

## **Facilities Audit Protocol**

**Last Updated June 2023**

## Table of Contents

Background .....	1
Audit Objectives.....	1
Onsite Audit of an Institution's Facilities Inventory.....	2
Peer Review Team (PRT) Audits .....	2
Self-Audits .....	3
Audit of an Institution's Facilities Development Projects.....	4
Final Report.....	5
Remediation Audits .....	5

## Appendices

Appendix A: Compliance Criteria Rubric.....	6
Compliance Elements .....	6
Compliance Scale.....	7
Appendix B: Audit Process Overview .....	8
Appendix C: Sample Facilities Audit Timeline and Agenda.....	9
Audit Contacts .....	9
Timeline .....	10

## 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 plan for *Building a Talent Strong Texas*. To that end, the Texas Education Code contains several measures intended to ensure the efficient use of state resources:

- [Texas Education Code, Section 61.0572](#), concerning Construction Funds and Development of Physical Plants and Campus Master Plan
- [Texas Education Code, Section 61.0583](#), concerning Audit of Facilities
- [Texas Administrative Code, Title 19, Part 1, Chapter 17, Subchapter F](#), concerning Board rules related to Facilities Audit

## 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:

- are accurately reporting their facilities data to the Coordinating Board; and
- have followed Coordinating Board rules and received approval where such approval was required for facilities projects.

Public universities, Lamar State Colleges, and Texas State Technical Colleges are audited on a cycle determined by the Coordinating Board. The THECB may conduct an audit of an institution more often than every five years upon the request of the institution, the THECB, the Legislature, or another agency within revenue appropriated for this purpose. THECB staff develops and posts the [facilities audit schedule](#) on the Coordinating Board website.

Each audit consists of three components and provides reasonable assurance of the accuracy of the data:

1. Onsite audit of an institution's facilities inventory
2. Audit of an Institution's Facilities Development Projects
3. Final Report

## Onsite Audit of an Institution's Facilities Inventory

### Peer Review Team (PRT) Audits

Institutions may participate in the PRT audit process, in cooperation with the THECB and peer institution representatives, in conducting onsite audits of facilities, by which institutions aid in auditing one another with THECB staff. Travel and all associated expenses for the PRT team members is the responsibility of the institution for which they are employed. THECB will be responsible for travel expenses for THECB staff.

#### 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.

Institutions participating in the PRT program must provide one or more individuals qualified in facilities management for the PRT pool maintained by the THECB staff. The THECB staff will select, in coordination with the institutions, the PRT for each audit. The team is composed of a minimum of two institutional PRT members and one THECB staff member.

#### 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 about the facilities inventory and use of the space to accompany representatives of the PRT to physically assess the accuracy of the reported data.

#### Data and Methods

THECB staff will generate a random sample of 35 educational and general (E&G) rooms from the institution's 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 Codes 110 and 210). THECB staff will provide the room list to the PRT and the audited institution 30 days before the scheduled audit. No changes to the institution's inventory will be allowed after the room list is published.

#### 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 by no more than 10% of reported capacity, and the difference is no greater than five seats (for classrooms) or five stations (for class laboratories).

## 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. Regarding E&G room area, it is critical the PRT not only determines the assignable room area but also considers the factors that determine the E&G room area. This includes potential non-E&G prorations of functional category, space use codes, 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 onsite 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) no later than 14 days after the completion of the PRT audit.

Within this same timeframe, the institution's internal audit staff will submit the Facilities Development Project Report to its chief facilities officer and THECB (See [Appendix B](#)).

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 any adverse findings by the PRT. 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 Report.

## Self-Audits

Institutions choosing not to participate in the PRT audit process are required to conduct self-audits in accordance with [Texas Administrative Code, Rule 17.110\(c\)](#). 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 requesting 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 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).

## **Audit of an Institution's Facilities Development Projects**

In accordance with [Texas Education Code Section 61.0583\(c\)](#), the internal auditor will determine if facilities projects were submitted to the Coordinating Board in accordance with [Texas Administrative Code Title 19, Part 1, Chapter 17, Subchapter B, Rule 17.20](#) (relating to Facility Projects to Be Submitted to the Board). If the project was submitted to the THECB, the internal auditor should verify that the project was completed as specified in the project application submitted to the Coordinating Board.

