

Project Governance Framework

National Currency Printing and Secure Banknote Production Facility Project
(NCPBF)



Project Title:

National Currency Printing and Secure Banknote Production Facility Project
(NCPBF)

Project Sponsor:

Central Bank

Prepared by: PMIC of Lazuli Pamir Consulting – for learning purpose only

1. Document Control

1.1. Change Log (Document Version Control):

Version	Date	Change Description	Author
1.0		Initial governance framework created	PMO Governance Lead
1.1		Added PMO assurance, stage gates, and decision rights	PMO Governance Lead
1.2		Updated escalation thresholds and reporting cadence	Project Manager

1.2 Document Owner and Contact (Contact & Feedback):

Role	Name/Office	Contact
Maintaining Department	PMO (Central Bank PMO)	
Primary Contact	PMO Governance Lead	
Alternate Contact	PMO Portfolio Analyst	

2. Governance Purpose and Objectives:

2.1 Purpose:

The purpose of this Project Governance Framework is to establish a clear, structured, and disciplined system through which the project will be directed, controlled, assured, and supported throughout its lifecycle. This framework defines how authority is exercised, how decisions are made, how performance is monitored, and how accountability is maintained to ensure the project delivers its intended outcomes in a secure, compliant, and value-focused manner.

The governance framework ensures that the project remains strategically aligned with the approved Project Charter and organizational objectives, while providing transparency and clarity in roles, responsibilities, and decision rights. It creates a

formal mechanism to balance oversight and empowerment, enabling timely decision-making without undermining control or accountability. Through defined governance bodies, escalation paths, and approval thresholds, the framework minimizes ambiguity, reduces risk, and prevents unauthorized actions or unmanaged change.

A key purpose of this governance framework is to embed security, quality, and compliance into all project activities from initiation through closure. It ensures that sensitive deliverables, systems, and information are protected through structured controls, segregation of duties, and independent assurance. The framework also establishes disciplined change control, ensuring that all changes to scope, schedule, cost, security features, or compliance requirements are formally assessed, approved, documented, and communicated.

In addition, the governance framework provides the foundation for effective performance oversight, enabling stakeholders to monitor progress, risks, issues, and benefits realization through reliable reporting and objective assurance provided by the PMO. Ultimately, this governance framework exists to support successful project delivery by enabling informed decision-making, strengthening accountability, managing complexity, and ensuring that project outcomes are sustainable, auditable, and fully aligned with organizational expectations.

2.2 Governance Objectives:

- Ensure strategic alignment with the Central Bank's mandate and approved project charter
- Provide clear roles, decision rights, and accountability
- Enable effective oversight through steering and PMO assurance
- Maintain control of scope/schedule/cost baselines and changes
- Ensure security, confidentiality, quality, and compliance are embedded in delivery
- Enable timely escalation and resolution of risks/issues
- Ensure effective vendor governance and performance control
- Assure operational readiness and orderly handover to operations

3. Governance Principles:

These principles guide all governance decisions and behaviors:

- **Accountability:** One accountable owner per decision and deliverable.
- **Transparency:** Decisions, changes, and performance data are visible to authorized stakeholders.
- **Security-by-Design:** Physical and digital security requirements are integrated from day one.
- **Quality Built-In:** Quality is planned, assured, and controlled—no “inspect quality at the end.”
- **Value Focus:** Decisions prioritize benefits, sustainability, and operational effectiveness.
- **Compliance:** Policies, procurement rules, audit requirements, and regulatory obligations are non-negotiable.
- **Segregation of Duties:** No single role controls end-to-end approval, payment, and acceptance.
- **Continuous Improvement:** Lessons learned are captured and applied throughout the lifecycle.

