

# The Texas A&M University System Internal Audit Department



Monthly Audit Report  
March 12, 2025

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System Internal Audit  
THE TEXAS A&M UNIVERSITY SYSTEM

## **EAST TEXAS A&M UNIVERSITY**

# **FACILITIES DEVELOPMENT PROJECT REPORTING TO THE TEXAS HIGHER EDUCATION COORDINATING BOARD**

**March 12, 2025**

**Amanda Dotson, CPA  
Chief Auditor**



## Overall Conclusion

East Texas A&M University is in compliance with applicable Texas Higher Education Coordinating Board (THECB) facilities development project reporting requirements.

### Summary Table

Audit Areas	Controls Assessment
Development Projects	Effective – No Observations
Energy Savings Performance Projects	Effective – No Observations
Improved Real Property Acquisitions	Effective – No Observations

# Basis of Audit

## Objective, Scope, & Methodology

### **Objective, Scope, & Methodology**

The objective of this audit was to determine if development projects, improved real property acquisitions, and energy savings performance projects complied with certification, application, and approval requirements, as applicable.

The audit focused on the following areas:

- Development projects
- Energy savings performance projects
- Improved real property acquisitions

The audit period was primarily September 1, 2015 through August 31, 2024. Fieldwork was conducted from November 2024 to January 2025.

Our audit methodology included interviews, observation of processes, review of documentation, and testing of data using sampling as follows:

<b>Audit Objective</b>	<b>Methodology</b>
<u>Development Projects</u>  Determine whether development projects complied with THECB requirements for certifications and applications.	Auditors reviewed the population of new construction/additions and repair/renovation projects for the audit period and selected the three projects subject to THECB requirements for testing. Auditors obtained and reviewed documentation to determine if Texas A&M University System Board of Regents Certification and a THECB application for the project were submitted in compliance with THECB requirements. For the projects completed, auditors determined if the THECB facilities database was updated.
<u>Energy Savings Performance Projects</u>  Determine whether energy savings performance projects complied with	The population of one project was selected for testing. Auditors obtained and reviewed documentation to determine if Texas A&M University

Audit Objective	Methodology
THECB requirements for Board of Regents certification, THECB application and contract approval.	System Board of Regents Certification was submitted, the THECB application for the project was submitted, and the energy savings performance project was approved in compliance with THECB requirements.
<u>Improved Real Property Acquisitions</u> Determine whether improved real property acquisitions complied with THECB requirements for certifications and applications.	Auditors reviewed the population of real property acquisitions for the audit period and determined no acquisitions were subject to THECB requirements.

Controls Assessment Classification

Audit areas highlighted in red in the Summary Table are considered to have significant weaknesses in internal controls. Significant weaknesses include errors, deficiencies, or conditions which result in one or more violations of internal controls, laws, A&M System policies, or member rules. These violations have a high probability for legal consequences, financial consequences, or negative impacts to the organization’s reputation. These are situations in which a CEO, provost, vice president, dean, or director need to be involved in the problem resolution.

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Audit areas highlighted in green in the Summary Table are considered to have effective internal controls.

Items that were not significant or notable were communicated to management during the course of the audit.

## Criteria

Our audit was based upon standards set forth in the following:

- Texas A&M University System Policies and Regulations
- Texas Administrative Code Title 19, Part 1, Chapter 17
- Texas Higher Education Coordinating Board's 2023 Facilities Audit Protocol
- Other sound administrative practices

The audit was conducted in conformance with the Institute of Internal Auditors' *Global Internal Audit Standards*. Additionally, we conducted the audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The Office of Internal Audit is independent per the GAGAS standards for internal auditors.

