CAPITAL PROGRAMS

SHAREPOINT SYSTEM REVIEW

AUDIT REPORT #22-2103

Audit & Advisory Services

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# Background

In accordance with the Campus fiscal year 2021-22 audit plan, Audit & Advisory Services (A&AS) performed an audit of Capital Programs’ SharePoint System.

The Capital Programs department is responsible for conceptualizing, planning, designing, and constructing major capital construction and renovation projects at UCLA. Projects greater than $1,000,000 are considered major capital construction.

Since Capital Programs was established in 1986, approximately $6.3 billion has been expended to complete a variety of new construction, renovation, and infrastructure projects. Capital Programs develops financial strategies, obtains project approvals, reviews plans and specifications, completes environmental reviews, prepares and negotiates construction contracts, coordinates staging plans, and serves as a repository for project records and as-built plans.

The department’s mission is to create projects that “support the instruction and research mission of the University by providing a physical campus environment that fosters excellence, creativity, and a sense of community.” Capital projects are developed to take into account UCLA land use priorities, established physical designs, University policies and procedures, environmental and regulatory requirements, and community interests. The Capital Programs department consists of two organizational units:

*Capital Planning and Finance* – responsible for planning, environmental assessment, project budgeting, information technology, personnel, and project financial services including contracts administration. This area is led by an Associate Vice Chancellor who reports to the Vice Chancellor and Chief Financial Officer.

*Design and Construction* – responsible for project design, project management, and construction management. This area is headed by an Associate Vice Chancellor who reports to the Vice Chancellor and Chief Financial Officer.

SharePoint Overview

Microsoft’s SharePoint is a web-based document management system that Capital Programs deployed for use in December 2010. The application is integrated with the Microsoft Office suite, and allows Capital Programs personnel the ability to better organize, manage, share, and secure documents. Prior to SharePoint, documents were stored on network drives and shared via e-mail or in hardcopy format, a system that lacked the level of organization and control that department management desired. With SharePoint, project or unit-specific websites are created to house documents and provide a platform for collaboration, which can be accessed and shared from multiple devices at any location. Document versions can be controlled and managed, and access rights can be assigned to a particular folder level.

# Purpose and Scope

The primary purpose of the review was to ensure that Capital Programs’ internal controls and business processes related to SharePoint system utilization are conducive to accomplishing its business objectives. Where applicable, compliance with campus and University policies and procedures was also reviewed. The scope of the engagement focused on verifying for the Capital Programs department and for organizations that have delegated authority for construction projects the following:

* Essential documents for major capital projects are uploaded and available through SharePoint.
* Essential documents are uploaded timely and throughout the project to SharePoint.
* Project-related documents in the SharePoint files are organized and can be easily accessed when needed.

The review was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing* and included interviews, tests of records, and other procedures considered necessary to achieve the audit purpose.

# Summary Opinion

Based on the results of the work performed within the scope of the audit, Capital Programs’ internal controls and business processes related to SharePoint system utilization are conducive to accomplishing its business objectives. However, controls and business practices could be further strengthened by implementing the following:

* Management should consider implementing the following measures to enhance SharePoint’s usefulness as a management tool:
* Encourage all Capital Programs units to ensure that all essential documents are uploaded to SharePoint.
* Periodically perform independent quality assurance checks, perhaps on a sample basis, to verify that all required documents for major capital projects are uploaded to SharePoint.
	+ In coordination with the delegated units, clarify the specific project-related documents that would be most beneficial to upload to SharePoint to optimize management and oversight of capital projects.

Management should recommend to relevant management and staff of the Housing & Hospitality Services department to upload project-related documents to SharePoint as the documents are prepared or executed, rather than waiting until the end of the project. By doing so, the utility and effectiveness of SharePoint is enhanced and the visibility of project data is strengthened.

Management should coordinate with its staff to review and update the SharePoint folder structure set up for all major capital projects. Management should also consider soliciting feedback from the delegated units on revisions to the folder structure that would help to strengthen their management and oversight of capital projects.

