Communication
• Stakeholder
• Procurement

Table 3-1. Project Management Process Group and Knowledge Area Mapping

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<tbody>
<tr>
<td>1: Project Initiation Management</td>
<td>1.1 Define Project Charter</td>
<td>1.2 Develop Project Management Plan</td>
<td>1.3 Develop Project Manager</td>
<td>1.4 Close Project or Phase</td>
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<td>2: Project Scope Management</td>
<td>2.1 Plan Scope</td>
<td>2.2 Define Scope</td>
<td>2.3 Control Scope</td>
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<td>3: Project Time Management</td>
<td>3.1 Plan Schedule</td>
<td>3.2 Control Schedule</td>
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<td>4: Project Cost Management</td>
<td>4.1 Plan Budget</td>
<td>4.2 Control Budget</td>
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<td>5: Project Quality Management</td>
<td>5.1 Plan Quality</td>
<td>5.2 Control Quality</td>
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Source: A GUIDE TO THE PROJECT MANAGEMENT BODY OF KNOWLEDGE; (PMBOK® Guide) – Fifth Edition
PM Knowledge Areas vs. Elements of an Effective Compliance Program

PM in Element VI: Effective System for Routine Monitoring, Auditing and Identification of Compliance Risks

- Compliance Risk Assessment = Portfolio Management

PM Risk Management Purpose: reduce the overall risk to a level that is acceptable to the project sponsor and other stakeholders

Result of the Exercise

Risks to be included in your organization’s Risk Assessment Tool to assess risk for each of the organization’s processes.
These come from the prioritization process.

Type of Effort Guide

Low = Nothing
Through 175 = Dashboard
Through 200 = Monitor
> 200 = Audit

If only three or four risks, a bubble chart is an option:

- Size of the bubble = Results of Last Audit
- Color of the bubble = Date of Last Audit

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Regular items required:

- Auditing and Monitoring Plan = Project Portfolio

  Project Portfolio: refers to projects, programs, subportfolios, and operations managed as a group to achieve strategic objectives.

- Audit schedules, including start and end dates
- Announced or unannounced audits
- Audit methodology:
- Necessary resources:
- Types of Audit: desk or onsite
- Person(s) responsible
- Final audit report due date to compliance officer
- Follow up activities from findings

Source: Medicare Managed Care Manual: Chapter 21, Compliance Program Guidelines
PM in Element VI: Effective System for Routine Monitoring, Auditing and Identification of Compliance Risks

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<th>Project Management tools</th>
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<tr>
<td>✔ PERT Analysis</td>
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<td>✔ Gantt Chart</td>
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<td>✔ Resource Leveling / Capacity Plan</td>
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<td>✔ Status KPIs</td>
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PM in Element VI: Effective System for Routine Monitoring, Auditing and Identification of Compliance Risks

PERT Analysis to estimate the time it takes an auditor to complete an audit from engagement to final report

\[
T_e = \frac{O + 4M + P}{6}
\]

- \(T_e\) = expected time
- \(O\) = Optimistic time estimate
- \(M\) = Most likely time estimate
- \(P\) = Pessimistic time estimate

Benefits:
- Optimize time of resources
- Increase team productivity
- Allocate efforts in time
- Allocate resources

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Gantt Chart to visualize and keep track of when things are planned to be completed and are completed.
Resource Leveling to balance the workload. May cause:
- Changes in scheduling for the auditing and monitoring efforts
- Changes in resource allocation

How is your audit going?

- Audit Notice sent = 5%
- Universes received = 25%
- Test results discussed with area = 50%
- Final report shared with area = 75%
- Corrective Action Plan received from area = 100%

Project Life Cycle / Audit Life Cycle
### Conclusion

- Project Management offers structure that facilitates:
  - Implementing the Compliance Program
  - Do more with less
  - Increasing team accountability
  - Providing a clearer sense of direction