



Enhancing project controls

The successful execution of projects and programmes to deliver strategic goals has never been more important than now



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Ineffective capital project controls lead to poor financial performance

Organisations who utilise effective project control skills have 75.5% chance of increase in profitability compared to organisations that do not.



40-45%

The proportion of projects and programmes which fail to be delivered on time and within budget is consistently 40% - 45%.

£114m



This poor project performance means, globally, organisations waste an average of £114 million for every £1 billion spent on projects and programmes.

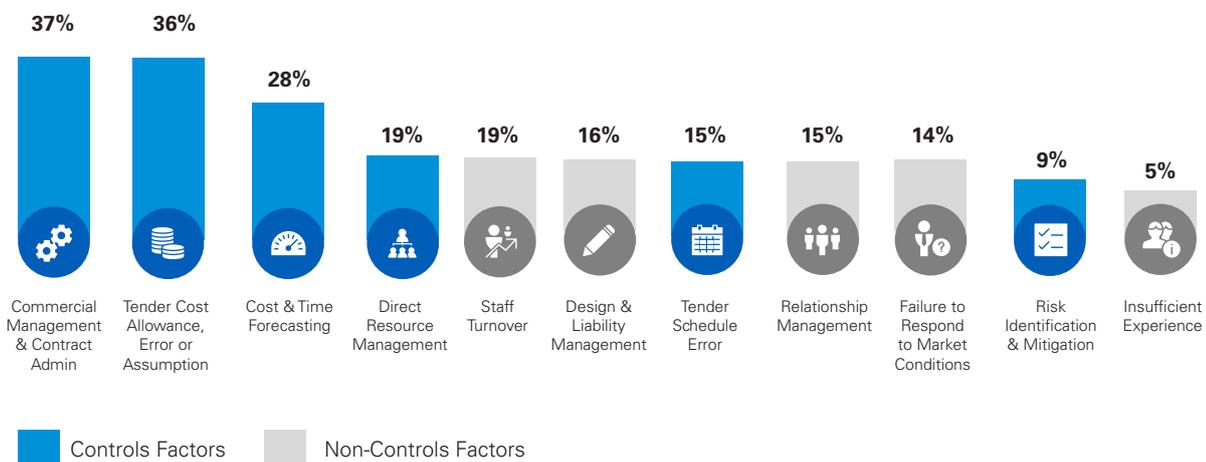


Project controls is the application of relevant management and technical processes and measures to projects and programmes, which allows early identification, management and mitigation of project challenges and risks so that project and strategic objectives can be achieved.



KPMG's research shows most projects with poor financial performance have a failure in the controls environment:

Key factors contributing to poor commercial performance of construction projects (not mutually exclusive)





KPMG's Controls Framework drives leading practices

We help organisations reduce wastage, improve ROI and build delivery confidence, by enhancing their controls environment.

KPMG's digital controls assessment tool is part of an online global suit of tools to assist clients enhance the performance of their capital projects and programmes. The tool includes a detailed controls assessment framework, global benchmark database, and library of leading practice to assesses an organisation's current control maturity; we identify gaps to leading practice and use this as the basis for making the change that matters.

Our project controls framework covers 6 core control processes, ~40 control sub-processes (shown graphically below) and up to ~200 assessment criteria that can be tailored for the specific needs of our clients, to suit different project and portfolio complexity and size.

Cost and Financial Management

- Budgeting
- Payment processing and administration
- Project cost reporting and accounting
- Estimating / forecasting and contingency management
- Cash flow reporting
- Value engineering
- Project variance and historical trend analysis

Project Controls and Risk Management

- Change order management
- Risk management
- Design standards and specifications
- Regulatory compliance
- Quality control and inspection
- Environment, health, safety, security
- Project management self-assessment
- Customer satisfaction and lessons learnt

Schedule Management

- Schedule planning and development
- Schedule updating
- Schedule change management
- Schedule integration



Procurement Management

- Procurement planning
- Sourcing strategy
- Contracting strategy
- Contract negotiation
- Contract administration
- Materials management
- Contract closeout

