



Audit Report:

Project Cost and Effort Management



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Executive Summary

HELP AG is a cyber security company previously founded in 1955 in Germany, and now based out of the United Arab Emirates. They have worked on multiple different projects with a variety of clients, which has helped build themselves the name and reputation they have today, holding one of the top spots for the most reputable cyber security companies in the MENA region.

With the recent demand of online safety, the field of cyber security has grown exponentially. HELP AG saw this opportunity and focused on providing their customers with products and services with the aim of building their clients a quality security architecture. Attending conferences and keeping up with the industry helps them keep up to date with technologies and competitors. With plans set, HELP AG is looking to become the leading cyber security consultants for their clients.

HELP AG works primarily with high level entities in the government and banking sectors, helping over 260 clients. Things like delivering hardware, installing software, diagnosing problems, providing updates and maintenance are a few of the services they provide to their clients. HELP AG offers subscription plans to their clients, ranging from one, two or three years. In the duration of their plan the client can choose to pay monthly, quarterly, or yearly.

During the year 2019 HELP AG was acquired by Etisalat. The vision for Etisalat was to grow out of just being a telecommunications company and become a technology company. Etisalat wanted to expand on their cyber security division, and with HELP AG being a market leader it was a no brainer for them to acquire HELP AG. This merger helped both sides in different ways, Etisalat got the expertise and experience of HELP AG in cyber security, and HELP AG got other benefits like better financial freedom, and more clients. HELP AG grew exponentially after being acquired by Etisalat, but with all this growth they kept their excellent service and stayed on top of the competition.

Each year HELP AG is earning awards, getting better financially, growing, and doing better than they did the year before. They were the first to introduce managed security services in 2015, and it helped in introducing the market in a concept like a NOC, but with more advanced options like monitoring any incident which is currently taking place, and with better observations on any security threats. Today this is their biggest selling service. HELP AG is ahead of its competition in providing services that other similar cyber security companies are unable to offer to their customers. Today they have over 400 cyber security specialists. The biggest differentiating factor in HELP AG is their drive to being the first to launch new services and cyber security solutions in the field.

Future plans of HELP AG are mainly global expansion. They are facing challenges with this initiative currently. While they were trying to expand out their company to Egypt and Pakistan, political challenges heled them back from this expansion. Despite this small setback, HELP AG is still trying to grow and expand as a cyber security company, and they will take every opportunity and initiative they can in order to reach their goals.

Motivation

Our selection for the company manager was thorough and selective. The manager we chose is an experienced asset of the company with nearly a decade of experience. The manager's skills, qualities and qualification helped him excel in his career. His remarkable performance with the company led him to becoming the team lead and then a performance manager along with many other recognitions and awards such as, “Best Team Player Award 2023”.

Prior to the acquisition by Etisalat the manager successfully managed multiple projects/services running simultaneously, skillfully allocating resources despite the company's smaller size. His primary role now is to keep the numerous delivered services/projects up to date and in good condition for the large clientele portfolio of HELP AG. The company has been recognized as a leader in the gulf region according to the IDC MarketScape owing to its steadfast dedication to innovation in addressing emerging threats and technologies within the realm of security services (root, 2023).

Hence, these achievements and competencies along with the mission and vision serve as the driving factors behind our decision to select this manager and the company.

Audit Plan: Project Cost Management

Phase	Approval	Feedback
Project Initiation:	-	
•Verify cost management processes are analysed for the project.	-	
•Ensure project charter is developed with straightforward cost objectives.	-	
•Review the project scope and revise the cost management boundaries.	-	
Estimate Costs:	-	
•Approximation or estimation of the cost of the resources needed.	-	
•Evaluate methodologies and verify historical data.	-	
•Assess accuracy and reliability of costs.	-	
Determine Budget:	-	
•Allocate the overall cost estimate to individual work items.	-	
•Confirm the budget includes all necessary cost elements.	-	
•Check if contingency reserves are appropriately allocated in case of uncertainties.	-	
•Make sure budget allocations are approved by stakeholders.	-	
Cost Control:	-	
•Evaluate effectiveness of cost monitoring mechanisms during the project lifecycle.	-	
•Check if corrective actions are taken accordingly to address cost overruns and underruns.	-	
•Verify EVM techniques are used to measure project performance against budget.	-	
Resource Management:	-	
•Evaluate resource allocation practices to optimize cost-effectiveness.	-	
•Make sure resources are utilised and monitored regularly.	-	
•Assess accuracy of time tracking systems implemented to obtain labor costs.	-	
Financial Reporting:	-	
•Review financial reports to guarantee they provide accurate information.	-	
•Verify the cost performance metrics such as CV and CPI are calculated and reported.	-	
•Check if financial statements comply with relevant accounting standard and regulations.	-	
Risk Management:	-	
•Assess and identify all possible cost-related risks.	-	
•Review risk responses and risk reserves to mitigate the impact of unforeseen cost events.	-	
Documentation and Records Management:	-	
•Confirm all cost-related documents are maintained and organized for audit purposes	-	
Compliance and Governance:	-	
•Ensure the project complies with organizational properties, regulatory requirements, and industry standards.	-	
•Make sure appropriate governance structures are in place to oversee activities.	-	
Training and Development:	-	
•Revise the adequacy of training programs to enhance the cost management skills of project teams.	-	
•Identify opportunities for continuous improvement in cost management practices.	-	
Post-Project Evaluation:	-	
•Conduct a review post-project to assess the accuracy of cost estimates and effectiveness of cost management processes.	-	
•Learn from lessons and best practices for future projects.	-	

