

## **BILL ANALYSIS**

C.S.H.B. 2042  
By: Stucky  
State Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

It has been suggested that procedures for postpayment audits of state agencies by the comptroller of public accounts and procedures relating to annual financial reporting requirements may contain inefficient elements. C.S.H.B. 2042 seeks to remedy this situation by making certain revisions to both sets of procedures, including removing the need for a contract between an agency and the comptroller before a postpayment audit, allowing more flexibility regarding certain deadlines, and revising the required contents of an agency's annual financial report submitted to the comptroller.

### **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. 2042 amends the Government Code to provide the comptroller of public accounts direct authority to audit claims presented by a state agency after the comptroller prepares warrants or uses the electronic funds transfer system to pay the claims by removing the precondition that the comptroller and the state agency contract in writing for the comptroller to audit those claims. The bill removes the requirement for such an audit to be performed in the same way that the comptroller audits claims before payment. The bill authorizes the comptroller to access the records and information of a state agency subject to a postpayment audit. If such information is prohibited from release under federal law, the authority of the comptroller is conditioned on the approval of the appropriate federal agency. The bill 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 the agency's records and information.

C.S.H.B. 2042 authorizes the comptroller to designate a deadline earlier than the prescribed November 20 deadline for submission of a state agency's annual financial report regarding the agency's use of appropriated money during the preceding fiscal year. The bill revises the required contents of that annual financial report and removes the requirement that uniform accounting and reporting procedures prescribed by the comptroller for use by each state agency in preparing the information for the report comply with established generally accepted accounting principles.

**EFFECTIVE DATE**

September 1, 2019.

**COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B. 2042 differs from the original in minor or nonsubstantive ways by conforming to certain bill drafting conventions.