

# Capital Project Management Standardization Review – 2025

Presented to the Internal Audit Steering Committee  
March 2026

# CAPITAL PROJECT MANAGEMENT STANDARDIZATION REVIEW PROGRESS REPORT

This progress report is intended to provide an update to the Internal Audit Steering Committee (IASC) on the implementation of the recommendations contained in the Consultant's (KPMG's) Capital Project Management Process Documentation and Improvement report.

## About the Capital Project Management Standardization Review

Council allocated \$150,000 in the 2023 budget to support business process improvements in the Engineering and Planning & Development Departments. In November 2023, the City of St. Albert retained KPMG to review two process areas, one of which was the Capital Project Management Office. The review focused on improving consistency in Capital Project Management and Procurement practices and clarifying roles and responsibilities, including those between project sponsors and delivery departments.

### *Project Approach, Benefits & Accomplishments*

The consultant's report was finalized in August 2024. The review emphasized process improvement and progression along a maturity path using industry benchmarks, rather than evaluating compliance through a traditional audit approach.

The consultant's recommendations have been reviewed, and development of an implementation plan is currently underway. This planning effort includes validating recommendations and establishing priorities. Administration is preparing for several cross-departmental workshops in 2026 to advance these opportunities. Further updates can be provided as each of the identified recommendations advances. Some accomplishments to date include:

- advancing the project by engaging executive leadership and the broader leadership team through presentations and discussions that confirmed the overall approach;
- ongoing project manager competency assessment and growth through existing annual performance management and learning plan processes
- minor updates to existing tools/templates have been initiated

## Recommendations by Status

RECOMMENDATION	STATUS
<ol style="list-style-type: none"> <li>1. Project Intake and Categorization</li> <li>2. Practice Documentation and Template Development</li> <li>3. Project Manager Resourcing and Competency Alignment</li> <li>4. Role and Responsibility Clarification</li> <li>5. Compliance Accountability</li> <li>6. Delegation of Authority</li> <li>7. Feedback Mechanisms</li> <li>8. Project Management Software</li> </ol>	<p>Pending Validation/In Development            Pending Validation/In Development            In Development/Planned for 2026            In Development/Planned for 2026            In Development            In Development            In Development            On Hold</p>

Recommendations –	Anticipated Benefit	Involves:	Implementation Status	Target Completion Date
<p>1. Project Intake and Categorization: Involve Capital Projects Office (CPO) earlier in the process; aligning CPO project manager expectations with the scale of project.</p>	<p>High</p>	<ul style="list-style-type: none"> <li>• Formalize the process and key roles around project intake and categorization with an administrative directive</li> <li>• Develop requirements for CPO consultation for capital project submissions</li> <li>• Include a checkbox in the Growth Charter template, or similar feature, to confirm CPO has advised the Sponsoring Department prior to submission</li> <li>• Develop a framework for categorizing and prioritizing projects prior to funding approval. Select criteria that guide when CPO should lead project management, the recommended governance structure, the required competency of the project manager and the level of project management rigor required</li> <li>• Introduce a verification step for high-level budget estimates before Council submission, if the charter was developed in a previous year, to increase the reliability of meeting project objectives within budget</li> <li>• Define what Sponsoring Departments can expect from CPO involvement in capital infrastructure projects and state CPO's capacity to lead projects by category</li> <li>• Communicate and manage expectations around stated service levels with stakeholders</li> </ul>	<p><b>PENDING VALIDATION/ IN DEVELOPMENT</b></p> <ul style="list-style-type: none"> <li>• Draft administrative directive has been prepared by KPMG. Requires validation and further development of Recommendation 2 prior to readiness for implementation</li> <li>• This recommendation involves multiple activities that affect various processes and departments, and we are currently assessing the optimal approach as we develop our implementation plan. Progress can be reported once plan is developed.</li> </ul>	<p>TBD</p>

Recommendations –	Anticipated Benefit	Involves:	Implementation Status	Target Completion Date
<p>2. Practice Documentation and Template Development: Establish a standard project management methodology with supporting tools</p>	<p>High</p>	<ul style="list-style-type: none"> <li>• KPMG supported the development of an aspirational Capital Projects Management Framework (CPMF), illustrating what the future state of project management can look like</li> <li>• Determine which elements of the CPMF are ready to be implemented and continue to tailor it; with each iteration getting closer to the desired future state maturity Initial focus areas may include the review and refinement of: <ul style="list-style-type: none"> <li>- Project categorization criteria</li> <li>- Project charter procedure and template</li> <li>- Status report procedure and template</li> <li>- Stage gate review procedure and templates</li> </ul> </li> </ul>	<p><b>PENDING VALIDATION/ IN DEVELOPMENT</b></p> <ul style="list-style-type: none"> <li>• Draft CPMF has been prepared by KPMG. Requires validation and integration with existing CPO guidance documentation prior to readiness for implementation</li> <li>• Some updates to existing tools/templates have been initiated</li> <li>• This item will largely be advanced in coordination with Recommendation 4, with next steps focused on scheduling cross-departmental workshops to further inform and guide this activity.</li> <li>• As detailed implementation plan is developed, further progress can be reported</li> </ul>	<p>TBD</p>

