



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

**REPORT ON THE AUDIT OF CONTRACT MANAGEMENT AND
MONITORING PROCESSES**

JULY 2021

OVERALL CONCLUSION

The General Land Office's Contract Management Division (CMD) has established practices and controls in place to adequately ensure that agency contracts are managed, reported, and monitored in accordance with state requirements and agency guidelines. CMD generally provided reasonable assurance of compliance with state laws and regulations, as well as with agency contract management, vendor performance monitoring and reporting policies.

While there are controls in place, operations of CMD were identified in which gaps in policies and practices contributed to control weaknesses in both the design and effectiveness of operations. These operations may benefit from enhancements to procedures and practices to strengthen controls. In addition, actions should be taken to ensure the accuracy and completeness of contract data maintained in the Contract Lifecycle Management (CLM) system utilized by the CMD. Specifically, the areas identified are associated with:

1. Ensuring consistent compliance with state contract and vendor performance reporting requirements.
2. Establishing processes to ensure contract data maintained in the Contract Lifecycle Management (CLM) system is accurate and complete.
3. Establishing and/or revising policies and procedures for critical areas of the Contract Oversight & Technical Monitoring process.

MANAGEMENT'S SUMMARY RESPONSE

Management generally concurs with the recommendations. The "Detailed Results" section of this report contains management's response to each observation.

ACKNOWLEDGEMENTS

We appreciate the assistance and cooperation provided by the GLO-Contract Management Division, management and staff of these areas during this audit. For questions about this report, please contact DeQuincy Adamson at (512) 463-8142, or me at (512) 463- 6078.

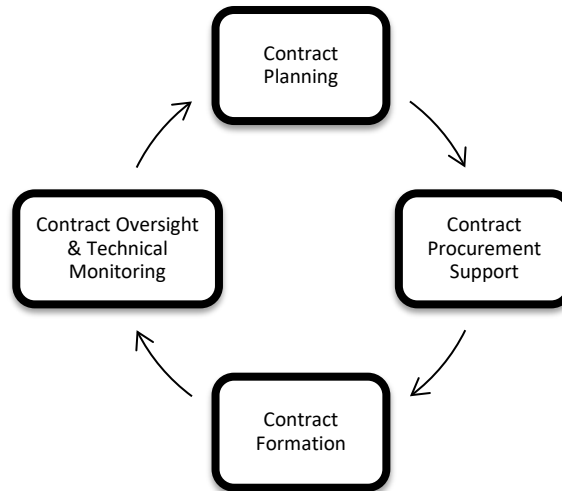


Tracey Hall, CPA, CISA
Chief Auditor of Internal Audit

July 29, 2021
Date

BACKGROUND INFORMATION

The Contract Management Division (CMD) performs daily activities associated with managing a contract including planning, supporting the procurement team as needed, contract formation, and contract oversight. These are all aspects of the Contract Management Cycle depicted below:



Some of the responsibilities within the initial phases of the Contract Management Cycle (i.e. Contract Procurement) live within other divisions in the GLO; however, CMD plays a key role within each phase. The GLO's contract monitoring consists of two efforts: programmatic and technical. The GLO Program Areas that is the beneficiary of the contract is responsible for programmatic monitoring, while the Contract Management Division (CMD) is responsible for the technical monitoring. CMD manages the GLO contract records and data by using Contract Lifecycle Management (CLM) system. The CLM system assists the division in capturing information necessary to complete all four phases of the Contract Management Cycle.

See Appendix B for a summary of the task conducted by CMD in each phase of the Contract Management cycle.

APPENDICES

APPENDIX A

OBJECTIVE

The objective of this audit was to evaluate whether the agency has effective processes and controls to ensure contracts are adequately managed, reported, and monitored in accordance with applicable state and agency requirements.

SCOPE & METHODOLOGY

The scope of this audit consisted of reviewing and evaluating information and documents associated with the management and monitoring of agency contracts, agreements and grants. The audit includes contract management and monitoring activities performed by the Contract Management Division during fiscal years 2019 and 2020.

The methodology includes observing processes, interviewing employees, performing a survey, collecting information, performing tests, analyzing, and evaluating information pertaining to management and monitoring of agency contracts, agreements, and grants.

The audit was conducted in accordance with *Government Auditing Standards* and *International Standards for the Professional Practice of Internal Auditing*. These 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.