

Project Auditing.

- Project Audit is thorough examination of the management of a project, its methodologies, & procedures, its records, its properties, its budgets & expenditures, & its degree of completion.

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

- Audit mainly contain,

- 1) Current status of the project
- 2) Future status
- 3) Status of crucial tasks
- 4) Risk assessments
- 5) Limitations of the audit.

* Some important features of the audit.

① Depth of the audit.

- There are several practical constraints that may limit the depth of the project auditors investigations.

- Time & money are two most common limits on the depth.

- It is logical to vary the depth of the investigation depending on circumstances & needs unique to each ~~other~~ project.

② Timing of Audit.

- The first audits are usually done early in the projects life.

- The sooner a problem is discovered, the easier it is to deal with.

- Audits done later in the life cycle of a project are of less immediate value to the project but are of more value to the parent organization.

③ Format and Use of the Audit Report.

- The type of the project being audited and the uses for which the audit is intended dictate some specifics of the audit report format.

Audit contains the following ^{Sections} ~~things~~ in it.

① Introduction

- Contains a description of the project to provide a framework of understanding for a reader.

② Current status

Status should be reported as of the time of the audit and among other things, should include the following measures of performance

- Cost - compare actual & budgeted costs.
- Schedule - Completed portion timing is mentioned.
- Scope - work completed with resources extended.
- Quality - Whether or not this is a critical issue depends on the type of project being audited.

③ Future ~~scope~~ project status - contains the auditor's conclusions regarding progress together with recommendations for any changes in tech. approach, schedule or budget that should be made in the remaining task.

④ Critical Management Issues

- All issues that the auditor feels require close monitoring by senior management should be included in this section, along with brief explanation of the relationships between these issues & the objectives of the project.

⑤ Risk management

- should contain a review of major risks associated with the project & their projected impact on project time/cost/scope

Responsibilities of the project Auditor

- First & foremost the auditor should tell the truth.
- The auditor must maintain political & technical independence during the audit & treat all materials gathered as confidential until the audit is formally released.
- Following are the steps for carrying out an audit.
 - Assemble a small team of experienced experts.
 - Familiarize the team with the requirements of the project.
 - Audit the project on site
 - After completion, debrief the project's management
 - Produce a written report according to the prescribed format

- DATE / /
- Distribute the report to the PM and project team for their response.
 - follow up to see if the recommendations have been implemented.

The project Audit life cycle.

① Project Audit Initiation - starting of the audit.

② Project Baseline Definition.

- Normally consist of identifying the performance areas to be evaluated, determining standard for each area through benchmarking or some other process.

③ Establishing an Audit Database.

Once the baseline standards are established, execution of the audit begins.

④ Preliminary Analysis of the project.

After the standards are set & data collected, judgements are made.

Purpose of audit is to improve the project being audited as well as to improve the entire process of managing projects.

⑤ Audit Report Preparation.

This part of Audit life cycle includes the preparation of the audit report, organized by whatever format has been selected to use.

⑥ Project Audit Termination.

As with the project itself, after the audit has accomplished its designated task, the audit process should be terminated.