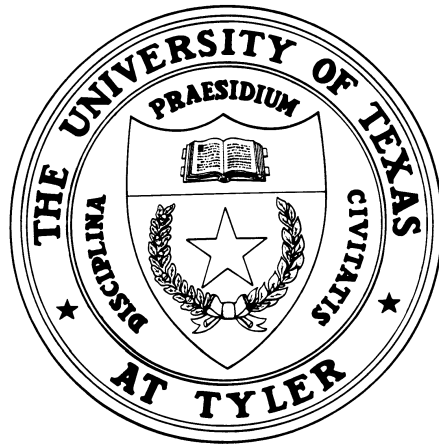


**The University of Texas at Tyler**  
**Texas Higher Education Coordinating Board**  
**Facilities Audit**  
**Fiscal Years 2012 through 2016**



**June 2017**

THE UNIVERSITY OF TEXAS AT TYLER  
OFFICE OF AUDIT AND CONSULTING SERVICES  
3900 UNIVERSITY BOULEVARD  
TYLER, TEXAS 75799

**The University of Texas at Tyler**  
**THECB Facilities Audit**  
**Fiscal Year 2017**

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**BACKGROUND and EXECUTIVE SUMMARY**

Texas Education Code, Chapter 17, requires public institutions of higher education submit reports to THECB for approval or review related to construction projects, repair and renovation projects, and property acquisitions. The Code also requires the Texas Higher Education Coordinating Board (THECB) to periodically conduct a comprehensive audit of all education and general facilities on the campuses of public universities in Texas. Part of this process is having the internal audit function for the educational facility being audited conduct a review of projects and acquisitions of real property over the preceding five years to determine if they were in compliance with THECB requirements. This report will be combined with the Facilities Audit Peer Review Team report and submitted as a single comprehensive report to the THECB.

Adequate testing procedures were performed to conclude that The University of Texas at Tyler (UT Tyler) is in general compliance with the facility requirements of THECB.

This audit was included in the Fiscal Year (FY) 2017 Annual Audit Plan and approved by the Institutional Audit Committee.

**AUDIT OBJECTIVE**

The audit objective was to determine if the UT Tyler complied with the THECB rules pertaining to facility development project reporting by:

1. Accurately reporting facilities data to THECB; and
2. Following the THECB rules and receiving approval where such approval was required for facilities projects.

**STANDARDS**

The audit was conducted in accordance with guidelines set forth in *The Institute of Internal Auditors' Standards for the Professional Practice of Internal Auditing*.

**SCOPE**

The scope of the audit included FY 2012 through FY 2016.

**PROCEDURES**

To accomplish our objective, we obtained a listing of construction, projects, and additions from FY 2012 through FY 2016 from the UT Tyler Annual Financial Reports. Three projects met the threshold for THECB reporting and were tested for compliance with the following UT System and THECB requirements:

- Approval obtained from the UT System Board of Regents;
- Submitted to THECB for approval / review with accurate data;
- Updates were submitted to THECB when required; and
- Accurate information is included on the THECB Inventory.

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**AUDIT RESULTS**

According to The University of Texas System Audit Office, “A *Priority Finding* is defined as an issue identified by an internal audit that, if not addressed timely, could directly impact achievement of a strategic or important operational objective of a UT institution or the UT System as a whole. *Non-Priority Findings* are ranked as *High, Medium, or Low*, with the level of significance based on an assessment of applicable *Qualitative, Operational Control, and Quantitative risk factors and probability of a negative outcome occurring if the risk is not adequately mitigated*. In total, this audit resulted in 1 Medium-level finding.

**THECB Reporting**

Texas Administrative Code Title 19, Part 1, Chapter 17, Subchapter B, required new construction projects costing \$4 million or more to be approved by the Texas Higher Education Coordinating Board. The Code was amended effective September 4, 2014 to raise the reporting threshold to \$10 million or greater.

An addition was made to the UT Tyler Biology, Education and Psychology Building for biology classrooms and labs. The "Biology Addition" was completed in Fiscal Year 2013 at a cost of \$4,035,461 with an additional 9,752 square feet included in the building. Subsequent improvements increased the value to \$4,763,957 at August 31, 2016. There is no record of submission of the addition to THECB prior to the construction. However, the FY 2014 THECB Inventory Report was updated to include the additional square footage in the building.

**Recommendation:** UT Tyler should develop procedures and designate one office to be responsible for submitting required documents to THECB for new projects. Construction projects should be monitored and reported to THECB as required.

**Management Response and Implementation Date:** Concur. The Associate Vice President for Facilities Management and Capital Planning will monitor construction projects and budgets and direct the development of THECB reports including the MP1 report, the Fall Project Status Report and Project Request Forms and submit the reports to the Vice President for Business Affairs to secure all campus approvals. Once all campus approvals have been obtained, the Associate Vice President for Facilities Management and Capital Planning will submit the reports to the THECB. Procedures should be developed by August 31, 2017.

**CONCLUSION**

The University of Texas at Tyler, with the exception of the above project, appears to be in compliance with UT System and THECB requirements required reporting.

We appreciate the assistance of the Office of Information Analysis and the Facilities, Planning, Construction and Operations department personnel during this project.