Project Audit:-

- It is a thorough examination of the mgmt of a project, its methodology & procedure, its records, its properties, its budgets & expenditure & its degree of completion.

- It may deal with the project as a whole, or only with a part of the project.

- The report should contain comments on the following points:-

a) Current status of the project.

b) Future status

c) Status of crucial tasks?

d) Risk Assessment:

e) Limitations of audit.

- It is a systematic review of a project to assess its performance, compliance & alignment with org? goals.

- it helps to identify strengths, weaknesses, risks & areas for improvement.

→ **Phase of Project Audit :-**

① **Project Audit Initiation :-**
- it involves starting the audit process, defining the purpose & scope of the audit & gathering sufficient informat? to conduct the audit.

②

2) **Project Baseline Definition :-**
  it consists of
- identifying the performance area to be evaluated,
- finding standards for each area through benchmarking
- ascertaining mgmt performance expectations for each area & developing a program to measure & assemble the requisite informat?

③ **Establishing an Audit Database :-**
- Once the baseline standards are established, execution of the audit begins.
- The next step is to create a database for use by the audit team.
- The database include informat? needed for assessment of project org?, mgmt & control, past & current project status, schedule performance, cost performance & o/p quality & plans for the future of the project.

④ **Preliminary Analysis of the Project :-**
- Auditor analyzes the data, measures progress performance & then present the analysis to managers.
- it involves comparing performance against objective, identifying deviations & risks, evaluating stakeholder satisfaction & analyzing root cause.

- It is auditor's duty to brief the PM on all findings and judgments before releasing the audit report.
- The purpose of the audit is to improve the project being audited as well as to improve the entire process of managing projects.

⑤ Audit Report Preperation:-
- The findings are documented & shared with relevant stakeholders.

i) Create an Audit Report:- summarize findings, including strengths, weaknesses (& risks)

ii) Provide Recommendations:- Suggest corrective actions & improvements.

iii) Present to stakeholders:- Discuss results with management & project teams.

⑥ Project Audit Termination:-
- Once the audit has completed, the audit process should be terminated.
- When the final report & recommendations are released, there will be a review of the audit process.
- This is done in order to improve the methods for conducting the audit.