



The Corporation of the City of London ITS Portfolio Management and Project Management – Methodology Maturity

Audit Performed: September to October 2018
Report Issued: April 2019

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Executive summary

Introduction

Internal Audit conducted an Information Technology Services (ITS) Portfolio Management & Project Management Assurance internal audit review as part of the 2018 Internal Audit plan, performing the review from September to October 2018.

The purpose and objective of this review was to assess the processes and controls in place for managing ITS projects and the portfolio of ITS projects from intake through end-user delivery and closure. In terms of this review, intake is the point that a business unit (BU) or ITS unit formally determines a proposed initiative should be a project.

The City of London's ITS Portfolio Management & Project Management portfolio contains their Project Management (PM) methodology to support the City's BUs in the delivery of projects as well as to support their own internal ITS projects. The methodology, implemented in 2016, plays a key role in the City's ITS governance process. It provides an overview of the various stages, processes and milestones that occur throughout the lifespan of a project. It also provides guidelines on resourcing, evaluation criteria and project roles. The various project stages are illustrated through the ITS Project Pillar gating workflow diagram; the workflow begins at the Intake gate where the project request is initially submitted and ends at the Closing gate where the project file is closed.

The purpose of this review was to assess the governance process as described in the PM methodology. Specifically, the objectives of this review were to:

1. For a sample selection of ITS projects, review and assess compliance to the ITS Portfolio Management and Project Management framework; and
2. Review and assess the maturity of the ITS portfolio management and project management framework.

This report addresses objective two above; review and assess the maturity of the ITS portfolio management and project management framework. A separate report (ITS Portfolio Management and Project Management – Project Compliance) addresses objective one.

The detailed internal audit scope is contained in **Appendix 1** of this report.

Note: This report is written from an internal audit advisory perspective, to assist the City in maturing its overall project management function based on discussions and testing performed throughout this review. As such, Deloitte has identified one observation and provided management with *Leading Practices* to guide the City with maturing their project management processes across the organization.

Strengths

ITS has a project methodology: Today ITS remains the only area using a consistent project management methodology. The methodology has been positively received by ITS internal staff, who understand and are seeing the benefits of its implementation. Project leadership staff are proactively involved in a continuous improvement approach to evolving the methodology.

Leveraging an independent methodology: ITS is leveraging a third party project management maturity matrix (OneWayForward) to define and mature their project management function. A key area of focus at this time is the creation of a Business Analysis group within the City.

Quality of projects: As measured by ITS and supported by stakeholder feedback, the Project Management Methodology has improved the quality of projects and the delivery process through the introduction of a gating workflow, project templates, and the prioritization of projects.

Project management training: Project management training is mandatory for every ITS line manager. Hence, ITS managers receive formal training prior to leading projects. ITS Managers are encouraged to obtain (and most have) the Project Management Professional (PMP) designation from the Project Management Institute (PMI), an industry-recognized certification for project managers.

Tools for project management: A toolset is in place to manage projects, which includes,

- Eclipse: Project management software application which has embedded the ITS Project Pillar Workflow. The application also facilitates resource allocation and provides progress tracking and status updates within the portfolio view.
- Team Foundation Server (TFS): Microsoft product that provides source code management, reporting, requirements management and project management. ITS uses TFS for their developed applications and for business requirements.

Resource Allocation: ITS is able to identify dependencies through the management of their resources for projects for both large- and small-scale projects. Large-scale project resource allocation is tracked using an Excel spreadsheet known as the 'Big Grid', and for smaller projects, mini grids are utilized. The Big Grid is an overview of all teams and key projects (including known maintenance activities) that will be required over the next seven years. Each ITS line manager is expected to have their own mini grids established in ITS in 2019. In addition, the ITS Director reviews the utilization of operations and project staff on a monthly basis.

Challenges

Maturing beyond the current state: The main challenge facing ITS and the City at this time is how to mature the PM methodology. As detailed below, many of the leading practices noted focus on the lack of business activities within the methodology. There is minimal value in ITS maturing the methodology further unless there is a commitment to evolve the non-ITS components of the methodology while raising the project management function to a corporate level to ensure independence and good governance.

