

Internal Audit Report

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

October 31, 2019

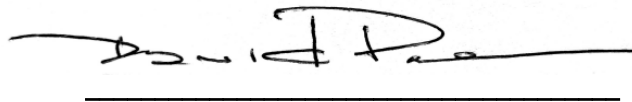
Distribution – Texas Education Code § 51.9337- Annual Reporting Requirement on Procurement Policies

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Executive Summary & Background– Texas Education Code §51.9337 Annual Reporting Requirement on Procurement Policies

Executive Summary

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

There were no reportable findings noted in this engagement.

Less significant opportunities for improvement were communicated to management separately.

Background

Senate Bill 20 of the 84th Legislative Session (SB 20) made several modifications to existing requirements and added new requirements for state agencies and institutions of higher education related to purchasing and contracting. As a result, these requirements were written into the Texas Government Code and/or the Texas Education Code (TEC) effective September 1, 2015, and were not changed during the 86th Legislature. TEC §51.9337 requires that, “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 Work Performed

Audit Objective

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, and use of institutional resources and training.
- Fraud investigation policies and internal audit risk assessment processes.

Audit Scope

- The scope of our audit included interviews, questionnaires, a review of documents, system reports, and supporting transactions that occurred during the 2019 fiscal year. The audit scope included gathering information from key personnel from the procurement office.

Work Performed

- Gained an understanding of SB 20 and Texas Education Code (TEC) §51.9337 and reviewed for any amendments.
- Reviewed documentation, including policies and procedures, supporting compliance with SB 20 and TEC §51.9337. Policies and procedures reviewed included those relating to codes of ethics and standards of conduct; conflicts of interest and outside commitments; fraud policies; and contract management, delegation, and training.

We appreciate the courtesy and cooperation received from the Procurement department throughout this audit.