The Texas A&M University System Internal Audit Department

SECOND QUARTER REPORT
FISCAL YEAR 2012

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Second Quarter Report for Fiscal Year 2012

TEXAS A&M HEALTH SCIENCE CENTER

Review of Environmental Health, Safety, and Security

Catherine A. Smock, C.P.A.
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PROJECT SUMMARY

Overview

Environmental health, safety, and security processes at the Texas A&M Health Science Center (HSC) require improvement in several areas to better ensure that a safe environment exists and that the HSC is in compliance with relevant laws, policies, regulations, and rules. Significant improvements are needed in regard to compliance with various federal Clery Act requirements. Opportunities for improvement were also noted in the areas of HSC rules and procedures; safety inspections; chemical inventory and storage; safety training; performance measures; and required spill prevention, control and countermeasure plans.

The HSC is in the early stages of a major centralization effort in its environmental health, safety, and security program. This effort will further standardize and automate safety and security processes at the HSC’s multiple locations with central office personnel assigned to oversee and administer this function. Development of rules and standard operating procedures and preparation of a formal risk assessment to identify and analyze safety and security risks at each HSC location including the staffing levels needed would help ensure this centralization initiative is successful.

The HSC has multiple locations including facilities in Bryan/College Station, Corpus Christi, Dallas, Houston, Round Rock, Temple, Kingsville, and McAllen. The Environmental Health and Safety (EHS) and Security Operations Management (SOM) divisions have 36 full-time employees to oversee safety and security operations at all HSC locations.

Summary of Significant Results

Clery Act Reporting and Compliance

Various instances of non-compliance with federal Clery Act requirements were noted at both HSC locations tested in the areas of crime statistics, campus security authorities, daily crime logs, emergency response and evacuation procedures, timely
warnings, and annual security reports. Issues were also noted related to inaccurate or incomplete Clery Act information reported to staff, students and visitors and non-functional links on the HSC website. Additional resources need to be devoted to Clery Act reporting and compliance by the HSC given the number of its locations that must maintain compliance with these requirements in order to avoid the possibility of incurring significant fines and penalties due to noncompliance.

Summary of Management’s Response

*We concur.*

*It is the intent of the HSC to take aggressive action to fully implement the recommendations of the audit report. The HSC will continue to develop, implement, and review written EHS and SOM procedures and guidelines. As recommended, the HSC has taken action to hire the requisite level of EHS personnel to address the findings of the audit. The HSC will continue and complete EHS and SOM centralization with effective rules and procedures that promote the goal of a safe and secure campus environment for faculty, staff, students, and visitors. The HSC will leverage technology to provide accurate, timely, and consistent information that is critical to continuous improvement.*

Scope

The review of environmental health, safety and security at the Texas A&M Health Science Center focused primarily on the areas of laboratory and fire/life safety inspections, chemical inventory and storage, student and employee safety training, Clery Act reporting, and safety guidelines and procedures. The audit covered the period of September 1, 2010 to November 30, 2011. Fieldwork was conducted from November 2011 to January 2012.
OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

1. Clery Act Reporting and Compliance

Observation

Various instances of non-compliance with Clery Act requirements were noted at two HSC locations tested (Baylor College of Dentistry and Temple) in the areas of crime statistics, campus security authorities, daily crime logs, emergency response and evacuation procedures, timely warnings, and annual security reports. Specific instances of non-compliance noted include:

- No identification of all campus security authorities for Baylor College of Dentistry (BCD) and Temple, and the corresponding requirements related to these individuals.

- No daily crime log was located on-site at the Temple campus. In addition, monthly online crime logs for Temple and BCD did not have the Clery Act-required elements and were not current. Additionally, the format for the on-site BCD crime log could be enhanced to make it easier to view all required Clery Act information and should include the disposition of each crime.

- No summary of required emergency response and evacuation procedures were included in the annual security report for either BCD or Temple. This includes 13 separate elements such as statements related to emergency notification, emergency and evacuation procedures, individuals responsible for carrying out actions, disseminating emergency information, and annual testing of emergency response and evacuation procedures.

- Various other missing policies and statements that are required to be in the HSC annual security reports.

The federal Clery Act requires that institutions of higher education publish crime statistics and other required security information in an annual security report. Due to its multiple locations, HSC is required to prepare eight separate annual security reports as well as comply with various other Clery Act requirements for each location.
1. Clery Act Reporting and Compliance (cont.)

In addition, issues were noted related to inaccurate or incomplete Clery Act information reported to staff, students and visitors and non-functional links on the HSC website as follows:

- The HSC website and Twitter account have non-Clery complaint warnings which display general news and announcements combined with Clery-required crime information; thus, making it confusing to readers.

- No crime or police reports were found for crimes that occurred during September and October, 2011 at BCD.

- The 2010 crime statistics for BCD were found to contain one incorrect calculation in that the liquor law arrest row displayed public property as having one instance of a crime; however, the total for this row was shown as zero.


The annual security report template used by HSC does not fully address current Clery Act requirements including required hate crime categories. The Director of Security Operations and Management (SOM) has a number of job duties, including compilation of the eight annual security reports required by the Clery Act with no other assistance. In addition, there is no HSC Clery Act compliance committee or other mechanism to review the annual security reports for completeness and accuracy before their submission or to assist in the identification and review of new Clery Act requirements. There is also no designated individual or office responsible for issuing timely warnings for the Temple campus. Non-compliance with Clery Act requirements could result in significant fines and penalties.

Recommendation

Address the issues noted above in the areas of crime statistics, campus security authorities, daily crime logs, emergency response and evacuation procedures, timely warnings, and annual security reports to comply with corresponding Clery Act requirements in these areas. Also, resolve the issues related to the completeness and accuracy of crime data collected and reported and non-functional links on the HSC website.

Update the current HSC annual security report template to incorporate requirements in the 2011 Handbook for Campus Safety and Security Reporting including use of Clery Act-required hate
1. Clery Act Reporting and Compliance (cont.)

Crime categories for crime statistics. Develop a HSC Clery Act compliance committee or other mechanism to review the annual security reports before their submission and assist in the identification and review of new Clery Act requirements. Designate an individual or office responsible for issuing timely warnings for the Temple campus.

Management’s Response

All noted items in the audit report have been addressed and the annual security report template will be updated to address current Clery Act requirements. The HSC has assigned an individual whose primary duties and responsibilities are to ensure constant and consistent oversight of Clery Act reporting and compliance. An individual has also been assigned responsibility for issuing timely warnings for the Temple campus. The HSC will conduct monthly on-site inspections at each HSC campus using a prescribed checklist. The results of each inspection are to be documented and corrective action, if necessary, to be immediately implemented. In addition, the HSC has created two Clery Act committees: (1) a policy and procedures committee that reviews processes, protocols, and new rules and regulations; and (2) an implementation committee that is responsible for ensuring all Clery Act information is appropriately disseminated and implemented on each HSC campus. The HSC will begin a Clery Act audit of campuses effective March 30, 2012.

