



# Project Audits

## What are their value?



### Panelists

Moderator: Russell Sandidge

Erik Heine, PMP

Stephen Reckford, PMP

Carolyn Hennings, PMP

Susan Seigel

Amy Howland, PMP

Marguerite Shapalis



# Agenda

## Process Improvement

- Marguerite Shapalis
- Carolyn Hennings

## Internal Auditors

- Susan Siegal
- Erik Heine

## External Auditors

- Amy Howland
- Susan Siegal

## Project Managers

- Amy Howland
- Steve Reckford

## Questions



# Process Improvement

Marguerite Shapalis  
Nortel Government Solutions



# Process Improvement at NGS



- CMMI Maturity Level 3 – ISS Sector (all project types)
- CMMI Maturity Level 5 – ISS Sector (S/W)
- Lean Six Sigma
- ITIL



# Process Improvement at NGS



- Overall Goal: Improve the way we do work
  - Project delivering product
  - Corporate function delivering a service
- Multimodal: CMMI and Lean Six Sigma
- Establish CMMI ML 3/ Apply Lean Six Sigma for High Maturity



## 2009 PI Goals: Metrics



- Apply Lean Six Sigma methods to measure control and improve select operational processes
- Continue migration from compliance driven PI to performance driven PI



## 2009 PI Goals: Other

- Expand and improve training program
- Implement function point analysis
- Improve project start up procedure
- Improve PI communications and organization's understanding and participation



# Challenges



- Resistance to organizational change
- Tailoring guidelines for varied project types
- Availability of good data



# LSS Projects

- Reduce Hiring Time
- Procure to Pay
- Business Development Identify
- Proposal Management



# Process Audits



- Non compliance isn't the problem, it's not knowing about the non compliance
- Comprehensive and Basic Audits
- Process Compliance Scores
- Action Item Database



# Process Improvement

Carolyn Hennings  
AOL



# Value of Internal Quality Program Audits

Susan Siegel

General Dynamics

Advanced Information Systems



# Value of Program Audits



- Good Reality Check
  - Let's PM know if program plans are being implemented properly
  - QA serves at the eyes and ears of PM
    - Provides objective evidence for process compliance
    - Provides an opportunity to take corrective action prior to an external audit
- Mitigates risk for passing an external audit or appraisal
  - Existing Internal audit findings remove the need for an external assessor to document a finding
  - Turns the negative into a positive
  - QMS working to identify corrective action



# QA Audits Document How Well the Program Meets Quality Requirements



- Contractual Quality Requirements
  - Specific to ISO, CMMI Level X or another standard
  - Implied - Contract could require a Quality Management System that is “CMMI-like” or “ISO-like”
  - Protects program in second party audits performed by prime contractors or Government
- Corporate Policy – All programs will operate at a minimum of Level 3 of the CMMI and will be ISO compliant



# Audit Data Rich Source of Information



- Audit Data Supports readiness for external audits
  - Demonstrates appraisal readiness
  - Enables you to manage risk
- Identifies areas for process improvement through root cause analysis
  - Program alerted to need for improvement
  - Aggregate data shows improvements needed across a functional area or across the organization



# Internal Audits

Erik Heine  
SRA



# External Audits

Amy Howland  
Nortel Government Solutions



# First Hand Experience With Second Party Audits

Susan Siegel  
General Dynamics  
Advanced Information Systems



# Second Party Audits



- Primarily performed on Suppliers or Subcontractors by Prime
  - Could be done as part of Source Selection process
  - Ensures that you meet subcontractor quality requirements
- Government Reserves the Right to Audit the QMS or Hold an External SCAMPI in the case of CMMI requirements



## Initiated by the Prime

- Prime contractors frequently exercise their right to audit subcontractors
- Quality Requirements flowed down to the Subs in the SOW
- These audits document how well the sub follows their own internal processes documented in their SDRLS



# Initiated by the Government



- The Government can Contract with another Company to Conduct an Audit of a Contractor's QMS
  - Program not performing well against cost and schedule
- Participated in a Second Party Audit a few years ago.
  - We established audit approach and audit criteria to determine if the program met contractual quality requirements
  - Examined Quality Records provided by the Government
    - Quality Plan
    - Other Program Plans
    - Program Audit Schedule
    - Quality audit reports
    - Findings
    - Corrective and Preventive Actions
    - Root Cause Analysis, etc
  - Provided report to Government on how well the contractor performed to their own processes



# Project Manager

Amy Howland

Nortel Government Solutions



# Project Manager

Stephen Reckford  
Actionet

# Questions and



# Answers

