

BILL ANALYSIS

Senate Research Center
77R9964 JJT-D

H.B. 609
By: Hochberg (Shapiro)
Finance
5/9/2001
Engrossed

DIGEST AND PURPOSE

Current law requires a state agency that has an annual operating budget that exceeds \$10 million, that has a staff of more than 300 employees, or that receives and processes cash items in excess of \$10 million annually to appoint an internal auditor. This excludes smaller agencies that may be able to improve performance by identifying problems through an internal audit. H.B. 609 extends the internal audit requirement to all state agencies that receive an appropriation.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2102.004, Government Code, as follows:

Sec. 2102.004. Provides that this chapter applies to each state agency that receives an appropriation. Deletes text regarding state agencies that have a certain operating budget, a certain number of employees, or that receive or process cash items in excess of a certain amount.

SECTION 2. Amends Section 2102.006(a), Government Code, to require the governing board of a state agency or the administrator of a state agency that does not have (rather than without) a governing board to appoint an internal auditor. Deletes text regarding a governing board's designee.

SECTION 3. Amends Section 2102.007(a), Government Code, to require the internal auditor to perform certain functions.

SECTION 4. Amends Sections 2102.008, 2102.0091, and 2102.010, Government Code, as follows:

Sec. 2102.008. Makes conforming changes.

Sec. 2102.0091. (a) Requires a state agency to file with the Sunset Advisory Commission, the budget division of the governor's office, the state auditor, and the Legislative Budget Board a copy of each report submitted by the agency's internal auditor to the state agency's governing board (rather than body) or the administrator of the state agency if the state agency does not have a governing board.

(b) Makes conforming changes.

(c) Makes conforming changes.

Sec. 2102.010. Makes conforming changes.

SECTION 5. Sets forth requirements and guidelines regarding a state agency to which Chapter 2102, Government Code, did not apply before September 1, 2001, that becomes subject to Chapter 2102, Government Code, on September 1, 2001.

SECTION 6. Effective date: September 1, 2001.