

By: Swinford

H.B. No. 1742

A BILL TO BE ENTITLED

AN ACT

1
2 relating to issues involving the operations or financial
3 accountability of state agencies.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 321.013, Government Code, is amended by
6 adding Subsection (j) to read as follows:

7 (j) The State Auditor shall:

8 (1) develop fraud awareness training programs for use
9 by state agencies;

10 (2) identify qualified individuals or entities to
11 assist state agencies in implementing the programs; and

12 (3) make the programs available to state agencies on
13 the Internet or in a CD-ROM format.

14 SECTION 2. Chapter 322, Government Code, is amended by
15 adding Section 322.015 to read as follows:

16 Sec. 322.015. DEVELOPMENT OF SYSTEM OF PERFORMANCE
17 MEASURES. (a) The Legislative Budget Board shall develop a system
18 of performance measures to be used by state agencies for purposes of
19 the appropriations process.

20 (b) The Legislative Budget Board shall keep the House
21 Appropriations Committee and the Senate Finance Committee informed
22 of the board's activities related to the development of the system
23 of performance measures.

24 (c) On request, a state agency shall provide information or

1 assistance to the Legislative Budget Board to assist with the
2 development of the system of performance measures.

3 SECTION 3. Section 403.011(b), Government Code, is amended
4 to read as follows:

5 (b) The comptroller may:

6 (1) solicit, accept, or refuse a gift or grant of
7 money, services, or property on behalf of the state for any public
8 purpose related to the office or duties of the comptroller; and

9 (2) verify that a state agency has provided
10 appropriate fraud awareness training in accordance with Section
11 656.050.

12 SECTION 4. Subchapter C, Chapter 656, Government Code, is
13 amended by adding Section 656.050 to read as follows:

14 Sec. 656.050. FRAUD AWARENESS TRAINING. (a) In this
15 section, "state agency" means a department, commission, board,
16 office, or other agency in the executive, legislative, or judicial
17 branch of state government created by the constitution or a statute
18 of this state, including an institution of higher education as
19 defined by Section 61.003, Education Code, except a public junior
20 college, and a health-related institution that is associated with
21 an institution of higher education.

22 (b) A state agency shall provide fraud awareness training to
23 the employees of the agency by implementing a fraud awareness
24 training program developed by the state auditor. The agency shall
25 provide the training to an employee not later than the 90th day
26 after the date the employee begins employment.

27 (c) The executive director of a state agency, or the

1 executive director's designee, annually shall certify to the
2 comptroller that the agency has provided appropriate fraud
3 awareness training to the employees of the agency in a timely
4 manner.

5 SECTION 5. Section 2056.002, Government Code, is amended by
6 adding Subsection (f) to read as follows:

7 (f) The Legislative Budget Board and the governor's office
8 of budget and planning shall develop recommendations for
9 improvement of the strategic planning process under this section.
10 On request, a state agency shall assist the Legislative Budget
11 Board and the governor's office of budget and planning in
12 developing recommendations for improvement in accordance with this
13 subsection.

14 SECTION 6. Subtitle C, Title 10, Government Code, is
15 amended by adding Chapter 2115 to read as follows:

16 CHAPTER 2115. RISK ASSESSMENT AND FINANCIAL CONTROL SYSTEMS

17 Sec. 2115.001. DEFINITION. In this chapter, "state agency"
18 means a department, commission, board, office, or other agency in
19 the executive, legislative, or judicial branch of state government
20 created by the constitution or a statute of this state, including an
21 institution of higher education as defined by Section 61.003,
22 Education Code, except a public junior college, and a
23 health-related institution that is associated with an institution
24 of higher education.

25 Sec. 2115.002. REPORT ON RISK ASSESSMENT AND FINANCIAL
26 CONTROL SYSTEMS. (a) Not later than September 30 of each year, the
27 executive director of a state agency and, for a state agency

1 governed by a board or similar body, the presiding officer of the
2 agency's governing body shall submit to the office of the governor,
3 the Legislative Budget Board, and the state auditor, a letter that
4 provides assurance about the state agency's risk assessment and
5 financial control systems.

6 (b) If the executive director and the presiding officer of
7 the agency's governing body agree on the content of the letter
8 required by this section, they shall jointly submit one letter for
9 the state agency. If the executive director and the presiding
10 officer do not agree on the content of the letter, they shall each
11 submit a separate letter in accordance with this section.

12 (c) A person submitting or jointly submitting a letter in
13 accordance with this section must sign the letter and, as
14 appropriate, attest in the letter that:

15 (1) the person has identified and reviewed risks that
16 may affect the state agency's operation and the achievement of its
17 mission;

18 (2) the person has taken appropriate action to manage
19 and reduce the actual and potential effects of the risks identified
20 under Subdivision (1) on the state agency;

21 (3) the person has reviewed the state agency's
22 financial control systems; and

23 (4) to the best of the person's knowledge after
24 reasonable efforts to obtain accurate information:

25 (A) the financial control systems identified
26 under Subdivision (3) protect the state's resources from
27 inappropriate use and fraud to the greatest extent possible; and

1 (B) as of the date the letter is submitted, the
2 financial statements and other financial information reported by
3 the state agency fairly represent the financial condition and
4 results of the agency's operations.

5 (d) If a person is unable to attest to any of the statements
6 under Subsection (c), the person must identify in the letter the
7 statement and the reason or reasons why the person is unable to
8 attest to it.

9 (e) A letter submitted under this section must identify any
10 ongoing or future planned actions to correct problems in or
11 strengthen the state agency's risk assessment or financial control
12 systems and the date the actions were, or are expected to be,
13 implemented.

14 (f) If a state agency fails to timely submit a letter in
15 accordance with this section, the state auditor shall report to any
16 relevant legislative committees the fact of the state agency's
17 failure to do so.

18 SECTION 7. Not later than August 31, 2004, the state auditor
19 shall develop and make available training programs for use by state
20 agencies, as required by Section 321.013(j), Government Code, as
21 added by this Act.

22 SECTION 8. Not later than the first anniversary of the date
23 a fraud awareness program developed by the state auditor is made
24 available to a state agency, the agency must provide fraud
25 awareness training as required by Section 656.050, Government Code,
26 as added by this Act, to all employees hired before that date. The
27 deadline prescribed by Section 656.050(b), Government Code, as

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1 added by this Act, does not apply to the provision of the fraud
2 awareness training to those employees.

3 SECTION 9. This Act takes effect September 1, 2003.