

AMENDED IN SENATE JUNE 28, 2010

AMENDED IN SENATE JUNE 21, 2010

AMENDED IN SENATE MAY 27, 2010

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1891**

---

---

**Introduced by ~~Assembly Member Portantino~~ Committee on Higher Education (Portantino (Chair), Block, Cook, Fong, Galgiani, Huber, Ma, and Ruskin)**

February 16, 2010

---

---

~~An act to amend Sections 8543, 8543.1, 8543.2, 8543.3, 8543.5, 8543.6, 8543.7, 8544, 8544.4, 8544.5, 8545, 8545.1, 8545.2, 8545.3, 8545.4, 8545.5, 8546, 8546.1, 8546.2, 8546.3, 8546.4, 8546.5, 8546.6, 8546.7, 8546.8, 8547.4, 8547.5, 8547.6, 8547.7, 8547.11, 8548.1, 8548.2, 8548.4, and 8548.9 of, and to amend the heading of Chapter 6.5 (commencing with Section 8543) of Division 1 of Title 2 of, the Government Code, relating to state government. An act to add Article 8 (commencing with Section 550) to Chapter 3 of Part 1 of Division 1 of the Food and Agricultural Code, relating to agriculture.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1891, as amended, ~~Portantino~~ Committee on Higher Education. State government: Bureau of State Audits and Inspector General. Sustainable agriculture research agricultural chemicals.

*Until January 1, 2010, existing law requested the Regents of the University of California to establish the Sustainable Agriculture Research and Education Program to support competitive grants to promote more research and education on sustainable agricultural*

*practices, and to support the giving of instructions and practical demonstrations in agriculture.*

*This bill would reestablish this program, except it would not require the regents to biennially report to the Legislature on the program.*

~~Existing law establishes the Bureau of State Audits under the direction of the Milton Marks “Little Hoover” Commission on California State Government Organization and Economy. Existing law provides that the duties of the bureau are to examine and report annually upon financial statements prepared by the executive branch and to perform other related assignments, including performance audits, mandated by statute.~~

~~This bill would rename the bureau the Bureau of State Audits and Inspector General and specify certain duties that the renamed bureau is to undertake as part of its existing responsibilities, relating to the investigation, review, and auditing of state entities under its jurisdiction. The bill would make conforming changes to existing law.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     *SECTION 1. Article 8 (commencing with Section 550) is added*  
2     *to Chapter 3 of Part 1 of Division 1 of the Food and Agricultural*  
3     *Code, to read:*

4  
5                     *Article 8. Sustainable Agriculture*

6  
7     550. *This article shall be known and may be cited as the*  
8     *Sustainable Agriculture Research and Education Act of 1986.*

9     551. *The Legislature finds and declares all of the following:*  
10    (i) *There is a growing movement in California and the nation*  
11    *to change farming techniques by adopting more*  
12    *resource-conserving, energy-efficient systems of agriculture. The*  
13    *objective of these changes is to produce agricultural products that*  
14    *may reduce the use of petrochemicals, improve means of biological*  
15    *pest management, improve soil productivity, improve erosion*  
16    *control, and improve irrigation, cultivation, and harvesting*  
17    *techniques.*

1 (b) Over the long term, adoption of more efficient  
2 resource-conserving systems of agricultural production can benefit  
3 both the producing and consuming public.

4 (c) The resolution of many agricultural problems depends on  
5 immediate efforts to provide farmers with practices that are both  
6 resource conserving and economical for food producers, and to  
7 foster food production and distribution methods that reduce  
8 dependence on petroleum-based inputs.

9 552. The purpose of this article is to promote more research  
10 and education on sustainable agricultural practices, such as  
11 organic methods, biological control, and integrated pest  
12 managements, including the analysis of economic factors  
13 influencing the long-term sustainability of California agriculture.  
14 This article is intended to foster economically and ecologically  
15 beneficial means of soil improvement, pest management, irrigation,  
16 cultivation, harvesting, transportation, and marketing for  
17 California agriculture based on methods designed to accomplish  
18 all of the following:

19 (a) The control of pests and diseases of agricultural importance  
20 through alternatives that reduce or eliminate the use of pesticides  
21 and petrochemicals.

22 (b) The production, processing, and distribution of food and  
23 fiber in ways that consider the interactions among soil, plants,  
24 water, air, animals, tillage, machinery, labor, energy, and  
25 transportation to enhance agricultural efficiency, public health,  
26 and resource conservation.

27 553. (a) It is the intent of the Legislature that the Regents of  
28 the University of California establish the Sustainable Agriculture  
29 Research and Education Program to support all of the following:

30 (1) Competitive grants for research on topics described in  
31 Section 552.

32 (2) The giving of instructions and practical demonstrations in  
33 agriculture and imparting information through demonstrations,  
34 publications, and otherwise, and for printing and distribution of  
35 information in connection with the Sustainable Agriculture  
36 Research and Education Program. Where feasible, these  
37 demonstrations shall include field research conducted on  
38 cooperating farms.

