

LC004740

**IN GENERAL ASSEMBLY**

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## RELATING TO STATE AFFAIRS AND GOVERNMENT -- INSPECTOR GENERAL

Referred To: Senate Finance

(1) "Construction" means the process of building, altering, repairing, improving, or demolishing any public structure or building, or other improvements of any kind to any public

1 property.

2 (2) "Contract" means all types of agreements, including grants and orders, for the purchase  
3 or disposal of supplies, services, construction, or any other item. It includes:

4 (i) Awards;  
5 (ii) Contracts of a fixed-price, cost, cost-plus-a-fixed-fee, or incentive type;  
6 (iii) Contracts providing for the issuance of job or task orders;  
7 (iv) Leases;  
8 (v) Letter contracts;  
9 (vi) Purchase orders; and  
10 (vii) Construction management contracts. It also includes supplemental agreements to any  
11 of the foregoing agreements.

12 (3) "Contractor" means any person, corporation, partnership, business, union, committee,  
13 or other organization entity or group of individuals, performing any tasks, or duties as defined under  
14 a written or oral contract with and for the State of Rhode Island or the joint committee on legislative  
15 services.

16 (4) "Procurement" means the purchasing, buying, renting, leasing, or otherwise obtaining  
17 any supplies, services, or construction. It also includes all functions that pertain to the obtaining of  
18 any supply, service, or construction item, including a description of requirements, selection and  
19 solicitation of sources, preparation, and award of contract, and all phases of contract administration.

20 (5) "Public funds" means state, federal or local funds, either appropriated, non-appropriated  
21 or given under right of grant.

22 (6) "Services" means the rendering by a contractor of its time and effort, rather than the  
23 furnishing of a specific end product, other than reports which are merely incidental to the required  
24 performance of services.

25 (7) "Supplies" means all property including, but not limited to, leases of real property,  
26 printing, and insurance, except land or permanent interest in land.

27 **42-9.4-3. Establishment of office -- Appointment and removal of inspector general.**

28 (a) There is hereby established an office of inspector general, (hereinafter referred to as the  
29 "office"). There shall be in the office an inspector general, who shall be the administrative head of  
30 the office and who shall be appointed by a majority vote of the governor, the attorney general, and  
31 the general treasurer for a five (5) year term to begin July 1 and end June 30, five (5) years later.  
32 The appointee shall serve no longer than two (2) terms. The person so appointed shall be selected  
33 without regard to political affiliation and with a demonstrated ability in more than one of the  
34 following areas: accounting, auditing, financial analysis, law, management analysis, public

1 administration, investigation and criminal justice administration.

2 (b) The selection process of a qualified inspector general shall include at least one public  
3 forum. If an inspector general is not selected within one month of a new inspector general's term,  
4 the governor shall appoint an inspector general. The inspector general shall have at least five (5)  
5 years' experience in accounting, criminal justice, or a closely related profession and a bachelor's  
6 degree from an accredited college or university with a major in accounting, criminal justice, or a  
7 closely related field of study.

8 (c) No inspector general shall hold, or be a candidate for, any other elective or appointed  
9 public office, while an inspector general and for one year prior. No inspector general shall hold a  
10 position in any political party or political committee, or participate in any political campaign of any  
11 candidate for public office, while an inspector general.

12 (d) In case of a vacancy in the position of inspector general, their successor shall be  
13 appointed in the manner described in subsections (a) and (b) of this section, and shall serve from  
14 their date of appointment until the fifth June 30 following their appointment. If this vacancy is not  
15 filled within one month, then the governor shall appoint an inspector general.

16 (e) The person so appointed may be removed from office for cause by a two-thirds (2/3)  
17 vote of the governor, the attorney general, the general treasurer, the lieutenant governor, secretary  
18 of state, the speaker and the minority leader of the house of representatives and the president and  
19 minority leader of the senate. Cause may include substantial neglect of duty, gross misconduct or  
20 conviction of a crime, whether or not it is work related. The reasons for removal of the inspector  
21 general shall be stated in writing and shall include the basis for such removal. The writing shall be  
22 a public document. The inspector general shall have ten (10) days to submit a written appeal, which  
23 shall be a public document. If no appeal is made, the inspector general shall be dismissed from  
24 office. If an appeal is made, a vote shall be taken in the senate and two-thirds (2/3) vote of the  
25 senate shall be required to dismiss the inspector general.

26 **42-9.4-4. Employees -- Appointment and removal, salaries, qualifications.**

27 (a) The inspector general may appoint and remove such employees as deemed necessary  
28 to perform the duties of the office including, but not limited to, assistant inspectors general, chief  
29 and deputy counsels, clerks, paralegals, accountants, auditors, financial management analysts and  
30 investigators. The inspector general may determine their salaries and duties; provided, however,  
31 that the total amount of all such salaries shall not exceed the sum appropriated therefore by the  
32 general assembly.

33 (b) The inspector general shall file an annual personnel report not later than the first  
34 Wednesday in February with the senate and house finance committees containing the job

1 classifications, duties and salary of each officer and employee within the office together with  
2 personnel regulations applicable to said officers and employees. The inspector general shall file  
3 amendments to such report with the senate and house finance committees whenever any change  
4 becomes effective.

5 (c) No officer or employee of the office of inspector general shall hold, or be a candidate  
6 for, any elective public office, while an officer or employee, or for one year thereafter, nor shall  
7 they hold a position in any political party or political committee, or participate in any political  
8 campaign of any candidate for public office, while an officer or employee.

9 **42-9.4-5. Inspector general -- Salary and budget.**

10 The general assembly shall annually set the salary of the inspector general and shall  
11 appropriate sufficient funds for the total budget for the office.

12 **42-9.4-6. Rules and regulations.**

13 The office shall, pursuant to the provisions of chapter 35 of title 42, ("administrative  
14 procedures act"), promulgate rules and regulations which shall govern its proceedings.

15 **42-9.4-7. Duties.**

16 (a) The inspector general shall supervise, coordinate and/or conduct audits, criminal, civil  
17 and administrative investigations and inspections or oversight reviews, when necessary, relating to  
18 programs and operations listed in § 42-9.4-1. The inspector general shall review laws and  
19 regulations relating to programs and operations listed in § 42-9.4-1 and shall determine if public  
20 bodies listed in § 42-9.4-1 are in compliance, and shall make recommendations concerning the  
21 effect of such laws or regulations on the prevention and detection of fraud, waste and abuse. The  
22 inspector general may recommend policies that will assist in the prevention or detection of fraud,  
23 waste and abuse and mismanagement. The person in charge of, or the governing body of any public  
24 body listed in § 42-9.4-1, may request the assistance of the inspector general with respect to  
25 implementation of any reviews, audits, and/or investigations, as deemed appropriate, and  
26 implement suggested policy or procedure changes. In such events the inspector general may assign  
27 personnel to conduct, supervise, or coordinate such activity as deemed necessary and appropriate  
28 to perform their duties in a diligent and prudent manner. The inspector general may recommend  
29 policies for the conduct, supervision or coordination of relationships, between state and municipal  
30 agencies and other state and local governmental agencies, as well as federal governmental agencies  
31 and nongovernmental entities, with respect to all matters relating to the prevention and detection  
32 of fraud, waste, abuse and mismanagement in or relating to any and all programs and activities of  
33 the State of Rhode Island, as set forth in § 42-9.4-1.

