



An Audit Report on

# Selected Performance Measures at the Texas Facilities Commission

- Factors prevented certification for all performance measures tested.
- The Commission's controls over its performance measure processes had significant weaknesses.

Lisa R. Collier, CPA, CFE, CIDA  
State Auditor

The Texas Facilities Commission (Commission) had significant control weaknesses over its performance measure processes; as a result, all five key measures tested for fiscal year 2024 were designated as **factors prevented certification**. For three measures, the Commission did not have accurate populations, and it did not have accurate costs to use in the calculations for two measures. Additionally, for four of five measures tested it did not follow the definitions recorded in the Automated Budget and Evaluation System of Texas (ABEST).

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*This audit was conducted in accordance with Texas Government Code, Section 2101.038.*

## CERTIFICATION RESULTS

The five performance measures auditors tested could not be accurately recalculated. As a result, factors prevented certification for those performance measures.

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## DATA COLLECTION AND CALCULATION

The Commission did not have accurate populations of maintenance requests and encumbrances or accurate costs to use in its performance measure calculations.

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## POLICIES, DEFINITIONS, AND APPROVALS

The Commission did not have documented and approved policies over its performance measure processes. It deviated from definitions in ABEST, and it did not properly approve one measure.

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For more information about this audit, contact Audit Manager Hillary Eckford or State Auditor Lisa Collier at 512-936-9500.






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## Certification Results

The five performance measures tested could not be accurately recalculated. As a result, all five performance measures tested were designated as **factors prevented certification**. Figure 1 summarizes the certification results.

Figure 1

### *Summary of Performance Measure Results at the Commission*

Performance Measure	Fiscal Year	Result Reported in ABEST <sup>a</sup>	Certification Result <sup>b</sup>
Average Number of Days to Respond to Maintenance Requests	2024	1.02	
Average Number of Days to Complete Maintenance Requests	2024	7.84	
Cost Per Square Foot of All Management, Maintenance and Operations in TFC-Managed Facilities Funded by General Revenue and Located within Travis and Surrounding Counties	2024	1.39	
Cost Per Square Foot of All Management, Maintenance and Operations in TFC-Managed Facilities Funded by General Revenue and Located outside Travis and Surrounding Counties	2024	2.64	
The Percentage of Maintenance and Renewal Appropriations Encumbered and Under Contract	2024	44.50	

<sup>a</sup> The measures are reported quarterly; the amount shown in the table is the final year-to-date amount. ABEST is the Automated Budget and Evaluation System of Texas.



<sup>b</sup> A **factors prevented certification** designation is used when either (1) documentation/data is unavailable, (2) controls are not adequate to ensure accuracy, or (3) there is a deviation from the measure definition and results cannot be determined by auditors.

## Summary of Management’s Response

Auditors made recommendations to address the issues identified during this audit, provided at the end of each chapter in this report. The Commission agreed with the recommendations.

# Background Information

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## State of Texas Performance Measures

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State agencies and higher education institutions (entities) are required to develop strategic plans in accordance with instructions from the Governor's Office of Budget and Policy and the Legislative Budget Board (LBB). The instructions require entities to list goals, objectives, strategies, and performance measures. The performance measures evaluate an entity's effectiveness, efficiency, and the quantity of goods and services delivered, and may also provide explanatory information. Additionally, the instructions require that a performance measure's definition include an explanation of the measure and the methodology for its calculation.

Entities report results for their key performance measures quarterly or annually, depending on the measure type, to the LBB using the Automated Budget and Evaluation System of Texas (ABEST). Key performance measures are:

- Budget drivers that are generally externally focused;
- Closely related to the goals identified in the statewide strategic plan; and
- Reflective of the characteristics of good performance measures.

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## The Texas Facilities Commission's Performance Measures

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The Texas Facilities Commission (Commission) supports the State of Texas through strategic facilities planning; asset management; and the design, construction, operation, maintenance, and leasing of state facilities. The Commission provides property management, repair, renovation, maintenance, custodial, grounds, and utility services for its building inventory.

