

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 9, 2003

TO: Honorable Rodney Ellis, Chair, Senate Committee on Government Organization

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB1694 by Shapiro (Relating to state agency internal auditing.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 2102 of the Government Code, relating to state agency internal auditing. This bill would make the governing board of a state agency, or the administrator of a state agency if the state agency did not have a governing board, responsible for periodically reviewing the resources dedicated to the internal audit program and to determine if adequate resources existed to ensure that risks identified in the annual risk assessment were covered.

The bill would clarify what internal auditing is and add definitions of services designed to add value and improve an organization's operations. The bill would change the internal audit standards by replacing the Certified Internal Auditor Code of Professional Ethics and the Statement of Responsibilities of Internal Auditing with the Code of Ethics contained in the Professional Practices Framework as promulgated by the Institute of Internal Auditors.

This bill would take effect September 1, 2003

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 308 State Auditor's Office

LBB Staff: JK, GO, MS