2. HSC Rules and Procedures

Observation

HSC rules and standard operating procedures have not been developed to support safety and security processes in several areas.

Safety guidelines have been developed to address Texas A&M System Supplemental Risk Management Standards; however, no HSC-level rules have been developed to serve as the basis for these guidelines and ensure they are effectively implemented. In addition, the EHS and SOM divisions lack a comprehensive set of standard operating procedures to support safety and security processes related to safety inspections, chemical inventory and security, student and employee safety training, and Clery Act reporting and compliance. Without HSC rules and detailed internal operating procedures for the EHS and SOM divisions, safety and security processes may not be effectively implemented which could lead to increased risk of student/employee injury, facility damage, and penalties resulting from non-compliance with associated federal and state regulations.
2. HSC Rules and Procedures (cont.)

The Treadway Commission’s Committee of Sponsoring Organization’s “Internal Control - Integrated Framework” states that control activities involve a policy establishing what should be done by management which serves as a basis for corresponding procedures to affect the policy. Development of rules, guidelines, and standard operating procedures is part of the HSC’s current safety and security centralization effort. Although guidelines have been developed there has been insufficient time to prepare corresponding rules and detailed operating procedures for safety and security processes performed by the EHS and SOM divisions.

**Recommendation**

Complete the development of formal HSC rules as needed to better ensure safety and security guidelines and procedures are effectively implemented.

Develop and implement comprehensive standard operating procedures for the HSC EHS and SOM divisions in the above areas.

Ensure these procedures are easily accessible and applied consistently.

Provide training opportunities as needed to personnel to ensure the understanding of these procedures and to efficiently and effectively perform their responsibilities.

**Management’s Response**

*The HSC will continue to develop comprehensive rules and procedures. The HSC recognizes that development and implementation of EHS and SOM rules and procedures is an ongoing and continuous process that requires constant review to ensure efficiency. All new processes and procedures are to be online with appropriate notification to targeted personnel by August 31, 2012.*

3. Safety and Security Risk Assessment

**Observation**

* A formal risk assessment has not been performed to identify, analyze, and address safety and security risks at all HSC locations.

Completion of a formal risk assessment and analysis is needed to identify and analyze the safety and security risks at all HSC locations. A formal risk assessment will provide management with the means to determine if adequate controls and resources are in place to address the identified risks especially given the number of locations and the diversity of operations within the HSC. For
instance, there are currently five EHS staff members to provide oversight and support for safety processes at the eight HSC locations.

A recent report prepared by the A&M System Environmental Health and Safety Division indicated that the HSC needs a minimum of nine full-time equivalent safety staff as calculated using a well accepted industry environmental health and safety staffing model. This model factors in square footage of lab and non-lab space as well as the type of institution and the existence of any Bio-Security Level 3 or 4 facilities. The model does not consider other non-safety personnel that assist with safety processes or portions of safety and security processes. The lack of available staff time and effort resulted in several of the issues identified in this report including timely inspection reporting, performance of follow-up inspections, improper chemical inventory and storage, Clery Act reporting non-compliance, and development of standard operating procedures.

The Treadway Commission’s Committee of Sponsoring Organization’s “Internal Control - Integrated Framework” states that the process of identifying and analyzing risk is an ongoing iterative process and is a critical component of an effective internal control system. Along with assessing risks, management should identify and put into effect actions needed to address the risks including control activities to help ensure that the actions are carried out properly and in a timely manner. In addition, the “Environmental Management Guide for Colleges and Universities” published by the Environmental Protection Agency recommends a systematic approach to providing a healthy and environmentally sustainable campus. This approach includes identification of risk factors and compliance requirements as part of the planning process.

**Recommendation**

Prepare a formal risk assessment to identify and analyze safety and security risks at all HSC locations and the corresponding controls needed to address these risks.

Complete the institution’s current centralization initiative and reassess the number of personnel required to effectively oversee and administer the HSC’s safety and security controls and operations. As the HSC grows and expands, it will be important to closely monitor the number of personnel needed to maintain these operations.
Management’s Response

3. Safety and Security Risk Assessment (cont.)

The HSC concurs with the audit finding that a formal risk assessment process is necessary to ensure a safe and healthy work environment. Through current centralization processes, portions of a formal risk assessment have been implemented including the hiring of additional EHS personnel. The additional staff position will facilitate the time and effort necessary to address the current and near-future growth of the HSC. The annual safety inspections and generated reports will provide information and data that can identify trends and operational risks. The HSC expects to have a safety and security risk assessment process completed by August 31, 2012.

4. Safety Inspections

Observation

Safety inspection processes need to be monitored more closely to ensure facilities and laboratories remain safe. A detailed safety inspection of all HSC facilities and labs was performed in fiscal year 2011 to provide a baseline for the institution’s current centralization effort. Significant deficiencies noted were primarily addressed at the time of inspection; however, a large number of minor safety deficiencies were to be reported and tracked as part of the inspection follow-up process. Various factors have resulted in delays in submitting inspection reports and performing follow-up inspections. As of the audit fieldwork, no follow-up inspections had been performed by EHS.

The following additional safety inspection issues were noted:

- Inspections are performed annually for all locations, rather than according to an assessment of associated safety risks, with higher safety risk facilities requiring more frequent inspections.

- Inspection reports for two locations tested were issued from six weeks to more than three months after the inspection was performed.

- Specific deficiencies noted during an inspection were not separately rated based on the severity of the deficiency to determine the required response time; rather all generally had a period of 90 days to be corrected.
4. Safety Inspections (cont.)

- Principal investigators and Facilities' personnel did not consistently update the deficiencies noted on their inspection reports with "comments" and "date corrected" and return these forms to EHS. Of the 90 total deficiencies tested, 40 (44%) did not indicate the updated status with comments or a date corrected.

- Testing of 45 laboratory and 45 fire/life safety deficiencies identified at two locations during fiscal year 2011 determined that 14 laboratory safety deficiencies (31%) and 13 fire/life safety deficiencies (29%) had not been corrected or were not in the process of being corrected. These uncorrected safety deficiencies were generally minor in nature and many were corrected at the time of the auditor's inspection or shortly thereafter.

Although laboratory and fire/life safety inspections are conducted on an annual basis and the results of these inspections are documented and reported, the above areas of improvement are needed to better ensure a safe environment exists for students, faculty, staff and visitors. Texas A&M System Supplemental Risk Management Standards require implementation of a laboratory safety program to reduce occupational exposure to health and safety hazards. This includes developing a program to monitor and evaluate harmful exposures, in accordance with nationally recognized practices and protocols. In addition, these standards require that fire/life safety deficiencies be identified and addressed through inspections of facilities and grounds.

