

**Remarks of Elaine Clark, Commissioner
Department of Administrative and Financial Services**

**Before the Committee on
Government Oversight**

March 27, 2026

Good afternoon, Senator Hickman, Representative Mastraccio, and members of the Committee on Government Oversight. I am Elaine Clark, the Commissioner of the Department of Administrative and Financial Services.

Thank you for inviting DAFS to this meeting to address some questions about the State Auditor's 2024 findings relating to the Office of State Procurement Services.

With me today is Doug Cotnoir, State Controller. The State Controller's Office of Internal Audit maintains a rigorous internal audit program to identify financial and other practices that require improvement and works with State agencies to respond to audit findings issued by the Office of State Auditor.

I have asked Controller Cotnoir to attend today's meeting with me due to his expertise in auditing and accounting. He will address the State Auditor's remarks and materials as well as the 2024 Procurement Audit Finding in detail.

Contrary to Auditor Dunlap's letter, you will hear that the Controller's Office, Procurement and DAFS not only responded to requests to meet with and review the State Auditor's work but initiated a request to meet in person. Given the finding of "Material weakness," the Controller, Procurement, and DAFS were fully engaged and very concerned.

As the Controller will elaborate on, DAFS and all its divisions respect the audit process, but it needs to be a fair and interactive process and this one was flawed.

On December 18, 2025, senior members of the administration met with Auditor Dunlap and myself. The 2024 audit finding had taken on a life of its own and was being distorted to the point that the professionalism of the Office of State Procurement Services was being questioned in the media. The meeting was an opportunity to present the sampling and other errors made by the audit staff member who at the time was assigned to OSPS and was the author of the finding. As you know, DAFS thoroughly disagreed with the sampling and the analysis. At the end of the meeting, it was agreed that the State audit team and DAFS/OSPS would meet to discuss and review the finding, as I had asked that it be modified. Immediately after the meeting I

emailed Auditor Dunlap asking him to set up the meeting, since his staff were involved. He did not respond.

In the meantime, I have just learned that Mr. Dunlap followed up directly with administration executive staff without including or informing me.

This is why it is critical to correct on the record that the second paragraph of Mr. Dunlap's letter, where he alleges that DAFS/the Controller/Procurement did not respond to communications is inaccurate. OSPS and the Controller's office were actively engaged in responding to the 2024 audit finding and went to great lengths to explain their reasoning to the audit staff member. It fell on deaf ears. There should have been a back and forth, some interaction and communication, but this did not happen.

This is not a trivial issue. As the Controller knows and will discuss, resolution of an audit should be a two-way street, and in this case, it was a one-way street. The same auditor was again assigned to Procurement for the 2025 review, leading to the same misinterpretation of OSPS processes as in 2024. DAFS provided a detailed response to correct inaccuracies embedded in the finding but again it was not modified. We were informed that the State Auditor would not publish our response with the finding,

Thank you, again, for the opportunity to address what has become a repeat issue for OSPS.