1     (3) *Planning for and management of University of California*  
2 *farmlands committed to supporting long-term continuous research*  
3 *in sustainable agricultural practices and farming systems.*

4     (b) *Those eligible to apply for competitive grants under*  
5 *subdivision (a) shall include individuals affiliated with public and*  
6 *private institutions of higher education and with nonprofit*  
7 *tax-exempt organizations.*

8     (c) *All grant applications shall be subject to peer review for*  
9 *scientific merit.*

10    (d) *In awarding grants, preference shall be given to projects*  
11 *that include field evaluation and offer the greatest potential for*  
12 *measurable progress toward attaining the long-term goals pursuant*  
13 *to Section 552.*

14    554. (a) *If the Sustainable Agriculture Research and Education*  
15 *Program is established by the regents, the President of the*  
16 *University of California shall establish and appoint a Program*  
17 *Advisory Committee and a Technical Advisory Committee.*

18    (b) *The duties of the Program Advisory Committee shall include*  
19 *recommending goals and priorities for this program, including,*  
20 *but not limited to, reviewing the priority of grant applications.*

21    (c) *The Program Advisory Committee shall be composed of a*  
22 *majority of individuals representing agriculture, as well as*  
23 *representatives from government, public organizations, and*  
24 *institutions of higher education, all of whom are knowledgeable*  
25 *regarding the issues and practices of sustainable agriculture.*

26    (d) *The duties of the Technical Advisory Committee shall include*  
27 *making recommendations about the scientific merit of grant*  
28 *applications submitted pursuant to Section 553.*

29    (e) *The Technical Advisory Committee shall be composed of*  
30 *faculty and staff of the University of California and other experts*  
31 *from outside the university.*

32    (f) *Members of the Program Advisory Committee and Technical*  
33 *Advisory Committee who are not employed by the University of*  
34 *California shall be appointed for a period not exceeding three*  
35 *years and receive compensation for expenses incurred in the*  
36 *performance of their duties according to applicable university*  
37 *regulations and guidelines.*

38    555. *If the Sustainable Agriculture Research and Education*  
39 *Program is established by the regents, it shall be established from*  
40 *existing resources.*

1 SECTION 1. ~~The heading of Chapter 6.5 (commencing with~~  
2 ~~Section 8543) of Division 1 of Title 2 of the Government Code is~~  
3 ~~amended to read:~~

4  
5 CHAPTER 6.5. ~~STATE AUDITOR INSPECTOR GENERAL~~

6  
7 SEC. 2. ~~Section 8543 of the Government Code is amended to~~  
8 ~~read:~~

9 8543. ~~(a) There is hereby created in state government the~~  
10 ~~Bureau of State Audits and Inspector General under the direction~~  
11 ~~of the Milton Marks “Little Hoover” Commission on California~~  
12 ~~State Government Organization and Economy. In order to be free~~  
13 ~~of organizational impairments to independence, the bureau shall~~  
14 ~~be independent of the executive branch and legislative control.~~

15 ~~(b) Whenever a reference is made to the “Bureau of State~~  
16 ~~Audits” by the provisions of any statute or regulation, it shall be~~  
17 ~~construed as referring to the Bureau of State Audits and Inspector~~  
18 ~~General.~~

19 SEC. 3. ~~Section 8543.1 of the Government Code is amended~~  
20 ~~to read:~~

21 8543.1. ~~The duties of the Bureau of State Audits and Inspector~~  
22 ~~General are to examine and report annually upon the financial~~  
23 ~~statements prepared by the executive branch of the state and to~~  
24 ~~perform other related assignments, including performance audits,~~  
25 ~~that are mandated by statute. For the purposes of this chapter~~  
26 ~~“bureau” means the “Bureau of State Audits and Inspector~~  
27 ~~General,” unless the context clearly requires otherwise. The bureau~~  
28 ~~shall, as part of its existing auditing, administrative, and~~  
29 ~~investigative duties, detect, investigate, deter, and eliminate~~  
30 ~~corruption, fraud, criminal activity, conflicts of interest, abuses of~~  
31 ~~office, and waste in the state entities under its jurisdiction,~~  
32 ~~including, but not limited to, state agencies, departments, divisions,~~  
33 ~~offices, boards, and commissions. The bureau shall vigorously and~~  
34 ~~fairly investigate allegations of misconduct and conduct audits and~~  
35 ~~systematic reviews of state agency programs and procedures, and~~  
36 ~~recommmend improvements for positive and permanent reform of~~  
37 ~~agency operations.~~

38 SEC. 4. ~~Section 8543.2 of the Government Code is amended~~  
39 ~~to read:~~

1     ~~8543.2.—(a) The head of the bureau is the State Auditor~~  
2 ~~Inspector General, who shall be appointed by the Governor from~~  
3 ~~a list of three qualified individuals nominated by the Joint~~  
4 ~~Legislative Audit Committee by a vote of at least a majority of the~~  
5 ~~committee membership from each house of the Legislature. The~~  
6 ~~term of any individual appointed as the State Auditor Inspector~~  
7 ~~General shall be four years. Any vacancy in the office shall be~~  
8 ~~filled in the same manner provided by this subdivision for a full~~  
9 ~~term.~~

