

21-112A Facilities Renewal and Maintenance Program Audit

EXECUTIVE SUMMARY

Background

MD Anderson's Division of Operations and Facilities Management provides facilities and operational support to fulfill MD Anderson's mission to eliminate cancer. Facilities Management operates under the responsibility of the Vice President and Chief Facilities Officer. There are more than 1,200 facilities employees who provide services to 15 million square feet of facilities located in Houston, Texas and surrounding counties. Facilities Management services include Environmental Health Safety (EHS), Sustainability and Emergency Management (EHSSEM), Facilities Administration (FA), Facilities Finance (FF), Operation and Maintenance (O&M), Facilities Planning, Design and Construction (FPDC), Patient Care and Prevention Facilities (PCPF), and Research and Administrative Facilities (RAF). FPDC manages funds and projects designated by The University of Texas System for improvements to MD Anderson facilities.

Summary

Based on the procedures and detailed testing activities performed for the in-scope Facilities Renewal and Maintenance processes, we found that facility records (e.g. as-built drawings and maintenance documentation) were not located in Project Workspace for the sampled Facility Condition Assessments (FCAs). One additional less significant observation was communicated to management informally.

Management Summary Response

Management agrees with the observation and recommendation and has developed an action plan to be implemented on or before December 2021.

The courtesy and cooperation extended by the personnel in the Facilities Planning Design and Construction (FPDC) and Operations and Maintenance (O&M) teams are sincerely appreciated.



Sherri Magnus, CPA, CIA, CFE, CRMA, CHIAIP
Vice President & Chief Audit Officer
August 18, 2021

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Detailed Observations

Observation 1:**Develop A Formalized Document Management Policy****RANKING: Medium**

Internal Audit was not able to locate the facility records (e.g. as-built drawings and maintenance documentations) for four (Anderson, Old Clark, New Clark, and Dan Duncan) buildings of the eight Facility Condition Assessments (FCAs). Lack of a formalized document retention policy and resource turnover resulted in incomplete facility records for completed projects. Incomplete facility records could hinder project productivity and can cause additional rework for FPDC to reconstruct and establish records for completed work.

Recommendation:

Management should consider developing a formalized document management policy to define record retention standards. These standards can be based on the date created along with parameters for managing and retaining the structured folders in Project Workspace. Establishment of a formalized policy will improve the record retention on a regular cadence.

Management's Action Plan:

Executive Leadership Team Member: Shibu Varghese and Spencer Moore

Division/Department Executive: Karen Mooney

Owner: Tom Shewan

Implementation Date: December 2021

Future FCA's will be audited for product deliverables in Project Workspace, throughout the process and again at Project closeout.

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Appendix A – Objective, Scope and Methodology

The scope of the audit was to review various aspects of the Maintenance and Renovation program led by Facilities Planning Design and Construction within MD Anderson's Division of Operations and Maintenance. The objective of this audit was to review and assess the design of critical processes and controls utilized as part of the Facilities and Maintenance program at MD Anderson Cancer Center. To achieve these objectives, Internal Audit performed the following steps:

- Reviewed policies, procedures, e-manuals and practices governing facilities renewal and maintenance.
- Conducted interviews with stakeholders within the FPDC team and O&M teams to understand the existing processes (see complete list of personnel interviewed in Appendix B).
- Selected a sample of Facility Condition Assessments (FCAs) and Facility Acquisition Requests (FARs) from the period in scope (FY2017 – FY2020) and performed testing procedures for compliance with the established policies and procedures.
- Reviewed potential gaps and observations within the Facilities Renewal Program.

Our internal audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*. The internal audit function at MD Anderson Cancer Center is independent per the *Generally Accepted Government Auditing Standards* (GAGAS) requirements for internal auditors.

Number of Priority Findings to be monitored by UT System: NONE

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.”

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