Understanding methodology value outside of IT: Should the City decide not to expand the PM methodology across the organization, significant gaps exist in the business's understanding of the value of the methodology and their commitment to activities within the methodology to successfully deliver projects on time and on budget.

Availability of non-ITS resources: Key to successful project delivery is dedicated availability and commitment of non-ITS resources for activities such as: requirements definition, testing, communications, change management and benefits realization. Without this commitment, there is risk of project delays, and increased costs.

Key observations

Deloitte's review of methodology maturity identified the following observations:

Priority	High	Medium	Low	Leading Practice
Observations	1	0	0	13

High priority observations

MM 1.01: Direction for methodology maturity

The project management function within ITS is reaching a point where further efforts to mature the process will not result in significant benefits unless the non-ITS functions of a PM methodology are implemented. Two options are available to further mature the current methodology: Option One (preferred), implement an organizational level Project Management Office (PMO); or Option Two, obtain greater non-ITS commitment to the current methodology.

Martin Hayward, City Manager

April 2020, subject to the approval of the 2020-2023 Multi-Year Budget

Leading practices

As noted above, leading practices are provided to guide the City on next steps in order to mature project management across the organization.

MM 2.01: Gaps in business accountabilities within the ITS focused methodology

Though deemed an ITS PM methodology, the methodology is used to support the City's BUs. However, through this process, ITS most often ends up performing many of the functions that would be owned by the BU's in a more mature (organization level) methodology. The BUs should be accountable for, prioritization, business case creation, requirements definition and traceability, user acceptance testing, and signoff approval at each stage gate. Internal Audit noted during interviews that management has intent to develop a Business Analysis function within the City and to develop a template for a full business case. A lack of business accountability, and involvement in their projects, increases the risk of a BU not receiving a product that meets their needs. There is a risk of dissatisfaction with deliverables as well as the delivery process and team.

MM 2.02: Gaps in requirements gathering and traceability

Business requirements are high level and lack sufficient detail. Requirements are not prioritized as to need, ownership is unclear, and the requirements are not adequately assessed against specific software solutions to determine fit/gap.

MM 2.03: Internal ITS resource costs are not included in the budget / financial processes

Current project costing includes hardware, software and consulting/implementation costs of a third party. There is no standard charge rate for ITS or other internal project team resources required to deliver on a project. Project budget, cost and financial reporting are less accurate because of the exclusion of internal project resource costs.

MM 2.04: Documentation for the testing phase is incomplete

There is inconsistency in the completion of testing documentation, as there are no templates defined within the methodology for a Test Strategy and/or a Test Plan. This gap in methodology affected both sample projects. User acceptance testing (UAT) would have been required in both projects sampled. However, no detail was available within the project scope on a test strategy or a plan to address testing. In addition, there was inadequate documentation for test cases in both sample projects. The inability to perform thorough testing increases the risk of defects in the production environment. Without a detailed test strategy and plan, or the identification of data conversion needs, the successful completion of requirements cannot be determined, which may lead to quality issues upon implementation of the final product into production.

MM 2.05: There is no benefits realization process

The current ITS project methodology does not include a benefits realization process. This process is an industry recognized project methodology phase that occurs after closure to measure the value and success of a project. Without measuring project benefits realized post implementation against those stated in the business case, the true value and success of a project cannot be determined. Particular attention to financial metrics (return on investment), and head count reductions (where applicable) is critical in measuring the delivery of proposed financial benefits as defined in the Project Charter.

MM 2.06: Data Conversion in the project scope

There is a brief mention of data conversion in the Sire/eScribe Project Definition Statement and the Launch Plan. However, there are no details documenting the conversion approach, testing, and validation of results. Without the identification of data conversion needs, detailed data conversion strategy and data validation results, there is a risk to data integrity as data is migrated from the old to new application.

