

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 23, 2019

TO: Honorable Dade Phelan, Chair, House Committee on State Affairs

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB2042 by Stucky (relating to postpayment audits conducted by the comptroller and annual financial reports submitted by state agencies.), **Committee Report 1st House, Substituted**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Government Code to authorize the Comptroller of Public Accounts to conduct post-payment audits without requiring a contract between the Comptroller and the agency under audit. The bill would authorize the Comptroller to require an date for submission of state agency annual financial reports (AFRs) earlier than the current statutorily required date of November 20th of each year. The bill would remove requirements that the Comptroller's uniform accounting and financial reporting procedures for preparation of AFRs comply with generally accepted accounting principles as established by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA) or their successors.

According to the Comptroller, the bill's provisions could be implemented within existing resources.

Based on the analysis of the University of Texas System Administration and the Texas A&M University System Administrative and General Offices, there would be costs associated if the Comptroller elects to require an earlier AFR submission date than November 20th and if the Comptroller requires reporting procedures that do not comply with the generally accepted accounting principles established by GASB and AICPA. This analysis assumes that any costs for institutions of higher education to implement the provisions of the bill could be absorbed within current resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 710 Texas A&M University System
 Administrative and General Offices, 720 The University of Texas System
 Administration

LBB Staff: WP, CMa, NV, LCO