

## **BILL ANALYSIS**

Senate Research Center  
81R4440 PAM-F

H.B. 2549  
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Intergovernmental Relations  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Few county education departments (department) still exist in Texas. In counties in which they do exist, such as Harris County, the county auditor is required to audit them at no charge to the department. This is the case even though a department is a separate political subdivision from the county, its board is elected, it is not a component unit of the county as defined by governmental accounting standards, and the county has no authority to approve the department's tax rate, debt issuance, or annual budget. This bill eliminates the requirement that a county auditor perform a full financial audit of a department, while retaining the auditor's ability to audit the financial aspects of any contract with the county. The bill also imposes a requirement that a department have a full financial audit performed by an independent auditor with a copy provided to the county commissioner's court.

H.B. 2549 amends current law relating to auditing procedures and authority relating to county education departments in certain populous counties.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Sections 1, 2, and 3, Chapter 87 (H.B. 502), Acts of the 58th Legislature, Regular Session, 1963 (Article 2919g-1, V.T.C.S.), as follows:

Sec. 1. Authorizes the county auditor, in a county with a population of three million or more according to the last preceding federal decennial census, to audit all books, accounts, reports, vouchers, and other records relating to the financial aspects of any contractual relationship between the county and the county department of education. Requires the county auditor to make the results of any such audit public. Deletes existing text providing that in any counties having a population of two million (2,000,000) or more according to the last preceding federal census, the county auditor is hereby authorized and required to audit all books, accounts, reports, vouchers and other records relating to all funds handled by the county department of education; and requiring that the results of such audit be made public by the county auditor.

Sec. 2. Requires the county department of education to periodically have prepared by an independent auditor an audit of all books, accounts, reports, vouchers, and other records relating to funds handled by the county department of education. Requires the county department of education to deliver a copy of the audit prepared under this section to the commissioners court of the county. Deletes existing text requiring the county auditor of any county to which this Act applies, as soon as practicable, to audit all such books, accounts, reports, vouchers and other records of the county department of education from the effective date of this Act back to the last preceding audit made of such books, accounts, reports, vouchers and other records by a county auditor of said county; requiring the county to be reimbursed from the funds of the county department of education for all expenses incurred in performing the first audit; requiring the county auditor, thereafter, to audit all such books, accounts, reports, vouchers and other records of the county department of education as often as necessary to keep himself informed of

the condition thereof, but in no case shall the interval between such audits exceed one (1) year.

Sec. 3. Authorizes, rather than requires, the county auditor of any county to which this Act requires to set up such methods and procedures as are necessary to conduct audits effectively.

SECTION 2. Effective date: upon passage or September 1, 2009.