Facilities development projects to include in the scope of review are energy savings performance contracts, property acquisitions over \$1 million that the institution intends to use as educational and general space, new construction/addition and repair/renovation projects containing an E&G project cost of \$10 million or more, and capital construction assistance projects (formerly referred to as tuition revenue bonds).

The auditor's scope of review should include any projects that began after the institution's last facilities audit. The internal auditor should submit its report to the institution's chief facilities officer (or designee) within 14 days after the PRT audit concludes (unless other arrangements have been made with the THECB staff).

## Final Report

The institution compiles a final report, the “Institution Facilities Audit Report,” including the PRT report, the institution's internal audit report results, and a response to any action required. The institution’s chief executive officer (or designee) submits the final report to THECB staff within 58 days of completion of the onsite audit.

The THECB collects the PRT reports and the internal audit reports, along with other information deemed relevant, for all institutions audited and generates a single, comprehensive “Facilities Audit Report” on the accuracy of institutions’ facilities inventories and facilities development projects reporting.

THECB staff presents the “Facilities Audit Report,” which is held on file at THECB for seven years, to the board of the THECB at its quarterly board meeting. Within 30 days of that board meeting, a copy of the report is sent to the Legislative Budget Board and audited institutions, as required by the Texas Education Code.

## Remediation Audits

If circumstances warrant further review, 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.

A remedial audit will be indicated when the institution receives any score of 3 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 auditor of the institution or the determination of Coordinating Board staff.

If 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.

## Appendix A: Compliance Criteria Rubric

### Compliance Elements

**Table 1. Compliance Elements, Concept, Data, and Documents**

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 vary no more than 10% of the reported capacity, and the difference is no greater than +/- 5 seats (for classrooms) or +/- 5 stations (for class laboratories).	Capacities	CBM011 and PRT Data	Facilities Manual

*In accordance with Rule 17.112, the THECB may also use the following data sources in the course of the audit: (1) Institutional Capital Expenditure Plans (MP1); (2) Campus Condition Report as submitted to the governing board; (3) Space Model Projection Reports; (4) Reports required by the Educational Data Center; (5) Facilities Inventory Reports; (6) Facilities Development and Improvement Applications and Reviews; (7) Classroom and Class Laboratory Utilization Reports; (8) Energy Savings Performance Contracts; (9) Governing Board facilities approvals; and (10) Any other institutional data deemed appropriate by the Coordinating Board staff.*

