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

Audit Performed: September to October 2018
Report Issued: March 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 one as stated above; for a sample selection of ITS projects, review and assess compliance to the ITS Portfolio Management and Project Management framework. A separate report (ITS Portfolio Management and Project Management – Methodology Maturity) addresses objective two.

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

Key strengths

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 of London.

ITS staff adoption: The project methodology has been positively received by IT internal staff, who understand the methodology and are experiencing the benefits of its implementation. Project leadership staff are proactively involved in a continuous improvement approach to evolving the methodology.

Quality of projects: As measured by ITS and supported by stakeholder feedback, the PM 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.

Projects selected

Internal Audit selected a sample of two projects completed by City departments to assess project adherence to the methodology. Internal Audit selected the Renew London and Sire/eScribe projects and noted the following.

Sire/eScribe

The Sire/eScribe project was to replace the Sire application, used by the City to support council meeting recording, voting and meeting minutes. The Sire application was purchased from another vendor, who had since stopped developing and supporting it. The City performed an extensive Discovery phase where several products were researched and chose the eScribe product.

Renew London

The Renew London project was an upgrade to an existing application used by the City to provide information on road construction and road closings for viewing by the public. This project leveraged an agile approach to the development phase.

Key observations

Deloitte's review of project adherence to the methodology identified the following observations:

Priority	High	Medium	Low	Leading Practice
Observations	0	3	0	0

Medium priority observations

PC 1.01: Completion of the Project Intake Request

The Project Intake Request is a business document that the Business Unit (BU) involved in the project is responsible for completing. Both Project Intake Requests for the Renew London and Sire/eScribe projects were lacking significant details in areas such as Project Requirements and Business Process Gathering. Without adequate information in the Project Intake Request, the ability to assess project needs accurately is impaired. This could lead to errors in the prioritization process across the portfolio.

Mat Daley, Director ITS

August 2019

PC 1.02: Incomplete launch plans

Launch plans for both sample projects lacked detail with respect to escalation procedures in case of issues and did not include a detailed back out / recovery plans in the event of a failed implementation. Both projects made use of a high level Excel spreadsheet to track key implementation tasks. However, neither project completed the cover form which is intended to include sign-offs. Incomplete launch plans can compromise the success of an implementation. This may necessitate the need for a back out

of the implementation and a return to the prior state. It is critical that a return to prior state is pre-documented and achievable in a timely manner.

Mat Daley, Director ITS

May 2019

PC 1.03: The Risk and Issue Registers are not proactively maintained and are incomplete

The risk and issue register were inconsistently maintained. The ITS methodology states: 'project managers will be involved to periodically analyze project risks', and 'project managers will maintain a living list of issues'. For the Renew project, initial risks were captured in the Vision/Scope statement. They were transferred to a risk register but no further updates occurred. No issue log was observed. For the Sire/eScribe project, a risk register was not observed. An issue register exists, however, because of a lack of dates it is unclear how frequently updates to the document occurred. Further, both the risk and issue registers are missing key fields used for capturing and tracking entries. Proactive tracking and mitigation of risks, and proactive issues management, are cornerstones of project management and are critical components to project success. Failure to track risks and issues can affect all parts of the project management triple constraint: Scope, Time and Cost.

