



**THE UNIVERSITY OF TEXAS SYSTEM AUDIT OFFICE**  
**Group Purchasing Organization Control Validation Audit –**  
**Vizient, Inc.**  
**Fiscal Year 2023**

# SUMMARY

## OBJECTIVE

Vizient, Inc. (Vizient) is an accredited Group Purchasing Organization (GPO) under the University of Texas (UT) System Accreditation Program for Texas State Agencies and GPOs. Accreditation of Vizient was granted based on information provided in its application, submitted on August 3, 2020. At that time, the System Audit Office performed an assessment of the material collected to determine whether internal control procedures, as represented in the application, would meet minimum control standards if consistently applied. The minimum control standards include the requirements of both Texas and UT System procurement rules, such as open and competitive bidding, “Best Value” evaluation and award criteria, inclusion of opportunity for historically underutilized businesses, and post-award contract management. The objective of this audit was to validate that control practices are functioning as described to us during the accreditation process.

## CONCLUSION

Sourcing and contract management controls, as communicated to us during the accreditation process, are in place and working as intended. We did not identify any control weaknesses or opportunities for improvement. Communication of these results to Vizient is included as **Appendix A**.

## SCOPE AND PROCEDURES

The scope included Vizient contracts that had UT spend (13 institutions and System Administration) from September 1, 2021 to December 31, 2022.

The audit team interviewed key sourcing and contract management personnel and reviewed applicable contracting documentation for a sample of seven (7) contracts used by UT System institutions. The contract sample was judgmentally selected based on total systemwide spend and institutional spend by institution type (academic, health, or System Administration) during the period, contract portfolio and product spend category, contract length, and whether the contract was a sole- or multi-source award.

The System Audit Office conducted this engagement in accordance with the *International Standards for the Professional Practice of Internal Auditing* and generally accepted governmental auditing standards (GAGAS). Those standards require that we plan and perform the engagement to obtain sufficient, appropriate evidence to provide a reasonable basis for our observations and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our observations and conclusions based on our objective. The System Audit Office is independent per GAGAS requirements for internal auditors.

## REPORT DATE

October 27, 2023

## REPORT DISTRIBUTION

Jonathan Pruitt, Executive Vice Chancellor for Business Affairs  
Richard St. Onge, Associate Vice Chancellor for Collaborative Business Services  
UT System Administration Internal Audit Committee  
External Agencies (State Auditor, Legislative Budget Board, Governor’s Office)



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**APPENDIX A**



**The University of  
Texas System**

System Audit Office  
210 West Seventh Street  
Austin, Texas 78701  
512-499-4390  
[WWW.UTSYSTEM.EDU](http://WWW.UTSYSTEM.EDU)

October 27, 2023

Rand Ballard  
Chief Customer Officer  
Vizient, Inc.  
10745 Westside Way, Suite 100  
Alpharetta, GA 30009

Dear Mr. Ballard,

The University of Texas (UT) System Audit Office has completed an audit of Vizient, Inc.'s (Vizient) control practices related to sourcing and management of contracts offered through its cooperative purchasing program to UT System institutions. This audit was conducted as part of the UT System Accreditation Program for Texas State Agencies and Group Purchasing Organizations (GPO Accreditation Program).

Accreditation of Vizient was granted based on information provided in its August 2020 application. At that time, my office performed an assessment of the material collected to determine whether internal control procedures, as represented in the application, would meet minimum control standards if consistently applied. The minimum control standards include the requirements of both Texas and UT System procurement rules, such as open and competitive bidding, "Best Value" evaluation and award criteria, inclusion of opportunity for historically underutilized businesses, and post-award contract management. The objective of this audit was to validate that control practices are functioning as described to us during the accreditation process.

Based on interviews with staff, review of applicable documentation, and testing of a sample of Vizient contracts used by UT System institutions, sourcing and contract management controls, as communicated to us during the accreditation process, are in place and working as intended. We will communicate these results separately to UT System management of the GPO Accreditation Program. A copy will also be filed with certain legislative and executive state agencies pursuant to the reporting requirements of the Texas Government Code, Section 2102.0091.

Thank you for the assistance provided by Vizient staff. The courtesy shown towards the audit team during the engagement is appreciated. If you have any questions, please do not hesitate to contact me or Lindsay Johnson at 512-499-4763.

Sincerely,

J. Michael Peppers, CPA, CIA, QIAL, CRMA  
Chief Audit Executive

cc: Deborah Nelson, Senior Principal, Member Performance, Vizient  
Jonathan Pruitt, Executive Vice Chancellor for Business Affairs, UT System  
Richard St. Onge, Associate Vice Chancellor for Collaborative Business Services, UT System