Project Management

THE MANAGERIAL PROCESS

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Third Edition

Project Audit and Closure

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Major Tasks of a Project Audit

1. Evaluate if the project delivered the expected benefits to all stakeholders.
   Was the project managed well?
   Was the customer satisfied?

2. Assess what was done wrong and what contributed to successes.

3. Identify changes to improve the delivery of future projects.

Project Audit Components

- A review of why the project was selected.

- A reassessment of the project's role in the organization's priorities.

- A check on the organizational culture to ensure it facilitates the type of project being implemented.

- An assessment of how well the project team is functioning well and if its is appropriately staffed.

- A check on external factors that might change where the project is heading or its importance.

- A review of all factors relevant to the project and to managing future projects.

Types of Project Audits

- ## In-process project audits
  - Allow for corrective changes if conditions have changed and for concentration on project progress and performance.

- ## Postproject audits
  - Take a broader and longer-term view of the project's role in the organization and emphasize improving the management of future projects.

Factors Influencing Audit Depth and Detail

Organization size

Project importance

Project type

Project risk

Project size

Project problems

Conducting a Project Audit

- **Step 1: Initiation and Staffing**

- **Step 2: Data Collection and Analysis**

- **Step 3: Reporting**

Characteristics of Audit Leaders

1. No direct involvement or direct interest in the project.

2. Respect (perceived as impartial and fair) of senior management and other project stakeholders.

3. Willingness to listen.

4. Independence and authority to report audit results without fear of recriminations from special interests.

5. Perceived as having the best interests of the organization in making decisions.

6. Broad-based experience in the organization or industry.

Step 2: Data Collection and Analysis

- ***Organization View***
  - –Was the organizational culture supportive and correct?
  - –Was senior management's support adequate?
  - –Did the project accomplish its intended purpose?
  - –Were risks appropriately identified and assessed?
  - –Were the right people and talents assigned?
  - –Have staff been fairly reassigned to new projects?
  - –What does evaluation from contractors suggest?
  - –Were the project start-up and hand-off successful?
  - –***Is the customer satisfied?***

Step 2: Data Collection and Analysis

- **_Project Team View_**
  - Were the project planning and control systems appropriate for this type of project?
  - Should all similar projects use these systems?
  - Did the project conform to plan for budget and schedule?
  - Were interfaces with stakeholders effective?
  - Have staff been fairly assigned to new projects?
  - Did the team have adequate resources? Were there resource conflicts?
  - Was the team managed well?
  - What does evaluation from contractors suggest?

