

UNIVERSIDAD PARA LA COOPERACION INTERNACIONAL
(UCI)

PROJECT MANAGEMENT PLAN FOR THE CREATION OF THE
ORGANIZATIONAL STRUCTURE OF THE COMPLIANCE DEPARTMENT OF A
BANK

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DEDICATION

To my wonderful family especially my mother Lydia Icilda Humes, sons Jyan Austin Gonzalez & Xander Xavier Castillo, husband Javier Ricardo Castillo, my siblings Debbie, Herwald Jr., Hewrald & Dr. Dolores and my father Herwald Humes Sr.

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My mother instilled this phrase “Put God first and everything else will fall into place” whilst I was growing up. Without God I would not have the mental, physical and emotional strength to conduct this Project. Many thanks to my tutor Mr. Salas, who has guided me with his broad knowledge of and experiences in project management. A special thank you to the Organization of the American States who generously awarded me with a scholarship to partake in this Master’s in Project Management. With the knowledge attained, I know that I can contribute to project management in my job, community, country and region.

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ABBREVIATIONS AND ACRONYMS

ACH	Automated Clearing house
AML	Anti Money Laundering
ATM	Automated Teller Machine
BOD	Board of Directors
CBB	Central Bank of Belize
CD	Certificate of Deposit
CRO	Chief Risk Officer
CTF	Counter Terrorist Financing
E-banking	Electronic Banking
FGP	Final Graduation Project
FIU	Financial Intelligence Unit
HR	Human Resources
ISO	International Standard for Stabilization
IT	Information Technology
Jr.	Junior
MD	Managing Director
MLTPA	Money Laundering and Terrorism Prevention Act
PMBOK	Project Management Body of Knowledge
PMI	Project Management Institute
PMP	Project Management Plan
SOW	Statement of work
Sr.	Senior
SWOT	Strengths, weaknesses, opportunities and strength
UCI	University for International Cooperation
WBS	Work Breakdown Structure

EXECUTIVE SUMMARY (ABSTRACT)

In the banking industry, having banks that are well structured and organized is vital and could determine if the institution would eventually be subjected to fines, penalties, legal prosecution of its employees or ultimately losing its license and having to close its doors. The bank in study is a Commercial bank with an A Class license, which was incorporated in January 2001. It is one of the premier domestic banks recognized especially for its technological innovations. They offer banking services to the entire population having branches in seven of the nine districts, therefore, the competitive advantages gained are reflected in their size, breadth of product and client base. They have been a part of the banking industry for the past thirteen years.

Recently several banks worldwide have been penalized with very large monetary fines, some had employees that were charged criminally and many have even closed the doors of some of their branches. Many of these banks have existed for over fifty years, some close to a century.

It would be convenient if the documentation existed to evaluate the processes that should be followed by a bank and this would be helpful in explaining the rational and possibly the reason why banks today continue to fall prey to the gavel of the regulators and the law. All that is known to the public is that million dollar fines are being handed down almost every other day.

In order to avoid these recent occurrences and to have documented processes available to the public, the project management plan, processed as outlined and explained in the PMBOK Fifth Edition, will be applied to a bank.

Planning a project is not difficult and should not take too much time, although this is obviously proportional to the complexity of the individual project.

Studies conducted on banks have shown that institutions that stay healthy are those that maintain strong internal policies, systems and controls. The purpose of doing this specific research is to document the information necessary when creating a bank and combine those with PMBOK's established guidelines in creating a project management plan. This will document all the requirements needed to establish a bank in the context of a project management plan that should serve as a step by step guide to a well- planned banking institution.

The general objective of the Final Graduation Project (FGP) was to develop a project management plan for the creation of the organization of the Compliance department of a bank. The specific objectives were:

- to develop a scope management plan to ensure all required work is completed,
- to create a time management plan so that the project is finished on time,

- to create a cost management plan to ensure that the project is done within the budget,
- to create a quality management plan to ensure sponsor requirements and project deliverables are produced,
- to create a human resource management plan so that the team can meet the demands of the project,
- to develop a communications management plan to ensure that all stakeholders are provided with information on the project,
- to create a risk management plan to ensure that all risks are documented,
- to create a procurement management plan to ensure that the make or buy analysis is conducted and procurement needs are identified
- to create a stakeholder management plan to ensure that all participants affected by the project are identified.

The methodology used for this research was analytical-synthetic. An analysis of processes relating to a project management plan was performed as outlined in PMBOK Guide and the results were documented. These data were analyzed using tools, assumptions and constraints and deliverables. Interviews with vital employees of the bank in study were conducted and the information provided documented.

The scope was a Compliance department for a commercial bank in Belize. The bank referred to in the FGP had no available information on past projects (similar or not) such as lessons learned or documentation on a project management plan did not exist. Such limitations contributed to the hindrance of a more detailed project management plan and benchmarks. The interviews were informal (and due to confidentiality of the bank), they only yielded public information and/or information that could be divulged to the public, which also presented a limitation or constraint.

Despite the limitations, based on the guidelines of the PMBOK, 5th Edition (PMI, 2013), the available information was applied in sequence to the input, tools & techniques and the outputs of the applicable project management processes. The main objective was achieved with the creation of the project management plan of organizational structure of the Compliance department of a bank

It is recommended that the bank create a project management office or project management team and/or employ a qualified project manager. Even if the bank decides not to create a project management office, team or employ a project manager, it is recommended that they at least keep record archives of finished projects and lessons learnt which may prove as a valuable referral guide in their future projects.

1 INTRODUCTION

1.1. Background

Banks are defined as deposit taking institutions licensed by the monetary authority of a country, lending out money deposited with them in the form of loans and overdrafts. (Pass, Lowes & Davies, 2005)

Banking in its modern sense evolved in the 14th century in the rich cities of Renaissance Italy but in many ways was a continuation of ideas and concepts of credit and lending that had their roots in the ancient world. The oldest existing retail bank is Banca Monte dei Paschi di Siena, while the oldest existing merchant bank is Berenberg Bank.

Banks are institutions that provide a great variety of financial service. At their most basic, they hold money on behalf of customers, which is payable to the customer on demand either by appearing at the bank for a withdrawal or by writing a check to a third party. The money that is held is then used to finance loans which are used by the businesses or individuals to pay for operations, mortgages, education expenses and any number of other things. Many other banks also perform other services for a fee; for instance, they offer certified checks to customer guaranteeing payment to third parties. These institutions are usually organized as corporations.

Due to their importance in the financial system and influence on national economies, banks are highly regulated. In most countries, banks are regulated by the national government or central bank.

1.2. Statement of the problem

Currently, a Project Management Plan for the Organizational Structure of the Compliance department of a Bank is not in place. Such a plan can be implemented as a sample or can serve as historical documentation to refer to for investors or business owners to follow. Organizational structure is the framework companies

use to outline their authority and communication processes. The framework usually includes policies, rules and responsibilities for each individual in the organization. Several internal and external factors affect the organizational structure of a company.

This can lead to:

- The Project organization does not reflect the requirements of the work.
- Project documentation and close-out deficiencies. Without the plan, there is no Project documentation.
- Lack of control over changes to scope.
- Loss of overall control of the Project Budget, Schedule and resources.
- Scope responsibilities not clearly defined and understood.
- Meaningless and unworkable Project schedules where impacts from proposed changes could not be determined.
- Underuse or overburdening of some resources.

As such, the problem for this Final Graduation Project is to develop a proper Project Management Plan for the Organizational Structure of the Compliance Department of a Bank.

1.3. Purpose

Studies conducted on banks have shown that institutions that stay healthy are those that maintain strong internal policies, systems and controls. The purpose of doing this specific research is to document the information necessary when creating a bank and combine those with PMBOK's 5th Edition's established guidelines in creating a project management plan. This will document all the requirements needed to establish the organizational structure of the Compliance department of a bank in the context of a project management plan that should serve as a step by step guide to a well-planned banking institution.

The benefits hoped to be gained from this investigation are:

1. Document with a scope management plan with the established guidelines of PMBOK.
2. Document with a time management plan with the established guidelines of PMBOK.
3. Document with a cost management plan with the established guidelines of PMBOK.
4. Document with a quality management plan with the established guidelines of PMBOK.
5. Document with a human resource management plan with the established guidelines of PMBOK.
6. Document with a communications management plan with the established guidelines of PMBOK.
7. Document with a risk management plan with the established guidelines of PMBOK.
8. Document with a procurement management plan with the established guidelines of PMBOK.
9. Document with a stakeholder management plan with the established guidelines of PMBOK.

1.4. General objective

To develop a Project Management Plan for the Creation of the Organizational Structure of the Compliance department of a bank.

1.5. Specific objectives

1. To develop a scope management plan to ensure all required work is completed.
2. To create a time management plan so that the project is finished on time.
3. To create a cost management plan to ensure that the project is done within the budget.

4. To create a quality management plan to ensure sponsor requirements and project deliverables are produced.
5. To create a human resource management plan so that the team can meet the demands of the project.
6. To develop a communications management plan to ensure that all stakeholders are provided with information on the project.
7. To create a risk management plan to ensure that all risks are documented.
8. To create a procurement management plan to ensure that the make or buy analysis is conducted and procurement needs are identified.
9. To create a stakeholder management plan to ensure that all participants affected by the project are identified.

2 THEORETICAL FRAMEWORK

A project is temporary in that it has a defined beginning and end in time and therefore defined scope and resources. It is unique in that it is not a routine operation, but a specific set of operations designed to accomplish a singular goal. So, a project team often includes people who don't usually work together – sometimes from different organizations and across multiple geographies.(PMI, 2013)

Project management is the application of knowledge, skills, tools, and techniques to project activities to meet the project requirements. Its processes fall into five groups namely Initiating, Planning, Executing, Monitoring & Controlling and Closing. According to PMBOK 5th Edition (PMI,2013), Project Management has ten knowledge areas including Integration, Scope, Time, Cost, Quality, Procurement, Human resources, Communications, Risk management and Stakeholder management.

Project Management Plan (PMP) is a formal, approved document used to manage project execution. The PMP documents the actions necessary to define, prepare, integrate and coordinate the various planning activities. The PMP defines how the project is executed, monitored and controlled, and closed.

The purpose of such a document is to provide a comprehensive baseline of what has to be achieved by the project, how it is to be achieved, who will be involved, how it will be reported and measured and how information will be communicated. It should be used as a reference for any decision that is made on the project and for clarification of unclear areas. Such a document should be used as a reference throughout the project to ensure that the management of the project is carried out consistently and in line with policy and procedures. Although the PMP is developed as part of the project initiation and definition, it should be a living document that evolves as the project progresses and is updated with the latest relevant information as required.

The PMP should be available to all project members as it can provide essential project information and can be used to introduce project members to the project.

The project management plan is probably the main communication document for the project.

2.1 Company/Enterprise framework

2.1.1 Company/ Enterprise background

The bank in study is a Commercial Bank incorporated with a Class A license. On January 2, 2001, it was incorporated to undertake domestic banking to residents of Belize. Its entrance in the market was historic for Belize in that for the first time, Belizeans could save, borrow and invest in a local bank which would channel funds invested right back in the country. The bank shaped its operations around policies and goals aimed at encouraging the growth of local businesses and building Belize by offering the best savings and loan rates on the market.

They are one of the premier domestic banks recognized especially for its technological innovations. They offer banking services to the entire population having branches in seven of the nine districts. The competitive advantages gained are reflected in their size, breadth of product and client base. They have been a part of the banking industry for the past thirteen years.

2.1.2 Mission and Vision Statements

Mission Statement

The Bank is dedicated to maximizing shareholder value by providing superior and innovative banking services tailored to meet the needs of our clients in a cost-effective way by utilizing technology and the skills of a highly trained cadre of employees.

Vision Statement

Become the Premier Financial Institution in the eyes of our customers, shareholders, employees and the wider community.

2.1.3 Organizational structure

The bank in study is headed by the Board of Directors. The Managing Director and the Audit and Risk Management Committee reports directly to the Board of Directors. Directly under the Managing Director are the director levels of the bank namely the Chief Risk officer, the Director of Operations & Information Technology and the Director of HR & Finance.

The Chief Risk Officer is responsible for risk throughout the bank. As a result, the Credit Risk department falls under her portfolio. This department is headed by the Manager Credit Risk. The Senior Supervisor Legal/Securities, two Senior Supervisors Credit Risk and the Senior Audit Supervisor reports directly to the Manager Credit Risk. In turn, the Senior Supervisor Legal/Securities and the Senior Supervisor Audit are supported by the Jr. Securities Supervisor and the Junior Audit Supervisor.

The Director Operations and Information Technology is supported by the Manager IT and the Manager of Operations. The Senior IT Supervisor reports to the Manager IT and is supported by the IT Project Officer. Both the Senior Supervisor Operations (cards) and the Senior Supervisor Operations (wires) report to the Manager of Operations. They are further supported by the Junior Supervisor Operations (cards) and the Junior Supervisor Operations (wires).

The Director of HR and Finance is supported by the Manager of HR and the Manager of Finance. Both the Employee and Claims officer report to the Manager of HR. Support is given to the Manager of Finance by the Sr. Supervisor Finance who is further supported by the Jr. Supervisor Finance. (see Figure 1)

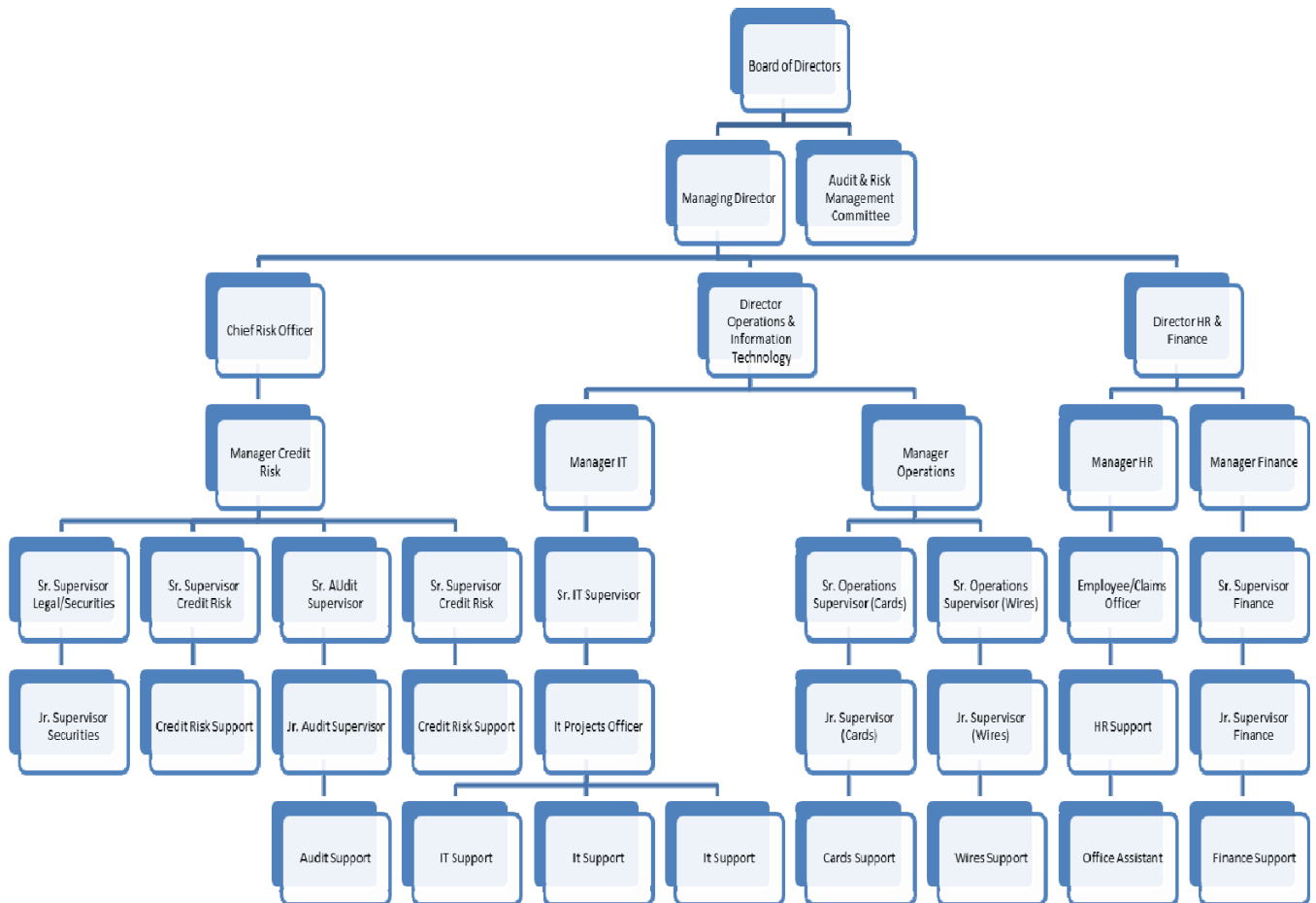


Figure 1 Bank's organizational structure (source: compiled by author)

2.1.4 Products Offered

The bank in study offers products in the categories of Personal Banking, Business Banking, E-Banking Banking and Credit Unions.

The Personal Banking products include checking and savings accounts, term deposits, credit cards, consumer loans, mortgage loans, overdrafts and foreign exchange.

Business banking products offered are checking accounts, E-payroll, business savings accounts, term deposits/certificate of deposits (CD), commercial loans, overdrafts, merchant services and foreign exchange. (see Figure 2)

The E-Banking services include cell phone banking and online banking whereas the Credit Unions include ATM and Point of Sale services.

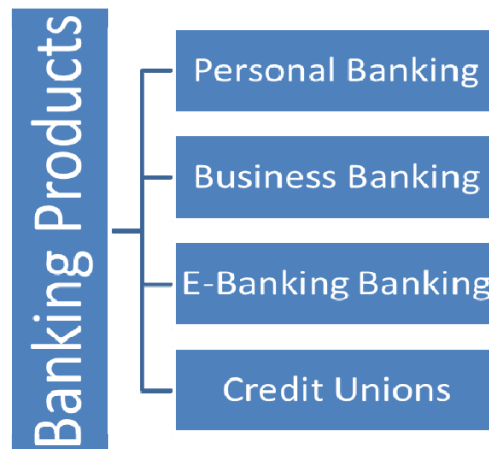


Figure 2 Banking products offered (source: compiled by author)

2.2 Project Management Concepts

2.2.1 Project

A project is a temporary endeavor undertaken to create a unique product, service or result. The temporary nature of projects indicate that the project has a definite beginning and end. The end is reached when the project objectives have been achieved or when the project is terminated because its objectives will not or cannot be met, or when the need for the project no longer exists. (PMI, 2013)

In the bank in the study, a project may be seen as progress in the organization. As the organization grows, projects are initiated whenever new products will be offered and made available to the customers.



Figure 3 Project (source: compiled by author)

2.2.2 Project Management

“The application of knowledge, skills, tools and techniques to project activities to meet the project requirements”. (PMI, 2013)

For the bank in the study, there are no project management processes established.

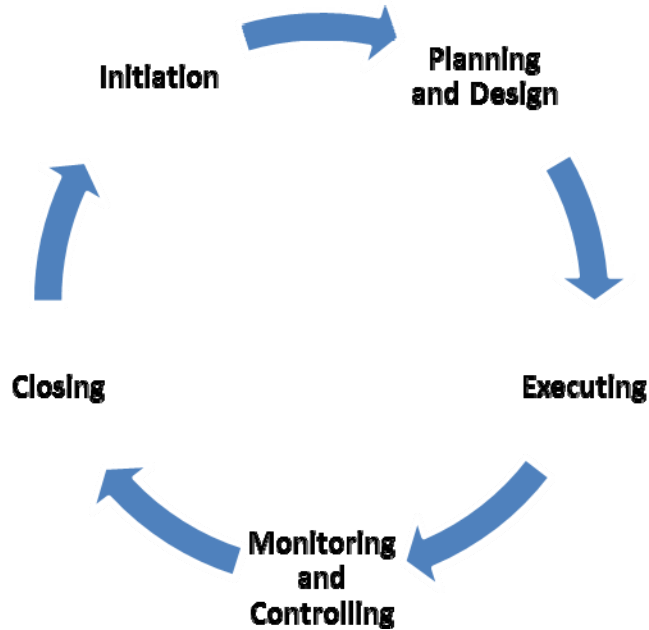


Figure 4 Project management structure (source: compiled by author)

2.2.3 Project Life Cycle

A project life cycle is the series of phases that a project passes through from its initiation to closure. The phases are generally sequential and their names and numbers are determined by the management and control needs of the organizations involved in the project, the nature of the project itself and its area of application. (PMI, 2013)

There is no project life cycle established in the bank in the study.

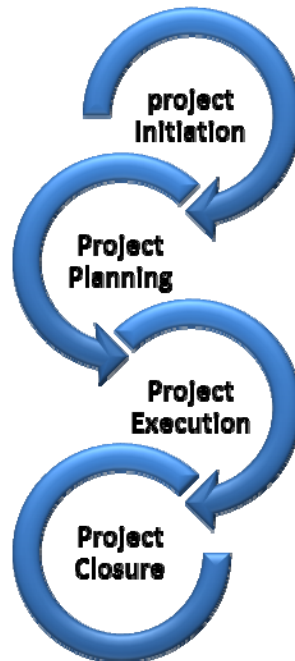


Figure 5 Project life cycle (source: compiled by author)

2.2.4 Project Management Processes

Project management process group is a logical grouping of project management inputs, tools and techniques, and outputs. The groups include initiating processes, planning processes, executing processes, monitoring and controlling processes, and closing processes. Project management process groups are not project phases. (PMI, 2013) (see Figure 5)

Three of the five processes are involved in this study namely initiation, planning and monitoring and controlling. (see Figure 6)



Figure 6 Project management processes (source: compiled by author)

2.2.5 Project Management Knowledge Areas

Project management knowledge area is an identified area of project management defined by its knowledge requirements and described in terms of its component processes, practices, inputs, outputs, tools and techniques. (PMI, 2013)

Nine of the ten knowledge areas are applied to the bank in the study. These are scope, time, cost, quality, communications, risk, human resource, procurement and stakeholder management. (see Figure 7)

Integration Management

This area comprises of project plan development, project plan execution and integrated change control. It is a collection of processes that are required to certify that the different elements of the project correspond accordingly. It includes the trade-offs made amid the competing objectives and substitutes used in meeting and/or exceeding the needs and expectations of stakeholders. (PMI, 2013)

Scope Management

This area includes gathering the required information to initiate a project and the necessary features to ensure stakeholders requirements are met. In order for projects to be successful, strict deadlines and resource allowances must be met and if not managed correctly, scope creep can have a detrimental effect.(PMI, 2013)

In terms of scope in project management, there are a project and product scope. Project Scope is defined as the work that needs to be accomplished to deliver a product, service, or result with the specified features and functions. Product Scope is defined as the features and functions that characterize a product, service, or result. (Scope Management, n.d.)