34 (b) The inspector general shall establish and maintain an information system to receive

1 communications from the general public, relating to the duties of the office to guarantee the  
2 anonymity of the individual supplying the information, consisting of the transmission by email,  
3 regular mail or other electronic system that does not involve the use of a telephone line.

4 **42-9.4-8. Persons authorized to conduct audits – Reports of irregularities.**

5 Any qualified person duly authorized by the inspector to act as auditor may examine the  
6 books, papers, and documents of any public body having control of state or federal funds, and if  
7 the audit discloses any irregularities or improper handling of records or funds, the auditor shall  
8 report the same to the inspector general who shall, in turn, report such findings and  
9 recommendations to the director of administration.

10 **42-9.4-9. Inspection of records and papers –Investigations – Subpoenas.**

11 (a) The inspector general, in carrying out the duties outlined in this chapter, shall have  
12 access to all records, reports, audits, reviews, papers, books, documents, recommendations,  
13 correspondence, including information relative to the purchase of services or anticipated purchase  
14 of services from any contractor by any public body set forth in § 42-9.4-1, and any other data and  
15 material that is maintained by or available to any public body, regardless of the medium in which  
16 it is maintained which is, in any way, related to the programs and operations, with respect to the  
17 State of Rhode Island, including any local town, municipality or city.

18 (b) The inspector general may request information, cooperation and assistance from any  
19 state or local governmental agency as may be necessary for carrying out their duties and  
20 responsibilities. Upon receipt of such request, each person in charge of, or the governing body of  
21 any public body set forth in § 42-9.4-1, shall furnish to the inspector general or their authorized  
22 agent or representative such information, cooperation, and assistance, including information  
23 relative to the purchase of services or anticipated purchase of services from any contractor by any  
24 public body within ten (10) business days of receipt of the inspector general's request. If the request  
25 for the information requested cannot be complied with, within ten (10) business days, the senior  
26 official of the governmental agency shall notify the inspector general before the expiration of the  
27 ten (10) business days with the reason why the request cannot be complied within the time frame  
28 of this section, and shall provide a specific date for expected compliance.

29 (c) The inspector general may initiate and conduct investigations, audits, and compliance  
30 reviews, and shall prepare detailed reports relating to findings and conclusions concerning the  
31 administration of the programs and operations of the applicable public bodies listed in § 42-9.4-1,  
32 as are in the judgment of the inspector general necessary and may conduct an examination of any  
33 public documents, and any information with respect to whether internal quality controls are in place  
34 and operating.

1       (d) The inspector general shall have direct and prompt access to the head of any public  
2 body, set forth in § 42-9.4-1 when necessary, for any purpose pertaining to the performance of their  
3 duties and responsibilities under this chapter.

4       (e) The inspector general may request the production, on a voluntary basis, of testimony or  
5 documents from any individual, firm or nongovernmental entity which relate to actions or matters  
6 that pertain to state or municipal governmental agencies as dictated by their duties and  
7 responsibilities.

8       (f) (1) The inspector general may issue a subpoena for the production of all records, reports,  
9 audits, reviews, papers, books, documents, recommendations, correspondence and any other data  
10 and material relevant to any matter under audit or investigation, pursuant to the provisions of this  
11 chapter, no matter in which medium the information is maintained.

12       (2) A subpoena may be issued only when a person, corporation or other entity under  
13 investigation or being audited, refuses to voluntarily comply with a request from the inspector  
14 general.

15       (3) The subpoena shall be served in the same manner as a subpoena for the production of  
16 documents in civil cases issued on behalf of the State of Rhode Island, and all provisions of law  
17 relative to the subpoena, shall apply to a subpoena issued pursuant to this chapter. Any justice of  
18 the superior court may, upon application by the inspector general, issue an order to compel the  
19 production of records, reports, audits, reviews, papers, books, documents, recommendations,  
20 correspondence, and any other data and material, as aforesaid in the same manner and to the same  
21 extent as before said superior court. Any failure to obey the order may be punished by the superior  
22 court through contempt of court.

23       (4) Any subpoena issued pursuant to this section shall not be made public by the inspector  
24 general or any officer or employee of that office, nor shall any documents or records provided  
25 pursuant to this section, be made public until such time as it is necessary for the inspector general  
26 to do so in the performance of their official duties. The production of documents or records pursuant  
27 to subpoena shall be governed by the same provisions with reference to secrecy, which govern the  
28 proceedings of a grand jury. Disclosure of such production, attendance, and testimony may be made  
29 to such members of the staff of the office of the inspector general as is deemed necessary in the  
30 performance of the inspector general's duties and responsibilities under this chapter, and such  
31 members of the staff may be present at the production of records.

32       **42-9.4-10. Subpoena for witness testimony and for release of material evidence.**

33       (a) Whenever the inspector general has reason to believe that a person has information or  
34 evidence in their possession, with respect to any matter which is within the inspector general's

1 jurisdiction to investigate, a subpoena must issue for the attendance and testimony under oath of  
2 any person as designated, or the surrender of identified items of evidence; provided, however, that  
3 the subpoena may be issued by the inspector general, only in the performance of official duties  
4 relating to the detection of fraud, waste, abuse and mismanagement. The subpoena for testimony  
5 or specific items identified as needed in support of an investigation shall include: the name and  
6 address of the prospective witness or specific items identified as needed for the investigation and  
7 the reasons for requesting a subpoena for testimony or production of items deemed necessary to  
8 support the investigation.

9 (b) The inspector general, or any other person duly authorized by law, shall serve a  
10 subpoena. Once the subpoena is served, the serving officer shall annotate the time and date served,  
11 the person served and the location of service.

12 (c) A witness required by subpoena to attend and testify under oath and/or produce books  
13 and records or other items as demanded, shall be given not less than forty-eight (48) hours' notice  
14 of the time and place for the taking of testimony or delivery of subpoenaed items, unless such notice  
15 shall unduly interfere with the conduct of the investigation.

16 (d) The witness, at the time of service of a subpoena, shall be notified of the matter under  
17 investigation concerning which the witness will be required to testify. A subject of an investigation  
18 is a person whose conduct is within the scope of the investigation and is suspected of committing  
19 or being party to an offense under investigation. The failure to furnish the witness with any notice  
20 or information required to be given by this section shall cause the issued subpoena to be invalid.

21 (e) A person subpoenaed to testify under oath shall appear and testify under oath at the  
22 time and place designated on the subpoena. In addition, the witness shall be notified that they have  
23 a right to consult with and to have an attorney present at the time their testimony is taken, and that  
24 they have a constitutional right not to furnish or produce evidence that may tend to incriminate  
25 them.

26 (f) The terms of any such subpoena shall be reasonable and focused on specific testimony  
27 or evidence sought and shall directly relate to the matters under investigation. A subpoena issued  
28 that is broad in nature is not considered valid. No subpoena shall be issued for purposes of  
29 harassment or for any illegitimate or improper purpose. All constitutional and statutory rights and  
30 privileges which exist with respect to any subpoena issued by the inspector general, including the  
31 privilege against self-incrimination, shall have the same force and effect with any and all existing  
32 laws and constitutional rights.

33 (g) A subpoenaed person may object to the subpoena served upon them, in advance of the  
34 return date of the subpoena, by a motion to quash filed in the superior court of the State of Rhode

1 Island. The filing of a motion to quash shall stay all pending subpoenas, until further order of the  
2 superior court. Any justice of the superior court may, upon application by the inspector general,  
3 issue an order to compel the attendance of witnesses subpoenaed, and the giving of testimony under  
4 oath, in furtherance of any audit or investigation under this chapter in the same manner and to the  
5 same extent as before the superior court. Failure to obey any order of the court with respect to a  
6 subpoena may be punished by the court as contempt.

