PROJECT MANAGEMENT: NOT JUST AN IT THING AND THE IMPORTANCE IN GOVERNMENT

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ROLE OF INTERNAL AUDITING

Internal auditing may analyze strengths and weaknesses of an organization's internal control, considering its governance, organizational culture, and related threats and opportunities for improvement which can effect whether the organization is able to achieve its goals. The analysis assesses whether risk management identifies the risks and puts controls in place to manage public funds in an effective and efficient manner.

WHAT IS PROJECT MANAGEMENT

Project management is the application of knowledge, skills, tools and techniques to project activities to meet the requirements.

Managing a project typically includes:
- Identifying requirements
- Addressing the various needs, concerns, and expectations of the stakeholders as the project is planned and carried out,
- Balancing the competing project constraints including, but not limited to:
  - Scope
  - Time
  - Cost

STATE OF ILLINOIS

- New Healthcare System – 200 Million
- Illinois Century Network – 19 Million
- High Speed Rail – 400 Million
- Public Universities – 1.3 Billion

Source: FY12 Capitol Budget Book

WHY DO PROJECTS FAIL?

- Inadequately defined project requirements.
- Lack of Risk and Quality plans.
- Negotiating team with no experience with IT acquisition and implementation contracts.
- Vendor staff with inadequate training or implementation experience with the system being provided.
- Pressure to convert, implement and accept the new system too quickly.

WHY DO PROJECTS FAIL?

- Failure to divide the project plan into specific measurable deliverables

- Failure of the vendor to fulfill the many requirements defined in the FRP.

- Inadequate acceptance test period to determine whether many of the application functions operated properly.

IIA GUIDANCE

- The Role of Auditing in Public Sector Governance:

Auditing is a cornerstone of good public sector governance. By providing unbiased, objective assessment of whether public resources are managed responsibly and effectively to achieve intended results, auditors help public sector organizations achieve accountability and integrity, improve operations, and instill confidence among citizens and stakeholders. The public sector auditor's role supports the governance responsibilities of oversight, insight, and foresight.

PRINCIPLES OF GOVERNANCE

- Setting Direction
- Instilling Ethics
- Overseeing results
- Accountability reporting
- Correcting course

PUBLIC SECTOR GOVERNANCE

- Accountability
- Transparency
- Integrity
- Equity

A QUOTE

"The conventional wisdom is that government cannot be effective in the absence of public trust. Government auditors play a central role in fostering such trust, and have been referred to as the guardians of public trust. Without them, citizens would lack credible insight into the soundness of the many inner working of government."

Richard Chambers
IIA President and CEO
2011

INTERNAL AUDIT ROLES

- Public sector internal auditors are called upon to assist organizations in improving their operations.
- Public sector internal auditor functions is an element of strong public sector governance.
- Public sector internal auditors also play a role in their entity's accountability to the public as part of the check-and-balance process.

Source: INTOSAI GOV9140

GOVERNANCE AND PM

- Project management is the means that management uses to reach the goals set forth in Strategic Plans
  - Through PM we achieve:
    - Setting Direction
    - Overseeing results
    - Accountability reporting
    - Correcting course
    - Accountability
    - Transparency
    - Integrity
    - Equity

