
COMMONWEALTH OF VIRGINIA



OFFICE OF THE GOVERNOR

Executive Order 67

CREATION OF THE OFFICE OF THE INSPECTOR GENERAL AND WORKING GROUP ON BUDGET REFORM

The taxpayers expect state dollars to be used in the most efficient way possible. Program evaluation of the efficiency and effectiveness of state agencies is one important tool towards achieving this goal. Investigation of waste, fraud, and abuse by state agencies is another important tool.

Therefore, by virtue of the authority granted to me by Article V of the Constitution of Virginia and by Chapter 1 of Section 2.2 of the Code of Virginia, I hereby create the Office of the State Inspector General within the executive department of state government.

The Office of the State Inspector General

The State Inspector General shall report directly to the Governor, but shall consult regularly with the Secretary of Administration, the Secretary of Finance, and the Governor's Chief of Staff. The State Inspector General shall have the power and duty to:

1. Operate and manage the Office of the State Inspector General and employ such personnel as may be required within limits prescribed by the Governor and the Chief of Staff.
2. Conduct independent evaluations of the efficiency and effectiveness of programs and activities of state agencies and services, as well as non-state agencies receiving state funding.

3. Prepare a detailed report of each investigation or program evaluation including findings and recommendations for improving efficiency and effectiveness as well as needed corrective action.
4. Document any waste, fraud, abuse, or wrongful acts and provide timely notification to the State Police, pursuant to Section 30-138 of the Code of Virginia whenever the State Inspector General has reasonable grounds to believe there has been a violation of state criminal law.
5. Enter into agreements with the Department of Accounts, the Department of Planning and Budget, the Auditor of Public Accounts, and the Joint Legislative Audit and Review Commission to share information and avoid duplication of effort in program evaluation and investigation of waste, fraud, and abuse.
6. As resources permit work with the Department of Planning and Budget to provide technical assistance to individual state agencies and non-state agencies receiving state funds in developing clear goals and objective measures of performance for programs and activities. The goals and objective measures established by the Governor for each agency shall be a part of any independent evaluation conducted by the Inspector General.

Program Evaluation of State and Non-state Agencies

The State Inspector General shall develop a schedule for the evaluation of the programs and services of state agencies and non-state agencies receiving state funding. The Inspector General shall prioritize evaluations in terms of program expenditures, program risk, and other factors as may seem appropriate.

Each program evaluation shall include, but not be limited to, the following measures and determinations regarding such programs and services: (i) effectiveness, (ii) efficiency, (iii) cost, (iv) alternative service delivery options, and (v) consolidation or privatization opportunities.

The State Inspector General shall prepare a report of each evaluation and submit the report to the Governor immediately upon its completion and to the General Assembly in its annual report. The State Inspector General shall also conduct unscheduled evaluations at the request of the Governor.

Within one year after an evaluation has been conducted, the state or non-state agency that is the subject of the evaluation shall report to the Governor and State Inspector General on the progress made toward the implementation of any recommendations made by the State Inspector General.

Cooperation of state agencies

Each state agency and every state officer and state employee, shall cooperate with, and provide assistance to, the State Inspector General in the performance of any investigation. Each state agency shall make its premises, equipment, personnel, books, records, and papers readily available to the State Inspector General upon request.

The State Inspector General may enter upon the premises of any state agency at any time, without prior announcement, if necessary to the successful completion of an investigation. In the course of an investigation, the State Inspector General may interview any state officer or state employee serving in, and any person transacting business with, the state agency, and may inspect and copy any books, records, or papers in the possession of the state agency. The State Inspector General shall preserve the confidentiality of any information obtained from a state agency during the course of an investigation as required by applicable state and federal law.

Annual Report of the State Inspector General

The State Inspector General shall prepare an annual report for the governor and his Chief of Staff summarizing the activities of the Office. Such report shall include, but need not be limited to:

1. A description of significant problems, abuses, and deficiencies related to the management or operation of state agencies during the reporting period and recommendations for corrective action made by the State Inspector General;
2. An identification of each significant recommendation described in previous reports for which corrective action has not been completed;
3. A summary of any matters referred to the State Police and actions taken on them during the reporting period; and
4. Information concerning the numbers of complaints received and types of investigations completed by the Office during the reporting period.
5. Other issues as may seem appropriate.

Within 30 days of the transmission of each annual report, the State Inspector General shall make copies of such report available to the public upon request and shall make such reports available on the Office's web site.

The State Inspector General shall report immediately to the Governor whenever the Office becomes aware of particularly serious problems, abuses, or deficiencies relating to the management or operation of a state agency.

The State Inspector General may conduct such additional investigations and make such reports relating to the management and operation of state agencies as are, in the judgment of the State Inspector General, necessary or desirable. Records that are confidential under federal or state law shall be maintained as confidential by the State Inspector General, and shall not be further disclosed, except as permitted by law. Working papers for the Office of the State Inspector General shall be maintained in accordance with relevant "yellow book" standards issued by Comptroller General of the United States.

Working Group on Budget Reform

A need exists to improve the transparency and accountability of the state budget. Accordingly, I hereby create the Governor's Working Group on Budget Reform. The purpose of this working group will be to make recommendations to improve accountability of the state budget and to make it easier for citizens to understand.

The working group shall include members of the House of Delegates and Senate of Virginia as well as citizen members. All members shall be appointed by the Governor and shall serve at his pleasure.

The working group shall work in consultation with the Council on Virginia's Future and its interagency staff team. The working group shall be responsible for making recommendations on making the budget more clear and accountable in time for incorporation into the Governor's 2006-2008 biennial budget submission. The working group shall examine and make recommendations on how to incorporate the following, to the extent practical, into the executive budget process:

1. Relevant activities and recommendations of the Council on Virginia's Future.
2. Each agency's mission, clearly defined goals and measurable objectives, and performance measures and descriptions of how (i) the goals and measurable objectives are directly related to furthering the agency's mission, and (ii) the agency is operating to achieve its mission, goals, and measurable objectives.
3. Specific objectives and performance measures for agency program and service and specific resource requirements for agency program and service.

4. Programs and services administered by two or more agencies.
5. Evaluations conducted by the Office of the State Inspector General.
6. Other issues as may seem appropriate.

The working group shall also recommend any necessary statutory changes, including codification of the Office of the State Inspector General.

The working group shall present its initial report to the Governor no later than November 1, 2004.

Members of the working group shall serve without compensation, but they may receive reimbursement for expenses incurred in the discharge of their official duties upon approval of the Chief of Staff.

Staff support necessary for the work of the working group shall be provided by the Office of the Secretary of Administration, the Secretary of Finance, the Department of Planning and Budget, the Department of Accounts, and such executive branch agencies as the Governor may designate. An estimated 2,000 hours of staff time shall be needed to support the work of the working group.

This Executive Order shall be effective immediately upon its signing and shall remain in full force and effect unless amended or rescinded by further Executive Order.

Given under my hand and the Seal of the Commonwealth of Virginia, this 20th day of April 2004.

Mark R. Warner, Governor

Attest:

Secretary of the Commonwealth