**Performance Measures Selected.** For fiscal year 2024, the Department had 10 key performance measures in the General Appropriations Act, page I-48 (88th Legislature). The State Auditor’s Office selected 5 (50 percent) of those 10 measures for testing. Figure 2 summarizes the five measures selected.

Figure 2

### *Key Performance Measures Selected for This Audit*

Performance Measure	Reporting Year and Frequency	Fiscal Year 2024 Target Performance <sup>a</sup>	2024 Result Reported in ABEST
Average Number of Days to Respond to Maintenance Requests	2024 Quarterly	1.00	1.02
Average Number of Days to Complete Maintenance Requests	2024 Quarterly	10.00	7.84
Cost Per Square Foot of All Management, Maintenance and Operations in TFC-Managed Facilities Funded by General Revenue and Located within Travis and Surrounding Counties	2024 Quarterly	2.60	1.39
Cost Per Square Foot of All Management, Maintenance and Operations in TFC-Managed Facilities Funded by General Revenue and Located outside Travis and Surrounding Counties	2024 Quarterly	2.80	2.64
The Percentage of Maintenance and Renewal Appropriations Encumbered and Under Contract	2024 Quarterly	40.00%	44.50%

<sup>a</sup> The measures are reported quarterly; the amount shown in the table is the final year-to-date amount.

Source: The LBB.

## Certification Designations for Performance Measures

Auditors assign certification designations based on a combination of the audit results that determined (1) the accuracy of the results reported, (2) the existence of controls over the performance measurement system, and (3) the effectiveness of the controls tested. The certification of a performance measure is classified as one of the four categories described in Figure 3 on the next page.

Figure 3

### *Performance Measure Certifications*



**Certified.** Reported performance is accurate within 5 percent of actual performance and controls to ensure accuracy were identified over the activities for collecting, calculating, and reporting performance data.



**Certified with qualification.** Reported performance is accurate within 5 percent of actual performance but (1) weaknesses were identified with one or more controls over collecting, calculating, and reporting performance measure data and/or (2) the state entity deviated from the measure definition when calculating the results.



**Inaccurate.** This designation is used when (1) actual performance is +/- 5 percent or greater than reported performance or (2) when the agency deviated from the measure definition resulting in actual performance being +/- 5 percent or greater than reported performance or (3) when there is a 5 percent or greater error rate in the accuracy of the sample of documentation tested.



**Factors prevented certification.** This designation is used when either (1) documentation/data is unavailable, (2) controls are not adequate to ensure accuracy, or (3) there is a deviation from the measure definition and results cannot be determined by auditors.



## Chapter 1

### Data Collection and Calculation

The Commission had significant control weaknesses for all five performance measures tested, including a lack of documented and approved policies governing data collection and calculation. The Commission's overall lack of policies for performance measures is discussed in Chapter 2.

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**The Commission did not exclude preventive maintenance requests from its calculations for two performance measures tested, as required.**

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The Commission's Work Order System included internally generated preventive maintenance requests, such as rebaiting rodent traps, that according to the measure definition should be removed from its performance measure calculations for both the Average Number of Days to Respond to Maintenance Requests and the Average Number of Days to Complete Maintenance Requests. However, the Commission did not have an effective process to properly record, identify, and remove those requests. Specifically, the Commission included at least 2,279 preventive maintenance requests in its fiscal year 2024 calculations. Without a proper population of maintenance requests, those two measures could not be accurately recalculated.

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**The Commission did not accurately calculate the costs allocated to maintenance requests for two performance measures tested.**

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The Commission's cost allocation methodology used fiscal year 2018 expenditures for the fiscal year 2024 cost allocation calculations. In addition,

the Commission did not follow its cost allocation methodology and improperly allocated certain costs twice, such as approximately \$3.0 million in fringe benefits, and it excluded approximately \$6.8 million in other overhead costs. Without current and properly allocated costs, the following two measures could not be accurately recalculated:

- Cost Per Square Foot of All Management, Maintenance and Operations in TFC-Managed Facilities Funded by General Revenue and Located within Travis and Surrounding Counties.
- Cost Per Square Foot of All Management, Maintenance and Operations in TFC-Managed Facilities Funded by General Revenue and Located outside of Travis and Surrounding Counties.

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### The Commission did not implement a process to identify when maintenance and renewal funds were encumbered in its financial system.

