



Before, During, After: Benefits of Periodic Project Risk Reviews



- > Provide overview of project risk reviews
- > Discuss benefits of conducting project risk reviews
- > Conduct walkthrough of a project risk review approach
- > Share lessons learned from conducting project risk reviews

- > Understand the nature of project risk reviews, their intended benefits and how Internal Audit can help mitigate risks and increase the likelihood of success for large projects
- > Anticipate risks and issues typically associated with large projects in higher education
- > Leverage lessons learned and activities performed by others when conducting a project risk review

What is a project risk review?



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- > A Project Risk Review (PRR) provides an institution with an *objective assessment* of their projects regarding:
 - **Processes** (i.e., activities) are being executed according to plan, leading practices, industry standards, and/or regulatory requirements
 - **Products** (i.e., outputs) are delivered in alignment with requirements and goals of the project
- > A PRR typically involves analysis, evaluation, review, inspection and/or testing of processes and products

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- > PRR engagements vary in scope
 - **Comprehensive** – provide ongoing assessments, covering all phases of a project
 - **Milestone** – provide point-in-time assessments at or around specific milestones of a project (e.g., completion of testing)
- > A PRR may be conducted for any type of IT project, including but not limited to system implementations, migrations, conversions, major software releases or upgrades

What is a project risk review?



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- > The primary goal of a PRR is to help increase the likelihood of overall project success by:
 - Objectively and proactively identifying risks, issues and deficiencies
 - Providing recommendations for mitigation and remediation of risks, issues and deficiencies
 - Reducing likelihood of issue recurrence and/or downstream effects
 - Enhancing management insight into project performance to mitigate the risk that the project will not achieve goals in terms of schedule, scope and budget

> **Increase visibility**

- PRRs provide transparency into the progress and quality of the development efforts throughout projects
- Increased visibility helps leadership assess the current project activities and quickly identify opportunities for improvement

> **Detect risks and issues early**

- PRRs help identify and communicate development risks early, before risks become major issues
- As risks are identified, internal auditors can recommend possible solutions and mitigation strategies to reduce the impact of each risk

> **Improve quality**

- PRRs improve the quality of processes and products by not only detecting risks early, but by proactively preventing errors
- PRRs help to ensure that an implementation is executed according to the defined system methodologies, underlying processes and project management plans
- PRRs may provide recommendations to strengthen existing plans, development processes and project management functions

> **Reduce overall project costs**

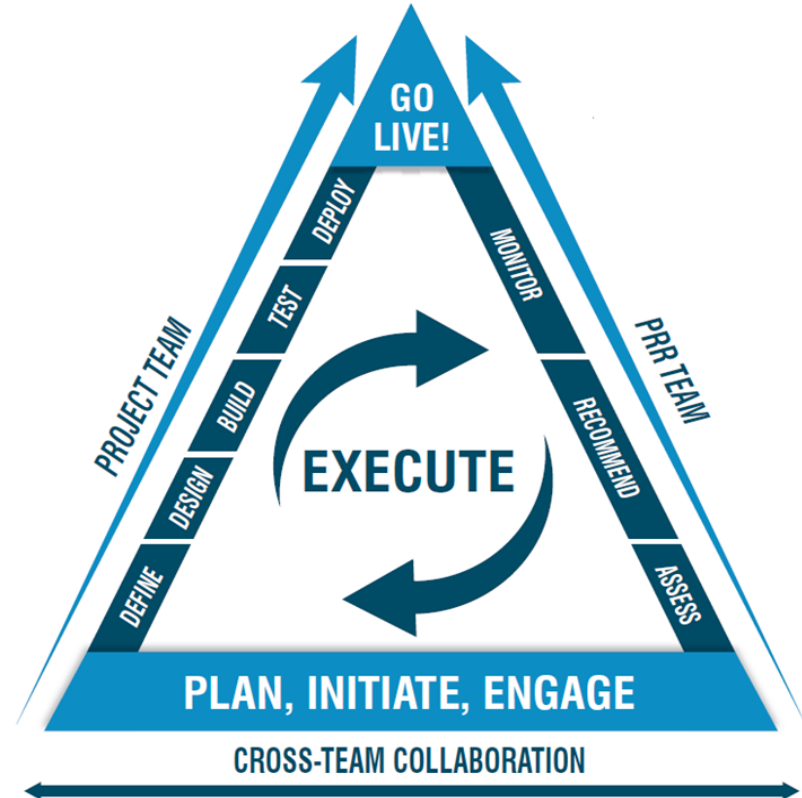
- Early detection of risks can prevent and/or minimize impact of issues before they happen
- Focus on identification of root causes of issues helps eliminate reoccurrence, which could lead to schedule delays and re-work

> **Help projects succeed**

- PRR teams work collaboratively with project teams to discuss risks/issues, overcome challenges and implement mitigation strategies to achieve results
- PRR teams help to apply practical solutions across all levels of the project team, improving the project activities without creating unnecessary bottlenecks in the processes

Project risk review approach – overview

- > PRR activities are **distinctly different and separate** from actual project *execution* activities
- > PRR teams should conduct their activities in collaboration with project teams, however, positively impacting overall project performance



> **PRR activities**

- Define and confirm scope, approach, schedule and deliverables
- Identify specific resource needs and establish PRR team
- Conduct PRR kickoff

> **Tips for success**

- Leverage existing frameworks (e.g., PMBOK, CMMI, IEEE)
- Establish a well-rounded and experienced PRR team, with strong background in internal controls, relevant business processes, information technology and project management

> **PRR activities**

- Review documentation, conduct interviews and observe project activities
- Conduct testing
- Conduct research and due diligence

> **Tips for success**

- Identify key project team members and stakeholders
- Communicate proactively but through established channels and/or tools
- Submit information requests to allow ample time for responses

> **PRR activities**

- Document observations, identify significant deficiencies (i.e., risks, issues) and conduct follow-up to confirm understanding as necessary
- Engage project team leaders (e.g., project manager) to confirm observations and collaboratively develop actionable recommendations
- Report and present key observations, findings and recommendations

> **Tips for success**

- Include assessment of severity within report to support prioritization of recommendations
- Reference industry standards or accepted frameworks

> **PRR activities**

- Conduct follow-up on prior noted challenges to assess progress towards resolution
- Reassess severity, provide update and/or close

> **Tips for success**

- Look for reoccurrence of prior noted findings which may have been resolved
- Consider the possibility of revising prior recommendations if necessary

> **PRR activities**

- Review operations, maintenance and support processes post cut-over
- Conclude activities, prepare and present final report
- Conduct lessons learned (i.e., post-mortem) analysis

> **Tips for success**

- Be prepared for the impact of change upon go-live or cutover, as the institution is still adopting new systems, tools and related business processes
- Allow ample time for stabilization before engaging users and stakeholders to assess acceptance and satisfaction

- > Use dedicated, experienced project managers
- > Consider relevant legal and regulatory requirements
- > Organizational change management is critical
- > Communicate proactively and consistently with project team
- > Continuously monitor performance of key vendors
- > Engage key institutional users early and regularly
- > It's more important to get it done right than on schedule

Thank you!