Step 3: Reporting

- **Audit Report Content Outline**
  - Classification of project
    - Project type
    - Size
    - Staffing
    - Technology level
    - Strategic or support
  - Analysis of information gathered
    - Project mission and objectives
    - Procedures and systems used
    - Organization resources used
  - Recommendations
    - Corrective actions
  - Lessons learned
    - Reminders
  - Appendix
    - Backup data
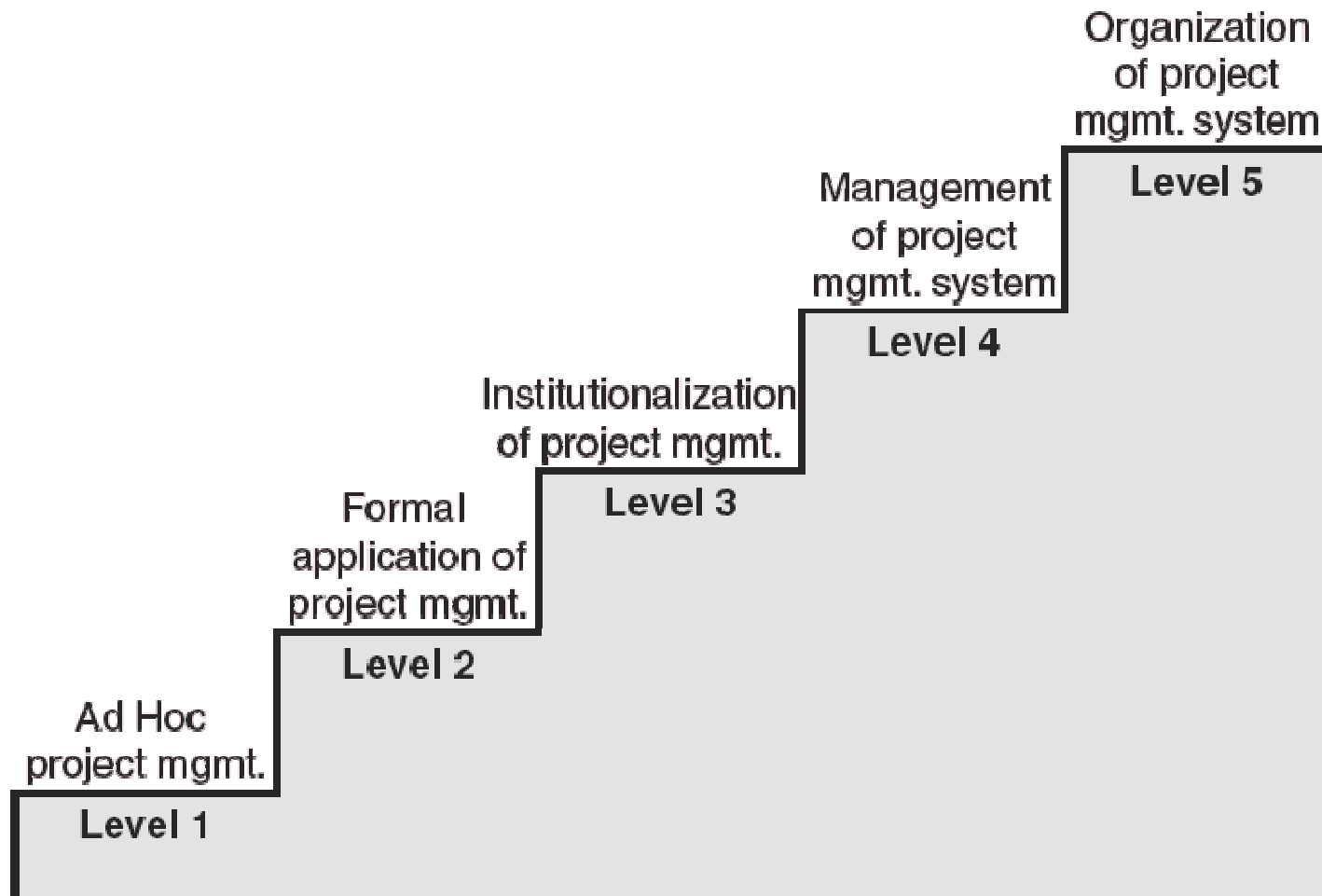 - Summary booklet

Project Management Maturity Model

FIGURE 14.1

Project Closure

- **Conditions for Closure**
  - Normal
  - Premature
  - Perpetual
  - Failed Project
  - Changed Priority

- **Close-out Plan: Questions to be Asked**
  - What tasks are required to close the project?
  - Who will be responsible for these tasks?
  - When will closure begin and end?
  - How will the project be delivered?

Barriers to Project Success

Activity*	Barrier	Incidence (%)
Planning	Unclear definition	16%
32%	Poor decision making	9
	Bad information	3
	Changes	4
Scheduling	Tight schedule	4
12%	Not meeting schedule	5
	Not managing schedule	3
Organizing	Lack of responsibility or accountability	5
11%	Weak project manager	5
	Top management interference	1
Staffing	Inadequate personnel	5
12%	Incompetent project manager	4
	Project member turnover	2
	Poor staffing process	1
Directing	Poor coordination	9
26%	Poor communication	6
	Poor leadership	5
	Low commitment	6
Controlling	Poor follow-up	3
7%	Poor monitoring	2
	No control system	1
	No recognition of problems	1

*To interpret the table, note that 32 percent of the 1,654 participants reported the barriers under "Planning," 12 percent reported the barriers under "Scheduling," and so on.

