

MODEL LEGISLATION
For the establishment of
Offices of Inspector General

1. Creation of the Office of Inspector General

There is hereby created for the _____ (agency) _____ an Office of Inspector General

The intent of this section is to create the office of Inspector General.

2. Purpose

The purpose of this legislation is to establish a full-time program of investigation and performance review to provide increased accountability and oversight of the agency and to assist in improving agency operations and deterring and identifying fraud, abuse and illegal acts.

The intent of this section is to focus the purpose of the legislation on the inspector general's mission – accountability and oversight.

3. Legislative Intent

The intent of this legislation is to create a wholly independent office of Inspector General to conduct investigations, audits, inspections and other reviews in accordance with those professional standards that relate to the fields of investigation and auditing in government environments.

The purpose of this section is clearly state the intent behind the legislation.

4. Appointment

The Inspector General shall be appointed by (the governor with the advice and consent of the senate), (the governor), (the legislature), (or a high ranking government official with a position equal to or higher than an agency head). The Inspector General is to be selected without regard to political affiliation and on the basis of integrity, capability for strong leadership, and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, investigation, or criminal justice administration or other closely related fields. No former or current executive or manager of the Agency can be appointed Inspector General within that Agency within five years of that individual's period of service. The inspector general should hold at appointment, or be required to obtain within a time certain after appointment, certification as a Certified Inspector General.

This section is intended to ensure that the candidate selected as Inspector General is qualified for the job and is sufficiently independent to conduct the duties of the office, without impairment.

5. Term of Office

The Inspector General is appointed for a term of five years, which may be renewed at the discretion of the appointing authority.

The intent of this section is to establish a minimum term of office for the Inspector General. AIG believes that the minimum term should be five years and recommends a longer period of seven years to provide stability in the function.

6. Removal from Office

The Inspector General may be removed from office for cause within the five-year appointment by the appointing authority that must report the reasons for removal to the body that approved the appointment.

The intent of this section is to protect the Inspector General from unjustified removal from office.

7. Resources

The Office of Inspector General will be funded from the General Fund of the Agency and will receive no less than (x percent) of the General Funds annual appropriation each year. The Inspector General shall establish the organization structure appropriate to carrying out the responsibilities and functions of the office.

The Inspector General shall have the power to appoint, employ, promote, and remove such assistants, employees, and personnel as deemed necessary for the efficient, and effective administration of the office. Within budget limitations, the Inspector General may obtain the services of Certified Public Accountants, qualified management consultants, or other professional experts necessary to independently perform the functions of the office.

The intent of this section is to clearly establish the Inspector General's resources and authority to independently manage those resources.

8. Organizational Placement

The Inspector General reports to the appointing authority and to the legislative body of the (agency). It is operationally independent from the

appointing authority, the legislative branch and the agency). The appointing authority, legislative body or agency head shall not prevent, impair, or prohibit the Inspector General from initiating, carrying out, or completing any audit, investigation or review.

The intent of this section is to clearly establish the independence of the Inspector Generals' Office and its activities

9. Records Disclosure

Inspector General audit and investigation reports shall be public records to the extent that they do not include information that has been made confidential and exempt from release to the public. During the course of audit and investigation activities, all records will be considered deliberative in process and not available for outside review. Names and identities of individuals making complaints and information protected by whistleblower or other legislation will not be disclosed without the written consent of the individual unless required by law or judicial processes. Similarly, the Inspector General shall maintain the confidentiality of any public records that are made confidential by law and shall be subject to the same penalties as the custodian of those public records for violating confidentiality statutes. Overall, efforts will be made to protect the privacy of individuals or employees whenever possible without interfering in the judicial or administrative processes initiated to protect the public.

The intent of this section is to set forth the extent to which the work in progress and completed work of the Inspector General is public information.

10. Reporting Office Activities

The Inspector General will report the findings of the Office's work to the head of the investigated/audited agency, to appropriate elected and appointed leadership and to the public. The Inspector General shall also report criminal investigative matters to the appropriate law enforcement agencies.

The IG shall immediately report to the head of the Agency involved whenever he/she becomes aware of particularly serious or flagrant problems, abuses, or deficiencies relating to the administration of programs and operations of the Agency or interference with IG operations. The head of the Agency shall transmit any such report to appropriate representatives of the Executive and Legislative branches of government

within seven calendar days, together with a report by the Agency Head containing any comments deemed appropriate.