10     ~~(b) As the head of the bureau, the State Auditor Inspector~~  
11 ~~General may establish constituent parts of the bureau to carry out~~  
12 ~~the powers and duties of the bureau unless otherwise specified by~~  
13 ~~law.~~

14     ~~(c) The bureau has a Chief Deputy State Auditor.~~

15     ~~(d) The bureau has a Chief Deputy State Inspector General.~~

16     ~~SEC. 5.—Section 8543.3 of the Government Code is amended~~  
17 ~~to read:~~

18     ~~8543.3.—The State Auditor Inspector General shall be chosen~~  
19 ~~without reference to party affiliation and solely on the ground of~~  
20 ~~fitness to perform the duties of the office. Prior to selection, the~~  
21 ~~State Auditor Inspector General shall possess a combination of~~  
22 ~~education and experience in auditing and management necessary~~  
23 ~~to perform the duties of the office.~~

24     ~~SEC. 6.—Section 8543.5 of the Government Code is amended~~  
25 ~~to read:~~

26     ~~8543.5.—The Chief Deputy State Auditor shall be appointed by~~  
27 ~~the State Auditor Inspector General. The Chief Deputy State~~  
28 ~~Auditor shall carry out those duties prescribed by the State Auditor~~  
29 ~~Inspector General and shall act for the State Auditor Inspector~~  
30 ~~General when the State Auditor Inspector General is absent or~~  
31 ~~unable to serve or when the office of the State Auditor Inspector~~  
32 ~~General is vacant. The tenure of any incumbent Chief Deputy State~~  
33 ~~Auditor shall expire on any date that an individual is appointed~~  
34 ~~State Auditor Inspector General, but any incumbent Chief Deputy~~  
35 ~~State Auditor may be reappointed pursuant to this section.~~

36     ~~SEC. 7.—Section 8543.6 of the Government Code is amended~~  
37 ~~to read:~~

38     ~~8543.6.—The State Auditor Inspector General may be removed~~  
39 ~~for cause at any time by concurrent resolution of the Legislature.~~

1 A State Auditor Inspector General removed pursuant to this section  
2 may not be reappointed to the office.

3 ~~SEC. 8.~~ Section 8543.7 of the Government Code is amended  
4 to read:

5 ~~8543.7.~~ (a) The annual salary for the State Auditor Inspector  
6 General shall be equal to that of agency secretaries of the executive  
7 branch of government pursuant to Section 11550.

8 (b) The State Auditor Inspector General shall be repaid all actual  
9 expenses incurred or paid by him or her in the discharge of his or  
10 her duties.

11 ~~SEC. 9.~~ Section 8544 of the Government Code is amended to  
12 read:

13 ~~8544.~~ (a) Consistent with subdivision (i) of Section 8546, the  
14 State Auditor Inspector General may employ and fix the  
15 compensation, in accordance with Article VII of the California  
16 Constitution, of those professional assistants and technical, clerical,  
17 deputy state auditors, and other officers and employees as he or  
18 she deems necessary for the effective conduct of the work under  
19 his or her charge.

20 (b) In establishing and adjusting classes of positions, and  
21 establishing and adjusting salary ranges for each class of position,  
22 to provide for the continued ability to attract and maintain qualified  
23 individuals within the bureau, consideration shall be given to the  
24 fact that the level of education, experience, knowledge, and ability  
25 required of the employees in the bureau is generally higher than  
26 that of state service generally, due to the unique duties and  
27 responsibilities imposed on the bureau and the relatively small  
28 number of employees.

29 (c) When fixing compensation for employees, the State Auditor  
30 Inspector General shall consider prevailing rates for comparable  
31 service in other public employment and private business.

32 ~~SEC. 10.~~ Section 8544.4 of the Government Code is amended  
33 to read:

34 ~~8544.4.~~ The permanent office of the State Auditor Inspector  
35 General shall be in Sacramento, where he or she shall be provided  
36 with suitable and sufficient offices. When in his or her judgment  
37 the conduct of the work requires, he or she may maintain offices  
38 at other places in the state.

39 ~~SEC. 11.~~ Section 8544.5 of the Government Code is amended  
40 to read:

1     ~~8544.5. (a) There is hereby established in the State Treasury~~  
2 ~~the State Audit Fund. Notwithstanding Section 13340, the State~~  
3 ~~Audit Fund is continuously appropriated for the expenses of the~~  
4 ~~State Auditor Inspector General. There shall be appropriated~~  
5 ~~annually in the Budget Act to the State Audit Fund, from the~~  
6 ~~General Fund and the Central Service Cost Recovery Fund, the~~  
7 ~~amount necessary to reimburse the State Audit Fund for the cost~~  
8 ~~of audits to be performed that are not directly reimbursed under~~  
9 ~~subdivision (c). “Cost of audits” means all direct and indirect costs~~  
10 ~~of conducting the audits and any other expenses incurred by the~~  
11 ~~State Auditor Inspector General in fulfilling his or her statutory~~  
12 ~~responsibilities.~~

