

SENATE BILL NO. 325—SENATOR BROWER

MARCH 21, 2011

Referred to Committee on Government Affairs

SUMMARY—Creates the Office of Inspector General in the Department of Administration. (BDR 18-1062)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to governmental administration; creating the Office of Inspector General in the Department of Administration; setting forth the duties of the Inspector General; requiring a state agency to cooperate with and provide assistance to the Inspector General in carrying out those duties; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law creates the Department of Administration consisting of the Director of the Department and several divisions, including the Budget Division, Risk Management Division, Hearings Division, Buildings and Grounds Division, Purchasing Division, Administrative Services Division, Division of Internal Audits and, if established by the Director, Motor Pool Division. (NRS 232.213) This bill creates the Office of Inspector General in the Department of Administration. **Section 3** of this bill provides that the Office of Inspector General consists of the Inspector General and any person employed in the Office of Inspector General. **Section 3** also requires the Governor to appoint the Inspector General and specifies that the Inspector General is directly responsible to the Governor. **Section 4** of this bill requires the Inspector General to investigate, audit and review the operation and management of each state agency to determine whether any act or omission amounting to fraud, waste, abuse or corruption has occurred or may occur within that state agency. **Section 5** of this bill requires a state agency, upon request by the Inspector General, to cooperate with and provide assistance to the Inspector General in carrying out his or her duties. **Section 5** also authorizes a law enforcement agency in this State, upon request by the Inspector General and to the extent that money is available for that purpose, to provide officers, staff and other assistance to the Inspector General. **Section 6** of this bill provides for the confidentiality of any book, paper, report or other record received, prepared or maintained by the Inspector General and provides for the release of any such record under certain circumstances. **Section 9** of this bill includes the operating budget of



* S B 3 2 5 *

23 the Office of Inspector General within certain provisions governing the Department
24 of Administration's Operating Fund for Administrative Services.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 232 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 to 6, inclusive, of this
3 act.

4 **Sec. 2.** *As used in sections 2 to 6, inclusive, of this act, unless*
5 *the context otherwise requires, "state agency" means any board,*
6 *commission, department, division, officer or employee in the*
7 *Executive Department of the State Government.*

8 **Sec. 3.** 1. *The Office of Inspector General is hereby created*
9 *in the Department of Administration. The Office of Inspector*
10 *General consists of the Inspector General and any person*
11 *employed in the Office of Inspector General.*

12 2. *The Governor shall appoint the Inspector General. The*
13 *Inspector General is in the unclassified service of the State and*
14 *serves at the pleasure of the Governor.*

15 3. *The Inspector General shall devote his or her entire time*
16 *and attention to the business of his or her office and shall not*
17 *engage in any other gainful employment or occupation.*

18 4. *The Inspector General is directly responsible to the*
19 *Governor in all matters relating to an investigation, audit or*
20 *review conducted pursuant to sections 2 to 6, inclusive, of this act.*

21 **Sec. 4.** *The Inspector General shall:*

22 1. *Investigate, audit and review the operation and*
23 *management of each state agency to determine whether any act or*
24 *omission amounting to fraud, waste, abuse or corruption has*
25 *occurred or may occur within that state agency;*

26 2. *Periodically or upon request by the Governor submit a*
27 *report to the Governor setting forth any findings and conclusions*
28 *relating to an investigation, audit or review specified in subsection*
29 *1 and any suggested corrective or remedial actions, including,*
30 *without limitation, increased oversight, carrying out or*
31 *modification of any controls for internal management,*
32 *termination of employment or referral to the Commission on*
33 *Ethics or the Attorney General when appropriate;*

34 3. *Establish a program for receiving, reviewing and*
35 *investigating any complaint submitted to the Inspector General*
36 *concerning any fraud, waste, abuse or corruption within any state*
37 *agency and referral of those complaints to the appropriate state*
38 *agency;*



* S B 3 2 5 *

1 4. Identify any other state agency that is responsible for
2 investigating, auditing or reviewing the operation and
3 management of a state agency, including, without limitation, the
4 Chief of the Division of Internal Audits of the Department and the
5 Inspector General of the Department of Corrections, and
6 coordinate with those state agencies to share information and
7 avoid any duplication of activities; and

8 5. Perform any other task relating to his or her duties
9 required by the Governor.

10 Sec. 5. 1. Upon request by the Inspector General, each
11 state agency and any employee of that state agency shall cooperate
12 with and provide assistance to the Inspector General in carrying
13 out the provisions of sections 2 to 6, inclusive, of this act and shall,
14 to the greatest extent practicable, ensure that the premises,
15 equipment, employees and books, papers and other records of the
16 state agency are available for use by the Inspector General in
17 carrying out those provisions.

18 2. To the extent that money is available for that purpose, any
19 law enforcement agency in this State may, upon request by the
20 Inspector General, provide officers, staff and any other assistance
21 to the Inspector General in carrying out the provisions of sections
22 2 to 6, inclusive, of this act.

23 Sec. 6. Any book, paper, report or other record received,
24 prepared or maintained by the Inspector General pursuant to
25 sections 2 to 6, inclusive, of this act is confidential, except that the
26 Inspector General:

27 1. Shall release any such record when subpoenaed by a court
28 of competent jurisdiction or when required pursuant to
29 NRS 239.0115;

30 2. Shall make any such record available to the Legislative
31 Auditor upon his or her request; and

32 3. May make any such record available for inspection by an
33 authorized representative of any other governmental entity for a
34 matter officially before him or her.

35 Sec. 7. NRS 232.212 is hereby amended to read as follows:

36 232.212 As used in NRS 232.212 to 232.2195, inclusive, *and*
37 *sections 2 to 6, inclusive, of this act*, unless the context requires
38 otherwise:

39 1. "Department" means the Department of Administration.

40 2. "Director" means the Director of the Department.

41 Sec. 8. NRS 232.213 is hereby amended to read as follows:

42 232.213 1. The Department of Administration is hereby
43 created.

44 2. The Department consists of a Director , *the Office of*
45 *Inspector General* and the following divisions:



- 1 (a) Budget Division.
- 2 (b) Risk Management Division.
- 3 (c) Hearings Division, which consists of hearing officers,
- 4 compensation officers and appeals officers.
- 5 (d) Buildings and Grounds Division.
- 6 (e) Purchasing Division.
- 7 (f) Administrative Services Division.
- 8 (g) Division of Internal Audits.
- 9 3. The Director may establish a Motor Pool Division or may
- 10 assign the functions of the State Motor Pool to one of the other
- 11 divisions of the Department.

12 **Sec. 9.** NRS 232.219 is hereby amended to read as follows:

13 232.219 1. The Department of Administration's Operating
14 Fund for Administrative Services is hereby created as an internal
15 service fund.

16 2. The operating budget of each of the following entities must
17 include an amount representing that entity's share of the operating
18 costs of the central accounting function of the Department:

- 19 (a) State Public Works Board;
- 20 (b) Budget Division;
- 21 (c) Buildings and Grounds Division;
- 22 (d) Purchasing Division;
- 23 (e) Hearings Division;
- 24 (f) Risk Management Division;
- 25 (g) Division of Internal Audits; ~~and~~
- 26 (h) If separately established, the Motor Pool Division ~~and~~; and
- 27 *(i) Office of Inspector General.*

28 3. All money received for the central accounting services of the
29 Department must be deposited in the State Treasury for credit to the
30 Operating Fund.

31 4. All expenses of the central accounting function of the
32 Department must be paid from the Fund as other claims against the
33 State are paid.

34 **Sec. 10.** This act becomes effective on July 1, 2011.

