Undertaking a Successful Project Audit

~ By Michael Stanleigh

A project audit provides an opportunity to uncover issues, concerns and challenges encountered during the project lifecycle. Conducted midway through the project, an audit affords the project manager, project sponsor and project team an interim view of what has gone well, as well as what needs to be improved to successfully complete the project. If done at the close of a project, the audit can be used to develop success criteria for future projects by providing a forensic review. This review identifies which elements of the project were successfully managed and which ones presented challenges. As a result, the review will help the organisation identify what it needs to do to avoid repeating the same mistakes on future projects.

Regardless of whether the project audit is conducted mid-term on a project or at its conclusion, the process is similar. It is generally recommended that an outside facilitator conduct the project audit. This ensures confidentiality, but also allows the team members and other stakeholders to be candid. They know that their input will be valued and the final report will not identify individual names, only facts. Often, individuals involved in a poorly managed project will find that speaking with an outside facilitator during a project audit allows them to openly express their emotions and feelings about their involvement in the project and/or the impact the project has had on them. This "venting" is an important part of the overall audit.

A successful project audit consists of three phases:

1. Success Criteria, Questionnaire, and Audit Interview Development
2. In-depth Research
3. Report Development

Phase 1: Success Criteria, Questionnaire, and Audit Interview Development

1. Success Criteria Development

Interview the core project sponsor and project manager to determine their "success criteria" for the project audit, find out what they expect to gain from the audit. This ensures that their individual and collective needs are met.
2. Questionnaire Development

Develop a questionnaire to be sent to each member of the core project team and to selected stakeholders. Often, individuals will complete the questionnaire in advance of an interview because it helps them to gather and focus their thoughts. The actual interview will give the facilitator the opportunity to gain deeper insights into the team member's comments. The questionnaire simply serves as a catalyst for helping team members and stakeholders reflect on the project's successes, failures, challenges and missed opportunities.

3. Audit Interview Questions

There are many questions that can be asked in an audit interview. It is most effective, however, to develop open-ended questions, i.e., questions that cannot be answered with a simple "yes" or "no." Develop interview questions that will help identify the major project successes; the major project issues, concerns and challenges; how the team worked together; how vendors were managed; how reporting and meetings were handled; how risk and change were managed, etc. Questionnaires can be used for team members and/or other stakeholders who are unable to attend an interview.

Phase 2: In-depth Research

1. Conduct individual research interviews with the project sponsor, project manager and project team members to identify past, current and future issues, concerns, challenges and opportunities.
2. Conduct individual research interviews with stakeholders, including vendors, suppliers, contractors, other internal and external project resources and selected customers.
3. Assess the issues, challenges and concerns in more depth to discover the root causes of any problems.
4. Review all historical and current documentation related to the project, including team structure, scope statement, business requirements, project plan, milestone reports, meeting minutes, action items, risk logs, issue logs and change logs.
5. Review the project plan to determine how the vendor plan has been incorporated into the overall project plan.
6. Interview selected stakeholders to identify and determine their initial expectations for the project and determine to what extent their expectations have been met.
7. Review the project quality management and the product quality management to identify issues, concerns and challenges in the overall management of the project. Identify any opportunities that can be realised through improvements to the attention of project and product quality.
8. Identify any lessons learned that could improve the performance of future projects within the organisation.

Phase 3: Report Development

1. Compile the information collected from all of the interviews.
2. Compile the information collected from individuals who only completed the questionnaire.
3. Consolidate the findings from the project documentation review.
4. Identify the issues, concerns and challenges presented through the review of the project quality management and product quality management plans and isolate the opportunities you believe may be realised.
5. Identify all of the project's issues, concerns and challenges.
6. Identify all of the project's opportunities that can be realised through the report's recommendations.
7. Identify the lessons learned that can improve the performance of future projects within the organisation.
8. Finalise the creation of the report and recommendations based on the findings and present the detailed report and recommendations, including a road map to get future projects to the “next level” of performance.

Conclusion

The purpose of a project audit is to identify lessons learned that can help improve the performance of a project or improve the performance of future projects by undertaking a forensic review to uncover problems to be avoided. In this way, project audits are highly beneficial to the organisation and provide the following outcomes:

- Development of lessons learned on the project that can be applied to both the organisation and its vendors.
- Development of strategies which, if implemented within the organisation, will increase the likelihood of future projects being managed successfully.
- Development of strategies which, if implemented within the organisation, will increase the likelihood of change initiatives being managed successfully.
- Development of project success criteria which might include on-time, on-budget, meeting customer and other stakeholder requirements, transition to next phase successfully executed, etc.
- Recognition of risk management so that risk assessment and the development of associated contingency plans becomes commonplace within the organisation.
- Development of change management success criteria which might include how staff are involved, how customers are impacted, how the organisation is impacted, transition to next level of change to be initiated, etc.
- Development of criteria that will continue the improvement of relationships between the organisation and its vendors, suppliers and contractors regarding the management of projects.
- Application of the lessons learned on the project to future projects within the organisation.

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