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**Assignment No” Six**

Questions

1. a. When should an audit be conducted during a project? Is there a “best” time?

Given that all projects of significant sixe or importance should be audited, the first audits are usually done early in the project’s life. The sooner a problem is discovered, the easier it is to deal with. Early audit are often focused on the technical issues in order to make sure that key technical problems have been solved or are under competent attached. Ordinarily, audit 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. As the project develops, technical issues are less likely to be matters of concern. Conformity to the schedule and budget becomes the primary interest management.

b. What occurs in each stage of the audit life cycle?

1. Project Audit Initiation: this step involves starting the audit process, defining the purpose and scope of the audit, and gathering sufficient information to determine the proper audit methodology.
2. Project Baseline Definition: this phase of the cycle normally consists of identifying the performance areas to be evaluated, determining standards for each area through benchmarking or some other process, ascertaining management performance expectations for each area, and developing a program to measure and assemble the requisite information. Occasionally, no convenient standards exist or can be determined through benchmarking. For example, a commodity-pricing model was developed as part of a large marketing project. No baseline date existed that could serve to help evacuation the model. Because the commodity was sold by open bid, the firm used its standard bidding procedures. The results formed baseline data against which the pricing model could be tested on an “as if” basis.
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. For example, consider the database required by the CCC pricing model test in. Depending on the purpose and scope of the audit, the database might include information needed for assessment of project organization, management and control, past and current project status schedule performance, cost performance, and output quality, as well as plans for the future of the project. The information may vary from a highly technical description of performance to a behaviorally based description of the interaction of project team members. Because the purpose and scope of audits vary widely from one project to another and for different times on any given project, the audit database is frequently quite extensive. The required database for project audits should be specified in the project master plan. If this is done, the necessary information will be available when needed. Nonetheless, it is important to avoid collecting “anything that might be useful,” since this can place extraordinary information collection and storage requirements on the project.
4. Preliminary Analysis of the Project After standards are set and data collected, judgments are made. Some auditors eschew judgment because such a delicate but weighty responsibility must be reserved to senior management. However, judgment often requires a sophisticated understanding of the technical aspects of the project, and/or of statistics and probability, subjects that may elude some managers. In such an event, the auditor must analyze the data and then present the analysis to managers in ways that communicate the real meaning of the audit’s findings. It is the 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. It is not intended as a device to embarrass the PM.
5. Audit Report Preparationthis part of the audit life cycle includes the preparation of the audit report, organized by whatever format has been selected for use. A set of recommendations, together with a plan for implementing them, is also a part of the audit report. If the recommendations go beyond normal practices of the organization, they will need support from the policy-making level of management. This support should be sought and verified *before* the recommendations are published. If support is not forthcoming, the recommendations should be modified until satisfactory
6. Project Audit Termination: as with the project itself, after the audit has accomplished its designated task, the audit process should be terminated. When the final report and recommendations are released, there will be review of the audit process. This is done in order to improve the methods for conducting the audit. When the review is finished, the audit is truly complete and the audit team should be formally disbanded.

2.

a. What items should be included in the audit status report?

* Current status of the project. Does the work actually completed match the planned level of completion?
* Future status. Are significant schedule changes likely? If so, indicate the nature of the changes.
* Status of crucial tasks. What progress has been made on tasks that could decide the success or failure of the project?
* Risk assessment. What is the potential for project failure or monetary loss?
* Information pertinent to other projects. What lessons learned from the project being audited can be applied to other projects being undertaken by the organization?
* Limitation of the audit. What assumption or limitations affect the data in the audit?

b. What are the essential conditions of a credible audit?

For an audit/Evaluation to be conducted with the skill and precision. For it to be credible and generally acceptable to senior management, to the project team, and to the client several essential conditions must be met. The audit evaluation team must be accessible, and free contact with project members must be preserved. The choice of the audit evaluation team is critical to the success of the entire process, it may seem unnecessary to note that team members should be selected because of their ability to contribute to the audit evaluation but sometime members are selected merely because they are available the size of the team will generally be function of the size and complexity of the project. For a small project, one person can handle all the tasks of the audit evaluation, but for a large project, the team may require representative from several different constituencies.

The main role of audit evaluation team is to conduct a thorough and complete examination of the project or some prospected aspect of the project. The team must determine which items should be brought to management attention. It should report information and make recommendations in such a way as to maximize the utility of its work. The team is responsible for constructive observation and advice based on the training and experience of its members. (Jack R. Meredith, 2017)

3. How does an understanding of how people learn affect project audits and evaluation?

1. An understanding of how people learn affects project audits and evaluations by seeing that people had their own unique way of recalling information, solving problems, and the way they used historical references.
2. An auditor/evaluator can avoid the shortfalls described in the article by planning a structured meeting, sending out the meeting slides ahead of time and asking the right questions during the post-project review meeting.
3. The author recommends that the chairperson dig deep, ask the right questions in order to get people thinking, look at historical documents or trends in the organization’s project history, look at the project as a whole and ask why did this or that happen and also why do you believe this happened, also do not let people off the hook, ask the questions and develop thinking until you get the answer you are looking for, plan your remedies carefully, and invite key outsiders to help with dissemination. (Jerry, 2014)

4.

a. What are some of the interdependencies related to a project?

