GOVERNMENT CODE

TITLE 10. GENERAL GOVERNMENT

SUBTITLE C. STATE ACCOUNTING, FISCAL MANAGEMENT, AND PRODUCTIVITY

CHAPTER 2115. RECOVERY OF CERTAIN STATE AGENCY OVERPAYMENTS

Sec. 2115.001.  DEFINITIONS. In this chapter:

(1)  "Overpayment" includes a duplicate payment made to a vendor for a single invoice and a payment made to a vendor:

(A)  when an available discount from the vendor was not applied;

(B)  for a late payment penalty that was improperly applied by the vendor;

(C)  for shipping costs that were computed incorrectly or incorrectly included in an invoice;

(D)  for state sales tax; or

(E)  for a good or service the vendor did not provide.

(2)  "State agency" means a department, commission, board, office, or other agency, including a university system or an institution of higher education other than a public junior college, that:

(A)  is in the executive branch of state government;

(B)  is created by statute; and

(C)  does not have statutory geographical boundaries limited to a part of the state.

Added by Acts 2005, 79th Leg., Ch. 403 (S.B. [1569](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/SB01569F.HTM)), Sec. 1, eff. June 17, 2005.

Added by Acts 2005, 79th Leg., Ch. 899 (S.B. [1863](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/SB01863F.HTM)), Sec. 2.01, eff. August 29, 2005.

Sec. 2115.002.  CONTRACT CONSULTANTS FOR RECOVERY AUDITS FOR CERTAIN OVERPAYMENTS. (a)  The comptroller may 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)  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 state payment auditing procedures.

(c)  The comptroller or a state agency whose payments are being audited may provide a person acting under a contract authorized by this section with any confidential information in the custody of the comptroller or state agency that is necessary for the performance of the audit or the recovery of an overpayment, to the extent the comptroller and state agency are not prohibited from sharing the information under an agreement with another state or the federal government.  A person acting under a contract authorized by this section, and each employee or agent of the person, is subject to all prohibitions against the disclosure of confidential information obtained from the state in connection with the contract that apply to the comptroller or applicable state agency or an employee of the comptroller or applicable state agency.  A person acting under a contract authorized by this section or an employee or agent of the person who discloses confidential information in violation of a prohibition made applicable to the person under this subsection is subject to the same sanctions and penalties that would apply to the comptroller or applicable state agency or an employee of the comptroller or applicable state agency for that disclosure.

Added by Acts 2005, 79th Leg., Ch. 403 (S.B. [1569](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/SB01569F.HTM)), Sec. 1, eff. June 17, 2005.

Added by Acts 2005, 79th Leg., Ch. 899 (S.B. [1863](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/SB01863F.HTM)), Sec. 2.01, eff. August 29, 2005.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 270 (S.B. [1571](http://www.legis.state.tx.us/tlodocs/86R/billtext/html/SB01571F.HTM)), Sec. 1, eff. September 1, 2019.

Sec. 2115.003.  STATE AGENCIES SUBJECT TO MANDATORY RECOVERY AUDITS. (a)  The comptroller may require recovery audits on the payments to vendors made by each state agency that has total expenditures during a state fiscal biennium in an amount that exceeds $50 million.  A state agency subject to required audits under this subsection shall provide the recovery audit consultant with all information necessary for the audit.

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

(b)  The comptroller may exempt from the mandatory recovery audit process a state agency that has a low proportion of its expenditures made to vendors, according to criteria the comptroller adopts by rule after consideration of the likely costs and benefits of performing recovery audits for agencies that make relatively few or small payments to vendors.

Added by Acts 2005, 79th Leg., Ch. 403 (S.B. [1569](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/SB01569F.HTM)), Sec. 1, eff. June 17, 2005.

Added by Acts 2005, 79th Leg., Ch. 899 (S.B. [1863](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/SB01863F.HTM)), Sec. 2.01, eff. August 29, 2005.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 270 (S.B. [1571](http://www.legis.state.tx.us/tlodocs/86R/billtext/html/SB01571F.HTM)), Sec. 2, eff. September 1, 2019.

Sec. 2115.004.  PAYMENT TO CONTRACTORS. (a) A state agency shall pay, from recovered money appropriated for the purpose, the recovery audit consultant responsible for obtaining for the agency a reimbursement from a vendor.

(b)  A state agency shall expend or return to the federal government any federal money that is recovered through a recovery audit conducted under this chapter.  The state agency shall expend or return the federal money in accordance with the rules of the federal program through which the agency received the federal money.

Added by Acts 2005, 79th Leg., Ch. 403 (S.B. [1569](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/SB01569F.HTM)), Sec. 1, eff. June 17, 2005.

Added by Acts 2005, 79th Leg., Ch. 899 (S.B. [1863](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/SB01863F.HTM)), Sec. 2.01, eff. August 29, 2005.

Text of section effective until September 01, 2024

Sec. 2115.005.  FORWARDING REPORTS. (a) The comptroller shall provide copies, including electronic form copies, of any reports received from a consultant contracting under Section 2115.002 to:

(1)  the governor;

(2)  the state auditor's office; and

(3)  the Legislative Budget Board.

(b)  The comptroller shall provide the copies required by Subsection (a) not later than the 15th day after the date the comptroller receives the consultant's report.

(c)  Not later than February 1 of each odd-numbered year, the comptroller shall issue a report to the legislature summarizing the activities conducted under this chapter during the state fiscal biennium ending August 31 of the previous year.

Added by Acts 2005, 79th Leg., Ch. 403 (S.B. [1569](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/SB01569F.HTM)), Sec. 1, eff. June 17, 2005.

Added by Acts 2005, 79th Leg., Ch. 899 (S.B. [1863](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/SB01863F.HTM)), Sec. 2.01, eff. August 29, 2005.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 270 (S.B. [1571](http://www.legis.state.tx.us/tlodocs/86R/billtext/html/SB01571F.HTM)), Sec. 3, eff. September 1, 2019.

Acts 2023, 88th Leg., R.S., Ch. 629 (H.B. [4510](http://www.legis.state.tx.us/tlodocs/88R/billtext/html/HB04510F.HTM)), Sec. 2, eff. September 1, 2024.

Text of section effective on September 01, 2024

Sec. 2115.005.  ANNUAL REPORT BY COMPTROLLER. (a)  Subject to Subsection (b), not later than February 1 of each year, the comptroller shall issue to the legislature, governor, state auditor's office, and Legislative Budget Board a report summarizing the activities conducted by a consultant pursuant to a recovery audit completed under this chapter during the preceding state fiscal year.

(b)  The comptroller is required to issue a report under Subsection (a) only if a recovery audit was completed under this chapter during the preceding state fiscal year.

Added by Acts 2005, 79th Leg., Ch. 403 (S.B. [1569](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/SB01569F.HTM)), Sec. 1, eff. June 17, 2005.

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Amended by:

Acts 2019, 86th Leg., R.S., Ch. 270 (S.B. [1571](http://www.legis.state.tx.us/tlodocs/86R/billtext/html/SB01571F.HTM)), Sec. 3, eff. September 1, 2019.

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