Recommendation

Management should direct personnel to address all safety deficiencies noted during inspections in a timely manner.

Enhance the current safety inspection process by preparing a risk-based safety inspection schedule of the various laboratories and related facilities to determine the inspection frequency necessary to ensure a safe teaching and working environment. Also assess and rate the associated risk of each safety deficiency identified during inspections and set the required correction date based on the corresponding risk.

Continue current efforts to automate the inspection reporting process to ensure safety inspection reports are prepared and submitted in a timely manner.

Further develop and implement the current follow-up inspection process to include formal tracking of all safety deficiencies identified.
4. Safety Inspections (cont.)

including regular status updates of corrective actions taken and scheduled follow-up visits based on the stated implementation dates to ensure appropriate corrective actions have been taken.

Management’s Response

Safety deficiencies noted during the audit will be addressed. The EHS will continue to evaluate and implement the inspection schedule to ensure appropriate oversight and controls are in place based on assessed risk. This includes preparing a risk-based safety inspection schedule, assessing the associated risk of each safety deficiency identified during inspections and setting appropriate implementation dates, and formally tracking and following up on safety deficiencies identified based on the stated implementation dates. The automated inspection tools used by the HSC will enhance the inspection process and facilitate feedback that allows EHS personnel to address matters of concern in an effective and timely manner. The process should be completed by August 31, 2012.

5. Chemical Inventory and Storage

Observation

Improvements are needed in controls over the HSC’s chemical inventory records and storage. Testing of chemical inventory listings and storage at two locations noted the following:

- Differences were found between chemical inventory records and chemicals stored on-site for 14 of 90 (15%) chemicals tested.

- Instances were noted in which chemicals were being stored above eye-level, over sinks, on shelves with no lip, and with the large bottles in front of small bottles, etc. in non-compliance with HSC chemical storage safety requirements.

- Although access to the facilities was adequately restricted at some locations, instances were noted in which access to chemical storage areas within the facilities was not adequately restricted. Access included open or unlocked lab doors where chemicals were stored in unlocked storage cabinets or on open shelving.

Chemical inventory listings are submitted annually to EHS by the locations storing hazardous chemicals. The current chemical inventory process is manual and standard operating procedures for
5. Chemical Inventory and Storage (cont.)

Performing chemical inventories and securing chemicals have not been developed. A new chemical inventory system, which is being implemented, should significantly increase the standardization of inventory information and facilitate more real-time monitoring of chemical inventories. Texas A&M System Supplemental Risk Management Standards involving health and safety require implementation of a chemical safety program to protect students, employees, and the environment. This includes addressing areas such as proper storage, handling, and monitoring of chemicals.

**Recommendation**

Complete the implementation of the new chemical inventory system to increase standardization of inventory information and facilitate more real-time monitoring of chemical inventories.

Further develop the follow-up safety inspection process which includes ensuring proper storage of hazardous chemicals according to HSC chemical safety guidelines and adequate security of stored chemicals such as by locking lab doors when not in use and/or locking chemicals within the labs.

**Management’s Response**

The HSC will complete implementation of the new chemical inventory system. The new system will standardize and facilitate real-time monitoring of chemical inventories. The chemical inventory system will be implemented by August 31, 2012. Storage and security of hazardous chemicals will be reviewed as part of the safety inspection follow-up process noted above.

6. Safety Training

**Observation**

Limited standardized guidelines and monitoring processes are in place to ensure that all necessary safety training is completed in a timely manner. The following conditions were noted in regards to safety training:

- While students attending teaching labs appear to be receiving laboratory safety training, there are no standard guidelines for student laboratory safety training including documentation and records retention requirements. As a result, there were no minimum standard training requirements and documentation of training was not readily available for testing at the two HSC locations tested.
6. Safety Training (cont.)

- A training report for employee hazardous communication (HazCom) and bloodborne pathogen (BBP) training for one HSC location indicated that 41% of employees had either not started or were past due in taking required HazCom training and 36% had not started or were past due in taking required BBP training.

- While there is evidence that employees are receiving HazCom and BBP training at another HSC location, the training documentation provided lacked key information such as a list of employees required to take the training, hire dates, due dates, completion dates, etc. which limited the ability to determine the extent and timeliness of HazCom and BBP training of employees.

The responsibility for the student laboratory and employee safety training lies primarily with each HSC location and comprehensive procedures have not been developed to provide guidance in these areas. A training-needs assessment is currently being developed by EHS for all existing employees to identify and document required safety training and will be reevaluated annually during employee evaluations. HSC is also in the process of migrating all employee safety training to the Texas A&M University System’s TrainTraq training system which will provide detailed tracking and reporting of training for increased monitoring and compliance.

Texas A&M System Supplemental Risk Management Standards involving health and safety require that standard operating procedures be developed and published and corresponding training be provided and documented on identified health and safety hazards to affected faculty, staff, students, and visitors. In addition, Texas Administrative Code, Title 25 Health Services, Rule 295.7 requires that employers develop a hazard communication program to provide training for new or newly assigned employees.

**Recommendation**

Develop standardized guidelines for student laboratory safety training including documentation and records retention requirements. Ensure training documentation facilitates monitoring by including the student's signature and printed name, course name and number, date, and instructor's name as needed. Monitor to ensure that laboratory safety training is performed for all relevant students in a timely manner and that these records are organized and complete.

Ensure that all employees with the potential exposure to hazardous chemicals and bloodborne pathogens receive safety training prior to
6. Safety Training (cont.)

Performance measures have not been developed for EHS and SOM.

Initial exposure to these materials/pathogens. Complete current efforts to prepare a training needs assessment for each employee and migrate employee safety training into the TrainTraq system. Utilize the automated features within the TrainTraq system to monitor and track employee safety training for timely completion.

Management's Response

The HSC will complete standardized guidelines for laboratory safety training for students, faculty, and staff. EHS is currently conducting and developing this training. Training documentation will be enhanced to include additional information needed and monitoring will be performed to ensure this training is completed in a timely manner. The HSC currently has a Hazard Communication Program and Bloodborne Pathogens Exposure Control Plan in place to facilitate the identification and training of those employees with potential exposure to hazardous chemicals and bloodborne pathogens. This program will be further enhanced through the implementation of the new employee training needs assessment procedures and the use of the A&M System's TrainTraq system. The process and procedures will be completed by August 31, 2012.

7. Performance Measures

Observation

Although fiscal year 2012 goals and objectives have been developed for EHS and SOM, corresponding performance measurement systems have not been prepared to determine whether these objectives are achieved. In addition, there are no feedback mechanisms to ensure these functions are meeting customer needs. EHS and SOM have focused on developing the HSC safety and security program and planned to add these performance mechanisms as the program matured.