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The Commission used a document to track and calculate the results for The Percentage of Maintenance and Renewal Appropriations Encumbered and Under Contract. However, the Commission did not have a process to verify that the encumbrances in the tracking document matched those encumbered in its financial system. As a result, the Commission included improper data, such as a \$19.2 million encumbrance, in its fiscal year 2024 calculations when that encumbrance was recorded in its financial system in fiscal year 2025. Without a process to help ensure the accuracy of the encumbrance data used in its calculations, this measure could not be accurately recalculated.

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## Recommendations

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The Commission should:

- Design and implement controls to properly:
  - Record preventive maintenance requests in its Work Order System.
  - Identify and remove preventive maintenance requests from its performance measure calculations.

- Follow its cost allocation methodology and revise its process to use the proper cost amounts.
- Design and implement a process to identify when the maintenance and renewal funds are encumbered in its financial system and use the results of that process to help calculate its performance measures.

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## Management's Response

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### **Design and implement controls to properly record preventive maintenance requests into its Work Order System.**

We will enhance the current Work Order System to include a designated field or categorization for preventive maintenance requests. This will ensure these requests are consistently recorded and differentiated from other types of maintenance activities. Standard operating procedures (SOPs) will be updated to provide clear guidance for staff on recording preventive maintenance requests. Training sessions will be conducted to ensure all relevant personnel are familiar with these updates.

We acknowledge the audit finding and agree with the recommendations provided. While we recognize that some preventive maintenance requests were inappropriately included in performance measure calculations, their inclusion did not materially affect the numbers reported.

Person Responsible: Facilities Management and Operations Director of Business Operations

Implementation Date: December 2025

### **Design and implement controls to properly identify and remove preventive maintenance requests from its performance measure calculations.**

A review of the current performance measure calculation process will be conducted to identify areas where preventive maintenance requests may be inappropriately included. We are developing a process to capture and exclude preventive maintenance requests from performance measure calculations, ensuring accuracy and compliance with audit expectations. Regular monitoring and reconciliation



processes will be established to validate that performance measures accurately reflect corrective maintenance activities only.

We acknowledge the audit finding and agree with the recommendations provided. While we recognize that some preventive maintenance requests were inappropriately included in performance measure calculations, their inclusion did not materially affect the numbers reported.

Person Responsible: Facilities Management and Operations Director of Business Operations

Implementation Date: September 2025

**Follow its cost allocation methodology and revise its process to use the proper cost amounts.**

A review of the current cost allocation methodology has already been initiated and will be used to revise the process and ensure the proper costs are used.

We acknowledge the audit finding and agree with the recommendation provided.

Person Responsible: TFC Chief Financial Officer

Implementation Date: October 2025

**Design and implement a process to identify when the maintenance and renewal funds are encumbered in its financial system and use the results of that process to help calculate its performance measures.**

Facilities Design & Construction manually tracks encumbrance and execution of Maintenance and Renewal Program (MRP) projects. The Division is in the process of implementing automated tracking of all projects within Projectmates (which includes MRP projects). While the current manual process provides reliable tracking and reporting, it is labor intensive and vulnerable to individual error or process deviation. The SAO signaled agreement with our automation plans.

Agree

Person Responsible: Director of Project Management

Implementation Date: August 2025

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## Auditor Follow-up Comments

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In review of management's responses, the auditors offer the following clarifications.

- **Management response to the first and second recommendations** (Design and implement controls to properly: (1) Record preventive maintenance requests into its Work Order System and (2) Identify and remove preventive maintenance requests from its performance measure calculations.)

The Commission's error rate for the Average Number of Days to Complete Maintenance Requests for the fiscal year-end 2024 reported amount was at least 6.48%. However, due to the lack of a proper preventive maintenance request population the entire amount of the difference could not be recalculated.

- **Management response to the second recommendation** (Design and implement controls to properly: Identify and remove preventive maintenance requests from its performance measure calculations.)

The audit methodology included work to verify that the Commission calculated its performance measures according to its measure definitions and did not include work to verify compliance with audit expectations.

