



**TEXAS BOARD
OF
PARDONS AND PAROLES**

Number: BPP-POL. 04-01.08

Date: January 8, 2004

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Supersedes: BPP-POL. 02-02.01

BOARD POLICY

SUBJECT: POLICY STATEMENT ON INTERNAL AUDIT PROCEDURES

PURPOSE: To authorize the appointment of an Internal Auditor, via inter-agency agreement executed by the presiding officer, to provide that the Texas Department of Criminal Justice, Internal Audit Division, conduct economy, efficiency, and program audits for the Texas Board of Pardons and Paroles.

AUTHORITY: Chapter 2102, Government Code, as amended by HB 609, Acts 2001, 77th Legislature, Chapter 804, Sec. 1, effective September 1, 2001

POLICY: It is the policy of the Texas Board of Pardons and Paroles that the Texas Department of Criminal Justice, Internal Audit Division will serve, through inter-agency agreement, as the Internal Auditor for the Texas Board of Pardons and Paroles ("Board"). The Internal Auditor will remain under the supervision of the Texas Board of Criminal Justice with unrestricted access to the presiding officer, board members, board personnel, records, and property necessary to implement an effective program of internal auditing.

With regard to audits that are the subject of this Policy, the Internal Auditor will report directly to the Board of Pardons and Paroles. The Internal Auditor will assist the Board by furnishing independent analyses, appraisals, and recommendations concerning the adequacy and effectiveness of the Board's systems of internal controls, policies and procedures and the quality of performance in carrying out assigned responsibilities.

PROCEDURES:

- I. The Internal Auditor is authorized to conduct both financial and performance audits which assess and identify improvements to the Board's systems of internal controls so that the Board may have the assurance it is:
 - A. maintaining accurate, reliable, timely, complete and useful information;
 - B. complying with applicable policies, plans, procedures, laws, regulations, and contracts;
 - C. adequately safeguarding assets;
 - D. economically and efficiently employing resources; and
 - E. achieving established goals and objectives as planned.

- II. The Internal Auditor shall:
 - A. prepare and present to the Board for approval an annual audit plan, using risk assessment techniques, which identifies individual audits to be conducted during the year;
 - B. oversee the conduct of audits as specified in the annual audit plan, with any deviations from the plan documented and communicated to the Board at the next regular meeting;
 - C. oversee the preparation of audit reports in the format determined by the Internal Auditor and provide these reports to each individual member of the Board and other board personnel;
 - D. conduct quality assurance reviews in accordance with professional standards; and ensure that the internal audit program conforms to the Standards for the Professional Practice of Internal Auditing, generally accepted governmental auditing standards, the Certified Internal Auditing Code of Professional Ethics, and the Statement of Responsibilities of the Internal Auditing of the Institute of Internal Auditors;
 - E. prepare an annual audit report on the activities of the Internal Auditor and the responses of the departments to the recommendations made by the Internal Auditor, in the format prescribed by the State Auditor's Office, and submit the report before November 1st of each year to the Governor, the Legislative Budget Board, the Sunset Advisory Commission, the State Auditor, the Board, and to other board personnel as appropriate;
 - F. report to the Board on other matters as required; and

- G. refer to the State Auditor's Office or the TDCJ Inspector General those audit issues which, in the opinion of the Internal Auditor, warrant consideration of an investigation for acts or allegations of impropriety, malfeasance or nonfeasance in the obligation, expenditure, receipt, or use of State funds, or into specified financial transactions or practices that may involve such impropriety, malfeasance or nonfeasance.

III. Impairments

The Director and the staff of the Internal Audit Division shall be free of all operational and management responsibilities that would impair their ability to review independently all aspects of the Board's operations. The work of the Internal Audit Division in no way relieves board personnel of their assigned responsibilities.

ADOPTED BY MAJORITY VOTE OF THE BOARD ON THE 8th DAY OF JANUARY, 2004.

RISSIE OWENS, PRESIDING OFFICER (CHAIR)

* *Signature on file.*