

Board of Management Audit & Assurance Committee

Date of Meeting	Tuesday 3 September 2024
Paper No.	AAC1-J
Agenda Item	5.4.4
Subject of Paper	Internal Audit Report – Project Management
FOISA Status	Disclosable
Primary Contact	Henderson Loggie
Date of production	August 2024
Action	For Discussion and Decision

1. Recommendations

The Committee is asked to consider and discuss the report and the management responses to the internal audit recommendations.

2. Purpose of report

The purpose of this review is to provide management and the Audit and Assurance Committee with assurance on key controls relating to the curriculum and financial plans in place for City of Glasgow College and their alignment with the regional plan for Glasgow and the college student number targets.

3. Key Insights

This internal audit of Project Management provides an outline of the objectives, scope, findings and graded recommendations as appropriate, together with management responses. This constitutes an action plan for improvement.

The Report includes a number of audit findings which are assessed and graded to denote the overall level of assurance that can be taken from the Report. The gradings are defined as follows:

Good	System meets control objectives.
Satisfactory	System meets control objectives with some weaknesses present.
Requires improvement	System has weaknesses that could prevent it achieving control objectives.
Unacceptable	System cannot meet control objectives.

4. Impact and implications

Refer to internal audit report.

Appendix – Internal Audit Report – Project Management

LEVEL OF ASSURANCE

Satisfactory

City of Glasgow College

Project Management

Internal Audit report No: 2024/11

Draft issued: 23 August 2024

Final issued: 27 August 2024



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Level of Assurance

In addition to the grading of individual recommendations in the action plan, audit findings are assessed and graded on an overall basis to denote the level of assurance that can be taken from the report. Risk and materiality levels are considered in the assessment and grading process as well as the general quality of the procedures in place.

Gradings are defined as follows:

Good	System meets control objectives.
Satisfactory	System meets control objectives with some weaknesses present.
Requires improvement	System has weaknesses that could prevent it achieving control objectives.
Unacceptable	System cannot meet control objectives.

Action Grades

Priority 1	Issue subjecting the organisation to material risk and which requires to be brought to the attention of management and the Audit and Assurance Committee.
Priority 2	Issue subjecting the organisation to significant risk and which should be addressed by management.
Priority 3	Matters subjecting the organisation to minor risk or which, if addressed, will enhance efficiency and effectiveness.



Management Summary

Overall Level of Assurance

Satisfactory	System meets control objectives with some weaknesses present.
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Risk Assessment

This review focused on the controls in place to mitigate the following risk on the City of Glasgow College ('the College') Strategic Risk Register (as at June 2024):

- SR9 – Failure to manage performance and achieve improved performance (Net Score 15, High).

Background

As part of the Internal Audit programme at the College for 2023/24, we carried out a review of Project Management. The Audit Needs Assessment, identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Board of Management and the Principal that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

The College's Project Management Office (PMO) was established in 2021 and reports to the Depute Principal & Chief Operating Officer. The aim of the PMO is to support, guide, mentor, and monitor all projects in the College. The role can range from administrative support through to being directly responsible for the management of a project. It is also to advise appointed Project Leads on selecting the most appropriate methodology for their project and to help them implement it, by ensuring that all stages of the project are properly planned, recorded, reported and evaluated in line with the College's methodology.



Project Management

Scope, Objectives and Overall Findings

The scope of this audit was to review the project management arrangements in place at the College, and to review and test the policies and procedures for the planning, control, and monitoring of the College's projects.

The table below notes each separate objective for this review and records the results:

Objective	Findings		
	1	2	3
The objectives of the audit were to obtain reasonable assurance that			
	No. of Agreed Actions		
1. The role of the PMO and the College's programme and project management framework have been communicated to relevant staff	Satisfactory	-	-
2. The project appraisal process ensures that all project proposals align to the College's strategic objectives	Satisfactory	-	-
3. Programmes / projects are managed using an agreed, proportionate project management methodology	Requires improvement	-	1
4. Risk management and contingency planning arrangements are in place for projects	Requires improvement	-	-
5. Progress made on projects, and expenditure against budget, is monitored by management and Board committees	Satisfactory	-	-
6. Appropriate arrangements are in place to challenge original assumptions and to revisit the planned outputs to ensure that projects adapt to meet changing needs	Good	-	-
Overall Level of Assurance	Satisfactory	-	1
		System meets control objectives with some weaknesses present	

Audit Approach

We reviewed relevant documentation including strategies, plans, policies, procedures, management information, minutes, option appraisal documents and bids for funding relating to the College's projects and discussed the approach adopted with officers from the PMO and a sample of appointed project leads.