Recommendation

Establish performance measures including customer feedback mechanisms to evaluate the achievement of goals and objectives for EHS and SOM and determine whether customer needs are being met. Monitor performance on a routine basis and effectively communicate results to management and customers.
Management’s Response

7. Performance Measures (cont.)

The Office of Environmental Health and Safety will develop and implement performance measures to evaluate the achievement of goals and objectives for EHS and SOM including a survey to obtain customer feedback. The survey will be sent to faculty and staff of the Texas A&M Health Science Center to assess if customer needs and goals are being met. The process and procedures will be completed by August 31, 2012.

8. Spill Prevention, Control and Countermeasure Plans

Observation

Spill prevention, control and countermeasure plans have not been completed for all applicable HSC locations. EHS has identified three HSC locations that require development and implementation of a spill prevention, control and countermeasure (SPCC) plan to ensure compliance with federal regulations dealing with oil spill prevention applicable to fuel station facilities. The locations requiring SPCC plans include Temple, Round Rock, and Bryan. The SPCC plan for Temple is provided by Scott & White. EHS is currently putting together the SPCC plans for Round Rock and Bryan, which are the two newest campuses.

According to the United States Environmental Protection Agency (EPA) Spill Prevention, Control, and Countermeasure Plan Rule, an SPCC plan is required for a facility that stores, transfers, uses or consumes oil or oil products; stores more than 1,320 US gallons in total of all above ground containers or more than 42,000 gallons in completely buried containers; and could reasonably be expected to discharge oil to navigable waters of the US or adjoining shorelines, such as lakes, rivers and streams.

Recommendation

Complete the current development and implementation of spill prevention, control and countermeasure plans for the Bryan and Round Rock locations to ensure compliance with federal EPA regulations.

Management’s Response

The HSC will complete the SPCC plans for the Round Rock and Bryan locations by August 31, 2012.
BASIS OF REVIEW

Objective

Review the processes and controls over environmental health, safety and security to determine if resources are used efficiently and effectively to provide reasonable assurance that a safe environment exists for students, faculty, staff and visitors. Determine compliance with laws, policies, regulations and rules relevant to environmental health, safety and security.

Criteria

Our audit was based upon standards as set forth in the System Policy and Regulation Manual of the Texas A&M University System, Texas A&M Health Science Center Safety Guidelines; the Treadway Commission’s Committee of Sponsoring Organization’s Internal Control – Integrated Framework (COSO); the Environmental Protection Agency’s “Environmental Management Guide for Colleges and Universities” and “Spill Prevention, Control, and Countermeasure Plan Rule”; Texas Administrative Code, Title 25, Part 1, Chapter 295, Subchapter A, Rule 295 “Hazardous Communication”; federal and state laws; and other sound administrative practices. This audit was conducted in conformance with the Institute of Internal Auditors’ “International Standards for the Professional Practice of Internal Auditing.”

Additionally, we conducted this performance audit in accordance with generally accepted government auditing standards. 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.

Background

The Texas A&M Health Science Center is committed to a campus environment that protects the safety and the environment of the students, employees, and visitors. The Environmental Health and Safety (EHS) and Security Operations and Management (SOM) divisions within the Facilities and Construction, Utilities, Safety and Security department at HSC comprise the two most significant elements of the safety and security functions at HSC. Both functions employ personnel who help carry out the safety and
security mission statement of this department, which is to maintain, operate and repair the physical infrastructure of the Health Science Center campuses across the State of Texas in a pro-active and cost-efficient manner that serves the mission of the HSC by ensuring the safety of its students, faculty, staff, and stakeholders. This includes programs of information and education, review and monitoring, technical consultation and ensuring compliance with A&M System, local, state, and federal regulations. The safety and security function encompasses several operations, including safety (biological, laboratory, fire/life, and chemical), emergency preparedness, crisis management planning, security of personnel and property, Clery Act reporting, and keys/access cards.

The safety and security functions have approximately thirty-six staff including five in EHS and thirty-one in SOM. In fiscal year 2011, the annual operating budget was approximately $1.9 million of which $800,000 was for EHS and $1.1 million for SOM.
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Second Quarter Report for Fiscal Year 2012

TEXAS A&M UNIVERSITY

Review of Facilities Services – Administration and Custodial Services

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Project #20120201
PROJECT SUMMARY

Overview

The management processes for the Administration and Custodial Services’ areas within Texas A&M University’s Facilities Services provide reasonable assurance that resources are used in an efficient and effective manner and in compliance with laws, policies, regulations and procedures, except in two custodial safety training areas. The current training process does not ensure that custodial employees receive bloodborne pathogen (BBP) and asbestos awareness training timely after hire. Additionally, custodial employees are not receiving the required BBP recurring training timely. Because of the nature of custodial employees’ duties, all custodians must take BBP training annually. Opportunities for improvement were also noted in the areas of inventory processes and custodial supervisory training.

Administration and Custodial Services has approximately 370 budgeted, full-time staff and an estimated operating budget of $15.4 million. Current Facilities Services’ management appears to be establishing a strong unit foundation through strategic planning, identification of risks, and monitoring of performance measures.

Summary of Significant Results

Custodial Safety Training

Adequate controls are not in place over two of the employee safety training programs to ensure that necessary safety training is completed in a timely manner. New employees potentially exposed to bloodborne pathogens and asbestos containing materials did not receive training timely after hire and annual recurring BBP training was not taken timely by current employees. Safety training is an important preventative control to ensure the safety of all affected employees.
Summary of Management’s Response

Efforts are underway to address the custodial safety training, inventory control and supervisory training recommendations. Additional detail is provided within the individual audit responses.

Scope

The review of processes and controls in place within Facilities Services - Administration and Custodial Services focused on the areas of training, inventory, the complaint and grievance process, custodial employee efficiencies and custodial staff interviews. Activities related to these areas were reviewed for the period of September 1, 2010 through August 31, 2011. Fieldwork was conducted from October through December, 2011.
OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

1. Custodial Safety Training

Observation

Initial and annual safety training courses were either incomplete or untimely.