MM 2.07: Decommissioning not included in project schedules.

Though included in the scope section of the Sire/eScribe project charter, no further details were documented with respect to the timing and approach to decommissioning legacy applications until a change request was submitted in March 2018.

Concerning the Renew London project, a decommissioning plan was not as critical as there was no change to hardware; however, there was no documentation to support this required action. The decommissioning of legacy applications is often crucial to realizing cost/benefit gains. There are also implications to data security and privacy when legacy applications are not decommissioned properly.

MM 2.08: Independence of the project governance function

The ITS department is organized into three areas of responsibility: Applications, Infrastructure & Data, and Network & Security. There is a 'line leader' for each area, responsible for a set of deliverables that contribute to their performance measures. The same line leaders are also responsible for performing project governance ensuring compliance to the ITS PM methodology. The Director of ITS and the line leaders are aware of the risk and monitor closely. Management should consider how in practice to further separate project governance activities from management of projects or line responsibilities.

MM 2.09: Engage the public for projects where they are the end user.

No formal process exists to engage the public for projects where they are an end user. Not engaging the public as a recognized stakeholder may increase the City's reputation risk for delivering services.

MM 2.10: Evolve the intake process to an annual cycle

At present, the project intake process is executed twice a year whereas industry standard is an annual intake cycle. As the City plans on a four-year cycle, management should consider the benefits of performing the intake process on an annual basis.

MM 2.11: Clarity on use of the Project Definition Statement and the Project Charter

There are significant overlaps in content of the Project Definition Statement and the Project Charter, with both documents appearing to be required as part of the initiation phase in the ITS PM methodology. There may be redundancy of effort in producing both documents.

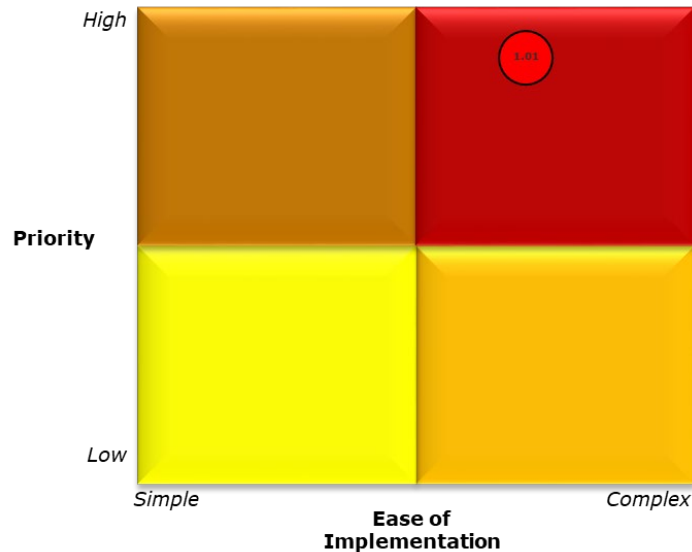
MM 2.12: No formal acceptance by ITS Operations on the transition process

ITS Operations is provided with documentation and training by the project team, and meetings are held as required. Warranty periods are standard whereby the project team is available for support for an agreed period (maximum 30 days). However, there is no process in place for ITS Operations sign-off on their acceptance of the product, including their readiness to support post go-live.

MM 2.13: Project volume within the Applications area is significant for a single governance resource

The senior manager responsible for Applications is currently responsible for the governance of 53 projects, which requires 50% of their time. Compared to 15 projects for the Infrastructure line leader and 9 projects for the Network line leader. Project governance within Applications may be compromised due to the heavy workload of a single resource, resulting in late gating reviews, non-compliance to the methodology and potential rework.

Priority heat map



Conclusion

The project management function within ITS is reaching a point where further efforts to mature the process will not result in significant benefits, unless the non-ITS functions of a PM methodology are implemented. Two options are available to further mature the current methodology: Option One (preferred), implement an organizational level Project Management Office (PMO); or Option Two, obtain greater non-ITS commitment to the current methodology.