13     ~~(b) With regard to the funds appropriated pursuant to subdivision~~  
14 ~~(a), upon certification by the State Auditor Inspector General of~~  
15 ~~estimated costs on a monthly basis, the Controller shall transfer~~  
16 ~~the amount thus certified from the General Fund or the Central~~  
17 ~~Service Cost Recovery Fund, as applicable, to the State Audit~~  
18 ~~Fund. The Controller shall thereafter issue warrants drawn against~~  
19 ~~the State Audit Fund upon receipt of claims certified by the State~~  
20 ~~Auditor Inspector General.~~

21     ~~(c) To ensure appropriate reimbursement from federal and~~  
22 ~~special funds for the costs of the duties performed pursuant to~~  
23 ~~Section 8546.3, the State Auditor Inspector General may directly~~  
24 ~~bill state agencies for the costs incurred, subject to the approval~~  
25 ~~of the Director of Finance.~~

26     ~~(d) To ensure adequate oversight of the operations of the bureau,~~  
27 ~~the Milton Marks “Little Hoover” Commission on California State~~  
28 ~~Government Organization and Economy shall annually obtain the~~  
29 ~~services of an independent public accountant to audit the State~~  
30 ~~Audit Fund and the operation of the bureau to assure compliance~~  
31 ~~with state law, including Section 8546. The results of this audit~~  
32 ~~shall be submitted to the commission and shall be a public record.~~

33     ~~(e) To ensure that audits of the Milton Marks “Little Hoover”~~  
34 ~~Commission on California State Government Organization and~~  
35 ~~Economy are conducted in conformity with government auditing~~  
36 ~~standards, any audit of the commission that is required or permitted~~  
37 ~~by law shall be conducted by the independent public accountant~~  
38 ~~selected pursuant to subdivision (d).~~

39     ~~SEC. 12. Section 8545 of the Government Code is amended~~  
40 ~~to read:~~



1     ~~8545. The State Auditor Inspector General shall not destroy~~  
2 ~~any papers or memoranda used to support a completed audit sooner~~  
3 ~~than three years after the audit report is released to the public. All~~  
4 ~~books, papers, records, and correspondence of the bureau pertaining~~  
5 ~~to its work are public records subject to Chapter 3.5 (commencing~~  
6 ~~with Section 6250) of Division 7 of Title 1 and shall be filed at~~  
7 ~~any of the regularly maintained offices of the State Auditor~~  
8 ~~Inspector General, except that none of the following items or papers~~  
9 ~~of which these items are a part shall be released to the public by~~  
10 ~~the State Auditor Inspector General, his or her employees, or~~  
11 ~~members of the commission:~~

12     ~~(a) Personal papers and correspondence of any person providing~~  
13 ~~assistance to the State Auditor Inspector General when that person~~  
14 ~~has requested in writing that his or her papers and correspondence~~  
15 ~~be kept private and confidential. Those papers and correspondence~~  
16 ~~shall become public records if the written request is withdrawn or~~  
17 ~~upon the order of the State Auditor Inspector General.~~

18     ~~(b) Papers, correspondence, memoranda, or any substantive~~  
19 ~~information pertaining to any audit not completed.~~

20     ~~(c) Papers, correspondence, or memoranda pertaining to any~~  
21 ~~audit that has been completed, which papers, correspondence, or~~  
22 ~~memoranda are not used in support of any report resulting from~~  
23 ~~the audit.~~

24     ~~SEC. 13. Section 8545.1 of the Government Code is amended~~  
25 ~~to read:~~

26     ~~8545.1. (a) The State Auditor Inspector General, and any~~  
27 ~~employee or former employee of the bureau, shall not divulge or~~  
28 ~~make known to any person not employed by the bureau in any~~  
29 ~~manner not expressly permitted by law any particulars of any~~  
30 ~~record, document, or information the disclosure of which is~~  
31 ~~restricted by law from release to the public. This prohibition~~  
32 ~~includes, but is not limited to, the restrictions on the release of~~  
33 ~~records, documents, or information set forth in Section 8545.~~

34     ~~(b) Subdivision (a) also applies to either of the following:~~

35     ~~(1) Any person or business entity that is contracting with or has~~  
36 ~~contracted with the bureau and to the employees and former~~  
37 ~~employees of that person or business entity.~~

38     ~~(2) The officers and employees of and any person or business~~  
39 ~~entity that is contracting with or has contracted with any state or~~  
40 ~~local governmental agency or publicly created entity that has~~

1 assisted the bureau in the course of any audit or investigation or  
2 that has received a draft copy of any report or other draft document  
3 from the bureau for comment or review.

4 (e) Any officer, employee, or person who discloses the  
5 particulars of any record, document, or other information in  
6 violation of this section is guilty of a misdemeanor.

7 SEC. 14. Section 8545.2 of the Government Code is amended  
8 to read:

9 8545.2. (a) Notwithstanding any other provision of law, the  
10 State Auditor Inspector General during regular business hours shall  
11 have access to and authority to examine and reproduce, any and  
12 all books, accounts, reports, vouchers, correspondence files, and  
13 all other records, bank accounts, and money or other property, of  
14 any agency of the state, whether created by the California  
15 Constitution or otherwise, any local governmental entity, including  
16 any city, county, and school or special district, and any publicly  
17 created entity, for any audit or investigation. Any officer or  
18 employee of any agency or entity having these records or property  
19 in his or her possession, under his or her control, or otherwise  
20 having access to them, shall permit access to, and examination and  
21 reproduction thereof, upon the request of the State Auditor  
22 Inspector General or his or her authorized representative.