Significant rates of non-compliance were identified regarding bloodborne pathogens and asbestos awareness training requirements according to the Texas Health and Safety Code and University procedures. Processes do not ensure that custodial employees whose occupational duties create a reasonable expectation for exposure to blood or other potentially infectious materials are receiving formal bloodborne pathogen training prior to initial assignment of tasks where exposure may occur or on an annual basis. In its assessment of potential for exposure, the Office of Research Compliance and Biosafety determined that all University custodians have potential occupational exposure and therefore must have BBP training. This is a requirement of Texas A&M Standard Administrative Procedure 24.01.01.M4.01 Bloodborne Pathogens Exposure Control. Eight of nine (89%) employees sampled did not receive BBP training timely after hire while 13 of 21 (62%) did not receive annual refresher training within one year of the employee's previous training. In addition, a Facilities Services' standard operating procedure requires that asbestos awareness training be completed within the first 60 days of employment for all new employees that may come into contact with asbestos containing materials. Asbestos awareness training was not taken by 12 of 29 (41%) employees within 60 days of hire. Employees who have exposure to bloodborne pathogens or asbestos without the proper training increase the risk of employee injury, facility damage, and non-compliance with standard administrative and operating procedures, the Texas A&M Bloodborne Pathogens Exposure Control Plan (BPECP), and the Texas Health and Safety Code.

Texas A&M Standard Administrative Procedure 24.01.01.M4.01 includes guidance that “Employing departments are responsible for ensuring compliance with the provisions of this SAP and the Texas A&M University BPECP.” BBP training for new hires is currently only available in a classroom setting offered by the Biosafety Occupational Health Program in the Office of Research Compliance and Biosafety. This training is not held frequently enough to address the hiring needs of Custodial Services. Annual training reminders can be sent electronically through a group
1. Custodial Safety Training (cont.)

function in the TrainTraq system. It was noted the majority of employees identified as being delinquent for annual BBP refresher training had not been assigned to the appropriate group function in TrainTraq by the Office of Research Compliance and Biosafety. In regard to asbestos training, management did not monitor and provide training to the identified custodians timely, offering it past the due date.

Recommendation

Ensure employees receive training, particularly BBP and asbestos awareness training, as required according to the Texas Health and Safety Code and University requirements. Enhance monitoring controls to ensure trainings, both initial and recurring and including those provided by units other than Facilities Services, are taken as required.

Management’s Response

All Custodial Services’ employees are now in compliance with all required safety training. The Office of Research Compliance and Biosafety has committed to offering bloodborne pathogen training at least once a week. Facilities Services will give notice to the Office of Research Compliance and Biosafety’s Occupational Health Program of training needs at least two days before training is required. The Office of Research Compliance and Biosafety will enter training completion verification for each employee into TrainTraq. The Facilities Services Training Office will monitor TrainTraq to ensure compliance for initial and recurring training requirements.

Asbestos awareness training has been incorporated into all custodial new hire training, thereby assuring that all new custodians receive training within the required 60-day time frame. The Facilities Services Training Office will enter employee completion verification into TrainTraq and monitor that all new employees have had asbestos awareness training in a timely manner.

As an additional control, the Facilities Services Training Office will develop a monthly report to monitor training compliance. This report will be reviewed by executive staff with other regularly scheduled reports beginning in June 2012. Supervisors have been advised that new employees may not perform any tasks that could possibly expose them to bloodborne pathogens or asbestos until training is complete.

Target date: June 30, 2012.
2. Consumable Supply Inventory

Observation

Controls over consumable supply inventory require improvement.

Test counts of consumable supply inventory for Custodial Services could not be performed as inventory listings are not maintained. Use of consumable supplies is tracked on an issuance log by each crew supervisor. Comparisons between crew issuance logs and purchases are not performed as logs are simply maintained by the crew supervisor and not submitted to upper management. In addition, the logs do not accurately reflect the current types, sizes, and quantities of consumable supplies routinely ordered. It was also noted that, while a listing of crew quarters where inventory is kept is documented, it is not known by management where inventory may be maintained outside of these areas as well. Purchases are monitored on a monthly basis to identify unusual trends; however, without comparing to actual usage, excess purchases would not be identified. Fiscal year 2011 purchases totaled approximately $1.3 million while inventory on hand at the end of fiscal year 2011 was approximately $240,000.

Tracking of custodial consumable supply inventory can be difficult due to the rapid turnover of supplies; however, without proper controls, assurance cannot be gained that consumable inventory is adequately protected and monitored for misuse. Proper inventory controls ensure that inventories are secured physically and periodically counted and compared with amounts shown on control records. Due to the recent Facilities Services organization changes and continual expansion of cleanable space with relatively a constant number of custodial employees, Facilities Services’ management has not been able to implement stronger inventory controls outside of monitoring of purchases.

Recommendation

Update the issuance logs to reflect the current types, sizes and quantities of consumable inventory routinely ordered. Ensure issuance logs from each custodial crew are submitted to Custodial Services’ management monthly and perform reconciliations between the issuance logs and purchases on a monthly basis for reasonableness. Ensure the listing of inventory locations within crew quarters is accurate and include any other locations where crews may be housing inventory.

Identify controls which would allow for performance of inventory spot checks such as establishing a maximum and minimum number of
2. Consumable Supply Inventory (cont.)

Items to be held on shelves or electronic inventory tracking mechanisms. Consider implementing these types of controls to further reduce risks of misappropriation associated with consumable supply inventory.

Management's Response

Custodial management has inventoried all locations where crews are storing inventory. The over 600 current locations will be reviewed by management to determine whether inventory can be consolidated into fewer locations, allowing for greater control and security.

Management will update the issuance logs to reflect the current types, sizes, and quantities of consumable inventory routinely ordered. A beginning inventory count will be conducted to create a baseline for future reconciliations. Issuance logs for each location will be submitted monthly and Custodial Services' management will reconcile the logs with purchases on a monthly basis for reasonableness.

Management will review options and implement mechanisms which will allow for the performance of inventory spot checks. Management will review the costs versus benefits of other controls to further reduce risks of misappropriation associated with consumable supply inventory.

Target date: December 31, 2012.

3. Custodial Supervisory Training

Observation

A formal supervisory training program is not in place for employees in custodial supervisory positions.

Custodial employees in supervisory positions are required to take the University’s Positive Performance Management for Supervisors training; however, no other supervisory training is required. The Texas A&M Department of Human Resources offers several supervisory training courses at no cost. These courses could further enhance the supervisory and managerial skills of those employees in custodial supervisory positions potentially resulting in greater knowledge of managerial processes and improved relationships between supervisors and subordinates.
Recommendation

3. Custodial Supervisory Training (cont.)

Consider requiring additional supervisory training, such as supervisory courses offered through the Texas A&M Department of Human Resources, to further enhance supervisory and managerial skills of employees in custodial supervisory positions.

Management’s Response

In order to further enhance supervisory and management skills of employees in custodial supervisory positions, the Facilities Services Training Office and Custodial Services' management have agreed on a list of core courses for supervisors. These courses are currently offered online and by Employee and Organizational Development staff. The Facilities Services Training Office has scheduled a series of required courses for all custodial supervisors to be completed by September 2012.

Core courses will be reviewed annually by the Facilities Services Training Office and Custodial management to fulfill current and future needs. The Facilities Services Training Office will make initial course assignments through TrainTraq. During the annual performance evaluation process, additional training requirements will be identified specific to each supervisor’s needs. Custodial management and the Facilities Services Training Office will monitor training and provide a status report to Facilities Services management on a quarterly basis.

