87R5857 MWC-F

By:  Canales H.B. No. 2459

A BILL TO BE ENTITLED

AN ACT

relating to the financial audit of certain open-enrollment charter schools by the state auditor.

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

SECTION 1.  Section 321.001(5), Government Code, is amended to read as follows:

(5)  "Risk assessment" means the process by which the State Auditor analyzes risks to the state on the basis of, at a minimum, the following:

(A)  the identification of problems that can occur in operational or program areas of departments, including in institutions of higher education and in open-enrollment charter schools that annually receive more than $100 million in state revenue, that are subject to audit by the State Auditor;

(B)  a determination of the potential adverse effects from the problems; and

(C)  a ranking of the risks associated with the problems.

SECTION 2.  Section 321.013, Government Code, is amended by amending Subsection (a) and adding Subsection (k-1) to read as follows:

(a)  The State Auditor shall conduct audits of all departments, including of institutions of higher education and of open-enrollment charter schools that annually receive more than $100 million in state revenue, as specified in the audit plan. At the direction of the committee, the State Auditor shall conduct an audit or investigation of any entity receiving funds from the state.

(k-1)  In devising the audit plan under Subsection (c), the State Auditor shall consider the performance of audits on open-enrollment charter schools that annually receive more than $100 million in state revenue. The State Auditor may collaborate with the State Board of Education in performing an audit under this subsection. An audit described by this subsection may be limited in scope to open-enrollment charter schools that the State Auditor determines pose the highest financial risk to this state.

SECTION 3.  This Act takes effect September 1, 2021.