Implement an organizational level Project Management Office (PMO)

Implementing an independent organizational level Project Management Office (PMO) should provide the City with:

- Improved visibility over all projects within the organization;
- A higher success rate for projects (on time, on budget, on scope);
- Increased maturity for the project governance and management functions; and
- Standardized processes, tools and templates.

It is recommended that the City leverage the current ITS PM methodology and enhance it with the non-ITS components recognized as standard within a PM methodology. See **Appendix 5** for a suggested outline for a PMO Charter.

Internal Audit was asked to opine on resource and costs needs to implement and execute an organizational PMO. While each PMO has some unique elements, the experience of our project management colleagues suggests that the process can begin with a single full-time resource in terms of creating and implementing the initial playbook, including process definitions, tools and templates, training and communications. Timelines to execute range from six months to one year. Operationally the governance function of the PMO (post implementation) may require additional resources depending on the volume of projects in the portfolio. If the PMO also became the source for project managers, then additional resources would be required.

Obtain greater non-ITS commitment to the current methodology

Closure of many of the gaps noted in this report requires a greater commitment from non-ITS resources.

The City should consider implementing formal training to non-ITS staff on the importance of the ITS PM methodology in delivering successful projects and the critical activities that non-ITS departments are responsible for owning and delivering.

Senior management support is critical to ensure buy-in.

Detailed observations and recommendations

Observations - Methodology maturity

Observation	Implication	Recommendation	Management comments and action plan	Responsible party and timing
<p>MM 1.01: Direction for methodology maturity</p> <p>The project management function within ITS is reaching a point where further efforts to mature the process will not result in significant benefits, unless the non-ITS functions of a PM methodology are implemented.</p>	<p>MM 1.01: Direction for methodology maturity</p> <p>Implementing an independent organizational level Project Management Office (PMO) should provide the City with:</p> <ul style="list-style-type: none"> • Improved visibility over all projects within the organization; • A higher success rate for projects (on time, on budget, on scope); • Increased maturity for the project governance and management functions; and standardized processes, tools and templates. 	<p>MM 1.01: Direction for methodology maturity</p> <p>Two options are available to further mature the current methodology: Option One (preferred), implement an organizational level Project Management Office (PMO); or Option Two, obtain greater non-ITS commitment to the current methodology.</p> <p>Option One: Implement an organizational level Project Management Office (PMO)</p> <p>It is recommended that the City leverage the current ITS project methodology and enhance it with the non-ITS components recognized as standard within a PM methodology. See Appendix 5 for a suggested outline for a PMO Charter.</p> <p>In addition, consideration should be given to the leading practices identified in this report.</p> <p>Option Two: Obtain greater non ITS commitment to the current methodology</p> <p>The City should consider implementing formal training to non-ITS staff on the importance of the ITS project management methodology in delivering successful projects, and the critical activities that non-ITS departments are responsible for owning and delivering.</p> <p>Senior management support is critical to ensure buy-in.</p>	<p>Management will consider as part of the 2020-2023 Multi-Year Budget, potential organizational structure changes to add appropriate resources to implement or work towards a greater commitment to project management corporately.</p>	<p>City Manager</p> <p>April 2020 subject to approval of 2020-2023 Multi-Year Budget</p>

