

Audit Report

Texas Education Code §51.9337(h) - Annual Reporting Requirement on Procurement Policies

November 2023

Summary & Background – Texas Education Code §51.9337(h) - Annual Reporting Requirement on Procurement Policies

Summary

The Office of Audit and Consulting Services completed the Texas Education Code (TEC) §51.9337 Annual Reporting Requirement on Procurement Policies audit. Our review disclosed The University of Texas at Arlington (UTA) adopted the policies and procedures outlined in Senate Bill 20 and TEC §51.9337, *Purchasing Authority Conditional, Required Standards*. This certification will be included in the Internal Audit Annual Report to the State Auditor’s Office as required under Texas Government Code §2102.

Overall, our review disclosed that UTA’s procurement policies and procedures comply with Texas Education Code §51.9337. There were no reportable findings noted in this engagement.

Background

Senate Bill 20 of the 84th Legislative Session (SB 20) modified existing requirements and created new requirements for state agencies and institutions of higher education related to purchasing and contracting. These requirements were written into the Texas Government Code and/or the TEC effective September 1, 2015, and were not changed during the subsequent 85th, 86th, 87th and 88th legislative sessions. TEC §51.9337 states, “The chief auditor of an institution of higher education shall annually assess whether the institution has adopted the rules and policies required by this section and shall submit a report of findings to the state auditor.”

Audit Objective, Scope and Methodology – Texas Education Code §51.9337(h) - Annual Reporting Requirement on Procurement Policies

Audit Objective

The audit objective was to help ensure UTA was operating in accordance with TEC §51.9337.

TEC §51.9337 requires state agencies and institutions of higher education to have the following:

- A Contract Management Handbook with consistent guidance on contract review procedures and risk analysis procedures.
- Delegation of contracting authority.
- Training for purchasing and contracting staff.
- Code of ethics, standards of conduct, and policies on conflict of interest, conflicts of commitment, outside activities, as well as use of institutional resources and training.
- Fraud investigation policies and internal audit risk assessment processes.

Audit Scope and Methodology

Our audit scope included a review of documents, current policies, procedures and system reports as related to purchases during fiscal year 2023. Policies and procedures reviewed included those relating to codes of ethics and standards of conduct, conflicts of interest and outside commitments, fraud policies, contract management, delegation and training. The audit scope included gathering information from key personnel from Procurement and Payment Services.

The audit was conducted in conformance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*. Additionally, we conducted the audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). Both standards are required by the Texas Internal Auditing Act, and they 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. The Office of Audit and Consulting Services is independent in both standards for internal auditors.

We appreciate the courtesy and cooperation received from Procurement & Payment Services throughout this audit.

Distribution – Texas Education Code §51.9337(h) - Annual Reporting Requirement on Procurement Policies

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