

# PERFORMANCE AUDIT

Work in progress: Audit description

## University of Washington's Procurement Contracts

### Approving, tracking and reporting

When making certain purchases, state law requires public universities – including the University of Washington (UW) – to use a contract. For other purchases, a contract may not be legally required but the university can use one to secure better pricing for goods and services. At UW, two offices – Procurement Services and UW Medicine Supply Chain – authorize and manage the university's contracts for goods and services. Procurement Services manages contracts and purchases of goods and services for all departments except for certain purchases made by UW Medicine Supply Chain. A limited number of employees in both departments have the authority to sign contracts on behalf of the university.

Entering into contracts without authority, or the appropriate level of authority, may result in paying for unnecessary goods or services and increase the risk of legal disputes. In the last five years, internal audits have found purchases that did not follow university policies and were not approved by someone with the appropriate level of authority.

Procurement Services and UW Medicine Supply Chain manage their purchases and contracts in separate information systems. Using multiple, decentralized systems can make it more difficult to track contracts to purchase goods and services across the university. In addition, multiple systems may reduce transparency and the university's ability to assess performance.

### Preliminary scope and objectives

In 2019, the Legislature passed a bill that required UW to undergo a performance audit to examine its contract management practices, including tracking and reporting its contracts. The audit seeks to answer the following questions:

- Do UW employees execute contracts to procure goods and services for which they lack authority?
- How can UW ensure it tracks and reports all its procurement contracts in a transparent and accessible manner?

### Timing

We plan to publish a report detailing our findings in early 2022.



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