7 (h) Any subpoena issued pursuant to this section shall not be made public by the inspector  
8 general or any persons subject to their direction or by any member of the inspector general's office  
9 designated to hear testimony under this section, and the same provisions with reference to secrecy,  
10 which govern grand jury proceedings, shall govern testimony given. Whoever violates the  
11 provisions of this subsection shall be punished by imprisonment for not more than six (6) months  
12 or by a fine of not more than one thousand dollars (\$1,000), or both. Disclosure of such testimony  
13 may be made to such members of the staff of the office of inspector general, as is deemed necessary  
14 by the inspector general to assist in the performance of the office's duties and responsibilities and  
15 such members of the staff may be present at the taking of such testimony.

16 **42-9.4-11. Compact – Investigation.**

17 (a) The inspector general shall accept and may investigate or audit complaints or  
18 information from any individual, concerning the possible existence of any activity constituting  
19 fraud, waste, abuse and mismanagement, relating to programs and operations as set forth in § 42-  
20 9.4-1.

21 (b) The inspector general shall not, after receipt of a complaint or information from an  
22 employee, contractor or private citizen who requests confidentiality, disclose the identity of that  
23 individual without their written consent, unless the inspector general determines such disclosure is  
24 necessary and unavoidable during the course of the investigation. In such event, the individual shall  
25 be notified immediately of the disclosure. The inspector general shall set up an anonymous hotline  
26 for reporting possible wrongdoings.

27 (c) Employees are protected under chapter 50 of title 28, the ("Rhode Island  
28 whistleblower's protection act").

29 **42-9.4-12. Investigations or management advisory and consulting services upon**  
30 **request of governor or general assembly.**

31 The office of inspector general may, upon the written request of the governor or of the  
32 general assembly, conduct audits, provide management advisory and consulting services, or  
33 conduct investigations relative to the financial affairs or the economy and efficiency of  
34 management, or both, of any public bodies. "Public body" or "public bodies" under this chapter



1 shall mean state agencies, bureaus, divisions, departments, offices, commissions, boards,  
2 institutions, including the public institutions of higher education, districts, authorities, quasi-  
3 agencies, or political subdivisions created by the general assembly, or the governor. “Public body”  
4 shall also include any city and town within the State of Rhode Island but municipal audits under  
5 this chapter shall only cover the expenditure of state or federal funds distributed by the state. Audits  
6 and investigations of public bodies may include the expenditures by nongovernmental agencies of  
7 federal, state, and local public funds. The office of inspector general may, from time to time, make  
8 such investigations and additional reports to the governor, the director of the department of  
9 administration, and the general assembly as deemed necessary or advisable.

10 **42-9.4-13. Inspection of records, papers, and witness testimony -- Investigations and**  
11 **subpoenas.**

12 (a) The inspector general, in carrying out the duties outlined in this chapter, shall have  
13 access to all records, reports, audits, reviews, papers, books, documents, recommendations,  
14 correspondence, including information relative to the purchase of goods or services or anticipated  
15 purchase of goods or services, from any agent, contractor, or vendor by any public body, as defined  
16 in § 35-7.1-1(f), and any other data and material that is maintained by or available to any public  
17 body regardless of the media in which it is maintained which is in any way related to the programs  
18 and operations with respect to public bodies.

19 (b) The inspector general may request information and records, cooperation, and assistance  
20 from any state or local governmental agency as may be necessary for carrying out the inspector  
21 general’s duties and responsibilities. Upon receipt of such request, each person in charge of the  
22 public body shall furnish to the inspector general, or the inspector general’s authorized agent or  
23 representative, such information and records, cooperation and assistance, including information  
24 relative to the purchase of goods or services or anticipated purchase of goods or services from any  
25 contractor or vendor by any public body, within ten (10) business days of receipt of the inspector  
26 general’s request. If the public body is unable to comply with the request for records and/or  
27 information within (10) business days, the public body must notify the inspector general, prior to  
28 the expiration of the ten (10) business days, in writing as to the reason, or reasons, why the request  
29 cannot be fulfilled within this time and whether additional time is necessary.

30 (c) The inspector general may initiate and conduct audits, investigations, and compliance  
31 reviews and shall prepare detailed findings, conclusions, and recommendations concerning the  
32 administration of programs or operations, and internal controls over processes of public bodies.

33 (d) The inspector general shall have direct and prompt access to any public body, its agents,  
34 officers, and employees when necessary for any purpose pertaining to the performance of the

1 inspector general's duties and responsibilities under this chapter.

2 (e) In furtherance of carrying out any of the duties of this chapter, the inspector general  
3 may request, with the written approval of the director of the department of administration and  
4 through an administrative subpoena, the attendance and testimony of witnesses and the production  
5 of books, records, and other evidence relevant to an active fraud investigation as described in this  
6 chapter. The subpoena shall specify the time, date, and place where the witness is to respond.  
7 Within twenty (20) days after the service of the subpoena or at any time before the return date  
8 specified in the subpoena, whichever period is shorter, the person served may file in a state superior  
9 court and serve upon the unit and the attorney general a civil petition for an order of the court  
10 modifying or setting aside the subpoena. The petition shall specify each ground upon which the  
11 petitioner is seeking relief. If a person neglects or refuses to comply with any request to provide  
12 testimony or produce books, records, and other evidence relevant to an investigation, the office of  
13 inspector general or the attorney general may petition the superior court for an order compelling  
14 the person to answer the request. Books, records, and other evidence obtained through an  
15 administrative subpoena that are not used in a court proceeding shall be destroyed as soon as  
16 practicable.

17 **42-9.4-14. Complaint -- Investigation.**

18 (a) The inspector general shall accept and may investigate or audit complaints or  
19 information from any identified individual concerning the possible existence of any activity  
20 constituting fraud, waste, abuse, or mismanagement relating to programs and operations of public  
21 bodies.

22 (b) The inspector general shall not, after receipt of a complaint or information from an  
23 employee, contractor, or private citizen who requests confidentiality, disclose the identity of that  
24 individual, without the written consent of said individual, unless the inspector general determines  
25 such disclosure is necessary and unavoidable during the course of an investigation. In such event,  
26 the individual filing the complaint shall be notified, if possible, immediately of such disclosure.

27 (c) Employees are protected under the chapter 50 of title 28 "Rhode Island Whistleblowers'  
28 Protection Act."

29 **42-9.4-15. Coordination with other state agencies.**

30 The inspector general may coordinate with other state agencies that are responsible for  
31 investigating, auditing, reviewing, or evaluating the management of public bodies for the purpose  
32 of sharing information and avoiding duplication of effort.

33 **42-9.4-16. Reports to the attorney general or United States Attorney.**

34 (a) In carrying out their duties and responsibilities, the inspector general shall report to the

1 attorney general, the United States Attorney or both whenever the inspector general has reasonable  
2 grounds to believe there has been a violation of federal or state criminal law. The attorney general  
3 shall institute appropriate proceedings in the furtherance of completing an investigation and, if  
4 warranted, refer the matter for prosecution.

5 (b) The inspector general shall refer audit or investigative findings to the state ethics  
6 commission, or to any other federal, state or local agency, which has an interest in said findings.

7 (c) Any referrals made under this section shall not be made public.

8 **42-9.4-17. Coordination with other state agencies.**

9 The inspector general may coordinate with other state agencies that are responsible for  
10 investigating, auditing, reviewing or evaluating the management of state agencies for the purpose  
11 of sharing information and avoiding duplication of effort.

