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SENATE BILL NO. 791

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on General Laws and Technology
on February 4, 2013)

(Patron Prior to Substitute—Senator Garrett)

A *BILL to amend and reenact § 2.2-309 of the Code of Virginia, relating to the Office of the State Inspector General; performance reviews of state agencies.*

Be it enacted by the General Assembly of Virginia:

1. That § 2.2-309 of the Code of Virginia is amended and reenacted as follows:

§ 2.2-309. Powers and duties of State Inspector General.

A. The State Inspector General shall have power and duty to:

1. Operate and manage the Office and employ such personnel as may be required to carry out the provisions of this chapter;

2. Make and enter contracts and agreements as may be necessary and incidental to carry out the provisions of this chapter and apply for and accept grants from the United States government and agencies and instrumentalities thereof, and any other source, in furtherance of the provisions of this chapter;

3. Receive complaints from whatever source that allege fraud, waste, including task or program duplication, abuse, or corruption by a state agency or nonstate agency or by any officer or employee of the foregoing and determine whether the complaints give reasonable cause to investigate;

4. Investigate the management and operations of state agencies and nonstate agencies to determine whether acts of fraud, waste, abuse, or corruption have been committed or are being committed by state officers or employees or any officers or employees of a nonstate agency, including any allegations of criminal acts affecting the operations of state agencies or nonstate agencies. However, no investigation of an elected official of the Commonwealth to determine whether a criminal violation has occurred, is occurring, or is about to occur under the provisions of § 52-8.1 shall be initiated, undertaken, or continued except upon the request of the Governor, the Attorney General, or a grand jury;

5. Coordinate and recommend standards for those internal audit programs in existence as of July 1, 2012, and develop and maintain other internal audit programs in state agencies and nonstate agencies as needed in order to ensure that the Commonwealth's assets are subject to appropriate internal management controls. The State Inspector General shall assess the condition of the accounting, financial, and administrative controls of state agencies and nonstate agencies;

6. Prepare a detailed report of each investigation stating whether fraud, waste, abuse, or corruption has been detected. If fraud, waste, abuse, or corruption is detected, the report shall (i) identify the person committing the wrongful act or omission, (ii) describe the wrongful act or omission, and (iii) describe any corrective measures taken by the state agency or nonstate agency in which the wrongful act or omission was committed to prevent recurrences of similar actions;

7. Provide timely notification to the appropriate attorney for the Commonwealth and law-enforcement agencies whenever the State Inspector General has reasonable grounds to believe there has been a violation of state criminal law;

8. Assist citizens in understanding their rights and the processes available to them to express concerns regarding the activities of a state agency or nonstate agency or any officer or employee of the foregoing;

9. Maintain data on inquiries received, the types of assistance requested, any actions taken, and the disposition of each such matter;

10. Upon request, assist citizens in using the procedures and processes available to express concerns regarding the activities of a state or nonstate agency or any officer or employee of the foregoing;

11. Ensure that citizens have access to the services provided by the State Inspector General and that citizens receive timely responses to their inquiries from the State Inspector General or his representatives;

12. Conduct performance reviews of state agencies to ascertain that sums appropriated have been or are being expended for the purposes for which the appropriation was made, and to evaluate the effectiveness of the programs in accomplishing such purpose. Prepare a report for each performance review detailing any findings or recommendations for improving the efficiency of state agencies, including recommending changes in the law to the Governor and the General Assembly that are necessary to address such findings. Develop and implement an audit work plan, based on a risk assessment methodology, with existing funding and in coordination with other pertinent agencies, as appropriate, to schedule executive branch agencies for performance reviews in order to evaluate agencies for evidence of waste, fraud, and abuse. The plan shall incorporate information collection and

60 *assessment mechanisms that will assist in identify duplicative, unproductive, counter-productive, or*
61 *purposeless functions; excessive, ineffective, inefficient, use or misuse of public resources; illegal*
62 *activities; lack of or ineffective internal controls; and any other activity or inactivity needing review, as*
63 *he deems appropriate. The purpose of this development process and resulting work plan is to direct*
64 *resources available to the Office, personnel and otherwise, relative to the prioritization and conduct of*
65 *performance reviews. The plan shall be completed and made available to the Governor and the General*
66 *Assembly on or before July 1, 2014;*

67 13. Administer the Fraud and Abuse Whistle Blower Reward Fund created pursuant to § 2.2-3014;
68 and

69 14. Do all acts necessary or convenient to carry out the purposes of this chapter.

70 B. If the State Inspector General receives a complaint from whatever source that alleges fraud, waste,
71 abuse, or corruption by a public institution of higher education or any of its officers or employees, the
72 State Inspector General shall refer the complaint to the internal audit department of the public institution
73 of higher education for investigation, unless the complaint concerns the president of the institution or its
74 internal audit department, in which case the investigation shall be conducted by the State Inspector
75 General.

76 The public institution of higher education shall provide periodic updates on the status of any
77 investigation and make the results of any such investigation available to the State Inspector General.