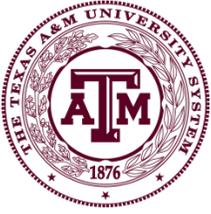


The Texas A&M University System Internal Audit Department

MONTHLY AUDIT REPORT



June 17, 2016



The Texas A&M University System Internal Audit Department
June 2016

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Review of Health, Safety and Environmental Management



System Internal Audit

THE TEXAS A&M UNIVERSITY SYSTEM

TEXAS A&M TRANSPORTATION INSTITUTE

Review of Health, Safety and Environmental Management

June 17, 2016

**Charlie Hrcir, C.P.A.
Chief Auditor**

Project #20161201



Overall Conclusion

The processes and controls established over the health, safety and environmental management operations at Texas A&M Transportation Institute (TTI) provide reasonable assurance that a safe environment exists for faculty, staff, and visitors. Opportunity for improvement was noted in the monitoring of building safety inspections.

Areas Reviewed

- Safety Inspections
- Employee Safety Training
- Environmental Management

Detailed Results

Monitoring of Building Safety Inspections

Improvement is needed in the monitoring of building safety inspections to ensure that inspections are being performed and deficiencies are resolved in a timely manner. Four of 13 (31%) TTI buildings were not inspected during 2015. Four of eight (50%) fire and life safety inspection reports reviewed had deficiencies that were not corrected at the time of the audit. While one report had 11 outstanding deficiencies, the other three reports had only one or two deficiencies. TTI contracts with Texas A&M University's Environmental Health and Safety Department (EHSD) for safety inspection services, and as part of that contract, EHSD is responsible for submitting work orders to address deficiencies identified during the inspections. TTI's Facilities, Safety and Support Services (FSS) were unaware that all buildings had not been inspected in 2015 and that all deficiencies identified on the inspection reports had not been corrected. FSS did not closely monitor inspection reports to ensure the contracted services (inspections, work orders, etc.) were performed as expected. According to FSS personnel, there have been personnel changes at FSS and EHSD, in addition to inconsistencies in the inspection report process.

Texas A&M Supplemental Risk Management Standards require that safety deficiencies be identified and addressed through inspections. The Texas A&M University Safety Manual states, "At the conclusion of the inspection a report is generated and sent back to the building occupants for them to take necessary actions to remediate any inspection deficiencies." Without an effective safety inspection process there is a greater risk of injury to faculty, staff, and visitors along with property damage.

Recommendation

Enhance monitoring of contracted services to ensure all buildings are inspected and deficiencies are corrected in a timely manner.

Management's Response

TTI agrees with the recommendation to enhance monitoring of contracted services to ensure all TTI buildings are inspected and deficiencies are corrected in a timely manner. TTI is implementing enhanced procedures to monitor contracts, track inspections, and ensure timely corrections of deficiencies. Implementation of these changes will be completed by November 30, 2016.

Basis of Review

Objective and Scope

The overall objective of this audit was to review and assess the controls and processes over health, safety and environmental management operations at Texas A&M Transportation Institute (TTI) to ensure that they provide reasonable assurance that a safe environment exists for faculty, staff, students, and visitors. The review of health, safety and environmental management at Texas A&M Transportation Institute focused on safety inspections, employee safety training, and environmental management. The audit period focused primarily on activities from January 1, 2015 to December 31, 2015. Fieldwork was conducted from January to February 2016.

Methodology

Our review methodology included interviews, observation of processes, review of documentation, and testing of data using sampling.

To determine that new employee safety, motor vehicle operation, and travel safety training was completed in compliance with TTI's rules and procedures, auditors selected a non-statistical sample of 30 employees through random judgmental selection designed to be representative of the population.

To determine that employee hazardous communication safety training was completed in compliance with A&M System policies and regulations and TTI rules and procedures, auditors selected a non-statistical sample of 15 employees through random selection designed to be representative of the population.

Criteria

Our audit was based upon standards as set forth in Texas A&M University System Policies and Regulations; Texas A&M Transportation Institute Rules and Procedures; the Treadway Commission's Committee of Sponsoring Organization's Internal Control – Integrated Framework (COSO); 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.

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