



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.

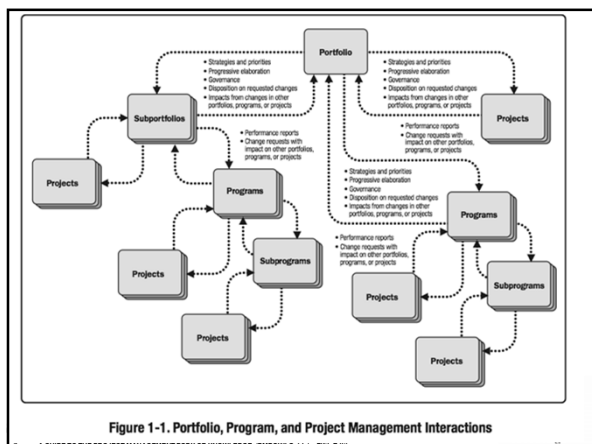
PORTFOLIO MANAGEMENT

- 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



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


Knowledge Areas	Project Management Process Groups				
	Initiating Process Group	Planning Process Group	Executing Process Group	Monitoring and Controlling Process Group	Closing Process Group
4. Project Integration Management	4.1 Develop Project Charter	4.2 Develop Project Management Plan	4.3 Direct and Manage Project Work	4.4 Monitor and Control Project Work 4.5 Perform Integrated Change Control	4.6 Close Project or Phase
5. Project Scope Management		5.1 Plan Scope Management 5.2 Collect Requirements 5.3 Define Scope 5.4 Create WBS		5.5 Validate Scope 5.6 Control Scope	
6. Project Time Management		6.1 Plan Schedule Management 6.2 Define Activities 6.3 Sequence Activities 6.4 Estimate Activity Resources 6.5 Estimate Activity Durations 6.6 Develop Schedule		6.7 Control Schedule	
7. Project Cost Management		7.1 Plan Cost Management 7.2 Estimate Costs 7.3 Determine Budget		7.4 Control Costs	
8. Project Quality Management		8.1 Plan Quality Management	8.2 Perform Quality Assurance	8.3 Control Quality	

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




9. Project Human Resource Management		9.1 Plan Human Resource Management	9.2 Acquire Project Team 9.3 Develop Project Team 9.4 Manage Project Team		
10. Project Communications Management		10.1 Plan Communications Management	10.2 Manage Communications	10.3 Control Communications	
11. Project Risk Management		11.1 Plan Risk Management 11.2 Identify Risks 11.3 Perform Qualitative Risk Analysis 11.4 Perform Quantitative Risk Analysis 11.5 Plan Risk Responses		11.6 Control Risks	
12. Project Procurement Management		12.1 Plan Procurement Management	12.2 Conduct Procurements	12.3 Control Procurements	12.4 Close Procurements
13. Project Stakeholder Management	13.1 Identify Stakeholders	13.2 Plan Stakeholder Management	13.3 Manage Stakeholder Engagement	13.4 Control Stakeholder Engagement	

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 Knowledge Area	Element I: Compliance Program Development		Element II: Compliance Monitoring		Element III: Compliance Reporting		Element IV: Compliance Improvement	
	Identify	Analyze & Focus	Identify	Analyze & Focus	Identify	Analyze & Focus	Identify	Analyze & Focus
Risk Management	X	X	X	X	X	X	X	X
Risk Scope Management	X						X	
Risk Time Management	X						X	X
Risk Cost Management	X						X	
Risk Quality Management	X		X				X	X
Risk Human Resource Management	X		X		X	X	X	
Risk Communications Management	X	X	X	X	X	X	X	
Risk Procurement Management	X	X	X	X	X	X	X	
Risk Stakeholder Management	X	X	X	X	X	X	X	
Risk Risk Management	X						X	
Risk Resource Management	X	X	X	X	X	X	X	X
Other PM Concepts								
Risk Management Office (RMO)	X	X	X	X	X	X	X	X



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

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


Risk	Impact	Probability	Severity
Risk 5	5	5	25
Risk 6	3	5	15
Risk 4	5	2	10
Risk 1	1	5	5
Risk 3	5	1	5
Risk 2	3	1	3

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.

