

The University of Texas at San Antonio

UTSA Auditing & Consulting Services

2024 UTSA Procurement Audit

Project# 2024-20

August 19, 2024

Prepared by:

DocuSigned by:
Paul A. Tyler
6B78AE346384417...

Paul A. Tyler, CIA, CFE, CRMA
Chief Audit Executive

Auditors Assigned: Jaime Fernandez, Sr. Internal Auditor
Laura Buchhorn, Audit Director

Reviewed by:

DocuSigned by:
Taylor Eighmy
F1FD7BA650F34F2...

Taylor Eighmy, Ph.D.
President

Reviewed by:

DocuSigned by:
Carlos Martinez
B1B1D4C144B7437...

Carlos Martinez
Sr. VP for Institutional Strategic Planning,
Compliance Risk Management, and Office
Operations & Chief of Staff

Responsible VP:

DocuSigned by:
Mary Hernandez
A180E38E1D09480...

Mary Hernandez
Interim Vice President for Business
Affairs, Senior Associate Vice President
for Administration & Operations

Responsible VP:

DocuSigned by:
Sheri Hardison
6E5F89C21CF244D...

Sheri Hardison
Senior Associate Vice President for
Financial Affairs & Chief Financial Officer

Responsible VP:

Signed by:
Marco Garcia
1C95CB824351431...

Marco Garcia
Assistant Vice President, Supply Chain
Management

Executive Summary

Conclusion

UTSA has adopted the policies outlined in TEC §51.9337. As required by TEC §51.9337, the Chief Audit Executive will submit this internal audit report to the Texas State Auditor’s Office (SAO), certifying that UTSA has the required policies.

Limited testing of exempt procurements and exclusive acquisitions/sole source procurements determined that the processes for competitive procurement exceptions are working as intended. No observations were noted.

Observation Rating

Priority
High
Medium
Low
Satisfactory

Objectives and Scope:

- Ensure UTSA complies with Texas Education Code (TEC) §51.9337 *Purchasing Authority Conditional; Required Standards*, which requires procurement policies, including:
 - A Contract Management Handbook (CMH) with consistent guidance on contract review procedures and risk analysis procedures.
 - Delegation of the 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.
- Ensure the competitive procurement exceptions: 1) exempt and 2) exclusive acquisitions/sole source processes within the UTSA CMH work as intended for May 1, 2023, through March 31, 2024.

Out of Scope:

- Procurements not labeled as 1) exempt and 2) exclusive acquisitions/sole source on the Purchase and Contract Transparency Reports for May 1, 2023, through March 31, 2024.

Contract Management Handbook Definitions:

- Exempt procurements (CMH Appendix Five) are exempt from competitive procurement requirements. Exempt procurements are commodities and services purchased by UTSA users on a regular or continuing basis where competitive procurement methods are not practical or do not add value. Examples include allowable membership fees, subscriptions, original artwork, and hotels and venues for UTSA-sponsored events.
- Exclusive Acquisitions/Sole Source procurements (CMH Section 2.3.3.3) are not subject to competitive procurements and must justify distinctive/unique conditions. Examples include a unique piece of research equipment, software compatible with certain institutional hardware, or a nutrition plan designed specifically for institutional athletes.



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We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards required 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 the evidence obtained provided a reasonable basis for our findings and conclusions based on our audit objectives.