

**Proposed Amendments to Council Policies
Proposed Internal Audit Procedures**

Tab 7

Background:

Amendments to Council Policies

The Executive Committee reviewed proposed amendments to Council policies during the November Committee meeting to:

- allow the Council Chair to approve one-time requests to increase funds above the amount previously approved by the Committee or Council, and
- designated staff as the review panel for grant applications which are less than \$15,0000 annually.

During that discussion the Committee asked for some additional revisions. Those proposed amendments have been revised accordingly.

Separately, the Council approved a recommendation from the Audit Committee to limit contracts for internal auditing services to no more than ten consecutive years. We have also developed a proposed amendment to Policies addressing that item.

Draft amendments of these items are included for review by the Executive Committee. Given requirements in Policies to provide at least 10 days notice of any proposed Amendments, revisions approved by the Committee will be considered by the Council during the May 2011 meeting at the earliest. This also allows time to include any revisions requested by the Council during the Committee of the Whole discussion about procedures to approve new grant projects, and procedures to approve grant awards annually for projects.

Internal Auditing Procedures

Staff also drafted a proposed Audit Committee Procedure concerning the decision to limit contracts for internal auditing services to no more than 10 consecutive years. That item is also included to allow review by the Executive Committee pending the next meeting of the Audit Committee.

Executive Committee

Agenda Item 10 & 11.

Expected Action:

The Executive Committee will review the proposed revisions to TCDD Policies and make recommendations to the Council as deemed appropriate.

Council

Agenda Item 14. D.

Expected Action:

The Council will receive a report on Executive Committee decisions during these meetings, and may be asked to consider Amendments to Policies during the August 2011 meeting.

Texas Council for Developmental Disabilities

Council Policies

Proposed Amendments: With Revisions Discussed November 2010

V. OFFICERS

D. Duties of Officers

1. The Chair is responsible for the general supervision of all activities of the Council in order to assure that the objectives of the Council are executed in the best possible manner. The responsibilities of the Chair shall include, but not be limited to, the following duties:
 - (a) The Chair shall preside at all Council meetings.
 - (b) The Chair shall serve as the Chair of the Executive Committee, as a non-voting ex-officio member of the Audit Committee, and as a voting ex-officio member of all other committees except the Nominating Committee.
 - (c) The Chair shall appoint the members of all standing and ad hoc committees except the Nominating Committee and the Executive Committee.
 - (d) The Chair shall appoint Chairs of all standing committees in a manner prescribed in Article VI of these bylaws. All such appointments are subject to the approval of the Council.
 - (e) The Chair shall call special meetings of the Council, as necessary.
 - (f) The Chair shall approve the agenda for each Council meeting.
 - (g) The Chair shall represent the Council at public meetings and conferences and in dealing with other organizations or shall designate an alternate to do so.
 - (h) The Chair shall approve out-of-state travel of Council members or staff pursuant to travel procedures established by the Executive Committee.
 - (i) The Chair shall provide advice and consultation to the Executive Director concerning activities conducted by Council staff.
 - (j) The Chair shall prepare the annual performance evaluation of the Executive Director after considering input from Committee Chairs and Council members.
 - (k) The Council Chair shall be authorized to act for the Council on matters which require Council action when neither the appropriate committee(s) nor the full Council can meet, providing:
 - i. input is solicited from the Council Vice-Chair, the Chair of the appropriate Committee, and other members of the Council reasonably known to be knowledgeable about the matter at hand (For purposes of this sub-section, "input" means to receive and disseminate information.); and,
 - ii such action shall be reviewed by the appropriate Committee of the Council when it next meets.

