

BILL ANALYSIS

Senate Research Center

H.B. 2906
By: Wolens (Ratliff)
State Affairs
6-30-97
Engrossed

DIGEST

The State Auditor's Office is authorized under Chapter 321, Government Code, to conduct audits of all state agencies. This bill revises the duties of the state auditor to repeal any unnecessary and redundant provisions that may exist.

PURPOSE

As proposed, H.B. 2906 sets forth provisions regarding the duties of the state auditor, state audits, and investigations.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 7.022, Education Code, to delete a provision requiring the state auditor to review agency's processes for auditing internal operations and to report the findings of this audit.

SECTION 2. Amends Section 321.008, Government Code, to delete provisions regarding the execution of a bond required by this section in order to qualify for the office of state auditor. Deletes a provision requiring the state to pay the premium surety company for the execution of the bond required by Subsection (a). Makes a conforming change.

SECTION 3. Amends Section 321.014, Government Code, by adding Subsections (f) and (g), to set forth provision regarding the state auditor's recommendation to a department or entity.

SECTION 4. Amends Chapter 321, Government Code, by adding Section 321.020, as follows:

Sec. 321.020. COORDINATION OF CERTAIN AUDITS. Authorizes certain state agencies or other state-related corporations to employ a private auditor to audit the state agency or corporation under certain conditions. Requires the state auditor to provide contract management services to the agency or corporation for an audit described by this section under certain direction.

SECTION 5. Amends Chapter 321, Government Code, by adding Section 321.022, as follows:

Sec. 321.022. COORDINATION OF INVESTIGATIONS. Requires the administrative head of a department or entity to report the reason and basis for the belief to the state auditor, if the person or entity that is subject to audit by the state auditor has reasonable cause to believe that certain money may have been lost, misappropriated, or misused. Authorizes the state auditor to investigate the report or to monitor any investigation conducted by the department or entity. Requires the state auditor to prescribe form, content, and timing of a report required by this section. Provides that all records of a communication by or to the state auditor relating to a report to the state auditor under Subsection (a) are audit working papers of the state auditor.

SECTION 6. Amends Section 403.024(b), Government Code, to redefine "state agency."

SECTION 7. Amends Chapter 411F, Government Code, by adding Section 411.132, as follows:

Sec. 411.132. ACCESS TO CRIMINAL HISTORY RECORD INFORMATION: STATE AUDITOR. Outlines the entitlements for a state auditor regarding access to the criminal history record information.

SECTION 8. Amends Section 2102.003(3), Government Code, to redefine "state agency."

SECTION 9. Amends Section 2102.005, Government Code, to delete a provision requiring a state agency to conduct a full-time program of internal auditing that includes certain components.

SECTION 10. Amends Section 2102.009, Government Code, to require the state auditor to prescribe the form and content of the report, subject to the approval of the legislative audit committee. Deletes the requirements of the report.

SECTION 11. Amends Sections 12(d)-(f), Article 21.28, Insurance Code, to authorize, rather than require, the state auditor to conduct an audit of the liquidator in accordance with the audit plan reviewed and approved by the legislative audit committee. Requires the copies of the auditor's report to be filed in a certain manner, rather than required in a certain manner not later than March 31 of the year following the year covered by the audit.

SECTION 12. Amends Article 26.57(a), Insurance Code, to provide that the transactions of the system are subject to audit by the state auditor in accordance with Chapter 321, Government Code. Deletes a provision requiring the state auditor's report to include a financial audit and an economy and efficiency audit.

SECTION 13. Amends Section 223.041, Transportation Code, to delete a provision requiring the office of the state auditor to determine relevant costs to be considered under Subsection (a).

SECTION 14. Amends Section 58.017, Agriculture Code, as follows:

Sec. 58.017. New heading: PERFORMANCE MEASURES. Requires the board of directors (board) of the Texas Agricultural Finance Authority (authority), in conjunction with the Legislative Budget Board, the state auditor, and the office of the governor, to develop a minimum of two performance measures that provide information on the benefits of the authority's loan programs. Sets forth the requirements for the performance measures. Deletes requirements regarding a biennial cost benefit study conducted by the board.

SECTION 15. Repealers: Section 61.029(e), Education Code; Sections 321.013(j), 321.015, 2303.0525, Government Code; and Section 15A, Article 3.50-3, V.T.C.S. (Internal Auditor, Powers and Duties of State Auditor, Special Reports, Cost-Benefit-Analysis, and Audits).

SECTION 16. Emergency clause.
Effective date: 90 days after adjournment.