



At a Glance

Audit of project management, Environment and Climate Change Canada

Within the Government of Canada, project management is about establishing clear accountabilities, defining objectives and outcomes and establishing the scope, planning, monitoring and reporting controls for project activities. Project management methodologies are generally used for focused, non-repetitive, time-limited activities with some degree of risk, as well as for activities beyond the usual scope of program (operational) activities.

According to the TB policy instruments, the appropriate approval authority for each project is established through the relationship between the departmental Organizational Project Management Capacity Assessment (OPMCA) and the Project Complexity and Risk Assessment (PCRA) of the project. On March 31, 2018, Environment and Climate Change Canada (ECCC) was successful in renewing its OPMCA Class 2 rating. This rating allows ECCC to approve individual projects up to \$5 million. ECCC is required to complete a PCRA for each project above the \$5 million threshold. Projects with a PCRA score that is higher than the department's OPMCA Class 2 rating require TBS oversight.

What the audit examined

The objective of the audit was to assess the effectiveness of the project management framework and controls to support the delivery of projects, in compliance with the relevant Treasury Board policy instruments.

The audit covered the period from the beginning of September 2018 to the end of October 2019 and focused on three elements:

- the effectiveness of the governance structure and monitoring practices that support clear accountability, oversight and challenge functions
- the operational processes and controls that monitor projects against established milestones and expected results and support informed project management decisions
- the tools and training that support a consistent application of the Project Management Framework

What the audit found

Design of the ECCC Project Management Framework

The design of the ECCC PMF is adequately aligned with requirements of the TB [Policy on the Planning and Management of Investments](#) and the TB [Directive on the Management of Projects and Programmes](#). The audit identified three areas that could benefit from more clarity: conducting independent reviews, requirements for enterprise or joint projects and outsourced real-property and infrastructure projects.

Identification and tracking of projects

A formally defined process to track projects is in place, allowing the Departmental Project Management Office (DPMO) to maintain and update the list of projects subject to the ECCC PMF. However, the audit found that there is a lack of common understanding across the Department regarding what constitutes a project.

Governance

Project governance and oversight have been established to provide projects with structure and direction. Roles and responsibilities for project management have been clearly defined, documented and were generally well understood. The audit identified some opportunities for improvement with respect to the operating effectiveness of project steering committees and the oversight of ECCC project portfolio. The audit also found some inconsistencies in the way that project sponsors carry out their roles and responsibilities and the understanding of stakeholders regarding the DPMO's mandate.

Risk management

Overall, adequate processes have been developed and implemented to enable effective management and monitoring of risks throughout the project lifecycle. However, these processes are not always operating as intended. In particular, the audit found inconsistencies regarding the documentation of project risks.

Compliance with ECCC Project Management Framework documentation requirements

A review of project documentation for a sample of in-house and outsourced projects revealed that the majority of the projects managed in-house are generally compliant with the ECCC PMF documentation requirements. However, limited documentation was available for review for the outsourced real-property and infrastructure projects.

Communications, awareness and training

Overall, effective communication, training and awareness processes and activities have been designed and implemented to promote the ECCC PMF and project management concepts.

Recommendations and management response

In response to these findings, the audit team has put forward four recommendations. Corporate Services and Finance Branch has accepted the recommendations and has developed a management action plans in response.

Recommendation 1

The Assistant Deputy Minister, Corporate Services and Finance Branch, should:

- 1.1 Update the ECCC Project Management Framework to reflect Treasury Board policy requirements and to support an integrated approach to project management by including the provisions for independent reviews of projects and programs and the governance requirements for joint and enterprise projects**
- 1.2 Determine, in collaboration with ECCC Real-property group, the key project deliverables, governance and monitoring provisions relevant to outsourced ECCC real-property projects in line with TBS policy suite for real-property projects and ECCC Project Management Framework requirements**

Management response

- 1.1 a) Independent reviews are identified in DPMO's project reporting diagram showing the escalation flow but would benefit from being embedded in the ECCC Project Management Framework (PMF).

The ECCC PMF (last updated in October 2019) will be revised to include provisions for independent reviews of projects/programmes (a suite of related projects) to align with the February 2020 released TBS Guide on Independent Reviews.