Phase 1: Project Initiation

Initiation is always the first process when it comes to project management. The first step is extremely important since it marks the early phase of the project life when critical decisions, prone to risk and influence, are made. During this phase the leading objective is to define the project and enact its purpose and objectives.

This phase includes constructing a project charter, which outlines the project's scope, objectives, stakeholders, and initial budgetary limitations. The audit process in this phase will involve ensuring that HELP AG's project charter incorporates clear cost objectives and that their project management plan highlights the processes for cost management.

Phase 2: Cost Estimation

Cost estimation involves estimating all the costs associated with completing a project within the project scope according to a given timeline. As the project progresses, detailed cost estimates become essential for resource allocation. A detailed cost estimate covers both direct and indirect expenses, including overhead costs, labour, materials, equipment, and vendor fees.

Various techniques at HELP AG are carried out such as analogous estimation, parametric estimation, bottom-up estimation, and three-point estimation will be used to derive cost estimates.

1. Analogous Estimating: Uses past project data to estimate current project costs, mainly useful in early project stages.
2. Parametric Estimating: Utilizes historical data and statistical models to assign costs based on project components, providing higher accuracy but requiring more data.
3. Bottom-Up Estimating: Breaks down larger projects into smaller components for detailed cost estimation, offering high accuracy.
4. Three-Point Estimating: Considers optimistic, pessimistic, and most likely scenarios for cost estimation, derived from PERT.

The audit will examine how HELP AG incorporates these methodologies which are used for cost estimation, the accuracy of estimates compared to actual costs, and the documentation of assumptions and constraints considered during their estimation.

Phase 3: Budget Planning

A larger budget enables a company like HELP AG to engage more resources and expedite project completion, enhancing deliverables. Further, formulating a budget is essential for any future project plan's completion. Regardless of a project's scale or complexity, the process of budgeting remains consistent.

Through our audit of HELP AG's projects, we will be able to assess the budgeting process to ensure HELP AG's alignment with their project scope and objectives, the inclusion of all necessary cost elements, the allocation of contingency reserves, and stakeholder approval of the budget.

Phase 4: Cost Control

Project cost control will play a vital role in HELP AG's maintenance of their project's budget which is a key component of project success. This will ensure that their initial cost management measures remain effective and precise throughout their project's lifecycle. HELP AG's consistency in completing projects under budget will

enable them to increase profits, maintain their strong brand reputation for reliability, and make more precise budget projections for future endeavors.

We will evaluate the effectiveness of HELP AG's cost monitoring mechanisms, variance analysis reports, change control processes, and the use of earned value management techniques to measure HELP AG's project performance.

Phase 5: Resource Management

Resource planning allows the project manager to assess the necessary human resources, raw materials, equipment, and facilities for project delivery. During this phase, the main goal is to identify all physical resources essential for project execution.

We will be assessing through our audit the resource allocation practices, utilization monitoring, and the accuracy of time tracking systems used at HELP AG to capture labour costs.

Phase 6: Financial Reporting

Financial reporting is vital for project cost allocation as it affects the profitability, performance, and budgeting for the project and HELP AG. It involves preparing and disseminating reports that provide stakeholders at HELP AG with insight into the project's financial performance.

Our audit process will review HELP AG's financial reports for accuracy, transparency, compliance with accounting standards, and the inclusion of relevant cost performance metrics. Some methods that are carried out for project cost allocation are:

1. Direct Cost Allocation
2. Indirect Cost Allocation
3. Activity-Based Costing
4. Choosing the Best Method

Phase 7: Risk Management

Risks in cost management is one of the most common project risks. This can occur due to inefficient budget planning and poorly estimated costs. Risk management will prevent such risks of exceeding the budget for any of HELP AG's projects or failure in delivering value to set back costs.

