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By:  Creighton S.B. No. 1756

A BILL TO BE ENTITLED

AN ACT

relating to the reporting of allegations of fraud, waste, abuse, or other malfeasance in the use of public resources by public and private institutions of higher education for the purpose of compliance monitoring by the Texas Higher Education Coordinating Board.

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

SECTION 1.  Section 61.035, Education Code, is amended by amending Subsection (h) and adding Subsections (h-1), (h-2), and (h-3) to read as follows:

(h)  In conducting the compliance monitoring function under this section, the board may partner with internal audit offices at institutions of higher education and private or independent institutions of higher education, as institutional resources allow, to examine the institutions' use of funds allocated by, and data reported to, the board.

(h-1)  To avoid duplication of effort and assist the board in identifying risk:

(1)  [~~,~~] an internal auditor at an institution shall notify the board of any audits conducted by the auditor involving funds administered by the board or data reported to the board; and

(2)  the state auditor shall notify the board of the receipt of any allegation of fraud, waste, abuse, or other malfeasance or improper practice relating to the use, expenditure, or management of public funds or other public resources by an institution of higher education or a private or independent institution of higher education and shall provide to the board a copy of the allegation and any final report regarding the allegation.

(h-2)  The board by rule may prescribe the timing and format of the notifications [~~notification~~] required by Subsection (h-1) [~~this subsection~~].

(h-3)  The board by rule shall require a private or independent institution of higher education to provide to the board the institution's external audit involving funds administered by the board.  The private or independent institution of higher education's external audit must comply with the board's rules for auditing those funds.

SECTION 2.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2019.