



Peer Review Team Facilities Audit Protocol

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Strategic Planning and Funding

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Texas Higher Education Coordinating Board

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Mission of the Coordinating Board

The Texas Higher Education Coordinating Board promotes access, affordability, quality, success, and cost efficiency in the state's institutions of higher education, through *Closing the Gaps* and its successor plan, resulting in a globally competent workforce that positions Texas as an international leader in an increasingly complex world economy.

Agency Vision

The THECB will be recognized as an international leader in developing and implementing innovative higher education policy to accomplish our mission.

Agency Philosophy

The THECB will promote access to and success in quality higher education across the state with the conviction that access and success without quality is mediocrity and that quality without access and success is unacceptable.

The Coordinating Board's core values are:

Accountability: We hold ourselves responsible for our actions and welcome every opportunity to educate stakeholders about our policies, decisions, and aspirations.

Efficiency: We accomplish our work using resources in the most effective manner.

Collaboration: We develop partnerships that result in student success and a highly qualified, globally competent workforce.

Excellence: We strive for preeminence in all our endeavors.

The Texas Higher Education Coordinating Board does not discriminate on the basis of race, color, national origin, gender, religion, age, or disability in employment or the provision of services.

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Background

Texas higher education facilities constitute a large resource for the state. The efficient use of funds and the orderly development of physical plants to accommodate projected enrollments are critical components of the state's goal for closing the gaps in higher education. To that end, the Texas Education Code contains several measures intended to ensure the efficient use of state resources. These include:

[§61.0572](#), Texas Education Code, concerning Construction Funds and Physical Plan

[§61.0582](#), Texas Education Code, concerning Campus Master Plan

[§61.0583](#), Texas Education Code, concerning Audit of Facilities

Audit Goal

The goal of the Peer Review Team audits is to assess, verify, and improve the data and process by which Texas public colleges and universities accurately report the use of campus facilities and project funding.

Audit Objectives

The Texas Education Code requires the Texas Higher Education Coordinating Board (Coordinating Board or THECB) to periodically conduct a comprehensive audit of all educational and general facilities on the campuses of public senior colleges and universities and the Texas State Technical College System. The objectives of the audit are to determine whether selected institutions of higher education:

1. Are accurately reporting their facilities data to the Board; and
2. Have followed the Board rules and received approval where such approval was required for facilities projects.

Public universities, Lamar State Colleges, and Texas State Technical Colleges will be audited on a 5-year cycle. Coordinating Board staff will develop and post the audit schedule on the Coordinating Board website.

Educational and General Facilities Audit

The Coordinating Board shall periodically conduct a comprehensive audit of all education and general facilities on the campuses of institutions to verify the accuracy of the institutional facilities inventory and the submitted facilities development projects for each of those institutions. Each audit will consist of three components summarized below and will provide reasonable assurance of the accuracy of the data. Development projects include improved real property purchases containing educational and general space, construction, addition, and repair and renovation projects of buildings and facilities at institutions.

1. Institutional Facilities Inventory

A. Peer Review Team (PRT) Audits

Institutions may participate, in cooperation with the THECB and peer institution representatives, in conducting on-site audits of facilities. Travel and all associated expenses for the PRT team members will be the responsibility of the institution for which they are employed. THECB will be responsible for travel expenses for THECB staff.

(1) Peer Review Team

An institution that chooses to conduct PRT audits must complete their audit within the quarter it is scheduled by the Coordinating Board, unless other arrangements are made in advance. A THECB staff member will participate in each facility audit.

Each institution participating in the PRT program will nominate one or more qualified individuals with some expertise in facilities management for the Peer Review Team pool maintained by the THECB Staff. The THECB Staff will select, in coordination with the institutions, the PRT for each audit. The team will be composed of three members, including staff of the THECB.

(2) Audited Institution

Audited institutions are responsible for providing adequate office space; access to all data sources and administrative reports, as required by the PRT; and access to all facilities requiring review by the PRT. The audited institution will provide institutional representatives knowledgeable of the facilities inventory and use of the space to accompany representatives of the PRT to physically assess the accuracy of the reported data.

