



New Jersey Legislature
★ *Office of* LEGISLATIVE SERVICES ★
OFFICE OF THE STATE AUDITOR

EXECUTIVE SUMMARY

**DEPARTMENT OF THE TREASURY
DIVISION OF PURCHASE AND PROPERTY
PROCUREMENT OF INFORMATION TECHNOLOGY CONTRACTS
July 1, 2018 to April 30, 2020**

We found that the financial transactions included in our testing were related to the state's contracts, were reasonable, and were recorded properly in the accounting systems. We also found general compliance with laws and regulations and contracts being awarded properly. In making these determinations, we noted certain weaknesses meriting management's attention regarding the timely procurement of contracts and non-compliance with a state circular. We also made an observation regarding a possible opportunity for revenue enhancement.

AUDIT HIGHLIGHTS

- The division can improve its monitoring of the procurement process by establishing benchmarks in order to achieve its primary mission, which is to procure, in a timely and effective manner, contracts for goods and services necessary for the daily operation of state government.
- We reviewed a report the division uses to monitor the procurement process and found the data incomplete. Of the 328 possible entries for the steps applicable to each contract, 62 of the expected dates were blank (19 percent), while 138 of the actual dates were blank (42 percent).
- The division did not procure some information technology contracts in a timely manner. We analyzed the data for all 72 contracts in the division's report to measure the overall duration of the procurement process. We determined there was an average of 496 days from central intake to contract award, ranging from 57 to 1,619 days.
- Of the 40 contracts that required the submission of a biannual status report from state agencies, 29 (73 percent) were not in the database the division's Contract Compliance Audit Unit maintains to track the submission of these reports, therefore indicating no biannual report had been filed. The expenditures for these 29 contracts totaled \$177.1 million.
- Of the 55 active State Contract Managers for the 134 contracts in our scope, only 28 had completed the training and passed the exam, as required by a state circular.
- The division takes part in a national cooperative purchasing program for computer equipment, peripherals, and related services. The cooperative agreement allows the state to require an administrative fee be paid by vendors directly to the state. This may be more beneficial than having user agencies pay an assessment on purchases.

AUDITEE RESPONSE

The department generally concurs with our findings and recommendations.

For the complete audit report or to print this Executive Summary, click [here](#).