Time Management

Depending on the nature of a project, the time restrictions usually vary, however, a well-structured plan and schedule usually plays an important part. Development of a timeline, decisions of project milestones and the structuring of schedule and activities are all part of time management. (PMI, 2013)

It is also referred to as the act or process of planning and exercising mindful control over the time to be spent on detailed activities specifically to enhance effectiveness, efficiency and output. (Time Management, n.d.)

Cost Management

One of the tasks of a project manager is the practice of effective cost management which is accomplished by estimating, budgeting, funding, managing and controlling costs so that they stay within the budget of the project that is preapproved. (PMI, 2013)

Project Cost Management refers to a technique that uses technology in order to measure cost and productivity through the full life cycle of enterprise level projects.

Several detailed functions of project management are incorporate including estimating, job controls, field data collection, scheduling, accounting and design. Its ultimate goal is project completion staying within an approved budget. (Cost Management, n.d.)

Quality Management

If a project fails to meet the requirements of the sponsor and expected deliverables then it is not good. In order for an organization to meet the original needs and specifications, quality policies, responsibilities and project objectives must be determined. (PMI, 2013)

This area ensures the consistency of an organization, product or service. Its four modules include quality planning, quality assurance, quality control and quality improvement. Its focus is not only on product and service quality but in addition its achievement. It, therefore, uses quality assurance and control of processes in addition to products to achieve quality more consistently. (Quality Management, n.d.)

Human Resource Management

In order that the demands of a project are satisfied it is essential that a team be compiled and managed. Project teams vary in size however all members of the team must be organized, managed and effectively led. (PMI, 2013)

This area refers to a function in organizations that is designed to maximize Employees' performance in service of the strategic objectives of an employer. The primary concern is the management of people with organizations while focussing on the policies and systems in place. (Human Resource Management, n.d.)

Communications Management

This area includes planning, creation, distribution, retrieval, management and monitoring of how information is disseminated. The right people has to receive the

correct information at the appropriate time in order for a Project to be successful. This area identifies the information that is to be communicated within the team, who is to receive the information and who will use the information effectively. (PMI, 2013)

Risk Management

The realization of opportunities is maximized with effective risk management. As a result, it is essential that project managers be competent in risk management. Risk Management is very important in Project in order to identify, plan for, analyze, respond and control whatever factors that may negatively affect a Project and in turn put the end users or team at risk. (PMI, 2013)

Procurement Management

Purchasing or acquiring of materials, services or results that are needed from sources outside is referred to a procurement. When it comes to more complex and large scale projects, specialists from outside are usually needed and as a result, outsourcing is common. Thereafter the suppliers are invited to bid for the Project work. Once the supplier has been chosen, a contract follows which is usually legally binding. (PMI, 2013)

Stakeholder Management

This area was added to the PMBOK fifth edition. It includes identification of the participants in a project. That is the groups, people and organizations involved in the project and those that are affected by the project. Included also is the analyzing of stakeholder expectations and whatever impact this may have on the project. Engaging and communicating with stakeholders in their decisions and execution of tasks are also included. (PMI, 2013)



Figure 7 Project management knowledge areas (source: compiled by author)

3. METHODOLOGICAL FRAMEWORK

3.1 Information sources

An information source is a source of information for somebody, i.e. anything that might inform a person about something or provide knowledge about it. Different types of questions require different sources of information. Information sources may be observations, people, speeches, documents, pictures, organizations, websites, etc. They may be primary sources, secondary sources, tertiary sources and so on. (Information Source, n.d.)

3.1.1 Primary sources

Primary sources enable the researcher to get as close as possible to what actually happened during a historical event or time period. A primary source reflects the individual viewpoint of a participant or observer. These are the first-hand evidence left behind by participants or observers at the time of events. Primary resources include types of materials such as diaries, emails, journals, interviews, letters, memos, manuscripts, memoirs, autobiographies, published materials (magazine & journal articles), newspaper articles, letters, legal cases, statistics, surveys, research data and photographs among others. (Primary Sources, n.d.)

3.1.2 Secondary sources

A secondary source is a document or recording that relates or discusses information originally presented elsewhere. It contrasts with a primary source, which is an original source of the information being discussed. Secondary sources involve generalization, analysis, synthesis, interpretation, or evaluation of the original information. (Secondary Source, n.d.)

The most common type of source you are likely to encounter is a secondary source. A secondary source is any source about an event, period, or issue in history that was produced after that event, period or issue has passed

Scholarly monographs and articles are very useful sources. Written by experts, they come with a certain built-in "credibility"; articles are often peer-reviewed,

meaning that they were judged worthy of publication by other experts in the field prior to going into print. Similarly, books and monographs go through elaborate pre-publication editing processes to ensure a minimum of factual errors. (Gorges, 2007)

These are materials that digest, analyze, evaluate and interpret information contained within primary sources or other secondary sources. Examples include books such as biographies, textbooks, encyclopedias, dictionaries, handbooks, articles such as literature reviews, commentaries and research articles. (Primary Sources, n.d.)

Chart 1 Information sources (source: compiled by author)

Objectives	Information sources	
	Primary	Secondary
To develop a scope management plan to ensure all required work is completed.	For this project, interviews will be conducted with several people involved with the bank.	A Guide to the Project Management Body of Knowledge (PMBOK Guide) Fifth Edition - Project Management Knowledge Areas. (n.d.) Retrieved from (http://www.learningpeople.co.uk/blog/the-ten-knowledge-areas-of-pmbok)
To create a time management plan so that the project is finished on time.	For this project, interviews will be conducted with several people involved with the bank.	A Guide to the Project Management Body of Knowledge (PMBOK Guide) Fifth Edition - Project Management Knowledge Areas. (n.d.) Retrieved from (http://www.learningpeople.co.uk/blog/the-ten-knowledge-areas-of-pmbok)

<p>To create a cost management plan to ensure that the project is done within the budget.</p>	<p>For this project, interviews will be conducted with several people involved with the bank.</p>	<p>A Guide to the Project Management Body of Knowledge (PMBOK Guide) Fifth Edition - Project Management Knowledge Areas. (n.d.) Retrieved from (http://www.learningpeople.co.uk/blog/the-ten-knowledge-areas-of-pmbok)</p>
<p>To create a quality management plan to ensure sponsor requirements and project deliverables are produced.</p>	<p>For this project, interviews will be conducted with several people involved with the bank.</p>	<p>A Guide to the Project Management Body of Knowledge (PMBOK Guide) Fifth Edition - Project Management Knowledge Areas. (n.d.) Retrieved from (http://www.learningpeople.co.uk/blog/the-ten-knowledge-areas-of-pmbok)</p>
<p>To create a human resource management plan so that the team can meet the demands of the project.</p>	<p>For this project, interviews will be conducted with several people involved with the bank.</p>	<p>A Guide to the Project Management Body of Knowledge (PMBOK Guide) Fifth Edition - Project Management Knowledge Areas. (n.d.) Retrieved from (http://www.learningpeople.co.uk/blog/the-ten-knowledge-areas-of-pmbok)</p>
<p>To develop a communications management plan to ensure that all stakeholders are provided with information on the</p>	<p>For this project, interviews will be conducted with several people involved with the bank.</p>	<p>A Guide to the Project Management Body of Knowledge (PMBOK Guide) Fifth Edition - Project Management Knowledge Areas. (n.d.) Retrieved from (http://www.learningpeople.co.uk/blog/the-ten-knowledge-areas-of-pmbok)</p>

project.		
To create a risk management plan to ensure that all risks are documented.	For this project, interviews will be conducted with several people involved with the bank.	A Guide to the Project Management Body of Knowledge (PMBOK Guide) Fifth Edition - Project Management Knowledge Areas. (n.d.) Retrieved from (http://www.learningpeople.co.uk/blog/the-ten-knowledge-areas-of-pmbok)
To create a procurement management plan to ensure that the make or buy analysis is conducted and procurement needs are identified.	For this project, interviews will be conducted with several people involved with the bank.	A Guide to the Project Management Body of Knowledge (PMBOK Guide) Fifth Edition - Project Management Knowledge Areas. (n.d.) Retrieved from (http://www.learningpeople.co.uk/blog/the-ten-knowledge-areas-of-pmbok)
To create a stakeholder management plan to ensure that all participants affected by the project are identified.	For this project, interviews will be conducted with several people involved with the bank.	A Guide to the Project Management Body of Knowledge (PMBOK Guide) Fifth Edition - Project Management Knowledge Areas. (n.d.) Retrieved from (http://www.learningpeople.co.uk/blog/the-ten-knowledge-areas-of-pmbok)

3.2 Research methods

Research methods are the various procedures, schemes and algorithms used in research. All the methods used by a researcher during a research study are termed as research methods. They are essentially planned, scientific and value-

neutral. They include theoretical procedures, experimental studies, numerical schemes, statistical approaches, etc. Research methods help us collect samples, data and find a solution to a problem. Particularly, scientific research methods call for explanations based on collected facts, measurements and observations and not on reasoning alone. They accept only those explanations which can be verified by experiments. (Rajasekar, Philominathan & Chinnathambi, 2013).

The research methods used in this Final Graduation Project are the analytical and synthetic research methods which seeks to breakdown a unit into simpler elements, to examine and then regroup them, will be used.

Examples are provided below:

3.2.1 Analytical method

Analytical research is a specific type of research that involves critical thinking skills and the evaluation of facts and information relative to the research being conducted. A variety of people including students, doctors and psychologists use analytical research during studies to find the most relevant information. From analytical research, a person finds out critical details to add new ideas to the material being produced (Analytical Research, n.d.).

Analytic techniques are applied in project management to forecast potential outcomes based on possible variations of the project or environmental variables and their relationships with other variables. Some examples of analytical techniques used in projects are:

- Regression analysis
- Grouping methods
- Casual analysis

(PMI, 2013).

3.2.2 Synthetic method

A type of method of "treating at, and working at, scientific cognitions", opposed to the analytic method. The synthetic method goes from principles to consequents, from the simple to the composite. This is also called the progressive method. (Synthetic Method, n.d.)

Chart 2 Research methods (source: compiled by author)

Objectives	
	Analytical – Synthetic Method
To develop a scope management plan to ensure all required work is completed.	The analytical method will be used for scope management by using the processes of Scope Planning, Collect Requirements, Define Scope and Create Work Breakdown Structure (WBS).
To create a time management plan so that the project is finished on time.	The analytical – synthetic method will be used for time management by using the processes of Time planning, define activities, sequence activities, estimate activity resource, estimate activity durations, develop a schedule, identify risks and perform quantitative risk analysis.
To create a cost management plan to ensure that the project is done within the budget.	The analytical – synthetic method will be used for cost management by using the processes of cost planning, estimate cost, determine the budget, identify risks and perform quantitative risk analysis.
To create a quality management plan to ensure sponsor requirements and project deliverables are produced.	The analytical – synthetic method will be used for quality management by using the processes of quality planning, perform quality assurance, control quality, project documents and identify risks.

<p>To create a human resource management plan so that the team can meet the demands of the project.</p>	<p>The analytical – synthetic method will be used for human resource management by using the processes of human resource planning, acquire project team, develop project team, manage project team, estimate costs and identify risks.</p>
<p>To develop a communications management plan to ensure that all stakeholders are provided with information on the project.</p>	<p>The analytical – synthetic method will be used for communications management by using the processes of communications planning, manage communications, project documents and manage stakeholder engagement.</p>
<p>To create a risk management plan to ensure that all risks are documented.</p>	<p>The analytical – synthetic method will be used for risk management by using the processes of risk planning, identify risks, perform qualitative risk analysis, perform quantitative risk analysis and plan risk response.</p>
<p>To create a procurement management plan to ensure that the make or buy analysis is conducted and procurement needs are identified.</p>	<p>The analytical – synthetic method will be used for procurement management by using the processes of procurement planning, conduct procurements, control procurements, close procurements, project documents, perform integrated change control, identify stakeholders and identify risks.</p>
<p>To create a stakeholder management plan to ensure that all participants affected by the project are identified.</p>	<p>The analytical – synthetic method will be used for stakeholder management by using the processes of identify stakeholders, stakeholder planning, collect requirements, quality planning, communications planning,</p>

	risk planning, identify risks and procurement planning.
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3.3 Tools

“Something tangible, such as a template or software program, used in performing an activity to produce a product or result”. (PMI, 2013)

Chart 3 Tools (source: compiled by author)

Objectives	Tools
To develop a scope management plan to ensure all required work is completed.	Scope Planning, Collect Requirements, Define Scope, Create Work Breakdown Structure (WBS)
To create a time management plan so that the project is finished on time.	Time planning, Define activities, Sequence activities, Estimate activity resource, estimate activity durations, Develop a schedule, identify risks, perform quantitative risk analysis.
To create a cost management plan to ensure that the project is done within the budget.	Cost planning, estimate cost, determine budget, identify risks, perform quantitative risk analysis.
To create a quality management plan to ensure sponsor requirements and project deliverables are produced.	Quality planning, perform quality assurance, control quality, project documents, identify risks.
To create a human resource management plan so that the team can meet the demands of the project.	Human resource planning, acquire project team, develop project team, manage project team, estimate costs, identify risks.

To develop a communications management plan to ensure that all stakeholders are provided with information on the project.	Communications planning, manage communications, project documents, manage stakeholder engagement.
To create a risk management plan to ensure that all risks are documented.	Risk planning, identify risks, perform qualitative risk analysis, perform quantitative risk analysis, plan risk response.
To create a procurement management plan to ensure that the make or buy analysis is conducted and procurement needs are identified.	Procurement planning, conduct procurements, control procurements, close procurements, project documents, perform integrated change control, identify stakeholders, identify risks.
To create a stakeholder management plan to ensure that all participants affected by the project are identified.	Identify stakeholders, stakeholder planning, collect requirements, quality planning, communications planning, risk planning, identify risks, procurement planning.

3.4 Assumptions and constraints

Assumptions

“A factor in the planning process that is considered to be true, real or certain, without proof or demonstration”.(PMI, 2013)

Constraints

“A limiting factor that affects the execution of a project, program, portfolio or process”. (PMI, 2013)

Chart 4 Assumptions and constraints (source: compiled by author)

Objectives	Assumptions	Constraints
To develop a scope management plan to ensure all required work is completed.	<p>It is assumed that the bank will allow the FGP to be done within the institution.</p> <p>It is assumed that the bank will provide all the required information to develop the management plan without delay.</p>	<p>Time – The FGP management plan will need to comply with the time periods and dates established by UCI.</p> <p>Resources – All the information needed to conduct the FGP might not be available.</p> <p>Confidentiality – The bank’s information will have to be kept confidential.</p>
To create a time management plan so that the project is finished on time.	<p>It is assumed that the bank will allow the FGP to be done within the institution.</p> <p>It is assumed that the bank will provide all he required informaiton to develop the management plan without delay.</p>	<p>Time – The FGP management plan will need to comply with the time periods and dates established by UCI.</p> <p>Resources – All the information needed to conduct the FGP might not be available.</p> <p>Confidentiality – The bank’s information will have to be kept confidential.</p>
To create a cost management plan to ensure that the project is done within the budget.	<p>It is assumed that the bank will allow the FGP to be done within the institution.</p> <p>It is assumed that the bank</p>	<p>Time – The FGP management plan will need to comply with the time periods and dates</p>

Objectives	Assumptions	Constraints
	will provide all he required informaiton to develop the management plan without delay.	established by UCI. Resources – All the information needed to conduct the FGP might not be available. Confidentiality – The bank’s information will have to be kept confidential.
To create a quality management plan to ensure sponsor requirements and project deliverables are produced.	It is assumed that the bank will allow the FGP to be done within the institution. It is assumed that the bank will provide all the required information to develop the management plan without delay.	Time – The FGP management plan will need to comply with the time periods and dates established by UCI. Resources – All the information needed to conduct the FGP might not be available. Confidentiality – The bank’s information will have to be kept confidential.
To create a human resource management plan so that the team can meet the demands of the project.	It is assumed that the bank will allow the FGP to be done within the institution. It is assumed that the bank will provide all the required information to develop the management plan without delay.	Time – The FGP management plan will need to comply with the time periods and dates established by UCI. Resources – All the information needed to conduct the FGP might not be available. Confidentiality – The

Objectives	Assumptions	Constraints
		bank's information will have to be kept confidential.
To develop a communications management plan to ensure that all stakeholders are provided with information on the project.	It is assumed that the bank will allow the FGP to be done within the institution. It is assumed that the bank will provide all the required information to develop the management plan without delay.	Time – The FGP management plan will need to comply with the time periods and dates established by UCI. Resources – All the information needed to conduct the FGP might not be available. Confidentiality – The bank's information will have to be kept confidential.
To create a risk management plan to ensure that all risks are documented.	It is assumed that the bank will allow the FGP to be done within the institution. It is assumed that the bank will provide all the required information to develop the management plan without delay.	Time – The FGP management plan will need to comply with the time periods and dates established by UCI. Resources – All the information needed to conduct the FGP might not be available. Confidentiality – The bank's information will have to be kept confidential.
To create a procurement management plan to ensure that the make or buy analysis is conducted and procurement	It is assumed that the bank will allow the FGP to be done within the institution. It is assumed that the bank	Time – The FGP management plan will need to comply with the time periods and dates

Objectives	Assumptions	Constraints
needs are identified.	will provide all the required information to develop the management plan without delay.	<p>established by UCI.</p> <p>Resources – All the information needed to conduct the FGP might not be available.</p> <p>Confidentiality – The bank’s information will have to be kept confidential.</p>
To create a stakeholder management plan to ensure that all participants affected by the project are identified.	<p>It is assumed that the bank will allow the FGP to be done within the institution.</p> <p>It is assumed that the bank will provide all the required information to develop the management plan without delay.</p>	<p>Time – The FGP management plan will need to comply with the time periods and dates established by UCI.</p> <p>Resources – All the information needed to conduct the FGP might not be available.</p> <p>Confidentiality – The bank’s information will have to be kept confidential.</p>

3.5 Deliverables

“Any unique or verifiable product, result or capability to perform a service that is required to be produced to complete a process, phase or project”.(PMI, 2013)

The deliverables considered in the FGP are:

Chart 5 Deliverables (source: compiled by author)

Objectives	Deliverables
To develop a scope management plan to ensure all required work is completed.	Document with a scope management plan with the established guidelines of PMBOK.
To create a time management plan so that the project is finished on time.	Document with a time management plan with the established guidelines of PMBOK.
To create a cost management plan to ensure that the project is done within the budget.	Document with a cost management plan with the established guidelines of PMBOK.
To create a quality management plan to ensure sponsor requirements and project deliverables are produced.	Document with a quality management plan with the established guidelines of PMBOK.
To create a human resource management plan so that the team can meet the demands of the project.	Document with a human resource management plan with the established guidelines of PMBOK.
To develop a communications management plan to ensure that all stakeholders are provided with information on the project.	Document with a communications management plan with the established guidelines of PMBOK.
To create a risk management plan to ensure that all risks are documented.	Document with a risk management plan with the established guidelines of PMBOK.
To create a procurement management plan to ensure that the make or buy analysis is conducted and procurement needs are identified.	Document with a procurement management plan with the established guidelines of PMBOK.

To create a stakeholder management plan to ensure that all participants affected by the project are identified.	Document with a stakeholder management plan with the established guidelines of PMBOK.
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4 RESULTS

4.1. Scope Management Plan

Scope Management is the collection of processes used to ensure that the project includes all the tasks required to complete the project while excluding all work, which is out of scope. The Scope Management Plan details how the project scope will be defined, developed, and verified (Scope Management Plan, N.D.).

Avantika Monnappa (2012) describes Project Scope Management as the set of processes that ensure a project's scope is defined and mapped accurately. Scope Management techniques allow project managers and supervisors to allocate just the right amount of work necessary to complete a project successfully. It is primarily concerned with controlling what is and what is not part of the project's scope.

According to PMBOK Guide 5th Edition (PMI,2013) Project Scope Management includes the processes required to ensure that the project includes all the work plan required and only the work required, to complete the work successfully. This includes the following processes: (see Figure 8)

- Plan Scope Management
- Collect Requirements

- Define Scope

- Create WBS

- Validate Scope

- Control Scope

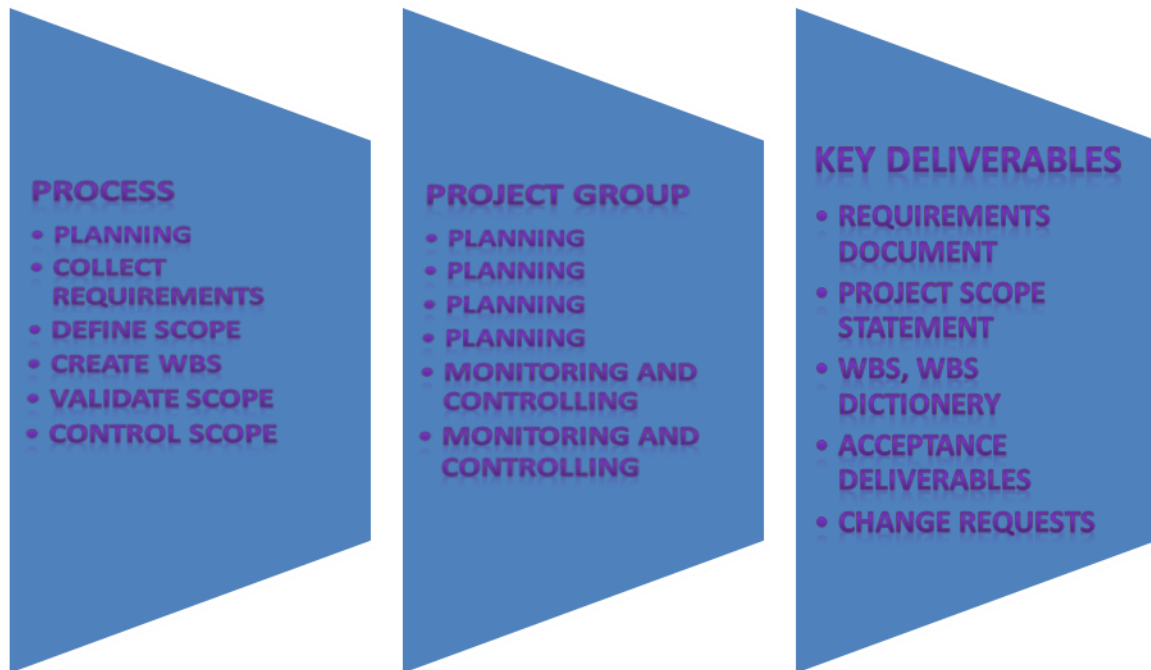


Figure 8 Scope management processes (source: compiled by author)

Plan Scope Management

The scope statement is the creation of the organizational structure of a bank's compliance department. The project team will include the Credit Risk Officer (CRO), the prospective Compliance Manager, the HR & IT departments and the Project Manager. The project is scheduled to start on August 22, 2016 and be completed by January 26, 2016. The objective is to establish:

- A collection of the requirements which includes how the acquisition of staff will be addressed, what training will be required, how it will be conducted and by whom among others.
- Definition of the scope which includes the scope boundary in which the work will be done. The work outside the project scope boundary will also be stated.
- A WBS will be created to detail all the work involved in the project.
- Validation of scope to obtain acceptance of the scope.
- Control of scope to monitor the status of the project scope and managing changes.

