



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, 13 were rated *additional monitoring warranted*; none were rated *reduced monitoring warranted*; and 12 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 ratings.

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

Thirteen (52 percent) of the 25 state agencies were assigned this rating for at least one contracting period.

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REDUCED MONITORING WARRANTED

None of the 25 state agencies were assigned this rating for at least one contracting period.

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NO ADDITIONAL MONITORING WARRANTED

Twelve (48 percent) of the 25 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 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) ¹		
	Contract Solicitation Development	Contract Formation and Award	Contract Management and Termination
Commission on Environmental Quality		✓	✓
Department of Criminal Justice	✓	✓	✓
Department of Family and Protective Services	✓	✓	✓
Department of Public Safety	✓	✓	
Department of State Health Services	✓		✓
Department of Transportation		✓	✓
Health and Human Services Commission	✓	✓	✓
Military Department	✓		✓
Texas Facilities Commission		✓	✓
Texas Workforce Commission		✓	✓
The University of Texas M.D. Anderson Cancer Center			✓

¹ The absence of a checkmark indicates that no additional monitoring was warranted for that contracting period.

Agency	Applicable Contracting Period(s) ¹		
	Contract Solicitation Development	Contract Formation and Award	Contract Management and Termination
The University of Texas Southwestern Medical Center			✓
The University of Texas System Administration			✓

Figure 2

Rating: *Reduced Monitoring Warranted*

Agency	Applicable Contracting Period(s)		
	Contract Solicitation Development	Contract Formation and Award	Contract Management and Termination
None			

Figure 3

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

Agency
Department of Information Resources
General Land Office and Veterans’ Land Board
Higher Education Coordinating Board
Texas A&M University
Texas A&M University System
Texas Education Agency
Texas State University System
Texas Tech University
The University of Texas at Austin
The University of Texas Health Science Center at San Antonio
The University of Texas Medical Branch at Galveston
University of Houston



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.

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



- Paul Morris, MPA, CPA, CIA (Audit Manager)
- Willie J. Hicks, CIA, CISA, CGAP, MBA (Assistant State Auditor)

Scope

The project scope included information from March 1, 2025, through March 31, 2026.

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 Team² reviews, Contract Advisory Team² 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.

² The State Auditor’s Office serves on the Quality Assurance Team and the Contract Advisory Team in a non-voting, advisory capacity.



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Mr. Tony Sauerhoff, Executive Director and State Chief Information Officer

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Ms. Nora Velasco, Deputy Director

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Health and Human Services Commission

Higher Education Coordinating Board

Military Department

Texas A&M University

Texas A&M University System

Texas Education Agency

Texas Facilities Commission

Texas State University System

Texas Tech University

Texas Workforce Commission

The University of Texas at Austin

The University of Texas Health Science Center at San Antonio

The University of Texas M.D. Anderson Cancer Center

The University of Texas Medical Branch at Galveston

The University of Texas Southwestern Medical Center

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