

BILL ANALYSIS

C.S.H.B. 338
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Public Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Current law requires the board of trustees of a school district that employs an internal auditor to select the internal auditor and requires the internal auditor to report directly to the board. According to interested parties, the law does not specify who is responsible for the evaluation of the internal auditor. C.S.H.B. 338 seeks to provide for that responsibility in order to shield the internal auditor from any undue influence, provide clarity for the internal auditor, school board, and superintendent, and improve efficiency within each district.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 338 amends the Education Code to make a school district board of trustees or the board's designee responsible for the evaluation of an internal auditor employed by the district. The bill requires each trustee and any designee responsible for the evaluation of the internal auditor to receive at least two hours of training at least once every two years regarding the adoption of an audit plan and the evaluation of an internal auditor.

EFFECTIVE DATE

September 1, 2015.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 338 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 11.170, Education Code, is amended to read as follows:
Sec. 11.170. INTERNAL AUDITOR. If a school district employs an internal auditor:

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 11.170, Education Code, is amended to read as follows:
Sec. 11.170. INTERNAL AUDITOR. If a school district employs an internal auditor:

- (1) the board of trustees shall select the internal auditor; ~~and~~
- (2) the internal auditor shall report directly to the board; and
- (3) notwithstanding Section 11.201(d)(2), the board or the board's designee is responsible for the evaluation of the internal auditor.

SECTION 2. This Act takes effect September 1, 2015.

- (1) the board of trustees shall select the internal auditor; ~~and~~
- (2) the internal auditor shall report directly to the board;
- (3) notwithstanding Section 11.201(d)(2), the board or the board's designee is responsible for the evaluation of the internal auditor; and
- (4) each trustee and any designee responsible for the evaluation of the internal auditor must receive at least two hours of training at least once every two years regarding:
 - (A) the adoption of an audit plan; and
 - (B) the evaluation of an internal auditor.

SECTION 2. Same as introduced version.