The enterprise environmental factors of the bank such as its culture, organizational structure and governance including personnel administration amongst others will be taken into consideration. The policies and procedures of the bank, as well as historical information on the bank's previous projects, will need to be taken into account. The CRO, Managing Director & IT Director of the bank will be interviewed in order to obtain expert judgment on the subject matter. Meetings will be held with the project team and the frequency of these meeting will be determined. The scope management plan drafted by the Project Manager and Compliance Manager will be discussed with the CRO after which an amendment will be done. The amended draft will then be forward to the Managing Director to establish if further amendment will be necessary. That final plan will then be presented to the Board of Directors who has the authority of providing approval. Approval of changes made to the plan will be dependent on the department of the bank under which such is categorized. The project stakeholders include: (see Chart 6)

- The project manager
- The Credit Risk Officer
- Compliance Manager
- HR Director & Manager
- The IT Director & Manager
- The Managing Director
- The Board of Directors
- The Training Officer
- The new Compliance Staff
- Software Providers

Chart 6 Stakeholder Register (source: compiled by author)

Name	Position	Internal/External	Project Role	Contact Information
Linda Astrude	Compliance Manager	Internal	Project Manger	la@obscd.com
Phene Can	Credit Risk Officer	Internal	Lead Designer	pc@obscd.com
Will Cain	IT Director	Internal	Lead Programmer	wc@ossd.com
Sean Black	Managing Director	Internal	Consultant	sb@ossd.com
Crista Myan	Training Officer	Internal	Consultant	cm@obscd.com
Mike Cooner	IT WE Compliance Monitoring System	External	Software Designer	MikeC@WECMS.org
Dora Bradfort	HR Director	Internal	Consultant	db@obscd.com
Shanna White	HR Manager	Internal	Consultant	sw@obscd.com
Doris Kenner	IT Manager	Internal	Programmer	dk@obscd.com

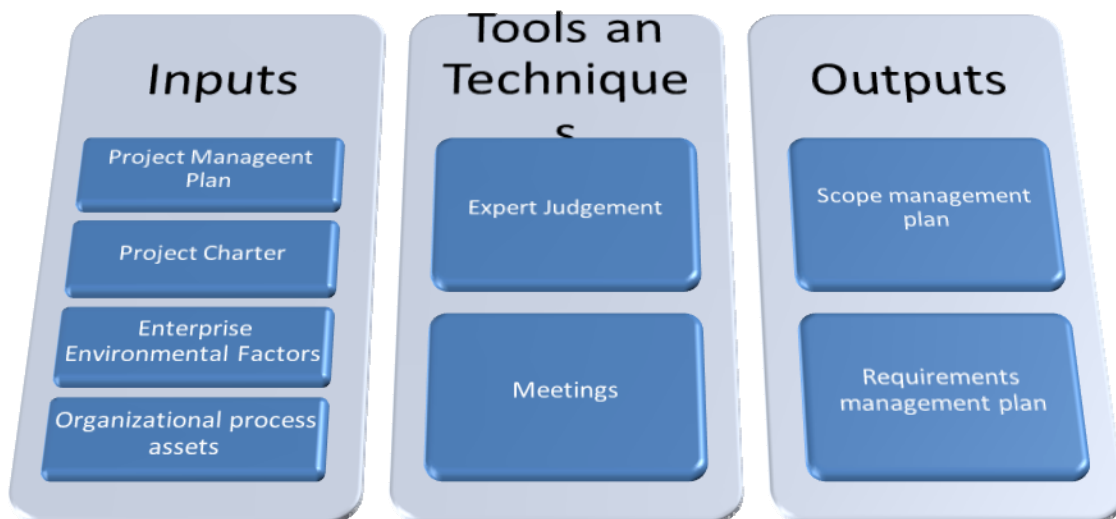


Figure 9 Plan scope management (source: compiled by author)

Collect Requirements

The requirements needed for the project scope include staff, legislation, training, compliance requirements (as per Anti Money laundering legislation/supervisory authority), a Compliance AML manual and information on the role, responsibilities and functions of a compliance department. Interviews will be conducted with the CRO to obtain details on the requirements and expectations of the proposed project. Focus groups will meet bi-monthly and moderation will be conducted by the CRO. The results of brainstorming done by the project team will be addressed in such groups in which the unanimity method of decision making will be used. A general framework of a compliance department will be used as a benchmark. Document analysis will be completed on the Bank's policies & procedures, the domestic banking law of Belize, the MLTPA & CBB guidelines and the monitoring software to the purchase which would fall under the responsibilities and functions of a Compliance department. A requirements documentation will thus be created/generated that will include the business, stakeholder, solutions and project requirements along with requirements assumptions, dependencies and constraints. A requirement traceability matrix will also be compiled in order to ensure that all the requirements defined are tested.

(a) Staff

This includes identifying the number of staff that will be needed, the qualifications of such individuals, the roles of these individuals, whether they will be selected internally from within the bank or externally from outside the bank.

(b) Legislation/Supervisory Authority

The AML legislation by which the banks are governed which is the Money Laundering and Terrorism Prevention Act (MLTPA) needs to be reviewed & understood and the requirements for the bank's compliance understood. This goes also for the guidelines of the supervisory authority which is the Central Bank of Belize.

(c) Training

Training will need to be conducted for the staff that will make up the Compliance Department. This will include compliance training as well as training on the products and services offered by the Bank as well as its policies and procedures. Who will conduct the training and where it will be conducted needs to be established.

(d) Compliance AML Manual

A compliance AML manual will need to be created in order to ensure that the policies and procedures of the bank are in compliance with the AML legislation (which is the MLTPA) as well as the guidelines of the Central Bank of Belize. This manual will serve as the handbook which will guide the daily operations of the bank to ensure that they are in line with the requirements of the MLTPA and CBB guidelines.

(e) Roles, Responsibilities and Functions of a Compliance Department

Information will need to be gathered on the framework of a Compliance Department including the roles, responsibilities and functions therein. This framework would be used as a blueprint to have a general idea of what exactly is a Compliance department. From this, the bank will be able to customize the department to fit into the existing bank's structure and simultaneously with the requirements of the MLTPA and CBB guidelines.

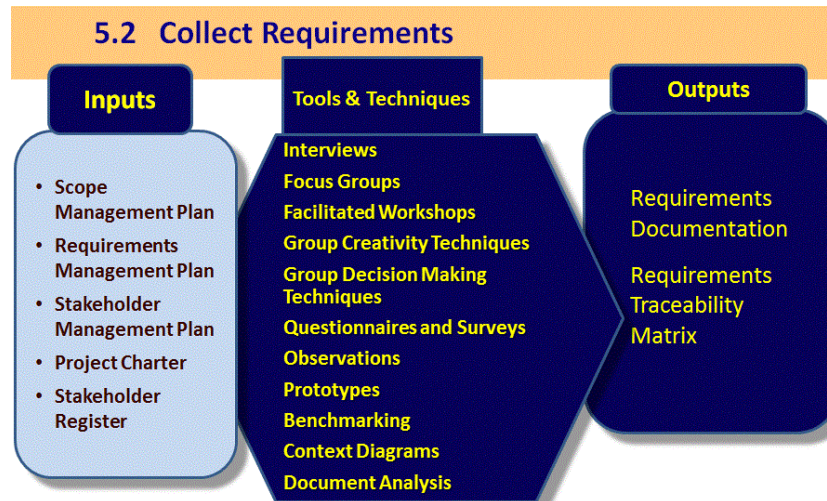


Figure 10 Collect requirements (source: PMBOK Guide 5th Edition (PMI, 2013))

Define Scope

The following aspects define the scope of this project:

- A domestic commercial bank in Belize;
- The AML/CBB laws of Belize;
- The organizational structure only of the compliance department of a bank.

The following are not in the scope for this project:

- Offshore banks in Belize
- Domestic banks in the Latin American and Central American Region
- Domestic banks in the USA
- All domestic banks in Belize
- Credit Unions and other financial institutions in Belize

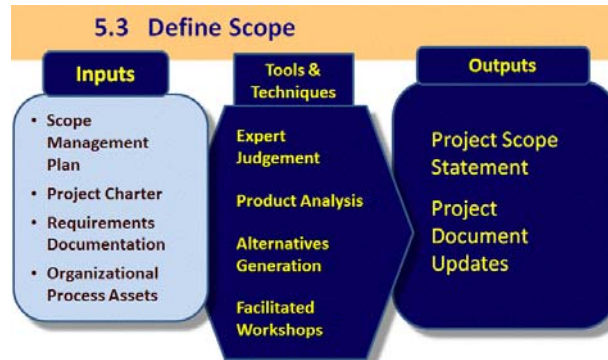


Figure 11 Define scope (source: PMBOK Guide 5th Edition (PMI, 2013))

Create WBS

The work required for the project includes the location of the office space for the Compliance department, acquisition of staff, legislation, establishing and purchasing of monitoring software and the implementation of the Compliance department and system into the Bank's IT network. These are depicted in detail in the below WBS. (see Figure 12)



Figure 12 Work breakdown structure (source: compiled by author)

4.2. Time Management Plan

According to PMBOK Guide 5th Edition (PMI,2013), Project Time Management includes the processes required to manage the timely completion of a project. Its processes are listed below:

- Plan Schedule Management
- Define Activities
- Sequence Activities
- Estimate Activity Resources
- Estimate Activity Durations
- Develop Schedule
- Control Schedule

Plan Schedule Management

The schedule management plan is a process whereby the project schedule for the creation of the organizational structure of the bank's compliance department will be created. The software that will be utilized in this project is MS Project 2013. The objectives include:

- The duration of the project (beginning to end);
- The commencement date of the official operations of the department;
- The completion date for the preparation of the job descriptions;
- The completion date for the Compliance manual;
- The dates training is to be carried out and completed
- The date the IT systems will be ready to be tested and ready for official daily operations;
- The date for confirmation of the location of the Compliance department;
- The date the furniture will be purchased, delivered and set up in the new department;
- The date to obtain the Compliance framework;
- The date the Compliance monitoring software will be purchased;

- The date for the interview of staff (existing & new) and employment.

Chart 7 Schedule for the organizational structure (source: compiled by author)

ID	Task Name	Duration	Start	Finish
0	Creation of Organizational Structure	135 Days	October 10, 2016	December 16, 2016
1	1 Location of Office Space	20 Days	October 10, 2016	November 12, 2016
2	1.1 Prepare department budget	14 Days	October 10, 2016	October 27, 2016
3	1.2 Establish furniture, and operational equipment needed	3 Days	October 10, 2016	October 12, 2016
4	1.3 Purchase stationery & office equipment	3 Days	October 12, 2016	October 17, 2016
5	2 Legislation	31 Days	October 10, 2016	November 17, 2016
6	2.1 Obtain copy of the AML legislation	2 Days	October 10, 2016	October 11, 2016
7	2.2 Obtain copy of the legislation for the supervisory authority	2 Days	October 10, 2016	October 11, 2016
8	2.3 Create Compliance manual based on both legislations	14 Days	October 12, 2016	October 31, 2016
9	2.4 Submit Manual to BOD	1 Day	November 1, 2016	November 1, 2016
10	2.5 Make necessary adjustments/changes	7 Days	November 2, 2016	November 10, 2016
11	2.6 Obtain BOD approval of the Compliance manual	5 Days	November 13, 2016	November 17, 2017
12	3 Software	19 Days	October 10, 2016	November 6, 2016
13	3.1 Search for Compliance software	5 Days	October 10, 2016	October 14, 2016
14	3.2 Identify three or four software suppliers	1 Day	October 17, 2016	October 17, 2016
15	3.3 Conduct due diligence on the suppliers	3 Days	October 18, 2016	October 20, 2016
16	3.4 Request demonstration and price quote	2 Days	October 23, 2016	October 25, 2016
17	3.5 Present information to BOD	2 Days	October 26, 2016	October 27, 2016
18	3.6 Obtain BOD approval	3 Days	October 30, 2016	November 1, 2016
19	3.7 Provide system customization/get actual package quote	2 Days	November 2, 2016	November 3, 2016
20	3.8 Purchase software	1 Day	November 6, 2016	November 6, 2016
21	4 IT Department	30 Days	November 7, 2016	December 15, 2016
22	4.1 Integrate software into the bank IT network	14 Days	November 7, 2016	November 24, 2016
23	4.2 Provide applicable computer access of the bank network to the compliance staff	3 Days	November 27, 2016	November 29, 2016
24	4.3 Conduct testing of software	5 Days	November 30, 2016	December 6, 2016
25	4.4 Provide software training to Compliance staff	5 Days	December 7, 2016	December 12, 2016
26	4.5 Establish when the department is ready to commence operation in terms of IT systems	3 Days	December 13, 2016	December 15, 2016
27	5 Get Staff	35 Days	October 10, 2016	December 16, 2016
28	5.1 Determine the organizational structure of the department	5 Days	October 10, 2016	October 14, 2016
29	5.2 Identify the roles and responsibilities of the employees in the Compliance department	5 Days	October 17, 2016	October 21, 2016
30	5.3 Prepare job descriptions	7 Days	October 24, 2016	November 1, 2016
31	5.4 Get BOD approval of job descriptions	5 Days	November 2, 2016	November 8, 2016
32	5.5 Establish if job vacancies will be advertised internally or externally	2 Days	November 9, 2016	November 11, 2016
33	5.6 Determine who will conduct the interviews and when	2 Days	November 14, 2016	November 15, 2016
34	5.7 Hire new staff	5 Days	November 16, 2016	November 22, 2016
35	5.8 Provide training for staff on the Bank's policies & procedures	3 Days	November 23, 2016	November 25, 2016
36	5.9 Establish the date the department will commence operations	1 Day	December 16, 2016	December 16, 2016

The enterprise environmental factors of the bank including its culture and organizational structure in terms of its hiring, purchasing & training processes will affect the schedule management. The availability of resources such as the AML

legislation, office equipment, computers, Compliance monitoring software and skilled personnel, both internal & external of the bank may influence the schedule planning. The schedule will be managed using MS Project 2013 and will be measured in days starting with the deliverables identified in the work breakdown structure (WBS).

The organizational process assets that will influence the Plan Schedule Management includes the compliance monitoring software to be used as well as the reporting tool used by the bank to the supervisory & AML authorities.

The expert judgement of the IT Director, CRO & Managing Director will be guided based on their experience and expertise in the banking industry, the bank historical information on similar projects which will include the probability and impact matrix. The scheduling technique will include the rolling wave planning, leads & lags, alternatives analysis and methods of reviewing the schedule performance of the organizational structure of the compliance department. These will include in the matters to be discussed at the planning meeting where the schedule management plan will be developed. Those in attendance will include the Compliance manager, project manager, the CRO and the IT Director.

The schedule management plan includes:

- Project schedule model development – the use of MS Project 2013 starting with the deliverables identified in the project's work breakdown structure (WBS).
- Level of accuracy – the ranges stated in the schedule is based on realistic estimation as the major activities are done in sequence whilst some are done simultaneously.
- Units of measure – the unit used is days.
- Organizational procedures links – the WBS that was created provides the framework for the schedule management plan which guides the sequenced activities resulting in the deliverables and schedules.

- Project schedule model maintenance – the variance threshold to be applied for monitoring of the schedule will be specified after which action will be taken. E.g. Task 14 - 3.1 Search for Compliance software is scheduled for 5 days. However, once the control thresholds are established, then the variance threshold can be calculated after which action will follow. A variance of 20% would mean that Task 14 could be extended for one additional day after which action is taken.
- Reporting format – reporting will be done informally on a weekly basis by the project manager & Compliance manager to the CRO and a formal report will be presented upon completion of each activity.

Define Activities

The deliverables of the WBS are accomplished through work packages that are broken down into activities. The deliverables for this project include:

- Locate office space

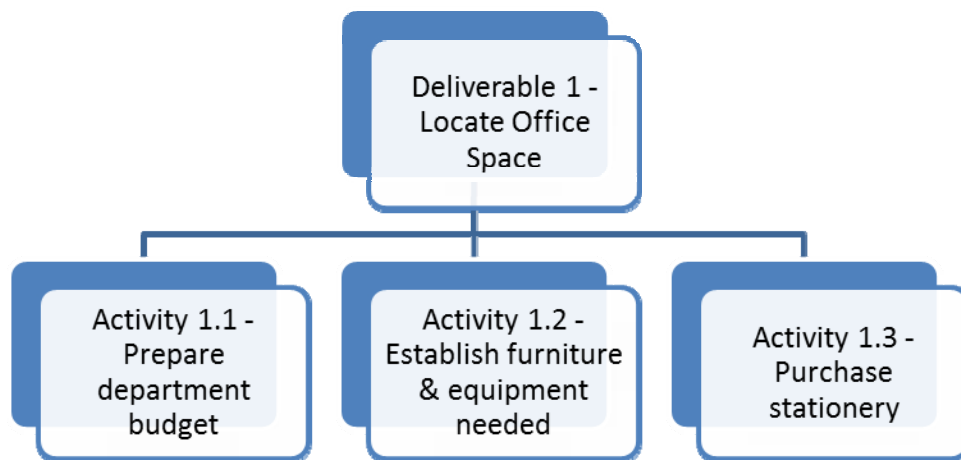


Figure 13 Deliverable/Work Package/Activities – locate office space (source: compiled by author)

- Legislation

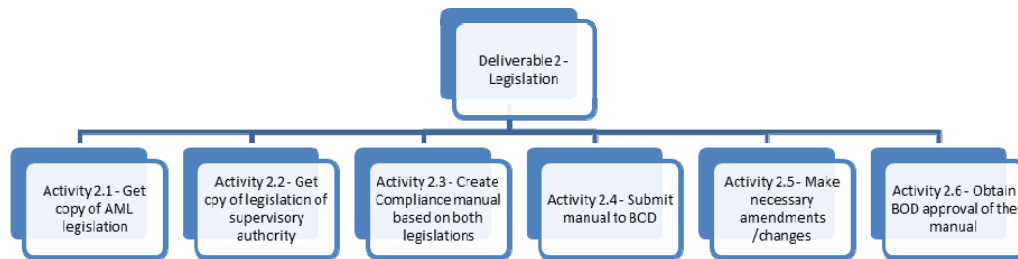


Figure 14 Deliverable/Work Package/Activities – legislation (source: compiled by author)

- Software

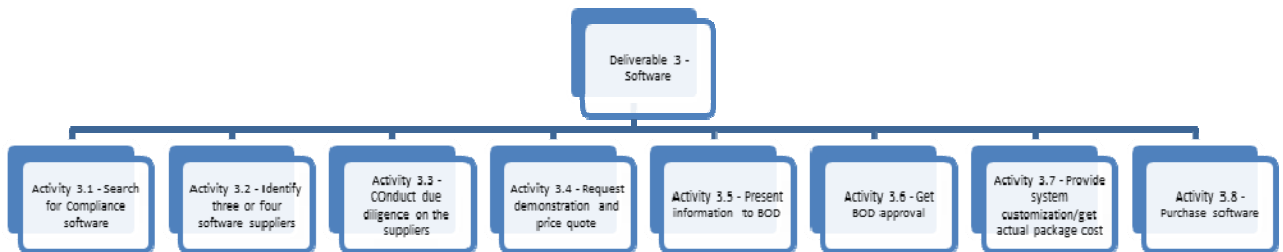


Figure 15 Deliverable/Work Package/Activities – software (source: compiled by author)

- IT Department

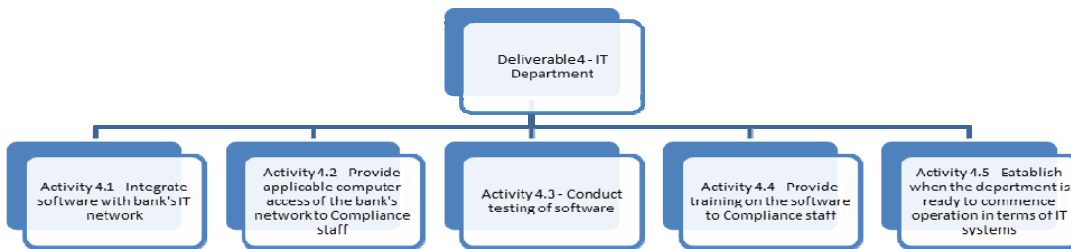


Figure 16 Deliverable/Work Package/Activities – IT department (source: compiled by author)

- Get staff

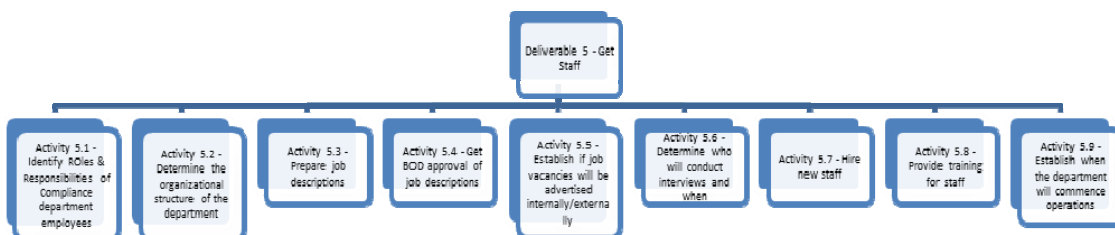


Figure 17 Deliverable/Work Package/Activities – acquire staff (source: compiled by author)

Expert judgment will be sourced from the Managing Director, CRO and the IT Director all who have extensive knowledge & experience of over twenty-five years of banking and have all attributed to previous other projects undertaken by the bank. Their valuable contribution will provide the expertise necessary to define the activities of the WBS which is listed in the activity list is depicted below.

