

BILL ANALYSIS

Senate Research Center

H.B. 2042
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Business & Commerce
5/13/2019
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 2042 amends current law relating to postpayment audits conducted by the comptroller and annual financial reports submitted by state agencies.

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 403.071, Government Code, by amending Subsections (g) and (h) and adding Subsections (i) and (j), as follows:

(g) Authorizes the comptroller of public accounts of the State of Texas (comptroller), notwithstanding Subsection (a) (relating to prohibiting a warrant from being prepared unless a properly audited claim, verified as to correctness by the agency submitting the claim, is presented to the warrant clerk), to audit claims presented by the state agency after the comptroller prepares warrants or uses the electronic funds transfer system to pay the claims, rather than authorizing the comptroller and a state agency, notwithstanding Subsection (a), to contract in writing for the comptroller to audit claims presented by the state agency after the comptroller prepares warrants or uses the electronic funds transfer system to pay the claims. Deletes existing text authorizing the comptroller, if the comptroller and a state agency execute a contract, to decide the types of claims that will be audited after payment.

(h) Deletes existing text providing that this subsection applies if the comptroller and a state agency have contracted in accordance with Subsection (g). Deletes existing text requiring the comptroller to audit claims after payment in the same way that the comptroller audits claims before payment under Subsection (a). Authorizes the comptroller, if a postpayment audit by the comptroller shows that a claim presented by a state agency was invalid, to:

(1)–(2) makes no changes to these subdivisions;

(3) makes a nonsubstantive change to this subdivision; and

(4) deletes existing text referring to canceling the contract with the state agency. Redesignates existing Subdivision (5) as this subdivision.

(i) Authorizes the comptroller to access the books, accounts, confidential or nonconfidential reports, vouchers, electronic data, or other records or information of a state agency subject to a postpayment audit. Prohibits the comptroller, if information is prohibited from being released under federal law, from accessing the information without approval of the appropriate federal agency.

(j) Requires the comptroller to use reasonable efforts to avoid hindering the daily operations of a state agency subject to a postpayment audit by coordinating requests for

access to books, accounts, reports, vouchers, electronic data, or other records or information of the audited agency.

SECTION 2. Amends Section 2101.011(c), Government Code, as follows:

(c) Requires a state agency's annual financial report to include information on, rather than a detailed summary of, all assets, liabilities, and fund balances, including:

(1) makes no changes to this subdivision;

(2) deletes existing text referring to the value of consumable supplies and postage;

(3) deletes existing text referring to all other assets. Redesignates existing Subdivisions (3)–(10) as Subdivisions (2)–(8).

SECTION 3. Amends Section 2101.012(b), Government Code, as follows:

(b) Makes nonsubstantive changes. Requires the uniform accounting and reporting procedures adopted by the comptroller to include the requirements for compliance with the federal Single Audit Act of 1984 and Office of Management and Budget Circular A-133 and any subsequent changes or amendments that will fulfill the audit requirements for a statewide single audit, rather than requiring the procedures to comply with generally accepted accounting principles as established by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants or their successors and include the requirements for compliance with the federal Single Audit Act of 1984 and Office of Management and Budget Circular A-133 and any subsequent changes or amendments that will fulfill the audit requirements for a statewide single audit.

SECTION 4. Makes application of Sections 403.071(i) and (j), Government Code, as added by this Act, prospective.

SECTION 5. Effective date: September 1, 2019.