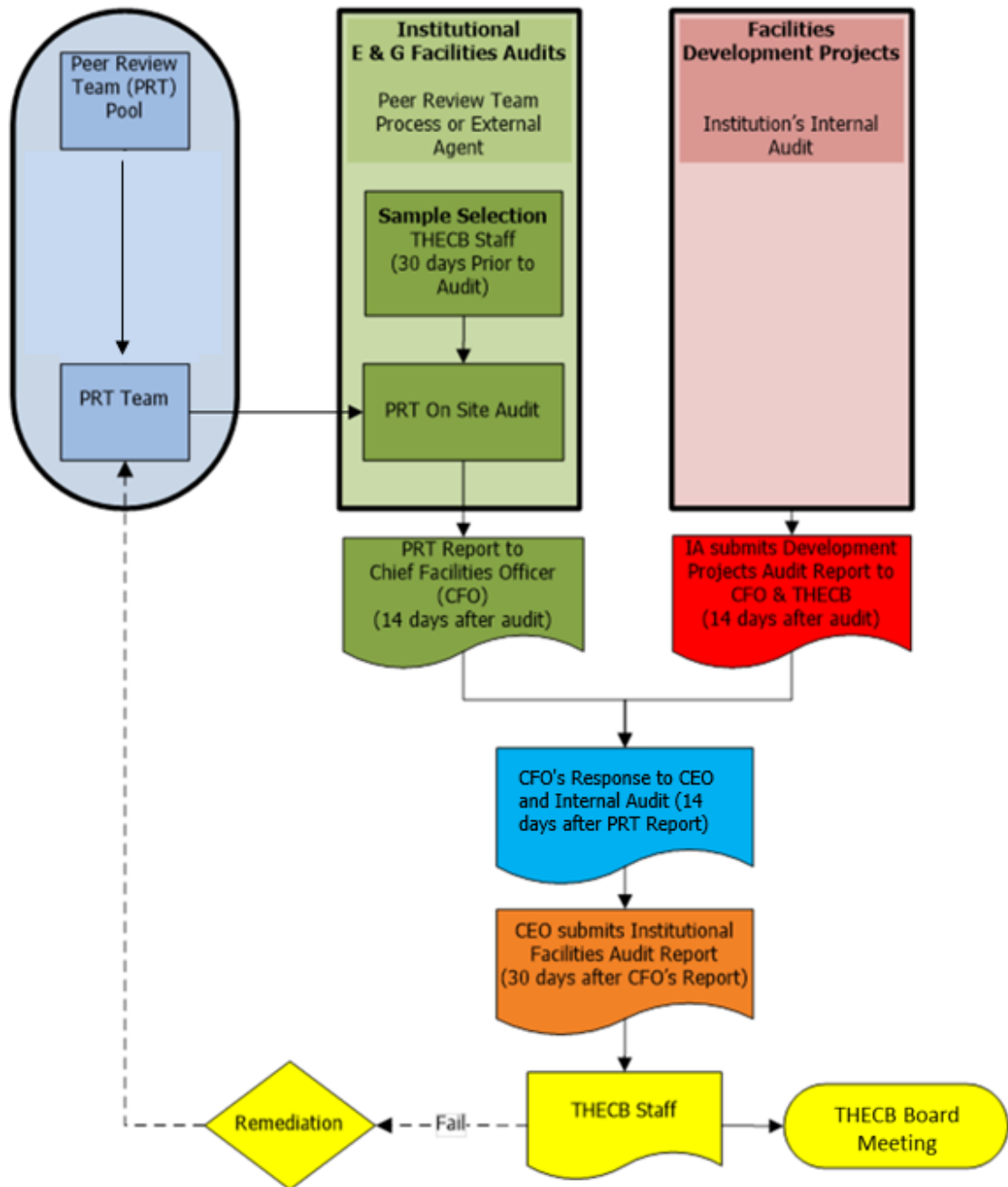


## Compliance Scale

**Table 2. Compliance Scale and Definitions by Goal**

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

## Appendix B: Audit Process Overview



## Appendix C: Sample Facilities Audit Timeline and Agenda

The facilities audit process starts 60 days before the onsite audit with the THECB sending an agenda to the institution. See a step-by-step timeline below.

### Audit Contacts

#### Boomtown University

Wednesday, May 18, 2022  
and  
Thursday, May 19, 2022

3122 Main  
Boomtown, Texas 78000

<p><b>Chief Facilities Officer</b></p> <p>XXX XXXXX Boomtown University Assistant Vice President for XXX</p> <p>(XXX) XXX-XXXX (office) <a href="mailto:email@boomtown.edu">email@boomtown.edu</a></p>	<p><b>Primary Institution Contact</b></p> <p>XXX XXXXX Boomtown University Title</p> <p>(XXX) XXX-XXXX (office) (XXX) XXX-XXXX (cell) <a href="mailto:email@boomtown.edu">email@boomtown.edu</a></p>	<p><b>PRT Team Lead</b></p> <p>Name Institution Title</p> <p>(XXX) XXX-XXXX (office) (XXX) XXX-XXXX (cell) <a href="mailto:email@TBDuniv.edu">email@TBDuniv.edu</a></p>
<p><b>Chief Executive Officer</b></p> <p>XXX XXXXX Boomtown University President</p> <p>(XXX) XXX-XXXX (office) <a href="mailto:email@boomtown.edu">email@boomtown.edu</a></p>	<p><b>Institution Contact</b></p> <p>XXX XXXXX Boomtown University Title</p> <p>(XXX) XXX-XXXX (office) <a href="mailto:email@boomtown.edu">email@boomtown.edu</a></p>	<p><b>PRT Team Member</b></p> <p>Name Institution Title</p> <p>(XXX) XXX-XXXX (office) (XXX) XXX-XXXX (cell) <a href="mailto:email@TBDuniv.edu">email@TBDuniv.edu</a></p>
<p><b>Institution Internal Auditor</b></p> <p>XXX XXXXX Boomtown University Chief Audit Executive</p> <p>(XXX) XXX-XXXX (office) <a href="mailto:email@boomtown.edu">email@boomtown.edu</a></p>		<p><b>PRT Team Member</b></p> <p>XXX XXXXX THECB Title</p> <p>(XXX) XXX-XXXX (office) (XXX) XXX-XXXX (cell) <a href="mailto:email@higher.ed.texas.gov">email@higher.ed.texas.gov</a></p>

## Timeline

### 60 Days before the review – March 18, 2022

#### THECB

1. Send agenda to PRT members and the institution, including a reminder that updates can be made to the inventory up to 30 days before the audit.

