

## Memo

<b>Date:</b>	June 7, 2019
<b>To:</b>	Members of the Corporation of the City of London Audit Committee
<b>From:</b>	Internal Audit
<b>Subject:</b>	Progress Memorandum: Class Replacement Pre-implementation Project Review

### Background

The Parks and Recreation Department is currently implementing Perfectmind Inc's recreation activity management system solution. Internal Audit is conducting a pre-implementation review to assess the recreation activity management system's internal control framework and the approach surrounding operational workflow design, requirements and data migration. The following activities have been completed by Internal Audit:

- Agreed on roles, responsibilities, logistics, timeframes, review milestones, team communication and reporting methods;
- Developed and validated the review approach with management and issued the Project Charter;
- Established an understanding of the current state system and controls through interviews and inspection of existing process documentation for the legacy system;
- Examined available project documentation; and
- Issued this memorandum that includes observations based on the activities performed above.

### Internal Audit's preliminary observations

Internal Audit's preliminary observations are summarized in the table below.

Priority	High	Medium	Low	Leading Practice
Observations	1	2	2	2

Areas of improvement were noted based on Internal Audit's review of project management activities to date for Perfectmind. Management should continue to monitor the overall project, timelines and progress to ensure that go-live for Perfectmind is achievable by revised March 2020 targeted deadline. The following table outlines Internal Audit's observations:

	Observation	Implication	Recommendation	Management comments and action plan	Responsible party and timing
<b>HP</b>	<b>CRPP 1.0 Project execution and support</b> The City has not approved nor implemented a standardized project management methodology for project teams to follow. As a result, the Class Replacement Project Team does not appear to be following a standard project management methodology which may have resulted in delays to some key project activities and the need to revise the project target deadline.	<b>CRPP 1.0 Project execution and support</b> Not following a standardized project management methodology risks effective project planning and execution (e.g., resourcing, tools, etc.), project success (i.e., on time, on budget, on scope), and management visibility.	<b>CRPP 1.0 Project execution and support</b> To achieve sustainable project management across the organization, the City should implement an organizational level Project Management function (either; a PMO; a dedicated team, working group or committee; or a defined methodology including policies, templates and tools).  A similar recommendation was made in the ITS Portfolio Management and Project Management – Methodology Maturity Internal Audit Report (Observation MM 1.01).	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.  It is debatable as to whether or not the revision to the project target deadline was a result of the project management methodology in use in comparison to the use of a standardized methodology. The revisions to the target deadline came about while undertaking solution development roadmap timelines and opportunities to improve security. Since time is available, management believes it best to wait and launch a more mature and secure solution.	City Manager  April 2020 subject to approval of 2020-2023 Multi-Year Budget
<b>MP</b>	<b>CRPP 2.0 Operations surrounding Perfectmind</b> The Project Team has not incorporated into the Project Plan, an assessment of core business procedures, such as daily cash balancing or reports to management that enable timely monitoring, surrounding the Perfectmind system.	<b>CRPP 2.0 Operations surrounding Perfectmind</b> Unassessed core business procedures may result in unidentified process efficiency opportunities, emerging risks, and reporting capabilities.	<b>CRPP 2.0 Operations surrounding Perfectmind</b> The Project Team should add tasks to the Project Plan to conduct an assessment of core business procedures surrounding the Perfectmind solution. This assessment should include front-end (e.g. point-of-sale) and back-end operations (e.g. finance reconciliation and adjustments).	The items do not appear in the project plan because: 1) A fulsome review of all business processes was completed as part of the prior recreation software solution project that was terminated in 2016. Core business practices were then revisited in 2018 outside of this project, prior to kick off. 2) Daily cash balancing occurs outside of the solution and the requirements are dictated by the Corporate Cash Handling document.	Manager Administration and Attractions Timing N/A