(3) Data & Methods

THECB staff will generate a random sample of 35 (minimum) educational and general (E&G) rooms from the institution's certified inventory of buildings and rooms reported and on file at the THECB. The random sample will include a minimum of five rooms from the institution's roster of classrooms and class laboratories (Space Use Code 110 and 210). THECB staff will provide the room list to the PRT and the audited institution 30 days prior to the scheduled audit. No changes to the institution's official inventory will be allowed after the room list is published.

(4) Sample

The sample will be verified for accuracy for the following goals:

- A. Rooms are identified by a unique alphabetic or numeric code
- B. Space use codes accurately reflect actual use
- C. Functional category codes accurately reflect actual use

- D. Classification of Instructional Programs (CIP) codes accurately reflect actual use
- E. Prorated use accurately reflects the time used for each function
- F. Reported room area is accurate and verifiable
- G. Reported educational and general room area is accurate and verifiable
- H. Reported classroom and class lab seating capacities are accurate and vary no greater than 10 percent of reported capacity and the difference is greater than 5 seats (for classrooms) or 5 stations (for class laboratories)

(5) Process

In the process of reviewing individual rooms, the PRT must treat each room as a discrete entity and assess each factor. The aggregation of measures and assessments will be the data used to determine overall accuracy of the inventory. In regards to E&G room area, it is critical the PRT determines not only the assignable room area, but considers those factors that determine the E&G room area. This would include potential non-E&G prorations of functional category, space use codes, and CIP codes and the effect on E&G area calculations.

When determining capacity for classrooms and class laboratories, some discretion is afforded to the PRT in making the determination. For example, some rooms have capacities with no seating to count; in making such a determination, the PRT must use its professional judgment, as well as other available information to verify the fidelity of the reported data.

Upon completion of the on-site field audit, the PRT will document its findings and submit a PRT report to the institution's Chief Facilities Officer (or other designated official per institution) not later than 14 days after the completion of the PRT audit.

Facilities Development Projects: Within this same timeframe, the institution's internal audit staff will submit the Development Project report to the Chief Facilities Officer and THECB. (See Table B below)

The Institution's Chief Facilities Officer (or designee) shall respond with appropriate comments to the PRT report no later than 14 days after receiving it. The response should provide clarifications and proposed management actions to correct the PRT's findings. This response will be forwarded to the Chief Executive Officer, THECB Staff, and the institution's Internal Audit Office within 14 days of receipt of the Facility and Development Projects reports.

B. Self-Audits

Institutions opting to be exempted from the peer review process may choose to conduct self-audits. The 35-room sample will be drawn from a statistical analysis and selection taken from the building and room inventory on file at the THECB. Costs for certified self-audits are the responsibility of the institution.

A self-auditing institution may contract with a recognized firm with substantial experience in auditing facilities to conduct the audit of the institution. The institution will present to the THECB staff a copy of the formal report of the audit and its documented processes that demonstrates the accuracy of the data and confirmation that the review includes consideration of the facilities audit objectives stated above (under the heading Audit Objectives).

C. Remediation Audits

The Coordinating Board staff, the Peer Review Team, or the institutional internal auditors may request a remedial audit of the institution or that the THECB Internal Audit office conduct an audit of the institution if circumstances warrant further review.

A remedial audit will be indicated when the institution receives any score of three or less in the areas of assignable square feet, E&G square feet, capacity, or space use. The PRT may recommend a remedial audit if, in their professional opinion, circumstances indicate the need for substantial improvement. Regarding the Facility Development Projects aspect of the audit, the need for remedial review will be determined by the Internal Audit function of the institution or the determination of the appropriate board committee at the THECB.

In the event a remedial audit is indicated, only the aspect requiring remediation will be assessed. For example, if the inventory is noncompliant but the development projects are compliant, only the inventory will be subject to remediation.