ID	Work Package	WBS	Activity	Predecessor	Duration in Days	Resource Type
1	Location of Office Space	1.1	1.1 Prepare department budget	14	CRO
1	Location of Office Space	1.2	1.2 Establish furniture, and operational equipment needed	1.1	3	CRO
1	Location of Office Space	1.3	1.3 Purchase stationery & Office equipment	1.1,1.2	3	Operations Manager
2	Legislation	2.1	2.1 Obtain copy of the AML legislation	1.1,1.2,1.3	2	CRO
2	Legislation	2.2	2.2 Obtain copy of the legislation for the supervisory authority	1.1,1.2,1.3, 2.1	2	CRO
2	Legislation	2.3	2.3 Create Compliance manual based on both legislations	1.1,1.2,1.3, 2.1, 2.2	14	CRO
2	Legislation	2.4	2.4 Submit Manual to BOD	1.1,1.2,1.3, 2.1, 2.2, 2.3	1	Managing Director
2	Legislation	2.5	2.5 Make necessary adjustments/changes	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4	7	CRO
2	Legislation	2.6	2.6 Obtain BOD approval of the Compliance manual	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5	5	Managing Director
3	Software	3.1	3.1 Search for Compliance software	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6	5	IT Director
3	Software	3.2	3.2 Identify three or four software suppliers	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1	1	IT Director
3	Software	3.3	3.3 Conduct due diligence on the suppliers	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2	3	CRO
3	Software	3.4	3.4 Request demonstration and price quote	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3	2	CRO
3	Software	3.5	3.5 Present information to BOD	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4	2	Managing Director
3	Software	3.6	3.6 Obtain BOD approval	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4,3.5	3	Managing Director
3	Software	3.7	3.7 Provide system customization/get actual package quote	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4,3.5, 3.6	2	IT Director
3	Software	3.8	3.8 Purchase software	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4,3.5, 3.6, 3.7	1	IT Director
4	IT Department	4.1	4.1 Integrate software into the bank IT network	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4,3.5, 3.6, 3.7, 3.8	14	IT Director
4	IT Department	4.2	4.2 Provide applicable computer access of the bank network to the compliance staff	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4,3.5, 3.6, 3.7, 3.8, 4.1	3	IT Manager
4	IT Department	4.3	4.3 Conduct testing of software	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4,3.5, 3.6, 3.7, 3.8, 4.1, 4.2	5	IT Manager
4	IT Department	4.4	4.4 Provide software training to Compliance staff	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4,3.5, 3.6, 3.7, 3.8, 4.1, 4.2, 4.3	5	IT Manager
4	IT Department	4.5	4.5 Establish when the department is ready commence operation in terms of IT systems	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4,3.5, 3.6, 3.7, 3.8, 4.1, 4.2, 4.3, 4.4	3	IT Director
5	Get Staff	5.1	5.1 Determine the organizational structure of the department	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4,3.5, 3.6, 3.7, 3.8, 4.1, 4.2, 4.3, 4.4, 4.5	5	Managing Director
5	Get Staff	5.2	5.2 Identify the roles and responsibilities of the employees in the Compliance department	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4,3.5, 3.6, 3.7, 3.8, 4.1, 4.2, 4.3, 4.4, 4.5, 5.1	5	CRO
5	Get Staff	5.3	5.3 Prepare job descriptions	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4,3.5, 3.6, 3.7, 3.8, 4.1, 4.2, 4.3, 4.4, 4.5, 5.1, 5.2	7	HR Director
5	Get Staff	5.4	5.4 Get BOD approval of job descriptions	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4,3.5, 3.6, 3.7, 3.8, 4.1, 4.2, 4.3, 4.4, 4.5, 5.1, 5.2, 5.3	5	Managing Director
5	Get Staff	5.5	5.5 Establish if job vacancies will be advertised internally or externally	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4,3.5, 3.6, 3.7, 3.8, 4.1, 4.2, 4.3, 4.4, 4.5, 5.1, 5.2, 5.3,5.4	2	HR Director
5	Get Staff	5.6	5.6 Determine who will conduct the interviews and when	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4,3.5, 3.6, 3.7, 3.8, 4.1, 4.2, 4.3, 4.4, 4.5, 5.1, 5.2, 5.3,5.4,5.5	2	CRO
5	Get Staff	5.7	5.7 Hire new staff	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4,3.5, 3.6, 3.7, 3.8, 4.1, 4.2, 4.3, 4.4, 4.5, 5.1, 5.2, 5.3,5.4,5.5,5.6	5	CRO
5	Get Staff	5.8	5.8 Provide training for staff on the Bank's policies & procedures	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4,3.5, 3.6, 3.7, 3.8, 4.1, 4.2, 4.3, 4.4, 4.5, 5.1, 5.2, 5.3,5.4,5.5,5.6, 5.7	3	Training Officer
5	Get Staff	5.9	5.9 Establish the date the department will commence operations	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4,3.5, 3.6, 3.7, 3.8, 4.1, 4.2, 4.3, 4.4, 4.5, 5.1, 5.2, 5.3,5.4,5.5,5.6, 5.7, 5.8	1	Managing Director
6	Project Management	6.1	Project Closure	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4,3.5, 3.6, 3.7, 3.8, 4.1, 4.2, 4.3, 4.4, 4.5, 5.1, 5.2, 5.3,5.4,5.5,5.6, 5.7, 5.8, 5.9	LOE	Project Manager

Chart 8 Activity list (source: compiled by author)

ID	Work Package	WBS	Activity	Predecessor	Duration in Days	Resource Type
1	Location of Office Space	1.1	1.1 Prepare department budget	-----	14	CRO
1	Location of Office Space	1.2	1.2 Establish furniture, and operational equipment needed	1.1	3	CRO
1	Location of Office Space	1.3	1.3 Purchase stationery & Office equipment	1.1,1.2	3	Operations Manager
2	Legislation	2.1	2.1 Obtain copy of the AML legislation	1.1,1.2,1.3	2	CRO
2	Legislation	2.2	2.2 Obtain copy of the legislation for the supervisory authority	1.1,1.2,1.3, 2.1	2	CRO
2	Legislation	2.3	2.3 Create Compliance manual based on both legislations	1.1,1.2,1.3, 2.1, 2.2	14	CRO
2	Legislation	2.4	2.4 Submit Manual to BOD	1.1,1.2,1.3, 2.1, 2.2, 2.3	1	Managing Director
2	Legislation	2.5	2.5 Make necessary adjustments/changes	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4	7	CRO
2	Legislation	2.6	2.6 Obtain BOD approval of the Compliance manual	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5	5	Managing Director
3	Software	3.1	3.1 Search for Compliance software	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6	5	IT Director

3	Software	3.2	3.2 Identify three or four software suppliers	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1	1	IT Director
3	Software	3.3	3.3 Conduct due diligence on the suppliers	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2	3	CRO
3	Software	3.4	3.4 Request demonstration and price quote	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3	2	CRO
3	Software	3.5	3.5 Present information to BOD	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4	2	Managing Director
3	Software	3.6	3.6 Obtain BOD approval	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4,3.5	3	Managing Director
3	Software	3.7	3.7 Provide system customization/get actual package quote	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4,3.5, 3.6	2	IT Director
3	Software	3.8	3.8 Purchase software	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4,3.5, 3.6, 3.7	1	IT Director
4	IT Department	4.1	4.1 Integrate software into the bank IT network	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2,	14	IT Director

				3.3, 3.4,3.5, 3.6, 3.7, 3.8		
4	IT Department	4.2	4.2 Provide applicable computer access of the bank network to the compliance staff	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4,3.5, 3.6, 3.7, 3.8, 4.1	3	IT Manager
4	IT Department	4.3	4.3 Conduct testing of software	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4,3.5, 3.6, 3.7, 3.8, 4.1, 4.2	5	IT Manager
4	IT Department	4.4	4.4 Provide software training to Compliance staff	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4,3.5, 3.6, 3.7, 3.8, 4.1, 4.2, 4.3	5	IT Manager
4	IT Department	4.5	4.5 Establish when the department is ready commence operation in terms of IT systems	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4,3.5, 3.6, 3.7, 3.8, 4.1, 4.2, 4.3, 4.4	3	IT Director
5	Get Staff	5.1	5.1 Determine the organizational structure of the department	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4,3.5, 3.6, 3.7, 3.8, 4.1, 4.2, 4.3, 4.4, 4.5	5	Managing Director

5	Get Staff	5.2	5.2 Identify the roles and responsibilities of the employees in the Compliance department	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4,3.5, 3.6, 3.7, 3.8, 4.1, 4.2, 4.3, 4.4, 4.5, 5.1	5	CRO
5	Get Staff	5.3	5.3 Prepare job descriptions	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4,3.5, 3.6, 3.7, 3.8, 4.1, 4.2, 4.3, 4.4, 4.5, 5.1, 5.2	7	HR Director
5	Get Staff	5.4	5.4 Get BOD approval of job descriptions	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4,3.5, 3.6, 3.7, 3.8, 4.1, 4.2, 4.3, 4.4, 4.5, 5.1, 5.2, 5.3	5	Managing Director
5	Get Staff	5.5	5.5 Establish if job vacancies will be advertised internally or externally	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4,3.5, 3.6, 3.7, 3.8, 4.1, 4.2, 4.3, 4.4, 4.5, 5.1, 5.2, 5.3,5.4	2	HR Director

5	Get Staff	5.6	5.6 Determine who will conduct the interviews and when	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4,3.5, 3.6, 3.7, 3.8, 4.1, 4.2, 4.3, 4.4, 4.5, 5.1, 5.2, 5.3,5.4,5.5	2	CRO
5	Get Staff	5.7	5.7 Hire new staff	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4,3.5, 3.6, 3.7, 3.8, 4.1, 4.2, 4.3, 4.4, 4.5, 5.1, 5.2, 5.3,5.4,5.5,5.6	5	CRO
5	Get Staff	5.8	5.8 Provide training for staff on the Bank's policies & procedures	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4,3.5, 3.6, 3.7, 3.8, 4.1, 4.2, 4.3, 4.4, 4.5, 5.1, 5.2, 5.3,5.4,5.5,5.6, 5.7	3	Training Officer
5	Get Staff	5.9	5.9 Establish the date the department will commence operations	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4,3.5, 3.6, 3.7, 3.8, 4.1, 4.2, 4.3, 4.4,	1	Managing Director

				4.5, 5.1, 5.2, 5.3,5.4,5.5,5.6, 5.7, 5.8		
6	Project Management	6.1	Project Closure	1.1,1.2,1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6,3.1, 3.2, 3.3, 3.4,3.5, 3.6, 3.7, 3.8, 4.1, 4.2, 4.3, 4.4, 4.5, 5.1, 5.2, 5.3,5.4,5.5,5.6, 5.7, 5.8, 5.9	LOE	Project Manager

The milestone list which is similar to the schedule (Figure 17 –Schedule for Organizational Structure) except that there is no duration since they represent moments in time, is shown below. Each milestone indicates the start and finish dates of the various deliverables as it relates to this project.

Chart 9 Milestone List (source: compiled by author)

ID	Milestone	Start	Finish
1	Creation of Organizational Structure	October 10, 2016	December 16, 2016
2	Location of Office Space	October 10, 2016	November 12, 2016
3	Legislation	October 10, 2016	November 17, 2016
4	Software	October 10, 2016	November 6, 2016
5	IT Department	November 7, 2016	December 15, 2016
6	Get Staff	October 10, 2016	December 16, 2016
7	Establish the date the department will commence operations	December 16, 2016	December 16, 2016

Sequence Activities

The relationships among the various project activities are recognized and arranged in order. The resulting logical sequence describes the greatest efficiency taking into consideration the project constraints. The scope statement; as well as the activity and milestones list, are presented in the define activities process contribute

to the sequence. The bank's work authorization systems is determined based on numerous factors. In the case of this project, staff might be hired both from within the bank and from external. In addition, the majority of the activities to be conducted will be carried out by existing staff. As a result, proper scheduling has to be decided as the activities of the project will be done simultaneously with other daily operational activities of the bank. Since a project of this sort has not been completed by the bank before, there will not be project files for a referral. Instead, scheduling methodology templates will have to be located that may prove useful in the sequencing of the activities.

The applicable tools and techniques such as the Precedence Diagramming Method (PDM), Dependency Determination and Leads & Lags will result in the project schedule network diagrams.

Precedence Diagramming Method (PDM)

According to PMBOB, 5th Edition (PMI,2013), PDM is a technique used to constructing a schedule model in which activities are represented by nodes and are graphically linked by one or more logical relationships to show the sequence in which the activities are to be performed. PMBOK 5th Edition (PMI,2013) further states that it includes four types of dependencies:

- i. Finish-to-start (FS) – the successor's activity cannot start until a predecessor's activity has finished;
- ii. Finish-to-finish (FF) - the successor's activity cannot finish until a predecessor's activity has finished;
- iii. Start-to-start (SS) - the successor's activity cannot start until a predecessor's activity has started;

- iv. Start-to-finish(SF) - the successor's activity cannot finish until a predecessor's activity has started.

The activities of this project fall into each of these types of dependencies.

Dependency Determination

PMBOK, 5th Edition (PMI,2013) states that dependencies may be characterized by mandatory, discretionary, internal or external attributes. For this project, mandatory dependencies which are those that are legally or contractually required include that the bank has to be a licensed institution. Acquisition of external staff as well as delivery of the Compliance monitoring software, are examples of external dependencies relating to this project. In terms of internal dependencies, the project cannot proceed without the BOD approval of the Compliance manual and the IT department cannot test the monitoring software until it is integrated into the bank's IT network/system.

Leads and Lags

A lead is the amount of time whereby a successor activity can be advanced with respect to a predecessor activity as stated in PMBOK, 5th Edition (PMI, 2013). For example, in this project, the purchase of the Compliance monitoring software cannot be done without approval from the BOD.

According to PMBOK 5th Edition (PMI, 2013) a lag is the amount of time whereby a successor activity will be delayed with respect to a predecessor activity. For this project, an example of lag would be presenting the information pertaining to the prospective Compliance monitoring software to the BOD and thereafter obtaining their approval. After making the presentations for several software providers which includes the monitoring features as well as the price quote, the BOD will have to meet to discuss and choose one of the software package and then formally providing their approval.

Project Schedule Network Diagrams

PMBOK, 5th Edition (PMI,2013) states that a project schedule network diagram is a graphical representation of the logical relationships, also referred to as dependencies among the project schedule activities. Figure 18 below depicts a project schedule network diagram which includes the activities of this project for task 3 “Software”.

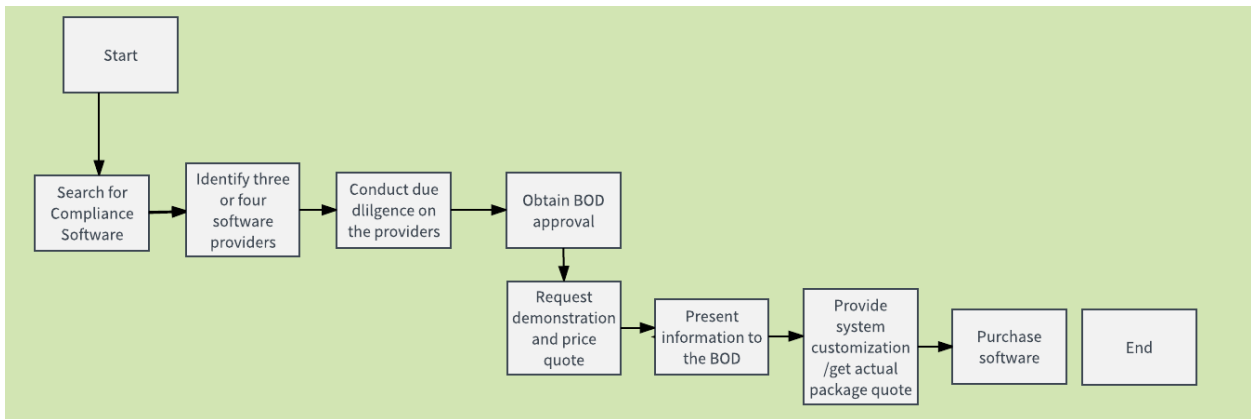


Figure 18 Project Schedule Network Diagram (source: compiled by author)

Estimate Activity Resources

PMBOK, 5th Edition (PMI,2013) states that resource calendars are the quantity and availability of contracted resources and those dates on which each specific resource or resource group can be active or idle are documented. For this project, the types of resources include:

- People/work – Project manager, Compliance department staff, the bank’s IT network, the CRO, the Compliance manager, the BOD, the Managing Director and the IT director;

- Cost/capital – salaries for staff of the Compliance department, cost of Compliance monitoring software & cost of furniture;
- Material – Compliance monitoring software, furniture & operational equipment.

The Risk Register, according to PMBOK 5th Edition (PMI,2013) provides the details of all identified risks and their characteristics that affect the schedule model. Examples of some of the risks identified in this project are listed in the below risk register. (see Chart 10)

Chart 10 Risk register (source: compiled by author)

Code	Cause	Risk	Consequence
1.1	Not thoroughly reviewing the legislations for the AML & Supervisory Authority	Fines imposed by the Supervisory Authority	Very high financial loss due to penalties/ fines and possible suspension/loss of banking license
1.2	Not thoroughly identifying the roles and responsibilities of the employees in the Compliance department	Acquisition of unqualified staff members resulting in accurate & mandatory monitoring not done.	Penalties and fines imposed by the Financial Intelligence Unit and Supervisory Authority

The Activity Cost Estimates which according to PMBOK 5th Edition (PMI, 2013) are quantitative cost estimates of the probable costs required to complete the project work. Relating to the project as hand will include the costs related to staff acquisition, office furniture & operational equipment, training costs and the cost of monitoring software. In terms of the Enterprise Environmental Factors, issues such personnel administration & existing human resources will be dependent on staffing & employee performance reviews and skills & disciplines. As one of the activities is to determine if the if the job vacancies will be advertised internally or externally in

the bank, the bank's current staffing and employee performance reviews could aid in the acquisition of internal staff. The availability of individuals with banking experience in the Compliance department would make it easier to acquire individuals external of the bank. According to the policies and procedures of the bank, qualified individuals from amongst the existing staff members are considered for job vacancies before the advertisement is done externally.

The Expert judgment of the CRO, Managing Director and the Director of IT will be utilized. Alternative analysis such as whether to acquire staff internally or externally, whether to use the bank's IT department to test the monitoring software and whether to use the bank's training officer to conduct training of hire a consultant are all examples of alternative analysis applicable to this project.

The resulting Activity Resource Requirements as defined by PMBOK 5th Edition (PMI, 2013), identifies the types and quantities of resources requirement for each activity in a work package. Similarly defined is the resource breakdown structure which is a hierarchical representation of resources by category and type. The activity list & attributes and the resource calendars may be updated at this point in the project.

Estimate Activity Durations

PMBOK 5th Edition (PMI, 2013) states that the estimate activity durations process requires an estimation of the number of work effort required to complete the activity and the amount of available resources estimated to complete the activity. For this project, an activity such as "4.1 – Integrate Software into the bank's IT network" is estimated to have a duration of 14 days. This would be the best case and most likely scenario. 21 days would be the worstcase scenario. The resource type would be the IT Director with the category being people. The monitoring software that is being purchased for this project has seven major programs that are to be integrated. It takes a computer programmer two days to configure one of the programs. Since seven programs will be required to be configured, it would take the IT Director fourteen days to complete the configuration. This estimated activity

duration is based on the availability of the IT Director as well as an up & running IT Network and monitoring software without defects.

Develop Schedule

The schedule will be developed for the purpose of analysing the activity sequencing, durations and resource requirement among others. For this project, the planned start and finish dates are October 10, 2016 and December 16, 2016. The project staff assignments will be taken into consideration in specifying which resources are assigned to each activity especially since several of the bank's daily operational staff members will be utilized in this project. The applicable tools and techniques will include Critical Path Method, Resource Optimization and Modelling Techniques among others. Resource leveling is applicable to this project especially since the bank staff that will be assigned to the project will simultaneously be conducting their daily operational bank duties. As a result, the start and finish dates would be adjusted based on resource constraints with the goal of balancing the demand for resources with available supply as defined in PMBOK, 5th Edition (PMI, 2013). If the need arises, several of the activities such as "4.1 – Integrate software into the bank IT system" & "4.2 – Provide applicable computer access of the bank network to the compliance staff" can be fast tracked. The schedule baseline which is the approved schedule model would be recommended by the CRO and thereafter approved by the Managing Director.

Chart 11 Schedule for the organizational structure (source: compiled by author)

ID	Task Name	Duration	Start	Finish
0	Creation of Organizational Structure	135 Days	October 10, 2016	December 16, 2016
1	1 Location of Office Space	20 Days	October 10, 2016	November 12, 2016
2	1.1 Prepare department budget	14 Days	October 10, 2016	October 27, 2016
3	1.2 Establish furniture, and operational equipment needed	3 Days	October 10, 2016	October 12, 2016
4	1.3 Purchase stationery & office equipment	3 Days	October 12, 2016	October 17, 2016
5	2 Legislation	31 Days	October 10, 2016	November 17, 2016
6	2.1 Obtain copy of the AML legislation	2 Days	October 10, 2016	October 11, 2016
7	2.2 Obtain copy of the legislation for the supervisory authority	2 Days	October 10, 2016	October 11, 2016
8	2.3 Create Compliance manual based on both legislations	14 Days	October 12, 2016	October 31, 2016
9	2.4 Submit Manual to BOD	1 Day	November 1, 2016	November 1, 2016
10	2.5 Make necessary adjustments/changes	7 Days	November 2, 2016	November 10, 2016
11	2.6 Obtain BOD approval of the Compliance manual	5 Days	November 13, 2016	November 17, 2017
12	3 Software	19 Days	October 10, 2016	November 6, 2016
13	3.1 Search for Compliance software	5 Days	October 10, 2016	October 14, 2016
14	3.2 Identify three or four software suppliers	1 Day	October 17, 2016	October 17, 2016
15	3.3 Conduct due diligence on the suppliers	3 Days	October 18, 2016	October 20, 2016
16	3.4 Request demonstration and price quote	2 Days	October 23, 2016	October 25, 2016
17	3.5 Present information to BOD	2 Days	October 26, 2016	October 27, 2016
18	3.6 Obtain BOD approval	3 Days	October 30, 2016	November 1, 2016
19	3.7 Provide system customization/get actual package quote	2 Days	November 2, 2016	November 3, 2016
20	3.8 Purchase software	1 Day	November 6, 2016	November 6, 2016
21	4 IT Department	30 Days	November 7, 2016	December 15, 2016
22	4.1 Integrate software into the bank IT network	14 Days	November 7, 2016	November 24, 2016
23	4.2 Provide applicable computer access of the bank network to the compliance staff	3 Days	November 27, 2016	November 29, 2016
24	4.3 Conduct testing of software	5 Days	November 30, 2016	December 6, 2016
25	4.4 Provide software training to Compliance staff	5 Days	December 7, 2016	December 12, 2016
26	4.5 Establish when the department is ready to commence operation in terms of IT systems	3 Days	December 13, 2016	December 15, 2016
27	5 Get Staff	35 Days	October 10, 2016	December 16, 2016
28	5.1 Determine the organizational structure of the department	5 Days	October 10, 2016	October 14, 2016
29	5.2 Identify the roles and responsibilities of the employees in the Compliance department	5 Days	October 17, 2016	October 21, 2016
30	5.3 Prepare job descriptions	7 Days	October 24, 2016	November 1, 2016
31	5.4 Get BOD approval of job descriptions	5 Days	November 2, 2016	November 8, 2016
32	5.5 Establish if job vacancies will be advertised internally or externally	2 Days	November 9, 2016	November 11, 2016
33	5.6 Determine who will conduct the interviews and when	2 Days	November 14, 2016	November 15, 2016
34	5.7 Hire new staff	5 Days	November 16, 2016	November 22, 2016
35	5.8 Provide training for staff on the Bank's policies & procedures	3 Days	November 23, 2016	November 25, 2016
36	5.9 Establish the date the department will commence operations	1 Day	December 16, 2016	December 16, 2016

4.3 Cost Management Plan

Project cost management includes activities and tools to help you complete your project within the approved budget. (Project Cost Management, 2010-2016)

As stated in PMBOK 5th Edition (PMI, 2013), Project Cost Management is primarily concerned with the cost of the resources needed to complete project activities. The resulting processes which are involved in planning, estimating, budgeting, financing, funding, managing and controlling costs are:

- Plan Cost Management
- Estimate Costs
- Determine Budget
- Control Costs



Figure 19 Project Cost Management (source: compiled by author)

Plan Cost Management

This process provides guidance and direction on how the project costs will be managed throughout the project. The cost for the resources needed to complete the project will include:

- staff wages & overtime

- rental for the office space
- Stationery
- Office equipment & furniture
- Monitoring software (including import duty & currency exchange rate)
- Cost by current processors to integrate software into the bank's IT system
- Training of new staff
- Advertisement cost for job vacancies

For this project, the cost of acquisition would be the price quoted for the monitoring software, the office stationery, equipment, furniture and the integration of the monitoring software into the bank's IT network by its current processors. Additional cost will be incurred such as import duty & exchange rate as the software will be purchased abroad. This may also be applicable to the furniture & equipment that may have to be special ordered from the suppliers if they are not in stock. Due to the project scope and the Schedule, this could prove vital as they will be required within the dates stated therein. Depending on the bank's accounting system in place, the actual costs may be recorded as incurred or may be amortized.