Within 60 days of the end of each fiscal year, the Inspector General shall issue an annual report that separately lists audit and review reports and other investigative or assistance efforts completed during the fiscal year. The report shall describe accomplishments of the Office of Inspector General. Copies of the report shall be provided to the agency head as well as any oversight bodies interested in the activities of the Office. Upon issuance, members of the media and the public shall be promptly advised of the issuance of the report. Such reports will be provided to their representatives upon request.

The intent of this section to set forth the public reporting responsibilities of the Office of Inspector General, as well as the responsibility to appropriately report criminal investigative matters to criminal justice agencies.

11. Authority

The Office of Inspector General is authorized to engage in the following specific functions:

- a) Audit, inspect, evaluate, investigate and inspect the activities, records and individuals with contracts, procurements, grants, agreements, and other financial arrangements undertaken by the (agency), and any other function, activity, process or operation conducted by the (agency).
- b) Conduct criminal, civil and administrative investigations.
- c) Audit the economy, efficiency, and effectiveness of the (agency's) operations and functions and conduct reviews of the (agency's) performance measurement system.
- d) Review of the reliability and validity of the information provided by (agency) performance measures and standards.
- e) Provide information and evidence that relates to criminal acts to appropriate law enforcement officials.
- f) Initiate such reviews or audits operations of the (agency) as deemed appropriate.
- g) Receive and investigate complaints from any source or upon its own initiative concerning alleged abuses, frauds and service

deficiencies including deficiencies in the operation and maintenance of facilities.

- h) Engage in prevention activities, including but not limited to: review of legislation; review of rules, regulations, policies, procedures, and transactions; training and education.
- i) Refer matters for further civil, criminal, and administrative action to appropriate administrative and prosecutorial agencies.
- j) Conduct joint investigations and projects with other oversight or law enforcement agencies.
- k) Recommend remedial actions to be taken by the (agency) to overcome or correct operating or maintenance deficiencies and inefficiencies that were identified by the Office.
- l) Issue public reports as set forth in section 10
- m) Monitor implementation of recommendations made by the Office and other audit agencies.
- n) Establish policies and procedures to guide functions and processes conducted by the Office.
- o) Attend any meetings held by the (agency).
- p) Maintain information regarding the cost of investigations and cooperated with appropriate administrative and prosecutorial agencies in recouping such costs from nongovernmental entities involved in willful misconduct.
- q) Do all things necessary to carry out the functions set forth in this section

The intent of this section is to detail the authority the AIG recommends be provided to every Inspector General function.

12. Powers

The Office of Inspector General is provided the following powers to accomplish the intent of this legislation:

- a) The right to obtain full and unrestricted access to all records, information data, reports, plans, projections, matters, contracts, memoranda, correspondence and any other materials, including

electronic data of the (agency) or any other organization that may be involved with the (agency) . This power supercedes any claim of privilege.

- b) The authority to subpoena witnesses, administer oaths or affirmations, take testimony and compel the production of such books, papers, records and documents, including electronic data as is deemed to be relevant to any inquiry or investigation undertaken pursuant to this writing. This power may be delegated to a duly authorized deputy inspector general by the Inspector General.
- c) Have access to the head of any public entity, when necessary for purposes related to the work of the Office.
- d) Require public employees to report to the Office of Inspector General information regarding fraud, waste, corruption, illegal acts, and abuse.

The intent of this section is to clearly define the powers the AIG recommends for Offices of Inspector General.

13. Professional Standards

Audits, investigations, inspections and reviews conducted by the Office of Inspector General will conform to professional standards for Offices of Inspector General such as those promulgated by the Association of Inspectors General.

This intent of this section is to clearly set forth that the activities of the Inspector General's Office are to be conducted in conformance with generally accepted professional standards promulgated by independent professional organizations organized to promote and improve the functions of audit and investigative activities conducted in government.

14. Quality Review

Audits, investigations, inspections and reviews shall be subject to quality assurance reviews by an appropriate professional non-partisan objective group every three to five years. A copy of the written report resulting from this review shall be furnished to the appointing authority and oversight board. This report shall also be made available to the public.

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The intent of this section is to require the Office of Inspector General to adhere to professional standards through a routine review of its activities by peers against a standardized set of criteria approved by the profession.