23 (b) For the purposes of access to and examination and  
24 reproduction of the records and property described in subdivision  
25 (a), an authorized representative of the State Auditor Inspector  
26 General is an employee or officer of the state or local governmental  
27 agency or publicly created entity involved and is subject to any  
28 limitations on release of the information as may apply to an  
29 employee or officer of the state or local governmental agency or  
30 publicly created entity. For the purpose of conducting any audit  
31 or investigation, the State Auditor Inspector General or his or her  
32 authorized representative shall have access to the records and  
33 property of any public or private entity or person subject to review  
34 or regulation by the public agency or public entity being audited  
35 or investigated to the same extent that employees or officers of  
36 that agency or public entity have access. No provision of law  
37 providing for the confidentiality of any records or property shall  
38 prevent disclosure pursuant to subdivision (a), unless the provision  
39 specifically refers to and precludes access and examination and  
40 reproduction pursuant to subdivision (a). This subdivision does

1 ~~not apply to records compiled pursuant to Part 1 (commencing~~  
2 ~~with Section 8900) or Part 2 (commencing with Section 10200)~~  
3 ~~of Division 2.~~

4 ~~(e) Any officer or person who fails or refuses to permit access~~  
5 ~~and examination and reproduction, as required by this section, is~~  
6 ~~guilty of a misdemeanor.~~

7 ~~SEC. 15.— Section 8545.3 of the Government Code is amended~~  
8 ~~to read:~~

9 ~~8545.3.— It is a misdemeanor for the State Auditor Inspector~~  
10 ~~General or any employee of the State Auditor Inspector General~~  
11 ~~to release any information received pursuant to Section 10850 of~~  
12 ~~the Welfare and Institutions Code or that is otherwise prohibited~~  
13 ~~by law to be disclosed.~~

14 ~~SEC. 16.— Section 8545.4 of the Government Code is amended~~  
15 ~~to read:~~

16 ~~8545.4.— (a) In connection with any audit or investigation~~  
17 ~~conducted by the State Auditor Inspector General, the State Auditor~~  
18 ~~Inspector General or his or her designee, may do any of the~~  
19 ~~following:~~

20 ~~(1) Administer oaths.~~

21 ~~(2) Certify to all official acts.~~

22 ~~(3) Issue subpoenas for the attendance of witnesses and the~~  
23 ~~production of papers, books, accounts, or documents, or for the~~  
24 ~~making of oral or written sworn statements, in any interview~~  
25 ~~conducted as part of an audit or investigation.~~

26 ~~(b) Any subpoena issued under this section extends as process~~  
27 ~~to all parts of the state and may be served by any person authorized~~  
28 ~~to serve process of courts of record or by any person designated~~  
29 ~~for that purpose by the State Auditor Inspector General or his or~~  
30 ~~her designee. The person serving this process may receive~~  
31 ~~compensation as allowed by the State Auditor Inspector General~~  
32 ~~or his or her designee, not to exceed the fees prescribed by law for~~  
33 ~~similar service.~~

34 ~~(c) Notwithstanding Section 7470, 7474, or 7491, subpoenas~~  
35 ~~issued under this section for financial records of financial~~  
36 ~~institutions concerning customers of financial institutions or for~~  
37 ~~information contained in those records shall not be subject to the~~  
38 ~~requirement or conditions of Section 7474.~~

39 ~~SEC. 17.— Section 8545.5 of the Government Code is amended~~  
40 ~~to read:~~

1     ~~8545.5.— (a) The superior court in the county in which any~~  
 2 ~~interview is held under the direction of the State Auditor Inspector~~  
 3 ~~General or his or her designee has jurisdiction to compel the~~  
 4 ~~attendance of witnesses, the making of oral or written sworn~~  
 5 ~~statements, and the production of papers, books, accounts, and~~  
 6 ~~documents, as required by any subpoena issued by the State~~  
 7 ~~Auditor Inspector General or his or her designee.~~

8     ~~(b) If any witness refuses to attend or testify or produce any~~  
 9 ~~papers required by the subpoena, the State Auditor Inspector~~  
 10 ~~General or his or her designee may petition the superior court in~~  
 11 ~~the county in which the hearing is pending for an order compelling~~  
 12 ~~the person to attend and answer questions under penalty of perjury~~  
 13 ~~or produce the papers required by the subpoena before the person~~  
 14 ~~named in the subpoena. The petition shall set forth all of the~~  
 15 ~~following:~~

16     ~~(1) That due notice of the time and place of attendance of the~~  
 17 ~~person or the production of the papers has been given.~~

18     ~~(2) That the person has been subpoenaed in the manner~~  
 19 ~~prescribed in Section 8545.4.~~