4. Governance Structure:

4.1 Governance Bodies (Overview)

Governance Layer	Body / Function	Primary Purpose
Strategic Direction	Project Sponsor	Authorizes major decisions, ensures alignment and funding support
Executive Oversight	Steering Committee	Approves stage gates, resolves escalations, confirms strategic tradeoffs
Standards & Assurance	PMO (Central Bank PMO)	Methodology, governance controls, reporting, assurance, audits, benefits tracking

Governance Layer	Body / Function	Primary Purpose
Delivery Management	Project Manager + Core Team	Executes the project within approved baselines
Specialized Control	Security & Compliance Board	Oversees security/confidentiality, access control, and compliance requirements
Vendor Control	Commercial & Procurement Board	Controls procurement strategy, vendor selection, contract performance governance

4.2 Governance Org Chart (Text Form)

- **Sponsor:** Mr. Ahmad Khan (Central Bank)
 - **Steering Committee (Chair: Sponsor or delegate)**
 - PMO Director / Head of PMO (Central Bank)
 - Ministry of Finance Representative (if applicable)
 - Ministry of Interior / Security Authority Representative (if applicable)
 - Legal Counsel Representative
 - Chief Information Security Officer (CISO) or Security Lead
 - Head of Operations (Future Facility Ops)
 - Internal Audit Representative (observer/advisor)
 - **Project Management Office (PMO)**
 - PMO Governance Lead (assurance, compliance)
 - PMO Portfolio Analyst (reporting, KPIs)
 - PMO Scheduler / Controls (EVM, schedule quality)
 - PMO Document Controller (configuration management)
 - **Project Manager:** Mr. Reshtin, PMP®
 - Workstream Leads (Construction, Machinery, IT/Security, Training, Testing/Commissioning, Procurement)

- Quality Manager
- Risk Manager
- Contract/Commercial Manager

5. Roles, Responsibilities, and Decision Rights:

5.1 Core Roles

Project Sponsor (Mr. Ahmad Khan)

- Approves charter and major changes beyond delegated authority
- Chairs/empowers the Steering Committee
- Ensures funding and strategic alignment
- Resolves cross-ministry escalation (if applicable)

Steering Committee

- Approves stage-gate decisions and baseline changes beyond PM authority
- Resolves escalated risks/issues and strategic tradeoffs
- Confirms readiness for commissioning and handover

PMO (Central Bank PMO)

- Owns governance framework, standards, templates, reporting cadence
- Provides independent assurance: schedule/cost controls, compliance checks, audit support
- Validates baseline integrity and change control quality
- Tracks benefits and ensures lessons learned integration

Project Manager (Mr. Reshtin, PMP®)

- Accountable for delivery within approved scope/schedule/cost and governance controls
- Chairs Change Control Board (or co-chairs with PMO depending on policy)
- Ensures integrated planning and execution across workstreams
- Escalates per thresholds and ensures accurate reporting

Security & Compliance Board

- Approves security requirements, access controls, confidentiality measures

- Oversees security testing, incident response readiness, compliance sign-offs

Procurement/Commercial Board

- Approves procurement strategy, tender documents, evaluation approach
- Governs contract awards (per delegation) and vendor performance reviews

5.2 RACI (High-Level):

Activity / Decision	Sponsor	Steering Committee	PMO	Project Manager	Security Board	Procurement Board
Approve Charter	A	C	C	R	C	C
Approve Baselines (Scope/Sched/Cost)	A	C	R	R	C	C
Approve Major Change (Above threshold)	A	A/R	C	R	C	C
Stage Gate Approval	A	A/R	C	R	C	C
Vendor Award Recommendation	C	C	C	R	C	A/R
Security Requirements Approval	C	C	C	R	A/R	C
Commissioning & Handover Approval	A	A/R	C	R	C	C
Independent Assurance Reporting	I	I	A/R	C	C	C

