

LOCAL GOVERNMENT CODE
TITLE 4. FINANCES
SUBTITLE B. COUNTY FINANCES
CHAPTER 115. AUDIT OF COUNTY FINANCES

SUBCHAPTER A. AUDIT AUTHORITY OF COUNTY AUDITOR

Sec. 115.001. EXAMINATION OF RECORDS. The county auditor shall have continual access to and shall examine and investigate the correctness of:

(1) the books, accounts, reports, vouchers, and other records of any officer;

(2) the orders of the commissioners court relating to county finances; and

(3) the vouchers given by the trustees of all common school districts of the county.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 115.002. EXAMINATION OF BOOKS AND REPORTS. (a) The county auditor shall carefully examine and report on all reports that are about the collection of money for the county and that are required to be made to the commissioners court.

(b) At least once each quarter, the county auditor shall check the books and shall examine in detail the reports of the county tax assessor-collector, the county treasurer, and all other officers. The auditor shall verify the footings and the correctness of those books and reports. The auditor shall either stamp the books and reports approved or shall note any differences, errors, or discrepancies.

(c) The auditor shall carefully examine the report made under Section [114.026](#) by the county treasurer, together with the canceled orders for payment that have been paid. The auditor shall verify those orders with the register of orders issued as shown on the auditor's books.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 606 (S.B. [373](#)), Sec. 20, eff.

September 1, 2011.

Sec. 115.003. EXAMINATION OF FUNDS HELD BY COUNTY TREASURER. (a) At least once each quarter, or more often if the county auditor desires, the auditor shall, without advance notice, fully examine the condition of, or shall inspect and count, the cash held by the county treasurer or held in a bank in which the treasurer has placed the cash for safekeeping.

(b) The auditor shall make sure that all balances to the credit of the various funds are actually on hand in cash and that none of the funds are invested in any manner except as authorized by law.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 115.0035. EXAMINATION OF FUNDS COLLECTED BY COUNTY ENTITY OR THE DISTRICT ATTORNEY. (a) For purposes of this section, "accounts" means all public funds that are subject to the control of any precinct, county or district official, including the accounts of law enforcement agencies and the attorney for the state composed of money and proceeds of property seized and forfeited to those officials.

(b) At least once each county fiscal year, or more often if the county auditor desires, the auditor shall, without advance notice, fully examine the accounts of all precinct, county and district officials.

(c) The auditor shall verify the correctness of the accounts and report the findings of the examination to the commissioners court of the county at its next term beginning after the date the audit is completed.

(d) This section does not apply to funds received by the attorney for the state from the comptroller of public accounts pursuant to the General Appropriations Act, or to federal or state grant-in-aid funds received by precinct, county or district officials.

Added by Acts 1989, 71st Leg., ch. 1007, Sec. 1, eff. Sept. 1, 1989.

Sec. 115.0036. EXAMINATION AND AUDIT OF RECORDS OF CERTAIN

SPECIAL DISTRICTS. (a) The county auditor shall have continual access to and may, at the county auditor's discretion, examine the books, accounts, reports, vouchers, and any other records of:

(1) a special district if the district's budget requires the approval of the commissioners court; and

(2) any subsidiary of a special district described by Subdivision (1) that is supported wholly or partly by public funds.

(b) The county auditor, with the approval of the commissioners court, may audit the books, accounts, reports, vouchers, and any other records of an entity described by Subsection (a) if the county auditor determines an audit is necessary after conducting an examination under Subsection (a).

Added by Acts 2015, 84th Leg., R.S., Ch. 1207 (S.B. [1510](#)), Sec. 1, eff. September 1, 2015.

Sec. 115.004. AUDIT IN COUNTY WITH POPULATION OF 190,000 OR MORE. (a) This section applies only to a county with a population of 190,000 or more.

(b) At the end of the fiscal year or the accounting period fixed by law, the county auditor shall audit, adjust, and settle the accounts of the district attorney, the district clerk, and each county or precinct officer.

(c) If the county auditor is unable to obtain proper reports or an adequate accounting from any of those persons, either during or after the person's term of office, the auditor may require an accounting and may proceed at the county's expense as the auditor considers necessary to protect the interest of the county or of the person entitled to any funds.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

SUBCHAPTER B. AUDIT AUTHORITY OF COMMISSIONERS COURT

Sec. 115.021. AUDIT AND SETTLEMENT OF ACCOUNTS. The commissioners court of a county shall audit and settle all accounts against the county and shall direct the payment of those accounts.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 115.022. EXAMINATION OF ACCOUNTS AND REPORTS; SETTLEMENT. (a) At each regular term, the commissioners court shall examine all accounts and reports that relate to the county finances and shall compare the accounts and reports with the accompanying vouchers. The court shall see that any errors in the accounts and reports are corrected.

(b) The court shall see that all orders made by the court that relate to the accounts and reports are entered in the minutes of the court and that the orders are noted on the accounts and reports.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

SUBCHAPTER C. INDEPENDENT AUDIT AUTHORITY GENERALLY APPLICABLE

Sec. 115.031. AUDIT BY ACCOUNTANT. (a) If considered by the commissioners court of a county to be justified by an imperative public necessity, the court may employ a disinterested, competent, and expert public accountant to audit all or part of the books, records, or accounts of:

- (1) the county;
- (2) a district, county, or precinct officer, agent, or employee, including the county auditor;
- (3) a governmental unit of the county; or
- (4) a hospital, farm, or other county institution maintained at public expense.

