

By: Parker

H.B. No. 2439

A BILL TO BE ENTITLED

AN ACT

relating to the review of certain contracts by the state auditor.

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

SECTION 1. Section 321.013(c), Government Code, is amended to read as follows:

(c) The State Auditor shall recommend the audit plan for the state for each year to the committee. In devising the plan, the State Auditor shall consider recommendations concerning coordination of agency functions made jointly by representatives of the Legislative Budget Board, Sunset Advisory Commission, and State Auditor's Office. The State Auditor shall also consider the extent to which a department has received a significant increase in appropriations, including a significant increase in federal or other money passed through to the department, and shall review procurement activities for compliance with Section 2161.123. The plan shall provide for auditing of federal programs at least as often as required under federal law and shall ensure that audit requirements of all bond covenants and other credit or financial agreements are satisfied. The plan shall provide for auditing at least three major contracts as prescribed by Section 321.0139. The committee shall review and approve the plan.

SECTION 2. Chapter 321, Government Code, is amended by adding Section 321.0139 to read as follows:

Sec. 321.0139. REVIEW OF MAJOR CONTRACTS. (a) In this

1 section, "major contract" means a state agency contract that has a
2 value of at least \$1 million and involves the provision of services
3 to residents of this state.

4 (b) Each year, the state auditor shall review at least three
5 major contracts based on the risk assessment performed by the state
6 auditor under Section 321.013(j). A review under this section is
7 limited to an analysis of the efficiency and effectiveness of the
8 contract in providing services to residents of this state.

9 SECTION 3. The change in law made by this Act applies only
10 to an audit plan devised by the state auditor on or after the
11 effective date of this Act.

12 SECTION 4. This Act takes effect September 1, 2013.