




Sam Houston State University

A Member of The Texas State University System

FACILITIES OPERATIONS & MANAGEMENT

OFFICE OF THE VICE PRESIDENT

DATE: April 9, 2024 
TO: Dr. Alisa White
President
THROUGH: Amanda Withers 
CFO & Sr. VP for Operations
FROM: Juan Nunez 
Vice President of Facilities Management
SUBJECT: 2024 Institutional Facilities Audit Report

A space audit was performed on March 12th – 14th, 2024, which resulted in one minor recommendation to recategorize a room in the Life Sciences Building from code 310 office space to code 410, a study room, which has already been corrected. On a scale of 100, SHSU received 100 points in our THECB Peer Review Audit of Space Management.

Additionally, there was a construction audit performed. This audit identified six construction projects and no real property acquisitions with activity between June 2015 and December 2023, that met requirements for reporting to the THECB. Four of the identified projects, totaling \$159,861,366 were reviewed for compliance with the THECB rules. The audit concluded that the University is in compliance with the THECB rules relating to facilities development project approvals, applications reports, and specified parameters.

I have reviewed the reports and concur with all of the notes and recommendations by the review teams and the responses. As a requirement, these audits were merged and are being submitted for your review and comments.



**University
of Houston
Clear Lake**

Juan Nunez
VP for Facilities Management
Sam Houston State University
2424 Sam Houston Ave.
Huntsville, TX. 77340

Mr. Nunez

On March 13, 2024 a facilities inventory audit was performed by the Peer Review Team (PRT) at Sam Houston State University. The PRT is comprised of Texas Higher Education selected officials from university peer institutions.

A random sample of 35 rooms was examined and compared to the data submitted to THECB by the University. Room areas were measured on-site using laser devices. The end of the day consisted of the exit interview with you and selected staff. Attached is a narrative of the findings, recommendations, and the final audit report.

Ms. Mary Holland's knowledge of the campus and relationship with the campus community enabled the team to access spaces quickly and effectively.

The Peer Review Team would like to express their appreciation for the hospitality extended and your assistance with the process.

Sincerely,

Mary A. Washington
Peer Review Team
Facilities Space Inventory Manager
University of Houston-Clear Lake

XC: Jennifer Gonzales, Texas Higher Education Coordinating Board
Erica Goss, University of Texas Tyler

**Peer Review Team
Facilities Review Summary**

Institution	Sam Houston State University
Institution Contact	Juan Nunez VP Facilities Management
Review Dates	March 12-14, 2024

Peer Review Team Members

Team Leader	
Institution	
Email Address	
Phone	

Team Member	
Institution	
Email Address	
Phone	

THECB Member	
Institution	
Email Address	
Phone	

In accordance with Texas Education Code, Section 61.0583, the THECB is required to periodically conduct comprehensive audits of all education and general facilities on the campuses of institutions to verify the accuracy of the institutional facilities inventory for each of those institutions.

The review contained in this report meets one of the two audit components detailed in the audit protocol defined by the THECB and provides a reasonable assurance of the accuracy of the data. The facilities Peer Review Team (PRT) applied the protocol the with the goal of assessing, verifying, and improving the data and processes by which the institution accurately reports the use of campus facilities to the State of Texas. This on-site review encompasses the six goals included in this report.

The PRT visited the institution on the dates indicated above and examined and verified for accuracy review goals a through g. The results of this review are as follows:

A. Rooms are identified by a unique alphabetic or numeric code.

Scale	Definition
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

The institution rates 5 out of 5 with deviations in 0 out of the 35 rooms reviewed.

Team Recommendations

The PRT team observed no missing room signage.

B. Space Use Codes reflect actual use.

Scale	Definition
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

The institution rates 5 out of 5 with deviations in 1 out of the 35 rooms reviewed.

Team Recommendations

The PRT observed one space use category code that did not reflect the correct space usage. PRT team observation was located in building number 000355, the Life Sciences Building. The room 300A listed as 310 office space. The use was determined a lounge for students to collaborate. Given the existing layout the team recommends space should have category code 410, as study room.