Target date: September 30, 2012.
BASIS OF REVIEW

Objective

The objective of the audit was to review the processes and controls in place within the Facilities Services - Administration and Custodial Services division to determine if resources are used efficiently and effectively and in compliance with laws, policies, regulations and rules.

Criteria

Our audit was based upon standards as set forth in the System Policy and Regulation Manual of the Texas A&M University System, the Texas Health and Safety Code, Texas A&M Rules and Procedures, Texas A&M Facilities Services’ Standard Operating Procedures, and other sound administrative practices. This audit was conducted in conformance with the Institute of Internal Auditors’ “International Standards for the Professional Practice of Internal Auditing.”

Additionally, we conducted this performance audit in accordance with generally accepted government auditing standards. 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.

Background

Facilities Services - Administration and Custodial Services is comprised of the following areas: Accounting, Custodial Services, Information Management Services, Personnel and Payroll, Policy and Leave Administration, and Training. These areas perform functions that support the employees and day-to-day operations of Facilities Services. Custodial Services provides cleaning services for 312 facilities on the University campus (approximately 12.6 million gross square feet), helping to maintain a healthy, safe, attractive learning environment for students, faculty, and staff. Administrative and Custodial Services employs approximately 30 people in the Administrative area and approximately 340 people in the Custodial Services area. The fiscal year 2011 Administrative and Custodial Services operating budget totaled approximately $15.4 million.
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The Texas A&M University System Internal Audit Department

Second Quarter Report for Fiscal Year 2012

TEXAS A&M UNIVERSITY - COMMERCE

Review of Environmental Health, Safety, and Security

Catherine A. Smock, C.P.A.
Chief Auditor

Project #20122101
PROJECT SUMMARY

Overview

Overall, Texas A&M University – Commerce’s controls and processes over environmental health, safety and security operations provide reasonable assurance that a safe environment exists for students, faculty, staff, and visitors and that the University is in compliance with relevant laws, policies, regulations, and rules. Management is committed to creating and maintaining a safety conscious culture within the University. Opportunities for improvement were noted in the areas of criminal history background checks for voluntary camp personnel, safety inspection monitoring and reporting, chemical inventory and storage, performance measures, and communication of the safety program.

Environmental health and safety is under the responsibility of the Department of Risk Management and Safety while security is under the responsibility of the University Police Department. The Department of Risk Management and Safety has three full-time employees and the University Police Department has 18 full-time employees.

Summary of Management’s Response

Texas A&M University - Commerce, through the Department of Risk Management and Safety, will continue to enhance and improve all work processes to ensure that a safe environment for students, faculty, staff and visitors is a viable part of the campus experience.

Scope

The review of environmental health, safety and security at Texas A&M University – Commerce focused on the areas of safety inspection monitoring and reporting, student safety training, Clery Act reporting, chemical administration, student activities, regulatory compliance, benchmarking of University Police Department staffing levels, and the reporting structure of the Safety Office. The audit covered the period from September 1,
2010 to September 30, 2011. Fieldwork was conducted from October to November, 2011.
OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

1. Criminal History Background Checks

Observation

Criminal history background checks or screenings are not conducted on non-University camp personnel. The University recommends, rather than requires, that camp directors perform background checks on non-University camp personnel. By not conducting criminal history background checks on all camp personnel, the risk of injury or abuse of camp participants and corresponding liability for the University is increased.

Recommendation

Require criminal history background checks on all camp personnel including volunteers prior to them working at the camp.

Management’s Response

As part of implementation, background checks will be conducted for anyone interacting with camp participants. Additionally, all camp personnel will be required to complete molestation awareness training. Implementation by June 2012.

2. Safety Inspection Monitoring and Reporting

Observation

The University has implemented procedures to support its safety inspection process, and the Department of Risk Management and Safety (RMS) conducts periodic safety inspections of all campus facilities. However, the following issues were noted during our review of the safety inspection process:

- RMS does not use a risk-based approach for scheduling safety inspections; instead, the inspection schedule is based upon an alphabetical listing of campus facilities inspected on a rotational basis. Certain facilities are more risky than others, so a risk-based approach would provide better inspection coverage of the University’s riskiest facilities.
2. Safety Inspection Monitoring and Reporting (cont.)

- RMS’s safety inspection procedures lack specific guidance on the completion and submission of inspection reports to responsible personnel (e.g., laboratory, department heads, deans, etc.). They do not provide information on a formal follow-up inspection process to ensure the implementation of recommendations or resolution of identified safety deficiencies in a timely manner. Additionally, RMS procedure CP – 09 Lab Coordinator Inspections appears to only apply to lab coordinators in the Science and Technology Center. However, there are other campus departments with laboratory-type facilities that have exposure to hazardous chemicals and machinery (art studios, agriculture shops, etc.) that may also benefit from weekly safety inspections. As required by CP-09, all lab coordinators are not conducting weekly lab inspections.

- RMS did not conduct monthly safety inspections at the Arts and Sciences facilities between February 25, 2011 and June 16, 2011 as required by RMS procedure CP – 03 Safety Inspections. RMS does not have a tracking mechanism in place to ensure completion of the monthly inspections.

- RMS retained safety inspection reports indefinitely; however, according to RMS procedure CP – 09 Lab Coordinator Inspections, copies of departmental inspection results recommend retention for a minimum of one year. The A&M System Records Retention Schedule requires inspection records retained from the inspection date or date of the correction of the deficiency plus three years. RMS was not aware of the records retention requirement for inspection records.

- The University’s fume hoods and other safety equipment, such as eyewash stations and emergency showers, have not received periodic inspections to ensure proper functionality and safe operation. RMS did not take steps to ensure a vendor was hired to conduct safety inspections of fume hoods, emergency showers, and eye wash stations.

Recommendation

Strengthen internal controls over safety inspections by:

- Developing a risk-based safety inspection schedule for campus facilities (especially laboratories, shops, and studios) with chemical and physical hazards to determine the inspection frequency necessary to ensure a safe working environment.
2. Safety Inspection
Monitoring and Reporting (cont.)

- Updating RMS’s safety inspection procedures to include documentation of inspection results and distribution of reports to all responsible parties of the safety issues identified and implementation of a formal follow-up inspection process that includes formal tracking and monitoring of the inspection report recommendations, for deficiencies not corrected at the time of initial inspection, and to ensure appropriate steps are taken to correct identified deficiencies in a timely manner. Results of follow-up inspections should include documentation and submission to the appropriate level of University management.

- Reviewing RMS procedure CP-09 Lab Coordinator Inspections and determine if it should apply to other departments across campus. Monitor departmental lab coordinators to ensure that departmental lab inspections are occurring as required.