12 **42-9.4-18. Management advisory and consulting services provided to public bodies.**

13 When requested in writing by a public body to the inspector general, the office of inspector  
14 general may provide management advisory or consulting services to the public body. Any such  
15 request must include the scope of services requested and a schedule for the work to be performed.

16 **42-9.4-19. Civil actions.**

17 (a) The inspector general shall have the authority to institute a civil recovery action, if  
18 authorized by the attorney general. In any case, where the inspector general has discovered  
19 fraudulent acts and believes that civil recovery proceedings may be appropriate, the matter shall be  
20 referred to the attorney general. The attorney general may institute whatever proceedings deemed  
21 appropriate, may refer the matter to another state or local agency, may authorize the initiation of  
22 appropriate civil proceedings by the inspector general, may retain the matter for further  
23 investigation, or may remand the matter back to the inspector general for further investigation.

24 **42-9.4-20. Annual and interim reports.**

25 (a) The office of inspector general shall, no later than April 1 of each year, prepare a written  
26 report summarizing the activities of the office for the prior calendar year. The office may also  
27 prepare interim reports. These reports shall be forwarded to the governor, lieutenant governor,  
28 attorney general, secretary of state, general treasurer and the general assembly, and shall be made  
29 available to the public.

30 (b) The report shall include, but not be limited to:

31 (1) A description of significant problems in the areas of fraud, waste and abuse within  
32 programs and operations within the jurisdiction of the office;

33 (2) A description of the recommendations for corrective action made by the office during  
34 the reporting period with respect to significant deficiencies in the areas of fraud, waste and abuse;

1           (3) The identification of each significant recommendation described in previous annual  
2 reports on which corrective action has not been completed;

3           (4) A summary of matters referred to prosecuting authorities and the prosecutions and  
4 convictions which have resulted;

5           (5) A summary of any matters concerning the recovery of monies as a result of a civil suit  
6 by the office or a referral to another agency for the purposes of such suit; and

7           (6) A list of all audit reports completed by the office during the reporting period and a  
8 statement of recommendations of amendments to this chapter or the rules, regulations or procedures  
9 governing the office of inspector general which would improve the effectiveness or the operation  
10 of the office.

11           (c) The head or governing body of each public body may, within sixty (60) days of receipt,  
12 comment upon any references to the public body contained within the report. The comment, if any,  
13 shall be forwarded to the governor, the attorney general, the general assembly and the office of  
14 inspector general.

15           (d) The report of the inspector general shall be made public on the day of filing; provided,  
16 that the report shall not list the names of individuals or corporations, nor describe them with  
17 sufficient particularity as to readily identify them to the general public in those cases in which no  
18 official disposition has been made by the office of inspector general, the department of the attorney  
19 general or the local office of the United States Attorney.

20           SECTION 2. Sections 22-13-1, 22-13-2, 22-13-3, 22-13-4, 22-13-9 and 22-13-10 of the  
21 General Laws in Chapter 22-13 entitled "Auditor General" are hereby amended to read as follows:

22           **22-13-1. Appointment — Qualifications — Oath — Bond — Office space — Rules**  
23 **and regulations.**

24           (a) The auditor general shall be appointed by the ~~joint committee on legislative services,~~  
25 ~~referred to in this chapter as "the committee."~~ inspector general and head a division within the  
26 office of the inspector general. At the time of appointment, the auditor general shall have had active  
27 experience in general accounting principles and practices in this state for a total period of at least  
28 five (5) years. Vacancies in the office shall be filled in the same manner as the original appointment.

29           (b)(1) The ~~committee~~ inspector general shall employ qualified persons necessary for the  
30 efficient operation of the office and shall fix their duties and compensation and those persons shall  
31 be in the unclassified service.

32           (2) No person shall be employed as an auditor who does not have adequate technical  
33 training and proficiency, and a baccalaureate degree from a college or university, and no person  
34 shall be employed or retained as legal advisor on either a full-time or a part-time basis who is not

1 a member of the Rhode Island bar.

2 (c) The auditor general, before entering upon the duties of his or her office, shall take and  
3 subscribe to the oath of office required of state officers by the state constitution.

4 (d) The auditor general shall be covered by the state's blanket position bond and  
5 conditioned that he or she will well and faithfully discharge the duties of his or her office; promptly  
6 report any delinquency or shortage discovered in any accounts and records audited by him or her;  
7 and promptly pay over and account for any and all funds that shall come into his or her hands as  
8 auditor.

9 (e)(1) All auditors employed by the auditor general shall be covered by a blanket position  
10 bond. The bonds or bond shall meet and contain the same conditions as are required in the bond of  
11 the auditor general.

12 (2) All bonds shall be filed with the ~~committee~~ [inspector general](#). If an auditor is not  
13 covered in the blanket position bond, an individual bond shall be filed within thirty (30) days after  
14 the employee received notice of his or her employment. The amount of the bond shall be determined  
15 by the auditor general. Failure to file an individual bond or to be covered in the blanket position  
16 bond shall terminate his or her employment.

17 (f) The annual premium of all bonds shall be paid out of any funds provided for the  
18 operation of the office [of the inspector general](#).

19 (g) The auditor general shall be provided with suitable quarters, but to facilitate auditing  
20 and to eliminate unnecessary traveling, the ~~joint committee on legislative services~~ [inspector general](#)  
21 may establish divisions, including a performance investigation division, and assign auditors to each  
22 division and determine their duties and the areas of the state to be served by the respective divisions.  
23 The auditor general shall be provided and furnished with any space that may be necessary to carry  
24 out his or her functions in other areas of the state.

25 (h) The auditor general may make and enforce reasonable rules and regulations necessary  
26 to facilitate audits and investigations that the ~~joint committee on legislative services~~ [inspector](#)  
27 [general](#) authorizes the auditor general to perform. This includes the post-audit of the financial  
28 transactions and accounts of the state that is provided for by the finance committee of the house of  
29 representatives.

30 (i) No full-time employee of the office of auditor general shall serve as an executive,  
31 officer, or employee of any political party committee, organization, or association. Neither the  
32 auditor general nor any employee of the auditor general shall become a candidate for election to  
33 public office unless he or she shall first resign from his or her office or employment.

34 **22-13-2. Termination of appointment.**

1 Failure on the part of the auditor general to perform the mandatory duties under the  
2 direction of the ~~committee~~ inspector general shall constitute cause for termination of appointment.

3 The appointment of the auditor general may be terminated at any time by ~~a majority vote of the~~  
4 ~~joint committee on legislative services~~ the inspector general.

5 **22-13-3. Salaries and expenses.**

6 (a) The expenses of the members of the committee shall be approved by the ~~chairperson of~~  
7 ~~the committee~~ inspector general and paid from the appropriation for ~~legislative expense~~ the office  
8 of the inspector general.

9 (b) The auditor general shall prepare and annually submit to the ~~committee~~ inspector  
10 general a proposed budget for the ensuing fiscal year. The ~~committee~~ inspector general shall review  
11 the budget request and may amend or change the budget request as it deems necessary. The budget  
12 request, as amended or changed by the ~~committee~~ inspector general, shall become the operating  
13 budget of the auditor general for the ensuing fiscal year; provided, that the budget so adopted may  
14 subsequently be amended under the same procedure.

