

TEXAS TRANSPORTATION COMMISSION

ALL Counties

MINUTE ORDER

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ALL Districts

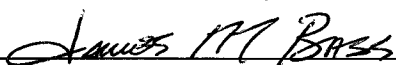
The Texas Transportation Commission (commission) finds it necessary to adopt amendments to §15.90, Reports and Audits, relating to Transportation Corporations, to be codified under Title 43, Texas Administrative Code, Part 1.

The preamble and the adopted amendments, attached to this minute order as Exhibits A and B, are incorporated by reference as though set forth verbatim in this minute order, except that they are subject to technical corrections and revisions, approved by the General Counsel, necessary for compliance with state or federal law or for acceptance by the Secretary of State for filing and publication in the *Texas Register*.

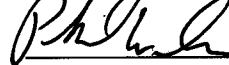
IT IS THEREFORE ORDERED by the commission that the amendments to §15.90 are adopted and are authorized for filing with the Office of the Secretary of State.

The executive director is directed to take the necessary steps to implement the actions as ordered in this minute order, pursuant to the requirements of the Administrative Procedure Act, Government Code, Chapter 2001.

Submitted and reviewed by:


Chief Financial Officer

Recommended by:


Executive Director

113192 JUL 26 12

Minute Date
Number Passed

1 The intent of §15.90(c) was to require private corporations to
2 provide audited reports, since those reports would need to be
3 incorporated in the department's annual report. Those reports
4 are not needed for corporations created by the commission. The
5 department's agency wide financials do not typically receive an
6 audit opinion, however significant line items are audited as
7 part of the state's consolidated annual financial report.

8
9 Section 15.90(c) is amended to provide that a corporation that
10 is authorized by the commission under §§15.94 or 15.95 is not
11 required to have an annual audit performed and is not required
12 to submit a report under that subsection.

13

14 COMMENTS

15 No comments on the proposed amendments were received.

16

17 STATUTORY AUTHORITY

18 The amendments are adopted under Transportation Code, §201.101,
19 which provides the commission with the authority to establish
20 rules for the conduct of the work of the department, and more
21 specifically, Transportation Code, §431.023, which authorizes
22 the commission to approve the creation of a transportation
23 corporation.

24

25 CROSS REFERENCE TO STATUTE

26 Transportation Code, Chapter 431.

1 SUBCHAPTER H. TRANSPORTATION CORPORATIONS

2 §15.90. Reports and Audits.

3 (a) Written reports.

4 (1) Project status report. Except as provided in
5 paragraph (3) of this subsection, for each transportation
6 project, the corporation shall submit a quarterly project status
7 report after the end of each of the state's fiscal quarters
8 during the construction of the project, that must include, at a
9 minimum:

10 (A) the scope of work authorized by the commission;

11 (B) the work that has been accomplished in that
12 quarter;

13 (C) the anticipated completion date of the project, as
14 well as anticipated completion dates for various segments of the
15 project, if applicable;

16 (D) the status of coordinating activities with other
17 governmental entities and with railroads, utilities and others;

18 (E) project fiscal data, including funds received,
19 expended, available, and projected completion costs; and

20 (F) comments on significant accomplishments, problems,
21 and concerns of the corporation.

22 (2) Certification. Reports submitted under this
23 subsection must be approved by official action of the board and

1 certified as correct by the president of the corporation.

2 (3) Inactivity. If the project status has not changed in
3 the preceding period, the corporation may submit, in lieu of the
4 quarterly project status report, a certification stating that no
5 activity has taken place.

6 (4) Submission dates. Reports or the certification
7 required by this subsection must be submitted to the executive
8 director within 60 days after the end of each of the state's
9 fiscal quarter.

10 (b) Annual commission report. Every 12 months, the
11 corporation shall submit to the commission a report on its
12 current condition, status of projects, and activities undertaken
13 the preceding 12 months, and shall be available to appear before
14 the commission, at the commission's discretion, to discuss the
15 report.

16 (c) Annual audits. The corporation shall submit reports of
17 an annual financial audit in accordance with this subsection. A
18 corporation that is authorized by the commission under §15.94 or
19 §15.95 of this subchapter (relating to CDA Projects Corporation
20 and Toll Project Corporations, respectively) is not required to
21 have an annual audit performed and is not required to submit a
22 report under this subsection.

23 (1) Submission date. The annual audit shall be submitted

1 to the executive director within 120 days after the end of the
2 state's fiscal year (August 31).

3 (2) Certification. The audit must be conducted by an
4 independent certified public accountant in accordance with
5 generally accepted auditing standards. The accompanying
6 financial report shall be prepared according to pronouncements
7 by the Government Accounting Standards Board.

8 (3) Content. The audit shall include, at a minimum:

9 (A) an evaluation of the corporation's internal
10 accounting system and controls;

11 (B) a statement regarding the corporation's compliance
12 with the guidelines established by the commission for its
13 operation, including both the positive and negative compliance
14 (summary of all instances of noncompliance, if any, must be
15 included);

16 (C) a statement regarding the corporation's compliance
17 with the Public Funds Investment Act, Government Code, Chapter
18 2256, as applicable;

19 (D) a complete recapitulation of the corporation's
20 income and expenditures as well as assets and liabilities; and

21 (E) an unqualified certification by the certified
22 public accountant.

23 (4) Paperwork retention period. All work papers and

1 reports shall be retained for a minimum of four years from the
2 date of the audit report, unless the certified public accountant
3 is notified by the department in writing, to extend the
4 retention period.

5 (5) Availability of audit work papers. If requested by
6 the department, audit work papers shall be made available to the
7 executive director at the completion of the audit.

8 (d) Other reports. The corporation will provide other
9 reports and information regarding the corporation promptly when
10 requested by the executive director.