Recurring costs will include staff salaries, annual charges for maintenance of the monitoring software by the vendor, additional monthly charges by the bank's processor due to the addition of the monitoring software into the system and monthly rental income for the office space. The majority of the costs will be incurred before the closing of the project. Additional costs that may be incurred after project closure would include the annual charges from the bank's processors & the software suppliers which are charges beyond their control and that of the bank.

The enterprise environmental factors that can influence the Plan Cost Management include the pay scales of the bank staff which is determined based on the organizational structure of the bank as well as the currency exchange rates for project costs such as the monitoring software that will be purchased from a foreign

country. The organizational process assets that will relate to this project will comprise financial controls procedures such as standard contract provisions for the monitoring software & the bank's IT processor. Historical information and lessons learned from similar projects conducted by the bank will also contribute in addition to existing formal & informal cost estimating and budgeting related policies such as amortization, application of general ledgers and general & specific provisions.

Expert judgment will be contributed by the Finance Manager, the Director of IT and the Credit Risk Officer. The project will be self-funded by the bank and the training of the new staff on the bank's policies and procedures will be conducted by the in-house training officer. Units of measure such as staff days, weeks for time measure and a lump sum in currency form as in the case of the monitoring software will be utilized. Control accounts created will be linked to the existing general ledgers of the bank.

Estimate Costs

PMBOK 5th Edition (PMI, 2013) states that estimate costs are the process of an approximation of the monetary resources needed to complete project activities. For this project, estimated costs will include cost trade-offs such as buy versus lease as in the case of the monitoring software and sharing of resources as in the case of utilizing the bank's training officer to conduct training of the new Compliance staff on the bank's policies and procedures. Costs will be expressed in Belize dollars however currency fluctuation will be taken into consideration as resources such as the monitoring software and integration of the software into the bank's IT network will be sourced from abroad.

Costs will be estimated according to applicable resources such as:

Labour – the bank's staff members who will be working overtime (after regular working hours during the week & on weekends);

Equipment – monitoring software, new computer equipment for the Compliance department, office furniture, office stationery;

Services – IT programming services conducted by the bank's IT processors, training if it is not conducted by an existing staff of the bank

Facilities – rental of office space in the event there is no vacant space to situate the Compliance department.

The project cost estimates will be limited only to the direct project costs. Other constraints that may affect this project include requiring delivery dates such as obtaining approval from the BOD to purchase the monitoring software & the date the department will commence operations. Available skilled workers such as IT personnel and organizational policies all training on the policies and procedures of the bank has to be conducted by the bank's in-house training officer also pose as constraints.

The risk register will include negative risk events that will increase the cost of this project such as in the event the bank's IT staff are not able to work on integrating the software into the bank's IT network or conduct testing of the monitoring software. This will result in outsourcing of IT personnel which will be more costly to the project. This could also result in a delay in the project schedule. Opportunities on the other hand, could benefit this project by reducing cost or fast-tracking the schedule. An example of this would be if the bank's IT personnel are scheduled to work on this project on weekend but in the event, they are able to instead perform the tasks daily after normal working hours then this would reduce the scheduled time.

Bottom-up estimating will be utilized estimating the cost of the individual work packages or activities. Three-points estimating will also be applied to this project with the ranges of most likely, optimistic and pessimistic as stated in PMBOK 5th Edition (PMI, 2013).

Contingency reserve will be allocated for identified risks intended to address the known-unknowns such as rework of some of the deliverables in this project such as conducting testing of the monitoring software and its integration into the bank's

IT network among others. Whether the cost amount will be a percentage of the estimated cost of this project or a fixed number will be determined. A Management reserves will be applicable to address the unknown-unknowns.

Determine Budget

The project budget for this project will include the funds that have been authorized for its execution. The cost estimate for each activity within the various work packages depicted in the WBS will be combined resulting in a cost estimate for each work package. Indirect or other costs will be included in such estimates. The project schedule and resource calendars contain vital information such as start & finish dates and which resources are assigned & when which will contribute to the cost estimates while determining the budget. The risk register will also be reviewed in order to determine how the risk response costs will be combined. Agreement costs will also be included in the determination of the budget. In the case of this project, such costs include the rental agreement for the office space to be rented, agreement with the vendors of the monitoring software and existing agreement with the bank's IT processors. The organizational process assets which may influence the process of determining the budget encompasses amortization which is applicable to recurring annual expenses, applying the costs to existing GLs or temporary ones that will be created especially to this project and weekly, monthly & quarterly reconciliations of such GLs.

The cost estimates for the work packages will be aggregated based on the aforementioned & depicted WBS resulting in the estimate for the entire WBS and project. The contingency & management reserves that make up the reserve analysis are included in the cost estimate for this project. The expert judgment of the Finance manager, IT director & CRO in addition to the bank's IT processors and the banker's association will aid in the experienced guidance when determining this project's budget. The weekly, monthly &/or quarterly reconciliations of the GLs will determine the variance, if any, between the funding limits and the planned expenditure of the project.

The cost baseline, according to PMBOK 5th Edition (PMI, 2013), is the approved version of the time-phased project budget excluding management reserves. It includes the activity cost estimates as well as the contingency reserves.

Chart 12 Cost baseline (source: compiled by author)

WBS Item	October	November	December
1 Location of Office Space			
1.1 Prepare department budget	\$ 15,000.00		
1.2 Establish furniture, and operational equipment needed	\$ 6,000.00		
1.3 Purchase stationery & Office equipment			
2 Legislation			
2.1 Obtain copy of the AML legislation			
WBS Item	October	November	December
2.2 Obtain copy of the legislation for the supervisory authority			
2.3 Create Compliance manual based on both legislations	\$ 2,800.00		
2.4 Submit Manual to BOD			
2.5 Make necessary adjustments/changes			
2.6 Obtain BOD approval of the Compliance manual			
3 Software			
3.1 Search for Compliance software	\$ 500.00		
3.2 Identify three or four software suppliers			
3.3 Conduct due diligence on the suppliers	\$ 600.00		
3.4 Request demonstration and price quote			
3.5 Present information to BOD			
3.6 Obtain BOD approval			

3.7 Provide system customization/get actual package quote			
WBS Item	October	November	December
3.8 Purchase software		\$ 28,000.00	
4 IT Department			
4.1 Integrate software into the bank IT network		\$ 13,360.00	
4.2 Provide applicable computer access of the bank network to the compliance staff			
4.3 Conduct testing of software			
4.4 Provide software training to Compliance staff			\$ 1,000.00
4.5 Establish when the department is ready commence operation in terms of IT systems			
5 Get Staff			
5.1 Determine the organizational structure of the department	\$ 1,500.00		
5.2 Identify the roles and responsibilities of the employees in the Compliance department	\$ 1,500.00		
5.3 Prepare job descriptions	\$ 2,100.00		
5.4 Get BOD approval of job descriptions			
WBS Item	October	November	December
5.5 Establish if job vacancies will be advertised internally or externally		\$ 350.00	
5.6 Determine who will conduct the interviews and when		\$ 500.00	
5.7 Hire new staff		\$ 12,000.00	
5.8 Provide training for staff on the Bank's policies & procedures		\$ 750.00	

5.9 Establish the date the department will commence operations			
Reserves	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
Monthly Planned	\$ 40,000.00	\$ 64,960.00	\$ 11,000.00
Cumulative	\$ 40,000.00	\$ 104,960.00	\$ 115,960.00

Chart 13 Activity resources cost (source: compiled by author)

WBS 1.1 - Prepare department budget

Item	Qty	Rate	Total
Office rental	3 months	\$5,000.00 monthly	\$15,000.00

WBS 1.2 - Establish furniture and operational equipment needed

Item	Qty	Rate	Total
Computer	3	\$1,000.00	\$3,000.00
Office desks	3	\$200.00	\$600.00
Executive chairs	3	\$150.00	\$450.00
Printer	1	\$500.00	\$500.00
Fax Machine	1	\$300.00	\$300.00
Filing cabinet	2	\$575.00	\$1,150.00

WBS 2.3 - Create Compliance manual based on both legislations

	Qty	Days	Hrs/day	Total man hrs	Rate	Total
Project Team Member	1	14	1	14	\$200.00	\$2,800.00

WBS 3.1 – Search for Compliance software

	Qty	Days	Hrs/day	Total man hrs	Rate	Total
Project Team Member	1	5	1	5	\$100.00	\$500.00

WBS 3.2 – Conduct due diligence on the suppliers

	Qty	Days	Hrs/day	Total man hrs	Rate	Total
Project Team Member	1	5	1	5	\$120.00	\$600.00

WBS 3.8 – Purchase software

Item	Qty	Rate	Total
Monitoring software	1	\$28,000.00	\$28,000.00

WBS 4.1 – Integrate software into the bank' IT network

Item	Qty	Rate			Total	
Bank's IT processor	1	\$10,000.00			\$10,000.00	
	Qty	Days	Hrs/day	Total man hrs	Rate	Total
IT Programmer	1	14	1	14	\$240.00	\$3,360.00

WBS 4.4 – Provide software training to Compliance staff

	Qty	Days	Hrs/day	Total man hrs	Rate	Total
IT Programmer	1	5	2	10	\$100.00	\$1,000.00

WBS 5.1 – Determine the organizational structure of the department

	Qty	Days	Hrs/day	Total man hrs	Rate	Total
Project Team Member	1	5	3	15	\$100.00	\$1,500.00

WBS 5.2 – Identify the roles and responsibilities of the employees in the Compliance department

	Qty	Days	Hrs/day	Total man hrs	Rate	Total
Project Team Member	1	5	4	20	\$75.00	\$1,500.00

WBS 5.3 – Prepare Job Descriptions

	Qty	Days	Hrs/day	Total man hrs	Rate	Total
Project Team Member	1	7	3	21	\$100.00	\$2,100.00

WBS 5.5 Establish if job vacancies will be advertised internally or externally

	Qty	Days	Hrs/day	Total man hrs	Rate	Total
Project Team Member	1	2	2 1/2	5	\$70.00	\$350.00

WBS 5.6 – Determine who will conduct the interviews and when

	Qty	Days	Hrs/day	Total man hrs	Rate	Total
Project Team	1	2	5	10	\$50.00	\$500.00

Member						
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WBS 5.7 – Hire New Staff

Item	Qty	Rate	Total
Compliance Staff	3 months salary	\$2,000.00 monthly	\$6,000.00
Compliance Staff	3 months salary	\$1,500.00 monthly	\$4,500.00
Compliance Staff	3 months salary	\$500.00 monthly	\$1,500.00

WBS 5.8 – Provide training for staff on the bank’s policies and procedures

	Qty	Days	Hrs/day	Total man hrs	Rate	Total
Project Team Membe	1	3	5	15	\$50.00	\$750.00

Reserves

Item	Qty	Rate	Total
Reserves	3 months	\$10,000.00 monthly	\$30,000.00

4.4 Quality Management Plan

Project Quality Management will include the activities of the bank that will determine quality policies, objectives and responsibilities so that the project will satisfy the needs for which it was undertaken, which is to create a project

management plan for the organizational structure of the compliance department of a bank.

The three processes are:

- Plan Quality Management
- Perform Quality Assurance
- Control Quality

PMBOK, 5th Edition (PMI, 2013) Edition states that quality measures and techniques are specific to the type of deliverables being produced by the project. For this Project, these measures and techniques will be specific to acquiring qualified & experienced staff members for the new Compliance department and ensuring that the monitoring software provider has a verifiable quality track record among others.

Overworking the project team such as members of the IT Department in the case of this project could result in increased project risks, employee attrition, rework and errors. Since the members of the IT Department are members of the existing staff of the bank who already have daily operational duties that will be done in addition to the requirements of the project, if not addressed could indeed have a high probability of occurring. Rushed planned quality inspections in order to meet the project schedule activities, in this case rushing the testing of the monitoring software could result in undetected errors such as increased post-implementation risks having to absorb the costs of additional customization of the software or eventually having purchase a different monitoring software from another provider/vendor.

Project Quality Management should be compatible with International for Standard Organization (ISO) quality standards, ISO 9000 in its basic approach (PMBOK 5th Edition (PMI, 2013).

The family of ISO 9000 include:

- ISO 9001: 2015
- ISO 9000: 2015
- ISO 9004: 2009
- ISO 19011: 2011

According to the ISO 9000 Quality Management standards which provide for guidance and tools for companies and organizations who want to ensure that their products or services meet customer's requirements and that quality is consistently improved (International Organization for Standardization, 1992). It is also explained that the standard is based on several quality management principles including strong customer focus. It defines how an organization can meet the requirements and is based on the idea of continual improvement. While it does not specify the objectives of quality or meeting customer needs, it indicates the requirement for the organization to internally define such objectives.

A new version of the standard ISO 9001:2015 has replaced the previous version ISO 9001: 2008. It is also stated that the benefits of the new standard include greater emphasis on leadership engagement and addressing organizational risks.

Quality management includes the importance of prevention over inspection, management responsibility and cost of quality. For this project, the importance of prevention over inspection is essential to the quality of the new Compliance department. It could determine whether or not the bank could be fined for deficiencies cited during the inspection by its supervisory authority.

Plan Quality Management

As stated in PMBOK 5th Edition (PMI, 2013), Plan Quality Management identifies quality requirements and/or standards for the project and its deliverables and documents how the project will comply with such. It further provides direction and guidance on how quality will be managed and validated throughout the project.

As the quality planning process, it should be performed along with the other planning processes. In terms of this project, proposed changes to the deliverable "Get staff"

may require an adjustment to cost and schedule which would require an analysis of this impact to the project plans. It could be that there may be the individuals that are applying to fill the vacant posts for the Compliance department are experienced, compliance certified and accredited individuals who are currently employed by other banks. As a result, they may be asking for a salary that exceeds that which was originally budgeted for the position and in addition; they may need to give their current employer a month or two notice of their resignation as is required by the applicable labour laws of the country. If the individual does not comply with the labour laws, he/she may be sued by her employer which may further delay his/her ability to fill the vacant post. Another possible risk could be that the bank with which she will be seeking the new position in the Compliance department might choose to settle the financial debt with the previous employer.

Enterprise environmental factors such as Governmental agency regulations may have an influence on the Plan Quality Management process. The bank in this project is regulated and supervised by the Central Bank of Belize (CBB) and the Financial Intelligence Unit (FIU). Both the CBB & the FIU requires that the bank maintains full confidentiality, have in place an Anti- Money Laundering (AML)/Counter Terrorist Financing (CTF) Compliance Manual, monthly reports and replies to FIU inquiries within the mandatory deadline.

The Organizational Process Assets influencing the Plan Quality Management process for this project includes organizational quality policies, procedures and guidelines. The bank's motto is "The Bank That Gives You More". Its mission is "The Bank is dedicated to maximizing shareholder value by providing superior and innovative banking services tailored to meet the needs of our clients in a cost-effective way by utilizing technology and the skills of a highly-trained cadre of employees". "To Become the Premier Financial Institution in the eyes of our customers, shareholders, employees and the wider community" is it' vision. This is indicative of the bank's quality policy that was endorsed by the BOD and sets its intended direction on implementing its approached in terms of quality management.

Higher productivity, lower costs, less rework, increased stakeholder satisfaction and increased profitability are some of the primary benefits of meeting quality requirements. Attracting good customers, receiving good CBB inspection & audit reviews and acquiring monitoring software providers with a good track record are some of the results of meeting quality requirements in this project.

The cost of conformance refers to the money spent during the project to avoid failures and cost of nonconformance the money spent during & after the project because of failures (PMI, 2013). Relating to this project, some examples include:

Cost of Conformance

- Providing training to new Compliance staff in terms of the bank's policies & procedures, IT system and Compliance monitoring software;
- Selecting a Compliance monitoring software provider with a good track record and reviews;
- Hiring qualified and experienced individuals in the Compliance field;
- Conducting testing of the monitoring software and its integration into the bank's IT system.

Cost of Nonconformance

- Internal failure costs such as insufficient testing of the monitoring software and its integration into the bank's IT system;
- External failure costs such as fines imposed by the CBB &/or FIU;
- Possible suspension or cancellation of the bank's banking license;
- Loss of customers due to public knowledge of fines imposed by the CBB &or FIU;
- Loss of customers due to public knowledge of the suspension or cancellation of the bank's banking license.

Of the seven-basic quality tools which are also known as “7QC” tools which are cause & effect diagrams, flowcharts, checksheets, Pareto diagrams, histograms, control charts and scatter diagrams, checksheets would be applicable to this project. Weekly meetings will be held in order to develop the quality management plan. The attendees will include the CRO, the Director IT and selected project team members.

Perform Quality Assurance

The quality requirements and the results from quality control measurements to ensure that appropriate quality standards and operational definitions are used which, will in turn be audited (PMI, 2013). This will in turn facilitate the improvement of quality processes.

The quality assurance process implements a set of planned and systematic acts and processes defined within the project’s quality management plan as stated in PMBOB, 5th Edition (PMI, 2013), which seeks to build confidence that a future output or an unfinished output will be completed in a manner that meets the specified requirements and expectations. Such acts related to this project would include the following examples:

- Thorough interviewing of the prospective Compliance staff members;
- Thorough testing of the monitoring software;
- Thorough testing of the integration of the monitoring software into the bank’sIT system.

A quality assurance team will oversee the quality assurance activities. Under the supervision of the CRO, the other team members will address continuous process improvement. The resulting quality control measurements will be conducted in weekly meetings organized by the CRO.

The quality management and control tools applicable in this case will include affinity diagrams, process decision program charts (PDPC) & tree diagrams. The quality audits will be conducted by the Director of IT & Operations. Some of the

objectives include offering assistance to improve the implementation of processes to raise the team's productivity and to highlight the contributions of each audit in the lessons learned archives of the bank for future projects such as this one or others.

4.5 Human Resource Management Plan

PMBOK, 5th Edition (PMI, 2013) states that Project Human Resource Management includes the processes that organize, manage and lead the project team. The project team is comprised of the people with assigned roles and responsibilities for completing the project.

The processes that comprise the Project Human Resource Management are:

- Plan Human Resource Management
- Acquire Project Team
- Develop Project Team
- Manage Project Team

Following the creation of the WBS, additional team members may be required to be added to the team. This may lead to additional risk planning and a change in activity durations. The project team is a subset of the project team and is responsible for the project management and leadership activities: initiating, planning, executing, monitoring, controlling and closing the various project phases. As this group can also be referred to as the core, executive and leadership team, in the case of smaller projects such as this one at hand, the project management responsibilities may be shared with the entire team.

Influencing the project team and professional & ethical behaviour are some of the factors pertaining to managing and leading the project team. For this project, the project manager will be required to be aware of the human resource factors impacting the project such as communication among the stakeholders. It must be ensured that constant communication exists among the bank's IT Manager and the monitoring software provider as well as with its IT processors.

Plan Human Resource Management

Plan Human Resource Management is the process of identifying and documenting project roles, responsibilities, required skills, reporting relationships and creating a staffing management plan (which includes the project organization charts) (PMI, 2013). The Human Resource Management plan contains the staffing management plan which includes identification of training needs. For this project, such training needs would be:

- Training on the bank's policies and procedures;
- Training on the bank's IT system;
- Training on the new Compliance monitoring software.

Enterprise environmental factors that may influence the Plan Human Resource Management process include organizational culture and structure, existing human resources and geographical dispersion of team members. Examples are:

- Organizational culture and structure – the employee employment requirement is the possession of at least an Associate's Degree;
- Existing human resources – current employees of the bank that may be qualified to carry out some of the activities required of the project team;
- Geographical dispersion of team members – certain team members may be stationed at the various branches of the bank which are hundreds of miles from each other.

Organizational process assets include but not limited to templates for organizational charts & position descriptions and organizational standard processes and role descriptions. The organizational charts & position descriptions for this project will be reflected the organizational structure of the bank and the job descriptions related to the various posts in the departments.

Of the various formats that exist in which the team members roles and responsibilities are documented, most fall into one of the three types namely hierarchical-type charts, matrix-based charts and text-oriented formats (PMI,2013). The hierarchical-type chart will be applied to this project depicting the organizational structure of the project team. The positions and relationships will be shown graphically in the top-down format.

PMBOK, 5th Edition (PMI, 2013) describes networking as the formal and informal interaction with other in an organization, industry or professional environment. it is a constructive way to understand political and interpersonal factors that will impact the effectiveness of various staffing management options. It is further stated that human resource management benefits from successful networking by improving knowledge of and access to human resource assets such as strong competencies, specialized experience and external partnership opportunities. For this project examples would include:

- Subscribing to AML providers in order to receive regular newsletter & updates as well as upcoming webinars and conferences;
- Attending AML conferences where networking could be done with Compliance individuals both nationally and internationally;
- Informal conversations with heads of other Compliance departments in banks & other financial institutions in the community;
- Attending symposiums spearheaded by the CBB & FIU.

Expert judgment of the MD, CRO and Director of Human Resources will be utilized in order to develop the human resource management plan. Their over sixty years combined experience in banking, compliance and human resources will be valuable in setting out the framework for the requirements and required skills, the roles required along with their description and the resources needed to meet the project objectives among many others. Subsequent planning meetings will be held in order for the team to agree and establish the human resource management plan. Some of the essential ingredients of the plan are:

- Roles and responsibilities
- Project Organization Charts
- Staffing Management Plan

Acquire Project Team

This is the process of confirming human resource availability and obtaining the team necessary to complete project activities (PMI, 2013). It outlines and guides the team selection and responsibility assigned to obtain a successful team.

In this project, the project management team will have direct control over the team member selection due to various reasons but especially due to internal reporting relationships. Since most of the members will be existing staff of the bank, the team leaders would have already had direct control of the members who are part of their department of the bank conducting daily operational and functional duties. It is important. In the event the activities cannot be carried out by existing staff members then the project management team may or may not have direct control over the selection of the team members.

