

April 29, 2025

The Honorable Ken King
Texas House of Representatives
Room GW. 17
P.O. Box 2910
Austin, TX 78768

The Honorable Giovanni Capriglione
Texas House of Representatives
Room E1.506
P.O. Box 2910
Austin, TX 78768

RE: IIA Comments Regarding Texas House Bill 3666

Dear Chairman King and Chairman Capriglione:

On behalf of The Institute of Internal Auditors (The IIA), the international professional association representing more than 260,000 internal auditors, I am writing in reference to [House Bill 3666](#) (HB 3666) which strengthens internal audit processes at Texas state agencies.

The IIA supports the policy objectives of HB 3666 and appreciates your leadership on this issue. As the legislation proceeds, however, we also respectfully would like to suggest a technical modification which we believe would enhance Section 2102.011 of the proposed legislation. As it is currently drafted, Section 2102.011 states:

The internal audit program shall conform to the Global Internal Audit Standards as promulgated by the Institute of Internal Auditors.

Although The IIA's [Global Internal Audit Standards](#)™ (the Standards) are foundational to the performance of internal audit, it is not the only authoritative resource for internal audit professionals. The Standards are one component of The IIA's broader [International Professional Practices Framework](#)® (IPPF) which also includes:

- **Topical Requirements:** Topical requirements are a **mandatory element of the IPPF**. The requirements provide minimum baseline and relevant criteria for a consistent, comprehensive approach to assessing the design and implementation of governance, risk management, and control processes in particular risk areas (the topics).
- **Global Guidance:** Recommended but not mandatory guidance intended to provide detailed support and direction for conducting internal audit activities.

The IPPF, in essence, encompasses the complete set of requirements and guidance that underpins internal auditing, including our Standards and our ethical guidance.

Therefore, The IIA recommends the Texas Legislature amend Section 2102.011 by substituting "Global Internal Audit Standards™" with "International Professional Practices Framework®." This change will provide internal auditors with greater operational clarity and ensure any future additions or modifications to the Standards, Topical Requirements, or Global Guidance are instantly incorporated in Texas law (as opposed to requiring legislative action to recognize each change).

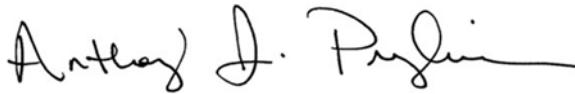
To the extent the Legislature directly references either the Standards or IPPF in HB 3666, The IIA respectfully requests inclusion of the appropriate trademarks. This addition will maintain legal

accuracy while also acknowledging that these materials are the intellectual property of The IIA. While anyone, including governments, can freely use the IPPF, including the Standards, those who seek to commercialize them must first obtain a license from The IIA.

Should you have any questions regarding these comments, please contact Michael Downing, IIA Senior Director for North American Advocacy, at Michael.Downing@TheIIA.org.

Thank you for your consideration of our comments.

Sincerely,

A handwritten signature in black ink, reading "Anthony J. Pugliese". The signature is fluid and cursive, with a long horizontal stroke at the end.

Anthony J. Pugliese, CIA, CPA, CGMA, CITP
President and Chief Executive Officer
The Institute of Internal Auditors