

By: Stucky

H.B. No. 2042

Substitute the following for H.B. No. 2042:

By: Guerra

C.S.H.B. No. 2042

A BILL TO BE ENTITLED

AN ACT

1
2 relating to postpayment audits conducted by the comptroller and
3 annual financial reports submitted by state agencies.

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

5 SECTION 1. Section 403.071, Government Code, is amended by
6 amending Subsections (g) and (h) and adding Subsections (i) and (j)
7 to read as follows:

8 (g) Notwithstanding Subsection (a), the comptroller ~~[and a~~
9 ~~state agency]~~ may ~~[contract in writing for the comptroller to]~~
10 audit claims presented by the state agency after the comptroller
11 prepares warrants or uses the electronic funds transfer system to
12 pay the claims. ~~[If the comptroller and a state agency execute a~~
13 ~~contract, the comptroller may decide the types of claims that will~~
14 ~~be audited after payment.]~~

15 (h) ~~[This subsection applies if the comptroller and a state~~
16 ~~agency have contracted in accordance with Subsection (g). The~~
17 ~~comptroller shall audit claims after payment in the same way that~~
18 ~~the comptroller audits claims before payment under Subsection (a).]~~

19 The comptroller may establish requirements and adopt rules
20 concerning the time that a state agency must retain documentation
21 in its files to enable a postpayment audit. If a postpayment audit
22 by the comptroller shows that a claim presented by a state agency
23 was invalid, the comptroller may:

24 (1) implement procedures to ensure that similar

1 invalid claims from the state agency are not paid in the future;

2 (2) report to the governor, the lieutenant governor,
3 the speaker of the house of representatives, the state auditor, and
4 the Legislative Budget Board the results of the audit;

5 (3) require the state agency to obtain a refund of the
6 monies from the payee; and

7 (4) [~~cancel the contract with the state agency, and~~

8 [~~5~~] reduce the state agency's remaining
9 appropriations by the amount of the claim.

10 (i) The comptroller may access the books, accounts,
11 confidential or nonconfidential reports, vouchers, electronic
12 data, or other records or information of a state agency subject to a
13 postpayment audit. If information may not be released under
14 federal law, the comptroller may not access the information without
15 approval of the appropriate federal agency.

16 (j) The comptroller shall use reasonable efforts to avoid
17 hindering the daily operations of a state agency subject to a
18 postpayment audit by coordinating requests for access to books,
19 accounts, reports, vouchers, electronic data, or other records or
20 information of the audited agency.

21 SECTION 2. Sections 2101.011(b) and (c), Government Code,
22 are amended to read as follows:

23 (b) Not later than November 20 of each year or an earlier
24 date designated by the comptroller, a state agency shall submit an
25 annual financial report regarding the agency's use of appropriated
26 money during the preceding fiscal year to:

27 (1) the governor;

- (2) the comptroller;
- (3) the Legislative Reference Library;
- (4) the state auditor; and
- (5) the Legislative Budget Board.

(c) A state agency's annual financial report must include information on ~~[a detailed statement of]~~ all assets, liabilities, and fund balances, including:

(1) cash on hand and on deposit in banks and accounts in the state treasury;

(2) ~~[the value of consumable supplies and postage,~~
~~(3)]~~ the value of the agency's inventory of movable equipment and other fixed assets;

(3) ~~[(4) all other assets,~~
~~(5)]~~ an itemization of the investments, bonds, notes, and other securities owned by any special funds under the agency's jurisdiction, including the amount and value of the securities;

(4) ~~[(6)]~~ all money due the agency from any source;

(5) ~~[(7)]~~ all outstanding commitments of the agency, including amounts due for services or goods received by the agency;

(6) ~~[(8)]~~ a summary by source of all revenue collected or accruing through the agency;

(7) ~~[(9)]~~ a summary of all appropriations, expenditures, bona fide encumbrances, and other disbursements by the agency; and

(8) ~~[(10)]~~ any other financial information requested by the comptroller.

SECTION 3. Section [2101.012](#)(b), Government Code, is amended

1 to read as follows:

2 (b) The procedures must ~~[+~~

3 ~~[(1) comply with generally accepted accounting~~
4 ~~principles as established by the Governmental Accounting Standards~~
5 ~~Board and the American Institute of Certified Public Accountants or~~
6 ~~their successors, and~~

7 ~~[-2)]~~ include the requirements for compliance with the
8 federal Single Audit Act of 1984 and Office of Management and Budget
9 Circular A-133 and any subsequent changes or amendments that will
10 fulfill the audit requirements for a statewide single audit.

11 SECTION 4. Sections [403.071\(i\)](#) and (j), Government Code, as
12 added by this Act, apply to a postpayment audit initiated on or
13 after the effective date of this Act. A postpayment audit initiated
14 before the effective date of this Act is governed by the law in
15 effect on the date the audit is initiated, and the former law is
16 continued in effect for that purpose.

17 SECTION 5. This Act takes effect September 1, 2019.