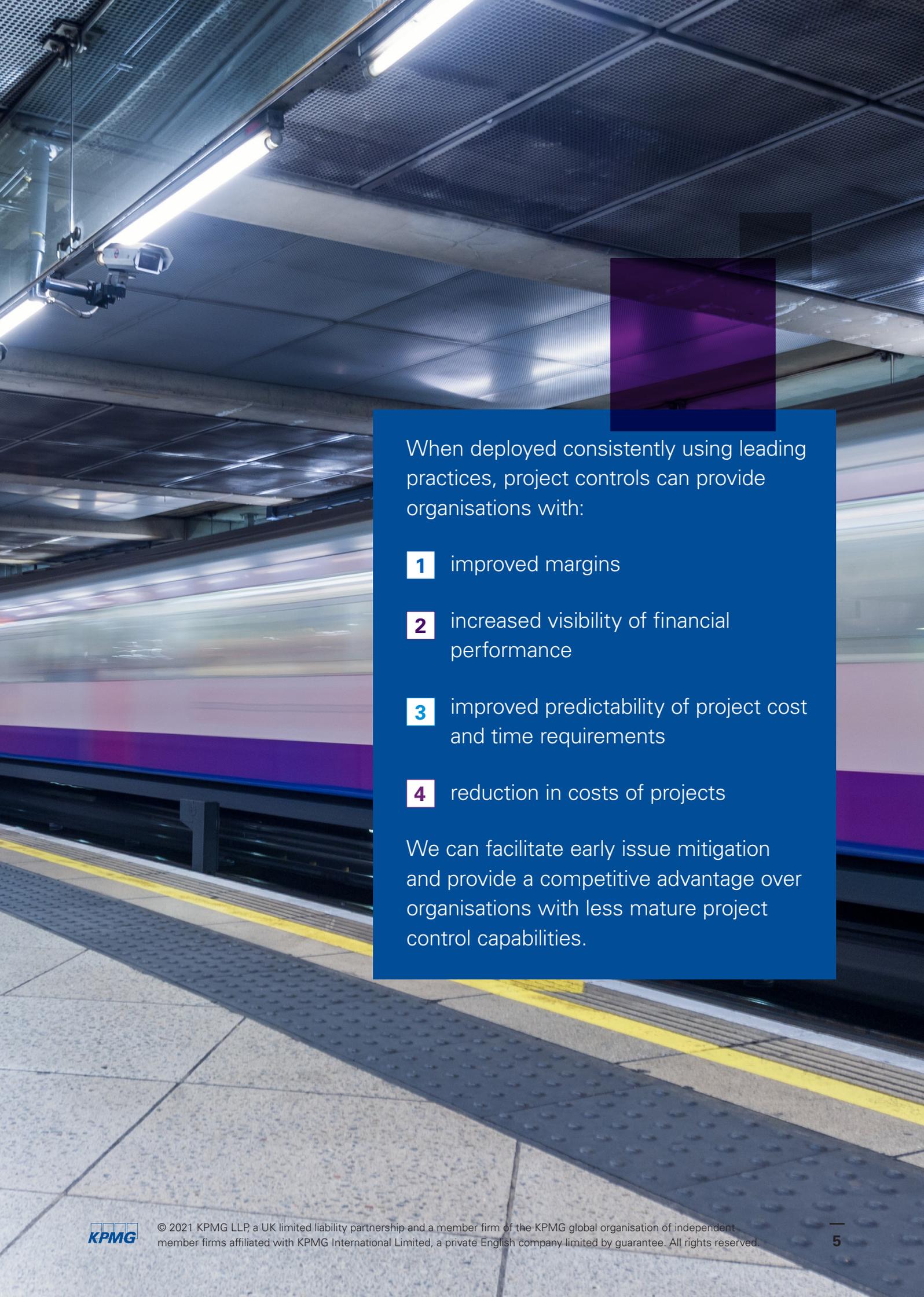
Strategy, Organisation and Administration

- Project planning
- Roles and responsibilities
- Policies and procedures
- Communication planning
- Project infrastructure and systems
- Document control and records management

Culture

- Clarity
- Role Modelling
- Enabling Environment
- Commitment
- Openness
- Transparency
- Comfort to report misconduct
- Enforcement





When deployed consistently using leading practices, project controls can provide organisations with:

- 1** improved margins
- 2** increased visibility of financial performance
- 3** improved predictability of project cost and time requirements
- 4** reduction in costs of projects

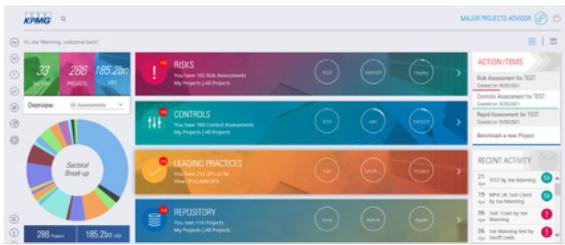
We can facilitate early issue mitigation and provide a competitive advantage over organisations with less mature project control capabilities.

KPMG's bespoke project controls assessment digital tool

Rapid, repeatable controls assessment with results which can be benchmarked



Quick reference dashboard

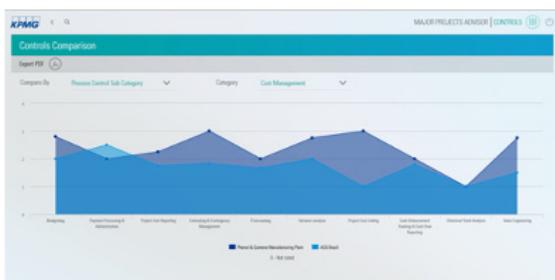


Analytics on project repository

(Spans over 300 global projects)



Benchmarking ratings and practices across projects



Risk prioritisation and automated heat map generation



KPMG's bespoke project controls assessment tool combines our proven controls framework and our assessment methodology to quickly identify gaps in maturity and diagnose the symptoms of poor project performance, allowing us to place the effort on recommending and implementing solutions.

It is supported by a project repository, which anonymises and collates all assessments to allow clients to see how they benchmark and compare to peers and other industries, collecting and describing leading practices.

KPMG's Methodology

The controls assessment methodology focusses the effort on improvement and transformation, not measurement.

01

Review

KPMG's Digital Controls Tool supports a period of diagnosis as we complete a rapid, detailed assessment of a client's current controls environment and performance, identifying symptoms of controls issues.



A proven approach

KPMG's project controls framework has been developed from our experience of designing, reviewing, and advising on project controls over many decades and is tailored to the practical realities of running an organisation.

02

Recommend

The gap analysis between existing maturity and the desired to-be state results in practical and prioritised recommendations for improving the controls environment and enhancing performance.

03

Transform

KPMG's major projects advisory experts embed in the client team, designing and implementing new and revised processes and procedures to allow the client to accelerate performance.





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