



---

# **Major Capital Projects**

## *Planning, Design and Construction*

***August 2025***

**Office of Internal Audits**  
*UT Austin's Agents of Change*



**OFFICE OF INTERNAL AUDITS**  
**THE UNIVERSITY OF TEXAS AT AUSTIN**

1616 Guadalupe St. Suite 2.302 • Austin, Texas 78701 • (512) 471-7117  
audit.utexas.edu • internal.audits@austin.utexas.edu

## Executive Summary

### Major Capital Projects Planning, Design and Construction Project Number: AUS25AS0010

#### Audit Objective

The objective of the audit was to assess major capital project processes for efficiency and effectiveness across multiple stages, including planning, project definition, approval, controls, procurement, construction, and completion.

#### Conclusion

Overall, the processes to manage major capital projects are effective. However, there are opportunities to gain efficiencies and enhance project management and delivery through alignment of project management information systems and the operational structure.

#### Audit Observations<sup>1</sup>

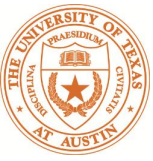
Recommendation	Risk Level	Estimated Implementation Date
Project Management Information Systems	Medium	March 2026
Operational Structure	Medium	March 2026

#### Engagement Team<sup>2</sup>

Ms. Suzi Nelson, CPA, CIA, CISA, Principal Auditor  
Mr. Tripp Chandler, CCA, Associate Director, Protiviti  
Ms. Siena Merrin, Staff Consultant, Protiviti  
Mr. Eric Portlock, CPA, Managing Director, Protiviti

<sup>1</sup> Each observation has been ranked according to The University of Texas System Administration (UT System) Audit Risk Ranking guidelines. Please see the last page of the report for ranking definitions.

<sup>2</sup> This project was co-sourced with Protiviti Inc. (Protiviti)



## Detailed Audit Results

### Observation #1 Project Management Information Systems

The technology infrastructure supporting the Planning, Design and Construction (PDC) department is fragmented and inefficient and requires project managers to use multiple systems and manual processes to complete projects.

In November 2024, PDC implemented the project management module of UT Works, a vendor-developed facilities and asset management system. The implementation omitted key project management capabilities, including pay application workflows, issue and inspection tracking, budget enforcement, management reporting, and external partner document submission. As a result, core functions such as budgeting, scheduling, and change management rely on manual processes, spreadsheets, and varied non-standardized tools including systems purchased for individual projects or managed by general contractors. These practices increase risks of errors, delays, and inaccessible project data which can impede PDC's ability to maintain oversight and ensure consistent execution of projects.

While PDC has developed a plan to implement system modifications that address functionality gaps, it has not determined whether UT Works can ultimately meet critical business needs.

#### Management's Corrective Action Plan:

PDC will conduct a strategic assessment of UT Works to determine whether it will be able to meet core project management needs. In parallel, system modifications are underway to address critical functionality gaps such as workflows, issue tracking, budget enforcement, and external partner document submission. A cross-functional governance committee will be established to oversee technology decisions and ensure alignment with strategic goals. These efforts aim to reduce reliance on manual processes, improve data accessibility, and enhance consistency in project execution. If UT Works proves insufficient, PDC will consider acquiring a new Project Management Information System.

**Responsible Person:** Director, Construction Operations

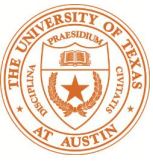
**Planned Implementation Date:** March 31, 2026

### Observation #2 Operational Structure

PDC's operational structure creates a significant workload for project managers, some of whom oversee 15 or more projects simultaneously. Project managers have limited administrative help

#### Definition

Major capital projects are those totaling \$10M or greater. They are included in UT System's Capital Improvement Program and require additional oversight by the Board of Regents and periodic reporting to the UT System Office of Capital Projects. Projects under the \$10M threshold are considered minor.



## OFFICE OF INTERNAL AUDITS REPORT: MAJOR CAPITAL PROJECTS

---

and must manage both major and minor projects within a similar procedural framework, despite the significant differences in scope, governance needs, and risk profiles of these projects.

Additionally, existing processes to determine project resource allocations and priorities are inadequate for managing PDC's complex cross-functional teams. Teams rely on shared resources but are grouped by specialization, including academic and administration, research and sciences, auxiliaries and infrastructure, and special projects. Responsibilities for critical project management functions, particularly those related to contracting, procurement, and risk management, are inconsistently assigned and/or managed, resulting in delays and increased administrative burden. In this environment, addressing evolving client requests often results in unplanned initiatives and delays that disrupt focus and overextend delivery capacity. A role-based, scalable framework tailored to project type, size, and governance requirements would enhance consistency, improve oversight, and enable more effective resource utilization across the portfolio.