<b>MP</b>	<b>CRPP 3.0 Project resourcing</b> <p>The Project Team does not have a documented project resourcing schedule that is mapped to the existing Project Plan.</p>	<b>CRPP 3.0 Project resourcing</b> <p>Informal project resourcing practices may lead to unidentified project resourcing issues (e.g., overtasked team members) including misaligned resourcing schedules (e.g., vacation, etc.).</p>	<b>CRPP 3.0 Project resourcing</b> <p>The Project Team should begin using and managing the resource view within the project planning tool, or an Excel spreadsheet. Regular reviews are required to quickly understand total task allocations for each individual and identify immediate resourcing concerns (e.g., an individual overtasked in a specific week, etc.) including over allocation to tasks and conflicts with vacation schedules.</p>	<p>Management will begin utilizing shared resources including Outlook calendars and Excel task lists to identify staff availability and task responsibility.</p>	<p>Manager Administration and Attractions Q2 2019</p>
<b>LP</b>	<b>CRPP 4.0 Issue tracking and decision log</b> <p>There are two issue logs in use, 1) for solution issue tracking and 2) for internal City issues.</p> <p>The second (internal) tracking document does not include an assigned responsibility for each recorded issue. Additionally, the issues and risks recorded do not include related dates (i.e., open, closed) making it difficult to monitor, analyze and trend project data or potential impacts.</p> <p>The decision log requires a single date but it is unclear what the date represents.</p>	<b>CRPP 4.0 Issue tracking and decision log</b> <p>Unassigned responsibilities and unrecorded dates of risks, issues and decisions restricts the Project Team from measuring project effectiveness through active monitoring, analyzing and trending of project data.</p>	<b>CRPP 4.0 Issue tracking and decision log</b> <p>The Project Team should enhance the City issue tracking document and the decision log to record assigned responsibility and clearly defined dates (i.e., open, closed). Additionally, a procedure should be established to regularly monitor and analyze this data using specific parameters (e.g., project stream, issue ageing, severity).</p>	<p>The internal City issue log and the decision log will be modified to provide additional clarity.</p> <p><b>Note:</b> Responsibility for solution issue tracking resides with the vendor. The City does not manage this list.</p> <p>Management included critical issue items and timelines in Schedule E of the negotiated contract.</p>	<p>Manager Administration and Attractions Q2 2019</p>
<b>LP</b>	<b>CRPP 5.0 Legislative and policy requirement monitoring</b> <p>The Project Team has prepared a form to support regular monitoring of relevant legislative and City policy requirements. This form does not clearly articulate the document overview (e.g., purpose, ownership, etc.) and required activities (e.g., standard procedures, etc.).</p>	<b>CRPP 5.0 Legislative and policy requirement monitoring</b> <p>Undocumented details for key business operations may result in employee misunderstanding of responsibilities, inconsistent performance and ineffective maintenance of standard procedures.</p>	<b>CRPP 5.0 Legislative and policy requirement monitoring</b> <p>The Project Team should enhance the existing form to include the purpose, ownership, version date, and form ID. The form should also explain the standard procedures to be performed including the frequency and any definitions of key terms or criteria.</p>	<p>This is a new process and currently is in draft format.</p> <p>Management will incorporate suggestions into this new form.</p>	<p>Manager Administration and Attractions Q3 2019</p>

## Leading practices

Observation	Implication	Recommendation
<b>Project task completion</b> The Project Team uses a Project Plan to record project tasks and assign an ID with a responsible party. However, the percentage complete for each task is not standardized with a set of defined percentages (e.g., 95% means work is complete and awaiting management approval) making it difficult to understand how much progress has been made to date and what remaining effort is required.	<b>Project task completion</b> Undefined project task completion percentages restricts the Project Team from viewing the Perfectmind Project Plan and quickly understanding progress made to date and remaining effort required.	<b>Project task completion</b> It is recommended that the Project Team adopt a standard project task completion approach that defines a shortlist of percentages (i.e., 50%, 75%, 90%, 95%, and 100%). This standard approach should be documented and distributed to the Project Team for consistent understanding and use throughout the project.
<b>Project task completion</b> The Project Team is not currently using the critical path functionality within the project planning tool to calculate a revised estimated date for project completion when delays to critical project items are experienced.	<b>Project task completion</b> Not using the critical path function in the project planning tool restricts the Project Team's ability to easily measure and understand implications to the overall project timeline when critical tasks are delayed or expedited.	<b>Project task completion</b> The Project Team should begin using the critical path functionality within the project planning tool and regularly review any impacts to the estimated project completion date when critical project items are delayed.