SHSU Response:

The Facilities Inventory database has been updated to reflect the space use category code for building 000355, Life Sciences Building, room 300A as a 410 study room.

In future, we will ensure student collaboration spaces are coded accurately.

C. Functional Category Codes reflect actual use.

Scale	Definition
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

The institution rates 5 out of 5 with deviations in 0 out of the 35 rooms reviewed.

Team Recommendations

PRT Team observed no incorrect function codes.

D. Classification of Instructional Programs (CIP) codes identifies academic disciplines, instructional programs, and departments.

Scale	Definition
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

The institution rates 5 out of 5 with deviations in 0 out of the 35 rooms reviewed.

Team Recommendations

PRT Team observed no incorrect CIP Codes.

E. Prorated use accurately reflects the time used for each function.

Scale	Definition
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

The institution rates 5 out of 5 with deviations in 0 out of the 35 rooms reviewed.

Team Recommendations

PRT Team observed no incorrect prorations.

F. Reported Room Area is accurate and verifiable.

Scale	Definition
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

The institution rates 5 out of 5 with a deviation of 1 percent. Of the 35 rooms reviewed, a total room area of 11,920.0 Net Assignable Square Feet (NASF) was reported to the Texas Higher Education Coordinating Board. The PRT's review resulted in a total room area of 11,851.0 NASF, a difference of -69.0.

Team Recommendations

The overall square footage variance was 1%.

G. Reported Educational and General room area is accurate and verifiable.

Scale	Definition
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

The institution rates 5 out of 5 with a deviation of 1 percent. Of the 35 rooms reviewed, a total room area of 11,920.0 Net Assignable Square Feet (NASF) that yielded 11,920.0 Educational and General (E&G) Square Feet was reported to the Texas Higher Education Coordinating Board. The PRT's review resulted in a total room area of 11,851.0 NASF that yielded 11,851.0 E&G Square Feet, a difference of -69.0.

Team Recommendations

The overall E&G square footage variance was 1%.

H. Reported classroom and class lab seating capacities are accurate and vary no greater than 10 percent of reported and the difference is greater than 5 seats (for classrooms) or 5 stations (for class laboratories).

Scale	Definition
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

The institution rates 5 out of 5 with deviations in 0 out of the 35 rooms reviewed.

Team Recommendations

There were no rooms found to have seating capacities that exceeded 10% or greater than 5 seats.

AUDIT REPORT

SAM HOUSTON STATE UNIVERSITY

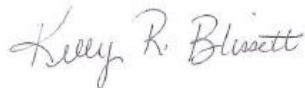
Texas Higher Education Coordinating Board Facilities Audit

SHSU-24-004

April 4, 2024



Amanda Dunbar, CIA, CFE
Associate Director, Office of Internal Audit
Texas State University System, Sam Houston State University



Kelly Blissett, MBA, CPA
Director, Office of Internal Audit
Texas State University System, Sam Houston State University

Date: April 4, 2024
Component: Sam Houston State University
Audit: Texas Higher Education Coordinating Board Facilities Audit
Ref: SHSU-24-004

EXECUTIVE SUMMARY

This report summarizes the results of an audit of the facilities development projects as required by the Texas Higher Education Coordinating Board (THECB) Facilities Audit Protocol, updated June 2023. The audit included a review of construction projects with an Education & General (E&G) project cost of \$10 million or more and real property acquisitions intended for E&G use with a cost of \$1 million or more.

The audit identified six construction projects and no real property acquisitions with activity between June 2015 and December 2023, that met the requirements for reporting to the THECB. Four of the identified construction projects, totaling \$159,861,366 were reviewed for compliance with the THECB rules.

The audit concluded that the University is in compliance with the THECB rules relating to facilities development project approvals, applications, reports, and specified parameters. We appreciate the courtesies and assistance extended to us by Facilities Planning & Construction, Facilities Management, and the Property Office.

The Office of Internal Audit acknowledges this report will be combined with the Facilities Audit Peer Review Team report and submitted as a single comprehensive report to the THECB.