The type of independent reviews - a workshop review, an abridged review, a full review, and a health check review – will be determined based on project requirements and the review timing will be built into the individual project gating plan as it evolves throughout the project life cycle.

- b) Joint/enterprise projects represent a relatively small portion of the ECCC's Project Portfolio. Provisions to articulate oversight mechanisms for joint/enterprise projects will be made to existing governance as the most effective way to support awareness and decision making for these types of projects.

1.2 The ECCC PMF currently states that ECCC's real property projects must adhere to Public Services and Procurement Canada's (PSPC) National Project Management System (NPMS). Although ECCC has a Real Property Management Framework in place, we are not recommending modifying it as this document is not intended to cover project management activities. On the other hand, we recommend updating the ECCC PMF to add a distinct section for real property projects.

Recommendation 2

The Assistant Deputy Minister, Corporate Services and Finance Branch, should establish and communicate a common set of criteria to assess from the outset (at the Intake phase) whether a business opportunity or an initiative is a project and is subject to the ECCC Project Management Framework.

Management response

The project definition in the ECCC PMF will be maintained as it fully aligns with TBS project definition. The application of the ECCC PMF is reserved for focused, non-repetitive, time-limited activities which involve some degree of risk and are beyond the scope of normal operational activities.

The DPMO will collaborate with stakeholders involved in the Project Intake phase to make available from the outset a defined set of criteria to inform the determination process whether a business opportunity or initiative is a project.

The set of criteria will offer clarity as to what to consider as 1-project; 2-portfolio/program; 3-operational activity; 4-maintenance activity; 5-other.

Recommendation 3

The Assistant Deputy Minister, Corporate Services and Finance Branch, should:

3.1 Include the mandate, scope and roles and responsibilities of the Departmental Project Management Office in the ECCC Project Management Framework

3.2 Remind senior management of their role as chair of the project steering committee for each of the projects they sponsor

3.3 Ensure that a horizontal overview of the ECCC projects portfolio is presented and discussed periodically at the senior management level

Management response

3.1 The DPMO's mandate roles and responsibilities found on the DPMO's intranet page, the DPMO's newsletters and project training material will be embedded in the ECCC PMF. The ADM-CSFB will ensure that this information is communicated throughout the Department.

3.2 a) Following the evidence gathering period of the audit, over 40 ECCC executives have attended DPMO's training sessions aiming to raise awareness of project sponsors' obligations.

Enhanced communications on project sponsors' roles and responsibilities will ensure that designated chairs of project steering committees remain engaged with their stakeholders. As such, a checklist of individual project governance expected practices will be shared at various stages during the roll-out of a project with the objective to ensure active project sponsorship, which can offer useful insights on early warning signs of project difficulties.

b) In addition to internal resources promoting project sponsors' responsibilities awareness, ECCC executives will be informed of an upcoming Canada School of Public Service (CSPS) Project Sponsor curriculum training.

3.3 ECCC project prioritization is already enabled by a portfolio-based approach where project teams benefit from strategic direction from senior management. Documentation providing a horizontal overview of the ECCC Project Portfolio is available for decision making. The ADM-CSFB will ensure that project portfolio oversight presentations, analysis and supporting material are tabled and discussed periodically before senior management committees.

Recommendation 4

The Assistant Deputy Minister, Corporate Services and Finance Branch, should enhance the mandatory requirements in the ECCC Project Management Framework and the gating process with respect to the use of risk logs or other risk management tools at least as comprehensive as the risk logs, to ensure that risks are identified, managed, tracked, reassessed and monitored adequately at the individual project level throughout the project lifecycle.

Management response

Noting that information on project risks is already reported and tracked through project reports, project dashboards and project risk registries, we recognize that there are opportunities to consistently apply the use of comprehensive project risk logs.

The ECCC PMF will be updated to emphasize the importance of project risk management from project initiation to closeout. The update will incorporate a requisite on formal tabling of project risk logs as part of the gating process.

The DPMO recognizes the importance of project risk management as part of strong project management and will make available a compliance report on Project Risk Log availabilities to Branch Heads to facilitate monitoring of their respective projects.