

3.11.1

Physical Resources: Control of physical resources

The institution exercises appropriate control over all its physical resources.

Judgment

Compliant Non-Compliant Not Applicable

Narrative

Note: Text for all linked documents below can be increased/decreased for ease of reading by pressing your keyboard's Ctrl key while rotating the mouse wheel.

Angelo State University exercises appropriate control over all of its physical resources. Operational controls established by the state, the Texas Tech University System, and the institution help ensure that the institution manages its physical assets in a prudent and responsible manner.

MATERIALS MANAGEMENT

The ASU Office of Materials Management is responsible for managing, organizing, directing, and coordinating support for all functions related to materials management at ASU, including purchasing, contract administration, property management, central receiving and supply, mail services, print shop services, travel, and the historically underutilized business (HUB) program. ASU's Executive Director of Materials Management, who reports to the Vice President for Finance and Administration (VPFA), oversees the materials management functions in accordance with relevant ASU Operating Policies and Procedures, which provide guidelines for the acquisition, transfer, recording, and disposal of institutional assets in accordance with relevant state law and *The Rules and Regulations of the Board of Regents of the the Texas Tech University System (Regents' Rules)*. See, for example, ASU OP 14.12, Inventory and Property Management, and ASU OP 54.04, Purchase of Goods and Services. (For information about the Purchasing department and related policies, see Comprehensive Standard 3.10.3, Control of finances).

The Office of Materials Management determines the extent to which ASU's property management, procurement, and control processes are adequate and functioning in a manner that ensures the following:

- Risks are appropriately identified and managed
- Significant financial, managerial, and operating information is accurate, reliable, and timely
- Employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations
- Resources are acquired economically, used efficiently, and adequately protected
- Programs, plans, and objectives are achieved
- Quality and continuous improvement are fostered in the institution's control process

The office assesses its operations annually through participating in seminars offered by the Office of the Texas Comptroller on the State Property Accounting System, evaluating annual physical inventory results

with ASU department heads, and discussing best practices with personnel in the Texas Tech University System Office of Audit Services. The system-wide Office of Audit Services has been established to assist the Board of Regents and other units of the Texas Tech University System in identifying, avoiding, and mitigating risks (Section 07.02.1 *Regents' Rules*), including financial and other types of risks. For more information about this office, internal auditing processes, and examples of recent annual audit reports, please see Comprehensive Standard 3.10.3, Control of finances.

Capital Assets Management

As a state-supported institution of higher education, ASU must meet the requirements of personal property management specified in state law (Texas Govt. Code, Chapter 403, Subchapter L, Property Accounting). In accordance with this law, the Texas Comptroller of Public Accounts (State Comptroller) assumes responsibility for the accounting of all state property, and each state agency is required to designate a property manager to maintain required records and act as the custodian of all property possessed by the agency. ASU's designated Property Manager reports to the Executive Director of Materials Management and is responsible for the accountability of all of the institution's capital and controlled assets bought, transferred, or donated, in accordance with the policies and statutory requirements published by the Texas Office of the Comptroller in the State Property Accounting (SPA) Process User's Guide. Those policies include, but are not limited to, the following:

- Agency Head, Property Manager and Employee Responsibilities
- Tagging of Property
- Securing of Property
- Missing or Stolen Property
- Certification of Physical Inventory
- Inventory Verification Methods
- Condition of Asset
- Certification (Reconciliation) of State Property Accounting Fiscal Balances

The State Comptroller requires state agencies and institutions of higher education to annually reconcile ending balances in the State Property Accounting System with the capital asset note in the institution's annual financial report (AFR FY11, Note 2, Capital Assets).

Property Inventory

As required by state law and in accordance with ASU OP 14.12, Inventory of Property and Equipment, ASU follows property inventory procedures governed by regulations issued from the State Comptroller. ASU records, tags, and tracks assets meeting certain minimum values using a property inventory reporting system. Controlled items include electronic items valued between \$500 to \$4,999.99, such as cameras, camcorders, and computers, and, regardless of cost, all weapons and artwork. Capital assets are items with an original acquisition cost of \$5,000 or greater with an estimated useful life of one year or more.

ASU department heads are responsible for the day-to-day care of property located in their respective departments, and individuals have a fiduciary responsibility for university property in their care.

Department heads are responsible for completing the annual physical inventory process, which involves performing a physical inventory of all controlled and capitalized equipment and verifying the location of reportable tagged inventory assigned to the department. Department assets are assigned to department personnel and reconciled on a departmental property inventory list, and university assets are then compiled on the ASU Property Inventory List (ASU Property Inventory 2012). The Property Manager notes any additions, deletions, or other changes to the inventory list in the State Property Accounting System on a regular basis and reports missing inventory when recognized.

Surplus Property

Guidelines for disposing of property that becomes obsolete or useless for the needs and purposes of the department concerned are provided in ASU OP 14.14, Disposal of Surplus and Obsolete Property. In accordance with state law and the *Regents' Rules*, these procedures for handling surplus property vary depending on the nature of the property and include transferring to another department, state agency, or public school; storing for future use; or donating to charitable organizations.

FACILITIES MANAGEMENT

The office of Facilities Management is responsible for coordinating and performing routine, preventative, and deferred maintenance of ASU's physical assets. The Director of Facilities Management, who reports to the VPFA, oversees the department's services, which include building services, mechanical services, and grounds and custodial services. Policies governing facilities management are published in ASU OP Chapter 36, Facilities Management (ASU OP Manual).

Routine, Preventative, and Deferred Maintenance

Routine, preventative, and deferred maintenance is performed by Facilities Management personnel and managed using an automated system, the Facility Administration and Maintenance Information System (FAMIS). The FAMIS software is used to track and coordinate all maintenance activities, including associated costs, labor, and schedules. For more information about this system and ASU maintenance processes, please see Comprehensive Standard 3.11.3, Physical facilities.

Fleet Management

The Facilities Management Department also is responsible for managing ASU's vehicle fleet in accordance with the ASU Fleet Management Plan, as published in ASU OP 36.03, University Vehicles. This plan aligns with the Texas State Vehicle Fleet Management Plan, which was developed by the Texas Office of Vehicle Fleet Management in accordance with state law. The ASU plan provides detailed recommendations for the administration and operation of ASU's vehicle fleet to ensure appropriate management, use, and maintenance of the institution's vehicles.