- **Management response to the fourth recommendation** (Design and implement a process to identify when the maintenance and renewal funds are encumbered in its financial system and use the results of that process to help calculate its performance measures.)

The audit methodology did not include a review of the Commission's automation plans.

## Chapter 2

# Policies, Definitions, and Approvals

The Commission did not maintain proper performance measure definitions and policies, and it did not properly approve one of its performance measures.

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### The Commission did not document and approve certain performance measure policies.

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Policies were not in place for the data collection and calculation processes (discussed in Chapter 1) or for the approval processes. The *State Auditor's Office Guide to Performance Measure Management* states that agencies should have adequate performance measure policies. Proper design, approval, and implementation of those policies might have prevented the issues noted in this report and allowed the Commission to accurately calculate its measures.

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### The Commission deviated from the performance measure definitions in ABEST.

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Four of five measures tested had at least one deviation from their definitions in ABEST (see text box for additional information). For example, the Commission calculated the Average Number of Days to Complete Maintenance Requests using the average number of **workdays** instead of the weighted average number of days, as required by the definition. In addition, all non-preventive maintenance requests were included in the calculation instead of just those rated as priority, as required by the definition.

Additionally, the Commission's ABEST definition and calculations for one measure used the assignment date instead of a responded-to date. As a result, the Average Number of Days to Respond to a Maintenance Request indicated the time it took to assign the task to other Commission personnel and not the time it took to respond to the building tenant's request.

#### Measure Definition

A description of a performance measure that includes (1) what the measure is intended to indicate and why this is significant, (2) where the data comes from and how it is collected, (3) how the measure is calculated, (4) any limitations about the data, and (5) whether the data is cumulative or non-cumulative.

Source: *The State Auditor's Office Guide to Performance Measure Management* (2022 Edition) (SAO Report No. [23-314](#)).

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## The Commission properly approved four of five performance measures tested prior to their entry into ABEST.

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The Commission implemented a process that used standardized forms to gather the performance measure results from certain divisions each quarter. Those results were then sent to and approved by Commission management. The fifth measure tested, The Percentage of Maintenance and Renewal Appropriations Encumbered and Under Contract, was included on the wrong division's form. As a result, that measure was not properly approved for the fiscal year 2024 quarterly and year-to-date results.

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## Recommendations

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The Commission should:

- Document and approve policies governing its performance measure processes.
  - Accurately document its measure definitions in ABEST and calculate its measures using those definitions.
  - Obtain and document performance measure approvals from the management of the divisions that are responsible for calculating the performance measures.
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## Management's Response

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**Document and approve policies governing its performance measure processes.**

The Financial Services Division will assist programs in reviewing and testing its formal written procedures.

We acknowledge the audit finding and agree with the recommendation provided.

Person Responsible: Chief Financial Officer

Implementation Date: October 2025

**Accurately document its measure definitions in ABEST and calculate its measures using those definitions.**

Facilities Management and Operations (FMO) has been proactively engaged in refining our measures, starting with changes requested in FY22 for this biennium and continuing through current requests that are anticipated to take effect in the next biennium. In mid-March, we submitted change requests to our Budget team to address these points and clarify the measure definitions.

Management acknowledges that some discrepancies exist; however, we have been and continue to actively improve the ABEST descriptions to better reflect and describe our understanding of the intent of the measures. Regarding differences of opinion on definitions, management is making a good faith effort to report measures as accurately as possible, given the data and workflow limitations of our current work order system. Many of these issues had already been identified internally and were key in shaping the requirements for TFC's new work order system. The implementation of the new system, which is currently underway, will provide enhanced capabilities to better capture and report data used in measure calculations. These improvements will significantly support our ongoing efforts to ensure accuracy and alignment with defined standards.

Person Responsible: Facilities Management and Operations Director of Business Operations

Implementation Date: We anticipate correction of some deficiencies to be completed along with the implementation of the new work order system later this year. However, full correction on this item will require changes to our ABEST definitions and descriptions. Because this opportunity will not be available until FY27, full implementation will be complete in FY 28. We anticipate being fully implemented by the end of December 2027.

