

1 COMMITTEE SUBSTITUTE

2 FOR

3 **H. B. 2015**

4 (By Delegates Foster, Espinosa, Summers, Miller, Lane,
5 Duke, Ellington, McGeehan, Storch, Howell and Ihle)

6 (Originating in the Committee on Finance)

7 [February 27, 2015]

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9
10 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section,
11 designated §4-2-4a; and to amend and reenact §4-10-3 of said code, all relating to the
12 examination of spending units by the Legislative Auditor generally; requiring the legislative
13 auditor to make certain post audits during 2015 and to make a report on the post audit
14 process at the direction of the Joint Committee on Government and Finance on or before
15 December 1, 2015, that includes recommendations for the formulation of a regular schedule
16 for making post audits of each spending unit of the state government; providing for a report
17 to the Legislature by the Joint Committee on Government and Finance; and clarifying
18 definitions of certain terms.

19 *Be it enacted by the Legislature of West Virginia:*

20 That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new
21 section, designated §4-2-4a; and to amend and reenact §4-10-3 of said code, all to read as follows:

22 **ARTICLE 2. LEGISLATIVE AUDITOR; POWERS; FUNCTIONS; DUTIES;**
23 **COMPENSATION.**

24 **§4-2-4a. Duty of Legislative Auditor conduct post audits in 2015; report to the to Joint**
25 **Committee on Government and Finance on the post audit process.**

26 (a) During 2015, as directed by the Joint Committee on Government and Finance, the
27 Legislative Auditor shall make a post audit of the revenues and expenditures of the State Board of
28 Education, the Division of Highways and the Division of Corrections as provided in section four of

1 this article. In conjunction with making the post audits described in this section, as directed by the
2 Joint Committee on Government and Finance, the Legislative Auditor shall study the post audit
3 process and prepare a report to the Joint Committee on Government and Finance that provides
4 recommendations for the formulation of a regular schedule for making post audits of each spending
5 unit of the state government. The study and report shall also include a review of this state’s current
6 process for making post audits; an analysis of this state’s experience in making post audits; a survey
7 of post audit processes in other states, including but not limited to, the frequency with which other
8 states make post audits of their spending units; the estimated costs to the state of various frequencies
9 of making post audits of each spending unit on a scheduled basis; recommendations for the optimal
10 frequency with which a post audit should be made of each spending unit; and such other
11 recommendations as the Legislative Auditor may have to improve the post audit process in this state
12 and eliminate any misapplication of state funds or erroneous, extravagant or unlawful expenditures
13 by any spending unit. The report shall be delivered to the Joint Committee on Government and
14 Finance with copies to the President of the Senate, the Speaker of the House of Delegates and the
15 remaining members of the Joint Committee on Government and Finance on or before December 1,
16 2015. On or before the first day of the 2016 Regular Session of the Legislature, the Joint Committee
17 on Government and Finance shall make a report to the Legislature of such recommendations for the
18 formulation of a regular schedule for making post audits of each spending unit of the state
19 government as it may deem proper.

20 **ARTICLE 10. PERFORMANCE REVIEW ACT.**

21 **§4-10-3. Definitions.**

22 As used in this article, unless the context clearly indicates a different meaning:

23 (a) “Agency” or “state agency” means a state governmental entity, including any bureau,
24 department, division, commission, agency, committee, office, board, authority, subdivision, program,
25 council, advisory body, cabinet, panel, system, task force, fund, compact, institution, survey,
26 position, coalition or other entity in the State of West Virginia.

27 (b) “Agency review” means a review performed on agencies of a department pursuant to the
28 provisions of this article.

- 1 (c) “Committee” means the Joint Committee on Government Operations.
- 2 (d) “Compliance review” means a review for compliance with recommendations contained
3 in a previous agency review or regulatory board review conducted pursuant to the provisions of this
4 article and may include further inquiry of other issues as directed by the President, the Speaker, the
5 Legislative Auditor, the committee or the joint standing committee.
- 6 (e) “Department” means the departments created within the executive branch, headed by a
7 secretary appointed by the Governor, as authorized by the Code of West Virginia.
- 8 (f) “Department presentation” means a presentation by a department pursuant to the
9 provisions of this article.
- 10 (g) “Division” means ~~the Performance Evaluation and Research Division of the Legislative~~
11 ~~Auditor Auditor’s Office.~~
- 12 (h) “Joint standing committee” means the Joint Standing Committee on Government
13 Organization.
- 14 (i) “Privatize” means a contract to procure the services of a private vendor to provide a
15 service that is similar to, and/or in lieu of, a service provided by a state agency.
- 16 (j) “Regulatory Board” means a board that regulates professions and occupations, created
17 under the provisions of chapter thirty of this code.
- 18 (k) “Regulatory Board Review” means a review performed on a regulatory board pursuant
19 to the provisions of this article.