20     ~~(3) That the person has failed and refused to attend or produce~~  
 21 ~~the papers required by subpoena before the State Auditor Inspector~~  
 22 ~~General or his or her designee as named in the subpoena, or has~~  
 23 ~~refused to answer questions propounded to him or her in the course~~  
 24 ~~of the interview under penalty of perjury.~~

25     ~~(c) Upon the filing of the petition, the court shall enter an order~~  
 26 ~~directing the person to appear before the court at a specified time~~  
 27 ~~and place and then and there show cause why he or she has not~~  
 28 ~~attended, answered questions under penalty of perjury, or produced~~  
 29 ~~the papers as required. A copy of the order shall be served upon~~  
 30 ~~him or her. If it appears to the court that the subpoena was regularly~~  
 31 ~~issued by the State Auditor Inspector General or his or her~~  
 32 ~~designee, the court shall enter an order that the person appear~~  
 33 ~~before the person named in the subpoena at the time and place~~  
 34 ~~fixed in the order and answer questions under penalty of perjury~~  
 35 ~~or produce the required papers. Upon failure to obey the order, the~~  
 36 ~~person shall be dealt with as for contempt of court.~~

37     ~~SEC. 18.— Section 8546 of the Government Code is amended~~  
 38 ~~to read:~~

39     ~~8546.— It is the intent of the Legislature that the bureau have the~~  
 40 ~~independence necessary to conduct all of its audits in conformity~~

1 with “Government Auditing Standards” published by the  
2 Comptroller General of the United States and the standards  
3 published by the American Institute of Certified Public  
4 Accountants, free from influence of existing state control agencies  
5 that could be the subject of audits conducted by the bureau.  
6 Therefore, all of the following exclusions apply to the office:

7 (a) Notwithstanding Section 19790, the State Auditor Inspector  
8 General shall establish an equal employment opportunity program  
9 that shall meet the criteria and objectives established by the State  
10 Personnel Board. The State Auditor Inspector General shall report  
11 annually to the State Personnel Board and the commission  
12 regarding the program.

13 (b) Notwithstanding Section 12470, the State Auditor Inspector  
14 General shall be responsible for maintaining its payroll system. In  
15 lieu of audits of the uniform payroll system performed by the  
16 Controller or any other department, the office shall contract  
17 pursuant to subdivision (e) of Section 8544.5 for an annual audit  
18 of its payroll and financial operations by an independent public  
19 accountant.

20 (c) Notwithstanding Section 13292, the State Auditor Inspector  
21 General is delegated the authority to establish and administer the  
22 fiscal and administrative policies of the bureau in conformity with  
23 the State Administrative Manual without oversight by the  
24 Department of Finance, the Department of Information  
25 Technology, or any other state agency.

26 (d) Notwithstanding Section 11032, the State Auditor Inspector  
27 General may approve actual and necessary traveling expenses for  
28 travel outside the state for officers and employees of the bureau.

29 (e) Notwithstanding Section 11033, the State Auditor Inspector  
30 General or officers and employees of the bureau may be absent  
31 from the state on business of the state upon approval of the State  
32 Auditor Inspector General or Chief Deputy State Auditor.

33 (f) Sections 11040, 11042, and 11043 shall not apply to the  
34 Bureau of State Audits. The State Auditor Inspector General may  
35 employ legal counsel under those terms that he or she deems  
36 necessary to conduct the legal business of, or render legal counsel  
37 to, the State Auditor Inspector General.

38 (g) The provisions and definitions of Article 2 (commencing  
39 with Section 11342.510) of Chapter 3.5 of Division 3 shall not be  
40 construed to include the Bureau of State Audits. The State Auditor

1 Inspector General may adopt regulations necessary for the  
2 operation of the bureau pursuant to the provisions of the  
3 Administrative Procedure Act (Chapter 3.5 (commencing with  
4 Section 11340) of Division 3), but these regulations shall not be  
5 subject to the review or approval of the Office of Administrative  
6 Law.

7 (h) The State Auditor Inspector General shall be exempt from  
8 all contract requirements of the Public Contract Code that require  
9 oversight, review, or approval by the Department of General  
10 Services or any other state agency. The State Auditor Inspector  
11 General may contract on behalf of the State of California for goods  
12 and services that he or she deems necessary for the furtherance of  
13 the purposes of the bureau.

14 (i) (1) Subject to Article VII of the California Constitution, the  
15 State Auditor Inspector General is delegated the authority to  
16 establish and administer the personnel policies and practices of  
17 the Bureau of State Audits in conformity with Part 2.6  
18 (commencing with Section 19815) of Division 5 of Title 2 without  
19 oversight or approval by the Department of Personnel  
20 Administration.

21 (2) At the election of the State Auditor Inspector General,  
22 officers and employees of the bureau may participate in benefits  
23 programs administered by the Department of Personnel  
24 Administration subject to the same conditions for participation  
25 that apply to civil service employees in other state agencies. For  
26 the purposes of benefits programs administration only, the State  
27 Auditor Inspector General is subject to the determinations of the  
28 department. The Bureau of State Audits shall reimburse the  
29 Department of Personnel Administration for the normal  
30 administrative costs incurred by the Department of Personnel  
31 Administration and for any extraordinary costs resulting from the  
32 inclusion of the bureau employees in these state benefit programs.