2. Facilities Development Projects

Development projects include property acquisitions containing E&G space, new construction, addition, and repair and renovation projects subject to rules specified in the Texas Education Code. For project application submissions, the institution's Internal Auditor will implement an audit process specific to the institution to select a representative sample of projects meeting the criteria specified below, as well as any acquisitions of real property containing E&G space over the preceding five years (or since the last audit). The Internal Auditor will determine if projects and acquisitions of real property were approved by the institution's Board of Regents or their designate, were submitted to the Coordinating Board for review, were submitted with accurate data, and that any projects completed over that timeframe were completed within the parameters specified in the project application submitted to the THECB and reported on the annual tracking report. The Internal Audit report will be submitted within the same timeframe as the delivery of the PRT report to either the Chief Facilities Officer (or designee) and to THECB, unless other arrangements have been made with the THECB staff.

3. Final Report

The final report, the institutional Facilities Audit report, will include Development Projects and Facilities audit results, as well as a response to any action required. The Chief Executive Officer (or designee) will submit the final report to THECB staff within 30 days or no later

than March 30 (whichever comes first) of the fiscal year in which the institution is scheduled for audit.

The THECB staff responsible for Facilities Audits will provide a response to each respective institution within 30 days. The PRT reports and the Development Projects reports of the fiscal year audits, along with other information deemed relevant, will be organized into a single comprehensive report on the accuracy of institutions' facilities inventories and development project reporting. This final report will be presented at the December meeting of the THECB Committee on Affordability, Accountability and Planning (CAAP), the January meeting of the Coordinating Board, and will be sent to the Legislative Budget Board as required by the Texas Education Code. Additionally, a copy will be provided to the Chief Executive Officer of each state institution of higher education.

*Reporting management varies by institution and can be designated. CFO refers to Chief Facilities officer or designee and CEO refers to Chief Executive officer or designee.