(b) The commissioners court may also employ the accountant to deal with any other matter relating to or affecting the fiscal affairs of the county.

(c) The resolution providing for the audit must state the reasons for the audit, such as a determination by the commissioners court:

- (1) of official misconduct, intentional omission, or negligence in records or reports;
- (2) of a misapplication, conversion, or retention of public funds; or
- (3) of a failure to keep accounts, make reports, or account for public funds by any officer, agent, or employee of the

district, the county, or a precinct, including the officer, agent, or employee of a depository, hospital, or other public institution maintained for the public benefit at the public expense.

(d) The reason stated in the audit resolution may also be a statement by the commissioners court that it considers the audit necessary for the court to determine and fix the proper appropriation and expenditure of public money or to determine and fix a proper tax levy.

(e) The commissioners court may present the audit resolution in writing at any regular or called session of the commissioners court, but it shall lie over to the next regular term of the court.

(f) The commissioners court shall publish the resolution once in a newspaper of general circulation published in the county. If there is no newspaper of general circulation published in the county, the court shall post notice of the resolution at the courthouse door and two other public places in the county for at least the 10 days preceding the date the resolution is adopted.

(g) To be implemented, the resolution must be adopted by a majority vote of the four county commissioners and must be approved by the county judge at that next regular term of the commissioners court.

(h) A contract entered into by the commissioners court for the audit shall be made in accordance with statutes applicable to the making of contracts by the commissioners court. Payment under the contract may be made from county funds in accordance with those statutes.

(i) In addition to the emergency powers under this section, the commissioners court may provide for an independent audit of the accounts and officials if the court, by an order properly entered at any regular term, determines that the audit would best serve the public interest. A contract for that audit is subject to the requirements of Subsection (h).

(j) The authority given to county auditors under this subtitle, as well as other provisions of statutes relating to district, county, and precinct finances and accounts, is subordinate to the powers of the commissioners court under this

section.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 115.032. SPECIAL AUDIT AFTER VOTER PETITION. (a) If a number of qualified voters residing in a county equal to at least 30 percent of the voters who voted in the county in the most recent general gubernatorial election file a petition for an audit with a district judge who has jurisdiction in the county, there shall be a special audit of all county records.

(b) On the receipt of the petition, the district judge shall determine its validity. If the judge determines that the petition meets the requirements of Subsection (a), the judge shall immediately employ a person to prepare a special audit of all county records. The special auditor must have the qualifications prescribed by law for county auditors. The special auditor is entitled to receive as compensation for the services rendered a reasonable fee fixed by the district judge and to be paid out of the general fund or officers' salary fund of the county.

(c) After the preparation of the audit, it shall be filed with the district judge.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 584, Sec. 103, eff. Sept. 1, 1989.

Sec. 115.033. AUDIT BY FINANCE COMMITTEE. (a) On the request of the grand jury, at any term of the district court the district judge may appoint a finance committee to examine the financial condition of the county. The committee must be composed of three persons who are citizens of the county, are of good moral character and intelligence, and are experienced accountants.

(b) The committee shall examine all of the books, accounts, reports, vouchers, and orders of the commissioners court relating to county finances that have not been examined and reported on by a previous committee.

(c) The committee shall count all the money in the office of the county treasurer that belongs to the county and shall make any other examination that it considers necessary and proper to determine the true condition of the county finances.

(d) If necessary, and on the application of the committee, the district court shall send for persons and evidence to help in the investigation.

(e) On the earliest practicable day after its appointment, the committee shall make a detailed written report to the district court. The report must state whether the books and records required by law are correctly kept. The report must fully set out the financial condition of the county and the state of each officer's account and must specify any irregularity, omission, or wrongdoing that the committee discovers.

(f) The committee shall sign and swear to the report and file it in the office of the district clerk. The attention of the grand jury shall be called to the report as soon as practicable after the filing.

(g) Each member of the committee is entitled to receive compensation for services performed under this section at a rate of \$3 a day. The compensation shall be paid for a period not to exceed five days and shall be paid from the county treasury on the certificate of the district judge that states the number of days the member has served.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

SUBCHAPTER D. INDEPENDENT AUDIT AUTHORITY OF SPECIFIC COUNTIES

Sec. 115.041. INDEPENDENT AUDIT IN COUNTY WITHOUT OFFICE OF COUNTY AUDITOR. At least once every two years, the commissioners court of a county that does not have the office of county auditor shall have conducted an independent audit of the books, records, and accounts of each of the county officers, agents, and employees and of any other matter that relates to the county's fiscal affairs. Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 115.042. AUDIT IN COUNTIES WITH POPULATION LESS THAN 25,000. (a) The commissioners court of a county with a population of less than 25,000 may arrange with one or more other counties to jointly employ and compensate one or more special auditors for the purposes set forth in Section [115.031](#).