It is important for the project manager and project management team to adequately negotiate and impact other stakeholders who may be in a position to provide the human resources needed for the project. Training on the bank's policies and procedures are usually conducted by the Training officer who falls directly under the Director of HR. In the event he/she is unable to conduct such training for this project, then the project management team or project manager may negotiate with other staff members who are qualified to conduct such training or seek to outsource such activity. Such actions are necessary as failure to acquire the necessary human resources for the project may affect project schedules, budgets, quality and risks among others.

In this project, staffing assignments will be negotiated. The project management team will need to negotiate with functional managers so that the project can

receive qualified staff who are in a position to comply with the required task of the project schedule and external vendors & suppliers in this case for the specialized human resources that will be needed to install the monitoring software and provide training to the bank. Again, the project management team's influencing ability will be important in negotiating with the functional manager. For example, in this case of this project, the programmer that may be ideal to conduct the programming activities needed may be already assigned to another project that is halfway through the schedule which is on schedule. The team's negotiating qualities may actually sway the functional manager to give up the programmer. Virtual teams will be applied to this project in the case of the bank's IT processor and the monitoring software provider who are both overseas. This will save on costs that would have been incurred as travel and accommodation expenses.

Another tool used in the acquiring the project team is selection criteria. The multi-criteria decision is used to score the prospective team members according to availability, cost, experience, ability, knowledge, skills, attitude and international factors. Regarding this project, a prospective member of the project team such as one of the programmers may be excellent in his/her programming skills however he /she may lack experience that will contribute to a successful project as well he/she may lack the proper attitude required for the project as the individual may have a huge problem working with other team members as a team as he/she may always think that their way of doing things is the right and only way.

Develop Project Team

According to PMBOK 5th Edition (PMI, 2013), developing project team is the process of improving competencies, team member interaction and overall team environment to enhance project performance. It results in improved teamwork, enhanced people skills and competencies, motivated employees, reduced staff turnover rates and improved overall project performance.

One of the main and most important duty of the project manager is to develop adequate project teams. As teamwork is very important to the success of the project, it is the duty of the project manager to continually motivate their team members. This can be achieved by providing challenges and opportunities such as open and effective communication & developing trust among the team members.

In the process of developing the project team it improves the overall environment of the team and project performance by improving technical competencies and people skills. The objectives of developing a project as stated in PMBOK, 5th Edition includes:

- Improving knowledge and skills of team members;
- Improving feelings of trust and agreement among team members;
- Creating a dynamic, cohesive and collaborative team culture.

The project team members for this project include:

- The project manager
- The Credit Risk Officer
- Compliance Manager
- HR Director & Manager
- The IT Director & Manager
- The Managing Director
- The Board of Directors
- The Training Officer
- The new Compliance Staff
- Software Providers

Interpersonal skills which are sometimes referred to as “soft skills” (PMI, 2013) are behavioural competencies that include proficiencies such as communication skills,

team building & negotiation among others. These can prove to be assets in this process. For instance, in the project, one of the computer programmers may be accustomed to working alone and being his own team. However, if assigned to this project, he would have to learn and be able to work amicably along with the other members of the project team for the success of the project.

Training activities may be provided to enhance the skills of the project team members. As such training may be formal or informal, they may include on the job training from another project team member, mentoring or computer-based. The project work may assist in developing team members who have shortcomings in their management or technical skills.

It is the objective of team building activities to improve interpersonal relationships which can help individual team members work together effectively. Team building is usually an ongoing process essential to the success of the project. Observation and conversation between the project manager and project team members are helpful as the project manager should constantly be monitoring the team's function and performance. This would result in actions that may be required to prevent or correct various team problems.

Manage Project Team

The process of managing project team includes providing feedback, resolving issues and keeping a record of the performances of the team members. (PMI, 2013). It influences team behaviour, manages conflict, resolves issues and appraises team member performances. The human resources defined and staffed will be managed, controlled and eventually released. The organizational process assets that may influence the manage project team includes bonus structures, corporate apparel and newsletters. In this project, bonus structures may be introduced if the project is completed six months ahead of schedule provided the additional costs does not exceed 10% of the original budget. As well, a weekly

newsletter may be created to keep the project management team abreast of the progress being made in the project.

Observation & conversation, project performance appraisals, conflict management and interpersonal skills are effective tools and techniques related to the managing project team. Enterprise environmental factors that may require updates include personnel skills updates. The IT programmer may have acquired additional training not related to his/her IT skills that may make him/her more rounded as an employee of the bank.

4.6 Communications Management Plan

Project Communications Management includes the processes that are required to ensure timely and appropriate planning, collection, creation, distribution, storage, retrieval, management, control, monitoring and the ultimate disposition of project information (PMI, 2013). This process includes:

- Plan Communications Management
- Manage Communications
- Control Communications

These processes are surrounded by communication activities such as internal & external, formal & informal, vertical & horizontal, official & unofficial, written, oral, verbal & non-verbal. Most of these activities will be applicable to this project. Internal communication will be with other bank staff as the majority of the activities will be conducted by existing staff members of the bank. External will be conducted with the monitoring software vendor, the bank's IT processors, the CBB & FIU among others.

According to PMBOK, 5th Edition (PMI, 2013), most communication skills are common to both types of management, namely project and general management. These skills include:

- Educating to increase the team's knowledge so that they can be more effective- meetings, internal emails and internal newsletters would prove effective for this project to communicate with project team members internally in the bank;
- Setting and managing expectations – the general objective as well as the specific objectives of this project, will be reflected in the project schedule which will be the yardstick to set, measure & manage the expectations of this project;
- Persuading a person, team or an organization to perform an action – persuasive communication skills may be needed to persuade a functional manager to allow one of his/her operational staff to take on the function of being a member of the project team as priority over his/her daily operational tasks for the life of the activity of the project to which he/she is assigned to;
- Negotiating to achieve mutually acceptable agreements between parties – in the case of this project, this may be applicable to agreements and/or contracts with the bank's IT processors and/or the vendor of the monitoring software.

Plan Communications Management

In this process, a suitable plan is created for the project communication based on the informational needs of the stakeholders in addition to their requirements and organizational assets that are available. As stated in PMBOK, 5th Edition (PMI, 2013), the key benefit is that it identifies and documents the approach to communicating most effectively and efficiently with stakeholders.

One of the vital contributing factors that can greatly affect the success of a project is the planning of the project communications. In the majority of projects, communications planning is done rather early for example during a project management plan which the objective of this project. In this project, this would allow pertinent resources to be allocated to the communications activities such as

time and budget. Several communication activities will be required especially with the software vendor, the bank's IT processors and the functional managers.

It is crucial that the mode in which storage, retrieval and project information that is communicated be archived accordingly. Such information may be stored on the project drive on the bank's server. It will be crucial for important considerations to be documented such as who will be authorized to access the information and when the information will be required. Not all the team members in the project team will be required to have access to all the information related to the project which is saved in that drive. As well, specific members of the project team may have the application access credentials however if it is not known when the information will be required, then when the need for access surfaces, the credentials may have previously expired. This could result in a delay in the project schedule as well as an increase in the project budget.

Enterprise environmental factors such as the organizational structure of the bank could have considerable effect on the on the communication requirements such as the bank's reporting chain of command. For example, the Project Manager may have to communicate with the Director of HR prior to communication with the Training officer as based on the bank's organizational structure, this is the existing reporting policy.

The analysis will need to be conducted on the required suitable means of communication that will be applicable to the various stakeholders. Emails, teleconference and webinars among other would prove efficient in dealing with stakeholder such as the monitoring software vendor/provider. One of the sources of information usually used to pinpoint and subsequently, define the project communications requirements is the internal information needs as in when communicating within organizations and in the case of this project, within the bank. For the stakeholders of the project that are existing employees of the bank, an internal project email may be created thus allowing quick access to vital information while conducting their daily tasks.

Factors that may determine the communication technology choices include:

- Urgency for the need for information – the frequency & urgency of the information to be communication may be applicable in terms of providing software training to the Compliance staff;
- Availability of technology – email and computer access may prove to be crucial in the communication activities required for the success of this project. As such, the bank in this project will be required to have internet access readily available;
- Sensitivity and confidentiality of the information – computer access to the bank's IT network will be granted to the Compliance staff, however aspects of the information will be sensitive and confidential, additional security measure in term of their log in credentials may be required.

Communication modes such as the basic communication model that comprises the sender and receiver may be applied to this project. PMBOK, 5th Edition (PMI, 2013) states that the medium is the technology medium and includes the mode of communication while noise includes any interference or barriers that might compromise the delivery of the message. Noise in this instance may include the following:

- Unavailability of technology – while internet access may be available, it may be that upgrades of existing systems in the bank that is required for the project to progress may not have been previously addressed;
- Insufficient system login credentials – while the basic system login credentials may have been granted to the members of the project team, those members whose tasks require that they are granted enhanced credentials to access critical and confidential information required to complete a project phase may not have been processed.

The steps of the basic communication model are:

- Encode
- Transmit message
- Decode
- Acknowledge
- Feedback/response

The message which should be clear and complete is sent by the sender who should ensure that it is understood precisely by the receiver. In addition to ensuring that the entire message sent is fully understood, it is rather very important that it be acknowledged and responded to accordingly. In this project, it could be that email messages will be sent to team members however these could end up in their junk mail which is not checked regularly. Therefore, it is important for both the sender and the receiver to ensure that messages are properly circulated.

Interactive, push and pull communications are communication methods that are used in projects to share information among the shareholders. All three methods will be applicable to this project as meetings, video conferencing, email & internet sites among the communication activities to be utilized. The choice (s) chosen however may be discussed in order establish the method of choice.

The discussions and dialogues needed for the plan communications management as well as the response to the requests from stakeholders are usually conducted via meetings be it face to face, online in various locations. Such meetings for this project may be conducted face to face with the project team members who are staff members of the bank. The online meeting may be conducted by the software provider and also with the bank' IT processors. Stakeholders usually meet for the purposes of decision making or problem solving. Whereas meetings may be simple discourses, the majority of project meetings are rather formal and the schedule is circulated in advance.

Manage Communications

As stated in PMBOK, 5th Edition (PMI, 2013), manage communication is the process of creating, collecting, distributing, storing, retrieving and the ultimate disposition of project information in accordance with the communications management plan. An adequate and valuable flow of information among the stakeholders is the resulting key benefit.

In addition to the dissemination of information that is pertinent to the project, manage communication pursues the task of ensuring that information intended for the stakeholders are produced according to and it is confirmed that such is received and fully understood. Therein, the process makes way for audience whereby the stakeholders may request additional information for clarification and thereafter discussion. Effective communication management includes the following which may be applicable to this project:

- Sender-receiver models – relating to internal emails sent to the bank, a timeframe such as a twenty-four period may be set by the sender to allow feedback from the intended recipient;
- Listening techniques - emails may be initiated by the IT department to the new Compliance staff however, the information may have been technically written and as a result of the uncertainty of the material, although it was received it may not be acknowledged and clarified;
- Meeting management techniques – it is vital that an agenda is prepared and any existing conflicts are addressed. A meeting may be called with the project team members from the IT department and the new Compliance staff. While the purpose of the meeting may be to ensure that the new staff members have received appropriate training on the new monitoring software, an agenda could indeed ensure that firstly the staff has proper access to the bank's IT system with the appropriate security features.

Enterprise environment factors such as (i) organizational culture and structure & (ii) government of industry standards and regulations may influence this process. Due to the organizational structure of the bank, there may be a delay in the dissemination of information since such may have to be sent prior to the project team member's functional manager. Due to the sensitive and confidential nature of governmental Compliance matters, there may also be a delay in the intended information being received as it may have to be sent to the CRO or MD first as per legal protocol.

In this project, some of the tools that may be utilized to manage project information include hard-copy document management (which includes memos & reports), electronic communication management (which includes emails & web conferencing) and electronic project management tools (which includes project management software). Performance reporting in which performance reporting is the process whereby performance information is gathered and shared. Whereby the formats of these status reports may be simple or more detailed, in this project for example, the current status of risks & issues may be reported to the bank's BOD or the Audit Risk Management Committee.

4.7 Risk Management Plan

Project Risk Management includes the processes of conducting risk management planning, identification, analysis, response planning and controlling risk on a project (PMI, 2013). It is further stated that the objectives are to increase the likelihood and impact of positive events and decrease the likelihood and impact of negative events in the project.

The processes are:

- Plan Risk Management
- Identify Risks
- Perform Qualitative Risk Analysis

- Perform Quantitative Risk Analysis
- Plan Risk Responses
- Control Risks

According to PMBOK 5th Edition (PMI, 2013), a project risk is an uncertain event or condition that, if it occurs, has a positive or negative effect on one or more project objectives such as scope, schedule, cost and quality. Such risk may have one or more causes and if it occurs, it may have one or more impacts. A risk to this project may be the lack of available qualified staff to fill the vacant posts in the new Compliance department. One of the causes may be a given or potential requirement such as the new Compliance manager is required to be AML certified.

The risk could be the most of the AML certified applicants have been with their current employers for many years and are receiving a very attractive salary hence to leave that position would require a far more attractive increased salary in addition to excellent benefits. These uncertain events, if they do occur in this project may have an impact on its scope, cost, schedule, quality or performance. For this project, an applicable risk condition would be dependence on external participation that is outside the project's direct control such as the software provider and the bank's IT processor.

A known risk in this project could be that CBB &/or FIU is delayed in providing the copies of their AML legislation to the bank. Known risks are those which have been determined as such and therefore analyzed making for the possibility of planned responses. Those that cannot be handled is usually categorized as a contingency reserve.

Organizations such as the bank in this project view risk as the impact of uncertainty on project add its organizational objectives. Usually the risk attitudes of the organization and the stakeholders may be influenced by several factors usually divided into the below three categories:

- Risk appetite
- Risk tolerance
- Risk threshold

The risk may be either positive or negative and as such these are referred to as opportunities & threats. A project may be accepted if the risks fall within the organization's tolerance and as well are in line with the rewards that may be gained after taking such risk. In this project, there may be the risk that none of the applicants to fill the vacant post of Compliance manager is AML certified as is required by the CBB & FIU. It may be that there is an existing staff whom over the years have been conducting the Compliance tasks of the bank as needed. This staff could be promoted to the post of the Compliance Manager and thereafter he or she may take the AML certification exam and become certified. The reward to the bank would be that they now have an AML certified Compliance manager who is also experienced in the various operational policies and procedures of the bank.

Plan Risk Management

Plan risk management is the process of defining how to conduct risk management activities for a project with the benefit being to ensure that the degree, type and visibility of risk management are consistent with both the risks and the importance of the project to the organization (PMI, 2013). Communication and support among the stakeholders is an important aspect the risk management plan.

Enterprise environmental factors include risk attitudes, thresholds and tolerances which describe the extent of risk that an organization such as the bank in this project may influence the plan risk management. An important aspect relating to risk in this project is the matter of confidentiality as it pertains to information received and forwarded to the CBB & FIU as well as the confidentiality of the information pertaining to the daily operational activities in the Compliance Department. As a result, it would have to be ensured that proper due diligence was conducted on the monitoring software provider in order to confirm their track record

and to establish that there was no previous breach of its security features that would have led to a compromise of their customer's confidential information.

The organizational process assets that may influence the plan risk management in this project include the roles & responsibilities and the authority levels for decision making. Within the bank in this project, the CRO who is on the authority level of the directors is responsible for risk.

The expert judgement in this project may include the BOD, the MD and the CRO who are all experienced bankers with over twenty years of banking, accounting and auditing expertise.

Meetings to develop the risk management plan may primarily be held with the Project Manager and the CRO and thereafter with selected members of the project team and as well others within the organization who has the responsibility to manage risk planning and execution activities. The cost elements and schedule activities relating to risk management are developed and included in the budget and schedule of the project. At this point, the risk contingency reserve application may be established or reviewed.

The risk management plan encompasses the activities of risk management including methodology, roles and responsibilities, budgeting, timing and risk categories among others.

Identify Risks

Identify risks is the process of determining which risks may affect the project and also documenting their characteristics (PMI, 2013). It is also stated that key benefit is the documentation of existing knowledge and the ability it provides to the project team to anticipate events.

The project team members, the project manager and stakeholders among others are those who may take part in risk identification activities. It is very important though that all personnel related to the project be encouraged to highlight any likely risk.

Risks may be identified and tracked at the summary, control account and/or the work package levels. As the WBS encourages the understanding of the likely risks both at the micro and macro levels, it is considered a critical input to the identification of risks. In this project, risks may be identified for example in “3.3 – Conduct due diligence on the suppliers” and “3.7 – Provide system customization/get actual package quote”. A review of the activity cost estimates usually proves useful in the identification of risks as they provide a calculable estimate of the cost in order for the schedule activities to be completed. For example, the estimate for “4.4 – Provide software training to Compliance staff” may result in the projection revealing whether the estimate is sufficient or not. Activity durations reviews are likely important as they identify the risks relating to the time allowances for the project activities. In the case of “4.4 – Provide software training to Compliance staff” the time allowance is 5 days.

In order to identify risks in a project, a review of the project documents may be conducted including plans, assumptions, agreements and other such information.

Information gathering techniques used in identifying risks that may be applicable to this project include:

- Brainstorming – this will be conducted by the project team under the leadership and guidance of the bank’s CRO. Risks may be categorized such as in the RBS which can be used as the framework. Categorization of the risks may follow and subsequently their definition.
- Root cause analysis – this technique is used to establish a problem, reveal the cause and thereafter create an action to prevent such. In this project,

the problem may be when it comes to purchasing the software. The cause could be that the software provider increased the previously quoted price. A possible preventative action could be that a signed quote could have been obtained from the supplier.

The strengths, weaknesses, opportunities and threats (SWOT) analysis technique examines these contexts within a project. The organization's strengths and weaknesses are identified with a focus on the organization, the project or general business area. The opportunities for a project may be identified by the strengths of the organization and the threats from its weaknesses. For the bank in this project, one of the main strengths is that they are well established in the local banking industry capturing more than forty five percent of the bankable population which is shared amongst three other local banks. Its weakness is the lack of a Compliance department within the organization which is a legislative requirement of the supervisory authorities of the CBB and the FIU.

According to PMBOK 5th Edition (PMI, 2013), the primary output from the identify risk is the risk register, which is a document in which the results of risk analysis and risk response planning are recorded. The information included in the risk register is a list of identified risks and the list of potential responses.

Perform Qualitative Risk Analysis

PMBOK, 5th Edition (PMI, 2013) states that perform qualitative risk analysis is the process of prioritizing risks for further analysis or action by assessing and combining their probability and impact. The key benefit is that it enables project managers to reduce the level of uncertainty and to focus on high-priority risks.

Identified risks are prioritized using their relative probability or possibility of it occurring, its impact on the objectives of the project if the risks were to occur, in addition to other factors such as the time frame for responses and the risk tolerance of the organization that are associated with the project constraints of

cost, schedule, scope and quality. These are all assessed by performing qualitative risk analysis (PMBOK 5th Edition (PMI, 2013)).

It is vital that the definitions of the probability and impact levels of being established in order to reduce the influence of bias. In this project the probability and impact will be defined as follows:

Chart 14 Probability definition chart (source: compiled by author)

Probability (P)
1 – very low (Not expected to occur as it has not occurred over a year).
2 – low (Not expected to occur as it has not happened in the last nine months).
3 – medium (Has a good possibility of occurring as it happened six months ago).
4 – high (Has a very, very likely chance of occurring as it happened twice in the past three months).
5 – very high (Could definitely occur as it happened twice in the past month).

Chart 15 Impact definition chart (source: compiled by author)

Impact (I)
1- insignificant (Impact is next to none affecting the project as it relates to cost, schedule, scope and quality).
2 – minor (Impact is very minute as it relates to the project's cost, schedule, scope and quality).
3 – moderate (Impact could have a noticeable effect on the project's budget as it relates to cost, schedule, scope and quality),
4 – serious (Impact could have a very critical effect on the project's budget

resulting in a financial loss as it relates to cost, schedule, scope and quality).
5 – very serious (Significant financial losses exceeding 25% of the project's budget as it relates to cost, schedule, scope and quality.

The assessment of risk probability investigates the possibility that each specific risk will occur and the risk impacts the likelihood of the consequence on the objective of the project as it relates to schedule, cost, quality or performance as indicated above.

The importance of each risk is evaluated and the preference for attention is usually conducted using a look-up table or a probability and impact matrix. The matrix depicts customization of specific combinations of the probability and impact resulting in ratings such as low, moderate or high priority as is shown in the below matrix relating to this project.

P x I
1 to 5 – very low
6 to 10 – low
11 to 15 – medium
16 to 20 – high
21 to 25 – very high

Figure 20 Probability and Impact Matrix (source: compiled by author)

Perform Quantitative Risk Analysis

PMBOK, 5th Edition (PMI, 2013) states that perform quantitative risk analysis is the process of numerically analyzing the effect of identified risks on overall project objectives with the key benefit being that it produces to support decision making in order to reduce project uncertainty.

This process is succeeded by performing qualitative risk analysis however whether it is required or applicable to a project is determined by the expertise of the project manager. Perform quantitative risk analysis should be repeated as needed as part of the Control Risk process to determine if the overall project risk has been satisfactorily decreased (PMI, 2013). This process will be applicable as well to this project. E.g. the programmers from the IT department within the bank may not be available on the days as per the project schedule. As a result, the IT programmer that the bank would have to require would firstly have the cost of retainer fee of \$10K and an hourly rate of \$500.00. This would be an additional cost exceeding over \$15K of the original project budget.

Quantitative risk analysis and modeling techniques applicable to this project include sensitivity analysis and modeling & simulation. Sensitivity analysis identifies the risks that may have the most likely impact on the project and the interaction of the changes in the objectives of the project with those in different unknowns. It reviews the effects on uncertainties against the objectives under study. This is displayed in a Tornado diagram depicting examples of risk that may affect this project.

