PROJECT SUMMARY

Overall, Texas A&M University has controls in place to provide reasonable assurance that rules and procedures are clear, concise, communicated to constituents, and in compliance with state law. Opportunities for improvement include ensuring that rules and procedures are current and Internet hyperlinks are accurate within the rules and procedures.

The Texas A&M University rule structure consists of approximately 124 rules and 105 standard administrative procedures and is published online. The rules and procedures provide the University with current governance standards for the University community, clarify roles and responsibilities, mitigate compliance risks, and support University strategic objectives. The Office of University Risk and Compliance coordinates the overall process. The University Rules Team serves as a review board for all new and revised rules and procedures while various offices of responsibility draft and update the rules and procedures.

OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

1. Timeliness of Rules and Procedures Review Process

Observation

The University’s rules and procedures are not on a formal schedule of review. The current informal review cycle does not ensure rules and procedures are current. Each year, University Risk and Compliance (URC) will contact each office of responsibility to initiate a review for rules and procedures that have not been reviewed in the last three years. The office of responsibility may or may not conduct a review and notify URC. If confirmation of the review is not received by URC, the review date is not changed and the review request is initiated again the next year. In addition, when revisions are necessary, the office of responsibility has no specific timeline to submit the revision.
Our testing determined that 11 of 30 (37%) University rules and procedures reviewed were not current or reviewed within the last three years. Additional analysis of the last review date for all 229 University rules and procedures further indicated that 118 (52%) had not been reviewed in over three years. The oldest review date went back to February 1996.

**Recommendation**

Establish a formal process to periodically review University rules and procedures. Determine if a formal process should include faculty rules. Consider incorporating such a process in University Rule 01.01.01.M1, Development and Approval of Texas A&M University Rules, to parallel the requirement in System Policy 01.01 to periodically review System policies.

**Management's Response**

*Texas A&M University is committed to maintaining current governance. A formal review process will be established and a determination will be made if the formal process will include faculty rules. We plan to incorporate the process in the University's formal governance documents. The target date is February 28, 2011.*

2. **Hyperlinks in New and Revised Rules and Procedures**

**Observation**

The University has a process in place to reasonably ensure new or revised rules are clear, concise, and processed in accordance with System policy and University rules. The one exception area identified is that some Internet hyperlinks found in rules and procedures were not accurate as the link no longer connects to the intended information. Users may not be able to fully understand the related rule or procedure if they are unable to access information related to the rule or procedure due to broken links or links that no longer connect to the specific information. URC uses a Web Link Validator Report from Computer Information Services to identify broken links in the rule/procedure database; however, this report does not identify links that are not correct.

**Recommendation**

Develop procedures to improve the identification and correction of Internet links that no longer function or accurately connect to information referenced in the rules and procedures.
Management’s Response

University Risk and Compliance will develop procedures that collectively work to improve identification of hyperlink errors and facilitate corrections. The target date for these actions is August 31, 2010.

BASIS OF REVIEW

Objective and Scope

The objective was to review and assess the University’s processes for the development and evaluation of University rules and standard administrative procedures. Also determine whether rules and procedures are clear, concise, communicated to constituents, regularly reviewed, and in compliance with state law. The review of rules and procedures focused on the rule and procedure development and maintenance processes as coordinated by the Office of University Risk and Compliance. Activities related to these areas were reviewed for the period of September 2008 to February 2009.

Criteria

Our audit was based upon standards as set forth in the System Policy and Regulation Manual of the Texas A&M University System and other sound administrative practices. This audit was performed in compliance 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

As in accordance with A&M System Policy 01.01, the President of Texas A&M University has established University rules and procedures and delegated the responsibility to the Office of University Risk and Compliance to coordinate the development, review, routing for approval, and distribution of new and revised
University rules and procedures, including those of Texas A&M University at Galveston and Texas A&M University-Qatar.

Member rules are established to provide direction and guidance in conducting operational activities, clarify roles and responsibilities, mitigate compliance risks, and support strategic objectives. As the University processes evolve or change, it is necessary to provide consistent, approved written guidance to the University community.
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