15 (c) Within the limitations of the approved operating budget, the salaries and expenses of  
16 the auditor general and his or her staff shall be paid from the appropriation for ~~legislative expense~~  
17 ~~or any other moneys appropriated by the legislature for that purpose~~ the office of the inspector  
18 general. The ~~joint committee on legislative services~~ inspector general shall approve all bills for  
19 salaries and expenses.

20 **22-13-4. Definitions — Duties of auditor general — Investigations by committee.**

21 (a) The following words and phrases have the following meanings unless a different  
22 meaning is required by the context:

23 (1) “Performance audit” means an examination of the effectiveness of administration and  
24 its efficiency and adequacy in terms of the program of the state agency authorized by law to be  
25 performed. The “performance audit” may also include a review of the agency in terms of  
26 compliance with federal and state laws and executive orders relating to equal employment  
27 opportunities and the set aside for minority businesses.

28 (2) “Political subdivision” means a separate agency or unit of local government created or  
29 established by law and includes, but is not limited to, the following and the officers of the following:  
30 authority, board, branch, bureau, city, commission, council, consolidated government, county,  
31 department, district, institution, metropolitan government, municipality, office, officer, public  
32 corporation, town, or village.

33 (3) “Post-audit” means an audit made at some point after the completion of a transaction  
34 or a group of transactions.

1 (4) "State agency" means a separate agency or unit of state government created or  
2 established by law and includes, but is not limited to, the following and the officers of the following:  
3 authority, board, branch, bureau, commission, council, department, division, institution, office,  
4 officer, or public corporation, as the case may be, except any agency or unit within the legislative  
5 branch of state government.

6 (b) The auditor general shall make post-audits and performance audits of public records  
7 and perform related duties as prescribed by the ~~committee~~ inspector general. He or she shall  
8 perform his or her duties independently but under the general policies established by the ~~committee~~  
9 inspector general.

10 (c)(1) The auditor general shall have the power and duty to make post-audits and  
11 performance audits of the accounts and records of all state agencies, including the board of  
12 governors for higher education and the board of regents for elementary and secondary education,  
13 as defined in this section.

14 (2) The auditor general shall have the power, when requested by ~~a majority of the~~  
15 ~~committee~~ the inspector general, to make post-audits and performance audits of accounts and  
16 records of any other public body or political subdivision, or any association or corporation created  
17 or established by any general or special law of the general assembly, or any person, association, or  
18 corporation to which monies of the state have been appropriated by the general assembly. Nothing  
19 in the subdivision shall be construed to apply to public utilities.

20 (3) The auditor general shall perform or have performed annually a complete post-audit of  
21 the financial transactions and accounts of the state when approved by the ~~chairperson of the joint~~  
22 ~~committee on legislative services~~ inspector general.

23 (d) The ~~committee~~ inspector general may at any time, without regard to whether the  
24 legislature is then in session or out of session, take under investigation any matter within the scope  
25 of an audit either completed or then being conducted by the auditor general, and in connection with  
26 that investigation may exercise the powers of subpoena vested by law in ~~a standing committee of~~  
27 ~~the legislature~~ the office of the inspector general.

28 (e)(1) The auditor general may, when directed by the ~~committee~~ inspector general,  
29 designate and direct any auditor employed by him or her to audit any accounts or records within  
30 the power of the auditor general to audit. The auditor shall report his or her findings for review by  
31 the auditor general, who shall prepare the audit report.

32 (2) The audit report shall make special mention of:

33 (i) Any violation of the laws within the scope of the audit; and

34 (ii) Any illegal or improper expenditure, any improper accounting procedures, all failures

1 to properly record financial transactions, and all other inaccuracies, irregularities, shortages, and  
2 defalcations.

3 (3) At the conclusion of the audit, the auditor general or his or her designated representative  
4 will conduct an exit conference with the official whose office or department is subject to audit and  
5 submit to him or her a draft report which includes a list of findings and recommendations. If an  
6 official is not available for the exit conference, delivery of the draft report is presumed to be  
7 sufficient notice. The official must submit to the auditor general within sixty (60) days after the  
8 receipt of the draft report his or her written reply as to:

9 (i) Acceptance and plan of implementation of each recommendation;

10 (ii) Reason(s) for non-acceptance of a recommendation.

11 (4) Should the auditor general determine that the written explanation or rebuttal of the  
12 official whose office is subject to audit is unsatisfactory, he or she shall, as soon as practicable,  
13 report his or her findings to the ~~joint committee on legislative services~~ [inspector general](#).

14 (f) ~~A copy of the audit report shall be submitted to each member of the committee.~~

15 (g) If the auditor general discovers any errors, unusual practices, or any other discrepancies  
16 in connection with his or her audit or post-audit of a state agency or state officers, the auditor  
17 general shall, as soon as practicable, notify in writing the president of the senate and the speaker of  
18 the house of representatives, respectively.

19 (h) The auditor general shall annually review the capital development program to  
20 determine: (1) the status of all projects included in the program; (2) whether the funds are being  
21 properly expended for their intended purposes; (3) the completion date or projected completion  
22 date of the projects; (4) which projects require professional services and to determine the identity  
23 of individuals or firms appointed; and (5) the expended and unexpended funds. This report shall be  
24 annually submitted to the general assembly on the first Wednesday in February.

25 (i) The auditor general shall supervise, coordinate, and/or conduct investigations and  
26 inspections or oversight reviews with the purpose of preventing and detecting fraud, waste, abuse  
27 and mismanagement in the expenditure of public funds.

28 **22-13-9. Access to executive sessions of a public agency — Access to records —**

29 **Disclosure by the auditor general.**

30 (a) Whenever a public agency goes into executive session, the auditor general or his or her  
31 designated representative shall be permitted to attend the executive session or if the auditor general  
32 or his or her designee is not in attendance at the executive session, the auditor general or his or her  
33 designee, upon written request, shall be furnished with copies of all data or materials furnished to  
34 the members of the public agency at the executive session. If the auditor general or his or her



1 designee attends the executive session, the auditor general shall be furnished the same data in the  
2 same form and at the same time as members of the public agency.

3 (b) Within three (3) working days of a written request by the auditor general, the public  
4 agency shall furnish a copy, whether approved by the agency or not, of the minutes of any meeting,  
5 including any executive session of the public agency.

6 (c) The auditor general shall have full and unlimited access to any and all records of any  
7 public agency, in whatever form or mode the records may be, unless the auditor general's access  
8 to the records is specifically prohibited or limited by federal or state law. In no case shall any  
9 confidentiality provisions of state law be construed to restrict the auditor general's access to the  
10 records; provided, the auditor general's access to any confidential data shall not in any way change  
11 the confidential nature of the data obtained. Where an audit or investigative finding emanates from  
12 confidential data, specific confidential information will not be made public. The records shall  
13 include those in the immediate possession of a public agency as well as records which the agency  
14 itself has a right to. In the event of a dispute between the agency involved and the auditor general  
15 as to whether or not the data involved are confidential by law, the matter will be referred to the  
16 attorney general for resolution.

17 (d)(1) If in the course of an executive session any fact comes to the attention of the auditor  
18 general or his or her designated representative, which in his or her judgment constitutes an  
19 impropriety, irregularity, or illegal transaction, or points to the onset of an impropriety or illegal  
20 transaction, then the auditor general shall disclose that information to the ~~joint committee on~~  
21 ~~legislative services~~ [inspector general](#), the director of administration, and the chairperson of the  
22 public agency involved. Where the facts or the data upon which the facts are based are deemed  
23 confidential pursuant to the provisions of federal or state law, the auditor general's access to the  
24 information shall not in any way change the confidential nature of the data obtained.