- Complying with RMS procedure CP-03 Safety Inspections that requires RMS staff to conduct random monthly inspections of the Arts and Sciences facilities.

- Complying with the A&M System Records Retention Schedule for safety inspection reports.

- Hiring an outside vendor to inspect safety equipment (especially fume hoods and emergency showers) on a periodic basis to ensure the safe operation of this equipment.

Management’s Response

- Implementation of the Safety Committee would include the development of a risk-based assessment for campus facilities. Implementation by May 2012.

- Inspection procedures will be updated and revised to include all relevant information and suggestions. Implementation by May 2012.

- RMS staff will begin conducting random monthly inspections of the Arts and Sciences facilities. Implementation by May 2012.

- Compliance with the A&M System Records Retention Schedule for safety inspection reports was implemented in December 2011.

- An outside vendor has been engaged to inspect safety equipment (especially fume hoods and emergency showers) on
2. Safety Inspection
Monitoring and Reporting (cont.)

Improvements should be made to strengthen controls over the handling and storage of hazardous chemicals.

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Improvements should be made to strengthen controls over the handling and storage of hazardous chemicals.

2. Safety Inspection
Monitoring and Reporting (cont.)

This will ensure the safe operation of this equipment. Implemented in December 2011.

3. Hazardous Chemical Inventory and Storage

Observation

One of the five departments (Ceramics) selected for testing did not have a hazardous chemical inventory listing available for review. Three of the four departments (Photography, Chemistry, and Biology) selected that had a chemical inventory listing available did not include current quantities. Weaknesses were noted in the storage of hazardous chemicals in the Chemistry Department's chemical stockroom located in the Science and Technology Center. This stockroom had chemicals stored above eye level and on shelves that would not effectively prevent accidental spills. Additionally, a closet of chemicals containing some controlled substances were found in the custody of a Chemistry Department employee with little knowledge about the substance. In addition, the substances had not been subjected to a periodic inventory.

Currently, the University does not require departments to maintain the quantity-on-hand for hazardous chemicals unless the chemical meets the annual Tier II reporting threshold. The University's current web-based chemical inventory management system (MSDS Online) maintains a comprehensive listing of all chemicals across campus; however, it does not currently track quantities. Implementation of the last phase of MSDS Online would allow the University to perpetually monitor chemicals. However, a formal plan has not been put into place to ensure the implementation is completed timely. Best inventory management practices include conducting physical inventories on a periodic basis and recording the quantity-on-hand.

According to the University's Lab Safety Guidelines, proper chemical storage is as important to safety as proper chemical handling. It also recommends maintaining an inventory of all chemicals in storage to ensure safe chemical storage. The University is aware of these hazards and has begun addressing them.

Recommendation

Develop a timeline to ensure implementation of the last phase of the web-based inventory management system (MSDS Online). The
3. Hazardous Chemical Inventory and Storage (cont.)

Implementation of this phase will allow the University to perpetually monitor the quantity of chemicals in inventory.

Develop procedures to ensure periodic inventory of all controlled substances, and the maintenance of accurate records of receipt and issuance for accountability.

Management’s Response

The last phase of the implementation of MSDS Online will include individual rooms and printable quantities, as well as procedures to ensure periodic inventory of all controlled substances, and the maintenance of accurate records of receipt and issuance for accountability. Implementation by May 2012.

4. Goals, Objectives and Performance Measures

Observation

RMS did not have a consistent listing of goals and objectives as related to performance measures, milestones, and activities for fiscal year 2011. The auditors were provided with multiple variations of performance measures from different sources. The Weave Online system had one set of goals, objectives, and related performance measures, while RMS provided a different set of goals and objectives that did not include related performance measures. The absence of current goals, objectives and performance measures increases the risk that management cannot hold departments accountable for the performance of their operations.

Recommendation

Establish consistent goals, objectives and related performance measures for RMS.

Monitor performance on a routine basis and effectively communicate results to management and University department personnel.

Management’s Response

Risk Management and Safety will work with management to implement a uniform set of goals, objectives and performance measures. Performance will be monitored and communicated to both management and department personnel. Implementation by August 2012.
5. Communication of the Safety Program

Observation

The University lacks a committee specifically charged with addressing environmental health and safety issues. The University does not have an active committee charged with discussing and addressing current and future environmental health and safety issues. A safety committee is a very valuable tool to help management provide a safe environment for faculty, staff, students and visitors, and is in place at several A&M System members. The safety committee is comprised of representatives from across campus and some of the tasks involved include discussing and resolving employee safety concerns, keeping safety awareness at a high level, and creating procedures to ensure a safe working environment.

In addition, RMS does not identify building proctors to effectively communicate safety and security emergencies in and across campus buildings. This increases the risk that safety and security operations do not have readily available building contact information in the event of an emergency in specific locations or buildings on the campus.

Recommendation

Consider establishing a safety committee with representatives from across the campus to discuss and take actions on current and future environmental health and safety issues to ensure the University takes a pro-active role in maintaining a safe and secure environment for students, faculty, staff, and visitors.

Assign building proctors and alternates at campus facilities to ensure that safety and security functions have readily available contacts between and across campus departments. Provide training to the building proctors to include an understanding of their responsibilities to effectively and efficiently communicate environmental health, safety, and security issues.

Management’s Response

- A proposal to establish a safety committee on campus is under development. Committee membership/responsibilities will be part of the proposal submitted to administration for review and approval. Implementation by May 2012.

- Upon approval of the Emergency Operation Plan, the Building Emergency Manager Program will be submitted for review and approval. Implementation by May 2012.
BASIS OF REVIEW

Objective

Review the processes and controls over environmental health, safety and security to determine if resources are used efficiently and effectively to provide reasonable assurance that a safe environment exists for students, faculty, staff and visitors. Determine compliance with laws, policies, regulations and rules relevant to environmental health, safety and security.

Criteria

Our audit was based upon standards as set forth in the System Policy and Regulation Manual of the Texas A&M University System, Texas A&M University – Commerce Rules and Procedures; the Treadway Commission’s Committee of Sponsoring Organization’s Internal Control – Integrated Framework (COSO); federal and state laws; and other sound administrative practices. This audit was conducted in conformance with the Institute of Internal Auditors’ “International Standards for the Professional Practice of Internal Auditing.”

Additionally, we conducted this performance audit in accordance with generally accepted government auditing standards. 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.