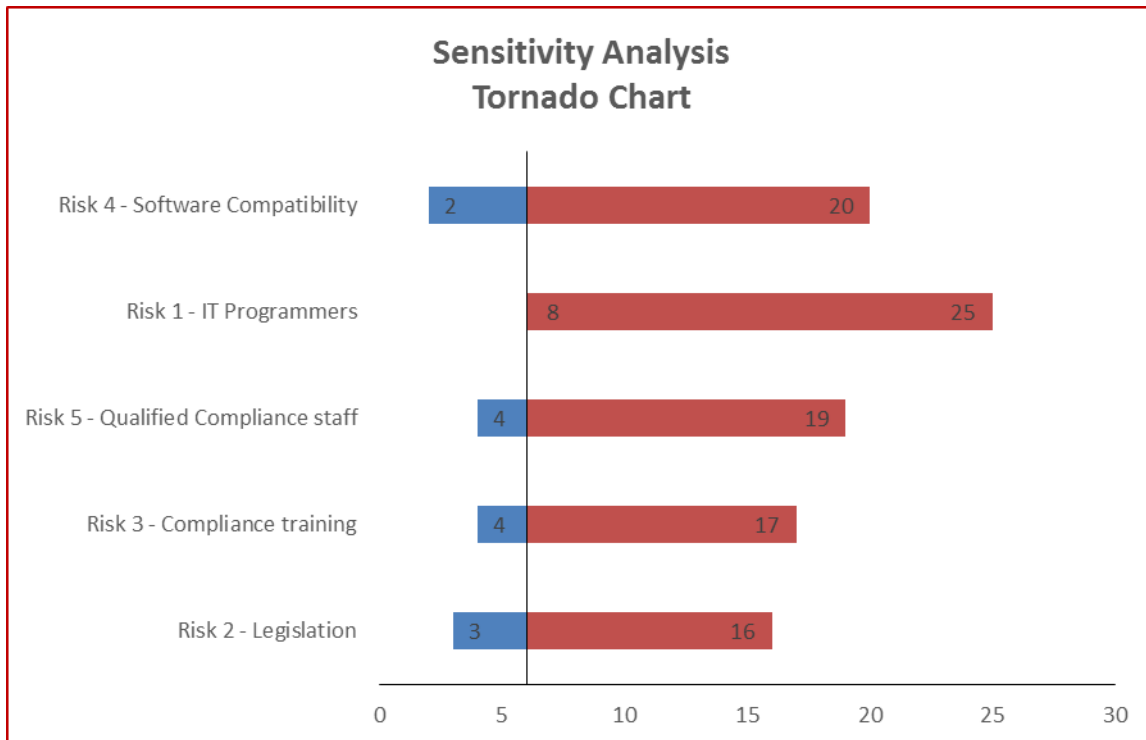


Figure 21 Tornado Diagram (source: compiled by author)

Modelling and simulation as stated in PMBOK, 5th Edition (PMI, 2013), a project stimulation uses a model that translates the specified detailed uncertainties of the project into their potential impact on project objectives. Normally simulations are conducted with the use of the Monte Carlo technique. The applicable input values may be cost estimates and activity durations.

For this project, experts with applicable and recent experience were not available however the bank's CRO & MD's vast banking experience may be valuable to determine likely cost & schedule and determine the likelihood.

Plan Risk Response

Plan Risk Responses is the process of developing options and actions to enhance opportunities and to reduce threats to project objectives with the key benefit being that it addresses the risks by their priority, inserting resources and activities into the budget, schedule and project management plan as needed (PMI, 2013).

A system must be in place whereby for each risk response noted, it is vital that the system is used be fully understood. Identification of the owner for the risk response is also included. For this project, the CRO may be responsible for risk responses. It is important that the risk response applicable to the identified risk, cost-effective in addressing the challenge posed by the risk, practical for the specific project, in agreement by all individuals involved as well that it is relevant that the owner of the risks be an individual that is trustworthy. In this Project, the owners will be identified by the CRO & the MD.

There are various strategies and the appropriate strategy of a combination of strategies that is applicable should be chosen for each risk. Risk analysis tools such as decision tree analysis may be chosen to select the response that is most applicable. In the event a strategy that was chosen turns out not to be an effective as anticipated, a fallback plan may be applied. Another important aspect is the secondary risk which usually surfaces after a risk response is applied. In this project, a fallback plan may be applicable or needed in the event the IT programmers from the bank would not be able to conduct the required activities of the project schedule. The tasks would then have to be outsourced to IT programmers external to the project. Another may as well be in the event the bank's Training officer would not be available to conduct the training for the Compliance staff on the bank's policies and procedures as per the schedule, a plan to determine if whether the fallback would be to outsource the tasks to an individual external to the project in the form of a training consultant or another external to the project in the form of another staff member of the bank that may qualify to take up the task.

Avoid, transfer or mitigate are the three categories that are usually applied to threats or risks which may impact the project negatively. Accept is the fourth strategy however this may be applied to both negative and positive risks or threats & risk or opportunities. Avoidance and mitigation are usually applicable to risks which are considered critical to a high impact. Transference and acceptance on the

other hand, are usually applied in situations where the threats are less critical and the impact, low.

- Avoid/Mitigate – in this project, risks that may be considered critical with a high impact is the acquisition of the software monitoring software and its compatibility with the bank's IT network. The risk of the software vendor having prior instances where their customer's confidential data was compromised can be considered a critical that may result in a very high impact on the project. These strategies may also be good in addressing the risk of the monitoring software not being compatible with the bank's IT network as this may result in the bank having to incur the cost of purchasing a new software. Both risks which would highly impact the project's budget and schedule.
- Transfer/Accept – for this project, a risk that may be considered where the threat is less critical is the provision of training for the Compliance staff on the bank's policies and procedures which are to be conducted by the bank's Training Officer. The risk of the training officer not being available to conduct the training as per the project schedule may be considered less critical and the impact rather low. These strategies may be considered applicable in addressing this identified risk as the task may be accepted and transferred to either a training consultant external to the project or to another member of the bank staff who may be experienced and qualified enough to conduct the training.

Three response strategies apply to risks with positive impacts on the project objectives namely exploit, enhance and share. As aforementioned, the fourth strategy of acceptance is applicable to both negative and positive risks & threats and risks & opportunities.

- Exploit – is used for risks with positive impacts usually where it is the organization's intent to guarantee the realization of the opportunity. For this project, this would be applicable in adding additional programmers from the IT department to the project in order to reduce the scheduled time and subsequently the completion time.
- Enhance – is used to increase the likelihood and/or positive impacts of an opportunity. In this project, adding additional IT staff to conduct the software training to the Compliance staff in order to contribute to a reduced activity time on the project schedule.
- Share – is used to allocate some or almost all of the control of opportunity to a third party best suited to seize the opportunity for the project's benefit. In this project, sharing the tasks of conducting testing of the monitoring software as well as providing software training to the Compliance staff may be shared with the bank's current IT processors so that both may gain for the actions conducted.

Expert judgment may be obtained from the CRO & the MD with assistance from the IT, Finance & Operations directors. As a result of identified risks, various elements of the project management plan may be updated including the schedule, cost and procurement management. In the event the bank's IT programmers that are assigned to the project are unable to undertake the activities as per the project schedule, that would result in the acquisition of IT programmers from an external source thus affecting the schedule (the programmers might not be able as needed based on the schedule), the cost (there may be a retainer fee in addition to an increase in the per hour charge) and procurement (the original project management plan might have addressed as being sourced from in-house as opposed to an external source).

4.8 Procurement Management Plan

PMBOK, 5th Edition (PMI, 2013) states the project procurement management includes the processes necessary to purchase or acquire products, services or results needed from outside the project team. It is further stated that the organization can be either the buyer or seller of the products, services or results of a project.

Included in this process are contract management needed in the development and administration of contracts or purchase orders administered by the project members authorized to do carry out such. For this project, contracts may be applicable to the vendor of the monitoring software and the bank's current IT processors. Purchase orders may be applicable to purchases relating to computers, office furniture, office equipment and stationery among others.

The control of contracts issued by external organizations as well as carrying out of the agreements of the contract assigned to the project team based on the contract. This process includes:

- Plan Procurement Management
- Conduct Procurements
- Control Procurements
- Close Procurement

Agreements which include legal documents such as contracts are included in the project management plan. In this project, agreements such as these may be applicable with the acquisition and purchasing of the monitoring software and the additional terms & conditions with the bank's current IT processors based on the integration of the monitoring software into the bank's IT system. It is the responsibility of the project management team to ensure that the procurements such as these meet the specific needs of the project while complying with the organization's procurement policies, in this case, the bank. Purchase orders also fall under the umbrella of a contract.

Contracts and agreements are legally binding documents and as such the review and approval process is rather lengthy. The priority of this process is the assurance that the wording of the contract defines the products, services or results needed by the project as defined in the project objectives. The assumption is that the buyer of a procurement is from the project team, the seller is external to the project's organization (in this case the bank) & the resulting relationship between the two is that of a buyer and seller. There exists however, non-contractual work set out with internal units of the project team's organization such as the other departments of the bank in this project.

Plan Procurement Management

According to PMBOK 5th Edition (PMI, 2013), Plan Procurement Management is the process of documenting project procurement decisions, specifying the approach and identifying potential sellers with the key benefit of determining whether to acquire outside support and if so, what to acquire, how to acquire it, how much is needed and when to acquire it.

The requirements of the project, that can be satisfied by acquiring products, services or results outside the organization of the project as opposed to those which can be satisfied are established in Plan Procurement Management.

The evaluation of potential sellers/vendors is incorporated in this project. In this project evaluation will be conducted on three or four potential vendors of Compliance monitoring software. Decisions made in the development of the procurement management plan may have an influence on the project schedule and make-or-buy analysis among others.

Components of the works that may be resourced externally are depicted in the work breakdown structure (WBS). The WBS dictionary identifies the deliverables in each WBS component that is needed in the production of each deliverable. In this project the following works may be outsourced:

- Acquisition of office equipment (computers, filing cabinets, fax machine, stationery)
- Acquisition of office furniture
- Office rental
- Compliance monitoring software
- Integration of the monitoring software with bank's IT system
- IT programmers
- Training for staff on bank's policies and procedures

Enterprise environmental factors that may influence the Plan Procurement Management process includes:

- Products, services and results that are available in the marketplace – for example in this project products such as computers, filing cabinets and stationery will be bought from selected suppliers however where such are in stock and available for purchase needs to established.
- Suppliers including their past performance or reputation – in this project, due diligence may be conducted on potential suppliers for the monitoring software to establish their track record. Such may be conducted via searches done on Google, Better Business Bureau, blogs and feedback from other organizations/customers that had utilized the services.
- Unique local requirements – in this project, since the Compliance monitoring software may be acquired from abroad, the applicable local requirements may include the exchange rate and the ability to forward the funds to the supplier via wire transfer. The matter of the wire transfer is crucial as several banks have recently lost their correspondent banking relationship and as a result, the countries associated with the incoming and outgoing wires are closely monitored. Therefore, the bank would need to ensure that the

country where the supplier is located is not on the list of sanctioned countries that the bank is prohibited from conducting business with.

Several types of contractual agreements exist and those utilized by the organization may influence the agreements therein the Plan Procurement Management process. These include an established multi-tier supplier system consisting of prequalified sellers who are selected based on previous experience. For this project, the sellers of stationery, office equipment and office furniture may be included in this system list as the bank has prior experience as similar purchases are done for the other departments of the bank.

Fixed price and cost reimbursable are the two vast families that capture legal contractual relationships. Time and materials contract is a third hybrid type that also exists. This project will fall into the category of fixed-cost contracts which involves setting a fixed total price for a defined product, service, or result to be provided as stated in PMBOK, 5th Edition (PMI, 2013). Of the three sub-categories of fixed-cost contracts: Firm Fixed Price Contracts (FFP), Fixed Price Incentive Fee Contracts (FPIF) & Fixed Price with Economic Price Adjustment Contracts (FP-EPA), FFP will be applicable being the most commonly used type of contract. The FFP is commonly used by most organizations as the price for the goods are fixed in the beginning change only occurs in the event there is a change in the scope of work. In this project, the price quoted from the monitoring software provider will be provided on a proforma invoice that such will be fixed. This will also be applicable to the price quotes from the vendors of the computers, stationery, office equipment & furniture.

A general management technique used to establish if a particular work may best be achieved by the project team or if it is best that it be acquired from an external source is referred to the make-or-buy analysis. Organizations may have the means to accomplish a work however these may be assigned to other projects. In order to comply with the commitments of the project schedule, the resources need

may have to be acquired externally. In this project, below are examples of work whereby the bank has the means but due to assignments to other work commitments within the bank, they may need to be sourced external to the bank:

- Office rental – there may exist an office within the bank which can be utilized for the new Compliance department however the bank may already have plans to use it for the extension of another department within the bank. As a result, the project team may need to look for a suitable office space for rental outside of the bank.
- Provide applicable computer access of the bank network to the Compliance staff – this is to be conducted by the members of the IT department assigned to the project. However, they may be unable to conduct the tasks as they may be assigned to other projects for the banks which have priority over this one. The IT department is currently working on the automated clearing house (ACH) project to which the majority of their resources are being assigned. As a result, an external service provider may be acquired in order to comply with the project schedule.
- IT programmers – in order to integrate the monitoring software IT programmers from the IT department of the bank will be assigned to the task. However, they are currently assigned to the ACH project being conducted by the bank. As a result, in order to be in compliance with the schedule for this project at hand, IT programmers from a third party external to the bank may be acquired.
- Training for staff on bank's policies and procedures – the bank's training officer may be assigned to the conduct such training for the project according to the project schedule. However, she is currently conducting the training for the ACH project for all the branches of the bank. As a result, an

external training consultant may be acquired in order to comply with the schedule of the project.

Expert judgment will be sourced from the managers and directors of the IT and Operation's department. The manager of the Operation's department is tasked with the responsibility of acquiring procurements for the bank in terms of office furniture, equipment and stationery. As a result, his experience in such will be used in this project. Similarly, the IT director is tasked with the responsibility of acquiring procurements in the like of computers and third-party IT services. He will, therefore, contribute his experience to this project in the aspect of acquiring the needed computers for the Compliance department, IT programmers and additional IT personnel.

For this project, market research may be conducted on the monitoring software vendor as aforementioned via online reviews such as that in consumer blogs & the Better Business Bureau among others. The meeting will be conducted with the project manager, the CRO and the directors of the Operations & IT departments in order that an agreement may be made narrowing the potential software suppliers including their price quote and software capabilities which will thereafter be presented to the BOD for their selection and ultimate approval.

A procurement management plan may be formal or informal and can be detailed or extensive. It includes direction on (i) setting the scheduled dates for each contract for the deliverables and thereby coordinating such with the schedule process & (ii) identifying prequalified sellers, if any to be used (in the case of this project such sellers include those from which the bank usually acquire office equipment & furniture and stationery) among others.

According to PMBOK 5th Edition (PMI, 2013), the statement of work (SOW) for each procurement is developed from the project scope baseline and defines only that portion of the project scope that is to be included in the related contract.

Specifications of the SOW include quantity desired & period of performance among other requirements. This project, for example, IT programmers will be needed to conduct the task of integrating the monitoring software into the Bank's IT network as follows:

- Quantity – 1
- Period of performance – 14 days
- Work location – virtual

Conduct Requirements

As stated in PMBOK, 5th Edition (PMI, 2013), Conduct Procurements is the process of obtaining seller responses, selecting a seller, and awarding a contract with the key benefit of providing alignment of internal and external stakeholder expectations through established agreements.

In this process, the project team will apply the chosen selection criteria to bids or proposals received and thereby choosing the seller or sellers qualified to carry out the work. After receipt of a preliminary proposal, a short list of adequate potential sellers is created. Thereafter further assessment is conducted on the short list in accordance with the extensive prerequisites previously requested from the sellers. In this project, the potential sellers may be short-listed to three or four and thereafter evaluation may be conducted based on the customization of the bank's requirements in addition to the monitoring specification offered by the monitoring software provider.

The source selection criteria may include information that the seller is able to provide including delivery dates, product cost and technical expertise. The delivery date for example, is vital as the project schedule has to be complied with. For this project, the software is to be loaded onto the bank's IT system within twenty-four hours of purchase. Likewise, very important is the product cost and technical expertise as the cost has to be in line with the project budget and the seller has to

have technical expertise applicable to the project at hand. In this project, it is required that the seller has the technical IT expertise to establish if the monitoring software will be compatible with the bank's IT network.

Make-or-buy decisions may include the following among others:

- Core capabilities of the organization – in this project the bank is capable of providing the below:
 - i. The internal training officer that may conduct the training to the Compliance staff on the bank's policies and procedure. In the event she is not available to conduct the work as per the schedule of the project, then the services may then be acquired externally.
 - ii. The IT programmers from the bank's IT department may be able to perform the programming task required to integrate the monitoring software into the bank's IT network. In the event, they are not available to conduct the work as per the project schedule, such services may be acquired from a source outside the bank.
 - iii. IT personnel from the bank's IT department may be able to perform the work required to provide software training to the Compliance staff. If the IT personnel are not available to perform the duties as per the schedule, the services may also be acquired externally.

Negotiation simplifies the requirements and the terms & conditions of the potential purchase resulting in a mutual agreement prior to the signing of the contract. In this project, for example, negotiations may be conducted in reference to the office furniture & equipment needed. These may include, the required delivery period, the price & the dimensions (this is applicable to the office desks & filing cabinets) among others.

After the seller or sellers have been selected, the agreement or agreements are finalized having being signed off by both the buyer and seller. Agreements vary and may include the following amongst others:

- Period of performance – conduct testing of the monitoring software by the seller is limited to five days as stated in the schedule of this project.
- Pricing – the agreed price for the monitoring software is \$28K which is comparable to the project budget.
- Payment terms – the payments terms for the office furniture, equipment and stationery is full payment within three days of delivery.

Control Procurements

This is the process of managing procurement relationships, monitoring contract performance and making changes and corrections to contracts as appropriate with the key benefit of ensuring that both the seller's and the buyer's performance meets procurement requirements according to the terms of the legal agreement PMBOK, 5th Edition (PMI,2013).

As contracts are legally binding contracts, it is important the both the seller and the buyer meet the requirements of the contract. As organizations have different organizational structures, contract administration is often categorized by many as an administrative function. In the case of this project, the procurement administrator may report to the Operations director for matters relating to office furniture & equipment and stationery and to the IT director in the case of those relating to the acquisition of computers and external IT services.

Control Procurements process may include the following among others:

- Direct and manage project work – as the schedule for this project, the monitoring software is to be integrated into the bank's IT network within a period of fourteen days, ie. November 7th to November 24th. This is the performance period to be authorized in compliance with the agreement in place.
- Control quality - for this project, in reference to the office furniture & equipment, the brands agreed upon for the office tables, chairs & filing cabinets are Ameriwood, Modway Entrada & Office Designs respectively. The delivery and receipt of such that was agreed upon may be inspected and verified.

This process also includes the monitoring of payment to the seller, the seller's performance as well as non-performance. It must be highlighted that prior to the termination of any contract, amendments may be conducted based on mutual agreement between both parties. An example in this project may be that the computer suppliers may not be able to supply the three Dell computers that were originally ordered. However, the seller does have three HP computers available which will be given at the price that was agreed upon for the Dell computers with the agreed warranty and they will be delivered within the agreed period as stipulated in the project schedule.

The tools and techniques relating to this process include but not limited to procurement performance reviews, inspections & audits, payment system and records management system. In this project, the agreed payments for the monitoring software to the seller is 10% upon finalization of the contract, 40% following integration into the bank's IT network and 50% after testing and training with the Compliance staff is carried out.

Organizational process assets which may be updated include correspondence, payment schedule & requests and seller performance evaluation documentation.

Correspondences in this project may be updated in relation the office furniture and equipment in the event the agreed upon brands were not delivered and not within the agreed upon time period. This may also include documented telephone calls made to the seller.

4.9 Stakeholder Management Plan

According to PMBOK 5th Edition (PMI, 2013), Project Stakeholder Management includes the processes required to identify the people, groups, or organizations that could impact or be impacted by the project, to analyse stakeholder expectations and their impact on the project, and to develop appropriate management strategies for effectively engaging stakeholders in project decisions and execution. One of the main targets is constant communication with the stakeholders of the project.

The process includes:

- Identify stakeholders
- Plan Stakeholder Management
- Manage Stakeholder Engagement
- Control Stakeholder

Stakeholders may have either a positive or negative impact on the project. Some may have an important influence on the project while other may have an influence that is far less important. The difference between a project's success and failure may be dependent on the capacity of the project manager to pinpoint and guide the stakeholders.

Identify Stakeholders

PMBOK, 5th Edition (PMI, 2013) states that identify stakeholders is the process of identifying the people, groups or organizations that could impact or be impacted by a decision, activity or outcome of the project, analyzing and documenting relevant information regarding their interests, involvement, interdependencies, influence

and potential impact on project success. It allows the project manager to establish the focus of the stakeholders.

The stakeholders of the project may be an individual, group or organization that may have some effect on the project's outcome. They may fall under the category of customers, sponsors and the performing organization among other who are involved in the project and whose interests may affect the project's execution or completion.

Of great importance is that stakeholders be established early in the project as their interest, influence & expectations need to be considered. It must be noted however that their impact on the project may occur in the latter stages.

The internal and external parties affiliated with the project may be listed in the project charter such as members of the project team, project sponsor, customers, groups and departments that will take part in the project as well as other individuals or bodies impacted by the project. For this project, the stakeholders include the following:

- The project manager
- The Credit Risk Officer
- Compliance Manager
- HR Director & Manager
- The IT Director & Manager
- The Managing Director
- The Board of Directors
- The Training Officer
- The new Compliance Staff
- Monitoring Software Providers
- The bank's IT processors
- IT programmers
- Other bank staff members

- Operation's manager & director
- Finance manager & director
- Central Bank of Belize
- Financial Intelligence Unit
- Office equipment vendors
- Office furniture vendors
- Office stationery vendors

Based on the procurement documents in this project, the key stakeholders may include parties to the contract such as the monitoring software provider, the office furniture vendor, the office equipment vendor and the office stationery vendor.

The enterprise environmental factors that may influence the identify stakeholders process includes the organizational culture & structure and the Governmental or industry standards such as regulations. Related to this project, the bank's organizational structure may influence who some of the key stakeholders are which can include the MD and the CRO. Regulations such as the AML & MLTPA legislations relating to the CBB & FIU may also influence the identification of stakeholders in this project.

PMBOK, 5th Edition (PMI, 2013) states that stakeholder analysis is a technique of systematically gathering and analysing quantitative and qualitative information to determine whose interests should be taken into account throughout the project. The steps included in the stakeholder analysis include primarily the identification of the possible stakeholders along with important information such as their roles, departments, expectations and level of influence.

The classification models used for stakeholder analysis are:

- Power/interest grid
- Power/influence grid

- Influence/impact grid
- Saliency model

Expert judgement such as the below categories may ensure an accurate and complete listing of the stakeholders:

- Senior management – in this case, the CRO, MD, IT director, Operation’s director, HR & Finance director.
- Other units within the organization – in the case of this project, other departments within the bank such as Operations, Finance & HR departments.
- Identified key stakeholders – for this project these will include the monitoring software vendor, the vendors of the office equipment, furniture & stationery in addition to the CBB & the FIU.

Some of the stakeholders for this project are depicted below in Chart 16:

Chart 16 Stakeholder register (source: compiled by author)

Name	Position	Internal/External	Project Role	Contact Information
Phene Can	Credit Risk Officer	Internal	Lead Designer	pc@obscd.com
Will Cain	IT Director	Internal	Lead Programmer	wc@ossd.com
Sean Black	Managing Director	Internal	Consultant	sb@ossd.com
Crista Myan	Training Officer	Internal	Consultant	cm@obscd.com
Mike Cooner	IT Leader for WE	External	Software Designer	MikeC@WECMS.org

	Compliance Monitoring System			
Dora Bradfort	HR Director	Internal	Consultant	db@obsacd.com
Shanna White	HR Manager	Internal	Consultant	sw@obsacd.com
Doris .Kenner	IT Manager	Internal	Programmer	dk@obsacd.com

Plan Stakeholder Management

PMBOK, 5th Edition (PMI, 2013) states that Plan Stakeholder Management is the process of developing appropriate management strategies to effectively engage stakeholders throughout the project lifecycle, based on the analysis of their needs, interests, and potential impact on project success. It further states that the key benefit is that it provides a clear, actionable plan to interact with project stakeholders to support the project's interests.