Mat Daley, Director ITS

July 2019

Priority heat map
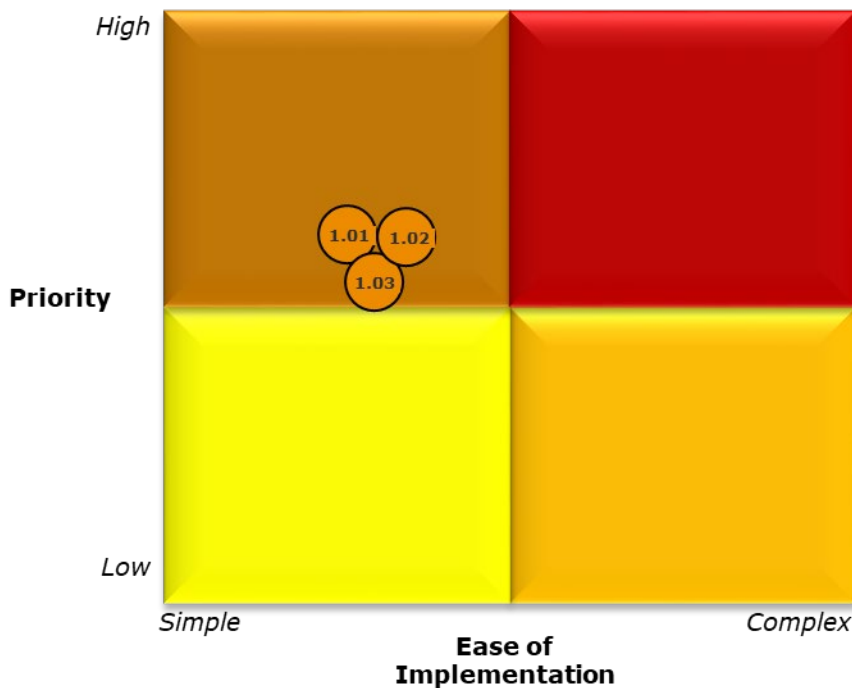
Conclusion

Based on our assessment of the Sire/eScribe and Renew London projects and their adherence to the project methodology, we noted three medium priority observations with the potential to impair the effectiveness of current processes. The issues noted in this report should be addressed in a timely manner to enhance current controls and mitigate relevant risks.

Management has provided action plans for the observations noted in the 'Detailed observations and recommendations' section.

The following scale depicts our overall process conclusion as it relates to the scope of areas audited as outlined above:
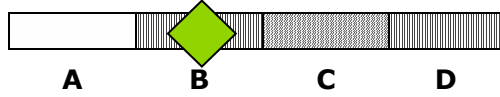
	Description	Definition
	A	No or insignificant process control or efficiency weaknesses identified
	B	Minor process control or efficiency weaknesses identified
	C	Moderate process control or efficiency weaknesses identified
	D	Significant control process or efficiency weaknesses identified Impairing the effectiveness of the process

Detailed observations and recommendations

Observations – Project compliance

Observation	Implication	Recommendation	Management comments and action plan	Responsible party and timing
PC 1.01: Completion of the Project Intake Request The Project Intake Request is a business document that the BU involved in the project is responsible for completing. Both Project Intake Requests for the Renew London and Sire/eScribe projects were lacking significant details in areas such as Project Requirements and Business Process Gathering. The Project Requirements section lacked detail regarding resources, budgeting and research. The Business Process Gathering section was not completed which resulted in no information being documented regarding business processes, requirements, change management, or testing activities.	**PC 1.01: Completion of the Project Intake Request** Without adequate information in the Project Intake Request, the ability to assess project needs accurately is impaired. This could lead to errors in the prioritization process across the portfolio.	**PC 1.01: Completion of the Project Intake Request** Within the Project Intake Request document, management should identify the required vs. optional fields. As part of a quality assurance process, management should also ensure all required fields are completed, or an explanation given as to why they are not. Only fully completed requests should be accepted and prioritised. For optional information requirements, management should ensure that the Project Charter closes any gaps in the Project Intake Request.	Management agrees and will take the following actions: 1. Review the current intake request process and document 2. Identify required and optional fields 3. Update project intake software workflow to ensure all fields are addressed appropriately and only completed requests move through the workflow 4. Test and remediate updated workflow 5. Deliver change education 6. Promote update to production	Mat Daley, Director ITS August 2019
PC 1.02: Incomplete launch plans Launch plans for both sample projects lacked detail with respect to escalation procedures in case of issues, and did not include detailed back out / recovery plans in the event of a failed implementation.	**PC 1.02: Incomplete launch plans** Incomplete launch plans can compromise the success of an implementation. This may necessitate the need for a back out of the implementation and a return	**PC 1.02: Incomplete launch plans** Management should update gating documentation to ensure completion of a detailed Launch Plan, per the forms intent. The plan should include sign-offs of both the implementation and back out plans	Management agrees and will take the following actions: 1. Update Launch Plan and back out plan, gating and sign-off process	Mat Daley, Director ITS May 2019

Both projects made use of a high level Excel spreadsheet to track key implementation tasks. However, neither project completed the cover form which is intended to include sign-offs.

The launch plan for the Sire/eScribe project also did not include an implementation checklist. It consisted only of issues to resolve and communications with technical support teams to ascertain that progression occurred through positive testing (mock meetings to ensure the application was functioning).