## **Audit Team**

Amanda Dotson, CPA, Director  
Michelle McMillin, CPA, Senior Manager  
Aliza Monroe, CIA

## **Distribution List**

### East Texas A&M University

Dr. Mark Rudin, President  
Dr. Tammi Vacha-Haase, Provost and Vice President for Academic Affairs  
Ms. Tina Livingston, Vice President for Finance and Administration  
Mr. Eddie Pinckard, Insurance and Space Utilization Manager  
Mr. John Harris, Executive Director of Facilities and Construction  
Ms. Katelyn Severance, Chief Ethics & Compliance Officer

### Texas A&M System Offices

Mr. John Sharp, Chancellor  
Mr. Billy Hamilton, Deputy Chancellor and Chief Financial Officer  
Mr. Phillip Ray, Vice Chancellor for Business Affairs  
Mr. Clint Cooper, Executive Director, Real Estate  
Mr. Brett McCully, Chief Facilities Officer  
Mr. Matt Henley, Executive Director, Facilities and Construction  
Mr. Peter Schmid, Director, Facilities and Construction  
Ms. Janet Gordon, System Ethics and Compliance Officer



System Internal Audit  
THE TEXAS A&M UNIVERSITY SYSTEM

**TEXAS A&M FOREST SERVICE**

**CONTRACT ADMINISTRATION**

**March 12, 2025**

**Amanda Dotson, CPA**  
**Chief Auditor**





## Overall Conclusion

Internal controls over contract administration at Texas A&M Forest Service are operating as intended and in compliance with applicable laws and policies.

Texas A&M Forest Service had 501 active, non-zero-dollar contracts during fiscal year 2024, which totaled over \$280.3 million over the life of the contracts. Forty-nine contracts exceeded \$1 million in total contract value, 30 of which were grant contracts with the U.S. Forest Service which totaled approximately \$191.3 million. In addition, there were 445 purchase orders during fiscal year 2024 that totaled over \$20.8 million.

### Summary Table

Audit Areas	Controls Assessment
Conflict of Interest/Financial Disclosures	Effective – No Observations
Contract Approvals and Renewals	Effective – No Observations
Contract Monitoring and Compliance	Effective – No Observations
Contract Reporting	Effective – No Observations
Required Training	Effective – No Observations
State of Texas Contracting Standards and Oversight	Effective – No Observations
Vendor Analysis	Effective – No Observations

## Basis of Audit

### Objective, Scope, & Methodology

The overall objective of this audit was to determine if internal controls over contract administration processes at Texas A&M Forest Service are operating as intended and in compliance with applicable laws and policies.

The audit focused on the following areas:

- Conflict of interest/financial disclosures
- Contract approvals and renewals
- Contract monitoring and compliance
- Contract reporting
- Required training
- State of Texas contracting standards and oversight
- Vendor analysis

The audit period was primarily September 1, 2023, to August 31, 2024. Fieldwork was conducted from December 2024 to March 2025.

Our audit methodology included interviews, observation of processes, review of documentation and testing of data using sampling as follows:

<b>Audit Objective</b>	<b>Methodology</b>
<u>Conflict of Interest/Financial Disclosures</u>  Determine whether conflict of interest disclosures related to contracting are in compliance with state and agency requirements.	Auditors reviewed annual financial disclosures to verify disclosures were properly filed by specified Texas A&M Forest Service management personnel.
<u>Contract Approvals and Renewals</u>  Determine whether contracts were properly approved and renewed.	Auditors used professional judgment to select a nonstatistical sample of seven contracts and eight purchase orders based upon magnitude and risk.  Executed contracts and purchase orders were obtained and reviewed for proper approval. Contracts were also

Audit Objective	Methodology
	<p>reviewed for completion of contract checklists and timely renewals as applicable.</p>
<p><u>Contract Monitoring and Compliance</u></p> <p>Determine whether selected contract terms are monitored and in compliance with contract requirements.</p>	<p>Auditors used professional judgment to select a nonstatistical sample of eight contracts based upon magnitude and risk.</p> <p>Nineteen contract terms were judgmentally selected based on risk and reviewed for evidence of monitoring and compliance with contract requirements.</p>
<p><u>Contract Reporting</u></p> <p>Determine whether contract information is being reported in compliance with state contract reporting requirements.</p>	<p>Auditors used professional judgment to select a nonstatistical sample of seven contracts and eight purchase orders based upon magnitude and risk.</p> <p>Auditors verified whether contract reporting information/forms were properly submitted to the Legislative Budget Board and the Texas Ethics Commission as required.</p>
<p><u>Required Training</u></p> <p>Determine whether contracting employees completed training in compliance with state and agency requirements.</p>	<p>Auditors reviewed the Texas A&amp;M Forest Service delegation of authority to identify employees with authority to sign contracts or who may exercise discretion in awarding contracts based on employee titles.</p> <p>Auditors reviewed training and certification documentation to ensure all contracting employees identified completed training in compliance with Texas Government Code 656.051 and Texas Education Code 51.9337, which includes:</p>