Table 14.2

Implementing Closedown

1. Getting delivery acceptance from the customer.

2. Shutting down resources and releasing to new uses.

3. Reassigning project team members.

4. Closing accounts and seeing all bills are paid.

5. Evaluating the project team, project team members, and the project manager.

European Space Launch, AG—Project Closure Checklist

Project _____ Euro Conversion _____ Customer _____ Finance Department _____

Project manager _____ Hans Kramer _____ Completion date _____ 12 December XX _____

	Due date	Person responsible	Notes
1. Document finance department acceptance	16/12	Hans	
2. Customer training in Euro software	28/12	Joan	Train all departments before conversion
3. Archive all			
Schedules/actuals	31/12	Maeyke	
Budgets/actual costs	31/12	Maeyke	
Changes	31/12	Maeyke	
4. Close out all accounts with vendors	31/12	Guido	
5. Close out all work orders	31/12	Mayo	
6. Close out partner accounts	31/12	Guido	
7. Reassign project staff	16/12	Sophie	
8. Evaluation of			
Vendors	31/12	Mayo	Use standard questionnaire for vendors
Staff members	31/12	Sophie	Have HR department develop and administer
9. Final report and lessons learned meeting	4/1	Hans	Send notice to all stakeholders
10. Lessons learned archive to database	10/1	Maeyke	Contact IS department
...tribute awards		Sophie	Notify all stakeholders

FIGURE 14.2

Project Performance Evaluations

- Reasons for Poor-Quality Project Performance Evaluations:

  - Evaluations of individuals are still left to supervisors of the team member's home department.

  - Typical measures of team performance center on time, cost, and specifications.

Project Performance Evaluation: Team

- Are standards and goals for measuring performance Clear, challenging, and attainable? Lead to positive consequences?

- Are responsibilities and performance standards known by all team members?

- Are team rewards adequate? Management believes teams are important?

- Is there a career path for successful project managers

- Does the team have discretionary authority to manage short-term difficulties?

- Is there a high level of trust within the organization culture?

- Are there criteria beyond time, cost, and specifications?

Sample Team Evaluation and Feedback Survey

Using the scale below, assess each statement.

	Disagree				Agree
1. The team shared a sense of common purpose, and each member was willing to work toward achieving project objectives.	1	2	3	4	5
2. Respect was shown for other points of view. Differences of opinion were encouraged and freely expressed.	1	2	3	4	5
3. All interaction among team members occurred in a comfortable, supportive atmosphere.	1	2	3	4	5

TABLE 14.3

Project Performance Evaluation: Individual

- Responsibility for assessing performance
  - Functional organization or functional matrix: the individual's area manager.
    - The area manager may solicit the project manager's opinion of the individual's performance on a specific project.
  - Balanced matrix: the project manager and the area manager jointly evaluate an individual's performance.
  - Project matrix and project organizations: the project manager is responsible for appraising individual performance.

Project Performance Evaluation: Individual

- Multirater appraisal or the "360-degree feedback

  - Involves soliciting feedback concerning team members' performance from all the people their work affects.

  - This includes project managers, area managers, peers, subordinates, and even customers.

Conducting Performance Reviews

- Begin by asking the individual to evaluate his or her own performance.

- Avoid drawing comparisons with other team members; rather, assess the individual in terms of established standards and expectations.

- Focus criticism on specific behaviors rather than on the individual personally.

- Be consistent and fair in your treatment of all team members.

- Treat the review as one point in an ongoing process.

Key Points in Conducting Audits

- Have automatic times or points when audits will take place. Surprises should be avoided.

- Conduct audits carefully and with sensitivity

- Audit staff must independent from the project.

- Audit reports need to be used and accessible.

- Audits support organizational culture

- Project closures should be planned and orderly.

- Certain "core conditions" must be in place to support team and individual evaluation.

- Conduct individual and team evaluations separate from pay or merit reviews.

Key Terms

In-process project audit

Maturity model

Performance review

Postproject audit

Project audit report

Project closure

Team evaluation

Three hundred and sixty
degree feedback