According to project management institute annual seminars, interdependencies are defined as capabilities required for the successful delivery of an individual project, which by extension, effect success of the overall IM/IT portfolio.

Interdependencies represent a subset of the overall project risks. They are categorized as either “dependencies” or “contributions” “dependencies” are the capabilities that the project **requires from** external sources in order to deliver successful. “Contributions” are capabilities that the project needs to **deliver to** external sources, which influence their delivery capability and in turn affect the health of the overall IM/IT portfolio of project. Project interdependencies are viewed from three dimensions that are combined to define each interdependency and its impact.

**• Sources**—the external sources of a project's interdependencies include other IM/IT projects or non-capital initiatives, but also extends to include capabilities well beyond these sources. It is difficult enough for project managers to keep track of what other IM/IT projects are doing to meet expectations (or possibly not doing), but they must also concern themselves with business and organizational initiatives that contribute to or depend upon their success.

• **Service Area**—each interdependency relates to one of the following service areas: business processes, application/system services or IT infrastructure.

• **Type of capability**—each interdependency falls within one of the following types of capability: a technology-enabling product, a physical interface, a business policy and/or other organizational function. (Audet, 2002)

b. Why is the life cycle curve often “S” shaped?

The project management effort is higher in the stages because of the planning. When a project starts, there are decision to be made about resources, scheduler, deliverable, risk assessment etc. so the workload is intensive during the initial stages but ramps up as the project moves towards delivery or launch. In summary, the workload is high during initial planning, drops as the work starts and increase at the end.

5.

a. What is “slack” and why is it important?

Slack is actually a professional term used in project management to help people figure out just how much is available between the various steps of a project. In project management, it is not about being lazy, even though the term slack is usually connected with being lazy and doing nothing instead, it tells you just how much time. You have so start a particular task in a project to keep the project on time if you go over the start time then you will be delaying the project, slack time is created when certain task of the project take more than other.

The important of Slack:

**Slack allows you to reorganize to remove blockages**: when blockages occur on in-progress stories, a slack member of the engineering team can quickly jump in to remove the impediment.  It is impossible to know everything when you start a story, so it is prudent to have the ability to have another person to quickly jump in and help, be it with development, testing, or infrastructure needs.

**Slack provide breathing space**: cranking through features and stories to solve customer problems can be rewarding, but a sustained effort for a long period can also be tiring. Part of maintaining a sustainable pace is allowing team members time to periodically slow down, recharge the batteries, and return with renewed energy. A few hours and there may be all that is needed.

Slack provide time for planning: to properly decide what features to add to the product, engineering estimates of complexity and risk must be taken into consideration. These take time away from core development to give them proper consideration. Additionally, backlog grooming is essential to maintaining flow and it needs input both from product owners and from engineers.

**Slack gives you the chance to improve the system**: When you are immersed in a system, you are only able to see the problems and solutions that are in your immediate field of vision, assuming you have time to look for them at all.  Slack provides time to step back and look at larger and larger parts of the system to understand where waste is occurring.  A great benefit of this is that the discovery and correction of a waste situation often frees up time and money that can be invested back into product development or into the next system improvement.

Slack provides room for experimentation: Sometimes you need to have the ability to experiment on something and fail in order to discover new ideas, techniques, skills, or features. Slack during iterations can provide this opportunity.  [FedEx Days](http://www.stevegamble.com/redevelopment/2011/01/results-of-our-first-fedex-day.html) or similar events (organized slack!) are also great proving grounds from which amazing things can emerge. (Gamble, 2011)

b. What would you identify as the ethical responsibilities of an auditor?

Recent high-profile corporate collapses, such as Enron and WorldCom, have brought into question the status and credibility of the accounting profession, especially auditors, “which allegation of accounting’ violation of public trust”. Auditing standards require the auditor to verify that the information provided in the operational and financial review is consistent with the audit report and the other information contained in the annual report.

Ethical auditing is a process, which measure the internal and external consistency of an organization’s values base. The key points are that is value-linked and that it incorporates a stakeholder approach. Its objectives are two-fold:

• It is intended for accountability and transparency towards stakeholders

• It is intended for internal control, to meet the ethical objectives of the organization.

The value of the ethical audit is that it enables the company to see itself through a variety of lenses: it captures the company's ethical profile. Companies recognize the importance of their financial profile for their investors, of their service profile for their customers, and of their profile as an employer for their current and potential employees. An ethical profile brings together all of the factors which affect a company's reputation, by examining the way in which it does business. By taking a picture of the value system at a given point in time, it can:

• clarify the actual values to which the company operates

• provide a baseline by which to measure future improvement learn how to meet any societal expectations, which are not currently being met.

• give stakeholders the opportunity to clarify their expectations of the company's behavior

• identify specific problem areas within the company

• learn about the issues, which motivate employees

• identify general areas of vulnerability, particularly related to lack of openness

In relation to the specific factors of the ethical environment, studies on codes of ethics have dominated the ethical accounting and auditing literature. Codes of ethics are important since they implicitly set limits for unethical behavior and are intended to offer guidance in ambiguous situations (Gary Pflugrath, Nonna &Bennie Liang, Chen, 2007)

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