In the event three or more Council members place in writing a request for recession of this authority to the Executive Committee, this authorization may be temporarily suspended by the Executive Committee pending full review by the Council. The Executive Committee shall review and affirm or disaffirm such actions and recommend to the Council continuance or discontinuance of authority for such matters.
- (l) The Council Chair shall be authorized to approve a one-time adjustment to the amount previously authorized for a grant award when that amount is not more than 10% of the amount previously approved by the Executive Committee and not more than \$10,000, and shall report such actions to the Committee and Council.**

X. TCDD GRANTS PROJECTS

F. Peer Review Process

1. The Council shall use peer reviewers to evaluate proposals submitted in competitive requests for proposals, exclusive of stipends grant proposals **when the award is greater than \$15,000.**
2. **Council staff shall serve as the review panel for stipends grant proposals and for other grants when authorized funding of less than \$15,000 yearly.**
3. **All reviewers shall disclose any conflicts of interest with individuals association with applications to be reviewed.**
4. The Executive Director shall submit recommendations for Review Panel members to the Executive Committee for approval. Council members and staff will be asked for suggestions of professionals and public citizens to evaluate proposals. Reviewers may not evaluate proposals in which there is, or is an appearance of, a conflict of interest.
5. Council staff shall provide written instructions and training for all Review Panel members.
6. Council staff shall convene a meeting with each Review Panel and shall record the summary evaluation of the review of each proposal.

VII. COMMITTEES OF THE COUNCIL

D. Audit Committee Duties and Composition

1. The Audit Committee shall have the following powers and duties, and others that may be designated from time to time by the Council.
 - a. Annually review and make recommendations to the Council regarding an internal audit charter, an annual internal audit plan and any special audits;
 - b. Approve submittal of the annual internal audit plan subject to review and revision by the Council; and
 - c. Review audit reports from the internal auditor and make recommendations to the Council concerning actions or resolutions.
 - d. Provide guidance and oversight to the process to solicit offers for internal audit services once every five years and otherwise when determined to be appropriate, and recommend the final selection of an internal auditor to the Council.
 - ~~d.e.~~ Ensure that an entity selected to provide internal audit services not contract for a period, including renewals, longer than ten (10) consecutive years.
 - ~~e.f.~~ Ensure the External Quality Assurance Review of the TCDD internal audit function is conducted according to the Texas Internal Audit Act and the report is reviewed by the Audit Committee.
2. The Audit Committee shall be comprised of no more than five (5) members including the Chair.
 - a. The Council Vice-Chair shall serve as Chair of the Committee;
 - b. The Council Chair shall appoint other members of the Committee subject to approval by the Council;
 - c. The Council Chair shall be a non-voting ex-officio member of the committee.
3. The Audit Committee shall meet at least two (2) times yearly.

DRAFT**COUNCIL PROCEDURE #11: INTERNAL AUDITOR**

1. **General.** TCDD shall contract with an independent entity to provide Internal Audit services for TCDD. These responsibilities and activities are consistent with provisions of the Texas Internal Auditing Act (Texas Government Code, Chapter 2102) and the TCDD Audit Charter approved by the Council.
2. **Procedure.** The Internal Auditor is selected by and reports directly to the Council through the Council Audit Committee. Internal Audit activities are an independent appraisal function designed to examine and evaluate TCDD activities as a consultative service to the TCDD executive staff and the Council. In carrying out their duties, internal auditors will have free and unrestricted access to all TCDD activities, records, property, and personnel and those of TCDD grantees and contractors.
3. **Standards.** All Internal Audit activities will comply with the Texas Internal Audit Act (TGC 2102) and the Standards for the Professional Practice of Internal Auditing, Code of Ethics, and Statement of Responsibilities prescribed by the Institute of Internal Auditors, Inc., and applicable Governmental Auditing Standards.
4. **Contract Terms.** TCDD shall solicit offers for internal audit services through the RFQ process at least once every five years and at other times as determined by the Council Audit Committee. Solicitations for internal audit services shall be coordinated with the designated state agency in a manner that complies with state requirements and procedures.
5. **Relationship.** To ensure the independence of TCDD internal audit functions, an entity selected to provide internal audit services may not contract for a period, including renewals, longer than ten (10) consecutive years.