For a sample of programmes / projects selected we tested compliance with the City of Glasgow Project Management Handbook for the planning, control, and monitoring of projects.



Summary of Main Findings

Strengths

- Our discussions with a sample of Project Leads noted that they felt the current Project Co-ordinator is a great asset to the PMO and their contributions have allowed projects in recent years to deliver more than they otherwise would have;
- The PMO has a dedicated page on the College intranet ('myconnect') with a range of useful resources available to all staff, such as blank templates of the College's project management documentation and a video on how to best use these;
- There is a PMO Project Handbook in place which provides a single source of information for staff across the College on its project management approach and further guidance on each stage of the process. Flowcharts are included as appendices for the key processes involved;
- The College's 'Business Case' template includes a section on 'Strategic Context' which requires Project Managers to explain how the project aligns with the College's wider strategic priorities. A risk register must also be completed at the initial stage of a project;
- A proportionate methodology is agreed for managing projects of varying sizes. The College's approach is PRINCE2 aligned and the Project Co-ordinator is currently undergoing a qualification in Agile project management;
- Feedback from a sample of Project Leads was that the PMO documentation is very helpful and allows projects to stay on track. Project Management Logs are a key document in use once projects are underway to track actions, risks and changes. A lessons log is also included to ensure that key learnings are documented;
- The Project Co-ordinator and Depute Principal & Chief Operating Officer meet on a fortnightly basis to discuss progress on all projects and any particular challenges or issues that have been encountered;
- A Project Board is in place for larger projects, providing an additional layer of monitoring;
- Project Progress and Status Reports are provided to the PMO by Project Leads, which include information on how projects are progressing and expenditure against budget. These are also reported to the Project Board where applicable. The PMO is responsible for reporting to Senior Management; and
- Once completed, projects are assessed to confirm whether they were delivered on time and on budget. Where the benefits are not fully measurable at this stage, a schedule is agreed to ensure these are reviewed at an appropriate time.

Weaknesses

- The PMO has experienced recruitment difficulties which have meant that it has had a vacancy for a second Project Co-ordinator for around two separate six month periods in the last two years. This has coincided with a higher than usual workload for the PMO, due to its support with the College Transformation, and has therefore meant that resources within the department have been limited. The College has done all that it can in an attempt to fill the vacancies, but there has been a lack of suitable available candidates;
- The PMO Project Handbook has not been reviewed since it was first drafted around the time the PMO was set up. We noted specifically that the Handbook has not been updated to reflect the change in role of the PMO; and
- It was noted during audit testing that some of the project files in the sample tested did not include all of the documentation as set out in the PMO Project Handbook. The Project Co-ordinator explained that there can be issues with getting staff across the College to fully engage with the PMO consistently throughout a project, and complete all of the documentation that aligns with the College's project management framework.

Acknowledgments

We would like to take this opportunity to thank the staff at the College who helped us during our audit.



Main Findings and Action Plan

Objective 1 - The role of the PMO and the College's programme and project management framework have been communicated to relevant staff

The role of the PMO has evolved since it was first set up in 2021. It initially aimed to offer an advisory service, providing “hands off” support, resources and guidance to Project Leads across the College. It also successfully worked to develop a Project Management framework for the College which was PRINCE2 aligned. As part of the College's ongoing review of the role and effectiveness of the PMO, it was identified that staff felt a more directly involved Project Management approach would add more value, and the role has adapted in response to this. The role of the PMO now is to provide more ‘hands on’ support for the projects underway across the College, with its role ranging from providing ‘admin support’, to directly supporting the Project Manager or having overall responsibility for managing the project, dependent on the preference of the Project Lead and staff involved in the project.