(b) The commissioners court of a county affected by this section may have an audit made of the county books, either in whole or in part, at any time regardless of whether an arrangement can be made under Subsection (a). The district judge or the grand jury of the county may also order such an audit.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 115.043. AUDIT BY ACCOUNTANT IN COUNTIES WITH POPULATION OF 40,000 TO 100,000. (a) This section applies to a county with a population of 40,000 to 100,000.

(b) On request by the grand jury, at any term of the district court the district judge of the county shall appoint an auditor to examine the condition of the county finances. The auditor must be of good moral character and intelligence and must be an experienced accountant.

(c) The auditor shall examine all of the books, accounts, reports, vouchers, and orders of the commissioners court that relate to the county finances, or a part of those items, as ordered and directed by the district judge. The auditor shall count all the money in the office of the county treasurer that belongs to the county and shall make any other examination that the auditor considers necessary and proper to determine the true condition of the county finances or that is ordered by the district judge.

(d) If necessary, and on the application of the auditor, the district court shall summon witnesses, compel their attendance, and require them to give testimony. The district judge shall require the production of all books, records, and other evidence requested or desired by the auditor to conduct the investigation. The district judge may punish for contempt a person who violates an order of the judge or a process issued under this section.

(e) The auditor shall make a detailed written report to the district court at the earliest practicable date after appointment. The report must state:

- (1) the true condition of the county finances;
- (2) whether the books and records required to be kept by law are correctly maintained; and
- (3) the condition of each officer's account that is

included within the scope and provisions of the judge's order.

(f) The auditor shall specify in the report each irregularity, omission, and wrongdoing discovered. The auditor shall sign and swear to the report and file it in the office of the district clerk. The report must be brought to the attention of the grand jury as soon as is practicable after the filing.

(g) The auditor is entitled to receive compensation for duties performed under this section at a rate not to exceed \$25 a day. The compensation shall be paid for the period that is reasonably required to perform those duties and shall be paid from the county treasury on the certificate of the district judge that states the number of days the auditor has served and the total amount due.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 115.044. BIENNIAL INDEPENDENT AUDIT IN CERTAIN COUNTIES. (a) A county with a population of 372,000 to 410,000 shall conduct a biennial independent audit of all books, records, and accounts of each district, county, and precinct officer, agent, or employee, including those of the regular county auditor, and of all governmental units of the county hospitals, farms, and other institutions. The audit must cover all matters relating to the fiscal affairs of the county. The audit shall be conducted in each even-numbered year and must be completed before December 31 of the year.

(b) The commissioners court of the county shall employ a disinterested, competent, experienced public accountant or certified public accountant to perform the audit. The court shall enter a contract for the audit at the first regular meeting of the court in January of each even-numbered year. The consideration specified in the contract shall be paid from the general fund of the county.

(c) This section does not prevent a county from conducting an annual independent audit of the records covered by this section. If a county conducts annual independent audits and completes the audits before December 31 of each year, those audits constitute compliance with the requirements of this section.

(d) The audit required under this section is in addition to any special audit prepared under Subchapter C or to any regular or special audit report prepared by the regular county auditor.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 1991, 72nd Leg., ch. 597, Sec. 87, eff. Sept. 1, 1991; Acts 2001, 77th Leg., ch. 669, Sec. 51, 52, eff. Sept. 1, 2001.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1163 (H.B. [2702](#)), Sec. 68, eff. September 1, 2011.

Acts 2023, 88th Leg., R.S., Ch. 644 (H.B. [4559](#)), Sec. 129, eff. September 1, 2023.

Sec. 115.045. ANNUAL INDEPENDENT AUDIT IN COUNTIES WITH POPULATION OF 350,000 OR MORE. (a) A county with a population of 350,000 or more shall conduct an annual independent audit of all books, records, and accounts of each district, county, and precinct officer, agent, or employee, including the regular county auditor, and of all governmental units of the county hospitals, farms, and other institutions. The audit shall cover all matters relating to the fiscal affairs of the county.

(b) The commissioners court of the county shall employ a disinterested, competent, experienced public accountant or certified public accountant to perform the audit. The court shall contract for the audit at the regular January meeting of the court. The consideration specified in the contract shall be paid from the general fund of the county.

(c) The audit required under this section is in addition to any special audit prepared under Subchapter C or to any regular or special audit report prepared by the regular county auditor.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

SUBCHAPTER Z. MISCELLANEOUS PROVISIONS

Sec. 115.901. EXAMINATION OF CERTAIN RECORDS BY COUNTY AUDITOR OR COUNTY TREASURER. (a) The county auditor or, in a county that does not have the office of county auditor, the county treasurer, shall examine the accounts, dockets, and records of each

clerk, justice of the peace, and constable and of the sheriff and county tax assessor-collector to determine if any money belonging to the county and in the possession of the officer has not been accounted for and paid over according to law.

(b) If the auditor or treasurer finds that such money does exist, the auditor or treasurer shall report the findings of the examination to the commissioners court of the county at its next term for the purpose of instituting a suit for the recovery of the money.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 979, Sec. 1, eff. Aug. 28, 1989.