



A Report on

# Contract Monitoring Assessment at Certain State Agencies

- The State Auditor's Office evaluated relevant information for the 25 largest state agencies, as determined by the Legislative Budget Board, and assigned contract monitoring ratings.
- Agencies were rated *additional monitoring warranted*, *reduced monitoring warranted*, or *no additional monitoring warranted*.

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State Auditor

In accordance with Texas Government Code, Section 2261.258, the State Auditor's Office has assigned contract monitoring ratings of *additional monitoring warranted*, *reduced monitoring warranted*, or *no additional monitoring warranted* to each of the 25 largest state agencies. Those agencies were determined by the Legislative Budget Board. That statute requires a report on those ratings to be submitted to the Office of the Comptroller of Public Accounts (Comptroller's Office) and the Department of Information Resources (Department) by September 1 of each year; that report is attached. The Comptroller's Office and the Department are responsible for developing guidelines for the *additional* and *reduced* monitoring.

For the purposes of this project, the State Auditor's Office reviewed and analyzed relevant information from sources specified in Texas Government Code, Section 2261.258. Ratings of *additional monitoring warranted* or *reduced monitoring warranted* were assigned only after consideration of multiple sources of information.

## Contracting Periods

For each agency assigned a rating of *additional monitoring warranted* or *reduced monitoring warranted*, the State Auditor's Office specifies the contracting period(s) to which that rating applies (contract solicitation development, contract formation and award, or contract management and termination).

### ADDITIONAL MONITORING WARRANTED

Three (12 percent) state agencies were assigned this rating for at least one contracting period.

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### REDUCED MONITORING WARRANTED

One (4 percent) state agency was assigned this rating for at least one contracting period.

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### NO ADDITIONAL MONITORING WARRANTED

Twenty-one (84 percent) state agencies were assigned this rating for all contracting periods.

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## Contract Monitoring Assessment

Figures 1 through 3 list the contract monitoring ratings assigned by the State Auditor's Office to the 25 largest state agencies, as determined by the Legislative Budget Board. For each agency assigned a rating of *additional monitoring warranted* or *reduced monitoring warranted*, the contracting period(s) to which that rating applies are specified.

Figure 1

### Rating: *Additional Monitoring Warranted*

Agency	Applicable Contracting Period(s) <sup>a</sup>		
	Contract Solicitation Development	Contract Formation and Award	Contract Management and Termination
Department of Family and Protective Services			✓
Department of State Health Services	✓		
Health and Human Services Commission	✓		✓

<sup>a</sup> The absence of a checkmark indicates no additional monitoring warranted for that contracting period.

Figure 2

**Rating: *Reduced Monitoring Warranted***

Agency	Applicable Contracting Period(s)		
	Contract Solicitation Development	Contract Formation and Award	Contract Management and Termination
Higher Education Coordinating Board	✓	✓	✓

Figure 3

**Rating: *No Additional Monitoring Warranted***  
(For All Contracting Periods)

Agency	
• Commission on Environmental Quality	• Texas Education Agency
• Department of Criminal Justice	• Texas Facilities Commission
• Department of Public Safety	• Texas Lottery Commission
• Department of Transportation	• Texas Military Department
• General Land Office and Veterans' Land Board	• Texas Tech University
• Office of the Attorney General	• Texas Tech University Health Sciences Center
• Parks and Wildlife Department	• The University of Texas at Austin
• Teacher Retirement System	• The University of Texas Southwestern Medical Center
• Texas A&M University	• The University of Texas System Administration
• Texas A&M University System	• University of Houston
• Texas Division of Emergency Management	



## Appendix

### Objective, Scope, and Methodology

#### Objective

The objective of this project was to assign contract monitoring ratings to the 25 largest state agencies, as determined by the Legislative Budget Board.

#### Scope

The project scope included information from September 1, 2018, through February 28, 2023.

#### Methodology

Contracting-related information reviewed included audits conducted by the State Auditor’s Office, audits conducted by agencies’ internal audit divisions, purchase audits and contracting audits conducted by the Office of the Comptroller of Public Accounts, Quality Assurance Team<sup>1</sup> reviews, Contract Advisory Team<sup>1</sup> reviews, Legislative Budget Board reviews, Sunset Advisory Commission reviews, and self-reported improvements and analyses provided by the agencies rated. This project was not an audit, and the information in this report was not subjected to all the tests and confirmations that would be performed in an audit. However, the information in this report was subjected to certain quality control procedures to ensure accuracy.

The following members of the State Auditor’s staff performed the project:



- Lindsay Escalante, MPSA (Project Manager)
- Rebecca Franklin, CFE, CGAP, CISA, CICA (Assistant Project Manager)
- Dana Musgrave, MBA, CFE (Quality Control Reviewer)
- Cesar Saldivar, CIA, CFE, CGAP (Audit Manager)

<sup>1</sup> The State Auditor’s Office serves on the Quality Assurance Team and the Contract Advisory Team in a non-voting, advisory capacity.



Copies of this report have been distributed to the following:

## **Legislative Audit Committee**

The Honorable Dan Patrick, Lieutenant Governor, Joint Chair

The Honorable Dade Phelan, Speaker of the House, Joint Chair

The Honorable Joan Huffman, Senate Finance Committee

The Honorable Robert Nichols, Member, Texas Senate

The Honorable Greg Bonnen, House Appropriations Committee

The Honorable Morgan Meyer, House Ways and Means Committee

## **Office of the Governor**

The Honorable Greg Abbott, Governor

## **Office of the Comptroller of Public Accounts**

The Honorable Glenn Hegar, Comptroller of Public Accounts

## **Department of Information Resources**

Members of the Department of Information Resources Governing Board

Ms. Amanda Crawford, Executive Director, State Chief Information Officer

## **Legislative Budget Board**

Mr. Jerry McGinty, Director

# **Commissioners, Executive Directors, Chancellors, and Presidents of the Following State Agencies and Higher Education Institutions**

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Department of Criminal Justice

Department of Family and Protective Services

Department of Public Safety

Department of State Health Services

Department of Transportation

General Land Office and Veterans' Land Board

Health and Human Services Commission

Higher Education Coordinating Board

Office of the Attorney General

Parks and Wildlife Department

Teacher Retirement System

Texas A&M University

Texas A&M University System

Texas Division of Emergency Management

Texas Education Agency

Texas Facilities Commission

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Texas Military Department

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The University of Texas at Austin

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