The structure of the PMO has also evolved since it was first set up. The structure was initially made up of an Assistant Director, Project Co-ordinator and Project Officer. At the time of the audit, it was felt that a structure of two Project Co-ordinators would better fit with the current role of the PMO, however only one Project Co-ordinator was in place. The College has experienced challenges in recruiting and retaining a second Project Co-ordinator, despite going through the recruitment process several times and offering posts to multiple candidates. Discussions were underway about whether it would be beneficial to review the structure of the department again, and also secure funding to recruit a Modern Apprentice within the PMO. In the last two years, the current Project Co-ordinator had been the only member of staff within the PMO for two separate six-month periods and could be considered a single point of failure. As the College is actively trying to tackle this issue, and is reviewing other ways that it could attract suitable candidates, such as reaching out directly to graduates, or offering two part time posts or a job share, no specific recommendation has been raised.

It was noted, that the PMO has provided admin support for the Transformational Change Project which has been underway over the last two years at the College, and this has required a significant amount of time and resource. This has left little time for other tasks and therefore, combined with the recruitment challenges within the department, has not allowed the PMO to function “normally”, in line with its current role, for some time. Our discussion with a sample of appointed Project Leads noted that they spoke very highly of the current Project Co-ordinator and had found their support extremely valuable, managing to make excellent contributions despite being seriously limited on resources and during two very difficult years.

The role of the PMO is communicated through direct communication between the Project Co-ordinator and staff across the College and via the dedicated PMO page on the College's intranet, ‘myconnect’. This page includes contact details and a description of what they do as well as a bank of project management resources that can be accessed directly by any staff who may require them. The College has a PMO Project Handbook in place which sets out the College's Project Management framework and collates detail of the processes, tools and templates available to guide and support a Project Manager. There is a section within the Handbook which outlines the scope of the PMO. The roles and responsibilities of the Project Sponsor, Project Manager and Project Board are also outlined within the Handbook. This is made available to all staff via myconnect.



Project Management

Objective 1 - The role of the PMO and the College's programme and project management framework have been communicated to relevant staff (Continued)

Observation	Risk	Recommendation	Management Response
<p>The PMO Project Handbook sets out that the PMO will:</p> <ul style="list-style-type: none"> • Offer support and guidance; • Provide practical tools and templates; • Develop consistent, repeatable processes; • Monitor project progress; and • Report project success. <p>But will not:</p> <ul style="list-style-type: none"> • Directly manage or carry out projects. <p>It was noted that this does not fully reflect the current role of the PMO, as it does now directly manage projects. The Handbook was drafted around the time that the PMO was first set up and therefore would benefit from a refresh throughout.</p> <p>Additionally, as noted above, the role of the PMO can range from administrative support through to being directly responsible for the management of a project. The Handbook does not currently define and differentiate between the different roles which the PMO could take on, and when each role would be applicable.</p>	<p>Staff across the College may be unaware of the current services that the PMO offers. Further, an outdated Handbook may lead to confusion or inconsistencies in how projects are managed across the College, reducing overall project efficiency and effectiveness.</p>	<p>R1 A review of the PMO Project Handbook should be conducted to ensure that it is up to date and reflects current working practices within the PMO, with wording updated where required. As part of this review specific consideration should be given to the inclusion of wording which describes the different roles that the PMO offers to assist those undertaking projects across the College and explains the circumstances in which each role for the PMO would apply.</p>	<p>The PMO Project Handbook will be reviewed and updated to align with the current role of the PMO.</p> <p>To be actioned by: Depute Principal & Chief Operating Officer</p> <p>No later than: 31 October 2024</p>
			<p>Grade 3</p>



Objective 2 – The project appraisal process ensures that all project proposals align to the College’s strategic objectives

The Initiation Stage of a project at the College commences with the completion of a ‘Business Case’ which is used to justify the project and present it to the relevant Committee for discussion and approval. All projects of new requirements with an estimated cost of £25,000 and above or for projects requiring more than £10,000 additional budget require a Business Case to be completed. The relevant authority for approval is dependent on the value of the project and is as follows:

- £10k – £50k: Senior Management Team (SMT);
- £50k – £100k: Executive Leadership Team (ELT); and
- Over £100k: Finance Committee with prior endorsement from ELT.