Detailed leading practice recommendations

Leading practices for methodology maturity

Observation	Implication	Recommendation
<p>MM 2.01: Gaps in business accountabilities within the ITS focused methodology</p> <p>Though deemed an ITS PM methodology, the methodology is used to support the City’s Business Units (BUs). However, through this process ITS most often ends up performing many of the functions that would be owned by the BU’s in a more mature (organization level) methodology. The BUs should be accountable for, prioritization, business case creation, requirements definition and traceability, user acceptance testing, and signoff approval at each stage gate.</p> <p>Internal Audit noted during interviews that management has intent to develop a Business Analysis function within ITS and to develop a template for a full business case.</p>	<p>MM 2.01: Gaps in business accountabilities within the ITS focused methodology</p> <p>A lack of business accountability, and involvement in their projects, increases the risk of a BU not receiving a product that meets their needs.</p> <p>There is a risk of dissatisfaction with deliverables as well as the delivery process and team.</p> <p>There can be cost implications through the need for re-work.</p>	<p>MM 2.01: Gaps in business accountabilities within the ITS focused methodology</p> <p>Management should leverage the existing ITS PM methodology to be implemented on an organizational level with emphasis on the need for the BU to be accountable for key areas including:</p> <ul style="list-style-type: none"> • Prioritization – decisions are made and agreed based on organizational priorities; • Business Case – owned by the business and to include cost/benefit analysis; • Requirement definition and traceability – identification and ownership of requirements and their traceability through to delivery via the test process; and UAT – creation, execution and sign-off of testing for the final product deliverable(s).
<p>MM 2.02: Gaps in requirements gathering and traceability</p> <p>Business requirements are high level and lack sufficient detail. Requirements are not prioritized as to need, ownership is unclear, and the requirements are not adequately assessed against specific software solutions to determine fit/gap.</p>	<p>MM 2.02: Gaps in requirements gathering and traceability</p> <p>It is crucial that a single comprehensive set of requirements is compiled with traceability through the testing phase and later benefits realization.</p> <p>Inadequately documented requirements makes it difficult to determine if the solution has met the needs of the business. This can result in gaps in the delivered/developed functionality, user dissatisfaction with the end product, re-work, reputational impacts, and additional time and costs to resolve.</p>	<p>MM 2.02: Gaps in requirements gathering and traceability</p> <p>Formalize the requirements gathering function and support with standard templates. Ample time for up-front analysis of business needs is necessary to validate effort estimates and business needs, and drive benefits realization activities post implementation.</p> <p>Requirements need to be structured to ensure:</p> <ul style="list-style-type: none"> • Alignment to guiding principles, and business process workflow

	<p>Any gaps discovered during a fit/gap analysis must be 'closed' either by:</p> <ul style="list-style-type: none"> • Development of a solution (by the vendor within their software, or an internal software work-around) • A manual work-around • Acknowledgement that the gap is acceptable 	<ul style="list-style-type: none"> • Completeness in addressing the fit/gap approach, and quality of documentation • Prioritization based on standard criteria (e.g. MoSCoW – must have, should have, could have, won't have) • Traceability to quality assurance testing, sign-off, and benefits realization • Accurate business process maps are developed
<p>MM 2.03: Internal ITS resource costs are not included in the budget / financial processes</p> <p>Current project costing includes hardware, software and consulting/implementation costs of a third party. There is no standard charge rate for ITS or other internal project team resources required to deliver on a project.</p>	<p>MM 2.03: Internal ITS resource costs are not included in the budget / financial processes</p> <p>Project budget, cost and financial reporting are less accurate because of the exclusion of internal project resource costs.</p> <p>This also influences the prioritization process by providing a 'false' cost advantage to projects requiring a higher number of internal resources.</p>	<p>MM 2.03: Internal ITS resource costs are not included in the budget / financial processes</p> <p>Management should develop a set of standard costs (hourly rates) for internal project resources. These costs would then be required as part of the project financial reporting processes and during the intake/prioritization process when determining project budget and cost.</p>
<p>MM 2.04: Documentation for the testing phase is incomplete</p> <p>There is inconsistency in the completion of testing documentation, as there are no templates defined within the methodology for a Test Strategy and/or a Test Plan.</p> <p>This gap in methodology affected both sample projects. User acceptance testing (UAT) would have been required in both projects sampled. However, no detail was available within the project scope on a test strategy or a plan to address testing.</p> <p>In addition, there was inadequate documentation for test cases in both sample projects.</p>	<p>MM 2.04: Documentation for the testing phase is incomplete</p> <p>The inability to perform thorough testing increases the risk of defects in the production environment. Without a detailed test strategy and plan, or the identification of data conversion needs, the successful completion of requirements cannot be determined, which may lead to quality issues upon implementation of the final product into production.</p> <p>Additional time and money are required to resolve such defects.</p>	<p>MM 2.04: Documentation for the testing phase is incomplete</p> <p>Management should create templates, including a Test Strategy and/or a Test Plan, and a Test Case, as part of the PM methodology.</p> <ul style="list-style-type: none"> • A test strategy or plan provides details on each stage of testing, including unit testing, system integration testing, user acceptance testing (UAT), regression testing, performance and failover. Each stage requires details on test environment, test tools, entry and exit criteria, defect tracking / resolution / reporting, and sign-off. • A test case provides details on each test to executed, including data set up, execution instructions and expected results. <p>It is critical that the end user (BU) signs-off on the quality of a project, based upon their execution of UAT.</p> <p>In addition, management should update gating documentation to include mandatory approval of an end-to-end test strategy, and the completion of test cases.</p>