Legend: **R** Responsible | **A** Accountable | **C** Consulted | **I** Informed

6. Governance Processes (How Control Works):

6.1 Stage-Gate Governance (Lifecycle Control)

Gate	Timing	Decision	Minimum Evidence Required
Gate 0 – Initiation	Month 0–1	Proceed to Planning	Approved Charter, Sponsor appointment, PMO governance setup
Gate 1 – Baseline Approval	Month 4–6	Approve baselines	PMP-approved PM Plan, WBS, schedule baseline, cost baseline, risk register
Gate 2 – Design Freeze	Month 6–12	Freeze key designs	Approved design packages, security requirements, compliance sign-off
Gate 3 – Construction Completion	~Month 30	Accept facility	QA/QC records, inspection certificates, punch list plan
Gate 4 – Equipment Installation Complete	~Month 42	Proceed to testing	FAT/SAT plans, installation QA, training readiness
Gate 5 – Integrated Testing	~Month 48	Approve trial production	Security tests, IT/cyber tests, integrated test reports
Gate 6 – Operational Readiness	~Month 54	Start operations	SOPs approved, trained staff, incident response plan, acceptance criteria met
Gate 7 – Closeout	~Month 60	Close project	Final acceptance, benefits plan handed over, lessons learned final

6.2 Change Control Governance:

Change request sources: sponsor, steering committee, security board, vendors, operations, PMO assurance findings.

Change workflow (standard)

1. Submit change request (CR)
2. PM + PMO initial screening (completeness, urgency, security classification)
3. Impact analysis:
scope/schedule/cost/risk/security/compliance/operations
4. CCB decision:
 - Approve / Reject / Defer / Request More Info
5. Update baselines + documents (configuration control)
6. Communicate decision and implement
7. Post-implementation review

Change thresholds:

Change Type	PM Authority	Steering Committee Authority
Cost impact	\leq 1% of total budget AND within contingency	$>$ 1% OR uses management reserve
Schedule impact	\leq 10 calendar days	$>$ 10 days or impacts critical milestones
Scope/security	Minor non-security scope	Any security feature, restricted-zone, or compliance-impact change

6.3 Issue Escalation Governance

- **Level 1:** Workstream Lead resolves (48–72 hours)
- **Level 2:** Project Manager + PMO supports (5 working days)
- **Level 3:** Steering Committee decision (next meeting or emergency session)
- **Level 4:** Sponsor final decision for critical escalations

7. Performance Oversight (KPIs & Reporting):

7.1 Governance KPIs:

KPI	Definition	Frequency	Owner
Schedule Performance	SPI or milestone adherence	Monthly	PMO Controls
Cost Performance	CPI / budget variance	Monthly	PMO Finance/Controls
Change Volatility	# CRs approved + baseline changes	Monthly	PMO Governance Lead
Risk Exposure	Top 10 risks trend	Monthly	Risk Manager
Security Compliance	% security controls verified	Monthly	Security Board
Vendor Performance	On-time delivery + quality acceptance	Monthly	Commercial Manager
Training Readiness	% staff certified vs plan	Quarterly	Training Lead

7.2 Reporting Cadence

Report	Audience	Frequency	Prepared By
Weekly Workstream Status	PM + Team	Weekly	Workstream Leads
Integrated Project Status	Sponsor, PMO, Steering	Monthly	Project Manager (with PMO)
Governance Assurance Report	Sponsor, Steering	Monthly/Quarterly	PMO
Security Compliance Report	Steering, Sponsor	Monthly	Security Board

Report	Audience	Frequency	Prepared By
Vendor Performance Review Pack	Procurement Board, PM	Monthly	Commercial Manager
Stage Gate Pack	Steering Committee	Per Gate	Project Manager + PMO

8. Risk, Security, and Confidentiality Governance:

8.1 Risk Governance

- Risk workshops at least monthly; top risks reviewed weekly
- Risk responses must include owner, funding source (contingency/reserve), trigger, and due date
- PMO validates risk register quality and escalation of “red risks”

8.2 Security & Confidentiality Governance (Minimum Controls)

- Information classification: Public / Internal / Confidential / Restricted
- Restricted access to designs, specifications, and security features
- Dual authorization for sensitive approvals and vault-related acceptance
- Security testing sign-off required before trial production