Recommendations –	Anticipated Benefit	Involves:	Implementation Status	Target Completion Date
<p>3. Project Manager Resourcing and Competency Alignment: Address any gaps in CPO staffing and Project Manager skill levels required to meet service level expectations</p>	<p>Medium</p>	<ul style="list-style-type: none"> <li>• Track and assess staffing levels and vacancies in the roles of Project Manager and CPO Manager</li> <li>• Prepare contingency plans if CPO demand increases (e.g., external contracted services)</li> <li>• Identify the necessary competencies for Project Managers according to project category, and consider revising job descriptions and performance assessment frameworks to correspond with these identified competencies</li> <li>• Implement a program for staff training and professional development that is intrinsically linked to performance assessment cycles and tools</li> <li>• Establish a city-wide project management community of practice (CoP) aimed at fostering knowledge sharing, capturing lessons learned, and promoting a unified approach and use of project management tools and templates</li> </ul>	<p><b>IN DEVELOPMENT/PLANNED FOR 2026</b></p> <ul style="list-style-type: none"> <li>• Competency development considered within existing annual performance management and learning plan development processes.</li> <li>• To be advanced and refined further through progress on related recommendations.</li> <li>• CoP to be developed in the coming months</li> </ul>	<p>TBD</p>

Recommendations –	Anticipated Benefit	Involves:	Implementation Status	Target Completion Date
<p>4. Role and Responsibility Clarification: Formalize the general expectations of project contributors and confirm specifics as part of the Planning phase</p>	High	<ul style="list-style-type: none"> <li>• KPMG has supported the preparation of a high-level summary of the primary responsibilities of each contributing department in capital infrastructure projects, for the City’s consideration</li> <li>• Work collaboratively with other departments to identify specific tasks that may be delegated to Subject Matter Experts (SMEs) or others</li> <li>• Develop an internal process for continually revisiting and refreshing roles and responsibilities to ensure they remain relevant and contributions from other departments are aligned to where they add the most value</li> </ul>	<p><b>IN DEVELOPMENT/PLANNED FOR 2026</b></p> <ul style="list-style-type: none"> <li>• Cross-departmental workshops to be scheduled to inform this and related recommendations.</li> <li>• Validating roles/responsibilities is central to advancing many of the other recommendations.</li> </ul>	2026
<p>5. Compliance Accountability: Conduct regular spot checks to ensure project managers are consistently following expected practices</p>	Medium-High	<ul style="list-style-type: none"> <li>• Develop a project review function to help encourage compliance and continuous improvement. Components of the review should verify that all relevant project records are completed and appropriately accessible to stakeholders</li> <li>• Tailor project review checklists according to the project category and expectations set out in the Capital Project Management Framework</li> <li>• Utilize outcomes of project reviews for the evaluation of staff performance as well as preparing learning and development plans to close gaps in skills and effective habits</li> </ul>	<p><b>IN DEVELOPMENT</b></p> <ul style="list-style-type: none"> <li>• Implementation plan to be developed as recommendations such as Practice Documentation, Template Development, Project Intake, etc. are advanced.</li> </ul>	TBD

Recommendations –	Anticipated Benefit	Involves:	Implementation Status	Target Completion Date
<p>6. Delegation of Authority: Develop criteria for determining the appropriate approvals for invoices and change orders</p>	<p>Medium</p>	<ul style="list-style-type: none"> <li>• Develop a proposal for an alternative approval process for lower-risk invoices and change orders that meet certain criteria</li> <li>• Consider how additional communication tactics can be used to ensure senior leaders are apprised of potential changes and anticipated invoicing prior to the approval sequence</li> <li>• Review City policies and directives to align with accounting controls and to understand if the proposed change may have broader implications around signing authority in other areas</li> </ul>	<p><b>IN DEVELOPMENT</b></p> <ul style="list-style-type: none"> <li>• An implementation plan is currently in development. Progress will be reported once the plan is finalized.</li> </ul>	<p>TBD</p>
<p>7. Feedback Mechanisms: Formally adopt structured opportunities for stakeholders; input towards continuous improvement and satisfaction with CPO services</p>	<p>Medium-Low</p>	<ul style="list-style-type: none"> <li>• Add structured opportunities for feedback on CPO performance and processes as part of the Controlling and Closure phases of the project lifecycle</li> <li>• Implement stage gate pulse checks and satisfaction surveys to provide feedback on project management services</li> <li>• Develop and implement an annual survey to assess and improve working relationships</li> <li>• Develop and implement an end-of-contract review to identify what worked well and what could be improved, considering their experience with other organizations</li> </ul>	<p><b>IN DEVELOPMENT</b></p> <ul style="list-style-type: none"> <li>• This is closely tied to Recommendation 2, and is expected to be advanced in parallel as practice documentation is updated.</li> <li>• As detailed implementation plan is developed, further progress can be reported</li> </ul>	<p>TBD</p>

Recommendations –	Anticipated Benefit	Involves:	Implementation Status	Target Completion Date
8. Project Management Software: Procure project management software to reduce manual reporting tasks	Medium	<ul style="list-style-type: none"> <li>• Build upon the requirements gathered through engagement, consider the project management needs present in other departments (e.g., Strategic Services, Information Technology)</li> <li>• Determine functionality and budget requirements and develop a business case to support a funding request for City approval that outlines the anticipated outcomes and potential return on investment (e.g., estimated opportunity cost of manual tasks currently performed by Project Managers)</li> <li>• Ensure adequate resourcing to support the sourcing and implementation of a technology system, recognizing that these activities will likely impact Project Manager capacity during the transition</li> <li>• Identify critical integrations that will be a necessary part of the implementation so they can be communicated and analyzed in the procurement process</li> <li>• Plan and conduct a competitive procurement, including vendor demonstrations, to select the technology solution that best demonstrates value for money to the City</li> </ul>	<p><b>ON HOLD</b></p> <ul style="list-style-type: none"> <li>• On hold, pending available resource capacity/funding prioritization for this initiative.</li> <li>• Opportunities to find efficiencies in manual reporting tasks will be reviewed focusing on existing available software applications as part and in parallel to Recommendation 2.</li> </ul>	On Hold