



1 evidence for the purpose of providing an independent assessment of  
2 risk management, control, or governance processes for an  
3 organization. Assurance services include audits as defined in this  
4 section.

5 (3) "Audit" means:

6 (A) a financial audit described by Section  
7 321.0131;

8 (B) a compliance audit described by Section  
9 321.0132;

10 (C) an economy and efficiency audit described by  
11 Section 321.0133;

12 (D) an effectiveness audit described by Section  
13 321.0134; or

14 (E) an investigation described by Section  
15 321.0136.

16 (4) "Consulting services" means advisory and related  
17 client service activities, the nature and scope of which are agreed  
18 upon with the client and are intended to add value and improve an  
19 organization's operations. Consulting services include counsel,  
20 advice, facilitation, and training.

21 (5) [~~4~~] "State agency" means a department, board,  
22 bureau, institution, commission, or other agency in the executive  
23 branch of state government.

24 SECTION 3. Section 2102.006, Government Code, is amended by  
25 adding Subsection (d) to read as follows:

26 (d) The governing board of a state agency, or the  
27 administrator of a state agency if the state agency does not have a

1 governing board, shall periodically review the resources dedicated  
2 to the internal audit program and determine if adequate resources  
3 exist to ensure that risks identified in the annual risk assessment  
4 are adequately covered within a reasonable time frame.

5 SECTION 4. Section 2102.011, Government Code, is amended to  
6 read as follows:

7 Sec. 2102.011. INTERNAL AUDIT STANDARDS. The internal  
8 audit program shall conform to the Standards for the Professional  
9 Practice of Internal Auditing, [~~generally accepted governmental~~  
10 ~~auditing standards,~~] the [~~Certified Internal Auditor~~] Code of  
11 [~~Professional~~] Ethics contained in the Professional Practices  
12 Framework as promulgated by[~~, and the Statement of Responsibilities~~  
13 ~~of Internal Auditing of~~] the Institute of Internal Auditors, and  
14 generally accepted government auditing standards.

15 SECTION 5. This Act takes effect September 1, 2003.

16 SECTION 6. The importance of this legislation and the  
17 crowded condition of the calendars in both houses creates an  
18 emergency and an imperative public necessity that the  
19 constitutional rule requiring bills to be read on three several  
20 days in each house be suspended, and this rule is hereby suspended.

David Newhall

President of the Senate

Jim Caddick

Speaker of the House

I hereby certify that S.B. No. 1694 passed the Senate on April 25, 2003, by the following vote: Yeas 31, Nays 0.

Atay Spaw  
Secretary of the Senate

I hereby certify that S.B. No. 1694 passed the House on May 23, 2003, by a non-record vote.

Robert Haney  
Chief Clerk of the House

Approved:

18 JUN '03

Date

Rick Perry  
Governor

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
8:30 PM O'CLOCK

June Shea  
Secretary of State