

Funding Division

**Texas Higher
Education
COORDINATING BOARD**

Facilities Audit Report

October 2024

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Agency Purpose

Our purpose is to strengthen Texas through higher education. By making higher education accessible to a wide range of people, we can ensure Texas remains one of the world's most innovative, valuable educational systems. By bringing together data, policymakers, and institutions, we can inform sensible policies that make a difference and make education beyond high school available to every person in our state. When we do that, we will improve lives, communities, and our shared 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 THECB'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 excellence 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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Table of Contents

Executive Summary	i
Introduction.....	1
Facilities Audit Report	2
Conclusion	4

Executive Summary

This report summarizes the results of the facilities audits conducted in Fiscal Year 2024. Audits consist of in-person peer review team (PRT) visits composed of agency personnel and staff of public institutions of higher education. Congruent with the work of the PRT, the institution's internal auditor is responsible for verifying that the institution has correctly submitted facilities development projects to the Texas Higher Education Coordinating Board (THECB). The audits measure the accuracy of an institution's facilities inventory records as submitted to THECB and certified by the institutions by November 1 annually.

The institutions audited during this timeframe were:

- Sam Houston State University
- Tarleton State University
- Texas Woman's University
- Lamar University
- Sul Ross State University
- Stephen F. Austin State University
- University of Houston Downtown

Six of the seven institutions audited had no findings, and scoring indicates that these institutions are accurately recording and submitting facilities information to the THECB. Sul Ross State University's audit revealed inaccurate reporting of educational and general (E&G) square footage and, therefore, the institution does not comply with Texas Education Code 61.0583(b). The institution is currently remedying its reporting and will be re-audited in March 2025.

Introduction

Texas Education Code, Section 61.0583, requires the Texas Higher Education Coordinating Board (THECB) to periodically conduct a comprehensive audit of all educational and general facilities on the campuses of public universities and the Texas State Technical Colleges. The audit must verify the accuracy on the institutions' facilities inventories and ensure that construction projects have been submitted to the THECB in accordance with Texas Education Code 61.058 and THECB rules, and have received approval when required. The facilities audit and inventory programs are defined in the Texas Administrative Code, Title 19, Part 1, Chapter 17, Resource Planning.

Facilities Audit Report

Facilities audits are conducted with two groups participating. The institution's internal auditor conducts the review of the institution's facility project development and issues a report to the institution's chief executive officer and the staff of the Texas Higher Education Coordinating Board.

The peer review team (PRT) conducts an onsite audit of the facility inventory and internal control procedures. The PRT consists of two university representatives (from other institutions in Texas that are not within the same system) accompanied by one THECB staff person. The PRT report is sent to the management of the institution at the conclusion of the field work. Institutional management reviews the report and is given the opportunity to respond, which may include an action plan to address any recommendations of the PRT or internal auditor findings, then sends a final response to THECB.

THECB staff provides the Facilities Audit Report to the board of the THECB (Board) or the appropriate standing committee of the Board, and within 30 days, a copy of the report is filed with the audited institutions and the Legislative Budget Board.

Overview of the PRT Audit

The PRT audit is an evaluation of an institution's space inventory, reporting along eight metrics with a score from 1 to 5 (5 is best). More detailed definitions are in the CBM Reporting Manual, but the eight metrics include the following:

1. Unique identification, which identifies rooms by an alphabetic or numerical code
2. Space use codes, which describe the predominate use of the room (for example, 110 is a classroom)
3. Functional category codes, which describe the function of a room (for example, 12 is Vocational/Technical Instruction)
4. Classification of Instructional Programs (CIP) codes, which describe the subject matter of courses taught in the space (for example, CIP Code 16 is Foreign Languages, Literatures, and Linguistics)
5. Accuracy of proration of functional category codes
6. Accuracy of room area
7. Accuracy of education and general (E&G) room area
8. Accuracy of seating capacity

Audit Results in 2024

Sam Houston State University – March 2024

The institution received top marks in all categories. The overall score was 100%. There were no findings by the institution's internal auditor.

Tarleton State University – May 2024

The institution received top marks in all categories. The overall score was 100%. There were no findings by the institution's internal auditor.

Texas Woman's University – May 2024

The institution received top marks in all categories. The overall score was 100%. There were no findings by the institution's internal auditor.

Lamar University – June 2024

The institution received top marks in all categories except for a score of 4 out of 5 in the Unique Room Identifier category. The overall score was 98%. There were no findings by the institution's internal auditor.

Sul Ross State University – June 2024

The institution received 5 out of 5 in the following categories: Prorated use accurately reflects the time used for each function, and Reported Room Area is accurate and verifiable. The institution received 2 out of 5 in the following categories: Rooms are identified by a unique alphabetic or numeric code; Classification of Instructional Programs (CIP) codes identify academic disciplines, instructional programs, and department; and Reported Educational and General Room Area is accurate and verifiable. The institution received 1 out of 5 in the following categories: Space Use Codes reflect actual use, Functional Category Codes reflect actual use, and reported classroom and class lab seating capacities are accurate and vary no greater than 10% of reported and the difference is greater than 5 seats (for classrooms) or 5 stations (for class laboratories). The overall score was 48%. Based on the audit, the institution did not comply with Texas Education Code 61.0583(b) to provide accurate reporting of educational and general square footage in the THECB's facility inventory. The institution is currently remediating its reporting and will be re-audited in March 2025. There were no findings by the institution's internal auditor.

Stephen F. Austin State University – July 2024

The institution received top marks in all categories except for a score of 4 out of 5 in the Space Use Codes category. The overall score was 98%. There were no findings by the institution's internal auditor.

The University of Houston Downtown – August 2024

The institution received top marks in all categories. The overall score was 100%. There were no findings by the institution's internal auditor.

Conclusion

Six of the seven institutions audited had no findings, and scoring indicates that these institutions are accurately recording and submitting facilities information to the THECB. Sul Ross State University's audit revealed inaccurate reporting of E&G square footage and, therefore, the institution does not comply with Texas Education Code 61.0583(b). The institution is currently remedying its reporting and will be re-audited in March 2025.

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This document is available on the Texas Higher Education Coordinating Board website:
<https://highered.texas.gov>.

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