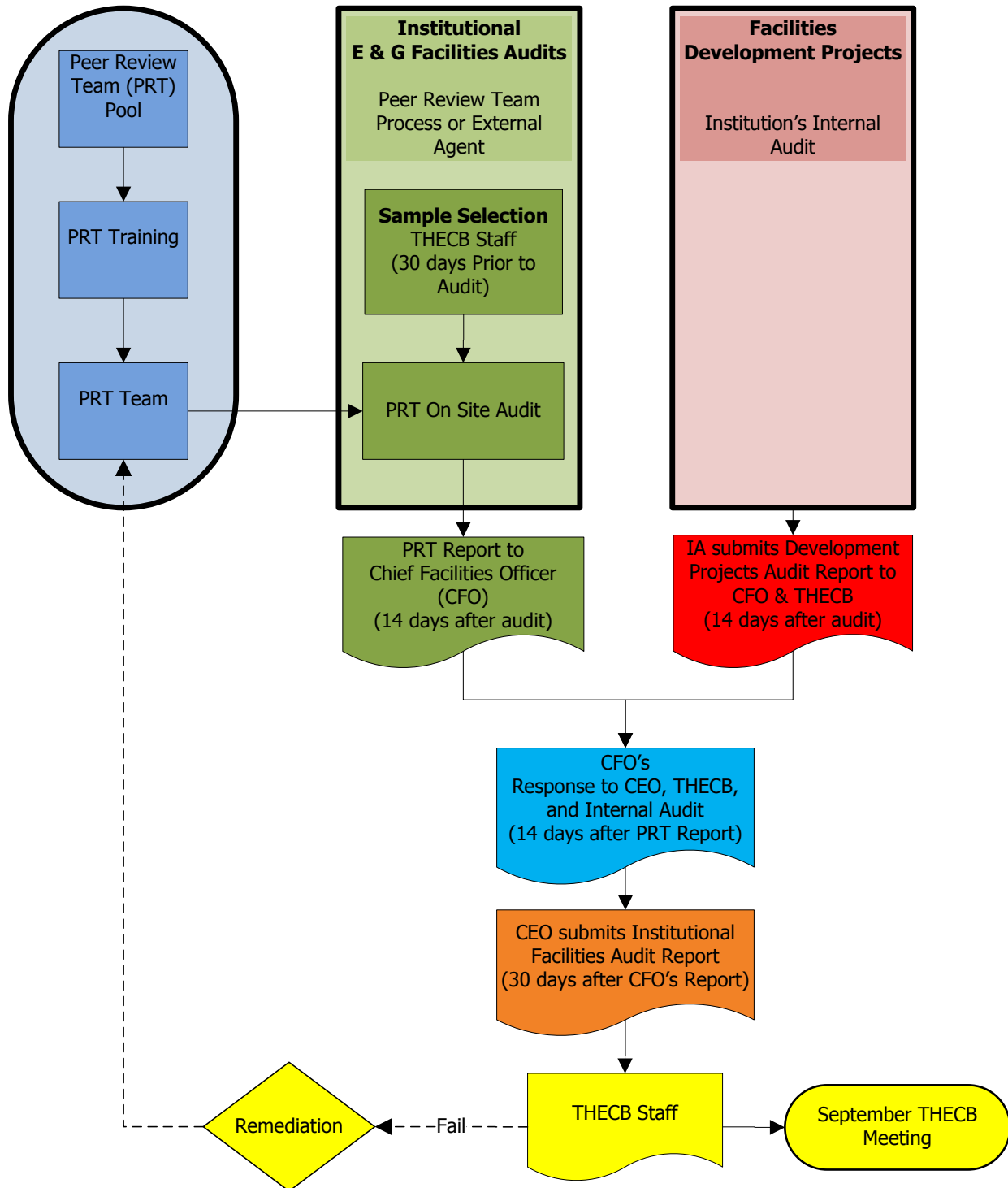
Table A – Compliance Criteria Rubric

Goal	Compliance Elements	Concept	Data	Documents
A	Rooms are identified by a unique alphabetic or numeric code.	Identification	CBM011 and PRT data	Campus Operating Procedures, Facilities Manual, and Meeting notes
B	Space use codes reflect actual use.	Space Use	CBM011 and PRT data	Facilities Manual and Meeting notes
C	Functional category codes reflect actual use.	Functional Category	CBM011 and PRT data	Facilities Manual
D	Classification of Instructional Programs (CIP) codes identifies academic disciplines, instructional programs, and departments.	CIP	CBM011 and PRT data	Facilities Manual and Meeting notes
E	Prorated use accurately reflects the time used for each function.	Proration	CBM011 and PRT data	Facilities Manual
F	Reported room area is accurate and verifiable.	Square feet	CBM011 and PRT data	Facilities Manual
G	Reported educational and general room area is accurate and verifiable.	Square feet	CBM011 and PRT data	Facilities Manual
H	Reported classroom and class lab seating capacities are accurate and vary no greater than 10 percent of reported capacity and the difference is greater than 5 seats (for classrooms) or 5 stations (for class laboratories).	Capacities	CBM011 and PRT Data	Facilities Manual

Table A – Scoring Rubric - *Continued*

Goal	Scale	Definition
A	5	All rooms' identifications are posted
	4	All rooms identified as unique in the report but not on site
	3	30 or more rooms have unique identifications
	2	29 or fewer rooms have unique identifications
	1	All rooms unidentifiable based on unique numbering
B	5	2 or fewer sample rooms coded differently than PRT determination
	4	3 sample rooms coded differently than PRT determination
	3	4 sample rooms coded differently than PRT determination
	2	5 sample rooms coded differently than PRT determination
	1	6 or more sample rooms coded differently than PRT determination
C, D, E	5	3 or fewer sample rooms coded differently than PRT determination
	4	4 sample rooms coded differently than PRT determination
	3	5 sample rooms coded differently than PRT determination
	2	6 sample rooms coded differently than PRT determination
	1	7 or more sample rooms coded differently than PRT determination
F, G	5	4.9% or less deviation between reported and PRT data
	4	5 to 6.9% deviation between reported and PRT data
	3	7 to 9.9% deviation between reported and PRT data
	2	10 to 14.9% deviation between reported and PRT data
	1	15% or more deviation between reported and PRT data
H	5	No rooms deviate between reported and PRT data
	4	1 room deviates between reported and PRT data
	3	2 rooms deviate between reported and PRT data
	2	3 rooms deviate between reported and PRT data
	1	4 or more rooms deviate between reported and PRT data

Table B – Audit Process Overview





This document is available on the Texas Higher Education Coordinating Board Website: <http://www.thecb.state.tx.us>

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