

Summary of Request:

The Texas Internal Audit Act requires a state agency that receives more than \$10 million or more in revenue and has more than 100 employees must comply with the Texas Government Code, Section 2102.005.

The attached report is to provide the Texas Board of Nursing a status update on prior audit recommendations.

Historical Perspective:

This is an annual report as required by internal audit standards.

Pros: The Board of Nursing will be in compliance with accepted internal audit standards and will be updated on past audit recommendations.

Cons: None.

Staff Recommendation:

This report is for informational purposes and no action by the board is required.

<i>Rpt #</i>	<i>High-Level Objective(s)</i>	<i>Observations</i>	<i>Rec #</i>	<i>Findings / Recommendations</i>	<i>Management Response - 7/23/15</i>	<i>Management Update - 3/21/16</i>	
2015-1	Contract Management Audit - Report Date 7/10/15						
Obj	A	Compliance: Are agency's written guidance for the contract management activity aligned with state guidance to ensure compliance with policies, plans, procedures, laws, and regulations? Evaluate for consistency in application and overall adherence to the Comptroller's Contract Management Guide.	The processes and controls at the BON are not sufficiently documented to support all phases of CMG activities (planning, risk assessment, minimum qualifications, lists of deliverables, and communication plans). Written guidance is limited.	2015-1-01	BON should develop procedures and tools to ensure that the CMG recommendations are followed in agency contract administration performance and documentation.	In Process: The BON staff agree with this recommendation and will revise current policies and procedures that include general processes on contract management as provided in the Comptroller's Guide. Resp Party: Operations Director, Chief Accountant and Purchaser Target Date: 9/1/15	Contract Management Policy Created, Approved and Implemented on 9-1-2015.
Obj	B	Processes & Controls: Review management processes and controls for accomplishment of established goals and objectives; for operational effectiveness and efficiency.	The processes and controls over contract administration and management activities are sufficient to produce and store reliable information, but the content of files are not centralized, consistent, or completed. There are opportunities for improvement in this area that are covered in the Comptroller's CMG.	2015-1-02	Recommendations/ Results: Every contract management initiative should include an executive sponsor, a contract manager, purchasing staff and program staff to assist in the process. Contract planning and formation supporting documentation needs improvement. Contract administration files should include essential documents listed in the CMG and should be maintained in one complete master file, held by Accounting.	In Process: BON staff agree with this recommendation and will revise current policies and procedures that include the Comptroller's Contract Management Guide provisions on contract planning, formation, procurement, monitoring and close out. Resp Party: Operations Director, Chief Accountant and Purchaser Target Date: 9/1/15	Contract Management Policy Created, Approved and Implemented on 9-1-2015.