

Audit Report

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

October 2021

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 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 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.

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 and 87th legislative sessions. TEC §51.9337 states 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 Methodology – Texas Education Code 51.9337(h) - Annual Reporting Requirement on Procurement Policies

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

Audit Scope and Methodology

Our audit scope included interviews, questionnaires, a review of documents, system reports, and supporting transactions that occurred during the 2021 fiscal year. Policies and procedures reviewed included those relating to codes of ethics and standards of conduct; conflicts of interest and outside commitments; fraud policies; as well as contract management, delegation, and training. The audit scope included gathering information from key personnel from Procurement and Payment Services.

Our examination was conducted in accordance with guidelines set forth in the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

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


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