



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.
- Of the 25 agencies, 5 were rated *additional monitoring warranted*; 1 was rated *reduced monitoring warranted*; and 19 were rated *no additional monitoring warranted*.

Lisa R. Collier, CPA, CFE, CIDA  
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. 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 specified the contracting period(s) to which that rating applied (contract solicitation development, contract formation and award, or contract management and termination).

### ADDITIONAL MONITORING WARRANTED

Five (20 percent) of the 25 state agencies were assigned this rating for at least one contracting period.

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### REDUCED MONITORING WARRANTED

One (4 percent) of the 25 state agencies was assigned this rating for at least one contracting period.

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### NO ADDITIONAL MONITORING WARRANTED

Nineteen (76 percent) of the 25 state agencies were assigned this rating for all contracting periods.

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For more information about this project, contact Audit Manager Courtney Ambres-Wade or State Auditor Lisa Collier at 512-936-9500.

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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 agencies assigned ratings of *additional monitoring warranted* or *reduced monitoring warranted*, the applicable contracting periods 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	✓		✓
Department of Transportation		✓	✓
Health and Human Services Commission	✓		✓
Texas Workforce Commission		✓	✓

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

Figure 2

**Rating: Reduced Monitoring Warranted**

Agency	Applicable Contracting Periods		
	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 Lottery Commission
• Department of Criminal Justice	• Texas Military Department
• Department of Information Resources	• Texas Tech University Health Sciences Center at El Paso
• Department of Public Safety	• The University of Texas at Austin
• General Land Office and Veterans’ Land Board	• The University of Texas Health Science Center at Houston
• Parks and Wildlife Department	• The University of Texas M.D. Anderson Cancer Center
• Texas A&M University System	• The University of Texas Medical Branch at Galveston
• Texas Division of Emergency Management	• The University of Texas System Administration
• Texas Education Agency	• University of Houston
• Texas Facilities Commission	



## 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 the beginning of each agency’s prior contract monitoring assessment period through December 31, 2023. For the one agency that had never been assessed, the scope was September 1, 2021, through December 31, 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.

<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.

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



- Alana Montoro (Project Manager)
- Jennifer Fries, MS
- Dana Musgrave, MBA, CFE (Quality Control Reviewer)
- Courtney Ambres-Wade, CIA, CFE, CGAP (Audit Manager)



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Texas Division of Emergency Management

Texas Education Agency

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Texas Tech University Health Sciences Center at El Paso

Texas Workforce Commission

The University of Texas at Austin

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