



This guide outlines the roles of Project Steering Committees* (PSC) in decision-making

* PSCs are sometimes referred to as Project Boards

PSCs play a crucial role in supporting project success. While often referred to as "**decision-making bodies**," the core purpose of a PSC is to assist the Project Sponsor, who holds accountability, in making optimal decisions. This guide outlines the key responsibilities and processes that guide effective decision-making within PSCs.

Responsibilities of a PSC in decision-making



Although PSCs are described as decision-making entities, their fundamental purpose is to support the Project Sponsor in making informed and optimal decisions. PSC members contribute expertise and insights, represent key stakeholders, and offer diverse perspectives on project-related matters. However, it is important to emphasise that the Project Sponsor retains ultimate accountability for all decisions.

The PSC's key responsibilities include:

- **Advisory role** - Providing insights and recommendations to the Project Sponsor on matters that could affect project outcomes, such as risk management, scope adjustments, resource allocation, and contribution to strategic goals.
- **Shaping decisions** - Assisting the Sponsor in shaping decisions by discussing risks, opportunities, and potential impacts, enabling the Sponsor to make well-informed evidence-based choices.
- **Decision review** - Reviewing and approving key documents, risks, and changes that could materially affect the project.

While consensus is often sought, the Project Sponsor is the final decision-maker on all matters. This ensures that the PSC remains focused on enhancing decision-making without diluting the Sponsor's accountability.

Decision-making processes



The decision-making process within a PSC should be structured yet flexible to handle complex project matters. Assuming the matter falls within the Project Sponsor's authority, the recommended process includes:

- 1. Consensus-based approach** - Ideally, decisions are made by consensus, with all members agreeing on the course of action. Consensus fosters buy-in and reduces resistance during implementation.
- 2. Final decision by the Sponsor** - If consensus cannot be achieved, the Project Sponsor retains the authority to make the final decision, ensuring contribution to project objectives and strategic goals.
- 3. Alternate courses of action** - If consensus is not reached, the Sponsor has the following options: (i) **Return the matter** to the business or project team for further analysis, with the goal of enabling a consensus position. This option should only be considered when the issue is not time sensitive; or (ii) **Escalate the matter** to a higher governance body (e.g., a Program Board) if the Sponsor determines that the matter requires broader oversight. However, this option should be used sparingly. The Sponsor should aim to resolve matters within their authority, to avoid unnecessarily burdening higher-level governance groups.

Decision rights



To avoid confusion and inefficiency, it is essential to establish clear decision-making rights within the governance hierarchy. Decision rights should be defined based on the materiality and impact of the decision.

Key principles include:

- **Delegated authority** - Operational project decisions within approved project parameters should be made by the project team or project manager, ensuring efficiency and preventing bottlenecks.
- **Materiality and tolerances** - Decisions that materially impact approved project parameters (e.g., scope, time, cost, quality, risks, benefits, etc.) should be escalated to the PSC.
- **Escalation framework** - Matters that exceed the Project Sponsor's authority should be escalated to a higher governance body (e.g., Program Board or Portfolio Committee) to ensure appropriate oversight. These escalations should be aligned with predefined tolerances, which must be agreed upon at the outset to provide clarity on when escalation is necessary, preventing unnecessary delays or confusion in decision-making.

A decision matrix can help clarify the roles and authorities, minimising delays and misunderstandings in decision-making.

Additional considerations for effective decision-making



To support effective decision-making, PSCs should adhere to these best practices:

- **Meeting preparation and structure** - Distribute documents in advance so members are prepared. Prioritise key matters on the agenda for focused discussions.
- **Documentation and transparency** - Record all decisions in a decision log, along with the rationale, to ensure transparency, accountability, and future reference.
- **Minimise corridor decision-making** - Avoid informal decisions outside the PSC ("corridor decisions"). Out-of-session decisions should only occur in exceptional circumstances and must be documented in the next meeting.
- **Clear escalation protocols** - Establish clear protocols for escalating matters to avoid delays and ensure matters are addressed at the appropriate governance level.
- **Support for decision implementation** - All PSC members should actively support the implementation of decisions, even if they did not agree with the final outcome.
- **Active engagement** - Encourage active participation from members to avoid passive involvement and suboptimal outcomes.
- **Adaptive decision-making** - Stay flexible and, within reason, reassess decisions as project conditions or risks evolve, ensuring contribution to strategic objectives.