

1-1 By: Otto (Senate Sponsor - Nichols) H.B. No. 3290
1-2 (In the Senate - Received from the House April 30, 2007;
1-3 May 2, 2007, read first time and referred to Committee on Finance;
1-4 May 17, 2007, reported favorably by the following vote: Yeas 13,
1-5 Nays 0; May 17, 2007, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to expanding the scope of an audit by the state auditor
1-9 when the state auditor finds evidence of gross mismanagement.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Chapter 321, Government Code, is amended by
1-12 adding Section 321.0161 to read as follows:

1-13 Sec. 321.0161. GROSS MISMANAGEMENT; EXPANDING SCOPE OF
1-14 AUDIT. If in the course of an audit of a state agency or institution
1-15 the State Auditor finds evidence of gross mismanagement or grossly
1-16 improper management oversight practices, the State Auditor, after
1-17 consulting with the head of the agency or institution, shall as soon
1-18 as is practicable expand the scope of the audit into other aspects
1-19 of the operations of the agency or institution to determine whether
1-20 similar problems exist elsewhere.

1-21 SECTION 2. This Act takes effect September 1, 2007.

1-22 * * * * *