MM 2.05: There is no benefits realization process

The current ITS PM methodology does not include a benefits realization process. This process is an industry recognized project methodology phase that occurs after closure to measure the value and success of a project.

MM 2.05: There is no benefits realization process

Without measuring project benefits realized post implementation against those stated in the business case, the true value and success of a project cannot be determined.

Particular attention to financial metrics (return on investment), and head count reductions (where applicable) is critical in measuring the delivery of proposed financial benefits as defined in the Project Charter.

MM 2.05: There is no benefits realization process

To mature the current PM methodology, management should introduce a benefits realization process into the PM methodology. Benefits management is a core continuous activity that is throughout the project life and often beyond. The lifecycle for benefits management therefore extends beyond the project timeframe and well into operations or business as usual.

At a high level, benefits management includes:

- Identification of potential benefits
- Defining the benefits
- Modelling benefit scenarios
- Planning how and when benefits will be achieved and
- Tracking and reporting on benefits

Assign roles and responsibilities for the ongoing management of benefits.

MM 2.06: Data Conversion in the project scope

There was no mention of a data conversion requirement in the Renew London project scope. Internal Audit noted through interview discussion that no data conversion was required; however, this fact was not specified as an out-of-scope item.

There is a brief mention of data conversion in the Sire/eScribe Project Intake Request and the Launch Plan. However, there are no details documenting the conversion approach, testing, and validation of results.

MM 2.06: Data Conversion in the project scope

Without the identification of data conversion needs, a detailed data conversion strategy and data validation results, there is a risk to data integrity as data is migrated from the old to new application.

MM 2.06: Data Conversion in the project scope

When a project has no conversion requirement, management should ensure this is specified as an out-of-scope item in the project scope. Special attention is required for historical data that is not converted to the new application, to ensure it is available for future reference as required.

When data conversion is required, a Conversion Strategy must be a required element within the project methodology. A conversion strategy provides details on data mapping, extract/translation/load requirements, tools, validation, exception handling, testing and sign-off.

MM 2.07: Decommissioning not included in project schedules.

Though included in the scope section of the Sire/eScribe project charter, no further details were documented with respect to the timing and approach to decommissioning legacy applications until a change request was submitted in March 2018.

MM 2.07: Decommissioning not included in project schedules.

The decommissioning of legacy applications is often crucial to realizing cost/benefit gains. There are also implications to data security and privacy when legacy applications are not decommissioned properly.

MM 2.07: Decommissioning not included in project schedules.

Management should update gating documentation to include a mandatory approval of a Decommissioning Plan. Such a plan will include timing, roles and responsibilities, access rights review, data retirement or destruction, and hardware/software retirement/disposal/de-licensing as required.

Concerning the Renew London project, a decommissioning plan was not as critical as there was no change to hardware; merely the removal of a folder on the web server was required to remove the legacy application. However, there was no documentation to support this required action.

