

BILL ANALYSIS

Senate Research Center
78R1357 MXM-F

S.B. 147
By: Barrientos
Government Organization
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As Filed

DIGEST AND PURPOSE

Currently, state agencies are not required to adopt a strategic plan that includes an agency risk assessment and risk control strategies for the strategic planning period. As proposed, S.B. 147 requires each state agency to develop a risk management plan.

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 Title 10B, Government Code, by adding Chapter 2057, as follows:

CHAPTER 2057. STATE AGENCY RISK MANAGEMENT POLICIES AND CONTROL STRATEGIES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 2057.001. DEFINITIONS. Defines “control strategy,” “objective,” “risk management,” and “state agency.”

[Reserves Sections 2057.002-2057.050 for expansion]

SUBCHAPTER B. POWERS AND DUTIES

Sec. 2057.051. ADOPTION OF RISK MANAGEMENT AND CONTROL STRATEGIES. (a) Requires the governing body of each state agency to adopt risk management and control strategies for the next two-year period by August 31 of each odd-numbered year.

(b) Requires the risk management and control strategies to specify certain objectives of the state agency; to assess the nature and extent of the risks to achieve those objectives; to identify any significant risks that may impede the achievement of those objectives as well as any measures that may diminish or eliminate significant risks; to analyze the probability that the risk may occur; and conduct cost-benefit analysis pertaining to the risk.

(c) Requires the governing body to forward a copy of the risk management and control strategies to certain state officials by the tenth day after the date on which the governing body adopts its risk management and control strategies.

Sec. 2057.052. STATE AGENCY RESPONSIBILITIES. (a) Requires each state agency to implement the risk management and control strategies adopted by its governing body under this subchapter.

(b) Requires the state agency to provide to the governing body strategy-related progress reports at least twice a year.

(c) Requires the state agency to promptly notify its governing body of the identification of any significant risk to the achievement of an objective and of the measures taken to mitigate or avoid that risk.

Sec. 2057.053. REPORT ON RISK MANAGEMENT AND CONTROL STRATEGIES. (a) Requires the governing body of each state agency to provide progress reports on risk management and control strategies for the current two-year period by October 31 of each even-numbered year. Requires the governing body to submit the report to certain state officials.

(b) Requires the progress report to include certain information.

SECTION 2. Effective date: upon passage or September 1, 2003.