

AN ACT

relating to recovery audits of payments made by state agencies to vendors.

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

SECTION 1. Sections 2115.002(a) and (b), Government Code, are amended to read as follows:

(a) The comptroller may [~~shall~~] contract with one or more consultants to conduct recovery audits of payments made by state agencies to vendors. The audits must be designed to detect and recover overpayments to the vendors and to recommend improved state agency accounting operations.

(b) A contract under this section:

(1) may provide for reasonable compensation for services provided under the contract, including compensation determined by the application of a specified percentage of the total amount recovered because of the consultant's audit activities or recommendations as a fee for services;

(2) may permit or require the consultant to pursue a judicial action in a court inside or outside this state to recover an overpaid amount; and

(3) [~~to allow time for the performance of existing state payment auditing procedures,~~] may not allow a recovery audit of a payment during the 180-day period after the date the payment was made in order to allow time for the performance of existing

1 state payment auditing procedures.

2 SECTION 2. Section 2115.003, Government Code, is amended by  
3 amending Subsection (a) and adding Subsection (a-1) to read as  
4 follows:

5 (a) The comptroller may [~~shall~~] require [~~that~~] recovery  
6 audits [~~be performed~~] on the payments to vendors made by each state  
7 agency that has total expenditures during a state fiscal biennium  
8 in an amount that exceeds \$50 [~~\$100~~] million. A [~~Each~~] state agency  
9 subject to required audits under [~~described by~~] this subsection  
10 shall provide the recovery audit consultant with all information  
11 necessary for the audit.

12 (a-1) The comptroller may determine the frequency of  
13 recovery audits authorized by this section.

14 SECTION 3. Sections 2115.005(b) and (c), Government Code,  
15 are amended to read as follows:

16 (b) The comptroller shall provide the copies required by  
17 Subsection (a) not later than the 15th [~~seventh~~] day after the date  
18 the comptroller receives the consultant's report.

19 (c) Not later than February [~~January~~] 1 of each odd-numbered  
20 year, the comptroller shall issue a report to the legislature  
21 summarizing the activities conducted [~~contents of all reports~~  
22 ~~received~~] under this chapter during the state fiscal biennium  
23 ending August 31 of the previous year.

24 SECTION 4. This Act takes effect September 1, 2019.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 1571 passed the Senate on April 11, 2019, by the following vote: Yeas 31, Nays 0.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 1571 passed the House on May 15, 2019, by the following vote: Yeas 144, Nays 0, three present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor