

- SUBJECT:** Consolidated internal auditing at health and human services agencies
- COMMITTEE:** Human Services — favorable, without amendment
- VOTE:** 8 ayes — Raymond, Rose, Keough, S. King, Klick, Peña, Price, Spitzer
0 nays
1 absent — Naishtat
- WITNESSES:** For — (*Registered, but did not testify:* Marina Hench, Texas Association for Home Care and Hospice; Christine Gendron, Texas Network of Youth Services)

Against — (*Registered, but did not testify:* Carmen Cadena, Prolife4Life)

On — (*Registered, but did not testify:* Elisa Hendricks, Kyle Janek, and Gary Jessee, Health and Human Services Commission; Sarah Kirkle and Karl Spock, Sunset Advisory Commission)
- BACKGROUND:** Government Code, ch. 2102, known as the Texas Internal Auditing Act, governs internal auditing at state agencies. Sec. 2102.005 requires a state agency to conduct a program of internal auditing that includes an annual audit plan. Sec. 531.0055 requires the executive commissioner of the Health and Human Services Commission (HHSC) to be responsible for the administrative supervision of the internal audit program for all health and human services agencies.
- Sec. 2054.075(b) requires each state agency to provide that its information resources manager is part of the agency’s executive management and reports directly to a person with a title functionally equivalent to executive director or deputy executive director.
- HB 2292 by Wohlgemuth, enacted by the 78th Legislature in 2003, partially consolidated the state’s health and human services agencies but did not give HHSC consistent authority in statute to oversee internal

audits and information resources at all five health and human services agencies. Some have called for HHSC's administrative authority regarding internal audits and information resources to be specified in statute.

DIGEST:

HB 2578 would require HHSC to operate an internal audit program required under Government Code, ch. 2102 for HHSC and each health and human services agency as a consolidated internal audit program. The bill would specify that the executive commissioner would act as the administrator of a state agency for all the health and human services agencies with respect to internal audits under Government Code, ch. 2102.

The bill would require the information resources manager of a health and human services agency to report directly to the executive commissioner or a deputy executive commissioner designated by the executive commissioner.

The bill would take effect September 1, 2015.