The audit results and corresponding recommendations are detailed in the following sections of this report.

# Audit Results and Recommendations

## Essential Documents Uploaded to SharePoint

For all major capital projects set up in SharePoint, a standard set of folders is created. The folders are organized by key functions and include:



There are subfolders within each of the folders above.

In addition to the standard set of folders created for all projects, there is also a guide that lists the type of documents that should be uploaded to each of the folders.

The documents required for major capital projects varies depending on the type and scope of projects. For example, some projects utilize architects or designers, thus a Professional Services Agreement (PSA) or Executive Design Professional Agreement (EDPA) is required and should be uploaded to SharePoint; however, not all projects use an architect or designer. There is a set of essential documents that evidence approvals during key phases of construction projects which are required for all projects. These documents include the Project Initiation Form (PIF), Project Amendment Form (PAF), Capital Improvement Budget (CIB), Capital Project Summary (CPS), Project Planning Guide (PPG), Permission to Solicit, Recommendation to Award, construction agreement, change orders, Certificate of Occupancy, Inspection Acceptance, and Notice of Completion.

For major capital projects managed by delegated units (Facilities Management, Housing & Hospitality Services, and the UCLA Medical Center), the responsibility for uploading documents to SharePoint is divided between the Capital Programs units and the delegated units. The unit that has the authority and responsibility to execute and process a particular document is responsible for uploading that document to SharePoint. At a high level, Capital Programs is responsible for uploading documents that evidence approval during key phases of a project such as PIFs, PAFs, CIBs, PPGs, CPSs, Permissions to Solicit, Recommendations to Award, construction agreements, payment applications, change orders, Certificates of Occupancy, Inspection Acceptances, and Notices of Completion. Delegated units are responsible for uploading to SharePoint the day-to-day project management and construction management documents.

A judgmental sample of eight major capital projects completed by Capital Programs and the delegated units between January 1, 2019 and December 31, 2021 were reviewed to verify that essential documents have been uploaded to SharePoint for each project tested. A&AS had also planned to review major capital projects completed by UCLA Asset Management; however, although some projects had been started, none were completed within the timeframe reviewed for the audit. A&AS verified that the essential documents that are required for all projects were uploaded to SharePoint. For other documents that vary based on the type and scope of a project, A&AS verified at a categorical level whether these documents were uploaded to SharePoint.

The table below summarizes the results of our review.

|  |  |
| --- | --- |
|  | Documents uploaded to SharePoint (two projects reviewed for each unit) |
| SharePoint Folder | Document Type | Unit Responsible for Uploading to SharePoint | Capital Programs | Facilities Management | Housing & Hospitality Services | UCLA Medical Center |
| Approvals | PIF, PAF, CIB, CPS, PPG, Permission to Solicit, Recommendation to Award, Certificate of Occupancy, Inspection Acceptance, Notice of Completion | Capital Programs | Yes | Yes | Yes | Yes |
| Contracts | PSA, EDPA, construction agreements, related bid documents | Capital Programs – Contract Administration | Yes | Yes | Yes | Yes |
| Accounting | Deposits, escrow letters, financial correction requests, fund transfers, invoices, journal entries, labor charges transfers, purchase orders, stop notices | Capital Programs – Financial Services | Yes | Yes | Yes | Yes |
| Financial Management | Business case analysis, capitalization reports, monthly reports | Capital Programs – Financial Services | N/A – folder not needed |
| Project Management | Correspondences, meeting notes, schedules, status reports, consultant reports, drawings, environmental reports | For Capital Programs projects – Capital Programs Project Management ServicesFor delegated unit projects – the delegated unit | Yes | No – documents are maintained in FM's internal systems | For 1 of 2 projects reviewed, a majority of documents were not uploaded due to resignation of construction manager during project | No – documents are maintained in the Medical Center’s internal systems |
| Document Submittals | Specifications, drawings, review and approvals | For Capital Programs projects – Capital Programs staffFor delegated unit projects – the delegated unit | Yes | No – documents are maintained in FM's internal systems | For 1 of 2 projects reviewed, a majority of documents were not uploaded due to resignation of construction manager during project | No – documents are maintained in the Medical Center’s internal systems |
| Construction Management | Change orders, change order requests, contractor pay applications, correspondences, meeting minutes, punch lists, RFIs, project status reports | For Capital Programs projects – Capital Programs Construction Management ServicesFor delegated unit projects – the delegated unit | Yes – a majority of documents, except for operation and maintenance manuals, warranty, guarantees, field directives | Contractor pay applications and change orders are uploaded to SharePoint; however, all other documents are maintained in FM's internal systems | For 1 of 2 projects reviewed, a majority of documents were not uploaded due to resignation of construction manager during project | Contractor pay applications and change orders are uploaded to SharePoint; however, all other documents are maintained in the Medical Center’s internal systems |

