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SENATE BILL 13

51ST LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2014

INTRODUCED BY

Jacob R. Candelaria

AN ACT

RELATING TO GOVERNMENT ACCOUNTABILITY; ENACTING THE STATE INSPECTORS GENERAL ACT; PROVIDING POWERS AND DUTIES; REQUIRING DEPARTMENT INSPECTORS GENERAL TO REPORT TO THE STATE AUDITOR AND THE APPROPRIATE INTERIM LEGISLATIVE COMMITTEE APPOINTED BY THE NEW MEXICO LEGISLATIVE COUNCIL.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. [NEW MATERIAL] SHORT TITLE.--This act may be cited as the "State Inspectors General Act".

SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the State Inspectors General Act:

A. "department" means a cabinet department listed in Section 4 of the State Inspectors General Act; and

B. "state-funded entity" means a school district; charter school; public post-secondary educational institution,

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1 including a branch campus and a community college; and persons
2 who receive grants from or who contract with a department.

3 SECTION 3. [NEW MATERIAL] PURPOSE OF ACT.--The purpose of
4 the State Inspectors General Act is to create independent and
5 objective units of each department listed in Section 4 of that
6 act to:

7 A. conduct and supervise internal audits,
8 compliance audits and investigations relating to the programs
9 and operations of departments and state-funded entities;

10 B. provide coordination and recommendations
11 designed to promote economy, efficiency and effectiveness and
12 to prevent and detect fraud and abuse in departments and state-
13 funded entities; and

14 C. provide a means for keeping the state auditor,
15 the legislature, cabinet secretaries and the governor informed
16 about problems and deficiencies relating to the administration
17 of departments and state-funded entities and the progress of
18 corrective action.

19 SECTION 4. [NEW MATERIAL] OFFICES OF INSPECTOR GENERAL--
20 DUTIES--ORGANIZATION--CONFIDENTIALITY.--

21 A. The state auditor shall establish and maintain
22 offices of inspector general in the following departments:

23 (1) the children, youth and families
24 department;

25 (2) the corrections department;

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- 1 (3) the department of health;
 - 2 (4) the higher education department;
 - 3 (5) the human services department;
 - 4 (6) the public education department;
 - 5 (7) the department of finance and
 - 6 administration;
 - 7 (8) the department of transportation; and
 - 8 (9) the taxation and revenue department.
- 9 B. Each office of inspector general shall:
- 10 (1) have the authority to audit, including
 - 11 internal audits and compliance audits, and to investigate its
 - 12 department and related state-funded entities to ensure
 - 13 efficient and effective operations, the proper use of public
 - 14 funding and the detection and prevention of fraud, waste and
 - 15 abuse;
 - 16 (2) have unrestricted access to records, data,
 - 17 reports, contracts, memoranda, correspondence and any other
 - 18 information necessary to carry out the duties of the office;
 - 19 (3) coordinate activities with the state
 - 20 auditor; the medicaid fraud and elder abuse division of the
 - 21 attorney general's office, as applicable; and the legislature;
 - 22 (4) recommend changes or corrective action and
 - 23 report on progress made to improve operations and to recover
 - 24 misspent public funding;
 - 25 (5) refer potential criminal matters to the

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1 attorney general or a district attorney and report violations
2 to the state auditor;

3 (6) as requested by the governor or an interim
4 legislative committee, gather department and state-funded
5 entity information and analyze and validate the information;
6 provided, however, that this duty shall not affect the duty of
7 a department or state-funded entity to otherwise provide
8 information in a timely manner upon request of an interim
9 legislative committee;

10 (7) review and report on the progress of the
11 department and the progress of related state-funded entities to
12 resolve financial post-audit findings and to validate
13 performance measures reported in accordance with the
14 Accountability in Government Act;

15 (8) contract for professional services as
16 necessary to carry out the duties of the office;

17 (9) have the authority to accept federal funds
18 to perform duties consistent with the State Inspectors General
19 Act; and

20 (10) adopt professional standards to carry out
21 the provisions of the State Inspectors General Act.

22 C. The offices of inspector general shall not:

23 (1) perform audits of department financial
24 statements; or

25 (2) publicly disclose information or records

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1 made confidential by law or exempt from the Inspection of
2 Public Records Act.

3 SECTION 5. [NEW MATERIAL] OFFICES OF INSPECTOR GENERAL--
4 REPORTS.--

5 A. Each office of inspector general shall submit an
6 annual work plan on planned reports and reports in progress to
7 the state auditor and the appropriate interim legislative
8 committee appointed by the New Mexico legislative council.

9 B. An office of inspector general shall issue
10 reports on the results of audits, including internal audits and
11 compliance audits, and investigations to the state auditor, the
12 appropriate interim legislative committee appointed by the New
13 Mexico legislative council and the public; provided that
14 information in reports containing information made confidential
15 by law or exempt from the Inspection of Public Records Act
16 shall not be disclosed by the office, the state auditor or the
17 appropriate interim legislative committee.

18 C. Each office of inspector general shall issue an
19 annual report not later than September 1 summarizing the work
20 of the office during the preceding fiscal year, including
21 reports issued; findings and cost savings identified; and
22 recommendations made to its department and related state-funded
23 entities; and the progress of its department and state-funded
24 entities to resolve findings, save or recover public money and
25 implement recommendations.

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1 SECTION 6. [NEW MATERIAL] APPOINTMENT--ORGANIZATION.--

2 A. The state auditor shall appoint inspectors
3 general without regard to political affiliation and solely on
4 the basis of integrity and demonstrated ability in accounting,
5 auditing, financial analysis, law, management analysis, public
6 administration or investigations. Any action taken to hire,
7 remove or suspend an inspector general shall be reported to the
8 New Mexico legislative council within fifteen days with the
9 reason for such action. An inspector general and employees of
10 a department's office of inspector general shall be classified
11 employees as provided by the Personnel Act.

12 B. The office of inspector general shall be
13 operationally separate from other divisions of a department and
14 shall report directly to the state auditor. The department
15 shall not prevent, impair or prohibit its inspector general
16 from initiating, carrying out or completing an audit, including
17 an internal audit or a compliance audit, or an investigation.

18 SECTION 7. EFFECTIVE DATE.--The effective date of the
19 provisions of this act is July 1, 2014.