At HELP AG, risk management involves identifying, assessing, and mitigating potential risks that could impact project costs. The audit assesses the effectiveness of HELP AG's risk identification and response strategies, the inclusion of risk reserves in the budget, and adherence to risk management policies.

Phase 8: Documentation and Records Management

This phase involves maintaining accurate and organized records of all cost-related documents and transactions at HELP AG. Documentation is an important procedure which requires accuracy and constant updates to keep up to date with ongoing projects. Documents such as the project plan, project schedule, and project budget, define the activities, procedures and guidelines required for every project team at HELP AG that should be followed.

Some documents that HELP AG include in order to manage their project:

1. Project Plan
2. Project Charter
3. Project Schedule
4. Risk Register
5. Scope Statement
6. Project Budget
7. Project Communication Plan
8. Project Status Report

Our audit will allow us to evaluate and gain insight into HELP AG's compliance with relevant policies, regulations, and standards, as well as the effectiveness of governance structure.

Phase 9: Compliance and Governance

Compliance and governance ensure that each of HELP AG's cost management activities adhere to government organizational policies, regulatory requirements, and industry standards. The audit will reveal and assess the worth of compliance with relevant policies, regulations, and standards, as well as the effectiveness of governance structures.

Phase 10: Training and Development

Initiatives in training and development aim to strengthen HELP AG's cost management skills of their project teams and improve their overall project performance. We will assess through our audit the adequacy of HELP AG's training programs and identify opportunities for continuous improvement in cost management practices.

Phase 11: Post-Project Evaluation

In our final stage we will examine the accuracy of HELP AG's cost estimates. We will also investigate their effectiveness of cost management strategies, and how they identify and analyse their lessons learned for their upcoming projects. This phase mainly involves conducting a comprehensive review of project costs and cost management processes after project completion.

Conclusion

In conclusion, the audit of project cost and effort management processes within HELP AG will aim to provide valuable insights into the effectiveness of current practices and areas for improvement if needed. Throughout the comprehensive audit plan outlined in this report, we will attempt to assess numerous aspects of project cost and effort management, such as cost estimation, budget planning, cost control mechanisms, vendor management, compliance with regulatory requirements, and training and development. The stages outlined in this report will serve as a roadmap for us to apply our audit plan and in addition for HELP AG to strengthen its cost and effort management capabilities.

Effective management of cost and effort not only contributes to the financial gains of HELP AG but also increases its reputation for delivering projects with efficiency and accountability. By embracing the recommendations highlighted in this report, and fostering a culture of continuous improvement and innovation, HELP AG can position itself for sustained success in an increasingly competitive cybersecurity landscape in the MENA region.

As we move forward on to our audit, it is imperative for HELP AG to prioritize the implementation of robust cost management practices, foster collaboration across project teams, and leverage technology-driven solutions to streamline cost and effort monitoring and control processes. By doing so, HELP AG can enhance its ability to adapt to evolving market dynamics, drive innovation, and deliver exceptional value to its stakeholders.

In closing, our audit plan of project cost and effort management represents a pivotal step towards optimizing HELP AG's future project outcomes, minimizing financial risks, and fostering long-term organizational growth. Hence, with a steadfast commitment to excellence and a proactive approach to addressing identified challenges, HELP AG is well-positioned to achieve its strategic objectives and uphold its reputation as a leader in the ever-growing industry.

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Declaration of contributions

Walid

- Reaching out to different companies and connecting with IT project managers.
- Constructing a question sheet to ask the IT manager along with researching the company online.
- Researched Audit plan for cost management using resources and made a checklist.
- Expanded on the audit checklist and tailored it towards the company.
- Formed conclusion and cover designing cover page.
- Peer reviewing the report and its content.

Basil

- Reaching out to different companies and connecting with IT project managers.
- Constructing a question sheet to ask the IT manager along with researching the company online.
- Made executive summary using the knowledge from the recorded meeting with manager.
- Formatting the report to the requirements.
- Peer reviewing the report and its content.

Bilal

- Reaching out to different companies and connecting with IT project managers.
- Coordinating and Scheduling meetings with project manager.
- Constructing a question sheet to ask the IT manager along with researching the company online.
- Constructing motivation in choosing the selected company and IT manager.
- Peer reviewing the report and its content.

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