

BILL ANALYSIS

Senate Research Center
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S.B. 770
By: Shapiro
State Affairs
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As Filed

DIGEST

Passed by the Texas Legislature in May 1989, the Internal Audit Act requires that certain agencies have an independent internal audit function; sets forth guidelines for the internal audit; and establishes qualifications, responsibilities, and standards for an internal auditor. Maintaining the independence of the internal audit is important to its function. S.B. 770 creates additional provisions to maintain internal auditor independence and increase audit process efficiency.

PURPOSE

As proposed, S.B. 770 creates additional provisions for an internal auditor of a state agency.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2102.006, Government Code, by amending Subsection (a) and adding Subsection (d), as follows:

- (a) Requires the governing body of a state agency, rather than its designee, to appoint an internal auditor.
- (d) Requires certain authorities to review an agency's staffing and budget of the agency's internal auditing program to determine whether the agency maintains adequate resources to address identified risks in the agency's annual risk assessment.

SECTION 2. Amends Section 2102.007(a), Government Code, to require an internal auditor to participate in an external peer review in accordance with standards described by Section 2102.011, Government Code.

SECTION 3. Amends Section 2102.008, Government Code, to make a conforming change.

SECTION 4. Repealer: Section 2102.009, Government Code (Annual Report).

SECTION 5. Effective date: September 1, 1999.

SECTION 6. Emergency clause.