**Obtain and document performance measure approvals from the management of the divisions that are responsible for calculating the performance measures.**

While all supporting documentation for performance measures, including approvals, should be maintained by the responsible program area for future reference, the Financial Services Division will require those approvals be submitted along with final calculated measures for entry into ABEST.

We acknowledge the audit finding and agree with the recommendation provided.

Person Responsible: TFC Chief Financial Officer

Implementation Date: October 2025

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## Auditor Follow-up Comments

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In review of management's responses, the auditors offer the following clarifications.

- **Management response to the second recommendation** (Accurately document its measure definitions in ABEST and calculate its measures using those definitions.)

The audit methodology included work to verify that the Commission calculated its performance measures according to its measure definitions and did not include formulating opinions on those definitions.



## Appendix I

# Objectives, Scope, and Methodology

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## Objectives

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The objectives of this audit were to determine whether the Texas Facilities Commission:

- Accurately reported selected performance measure results to the Automated Budget and Evaluation System of Texas (ABEST).
- Had adequate controls over the collection, calculation, and reporting of its performance measures.

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## Scope

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The scope of this audit included five key performance measures that the Commission reported for all four quarters and the year-to-date for fiscal year 2024. The scope also included a review of significant internal control components related to the Commission's processes for collecting, calculating, and reporting performance measures.

**The following members of the State Auditor's staff performed the audit:**



- Michael Yokie, CISA (Project Manager)
- Link Wilson, CFE (Assistant Project Manager)
- Alariyah Burr
- Michael Bennet
- Victor Isoh
- Ann E. Karnes, CPA (Quality Control Reviewer)
- Hillary Eckford, CIA, CFE (Audit Manager)

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## Methodology

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We conducted this performance audit from September 2024 through January 2025 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. In addition, during the audit, matters not required to be reported in accordance with *Government Auditing Standards* were communicated to Commission management for consideration.

### Addressing the Audit Objectives

During the audit, we performed the following:

- Interviewed Commission management and staff to gain an understanding of the Commission’s process for collecting, calculating, and reporting key performance measures, including internal controls over the process.
- Identified the relevant criteria:
  - *The State Auditor’s Office Guide to Performance Measure Management* (2022 Edition) (SAO Report No. 23-314).
  - Department of Information Resources’ *Security Control Standards Catalog*, version 2.1
  - The Commission’s procedures.
- Tested logical access to the Commission’s Work Order System (System) and to certain files stored on the network.
- Recalculated and tested the Commission’s source and supporting documents to verify the accuracy of the numbers reported into ABEST and the effectiveness of controls over reporting performance.
- Assessed performance data results and assigned one of the following four designations: (1) certified, (2) certified with qualification, (3) inaccurate, or (4) factors prevented certification.



### Data Reliability and Completeness

Auditors (1) observed Commission staff extract requested data populations, (2) reviewed data queries, and (3) analyzed the populations for reasonableness and completeness. Auditors determined that the following populations were sufficiently reliable and complete for the purposes of this audit:

- Population of accounts with access to the System.
- Population of employees and their labor rates from the System.

Auditors obtained from Commission staff extracts of maintenance requests from the System. Because the System lacks the functionality to extract maintenance requests based upon their status at a specific prior date and time, the reliability of those extracts could not be determined.

## Appendix 2

### Related State Auditor's Office Reports

Figure 4

Report Number	Report Name	Release Date
<a href="#">23-314</a>	<i>The State Auditor's Office Guide to Performance Measure Management</i>	December 2022
<a href="#">23-002</a>	<i>An Audit Report on Contract Change Orders and Amendments at the Texas Facilities Commission</i>	September 2022
<a href="#">20-042</a>	<i>An Audit Report on Deferred Maintenance Projects at the Texas Facilities Commission</i>	August 2020



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The Honorable Dustin Burrows, Speaker of the House, Joint Chair

The Honorable Joan Huffman, Senate Finance Committee

The Honorable Robert Nichols, Member, Texas Senate

The Honorable Greg Bonnen, House Appropriations Committee

The Honorable Morgan Meyer, House Ways and Means Committee

## **Office of the Governor**

The Honorable Greg Abbott, Governor

## **Texas Facilities Commission**

Members of the Texas Facilities Commission

Mr. Mike Novak, Executive Director



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