25 (2) In the event of a dispute between the agency involved and the auditor general as to  
26 whether or not the data involved are confidential by law, the matter will be referred to the attorney  
27 general for resolution.

28 (e) The auditor general or his or her designated representative shall be immune from any  
29 liability to any party for claims arising out of disclosure authorized by this section.

30 (f) For the purposes of this section, the phrase "public agency" shall include the following:  
31 the Rhode Island industrial building authority, the Rhode Island recreational building authority, the  
32 Rhode Island commerce corporation, the Rhode Island industrial facilities corporation, the Rhode  
33 Island refunding bond authority, the Rhode Island housing and mortgage finance corporation, the  
34 Rhode Island resource recovery corporation, the Rhode Island public transit authority, the Rhode

1 Island student loan authority, the water resources board, the Rhode Island health and educational  
2 building corporation, the Rhode Island turnpike and bridge authority, the Narragansett Bay  
3 commission, the convention center authority, their successors and assigns, and any other body  
4 corporate and politic which has been or which is subsequently created or established within this  
5 state.

6 **22-13-10. Audit of information security systems.**

7 (a) The general assembly recognizes that the security of government computer systems is  
8 essential to ensuring the stability and integrity of vital information gathered and stored by  
9 government for the benefit of the citizenry and the breach of security over computer systems  
10 presents a risk to the health, safety, and welfare of the public. It is the intent of the legislature to  
11 insure that government computer systems and information residing on these systems are protected  
12 from unauthorized access, compromise, sabotage, hacking, viruses, destruction, illegal use, cyber  
13 attack or any other act which might jeopardize or harm the computer systems and the information  
14 stored on them.

15 (b) In conjunction with the powers and duties outlined in this chapter, the auditor general  
16 may conduct reviews and assessments of the various government computer systems and the security  
17 systems established to safeguard these computer systems. Computer systems subject to this section  
18 shall include systems which pertain to federal, state, or local programs, and quasi-governmental  
19 bodies, and the computer systems of any entity or program which is subject to audit by the office  
20 of the auditor general. The auditor general's review may include an assessment of system  
21 vulnerability, network penetration, potential security breaches, and susceptibility to cyber attack  
22 and cyber fraud.

23 (c) In the event the review by the auditor general indicates a computer system is vulnerable,  
24 or security over the system is lacking, those findings shall not be disclosed publicly and shall not  
25 be considered public records. Notwithstanding any other provision of law to the contrary, the  
26 workpapers developed in connection with the review of the computer system and the security over  
27 the system shall not be deemed public records and are not subject to disclosure. The auditor  
28 general's findings may be disclosed at the discretion of the auditor general to the chief information  
29 officer of the state as well as the ~~joint committee on legislative services~~ [inspector general](#). Unless  
30 the auditor general authorizes the release of information or findings gathered in the conduct of a  
31 review of computer system security, all such information shall be deemed classified, confidential,  
32 secret, and non-public.

33 (d) In order to maintain the integrity of the computer system, the auditor general may  
34 procure the services of specialists in information security systems or other contractors deemed

1 necessary in conducting reviews under this section, and in procuring those services shall be exempt  
2 from the requirements of the state purchasing law or regulation.

3 (e) Any outside contractor or vendor hired to provide services in the review of the security  
4 of a computer system shall be bound by the confidentiality provisions of this section.

5 SECTION 3. Chapter 35-7.1 of the General Laws entitled "The Office of Internal Audit  
6 and Program Integrity" is hereby repealed in its entirety.

7 ~~CHAPTER 35-7.1~~

8 ~~The Office of Internal Audit and Program Integrity~~

9 ~~35-7.1-1. Establishment of office of internal audit and program integrity.~~

10 ~~(a) There is hereby established within the office of management and budget an office of~~  
11 ~~internal audit and program integrity. Within the office of internal audit and program integrity, there~~  
12 ~~shall be a chief, appointed by the director of administration, who shall be the administrative head~~  
13 ~~of the office. The person so selected to be the chief shall be selected without regard to political~~  
14 ~~affiliation and with a demonstrated ability in the following areas: accounting, auditing, financial~~  
15 ~~analysis, investigation, management analysis, and public administration. The office of internal~~  
16 ~~audit and program integrity will report to the office of management and budget director. Any~~  
17 ~~reference in general law to the "bureau of audits" or "office of internal audit" shall mean the office~~  
18 ~~of internal audit and program integrity.~~

19 ~~(b) The purpose of the office is to prevent and detect fraud, waste, abuse, and~~  
20 ~~mismanagement in the expenditure of public funds including:~~

21 ~~(1) All state programs and operations;~~

22 ~~(2) The procurement of any supplies, services, or construction by state agencies, bureaus,~~  
23 ~~divisions, sections, departments, offices, commissions, institutions, and activities of the state; and~~

24 ~~(3) The procurement or expenditure of public funds by organizations or individuals.~~

25 ~~(c) The chief of the office of internal audit and program integrity shall not hold, or be a~~  
26 ~~candidate for, any elective or any other appointed public office while a chief. No current chief shall~~  
27 ~~hold a position in any political party or political committee, or, aside from voting, actively engage~~  
28 ~~in the political campaign of any candidate for public office that may cause a real or perceived~~  
29 ~~conflict of interest, or participate as a board member of any entity that receives state or federal~~  
30 ~~funding.~~

31 ~~(d) No employee of the office of internal audit and program integrity shall hold, or be a~~  
32 ~~candidate for, any elective public office while an employee, nor shall they hold a position in any~~  
33 ~~political party or political committee or, aside from voting, actively engage in a political campaign~~  
34 ~~of any candidate for public office that may cause a real or perceived conflict of interest, or~~

1 ~~participate as a board member of any not for profit entity that receives state or federal funding.~~

2 ~~(e) The office of internal audit and program integrity is authorized to conduct audits of any~~  
3 ~~state department, state agency, or private entity that is a recipient of state funding or state grants.~~  
4 ~~In addition, the office of internal audit and program integrity is authorized, but not limited to,~~  
5 ~~evaluating the efficiency of operations and internal controls, preventing and detecting fraud, waste,~~  
6 ~~abuse, or mismanagement in the expenditure of public funds, whether federal, state, or local, that~~  
7 ~~are related to any and all state programs and operations as well as the procurement of any goods,~~  
8 ~~services, or construction, by public bodies. As deemed necessary or expedient by the office of~~  
9 ~~internal audit and program integrity, audits may be made relative to the financial affairs or the~~  
10 ~~economy and efficiency of management of each department, agency, or public body. The office of~~  
11 ~~internal audit and program integrity shall determine which such audits shall be performed in~~  
12 ~~accordance with a risk based evaluation.~~

13 ~~(f) “Public body” or “public bodies” under this chapter shall mean state agencies, bureaus,~~  
14 ~~divisions, departments, offices, commissions, boards, institutions, including the public institutions~~  
15 ~~of higher education, districts, authorities, quasi agencies, or political subdivisions created by the~~  
16 ~~general assembly, or the governor. “Public body” shall also include any city and town within the~~  
17 ~~state of Rhode Island but municipal audits under this chapter shall only cover the expenditure of~~  
18 ~~state or federal funds distributed by the state. Audits and investigations of public bodies may~~  
19 ~~include the expenditures by nongovernmental agencies of federal, state, and local public funds.~~

