Overall Conclusion

Controls and processes at the Center for Innovation in Advanced Development and Manufacturing provide reasonable assurance that the Texas A&M Health Science Center, as the prime contractor, is operating in compliance with the U.S. Department of Health and Human Services contract requirements. The Center has a contract valued at $285.6 million through December 2017, with option periods through June 2037. The option periods include readiness fees valued up to $434 million and up to $2.3 billion dollars available through task order work, exclusive of task orders for production of pandemic influenza vaccine. The contract between the Health Science Center and the U. S. Department of Health and Human Services has many specific contract terms of which our audit focused on contract compliance during the first year’s operations. We determined that the Center was in compliance with its cost sharing requirements, various work plans and technical report deliverables, and appropriate invoicing of construction costs.

The Center for Innovation in Advanced Development and Manufacturing is one of three centers established as public-private partnerships with the U.S. Department of Health and Human Services to develop and manufacture countermeasures. The Center will bolster the nation’s ability to respond to any attack or threat, including novel, previously unrecognized, naturally occurring emerging infectious diseases, as well as various chemical, biological, radiological and nuclear threats.

Basis of Review

Objective and Scope

The review of the Texas A&M Center for Innovation in Advanced Development and Manufacturing at Texas A&M Health Science Center focused on compliance with selected terms in the Center’s contract with the U. S. Department of Health and Human Services. The audit period focused primarily on activities from May 1, 2013 to April 30, 2014. Contract areas reviewed included those related to cost sharing, statement of work, performance deliverables, performance evaluation, and special requirements. Fieldwork was conducted from June to August, 2014.
Criteria

Our audit was based upon standards as set forth in the System Policy and Regulation Manual of the Texas A&M University System; requirements in the contract between the Texas A&M Center for Innovation in Advanced Development and Manufacturing and the Department of Health and Human Services; and other sound administrative practices. This audit was conducted in conformance with the Institute of Internal Auditors’ “International Standards for the Professional Practice of Internal Auditing.”

Additionally, we conducted this performance audit in accordance with generally accepted government auditing standards. Those 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.

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