Background

The Risk Management and Safety Office and the University Police Department comprise the two most significant elements of the safety and security functions at Texas A&M University - Commerce. Both functions employ personnel who help carry out the safety and security mission statement, which is to provide and maintain a healthy, safe and secure environment for students, faculty, staff, and visitors. The safety and security function encompasses several operations, including promoting safety and security awareness, establishing best safety practices, complying with regulatory agencies, assisting with emergency preparation and response, preserving and protecting the environment, targeting crime prevention, and reporting and addressing criminal activity.
The safety and security functions have twenty-one staff (three in Risk Management and Safety, and eighteen in the University Police Department). In fiscal year 2011, the annual operating budget was approximately $1.3 million ($254,000 for the Risk Management and Safety Office and $1.2 million for the University Police Department).
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Second Quarter Report for Fiscal Year 2012

TEXAS A&M UNIVERSITY

Review of Export Controls

Catherine A. Smock, C.P.A.
Chief Auditor
PROJECT SUMMARY

Overall, the export control processes at Texas A&M University provide reasonable assurance that the University is in compliance with applicable export control laws, policies, regulations and rules. Compliance requires involvement from employees throughout the University. A strong network appears to have been established through the identification of specific units where export control issues are commonly identified and the education of people in those units regarding export control requirements. Opportunities for improvement related to export control monitoring, training, and facility identification were identified that could help the University continue to meet the challenges of effectively managing increasingly complex export control requirements.

Summary of Management’s Response

The Division of Research continues to make enhancements to the University’s export control program. Specific enhancements are planned in the areas of export control monitoring, training and facility identification.

Scope

The review of export controls focused on determining if requirements in the A&M System policy and University rule related to export controls had been met, if controls and procedures were in place for University units identified by the Export Control Task Force, and if the University had a process for providing export control training to the University community. In addition, export controls regarding research proposals, restricted party screenings, attestation forms, and laboratory/facility security along with documentation retention requirements were also reviewed. The audit period focused primarily on activities from September 1, 2010 through June 30, 2011. Fieldwork was conducted from August to October 2011.

Export Controls

Export control regulations are federal laws that prohibit the unlicensed export of certain commodities or information for reasons of national security or protections of trade. Export control governs shipment, transmission, or transfer of certain regulated items, information or software to foreign persons or entities.
OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

1. Export Control Monitoring

Observation

A strong export control monitoring function will be pivotal to ensuring risks are managed in the decentralized Export Control Compliance Program.

Mechanisms for monitoring the University’s decentralized components of export controls are not yet in process. The Export Control Compliance Manual does provide guidance that internal reviews of all aspects of the University’s Export Control Program may be performed; however, as of test work, export controls procedures in decentralized areas were either recently completed or in final stages of completion, thus the opportunity for monitoring was limited. Due to the greatly decentralized nature of the Export Control Compliance Program, a strong monitoring program will be imperative in ensuring the University and individuals are adhering to all export control requirements. Sanctions for violating export control laws, which can be imposed upon both the University and individual, can include loss of research funding, loss of export privileges and civil and criminal penalties including imprisonment.

Recommendation

Ensure a strong export control monitoring function is developed to provide sufficient oversight to the Export Control Program, particularly for decentralized functions. Ensure those decentralized areas which have not yet completed development of export controls processes do so in a timely manner.

Management’s Response

The current monitoring plan, referenced in the Export Control Compliance Manual, will be enhanced to include components to coordinate monitoring and completion of processes in the Office of Sponsored Research Services, distance education, international activities, accounts payable, and Texas A&M University - Qatar.

Anticipated completion of plan and processes, and implementation of monitoring: August 31, 2012.
2. Detailed Training on Export Controls

Observation

While a high level export controls training program is in place, the training program could be further enhanced through development of additional training for targeted areas responsible for specific portions of export controls. Detailed training for individual areas would allow those employees to gain deeper knowledge of their responsibilities in regards to export controls that are not provided for in the high level training. Export controls at the University are a largely decentralized function that relies on numerous employees in numerous areas to be able to identify export controls issues and respond appropriately. Thorough, specific training will help establish the framework for an effective, decentralized export controls program.

Recommendation

Consider developing export control training specific to individual areas responsible for or affected by export control functions. To be the most effective, training should be taken timely and on a recurring basis by new and current employees within the specific units.

Management’s Response

The Office of Research Compliance and Biosafety will enhance its training plan to ensure timely training by affected employees, in coordination with other appropriate offices. The training plan will address supplemental training for specifically identified areas. Anticipated completion of enhanced plan: June 30, 2012

Enhanced training will be developed for the Qatar campus, specifically, online training to address the unique export control requirements of Texas A&M University - Qatar. Anticipated completion of the Texas A&M University - Qatar enhanced online training program: August 31, 2012

Procard training will be enhanced to provide an export control component. Anticipated completion of supplemental export control compliance component: August 31, 2012.
3. Requirements for Facilities Housing Secure Research

Observation

University facilities and laboratories housing projects or research which may require export control measures have not been identified to ensure export control provisions are in place. The focus of the Export Control Task Force, in place since January 2009, was overall development of an export control program, including establishment of regulations, rules, procedures, and dissemination of information to the University community. Specific guidelines for facilities and laboratories housing secure research had not yet been completed. The Export Control Program Coordinator had been in place approximately two months as of test work and had not had the opportunity to address this particular area. Sufficient controls are necessary to enforce compliance and in turn reduce the risk of export control violations.

Recommendation

Identify and maintain a listing of facilities and laboratories where export controlled projects or research are in process. Provide guidance to those overseeing these areas regarding what controls should be in place to address export control requirements.

Management’s Response

A facilities identification procedure is in development as are standard guidelines for export controlled facilities. The procedure will include a mechanism to maintain a list of facilities and laboratories where export controlled projects or research are in process. Anticipated completion of the procedure including the list and guidelines: August 31, 2012.
BASIS OF REVIEW

Objective

The objective of the audit was to review export controls at the University to determine if processes are in place to ensure compliance with laws, policies, regulations and rules.

Criteria

Our audit was based upon standards as set forth in the System Policy and Regulation Manual of the Texas A&M University System; Texas A&M University Rules; United States Department of Commerce Export Administration Regulations; United States Department of State International Traffic in Arms Regulations; United States Department of the Treasury Office of Foreign Assets Control; and other sound administrative practices. This audit was conducted in conformance with the Institute of Internal Auditors’ “International Standards for the Professional Practice of Internal Auditing.”

Additionally, we conducted this performance audit in accordance with generally accepted government auditing standards. 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.

Background

The University established an Export Control Task Force in January 2009 to address the need for a University Export Control Compliance Program. An A&M System policy and a University rule regarding export controls were drafted and became effective as of September 2009 and May 2011, respectively. An Export Control Program Coordinator was hired in August 2011 and the Export Control Compliance Manual was finalized in September 2011. The University’s Export Control Compliance Program encompasses all export control considerations across the University, including the Galveston and Qatar campuses. The System policy, University rule, and Export Control Compliance Manual provide University personnel with guidance for mitigation of export control risks.
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