The launch plan for the Renew London project also did not include roles for the implementation tasks nor estimated timelines.

| to the prior state. It is critical that a return to prior state is pre-documented and achievable in a timely manner. | including, resources, timelines, communication protocols, and approvals. | including documentation

2. Deliver change education

3. Implement change |

MP

PC 1.03: The Risk and Issue Registers are not proactively maintained and are incomplete	**PC 1.03: The Risk and Issue Registers are not proactively maintained and are incomplete**	**PC 1.03: The Risk and Issue Registers are not proactively maintained and are incomplete**	Management agrees and will take the following actions:	Mat Daley, Director ITS, July 2019
The ITS methodology states: 'project managers will be involved to periodically analyze project risks', and 'project managers will maintain a living list of issues'. Both the risk and issue register were inconsistently maintained. For the Renew project, initial risks were captured in the Vision/Scope statement. They were transferred to a risk register but no further updates occurred. No issue log was observed. For the Sire/eScribe project, a risk register was not observed. An issue register exists, however because of a lack of dates it is unclear how frequently updates to the document occurred. Both the risk and issue registers are missing key fields used for capturing and tracking entries.	Proactive tracking and mitigation of risks, and proactive issues management, are cornerstones of project management and are critical components to project success. Failure to track risks and issues can affect all parts of the project management triple constraint: Scope, Time and Cost.	At each gate review, management should compare the risk and issue registers to the version provided at the previous gate to ensure project managers are proactively managing risks and issues including changes to the risk/issue potential and impacts, and updates to risk mitigation plans and issue progress to closure. Risk and issue aging is a key metric to be included in a project's regular status report, along with status on the high potential risks and high impact issues. Management should consider add the following fields to the risk and issue registers to be able to report on risk aging; • Initial opening date; • Date for each update to an entry; • Date closed; and • Document the resolution.	1. Review existing project management workflow 2. Add identified fields to risk and issue registers 3. Add ITS Senior Management review of risk and issue registers to appropriate gates 4. Deliver change education 5. Implement change	

Appendix 1: Internal Audit detailed scope

Specifically, the internal audit addressed the following areas:

For a sample selection of City departments, reviewed and assessed the Portfolio Management and Project Management framework:

- On a sample basis selected projects completed by City departments to review and assess the portfolio and project management framework currently implemented by the associated departments for alignment with the strategic objectives of the City and City policy; and
- Assessed the effectiveness of the portfolio management and project management framework currently implemented by selected departments against industry standard to ensure the proper controls are in place for managing departmental projects.

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; and
- Assess governance for the Renew and Sire/eScribe projects, and each projects adherence to the project management methodology.

Stakeholder	Position / Role
Mat Daley	Director, Information Technology Services
Lori Kolodiazny	Division Manager, Information Technology Services
Shawn Bradley	Manager II, Information Technology Services (Project Manager – Renew)
Dan Dobson	Manager III, Information Technology Services (Project Manager –eScribe)

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 governance for the Renew and Sire/eScribe projects, and each projects adherence to the project management methodology
- Obtained documentation regarding relevant procedures and controls to perform an inspection of:
    - **Sampled Project - Renew London**
        - o **Project Governance**: Project Intake Request, Eclipse (Application) Project Bulletin Board
        - o **Discovery**: Project tasks, Vision & Scope document
        - o **Initiation**: Project charter and approvals
        - o **Planning**: RACI and Communication Matrix, project schedule, schedule baseline, project infrastructure diagram, risk register, stakeholder identification, work breakdown structure
        - o **Execution**: Change requests, deployment, testing, training, defect management, transition to ops
        - o **Closing**: Project closure approval, project completion approval, lessons learned document
    - **Sampled Project - Sire/eScribe**
        - o **Governance:** Project Intake Request, eScribe subscription agreement, Eclipse (Application) Project Bulletin Board
        - o **Initiation:** Project Definition Statement (PDS) and approvals
        - o **Planning:** Sire replacement matrix, project schedule, schedule baseline, budget, issues list, project infrastructure diagram,
        - o **Execution:** Launch plan, transition to ops, testing, training
        - o **Closing:** Project closure approval, project completion approval, lessons learned
- 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.

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