



**OFFICE OF INTERNAL AUDITS**  
THE UNIVERSITY OF TEXAS AT AUSTIN

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**MEMORANDUM**

To: Dr. Jay C. Hartzell, President  
The University of Texas at Austin

From: Ms. Sandy Jansen, CIA, CCSA, CRMA  
Chief Audit Executive

Subject: Service Centers, Project # 22.035

Date: November 30, 2022

The Office of Internal Audits has completed an audit of Service Centers at The University of Texas at Austin (UT Austin). The objectives of the audit were to evaluate service center establishment and operating processes for opportunities to enhance controls and compliance with federal guidance.

**Conclusion**

There are opportunities for UT Austin to provide enhanced guidance and oversight for service center closures and to retain rate development records. Additionally, three services centers should be considered for closure.

**Recommendations**

*Service Center Sunset Reviews*

UT Austin should update guidance and evaluation criteria to help identify service centers that should be closed. Additionally, the Federal Costing team in Accounting and Financial Management should periodically evaluate centers for the need for continued existence and outline a process for closure.

*Rate Review Documentation*

Federal Costing should consider developing standard rate review documentation and data retention requirements. Currently, each service center maintains relevant documentation; however, inconsistent processes across campus and frequent employee turnover can result in loss of historical knowledge and support for established rates.

*Sunset Consideration*

The following service centers should be considered for sunset:

- Information Technology Services (ITS) Campus Solutions IT Service Commodity Storage – center has not been used in four years. The center remains open because of an inability to close its deficit.

Memorandum to President Hartzell

November 30, 2022

Page 2

- The Center for Electromechanics (CEM) Absent Time Pool – pool remains open but is no longer in use.
- The Department of Geological Sciences Stable Isotope Lab – center is no longer in use but remains open as a favor to a former PI who does not have a definitive return date to UT Austin. The center has not been used in at least two years.

cc: Mr. Darrell Bazzell, Senior Vice President and Chief Financial Officer  
Ms. Melissa Loe, Chief of Staff, Financial and Administrative Services  
Ms. Monica Horvat, Director of Administration for the President  
Dr. Daniel Jaffe, Vice President for Research  
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