Recommendation: Management should consider implementing the following measures to enhance SharePoint’s usefulness as a management tool:

* Encourage all Capital Programs units to ensure that all essential documents are uploaded to SharePoint.
* Periodically perform independent quality assurance checks, perhaps on a sample basis, to verify that all required documents for major capital projects are uploaded to SharePoint.
* In coordination with the delegated units, clarify the specific project-related documents that would be most beneficial to upload to SharePoint to optimize management and oversight of capital projects.

Response: Capital Programs’ business practices require that essential documents are uploaded to the SharePoint website to ensure access and transparency. Training is currently provided to the delegated units regarding SharePoint access, but it is impractical for Capital Programs to monitor the upload of documents on an ongoing basis.

The Project Completion Workflow references the Capital Programs Records Retention policy, which stipulates that all project documents and relevant emails are to be uploaded to SharePoint.

## Timely Upload of Documents to SharePoint

A benefit of SharePoint is that it provides multiple users online access to essential documents for major capital projects. To leverage this benefit to its potential, it is important that project-related documents are uploaded to SharePoint in a timely manner.

For the same sample of eight major capital projects completed by Capital Programs and the delegated units noted earlier, A&AS verified for a sample of documents whether they were uploaded to SharePoint in a timely manner. The documents that Capital Programs were responsible for were uploaded to SharePoint in a timely and ongoing manner. Project documents relating to Housing & Hospitality Services, however, were not uploaded to SharePoint until the end of each project. As a result, key documents were not accessible to management or stakeholders, via SharePoint, for the duration of the project.

Recommendation: Management should recommend to relevant management and staff of the Housing & Hospitality Services department to upload project-related documents to SharePoint as the documents are prepared or executed, rather than waiting until the end of the project. By doing so, the utility and effectiveness of SharePoint is enhanced and the visibility of project data is strengthened.

Response: Capital Programs recommends that Audit & Advisory Services shares this recommendation with Housing and Hospitality Services management directly.

## Organization of Documents within SharePoint

Utilizing the sample of eight major capital projects completed by Capital Programs and delegated units described earlier, A&AS verified whether the SharePoint project files were well organized and easily accessible. The majority of the essential documents reviewed were filed and maintained in the expected folders. However, SharePoint’s folder structure was established when the system was first implemented in 2011 and has not been updated in the intervening years. Since 2011, many new on-line systems have been implemented such as BlueBeam, ePlanRoom, LCP Tracker, and the project inspection website. This, in turn, has transitioned many processes that were paper based to electronic. As a result, there are now some folders that are no longer needed. Capital Programs’ Project Management staff have reviewed the folders used in their area and identified folders that are no longer needed, noting changes to where certain documents should be filed going forward.

Recommendation: Management should coordinate with its staff to review and update the SharePoint folder structure set up for all major capital projects. Management should also consider soliciting feedback from the delegated units on revisions to the folder structure that would help to strengthen their management and oversight of capital projects.

Response: The SharePoint folder structure needs to service current projects, but is also used to organize archived project documents. The current folder structure provides the flexibility to utilize a detailed hierarchy of sub-folders for larger, more complicated projects, while smaller projects may only need summary level folders.

At project close-out, all empty folders are deleted from the system. This step and the query function helps to facilitate the future retrieval of information.

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