Audit Objective	Methodology
	<ul style="list-style-type: none"> <li>• Training and/or certification for purchasing personnel</li> <li>• Training for contract signatories</li> </ul>
<p><u>State of Texas Contracting Standards and Oversight</u></p> <p>Determine whether the agency is complying with state contracting standards and oversight requirements.</p>	<p>Auditors gained an understanding of processes in place to address Texas Government Code 2261.</p> <p>Documentation of the following processes was reviewed for evidence of compliance:</p> <ul style="list-style-type: none"> <li>• Disclosure of potential financial conflict of interest and prohibited contracts</li> <li>• Posting of certain contracts</li> <li>• Procedure to identify contracts requiring enhanced monitoring/A&amp;M System reporting</li> <li>• Completion of contract reporting form for contracts \$1 million or more</li> <li>• Certification of solicitation process for contracts over \$5 million</li> <li>• Purchasing accountability and risk analysis guidelines</li> </ul>
<p><u>Vendor Analysis</u></p> <p>Determine whether contracts are in place with high dollar vendors.</p>	<p>Auditors used data analysis to identify high dollar vendors and merchants for Texas A&amp;M Forest Service and reviewed purchasing documentation to ensure contracts had been executed where applicable.</p>

Controls Assessment Classification

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Audit areas highlighted in green in the Summary Table are considered to have effective internal controls.

Items that were not significant or notable were communicated to management during the course of the audit.

## Criteria

Our audit was based upon standards as set forth in the following:

- Texas A&M University System Policies and Regulations
- Texas A&M Forest Service Agency Rules and Standard Administrative Procedures
- Stated contract stipulations
- Texas A&M University System *Contract Management Handbook*
- Texas Government Code 2261, *State Contracting Standards and Oversight*
- Texas Government Code 656.051, *Training and Certification of State Agency Purchasing Personnel and Vendors*
- Texas Education Code 51.9337, *Purchasing Authority Conditional; Required Standards*
- General Appropriations Act, Article IX, Section 7.04, *Contract Notification: Amounts Greater than \$50,000*
- Other sound administrative practices

The audit was conducted in conformance with the Institute of Internal Auditors' *Global Internal Audit Standards*. Additionally, we conducted the audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The Office of Internal Audit is independent per the GAGAS standards for internal auditors.

## **Audit Team**

Amanda Dotson, CPA, Director  
Jessica Bolding, CPA, Senior Manager  
Debbie Bugenhagen  
Ashley Karnei  
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Tracey Sadler, CIA

## **Distribution List**

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Mr. Al Davis, Agency Director  
Mr. Travis Zamzow, Associate Director for Finance  
Mr. Terry Smith, Purchasing Department Head  
Ms. Katie Fulton, Policy and Review Coordinator  
Mr. Brian Halfman, Director of Ethics and Compliance



System Internal Audit

THE TEXAS A&M UNIVERSITY SYSTEM

# TEXAS A&M UNIVERSITY-CORPUS CHRISTI

## FACILITIES DEVELOPMENT PROJECT REPORTING TO THE TEXAS HIGHER EDUCATION COORDINATING BOARD

March 12, 2025

Amanda Dotson, CPA  
Chief Auditor





## Overall Conclusion

Texas A&M University-Corpus Christi is in compliance with applicable Texas Higher Education Coordinating Board (THECB) facilities development project reporting requirements.

### Summary Table

Audit Areas	Controls Assessment
Development Projects	Effective – No Observations
Energy Savings Performance Projects	Effective – No Observations
Improved Real Property Acquisitions	Effective – No Observations

## Basis of Audit

### Objective, Scope, & Methodology

The objective of this audit was to determine if development projects, improved real property acquisitions, and energy savings projects complied with certification, application, and approval requirements, as applicable.