BACKGROUND

The Texas Education Code (TEC) §61.0583, requires the THECB to periodically conduct a comprehensive Facilities Audit of all educational and general facilities on the campuses of public senior colleges and universities. The Facilities Audit includes having the internal audit function for the educational facility being audited, conduct a review of a selected sample of projects and acquisitions of improved real property containing Education and General (E&G) space over the preceding five years (or since the last audit).

The current THECB rules (Texas Administrative Code, Title 19, Part 1, Ch 17, Rules 17.20 and 17.21), effective November 11, 2021, require that institutions submit for its review new construction having an E&G project cost of \$10 million or greater, repair and renovation projects having an E&G project cost of \$10 million or greater, improved real property purchases more than \$1,000,000 intended to be in E&G buildings and facilities inventory, Energy Savings Performance Contract projects, and, projects financed by Capital Construction Assistance Projects (previously known as Tuition Revenue Bonds) pursuant to Education Code §61.0572 and §61.058. Please note, these criteria are stated generally the same as the rules (TAC Rules 17.10 and 7.21) effective September 4, 2014, that applied to projects prior to the November 11, 2021, THECB rule changes.

OBSERVATIONS

Since the last THECB Facilities Audit was conducted in 2016, there have been seven construction projects that met one of the criteria pursuant to the Texas Administrative Code

(TAC) rules. However, one of the projects was only substantially complete and therefore, in accordance with the THECB memorandum dated 11/9/2021, the project application submission was not required until within 90 days of completion of the project. Of the remaining six projects meeting the criteria, a sample of 4 development projects was tested. There were no improved real property acquisitions that were over \$1 million that were intended for E&G use at the time of purchase.

The sample of four development projects, totaling \$159,861,366, was tested and the following results were noted:

- All projects were approved by the Texas State University System (TSUS) Board of Regents and were accurately submitted to the THECB.
- There were no issues of non-compliance noted in the development projects audited.

No formal recommendations resulted from the audit.

APPENDIX

OBJECTIVES & SCOPE

Per the THECB Facilities Audit Protocol, updated June 2023, the objectives of the audit were to determine if projects and acquisitions of real property:

- Were submitted to the THECB 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).
- (For projects submitted), verify that the project was completed as specified in the project application submitted to the THECB.

A sample was selected from the population of projects from the list provided from BANNER Finance data, as well as a review of the Property Office Land Listing as of December 2023. From the BANNER list and the Land Listing, 6 projects were identified for the audit period of June 2015 through December 2023, that were subject to compliance with the THECB rules. A judgmental sample of 4 projects was selected to review for compliance.

This audit was conducted as part of the fiscal year 2024 Audit Plan, and in accordance with the *International Standards for the Professional Practice of Internal Auditing*.

METHODOLOGY

The audit included interviews with SHSU Facilities management and staff as well as the following audit procedures:

- Review of applicable state laws and university policies,
- Review of the THECB Peer Review Team Facilities Audit Protocol, updated June 2023,
- Review of the Property Office Land Listing as of February 2024,
- Review of construction project data obtained from BANNER Finance as of February 2024,
- Review of TSUS Board of Regents minutes to verify relevant construction projects and acquisitions were approved,
- Review of THECB Project Application data, provided by the Director of Facilities Planning & Construction, and,
- Review of relevant Board of Regents Certification Forms.

Distribution List

Sam Houston State University:

Dr. Alisa White, President
Amanda Withers, Chief Financial Officer & SVP for Operations
Juan Nunez, Vice President for Facilities Management
Chuck Jones, Director, Facilities Planning & Construction

Texas State University System Office:

Dr. Brian McCall, Chancellor
Carole Fox, CPA, Chief Audit Executive

Texas State University System Board of Regents:

Alan L. Tinsley, Chairman of the Board
Stephen Lee, Chair of the Finance & Audit Committee
Duke Austin, Finance & Audit Committee
Tom Long, Finance & Audit Committee
William F. Scott, Finance & Audit Committee

State of Texas:

Governor's Office
Legislative Budget Board
State Auditor's Office