20 **35-7.1-2. Duties.**

21 ~~(a) The chief of internal audit and program integrity shall supervise, coordinate, and/or~~  
22 ~~conduct audits, civil and administrative investigations, and inspections or oversight reviews, when~~  
23 ~~necessary, relating to expenditure of state or federal funds, or to any and all state programs and~~  
24 ~~operations, as well as the procurement of any supplies, services, or construction, by public bodies.~~  
25 ~~In the course of an audit or investigation, the office of internal audit and program integrity shall~~  
26 ~~review statutes and regulations of the public body and shall determine if such a public body is in~~  
27 ~~compliance and shall make recommendations concerning the efficiency of operations, and the~~  
28 ~~effect of such statutes or regulations on internal controls and the prevention and detection of fraud,~~  
29 ~~waste, and abuse. The chief of internal audit and program integrity may recommend policies or~~  
30 ~~procedures that may strengthen internal controls, or assist in the prevention or detection of fraud,~~  
31 ~~waste, and abuse or mismanagement.~~

32 ~~(b) The person, or persons, with legal authority for any public body may request the~~  
33 ~~assistance of the office of internal audit and program integrity. Any such request must include the~~  
34 ~~scope of services requested and the work to be performed. In such events, the chief, with the~~

1 ~~approval of the director of management and budget, may assign personnel to conduct, supervise,~~  
2 ~~or coordinate such activity as deemed necessary and appropriate to perform their duties in a diligent~~  
3 ~~and prudent manner. The expenses for any such assistance requested by the public body shall be~~  
4 ~~reimbursed by the public body to the office of internal audit and program integrity. The chief may~~  
5 ~~recommend policies for the conduct, supervision, or coordination of the relationship, between state~~  
6 ~~and other state, local governmental agencies as well as federal governmental agencies and~~  
7 ~~nongovernmental entities with respect to all matters relating to the prevention and detection of~~  
8 ~~fraud, waste, abuse, or mismanagement in or relating to any and all programs and activities of the~~  
9 ~~state of Rhode Island.~~

10 ~~(c) When it is determined by the office of internal audit and program integrity that an audit~~  
11 ~~is necessary because there is sufficient evidence to believe that there may have been fiscal~~  
12 ~~impropriety, wrongdoing, or fiscal mismanagement by any agent, employee, board member, or~~  
13 ~~commissioner of any public body, the office of internal audit and program integrity may conduct a~~  
14 ~~forensic examination of such entity. All costs associated with the forensic examination shall be~~  
15 ~~paid, as deemed appropriate, either by the examined entity or by an appropriation by the general~~  
16 ~~assembly. Such costs shall include, but not be limited to, the following expenses:~~

17 ~~(1) One hundred percent (100%) of the total salaries and benefits paid to the examining~~  
18 ~~personnel of the office of internal audit and program integrity engaged in those examinations;~~

19 ~~(2) All costs associated with the procurement of a forensic consultant;~~

20 ~~(3) All costs associated with a consultant that provides expertise pertinent to the examinee's~~  
21 ~~operations;~~

22 ~~(4) All reasonable administrative and technology costs related to the forensic examination~~  
23 ~~process. Technology costs shall include the actual cost of software and hardware utilized in the~~  
24 ~~examination process and the cost of training examination personnel in the proper use of the software~~  
25 ~~and hardware.~~

26 ~~(d) The chief of internal audit and program integrity, or their designee, may investigate~~  
27 ~~reports of any person who, either prior to, or at the time of, or subsequent to the application for~~  
28 ~~public assistance:~~

29 ~~(1) Willfully makes a false statement or misrepresentation;~~

30 ~~(2) Impersonates someone else;~~

31 ~~(3) Willfully fails to disclose a material fact regarding eligibility or other fraudulent means;~~

32 ~~or~~

33 ~~(4) Secures, aids, or abets, or attempts to secure, aid, or abet, others in securing public~~  
34 ~~assistance (including Supplemental Nutrition Assistance Program (SNAP) or Medicaid) through~~

~~fraudulent actions.~~

~~(e) The chief of internal audit and program integrity, or their designee, is authorized to:~~

~~(1) Coordinate, conduct, and/or support investigations aimed at preventing and detecting, fraud, waste, abuse, and mismanagement in public assistance programs;~~

~~(2) Coordinate and support state and local efforts to investigate and eliminate fraud in public assistance programs;~~

~~(3) Work to recover both state and federal funds related to fraudulent activities.~~

~~(f) In the course of these investigations, the office of internal audit and program integrity shall collaborate with local law enforcement agencies, the Rhode Island department of human services, the Rhode Island state police, the Rhode Island attorney general, or other local, state, and federal entities as needed to complete the investigations.~~

~~(g) The office shall identify methods to implement innovative technology and data sharing in order to detect, analyze, and prevent fraud, waste, and abuse.~~

~~**35-7.1-3. Investigations or management advisory and consulting services upon request of governor or general assembly.**~~

~~The office of internal audit and program integrity may, upon the written request of the governor or of the general assembly, conduct audits, provide management advisory and consulting services, or conduct investigations relative to the financial affairs or the economy and efficiency of management, or both, of any public bodies as defined in § 35-7.1-1(f). The office of internal audit and program integrity may, from time to time, make such investigations and additional reports to the governor, the director of the department of administration, the director of the office of management and budget, and the general assembly as deemed necessary or advisable.~~

~~**35-7.1-4. Management advisory and consulting services provided to public bodies.**~~

~~When requested in writing by a public body to the chief, the office of internal audit and program integrity may provide management advisory or consulting services to the public body. Any such request must include the scope of services requested and a schedule for the work to be performed.~~

~~**35-7.1-5. Persons authorized to conduct audits — Reports of irregularities.**~~

~~Any qualified person duly authorized by the director of management and budget to act as auditor may examine the books, papers, and documents of any public body having control of state or federal funds, and if the audit discloses any irregularities or improper handling of records or funds, the auditor shall report the same to the chief who shall, in turn, report such findings and recommendations to the director of management and budget, who shall further report to the director of administration.~~

1           ~~35-7.1-6. Inspection of records, papers, and witness testimony—Investigations and~~  
2           ~~subpoenas.~~

3           ~~(a) The chief, in carrying out the duties outlined in this chapter, shall have access to all~~  
4           ~~records, reports, audits, reviews, papers, books, documents, recommendations, correspondence,~~  
5           ~~including information relative to the purchase of goods or services or anticipated purchase of goods~~  
6           ~~or services, from any agent, contractor, or vendor by any public body, as defined in § 35-7.1-1(f),~~  
7           ~~and any other data and material that is maintained by or available to any public body regardless of~~  
8           ~~the media in which it is maintained which is in any way related to the programs and operations with~~  
9           ~~respect to public bodies.~~

10          ~~(b) The chief may request information and records, cooperation, and assistance from any~~  
11          ~~state or local governmental agency as may be necessary for carrying out the chief's duties and~~  
12          ~~responsibilities. Upon receipt of such request, each person in charge of the public body shall furnish~~  
13          ~~to the chief, or the chief's authorized agent or representative, such information and records,~~  
14          ~~cooperation and assistance, including information relative to the purchase of goods or services or~~  
15          ~~anticipated purchase of goods or services from any contractor or vendor by any public body, within~~  
16          ~~ten (10) business days of receipt of the chief's request. If the public body is unable to comply with~~  
17          ~~the request for records and/or information within (10) business days, the public body must notify~~  
18          ~~the chief, prior to the expiration of the ten (10) business days, in writing as to the reason, or reasons,~~  
19          ~~why the request cannot be fulfilled within this time and whether additional time is necessary.~~

