

UT Southwestern Medical Center

Texas Senate Bill 20 Compliance Assessment

Internal Audit Report 19:41

May 31, 2019

Executive Summary

Background

The Texas Education Code ("TEC") section 51.9335 authorizes higher education institutions to procure goods and services "by the method that provides the best value to the institution." TEC §51.9337 further defines the conditions upon which this authority is granted, including policy requirements that a Board of Regents must establish. *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. These requirements were written into the Texas Government Code and/or the Texas Education Code (TEC) and were effective September 1, 2015. TEC Section §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.*"

Scope and Objectives

The Office of Internal Audit has completed its annual review of Senate Bill 20 compliance for fiscal year 2019. This was a required audit and part of the fiscal year 2019 Audit Plan. The primary objective of this review was to assist UT Southwestern management in assuring compliance with SB 20 regulations. These regulations include gaining an understanding of SB 20 and Texas Education Code (TEC) §51.9337 requirements, evaluating processes and controls and reviewing documentation relating to codes of ethics and conduct; conflicts of interest and outside commitment; fraud policies; and contract management, delegation, and training.

We conducted our examination according to guidelines set forth by the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing.

Conclusion

Overall, our review determined that UT Southwestern complies with the guidelines outlined in Senate Bill 20 and TEC Sec. §51.9337 and has adopted policies and procedures that support compliance. This certification will be included in the Annual Audit Report to the State Auditor's Office as required under Texas Government Code §2102.

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We appreciate the assistance and support received throughout the audit from the Supply Chain Management department.

Sincerely,

Valla F. Wilson, Vice President, Chief Audit Executive/Interim Chief Compliance and Privacy Officer

Audit Team:

Elias Dib, Senior Internal Auditor, Office of Internal Audit

Robin Irvin, Manager, Office of Internal Audit

Melinda Lokey, Director, Office of Internal Audit

Van Nguyen, Supervisor, Office of Internal Audit

cc: Charles Cobb, Assistant Vice President, Supply Chain Management
Arnim E. Dontes, Executive Vice President, Business Affairs
Juan Guerra, Vice President, Facilities Management
Marc E. Milstein, Vice President and Chief Information Officer, Information Resources
Heather Mishra, Associate Vice President, Academic & Administration Information Systems
Michael Serber, Vice President, Finance and Institutional Chief Financial Officer
Thomas Spencer, Ph.D., Assistant Vice President, IR Operations and Compliance, Academic and Administrative Information Resources
Jarrod Tallman, Director, Office of Purchasing
Elyse Willen, Director, Strategic Sourcing, Supply Chain Management