Executive Summary

Audit Report No.: 2019 - 07
October 17, 2019

WE AUDITED the current agency Continuous Process Improvement Program (CPI) to assess the controls in place to mitigate risks for timely benefits realization following CPI implementation and monitoring to ensure continuous benefits after implementation.

AUDIT OBJECTIVE was to determine whether the agency has effective controls in place to ensure:

- Timely benefits realization following CPI implementation
- Continuous CPI benefits through regular management monitoring

The audit examined management controls in place as of May 2019.

WHAT DID WE FIND?

As the agency continues to grow, processes and procedures necessitate periodic evaluation to ensure that agency is operating efficiently and effectively. With changing technology, infrastructure and culture, processes that don’t adapt can become outdated. To maintain competitiveness, the agency has adopted a structured process improvement effort.

Sound Transit has established a Continuous Process Improvement (CPI) program that combines elements of several process improvement and quality management models. The Strategic Business Office at Sound Transit is “bringing together diverse, cross-functional teams to work together to improve business processes that better serve both our external and internal customers”.

The audit concluded that the agency has effective controls to reasonably ensure that Continuous Process Improvements realize benefits in a timely manner following implementation and continue to realize benefits through regular management monitoring.
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Background

As the agency continues to grow, management processes, procedures and practices in construction and operations concurrently become numerous and complex to support ongoing growth. In the changing management landscape, processes that don’t adapt can become obsolete or non-value added. To maintain effectiveness and efficiency, processes have to be self-evaluated to determine, among many, relevancy to evolving management goals.

Sound Transit has established a Continuous Process Improvement (CPI) program that combines elements of several process improvement and quality management models. While program implementation may differ among the models, they share certain overarching principles: increased quality, continuous improvement and reduction of various wastes in the process. The agency CPI program has incorporated these principles based on Sound Transit values and processes are typically conducted with a consultant. The Strategic Business Office (SBO) is responsible for program coordination, as well as consultant management that brings “together diverse, cross-functional teams to work together to improve business processes that better serve both our external and internal customers”.

Each management process being considered for CPI is analyzed individually for prioritization and ultimately selected on the basis of urgency and stated project goals. All CPI projects follow the same general outline as noted below.

Consultants host a series of CPI events or workshops which walk each project through a standardized improvement framework. Consultants serve as a mediator in staff discussions and assist in the development of improvements. Project leads and participants are responsible for deliverables to project sponsors and the agency.

Audit Objectives

To determine whether the agency has effective controls in place to ensure:

- Timely benefits realization following CPI implementation
- Continuous CPI benefits through regular management monitoring
Scope and Methodology

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards and the International Standards for the Professional Practice of Internal Auditing. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

We gained an understanding of Continuous Process Improvement program through data analysis, observation, documentation reviews, and personnel interviews. We identified risks in the processes and assessed management controls in place to mitigate those risks. Based on the assessment of management control effectiveness, we determined to focus on controls over benefits realization and monitoring.

We examined reports, policies and processes for projects implemented for one year or more as of May 1, 2019.

1. To determine whether the agency has effective controls to ensure benefits are realized from implemented Continuous Process Improvement efforts in a timely manner following implementation, we performed the following procedures:
   a) Reviewed CPI charter documents for evidence of benefits to be realized as outcomes of the process improvement event.
   b) Evaluated support for improvement efforts and proposed improvements from participants, stakeholders, owners of the process, various levels of management and executive leadership for each project.
   c) Compared project goals and outcomes to determine whether benefits were realized following implementation.
   d) Evaluated the degree to which benefits were realized within a reasonably timely manner following implementation.
   e) Interviewed project participants to evaluate overall project processes, length, strategies, outcomes, refinements, etc.

2. To determine whether the agency has effective controls to ensure continuous benefit realization through regular management monitoring, we performed the following procedures:
   a) Reviewed project documentation for evidence of metrics used to measure project success and whether the metrics demonstrated project success.
   b) Examined projects’ utilization of recommended follow-up procedures for monitoring and refining the project outcomes following implementation.
   c) Analyzed the present state of previously improved processes to determine whether benefits were being realized at a level similar to that at implementation.
d) Evaluated projects for adjustment, improvement, and refinement as evidence of a ‘continuous’ approach to process improvement.

Conclusion

The agency has effective controls to reasonably ensure that Continuous Process Improvements realize benefits in a timely manner following implementation and continue to realize benefits through regular management monitoring.