MM 2.08: Independence of the project governance function

The ITS department is organized into three areas of responsibility, Development, Infrastructure and Network. There is a 'line leader' for each area, responsible for a set of deliverables that contributes to their performance measures. The same line leaders are also responsible for performing project ensuring compliance to the ITS PM methodology.

The Director of ITS and the line leaders are aware of the risk and monitor closely.

MM 2.08: Independence of the project governance function

There may be a perceived conflict due to line leaders providing governance and ensuring compliance to the project management methodology for their own deliverables, which contribute to their own performance measures.

MM 2.08: Independence of the project governance function

Industry practice is that governance activities for projects are independent, performed either by a separate function (a corporate level PMO), or a distinct PMO within ITS with no direct role in the management of projects or line responsibilities. Management should consider how in practice to further separate project governance activities from management of projects or line responsibilities.

MM 2.09: Engage the public for projects where they are the end user.

No formal process exists to engage the public for projects where they are an end user.

MM 2.09: Engage the public for projects where they are the end user.

Not engaging the public as a recognized stakeholder may increase the City's reputation risk for delivering services.

MM 2.09: Engage the public for projects where they are the end user.

Engaging the public as a stakeholder is a sensitive process. Management should engage expertise in defining a process to engage the public for projects where they are a key stakeholder. Opportunities for public consultation may include developing requirements, a limited test role, early adopter groups, and feedback forums.

MM 2.10: Evolve the intake process to an annual cycle

At present, the intake process is executed twice a year whereas industry standard is an annual intake cycle.

MM 2.10: Evolve the Intake process to an annual cycle

Performing the intake cycle twice a year is time consuming and disruptive to the delivery of the current portfolio.

MM 2.10: Evolve the Intake process to an annual cycle

Industry practice is an annual intake cycle, which may look at projects for inclusion for up to the next five years. There is also a process to deal with regulatory and/or urgent projects on as needed basis. Management should consider the cost and benefit of performing the intake process on an annual basis.

MM 2.11: Clarity on use of the Project Definition Statement and the Project Charter

There are significant overlaps in content of the Project Definition Statement and the Project Charter, with both documents appearing to be

MM 2.11: Clarity on use of the Project Definition Statement and the Project Charter

There may be redundancy of effort in producing both documents.

MM 2.11: Clarity on use of the Project Definition Statement and the Project Charter

Management should determine whether there is still a need for the two individual documents, or consider whether to merge into a single required

<p>required as part of the initiation phase in the ITS PM methodology.</p>	<p>There is a risk of gaps and/or differences appearing between the documents should common sections not provide the same content.</p>	<p>document. If use of a single document is decided, management should communicate the change to all stakeholders.</p>
<p>MM 2.12: No formal acceptance by ITS Operations on the transition process</p> <p>ITS Operations is provided with documentation and training by the project team, and meetings are held as required. Warranty periods are standard whereby the project team is available for support for an agreed period (maximum 30 days). However, there is no process in place for ITS Operations sign-off on their acceptance of the product, including their readiness to support post go-live.</p>	<p>MM 2.12: No formal acceptance by ITS Operations on the transition process</p> <p>Lack of a formal acceptance (sign-off) by ITS Operations on the transition process, may lead to gaps not being resolved in a timely manner. The project may be implemented without ITS Operations having adequate knowledge or tools to support it in production.</p>	<p>MM 2.12: No formal acceptance by ITS Operations on the transition process</p> <p>Include a formal sign-off by ITS Operations to the Transition to Operations document indicating completion and acceptance of all transition activities.</p> <p>In cases where implementation must occur regardless of sign-off being obtained, this must be documented and adjustments made to the warranty period until sign-off is complete.</p>
<p>MM 2.13: Project volume within Development area is significant for a single governance resource</p> <p>The ITS department is organized into three areas of responsibility, Applications, Infrastructure & Data, and Network & Security. A 'line leader' leads each area. Each line leader is also responsible for performing governance of projects with respect to their compliance to the IT project methodology. The senior manager responsible for Application is currently responsible for the governance of 53 projects, which requires 50% of their time. Compared to 15 projects for the Infrastructure line leader and 9 projects for the Network line leader.</p>	<p>MM 2.13: Project volume within Development area is significant for a single governance resource</p> <p>Project governance may be compromised due to the heavy workload of a single resource, resulting in late gating reviews, non-compliance to the methodology and potential rework.</p>	<p>MM 2.13: Project volume within Development area is significant for a single governance resource</p> <p>Consider training a second resource to perform governance of Applications projects, or redistribute some Applications projects to either Infrastructure & Data or Network & Security for governance where possible.</p>