Impact * Probability = Severity

		Impact				
		Very Low	Low	Medium	High	Very High
		1	2	4	8	16
Probability	Very High	5	10	20	40	80
	High	4	8	16	32	64
	Medium	3	6	12	24	48
	Low	2	4	8	16	32
	Very Low	1	2	4	8	16



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These come from the prioritization exercise

		WEIGHTS					Risk Level Score		Risk Level		Type of effort		Recommended Frequency	
		Risk 1 15	Risk 2 25	Risk 3 30	Risk 4 5	Risk 5 15	Risk 6 15	150	170	210	Nothing	Dashboard	Monthly	Quarterly
Process	Sub-Process	Identified Risk	Low	Medium	Low	Medium	Low	Low	Low	130	Low	N/A	N/A	
Process 1	Sub-Process 1	Risk 1	Low	Medium	Low	Medium	Low	Low	Low	170	Medium	Dashboard	Monthly	Quarterly scheduled in AAM Plan
Process 2	Sub-Process 2	Risk 2	Low	High	High	Low	Low	Low	Low	210	High	Audit	Monthly	Quarterly scheduled in AAM Plan
Process 3			Low	High	Medium	Low	High	High	High					
Process 4														
Process 5														
Process 6														
Process 7														

Type of Effort Guide

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

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

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

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

- Auditing and Monitoring Plan = Project Portfolio

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

Process	Sub-Process	Identified Risk	Risk Level	Type of Audit/Reporting (per Date)	Auditing and Monitoring Strategy	Responsibility Team Lead	Assessment Frequency	Start Date	End Date
Process 1	Sub-Process 1	Risk 1	Low	Nothing	Dashboard	Team Lead	Quarterly	1/1/17	12/31/17


Managed Care Manual: Chapter 21

<ul style="list-style-type: none"> ✓ The audits to be performed; ✓ Audit schedules, including start and end dates ✓ Announced or unannounced audits; ✓ Audit methodology; ✓ Necessary resources; 	<ul style="list-style-type: none"> ✓ Types of Audit: desk or onsite; ✓ Person(s) responsible; ✓ Final audit report due date to compliance officer; ✓ Follow up activities from findings.
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Source: Medicare Managed Care Manual, Chapter 21, Compliance Program Guidelines



PM Knowledge Areas vs. Elements of an Effective Compliance Program

PM Knowledge Area	Identify/Understand/Define/Measure/Control/Improve/Report/Communicate/Comply	Identify/Understand/Define/Measure/Control/Improve/Report/Communicate/Comply	Identify/Understand/Define/Measure/Control/Improve/Report/Communicate/Comply	Identify/Understand/Define/Measure/Control/Improve/Report/Communicate/Comply	Identify/Understand/Define/Measure/Control/Improve/Report/Communicate/Comply	Identify/Understand/Define/Measure/Control/Improve/Report/Communicate/Comply	Identify/Understand/Define/Measure/Control/Improve/Report/Communicate/Comply	Identify/Understand/Define/Measure/Control/Improve/Report/Communicate/Comply
Project Integration Management	X	X	X	X	X	X	X	X
Project Scope Management	X						X	
Project Time Management	X						X	X
Project Cost Management	X						X	
Project Quality Management	X		X				X	X
Project Human Resource Management	X		X	X	X	X	X	X
Project Communications Management	X	X	X	X	X	X	X	
Project Risk Management	X	X	X	X	X	X	X	X
Project Procurement Management	X	X	X	X	X	X	X	X
Other PM Concepts								
Project Management Office (PMO)	X	X	X	X	X			



Conclusion

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



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