33 SEC. 19. Section 8546.1 of the Government Code is amended  
34 to read:

35 8546.1. (a) The State Auditor Inspector General shall conduct  
36 financial and performance audits as directed by statute. The State  
37 Auditor Inspector General may conduct these audits of any state  
38 agency as defined by Section 11000, whether created by the  
39 California Constitution or otherwise, any local governmental  
40 agency, including any city, county, and school or special district,

1 or any publicly created entity. However, the State Auditor Inspector  
2 General shall not audit the activities of the Milton Marks  
3 Commission on California State Government Organization and  
4 Economy or the Legislature to assure compliance with government  
5 auditing standards.

6 (b) ~~The State Auditor Inspector General shall conduct any audit  
7 of a state or local governmental agency or any other publicly  
8 created entity that is requested by the Joint Legislative Audit  
9 Committee to the extent that funding is available and in accordance  
10 with the priority established by the committee with respect to other  
11 audits requested by the committee. Members of the Legislature  
12 may submit requests for audits to the committee for its  
13 consideration and approval. Any audit request approved by the  
14 committee shall be forwarded to the State Auditor Inspector  
15 General as a committee request.~~

16 (e) ~~The State Auditor Inspector General shall complete any audit  
17 in a timely manner and in accordance with the “Government  
18 Auditing Standards” published by the Comptroller General of the  
19 United States.~~

20 (d) ~~Immediately upon completion of the audit, the State Auditor  
21 Inspector General shall transmit a copy of the audit report to the  
22 commission. Not later than 24 hours after delivery to the  
23 commission, the State Auditor Inspector General shall deliver the  
24 report to the Legislature, appropriate committees or subcommittees  
25 of the Legislature, and the Governor. Once transmitted to these  
26 parties, the report shall be made available to the public.~~

27 SEC. 20. ~~Section 8546.2 of the Government Code is amended  
28 to read:~~

29 8546.2. (a) ~~The State Auditor Inspector General shall request  
30 that any state agency, as defined in Section 11000, whether created  
31 by the California Constitution or otherwise, any local governmental  
32 agency, including any city, county, city and county, school, or  
33 special district, or any publicly created entity, that is the subject  
34 of an audit or investigation conducted pursuant to this chapter  
35 provide updates on its progress in implementing the  
36 recommendations made by the State Auditor Inspector General,  
37 at intervals prescribed by the State Auditor Inspector General.~~

38 (b) ~~Any state agency described in subdivision (a) shall provide  
39 the State Auditor Inspector General, in the form prescribed by the~~

1 State Auditor Inspector General, with updates on implementation  
2 of recommendations as described in subdivision (a):

3 SEC. 21. Section 8546.3 of the Government Code is amended  
4 to read:

5 8546.3. The State Auditor Inspector General shall examine  
6 and report annually upon the financial statements otherwise  
7 prepared by the executive branch of the state so that the Legislature  
8 and the public will be informed of the adequacy of those financial  
9 statements in compliance with generally accepted accounting  
10 principles. In making that examination, the State Auditor Inspector  
11 General may make the audit examination of accounts and records,  
12 accounting procedures, and internal auditing performance that he  
13 or she determines to be necessary to disclose all material facts  
14 necessary to proper reporting in accordance with the federal Single  
15 Audit Act of 1984 (31 U.S.C. Section 7501 and following) and  
16 the purposes set forth in Section 8521.5.

17 SEC. 22. Section 8546.4 of the Government Code is amended  
18 to read:

19 8546.4. (a) The State Auditor Inspector General shall annually  
20 issue an auditor’s report based upon the general purpose financial  
21 statements included in the Controller’s annual report that is  
22 submitted to the Governor pursuant to Section 12460. The report  
23 shall be in accordance with the “Government Auditing Standards”  
24 published by the Comptroller General of the United States and the  
25 standards published by the American Institute of Certified Public  
26 Accountants.

27 (b) The State Auditor Inspector General, in the performance of  
28 this annual audit and any other audit or investigation undertaken  
29 by the bureau, may examine all the financial records, accounts,  
30 and documents of any state agency as defined by Section 11000.

31 (c) The State Auditor Inspector General shall rely, to the  
32 maximum extent possible, upon the audits performed by the  
33 Controller, the Department of Finance, internal auditors of state  
34 agencies, and independent contractors. The Director of Finance  
35 shall be responsible for coordinating and providing technical  
36 assistance to the internal auditors of state agencies. Nothing in this  
37 article is intended to reduce or restrict the operations of internal  
38 auditors whose review of internal financial and administrative  
39 controls of state agencies is essential for coordinated audits.



