

The University of Texas at San Antonio

UTSA Auditing & Consulting Services

2023 UTSA Procurement Audit

Project# 2023-05

August 28, 2023

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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 in place.

Limited testing of competitive contracts showed purchasing processes for competitive contracts to be working as intended. However, improvements to the UTSA Purchase and Contract Transparency Reporting process could enhance UTSA's key government responsibility to be more effective in transparency.

Observation Rating

Priority
High
Medium
Low
Satisfactory

Objectives and Scope:

- Ensure UTSA complies with Texas Education Code (TEC) 51.9337, 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 FY23 contract competitive procurement processes within the UTSA CMH work as intended.
- Ensure UTSA Purchase and Contract Transparency Reports for FY22 and FY23 are consistent and accurate.

Out of Scope

- Procurements not labeled as "Competitive," "N/A," "Not Procurement," or "Other" in the FY22 and FY23 through April 30, 2023 Purchase and Contract Transparency Reports.
- Purchase Orders on the FY23 Purchase and Contract Transparency Reports
- Request for Proposals on the FY23 Purchase and Contract Transparency Reports.

Observation, rating, and planned implementation date:

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|---|--|------------|
| 1 | FY22 and FY23 UTSA Purchase and Contract Transparency Reports had instances of inconsistencies and incompleteness. | 09/15/2023 |
|---|--|------------|

Audit Observations

Fiscal Years 2022 and 2023 UTSA Purchase and Contract Transparency Reports had instances of inconsistencies and incompleteness.

Medium

Observation	Impact	Management Action Plan
<p><u>Condition</u> FY22 and FY23 UTSA Purchase and Contract Transparency Reports had instances of inconsistencies or incompleteness. Specifically:</p> <ol style="list-style-type: none"> 1) Similar types of vendor transactions were categorized with different procurement methodologies. 2) In the September 2022 Report, a competitive vendor contract was listed as a “Not Applicable” procurement methodology. 3) Competitive vendor contracts were not listed on the March 2022 and April 2022 Reports. 4) A revenue-generating contract was listed with purchasing vendors on the April 2023 Report. <p>Additionally, purchase orders (March 2023) and contracts (February and April 2022) should have been included in Purchase and Contract Transparency Reports. However, these were corrected during the audit.</p> <p><u>Criteria</u> Accurate and consistent contract and purchasing reporting on the UTSA Purchase and Contract Transparency Reports are a best practice and an expectation under Texas Government Code 2261.253.</p> <p><u>Cause</u> The Purchasing Office and Business Contracts Office (BCO) separately submit their data to the Vice President of Business Affairs Office of Strategic Communications, which consolidates the data and posts it on a singular report. The three offices may not have always coordinated to ensure consistent and accurate collective data.</p>	<p>Not reporting purchase and contract information accurately and consistently could confuse the review and expose UTSA to more surveillance by the media or government, thereby increasing UTSA’s reputational risk.</p>	<p>The Business Contracts Office (BCO) and the Purchasing Office will develop a methodology for completing the required monthly transparency report in a standardized, timely, and accurate manner.</p> <p>BCO, with input from Purchasing, will develop a process and implement necessary system updates to report contracts maintained in the contracts database to prevent underreporting and mitigate the possibility of reporting unnecessary contracts.</p> <p>Additionally, BCO will submit its data to the Purchasing Office, which will submit one collective and coordinated report to the Business Affairs Office of Strategic Communications for posting.</p> <p>Note that condition #3 was caused by a data entry error that is no longer possible following Jaggaer’s (Supply Chain Management Software) upgrades implemented in 2022.</p> <p>Responsible Party: Robert Dickens, Director, Business Contracts Office John Rascon, Director, Purchasing Office</p> <p>Planned Implementation Date: September 15, 2023</p>



We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards 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.

Auditors communicated other, less significant issues separately in writing to university management.