The audit focused on the following areas:

- Development projects
- Energy savings performance projects
- Improved real property acquisitions

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<b>Audit Objective</b>	<b>Methodology</b>
<p><u>Development Projects</u></p> <p>Determine whether development projects complied with THECB requirements for certifications and applications.</p>	<p>Auditors reviewed the population of new construction/additions and repair/renovation projects for the audit period and selected the three projects subject to THECB requirements for testing. Auditors obtained and reviewed documentation to determine if Texas A&amp;M University System Board of Regents Certification and a THECB application for the project were submitted in compliance with THECB requirements. For the projects completed, auditors determined if the THECB facilities database was updated.</p>
<p><u>Energy Savings Performance Projects</u></p> <p>Determine whether energy savings performance projects complied with THECB requirements for Board of</p>	<p>The population of two projects was selected for testing. Auditors obtained and reviewed documentation to determine if Texas A&amp;M University System Board of Regents Certification was submitted, the THECB application</p>

Audit Objective	Methodology
Regents certification, THECB application and contract approval.	for the project was submitted, and the energy savings performance project was approved in compliance with THECB requirements.
<p><u>Improved Real Property Acquisitions</u></p> <p>Determine whether improved real property acquisitions complied with THECB requirements for certifications and applications.</p>	Auditors reviewed the population of real property acquisitions for the audit period and determined no acquisitions were subject to THECB requirements.

Controls Assessment Classification

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## Criteria

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- Texas A&M University System Policies and Regulations
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Michelle McMillin, CPA, Senior Manager  
Aliza Monroe, CIA

## **Distribution List**

### Texas A&M University – Corpus Christi

Dr. Kelly Miller, President  
Dr. Catherine Rudowsky, Provost and Vice President for Academic Affairs  
Mr. Andrew Rogers, Vice President for Finance and Administration  
Mr. Scott Meares, Executive Associate Vice President for Operations  
Mr. John LaRue, Vice President for Institutional Excellence & Chief Compliance Officer

### Texas A&M System Offices

Mr. John Sharp, Chancellor  
Mr. Billy Hamilton, Deputy Chancellor and Chief Financial Officer  
Mr. Phillip Ray, Vice Chancellor for Business Affairs  
Mr. Clint Cooper, Executive Director, Real Estate  
Mr. Brett McCully, Chief Facilities Officer  
Mr. Matt Henley, Executive Director, Facilities and Construction  
Mr. Peter Schmid, Director, Facilities and Construction  
Ms. Janet Gordon, System Ethics and Compliance Officer



System Internal Audit  
THE TEXAS A&M UNIVERSITY SYSTEM

## **TEXAS A&M UNIVERSITY-TEXARKANA**

# **FACILITIES DEVELOPMENT PROJECT REPORTING TO THE TEXAS HIGHER EDUCATION COORDINATING BOARD**

**March 12, 2025**

**Amanda Dotson, CPA  
Chief Auditor**



## Overall Conclusion

Texas A&M University-Texarkana is in compliance with applicable Texas Higher Education Coordinating Board (THECB) facilities development project reporting requirements.

### Summary Table

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Development Projects	Effective – No Observations
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# Basis of Audit

## Objective, Scope, & Methodology

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<b>Audit Objective</b>	<b>Methodology</b>
<p><u>Development Projects</u></p> <p>Determine whether development projects complied with THECB requirements for certifications and applications.</p>	<p>Auditors reviewed the population of new construction/additions and repair/renovation projects for the audit period and selected the two projects subject to THECB requirements for testing. Auditors obtained and reviewed documentation to determine if Texas A&amp;M University System Board of Regents Certification and a THECB application for the project were submitted in compliance with THECB requirements. For the projects completed, auditors determined if the THECB facilities database was updated.</p>
<p><u>Energy Savings Performance Projects</u></p> <p>Determine whether energy savings performance projects complied with</p>	<p>There were no energy savings performance contracts entered into during the audit period.</p>