20          ~~(c) The chief may initiate and conduct audits, investigations, and compliance reviews and~~  
21          ~~shall prepare detailed findings, conclusions, and recommendations concerning the administration~~  
22          ~~of programs or operations, and internal controls over processes of public bodies.~~

23          ~~(d) The chief shall have direct and prompt access to any public body, its agents, officers,~~  
24          ~~and employees when necessary for any purpose pertaining to the performance of the chief's duties~~  
25          ~~and responsibilities under this chapter.~~

26          ~~(e) In furtherance of carrying out any of the duties of this chapter, the chief may request,~~  
27          ~~with the written approval of the director of the department of administration and through an~~  
28          ~~administrative subpoena, the attendance and testimony of witnesses and the production of books,~~  
29          ~~records, and other evidence relevant to an active fraud investigation as described in this chapter.~~  
30          ~~The subpoena shall specify the time, date, and place where the witness is to respond. Within twenty~~  
31          ~~(20) days after the service of the subpoena or at any time before the return date specified in the~~  
32          ~~subpoena, whichever period is shorter, the person served may file in a state superior court and serve~~  
33          ~~upon the unit and the attorney general a civil petition for an order of the court modifying or setting~~  
34          ~~aside the subpoena. The petition shall specify each ground upon which the petitioner is seeking~~

1 ~~relief. If a person neglects or refuses to comply with any request to provide testimony or produce~~  
2 ~~books, records, and other evidence relevant to an investigation, the office of internal audit and~~  
3 ~~program integrity or the attorney general may petition the superior court for an order compelling~~  
4 ~~the person to answer the request. Books, records, and other evidence obtained through an~~  
5 ~~administrative subpoena that are not used in a court proceeding shall be destroyed as soon as~~  
6 ~~practicable.~~

7 **35-7.1-7. Complaint — Investigation.**

8 (a) ~~The chief shall accept and may investigate or audit complaints or information from any~~  
9 ~~identified individual concerning the possible existence of any activity constituting fraud, waste,~~  
10 ~~abuse, or mismanagement relating to programs and operations of public bodies.~~

11 (b) ~~The chief shall not, after receipt of a complaint or information from an employee,~~  
12 ~~contractor, or private citizen who requests confidentiality, disclose the identity of that individual,~~  
13 ~~without the written consent of said individual, unless the chief determines such disclosure is~~  
14 ~~necessary and unavoidable during the course of an investigation. In such event, the individual filing~~  
15 ~~the complaint shall be notified, if possible, immediately of such disclosure.~~

16 (c) ~~Employees are protected under the chapter 50 of title 28 “Rhode Island Whistleblowers’~~  
17 ~~Protection Act.”~~

18 **35-7.1-8. Reports to the state police.**

19 ~~In carrying out the chief’s duties and responsibilities, the chief shall report to the Rhode~~  
20 ~~Island state police whenever the chief has reasonable grounds to believe there has been a violation~~  
21 ~~of federal or state criminal law. The chief shall also refer findings to the state ethics commission,~~  
22 ~~or to any other federal, state, or local agency with an interest in said findings, in the discretion of~~  
23 ~~the chief. Any referrals made under this section shall not be made public by the office of internal~~  
24 ~~audit and program integrity.~~

25 **35-7.1-9. Coordination with other state agencies.**

26 ~~The chief may coordinate with other state agencies that are responsible for investigating,~~  
27 ~~auditing, reviewing, or evaluating the management of public bodies for the purpose of sharing~~  
28 ~~information and avoiding duplication of effort.~~

29 **35-7.1-10. Audit and annual reports.**

30 (a) ~~The office of internal audit and program integrity shall prepare an annual report~~  
31 ~~summarizing the activities of the office of internal audit and program integrity for the prior fiscal~~  
32 ~~year. The office of internal audit and program integrity may also prepare interim performance~~  
33 ~~reports. These reports shall be presented to the director of management and budget. The annual~~  
34 ~~reports shall be posted on the office’s website.~~



1           ~~(b) The annual report shall include, but not be limited to: a general description of significant~~  
2 ~~problems in the areas of efficiencies, internal controls, fraud, waste, and abuse within programs~~  
3 ~~and operations within the jurisdiction of the office; a general description of the recommendations~~  
4 ~~for corrective actions made by the office during the reporting period with respect to significant~~  
5 ~~deficiencies in the areas of efficiencies, internal controls, fraud, waste, and abuse; the identification~~  
6 ~~of each significant recommendation described in previous annual reports on which corrective action~~  
7 ~~has not been completed; a summary of matters referred to prosecuting authorities; a summary of~~  
8 ~~any matters concerning the recovery of monies as a result of an audit finding or civil suit or a~~  
9 ~~referral to another agency for the purposes of such suit; a list of all audit reports completed by the~~  
10 ~~office during the reporting period; and a statement of recommendations of amendment to this~~  
11 ~~chapter or the rules, regulations, or procedures governing the office of internal audit and program~~  
12 ~~integrity that would improve the effectiveness or the operations of the office.~~

13           ~~(c) The annual report of the office of internal audit and program integrity shall be made~~  
14 ~~public on the day of filing.~~

15           ~~(d) At the conclusion of each formal audit, the office of internal audit and program integrity~~  
16 ~~shall produce an audit report which contains, but is not limited to, the scope of the audit, findings,~~  
17 ~~and recommendations. Within twenty (20) calendar days following the date of the issuance of the~~  
18 ~~management response copy of the draft audit report, the head of the department, agency, public~~  
19 ~~body, or private entity audited shall respond, in writing, to each recommendation made in the audit~~  
20 ~~report. This response shall address the department's, agency's, or public body's or private entity's~~  
21 ~~plan of corrective action, the party responsible to implement the corrective action plan, and the~~  
22 ~~anticipated date to complete the implementation of the corrective action; and, if applicable, the~~  
23 ~~reasons for disagreement with any recommendation proposed in the audit report and justification~~  
24 ~~of management's acceptance of risk. The office of internal audit and program integrity may perform~~  
25 ~~follow up procedures for the purpose of determining whether the department, agency, public body,~~  
26 ~~or private entity has implemented, in an efficient and effective manner, its plan of correction action~~  
27 ~~for the recommendations proposed in the audit report or addressed the risk discussed in the audit~~  
28 ~~report.~~

29           ~~(e) Copies of each audit report, inclusive of management's responses noted in subsection~~  
30 ~~(d) shall be submitted to the chairpersons of the house finance committee, and the senate finance~~  
31 ~~committee and posted on the office's website.~~

32           **35-7.1-11. Civil actions:**

33           ~~The chief of the office of internal audit and program integrity shall have the authority to~~  
34 ~~initiate civil recovery actions. In any case where the office of internal audit and program integrity~~

1 ~~has discovered fraudulent acts and believes that civil recovery proceedings may be appropriate, the~~  
2 ~~chief may authorize the initiation of appropriate civil proceedings or refer the case to the~~  
3 ~~appropriate state agency for civil recovery.~~

1           SECTION 4. This act shall take effect upon passage.

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LC004740  
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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO STATE AFFAIRS AND GOVERNMENT -- INSPECTOR GENERAL

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1           This act would establish the office of inspector general as an independent administrative  
2 agency charged with the responsibility to investigate, detect, and prevent fraud, waste, abuse, and  
3 mismanagement in the expenditure of public funds. This act would merge the auditor general and  
4 office of internal audit and program integrity into the office of inspector general.

5           This act would take effect upon passage.

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LC004740  
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