#### Institution

1. Provide hotel recommendations to the team.

### 30 Days before the review – April 18, 2022

#### THECB PRT Member

1. Confirm with institution that contact inventory updates have been received.
2. Perform random sample selection.
3. Forward Protocol, Review Worksheets, and Agenda to the institution.

### One Week before the review – May 11, 2022

#### Team Lead

1. Conduct a teleconference with review team (if possible) regarding the following:
  - Confirm review documents.
  - Review the institution website for relevant data.
  - Set arrival time and location at institution with team and institution contact.

#### Institution Contact

1. Set an exit meeting time and place for team lead, chief facilities officer, institutional contact, and THECB staff member.
2. Provide maps and instructions to team on where to park, the review sites, and the meeting location.
3. Notify those assigned to review rooms of review team visit, particularly lab spaces, offices, and customer areas, to verify access and availability.
4. Send team lead a list of class schedules associated with classrooms and labs on room sample.
5. Ensure the following are available to the review team:
  - Measuring devices used by the institution to evaluate rooms
  - Transportation around campus, as required
  - Work area for duration of review
  - Copies of floor plans to review team (where available)
  - Campus map with a recommended route for review
6. Set a route and confirm by walking, verifying access, and validating that there are no health or safety concerns.
7. Make available in the area of each reviewed room someone who is familiar with the room's use to include deans, chairs, faculty members, laboratory coordinators, administrative assistants, or anyone the reviewers can interview. In some cases, e.g., classrooms, which are unassigned, the person in charge of scheduling may be the best person to answer questions.

### Evening Before Audit Meeting – May 17, 2022 (Tuesday)

PRT Team

1. Face-to-face meetup for PRT Team (if possible)

## During the Review

### Day 1 – May 18, 2022 (Wednesday)

Institution Contact

1. Provide adequate staff to usher PRT to the review sample rooms.
2. Ensure access and transportation to all rooms.
3. Be available for questions.

<b>8:00-8:15 a.m.</b>	Conduct Kick-off Meeting with PRT and Institution Contacts <ul style="list-style-type: none"><li>• Team lead briefs institution staff on review process.</li><li>• Walk-thru protocol with team and institution contact.</li><li>• Review how review worksheets will be completed.</li></ul>
<b>8:15 a.m.-12:00 p.m.</b>	Review rooms
<b>12:00-1:00 p.m.</b>	Lunch
<b>1:00-5:00 p.m.</b>	Finish review of rooms, resolve all questions, complete review summary, and debrief (if time is available)

### Day 2 – May 19, 2022 (Thursday)

<b>8:00-11:00 a.m.</b>	If more time is needed, complete review summary and debrief. Inform institution of all findings before leaving. There should be no surprises to institution.
<b>11:00 a.m.</b>	Depart campus

General Rules

1. Team members should bring home agency or institution badge for identification.
2. Allow the institution contacts to introduce the review team before entering rooms.
3. Measure square footage by institution standard.
4. Direct communication to institution faculty and staff through the institutional contact.
5. Dress in appropriate attire and be prepared to walk.

## 14 Days after the review – June 2, 2022

Team Lead

1. Completes draft and reviews with team for consensus.
2. Sends final draft including narrative to institution chief facilities officer (or equivalent), institution chief executive officer (or equivalent), and THECB staff.

## 28 Days after the review – June 16, 2022

Chief Facilities Officer (or equivalent)

1. Create the “Institution Facilities Audit Report” by appending the “Institution’s Internal Audit Report” to the “PRT Review Report” with chief facilities officer’s comments.

2. Submit report to the institution's chief executive officer.

**58 Days after the review – July 16, 2022**

Chief Facilities Officer (or equivalent)

1. The institution's chief executive officer (or equivalent) reviews the "Institution Facilities Audit Report" and submits it to the THECB.

THECB

1. THECB staff reports the audit results to the board of the THECB in its annual "Facilities Audit Report" and sends a copy to the Legislative Budget Board and the audited institution.