Within the Business Case, the first section to be completed is the ‘Strategic Context’, within which the Project Manager must explain which strategic priority, as detailed in the ‘City of Glasgow College’s Strategic Plan 2021-2030’, that the project aligns to and how the project will support this priority. This provides assurance to the relevant Board or Committee that the proposed project is aligned with the College’s strategic priorities. The approved Business Case will also provide the foundation for future project reporting.

Audit testing identified that in two of six projects sampled, from a total of 14 projects currently ongoing or which started and finished within the last 18 months, the Business Case (and therefore the evidencing of the strategic context) had not been completed due to the Project Manager in each case not fully cooperating with the PMO. Recommendation **R2** below under Objective 3 aims to address this issue and therefore no separate recommendation has been raised on this point. It is recognised that it would be highly unlikely that a project would be approved to proceed which did not align with the wider goals of the relevant department, faculty or College.



Objective 3 – Programmes / projects are managed using an agreed, proportionate project management methodology

The College employs a PRINCE2 aligned project management approach, and some discretion is applied in the deployment of the methodology depending on the nature and size of each project. Smaller projects employ a streamlined approach while larger and more complex projects are subject to more comprehensive documentation and oversight requirements.

The Project Co-ordinator is PRINCE2 qualified, and currently undergoing training on the Agile project management approach. A proportionate methodology would be agreed between the PMO and Project Lead at the start of each project. The Project Co-ordinator meets with the Depute Principal & Chief Operating Officer on a fortnightly basis to discuss all of the projects underway at the College, giving updates on progress and identifying any particular challenges. New projects are also discussed, and the approach would be confirmed with the Depute Principal & Chief Operating Officer at these meetings.

All stages of the College's project management approach is detailed within the PMO Project Handbook; requesting support from the PMO, initiation, planning, delivery, monitoring and control, evaluation and closure and post implementation evaluation. The process is summarised and outlined with a useful flowchart as an appendix to the Handbook which allows for an 'at a glance' view of the key stages.

From our discussions with a sample of Project Leads, we identified a general consensus that that the methodology deployed in the College was robust and appropriate for the type of work undertaken. It was felt that the documentation provided by the PMO was helpful and led to the projects being completed to a higher standard with successful outcomes.



Objective 3 – Programmes / projects are managed using an agreed, proportionate project management methodology (Continued)

Observation	Risk	Recommendation	Management Response	
<p>Audit testing was conducted on a sample of six projects and the project files were reviewed to confirm that all relevant project documentation had been completed. In two cases where a Business Case was required, this had not been completed due to the Project Manager in each case not fully cooperating with the PMO. In addition to the Business Cases, there were several other documents incomplete (both Project Briefs, one Project Schedule, one Project Management Pack and both Project Management Logs). Additionally, some information was only partially completed, or completed but not fully documented or was completed without PMO involvement (the Project Sponsor, Manager, Team and Board was not fully documented in one case, one Project Management Planning Pack was only partially completed, one Kick off meeting was held without PMO involvement and both Closure meetings were held without PMO involvement).</p> <p>This echoes our discussions with the Project Co-Ordinator, where it was identified that there had been challenges in securing full and consistent engagement across the College with the PMO throughout the duration of projects, including completion of all of the documentation prescribed in the College's agreed project management framework.</p>	<p>Lack of proper documentation and cooperation with the PMO could lead to project mismanagement and increased risk of projects not running on time or on budget. Additionally, key controls may be missed, such as ensuring that projects align with the College's strategic objectives and that risk registers and contingency planning arrangements are in place.</p>	<p>R2 Consideration should be given to the development and implementation of a standard checklist which would be held within project files outlining each of the key project management stages and the standard project management documents required for the specific project. This could be enhanced by including hyperlinks to the documentation and further information on each stage to assist Project Leads in working through the process, ensuring that they are aware of and are accessing all of the PMO documentation made available.</p>	<p>A PMO Checklist will be designed to complement the current project management files.</p> <p>To be actioned by: Depute Principal & Chief Operating Officer</p> <p>No later than: 31 October 2024</p>	
			<p>Grade</p>	<p>2</p>



Objective 4 – Risk management and contingency planning arrangements are in place for projects

Key risks to the success of projects and contingency planning arrangements must be assessed and identified before a project is approved and are set out in the Business Case. A risk register is completed at this stage, including the appropriate mitigation strategies. A probability and impact is assigned to each risk to define a risk rating, which must align with the College's Corporate Risk Register ratings.