Appendix 1: Internal Audit detailed scope

Specifically, the internal audit addressed the following areas:





Reviewed and assessed the City’s ITS Portfolio Management and Project Management framework:

- Reviewed and assessed the ITS portfolio management and project management framework for alignment with the strategic objectives of the City and City policy;
- Assessed the effectiveness of the ITS portfolio management and project management framework to ensure the proper controls are in place for managing ITS projects;
- Reviewed and assessed the method to communicate changes to relevant City stakeholders related to the ITS portfolio management and project management methodology and framework;
- Reviewed and assessed monitoring activities established to determine whether ITS portfolio management and project management framework are achieving desired outcomes, including any monitoring of metrics and key indicators; and
- On a sample basis, evaluated compliance of the selected project to the ITS portfolio management and project management framework; and
- Evaluated the ITS portfolio management and project management framework, against industry standard and leading practice, to assess maturity and identify opportunities for improvement.

Appendix 2: Internal audit rating scale

Individual observation prioritization

Internal Audit prioritized each observation and recommendation within a report using a three point rating scale. The three point rating scale is as follows:

Description	Definition
 High	Observation is high priority and should be given immediate attention due to the existence of either significant internal control risk or a potential significant operational improvement opportunity.
 Medium	Observation is a moderate priority risk or operational improvement opportunity and should be addressed in the near term.
 Low	Observation does not present a significant or medium control risk but should be addressed to either improve internal controls or process efficiency.
 Leading Practice	Consideration should be given to implementing recommendations in order to improve the maturity of the process and align with leading practices.

Appendix 3: Stakeholder involvement

In conducting the assessment, Internal Audit met with the following management and staff to gain an understanding of the ITS Portfolio Management and Project Management processes and practices.

Stakeholder	Position
Mat Daley	Director, Information Technology Services
Lori Kolodiazny	Division Manager, Information Technology Services
Shawn Bradley	Manager II, Information Technology Services
James McCloskey	Manager III, Information Technology Services

Appendix 4: Audit procedures performed

As part of the ITS Portfolio Management & Project Management Assurance review, the following procedures were performed:

- Conducted a planning meeting with the Director, Information Technology Services;
- Updated and issued a finalized Project Charter and request for information;
- Conducted meetings and interviews with Information Technology Services management and staff to discuss the creation and evolution of the project management methodology, strengths, areas for improvement and plans to evolve the maturity
- Obtained documentation regarding relevant procedures and controls to perform an inspection of:
 - **Project Management Methodology**
 - Intake process
 - Terms of reference
 - Review process
 - Evaluation criteria
 - Resourcing
 - Project workflow
 - Project roles
 - Templates
 - Addenda: Process review & documentation, Change management, Requirement gathering, Testing, Business options assessment
 - Agile project plan
 - Cross reference between the City's Project Management methodology and PMP templates
- Drafted preliminary observations and verified observations with management;
- Conducted a closing meeting with key management stakeholders to validate and communicate our findings; and
- Issued this internal audit report with our detailed observations.

Appendix 5: PMO Charter

The PMO Charter defines the mandate and services offered by the PMO and provides a description of the roles and responsibilities of the PMO and supporting areas. It also describes when and how to engage the PMO on new ideas and projects. A PMO Charter includes but is not limited to:

- PMO Mandate
- How to engage the PMO
- Governance
- Intake gating
- Prioritization methodology
- Project delivery gating
- Project teams
- Metrics and reporting



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