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Office of the Auditor General

Report Summary

Performance Audit

Report Number:
071-0585-16

IT Project Management Processes

Department of Technology, Management, and Budget (DTMB)

Released:
February 2017

DTMB established the Project Management Methodology (PMM) as the State's formal IT project management practices to promote on-time, on-budget delivery of projects that meet or exceed customer expectations. DTMB's Enterprise Portfolio Management Office (EPMO) develops, supports, improves, and oversees standardized processes related to project and portfolio management. As of June 29, 2016, EPMO had 130 project manager positions with 88 (68%) filled positions and 42 (32%) vacancies. EPMO also had 41 contracted project managers.

Audit Objective			Conclusion
Objective: To evaluate DTMB's efforts to consistently apply its PMM to manage IT projects.			Not consistently applied
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
DTMB had not fully implemented its envisioned IT project management organizational structure, resulting in unclear roles and responsibilities, incomplete guidelines and procedures, lack of sharing of best practices, and potential inefficiencies (Finding #1).	X		Agrees
DTMB did not implement controls to ensure continuous process improvement of IT project management, resulting in the deficiencies noted in Findings #3, #5, and #6 (Finding #2).	X		Agrees
DTMB did not consistently execute activities described in the project management plan to ensure high quality projects. Quality assurance activities were not properly conducted and documented for 10 of 12 projects reviewed (Finding #3).	X		Agrees
DTMB did not fully track project performance data to determine whether projects were completed on time, were within budget, and met customer expectations. Of 611 projects recorded in the project portfolio management tool, 254 (42%) completed projects did not have a cost budget and 154 (25%) showed an inaccurate actual cost of \$0 (Finding #4).	X		Agrees

Findings Related to This Audit Objective (Continued)	Material Condition	Reportable Condition	Agency Preliminary Response
DTMB did not properly initiate and plan IT projects in accordance with the PMM, resulting in unapproved project charters, project management plans, and cost budgets for several projects (<u>Finding #5</u>).		X	Agrees
DTMB did not always perform project closure activities to determine project success and identify opportunities for improvement (<u>Finding #6</u>).		X	Agrees
DTMB should develop and implement an organizational training plan for project managers. Skilled project managers can increase the chance of project success by better managing costs, ensuring that deliverables are completed, and improving stakeholder satisfaction (<u>Finding #7</u>).		X	Agrees

A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: www.audgen.michigan.gov

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