Audit Objective	Methodology
THECB requirements for Board of Regents certification, THECB application and contract approval.	
<p><u>Improved Real Property Acquisitions</u></p> <p>Determine whether improved real property acquisitions complied with THECB requirements for certifications and applications.</p>	<p>Auditors reviewed the population of real property acquisitions for the audit period and determined no acquisitions were subject to THECB requirements.</p>

Controls Assessment Classification

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Michelle McMillin, CPA, Senior Manager  
Aliza Monroe, CIA

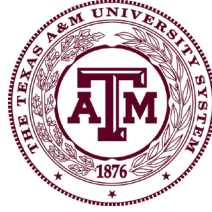
## **Distribution List**

### Texas A&M University – Texarkana

Dr. Ross Alexander, President  
Dr. Melinda Arnold, Provost and Senior Vice President for Academic Affairs  
Mr. Jeff Hinton, Executive Vice President for Finance and Administration  
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### Texas A&M System Offices

Mr. John Sharp, Chancellor  
Mr. Billy Hamilton, Deputy Chancellor and Chief Financial Officer  
Mr. Phillip Ray, Vice Chancellor for Business Affairs  
Mr. Clint Cooper, Executive Director, Real Estate  
Mr. Brett McCully, Chief Facilities Officer  
Mr. Matt Henley, Executive Director, Facilities and Construction  
Mr. Peter Schmid, Director, Facilities and Construction  
Ms. Janet Gordon, System Ethics and Compliance Officer



System Internal Audit  
THE TEXAS A&M UNIVERSITY SYSTEM

## **WEST TEXAS A&M UNIVERSITY**

# **FACILITIES DEVELOPMENT PROJECT REPORTING TO THE TEXAS HIGHER EDUCATION COORDINATING BOARD**

**March 12, 2025**

**Amanda Dotson, CPA  
Chief Auditor**



## Overall Conclusion

West Texas A&M University is in compliance with applicable Texas Higher Education Coordinating Board (THECB) facilities development project reporting requirements.

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Michelle McMillin, CPA, Senior Manager  
Aliza Monroe, CIA

## **Distribution List**

### West Texas A&M University

Dr. Walter Wendler, President  
Dr. Neil Terry, Provost and Executive Vice President for Academic Affairs  
Mr. Randy Rikel, Vice President for Business and Finance  
Mr. Weslee Green, Assistant Vice President for Facilities & Construction  
Dr. Angela Spaulding, Vice President for Research & Compliance, Dean of Graduate Studies

### Texas A&M System Offices

Mr. John Sharp, Chancellor  
Mr. Billy Hamilton, Deputy Chancellor and Chief Financial Officer  
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Ms. Janet Gordon, System Ethics and Compliance Officer



System Internal Audit  
THE TEXAS A&M UNIVERSITY SYSTEM

# MARCH 2025 AUDIT TRACKING REPORT

**March 12, 2025**

**Amanda Dotson, CPA  
Chief Auditor**

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### March 2025 Audit Tracking Report

Member	Audit Title	Report Date	Original Number of Recommendations	Significant Recommendations Outstanding	Notable Recommendations Outstanding
PVAMU	Payroll	July 2023	2	1	0
Texas A&M Health	Academic and Research Information Technology	January 2024	11	9	1
PVAMU	Health and Counseling Services	June 2024	5	1	4
Texas A&M	Payment Cards	October 2024	4	1	3
Tarleton State	Health and Safety	October 2024	11	7	1
A&M-Texarkana	Information Technology	October 2024	5	1	1
East Texas A&M	Program for Minors	November 2024	2	1	1
A&M-San Antonio	Tuition and Fees	November 2024	4	3	1
PVAMU	Athletics	January 2025	3	2	1
TAMIU	Program for Minors	February 2025	2	1	1
A&M System	Major Construction and Private Development Processes	May 2024	5	0	2
TAMUK	Tuition and Fees	September 2024	1	0	1
TEES	Engineering Payroll	September 2024	2	0	2
PVAMU	Tuition and Fees	October 2024	1	0	1
A&M-Texarkana	Financial Management Services	October 2024	1	0	1
Texas A&M	University Health Services	November 2024	4	0	4
<b>A&amp;M System Total</b>			<b>63</b>	<b>27</b>	<b>25</b>