The effect of the project on the stakeholders is established in this process thus enabling the project manager to promote ways of engaging the stakeholders, guiding their expectations and thereby accomplishing the project objectives.

Successful project completion requires the comparison of the current engagement level of all stakeholders against the planned engagement levels. The engagement levels may be classified into one of the below five categories:

- Unaware – Unaware of project and potential impacts
- Resistant – Aware of project and potential impacts and resistant to change
- Neutral – Aware of project yet neither supportive nor resistant
- Supportive – Aware of project and potential impacts and supportive of changing

- Leading – Aware o project and potential impacts and actively engaged in ensuring the project is a success

The Stakeholder Engagement Assessment Matrix below depicts the current and desired engagement levels of three of the stakeholders of this project:

Chart 17 Stakeholders Engagement Assessment Matrix (source: compiled by author)

Stakeholder	Unaware	Resistant	Neutral	Supportive	Leading
Stakeholder 1 - IT manager	C			D	
Stakeholder 2 – Operation's manager	C			D	
Stakeholder 3 – CRO				DC	

The management strategies needed to adequately engage the project's stakeholders are described in the stakeholder management plan. This may be formal or informal, detailed or broad as required by the project and provides the following among others:

- Desired ad current engagement levels of key stakeholders
- Stakeholder communication requirements for the current project phase
- Information to be distributed to stakeholders, including language, format, content and level of detail

Manage Stakeholder Engagement

Manage Stakeholder Engagement is the process of communicating and working with stakeholders to meet their needs/expectations, address issues as they occur and foster appropriate stakeholder engagement in project activities throughout the

project lifecycle with the key benefit of allowing the project manager to increase support and minimize resistance from stakeholders, significantly increasing the chances to achieve project success (PMI, 2013).

The activities related to this process include: engaging stakeholders at appropriate project stages, managing stakeholder expectations, addressing potential concerns that have not yet become issues and clarifying and resolving issues that have been identified.

This process boosts the likelihood of the success of the project ensuring that the objectives and goals of the project are fully understood. In the early stages, the stakeholder's influence on the project is at its peak and diminishes as the project progresses. The engagement and management of the project's stakeholders are the responsibility of the project manager.

The communications management plan in terms of the information to be communicated including language, format, content and level of detail and person or groups who will receive information provides guidance in the management of stakeholder engagement. In this project, for example, communication with the monitoring software vendor will be formal whereas that with internal staff members of the bank may be informal. As well, in this project, the level of detail of information to be provided is dependent on the stakeholder's role in the project. The CRO will be kept abreast of all the details related to this project whilst the IT programmers may only receive information relating to IT programming tasks regarding the integration of the monitoring software into the bank's IT network.

The information contained in the changes log is relayed to the project's stakeholders and organizational process assets such as organizational communication requirement may have an impact on the management of stakeholder engagement. In this project, communications requirements are determined by the bank's organizational structure and information will be relayed by the CRO, Director or another member of the senior management team.

Interpersonal skills such as active listening, building trust and resolving conflict are vital to the attributes of a project manager in order for him to manage the expectations of the stakeholders. Management skills such as influencing people to support the project and negotiating agreements to comply with the requirements of the project are equally important attributes that is applied by the project manager. Management of stakeholder engagement includes the creation of an issue log, change requests, and project management plan updates. The project management plan update may be updated in the event the needs of newly identified or changed stakeholders are established. For this project new stakeholders may include (i) a training consultant that is acquired in the event the bank's training officer will not be able to conduct the training work as per the project schedule and (ii) a new monitoring software vendor that may be acquired in the event the chosen vendor is in non-compliance with the terms of the contract. Organizational process assets that may be updated include stakeholder notifications, project records and feedback from stakeholders.

Control Stakeholder Engagement

PMBOK, 5th Edition (PMI, 2013) states that Control Stakeholder Engagement is the process of monitoring overall project stakeholder relationships and adjusting strategies and plans for engaging stakeholders with the benefit of maintaining or increasing the efficiency and effectiveness of stakeholder engagement activities as the project evolves and its environment changes.

In order for the project manager to gather the information needed for circulation to stakeholders regarding the performance of the project as it relates to the progress of the schedule and cost, an accepted tool is an information management system. Such information may be distributed via table reporting, spreadsheet analysis and presentations. Control stakeholder engagement results in a collection of work performance information, change requests, project management plan updates which include changes to the cost & risk management plans and project document updates.

5 CONCLUSIONS

The goal/main objective of this FGP was to “Create a Project Management Plan for the Compliance Department of a bank”. This was done under the guidelines processes of the PMBOK 5th Edition (PMI, 2013) as was indicated in the specific objectives as stated in the project charter.

The scope was a Compliance department for a commercial bank in Belize. Due to confidentiality of the bank, information such as its structure and operations were obtained from public information as well as from information obtained from one on one interviews that were conducted with members of senior management.

The bank being referred to in the FGP does not have a project management office or project manager currently in place. As a result, there were no records of similar projects that were conducted or lessons learned. In fact, there was no record of previous projects that were undertaken by the bank.

PMBOK 5th Edition (PMI, 2013) has ten project management processes of which nine (Scope, Time, Cost, Quality, Human Resources, Communications, Risk, Procurement & Stakeholder) were applicable to this FGP being the creation of a project management plan. The individual processes were reviewed and the vital aspects of their inputs, tools & techniques and outputs were dissected and applied serving as a guide to the creation of the project management plan for the organizational structure of the Compliance department of a bank.

This is considered a small project and as such the author was able to apply the applicable segments of the nine processes to the FGP based on the project schedule and the work breakdown structure. Since similar information on past projects (similar or not) such as lessons learned or documentation on a project management plan did not exist, such limitations contributed to the hindrance of a more detailed project management plan and benchmarks. As well, since the interviews were informal (and due to confidentiality of the bank), they only yielded

public information and/or information that could be divulged to the public, which also presented a limitation or constraint.

It was assumed that all the information needed would have been provided or made available and within the timeframe provided for completion of the FGP by UCI. The information provided was done so within the FGP timeframe allowed by UCI however it was limited due to the confidentiality and the lack of project records being kept.

Despite the limitations, based on the guidelines of the PMBOK, 5th Edition (PMI, 2013), the available information was applied in sequence to the input, tools & techniques and the outputs of the applicable project management processes. The main objective was achieved with the creation of the project management plan of organizational structure of the Compliance department of a bank. The specific objectives which were based on the documents to be provided under the guidelines of PMBOK, 5th Edition (PMI, 2013) were established.

Establishing the management plans for this project required time, research and the application of various techniques and tools. The weight of the planning processes in project management is evident. Ultimately, this project has made it possible to clearly establish:

1. Development of a scope management plan according to the scope of the project;
2. Creation of a time management plan including the duration of the execution of activities according to the project schedule;
3. Creation of a cost management plan according to the activities required based on the project schedule to ensure the project is within its budget;
4. Creation of a quality management plan ensuring the production of the project deliverables;
5. Creation of a human resource management plan ensuring that the project team meet the human resources demands of the project;

6. Development of a communications management plan establishing the mechanisms to facilitate communications ensuring all stakeholders are provided with the respective information on the project;
7. Creation of a risk management plan ensuring the documentation of all risks including the impact, probability and risk responses;
8. Creation of a procurement management plan ensuring the make or buy analysis is conducted and the procurement needs identified;
9. Creation of a stakeholder management plan ensuring the identification of all participants affected by the project.

The compilation of such information will provide a model to guide the project's execution promoting a successful implementation. In addition, this will be beneficial to the bank in improving its project management methodology which based on interviews conducted were not formally documented or even non-existent, demonstrating that the application of the project management processes as proposed by PMBOK, 5th Edition (PMI, 2013) is feasible.

Based on the project management plan that has been developed, it is evident by the sequence of the processes therein the plan, the extent of value that such will provide to the bank. This particular project has been developed for a commercial bank in Belize clearly indicating the assertions are accurate. It is possible, however, for these assertions to be applied to other projects in various industries irrespective of organization size, location or organizational structure. The creation of this project has clearly indicated that the application of the project management processes including inputs, tool & techniques and outputs will vary as such will have conformed to the actual organization including the enterprise environmental factors and organizational process assets.

It is clear that PMBOK, 5th Edition (PMI, 2013) is an adaptable guide which is applicable to different project environments relating to the various industry types. Although this project is considered small, the value added to the bank is considered huge as it will provide them with a detailed documented guide to

developing this project and future projects. In addition, although the project is considered small, nine of the ten project management process were successfully applied.

The scope of this project was a commercial bank in Belize. It is evident that there are many challenges in project management in this organization. However, In order to continue to provide internal and external customer service whilst being in compliance with the supervisory authorities of the Central Bank of Belize and the Financial Intelligence Unit of Belize, such challenges need to be addressed so as to ensure the successful development of the project.

6 RECOMMENDATIONS

The main objective of this FGP was to create a project management plan for the Compliance department of a bank. The bank being referred to does not have a project management office, project management team or a project manager in their organization or as part of their organizational structure. As a result, no information was archived on previous projects and as a such, no information on lessons learnt was there to be shared.

It is recommended that the bank create a project management office or project management team and/or employ a qualified project manager. In the event the project management team is created, it is recommended that it is made up of a member from each department of the bank at the senior supervisor level. This will ensure that the body is familiar with the requirements of a project management as per guideline processes such as those therein PMBOK 5th Edition (PMI, 2013). In this project, some of the stakeholders were also current staff members of the bank. As a result, there were many instances whereby it was uncertain if they would have been able to conduct the activities assigned to them in the schedule. As observed in the creation of the project management plan, in such cases the onus lied on the functional managers to decide the possibility of the staff being released from their operational duties to conduct the project duties assigned to them as per the schedule. This could lead to addressing stress on the managers and the staff as well leading to mental and physical exhaustion which could eventually result in demotivation and a reduction in the level of work output. With staff members at the senior supervisor level being acquainted with the processes of project management, then such information can be cascaded to the other members of staff which the bank will benefit from the effectiveness of project management and management in general. This could also result in the development of mechanisms to ensure greater control of the human resources necessary for projects.

In the event the bank decides to employ a project manager, it should be ensured that he/she becomes certified by the Project Management Institute (PMI) thereafter continue to keep abreast with updates in the field of project management by attending annual project management workshops, conferences and trade show regionally and internationally. It is also recommended that they subscribe to project management providers such as projectmanagement.com and also become GPM-b certified as a Green Project Manager Level b.

Even if the bank decides not to create a project management office, team or employ a project manager, it is recommended that they at least keep record archives of finished projects and lessons learnt which may prove as a valuable referral guide in their future projects.

In Belize, a banker's association was recently formed however their activities are somewhat dormant. Project management should be one of the goals of the association, so as to create a template for the project management plan for various departments related to a bank, especially a Compliance department as it works closely with the supervisory authorities of the Central Bank of Belize & the Financial Intelligence Unit. With this template in place which should be in conjunction with the AML regulations of the Central Bank of Belize (CBB) & the Financial Intelligence Unit (FIU), this would be available to banks and financial institutions offering similar services as a blue print. The bankers' association may also consult and collaborate with other bankers associations in the neighbouring Latin American & the Caribbean region in order to compare the similarities &/or differences with their templates in place for the project management plan for the various operational departments of banks in their regions.

Project management should be highlighted in Belize as a career path whereby the course should be introduced at the university level. It is recommended that a national project management association be created so that these newly degreed project managers may be aware of project management career opportunities as

well as opportunities regionally and worldwide to become such as becoming GPM-b certified as a Green Project Manager Level b. The country of Belize has recently decided to sign the UN Convention against Corruption which is indicative of their commitment to be in compliance with international best practices. Therefore, the project management association would be beneficial to the various industries and they can also set the benchmark for one of the few underdeveloped or third world countries with a project management association.

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8 APPENDICES

Appendix 1: FGP Charter

PROJECT CHARTER	
Date	Project Name:
August 22, 2016	Project Management Plan for the Creation of the Organizational Structure of the Compliance Department of a Bank.
Knowledge Areas / Processes	Application Area (Sector / Activity)
<p>Knowledge areas: Project Integration Management, Project Scope Management, Project Time Management, Project Cost Management, Project Quality Management, Project Human Resource Management, Project Communications Management, Project Risk Management, Project Procurement Management and Project Stakeholder Management</p> <p>Process groups: Initiation, Planning, Monitoring and Controlling.</p>	Banking
Start date	Finish date
August 22, 2016	March 12, 2017
Project Objectives (general and specific)	
<p>General objective: To develop a Project Management Plan for the Creation of the Organizational Structure of the Compliance Department of a Bank.</p> <p>Specific Objectives:</p> <ol style="list-style-type: none"> 1. To develop a scope management plan to ensure all required work is completed. 2. To create a time management plan so that the project is finished on time. 	

3. To create a cost management plan to ensure that the project is done within the budget.
4. To create a quality management plan to ensure sponsor requirements and project deliverables are produced.
5. To create a human resource management plan so that the team can meet the demands of the project.
6. To develop a communications management plan to ensure that all stakeholders are provided with information on the project.
7. To create a risk management plan to ensure that all risks are documented.
8. To create a procurement management plan to ensure that the make or buy analysis is conducted and procurement needs are identified.
9. To create a stakeholder management plan to ensure that all participants affected by the project are identified.

Project purpose or justification (merit and expected results)

In order to graduate from UCI with a Master's in Project Management (MPM program), a Final Graduation Project (FGP) has to be created. Prior to this, a Graduation Seminar has to be completed which includes the selection by the student of a project topic to be later developed.

The results of studies conducted have shown that banks are able to remain healthy institutions by establishing and maintaining strong internal policies, systems, and controls. The board and management should work together within well-specified roles to establish realistic goals and a strategic plan for the bank. Although healthy banks are not completely without weaknesses, their weaknesses are generally isolated and offset by strengths in other areas. The way to maintain a bank's health, therefore, appears to be to limit the number of shortcomings of management, the board of directors, and the policies and systems they put in place. A strongly managed bank with adequate systems that are in place and followed is best prepared to remain profitable through both good and bad economic times.

As a result, the topic for the FGP chosen is "A Project Management Plan for the creation of the Compliance Department of a Bank" with the main objective being "To develop a Project Management Plan for the creation of the Compliance Department of a Bank" The expected benefits are a project management plan that is based on the established guidelines of PMBOK and a FGP that is approved by the UCI tutor and reviewers.

Description of Product or Service to be generated by the Project – Project final deliverables

1. Document with a Scope Management Plan with established guidelines of PMBOK.

<ol style="list-style-type: none"> 2. Document with a Time Management Plan with established guidelines of PMBOK. 3. Document with a Cost Management Plan with established guidelines of PMBOK. 4. Document with a Quality Management Plan with established guidelines of PMBOK. 5. Document with a Human Resource Management Plan with established guidelines of PMBOK. 6. Document with Communications Management Plan with established guidelines of PMBOK. 7. Document with Risk Management Plan with established guidelines of PMBOK. 8. Document with Procurement Management Plan with established guidelines of PMBOK. 9. Document with Stakeholder Management Plan with established guidelines of PMBOK.

Assumptions		
<ol style="list-style-type: none"> 1. It is assumed the information required to conduct FGP will be available and accessible. 2. It is assumed that all the required information to conduct the FGP will be accessed without delay. 		
Constraints		
<ol style="list-style-type: none"> 1. Time: The FGP management plan will need to comply with the time periods and dates established by UCI. 2. Resources: All the information needed to conduct the FGP might not be available. 3. Confidentiality: The banking information will have to be kept confidential. 		
Preliminary risks		
<ol style="list-style-type: none"> 1. If the required information is not available, this might affect the accuracy of the FGP, impacting the quality. 2. If the FGP is too big that it requires too much information or if the process is too lengthy, this might affect the deadline for completion set by UCI, impacting the time. 		
Budget		
The general cost estimate of the main items/deliverables for the project budget is US \$75,000.00.		
Milestones and dates		
Milestone	Start date	End date
Degree and Graduation Seminar	August 22, 2016	September 23, 2016
Final Graduation Project	August 22, 2016	March 12, 2017
Graduation Seminar Approval	September 19, 2016	September 23, 2016
Project Charter	August 22, 2016	August 26, 2016
WBS	August 22, 2016	August 26, 2016

Relevant historical information
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A bank is a financial institution that accepts deposits from the public and creates credit. It is an establishment authorized by a government to accept deposits, pay interest, clear checks, make loans, act as an intermediary in financial transactions, and provide other financial services to its customers. The history of banks dates back to the 14th century in the Renaissance, Italy.

There have not been any previous works or similar efforts related to the project.

Stakeholders

Direct stakeholders:

1. Company Managing Director
2. Company Director of Operations
3. Company Operations Manager

Indirect stakeholders:

1. Company project manager
2. Company employees

Project Manager: Fiona Castillo

Signature:



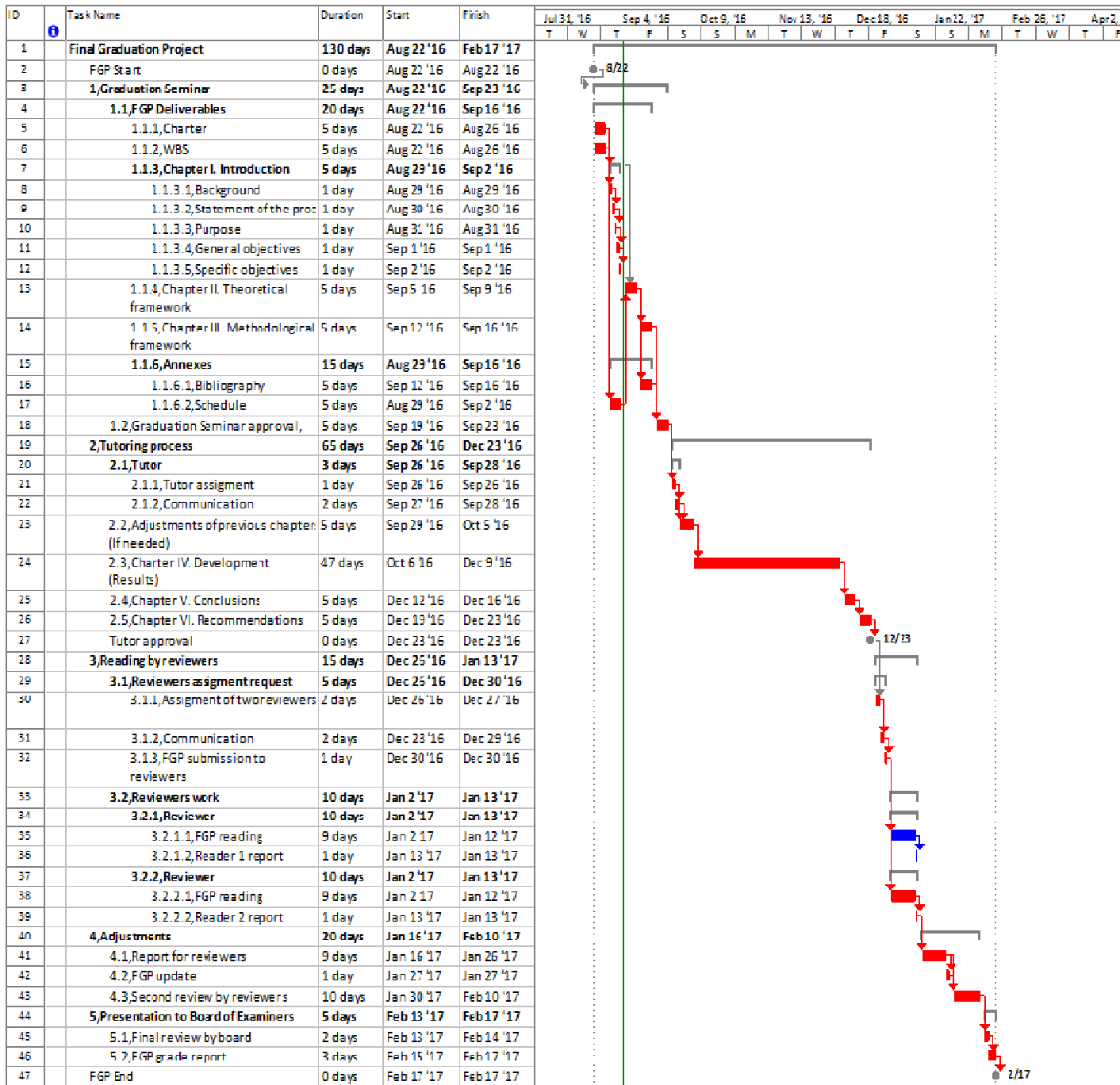
Authorized by:

Signature:

Appendix 2: FGP WBS



Appendix 3: FGP Schedule



Appendix 5 – FGP Revision Dictum

Giselle Leacock
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Universidad para la Cooperación Internacional
San Pedro, San José
Costa Rica
Central America

February 22nd, 2017

Dear Mr. Ceciliano,

Fiona Castillo contacted me via email to request my service for the editing of her thesis paper on the 7th of February 2017. On February 15th, 2017, Fiona Castillo sent her thesis for me to edit. The document was edited using Microsoft Word 2016.

The thesis had few spelling errors, lengthy sentences, missing punctuation marks, lack or excessive spacing between words, improper alignment, lack of a running head and misuse of active and passive sentences. A large portion of her mistakes was the excessive spacing between words and tables, the formatting of the tables and the references and citations. The errors that were noticed for the tables/figures are: the placing of the titles was not consistent throughout the document, the wording for some was not readable, and lack of information if it was copied from another source. The excessive spacing was found throughout when it came to the spacing of words, after punctuation marks and with the charts. The information used was not cited properly following the APA style.

It was recommended to avoid the usage of Wikipedia as a source as it is not a trusted source. Documents and links to the website on the citation, table formatting, and APA style were provided to her as an example.

The entire document was edited completely and then sent for changes to be made. The document was sent back to me for revision after making the necessary changes. Mistakes were pointed once more and then sent back to Fiona to make the final changes.

If you have any queries, feel free to contact me. My information is listed above.

Yours Sincerely,



Giselle Leacock

University of Belize



*The Board of Trustees of the University of Belize
upon recommendation of the Faculty of Education and Arts, has conferred on*

Giselle Dana Leacock

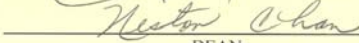
*who has completed the prescribed studies and fulfilled all requirements
thereof the degree of*

Bachelor of Science in English Education

*with all the rights and privileges pertaining to that degree, given at
Belmopan, Belize, this sixth day of February, two thousand and sixteen*




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