THE ROLE OF THE PROJECT MANAGER

- Develops the project management plan and related plans
- Keeps the project on track
- Identifies, monitors and responds to risk
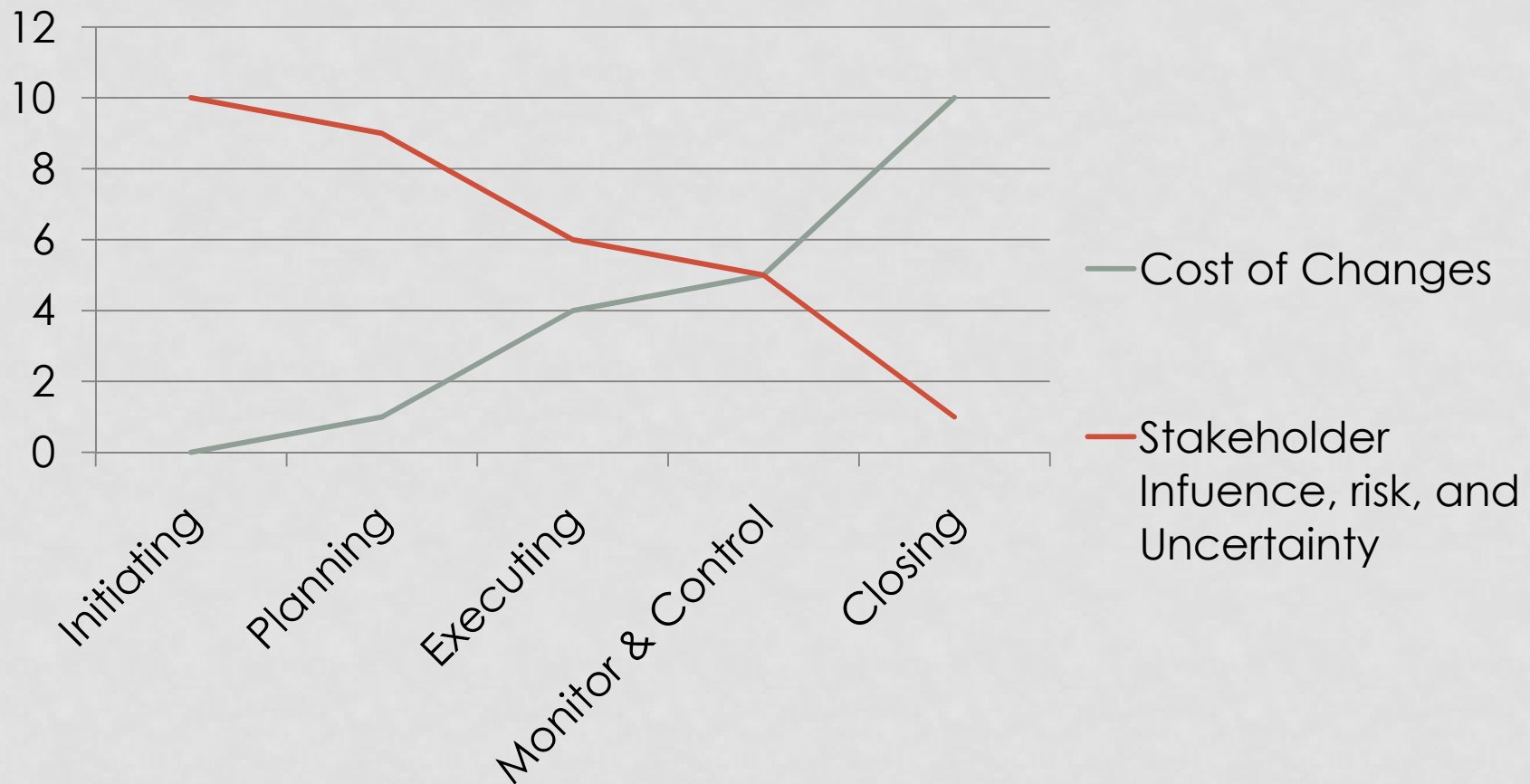- Provides accurate and timely reporting

- Not the business owner
- Not the sponsor

WHAT SHOULD YOU BE LOOKING FOR FROM PROJECT MANAGEMENT

- A plan to balance

Time

Customer
Satisfaction

Cost

Scope

Risk

Quality

IMPACT OF VARIABLE BASED ON PROJECT TIME

DETAILS OF PROJECT MANAGEMENT

9 X 5

- 9 Knowledge areas
- 5 Project Process Phases

- Integration – connections on how they all work together

SCOPE

- Processes required to ensure that the project includes all the work required, and only the work required to complete the project successfully.

- Problems
  - Don't fully define scope
  - Open ended requirements
  - Requirements are too broad for the time and resources

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TIME

- Processes required to manage timely completion of the project

- Problems
  - Underestimating the amount of time a project will take
    - Budget limitations
    - Staffing limitations
    - Interdependencies with other stakeholder groups
      - EEC
      - CMS

COST

- Processes involved in estimating, budgeting, and controlling cost so that the project can be completed within the approved budget.

- Problems
  - In house projects don't always include all costs
  - Out sourced projects must carefully define how costs will be charged for both parties

QUALITY

- Processes and activities of the performing organization that determine quality policies, objectives, and responsibilities so that the project will satisfy the needs for which it was undertaken.

- Problems
  - Scope wavering
  - No time for testing
  - Don't take action when plans aren't followed

HUMAN RESOURCES

- Processes that organize, manage, and lead the project team.

- Problems
  - Understaffed
    - Number
    - Skill set
  - Management

COMMUNICATIONS

- Processes required to ensure timely and appropriate generation, collection, distribution, storage, retrieval, and ultimate disposition of project information.

- Problems
  - Nobody likes the paper work
  - Communication drops off as project progresses

RISK

- Processes of conducting risk management planning, identification, analysis, response planning, and monitoring and control on a project.

- Problems
  - No support
  - Lack of experience of team

PROCUREMENT

- Processes necessary to purchase or acquire products, services, or results needed from outside the project team.

- Problems
  - Procurement process

INTEGRATION

- Project Integration Management includes the processes and activities needed to identify, define, combine, unify, and coordinate the various processes and activities.
  - Develop Charter
  - Make decision about resource allocation
  - Trade-offs between competing objectives
  - Change Control
  - Manage interdepencies – combine plans
  - Project Close out

GOOD THINGS HAPPENING

- Government Efficiency Caucus – to consider best practices in program management that can be adopted in the public sector. (April 2012)

- Dallas Chapter of IIA – Internal Audit's Value Addition Approach.

  Found that in the Dallas-Fort Worth area

  56.6% were doing audits of Enterprise Risk process

  44.5 % were doing corporate governance reviews

  25.3% were doing reviews addressing linkage of strategy and company performance

- In Illinois PM offices outside of IT (DOC, HFS)

WRAPPING UP

Questions

or

Comments