9. Data, Documentation, and Configuration Governance:

9.1 Configuration Management

- One authoritative repository for project documents
- Controlled document numbering, versioning, and approvals
- Approved baselines stored as “read-only” and traceable to changes

9.2 Data Governance

- Data ownership assigned (e.g., operations data, production tracking data)
- Access rights by role (least privilege)
- Audit logs retained per policy
- Cybersecurity controls validated before go-live

10. Procurement and Vendor Governance:

10.1 Procurement Governance Rules

- All procurement follows approved procurement strategy and delegation of authority
- Segregation of duties:
 - Requirements owner ≠ evaluator ≠ contract approver ≠ payment authorizer
- Vendor evaluation includes: security compliance, quality capability, delivery capacity, after-sales support, training commitments

10.2 Vendor Performance Governance

- Monthly vendor scorecards (schedule, quality, responsiveness, compliance)
- Formal performance reviews with corrective action plans (CAPA)
- Contract change governance aligned with project change control

11. Quality Governance:

11.1 Quality Assurance vs Quality Control

- **QA:** PMO + Quality Manager ensures process compliance (audits, procedures)
- **QC:** Inspections, tests, acceptance checks for facility, machines, IT/security systems

11.2 Acceptance Governance

- Acceptance criteria defined per deliverable
- Independent verification for high-security components
- Punch lists tracked and closed before stage-gate approvals

12. Readiness and Maturity Assessments (Governance Health Checks):

This framework uses structured assessments (similar in spirit to the PMI template's readiness/maturity sections) to confirm the organization and project are prepared for each stage.

12.1 Governance Readiness Assessment (sample)

Readiness Question	Rating (0–3)	Evidence / Actions
Are decision rights and thresholds approved?		
Are baselines approved and under control?		
Is PMO reporting live and reliable?		
Are security roles and controls defined?		
Are vendors governed with scorecards and CAPA?		

Rating: 0 Not Ready | 1 Somewhat Ready | 2 Ready with Gaps | 3 Fully Ready

12.2 Governance Maturity Scale (project-level)

Level	Description	Target by Phase
1	Basic governance	Initiation
2	Controlled baselines + reporting	Planning
3	Integrated governance + assurance	Execution
4	Predictive control + proactive risk/security	Testing/Commissioning
5	Continuous improvement + strong transition	Handover/Closure

13. Use of Tools and Restrictions (If Digital Tools/AI Are Used):

If the project uses analytics or AI-enabled tools for forecasting, reporting, or document drafting:

- Only approved tools may be used
- Sensitive information must not be entered into unapproved systems
- Human review is mandatory before decisions are finalized
(Structured similarly to “use cases and restrictions / inventory / intake / monitoring” sections from the PMI template.)

14. Alignment With Policies and Procedures:

This framework aligns with:

- Central Bank policies (security, procurement, finance, audit)
- PMO methodology and templates
- Regulatory and compliance obligations applicable to the facility and production operations
- Contracting and delegation of authority rules

15. Consequences of Non-Compliance:

Non-Compliance Example	Consequence
Bypassing change control	Work stoppage + corrective action + audit escalation
Unauthorized access to restricted info	Immediate access revocation + investigation
Procurement deviation	Procurement suspension + re-tender/disciplinary action
Reporting manipulation	Formal audit + governance escalation

16. Review and Update Mechanisms:

- Governance review monthly by PMO and quarterly by Steering Committee
- Immediate update required after:
 - Major stage-gate decision

- Significant security incident
- Major contract award or change
- Audit finding requiring governance correction

17. Approvals (Governance Framework Approval):

Name	Title	Signature	Date
Mr. Ahmad Khan	Project Sponsor		
Mr. Reshtin, PMP®	Project Manager (Acknowledgement)		
<Name>	Head of PMO		
<Name>	Steering Committee Chair (if separate)		