### **Management's Corrective Action Plan:**

PDC plans to optimize its organizational structure to enhance staffing and coordination across specialized teams. A tiered project framework will be considered to better align oversight with project complexity and alleviate the workload on project managers. To support this effort, PDC will engage an industry specialist to review audit findings and recommend structural improvements. New and enhanced support roles as well as a newly developed resource allocation matrix will improve resourcing to support the large number of diverse and complex projects. Responsibilities for procurement, contract management, controls, administrative support and risk management will be clarified to reduce delays and administrative overhead.

**Responsible Person:** Director, Construction Operations

**Planned Implementation Date:** March 31, 2026

## **Conclusion**

Overall, the processes to manage major capital projects are effective. However, there are opportunities to gain efficiencies and enhance project management and delivery through alignment of project management information systems and the operational structure.

**Table: Controls Assessment**

Audit Objective	Controls Assessment
Assess major capital project processes for efficiency and effectiveness across multiple stages, including planning, project definition, approval, controls, procurement, construction, and completion.	Effective with medium risk opportunities



## Background

PDC manages major and minor capital projects including facilities improvements, renovations, and new construction. In 2018, UT System transferred responsibility for, and personnel overseeing, The University of Texas at Austin's (UT Austin) major capital projects to the University, which integrated teams and resources managing both major and minor projects. Since then, UT Austin has restructured its planning and construction operations, experienced significant management turnover, and implemented the UT Works project management module. As of July 2025, PDC is managing over 25 major projects and more than 400 minor projects.

## Scope, Objectives, and Methodology

This audit was conducted in conformance with The Institute of Internal Auditors' Global Internal Audit Standards. Additionally, we conducted the audit in accordance with Generally Accepted Government Auditing Standards and meet the independence requirements for internal auditors. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions on our audit objectives.

The scope of this review includes major capital projects in progress as of February 2025.

Specific audit objectives and the methodology to achieve the objectives are outlined in the table below.

**Table: Objectives and Methodology**

Audit Objective	Methodology
Assess major capital project processes for efficiency and effectiveness across multiple stages, including planning, project definition, approval, controls, procurement, construction, and completion.	<ul style="list-style-type: none"><li>• Interviewed personnel from PDC (functions included project management, engineering, project controls, safety, planning, and procurement), Business Financial Services, and Procurement and Payment Services.</li><li>• Reviewed applicable UT System policy and Regents Rules.</li><li>• Examined UT Austin procedure documentation.</li><li>• Tested a sample of major projects to validate process and control effectiveness.</li></ul>



## Criteria

- UT System Regents' Rules:
  - 80301 – *Capital Improvement Program*
  - 80402 – *Office of Major Construction and Repair and Rehab Projects*
  - 80404 – *Institutional Management of Major Construction and Repair and Rehab Projects*
- UT System Policy 199: *Management of Major Capital Projects*
- UT System Guide to Major Capital Project Delivery
- Planning, Design and Construction project policies and procedures

## Observation Risk Ranking

Audit observations are ranked according to the following definitions, consistent with UT System Audit Office guidance.

Risk Level	Definition
Priority	If not addressed immediately, has a high probability to directly impact achievement of a strategic or important operational objective of The University of Texas at Austin (UT Austin) or the UT System as a whole.
High	Considered to have a medium to high probability of adverse effects to UT Austin either as a whole or to a significant college/school/unit level.
Medium	Considered to have a low to medium probability of adverse effects to UT Austin either as a whole or to a college/school/unit level.
Low	Considered to have minimal probability of adverse effects to UT Austin either as a whole or to a college/school/unit level.

In accordance with directives from UT System Board of Regents, Internal Audits will perform follow-up procedures to confirm that audit recommendations have been implemented.

## Report Submission

We appreciate the courtesies and cooperation extended throughout the audit.

Respectfully Submitted,

Sandy Jansen, CIA, CCSA, CRMA, Chief Audit Executive



## Distribution

Mr. James E. Davis, President  
Ms. Katie Brock, Interim Vice President and Chief Operating Officer  
Mr. Douglas Gilpin, Director of Construction Operations  
Mr. Brian Smith, Senior Vice President and Chief Financial Officer  
Ms. Christy Sobey, Director of President's Office Operations  
Mr. Brent Stringfellow, Associate Vice President for Campus Operations  
Ms. Carrie West, Assistant Vice President of Planning, Design & Construction  
Ms. Charlene Wiegrefe, Interim Assistant Vice President, Procurement and Payment Services  
The University of Texas at Austin Institutional Audit Committee  
The University of Texas System Audit Office  
Legislative Budget Board  
Governor's Office  
State Auditor's Office