Risk registers are maintained and regularly updated within the Project Management Logs once projects are underway and this becomes the key document for reviewing the risks throughout the project as well as identifying any new risks that may arise. Contingency plans are established for high impact risks, detailing actions to be taken in the event that these risks materialise.

The Project Manager will hold regular Project Team Meetings which provide an opportunity for team members to provide updates and the Project Manager to identify any potential issues or risks to the project. For larger projects, the Project Manager would also communicate any risks that arise throughout the project to the Project Board at their meetings. The PMO is responsible for reporting any significant risks to senior management. Escalation guidance is set out within the College's PMO Project Handbook to advise Project Managers of the process for escalating any risks or issues that arise throughout a project that cannot be directly addressed or resolved.

As noted under Objective 3 above, audit testing identified that in two projects selected, the Business Case and Project Management Log had not been completed due to the Project Manager in each case not fully cooperating with the PMO. As these are the key documents for ensuring robust risk management and contingency planning arrangements are in place, it is important these are completed for larger and/or more complex projects. Recommendation **R2** above aims to address this issue and therefore no separate recommendation has been raised on this point.



Objective 5 – Progress made on projects, and expenditure against budget, is monitored by management and Board committees

The Project Manager is responsible for reporting on the status and progress of a project, including budget monitoring, to the Project Board and the PMO. This is done via a 'Project Progress and Status Report', for which the template and guidance is available on the PMO page on myconnect. The frequency of reporting is agreed at the beginning of the project and is captured in a 'Communication Plan'.

The PMO is then responsible for reporting project progress to senior management. Progress on individual projects, as well as any issues with expenditure against budget, are reported at the fortnightly meetings between the Project Co-ordinator and the Depute Principal & Chief Operating Officer.

The final stage of the project lifecycle involves the Project Manager completing an Evaluation and Closure Report and hosting a Project Closure Meeting with the Project Manager, PMO, Project Sponsor and Project Board. The key focus is whether the project achieved what it originally set out to, whether it was delivered on time and on budget. Where the benefits of the project cannot be fully measured at that stage, a 'Post Implementation Evaluation' schedule will be agreed, which typically involves a review of the benefits one year after the project has been completed.

For the six projects sampled during audit testing, Status and Progress Reports had been provided to the Project Board and PMO where relevant. However, as noted under Objective 3 above, in two of the six projects sampled, the Project Closure Meeting had been held without PMO involvement. Additionally, it was noted during discussion that cooperation from staff during this completion stage can be a challenge. Recommendation **R2** above aims to address this issue and therefore no separate recommendation has been raised.

Objective 6 – Appropriate arrangements are in place to challenge original assumptions and to revisit the planned outputs to ensure that projects adapt to meet changing needs

The Project Manager is responsible for challenging original assumptions and revisiting planned outputs, ensuring that the project adapts to meet changing needs. A change control log is maintained within the Project Management Log and all change requests are recorded here as they arise. The College's Change Control process is set out in the PMO Project Handbook and this is complemented by a useful flowchart of the process for reviewing, approving and recording changes.

Any stakeholder can request a change to the project by submitting a Change Control Request Form to the Project Manager who will assess the request and make a recommendation. A decision would then be made by the relevant authority, usually the Project Manager, Sponsor or Board to approve, defer or reject the change. The Project Manager is responsible for amending project plans to take into account any changes required and ensuring they are approved and implemented.

A Lessons Log is maintained as part of the Project Management Log to document lessons learned and identify any patterns or recurring issues. These serve as a knowledge repository that can be accessed by current and future Project Teams, providing valuable insights and experiences.



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