1 ~~(d) State agencies receiving federal funds shall be primarily~~  
2 ~~responsible for arranging for federally required financial and~~  
3 ~~compliance audits. State agencies shall immediately notify the~~  
4 ~~Director of Finance, the State Auditor Inspector General, and the~~  
5 ~~Controller when they are required to obtain federally required~~  
6 ~~financial and compliance audits. The Director of Finance, the State~~  
7 ~~Auditor Inspector General, and the Controller shall coordinate the~~  
8 ~~procurement by state agencies, including any negotiations with~~  
9 ~~cognizant federal agencies, of federally required financial and~~  
10 ~~compliance audits.~~

11 ~~(e) To prevent duplication of the annual audit conducted by the~~  
12 ~~State Auditor Inspector General pursuant to subdivision (a), except~~  
13 ~~for those state agencies that are required by state law to obtain an~~  
14 ~~annual audit, no state agency shall enter into a contract for a~~  
15 ~~financial or compliance audit without prior written approval of the~~  
16 ~~Controller and the Director of Finance, which approval shall state~~  
17 ~~the reason for the contract and shall be filed with the State Auditor~~  
18 ~~Inspector General at least 30 days prior to the award of the contract.~~  
19 ~~No funds appropriated by the Legislature shall be encumbered for~~  
20 ~~the purpose of funding any contract for an audit that duplicates~~  
21 ~~the annual financial audit conducted by the State Auditor Inspector~~  
22 ~~General.~~

23 ~~(f) Notwithstanding any other provision of this article, nothing~~  
24 ~~in this section shall be construed to limit, restrict, or otherwise~~  
25 ~~infringe upon the constitutional or statutory authority of the~~  
26 ~~Controller to superintend the fiscal concerns of the state.~~

27 ~~(g) Except as provided in subdivision (b), notwithstanding any~~  
28 ~~other provision of this article, nothing in this section shall be~~  
29 ~~construed to limit, restrict, or otherwise infringe upon the statutory~~  
30 ~~authority of the Director of Finance to supervise the financial and~~  
31 ~~business policies of the state.~~

32 ~~SEC. 23.— Section 8546.5 of the Government Code is amended~~  
33 ~~to read:~~

34 ~~8546.5.— (a) The State Auditor Inspector General may establish~~  
35 ~~a high-risk government agency audit program for the purpose of~~  
36 ~~identifying, auditing, and issuing reports on any agency of the~~  
37 ~~state, whether created by the California Constitution or otherwise,~~  
38 ~~that the State Auditor Inspector General identifies as being at high~~  
39 ~~risk for the potential of waste, fraud, abuse, and mismanagement~~

1 or that has major challenges associated with its economy,  
2 efficiency, or effectiveness.

3 (b) In addition to identifying an agency as high risk on the basis  
4 of weaknesses identified in audit and investigative reports produced  
5 by the bureau, the State Auditor Inspector General may consult  
6 with the Legislative Analyst, the Milton Marks “Little Hoover”  
7 Commission on California State Government Organization and  
8 Economy, the Office of Inspector General within the Department  
9 of Corrections, the Department of Finance, and other state agencies  
10 that have oversight responsibilities over any other agency of the  
11 state, in identifying state agencies that are at high risk.

12 (c) The State Auditor Inspector General shall notify the Joint  
13 Legislative Audit Committee whenever it identifies a state agency  
14 as at high risk.

15 (d) The State Auditor Inspector General may issue audit reports  
16 with recommendations for improvement in state agencies identified  
17 as at high risk not less than once every two years.

18 (e) The State Auditor Inspector General may require state  
19 agencies identified as high risk to periodically report to the auditor  
20 regarding the status of recommendations for improvement made  
21 by the State Auditor Inspector General or other state oversight  
22 agencies.

23 SEC. 24. Section 8546.6 of the Government Code is amended  
24 to read:

25 8546.6. The State Auditor Inspector General, in connection  
26 with any audit or investigation conducted pursuant to this chapter,  
27 shall be deemed to be a department head for the purposes of Section  
28 11189.

29 SEC. 25. Section 8546.7 of the Government Code is amended  
30 to read:

31 8546.7. Notwithstanding any other provision of law, every  
32 contract involving the expenditure of public funds in excess of ten  
33 thousand dollars (\$10,000) entered into by any state agency, board,  
34 commission, or department or by any other public entity, including  
35 a city, county, city and county, or district, shall be subject to the  
36 examination and audit of the State Auditor Inspector General, at  
37 the request of the public entity or as part of any audit of the public  
38 entity, for a period of three years after final payment under the  
39 contract. Every contract shall contain a provision stating that the  
40 contracting parties shall be subject to that examination and audit.

1 The failure of a contract to contain this provision shall not preclude  
2 the State Auditor Inspector General from conducting an  
3 examination and audit of the contract at the request of the public  
4 entity entering into the contract or as part of any audit of the public  
5 entity.

6 It is the intent of the Legislature that the Regents of the  
7 University of California include in contracts involving the  
8 expenditure of state funds in excess of ten thousand dollars  
9 (\$10,000) a provision stating that the contracting parties shall be  
10 subject to the examination and audit of the State Auditor Inspector  
11 General, at the request of the regents or as part of any audit of the  
12 university, for a period of three years after final payment under  
13 the contract.

14 The examinations and audits under this section shall be confined  
15 to those matters connected with the performance of the contract,  
16 including, but not limited to, the costs of administering the contract.

17 SEC. 26. Section 8546.8 of the Government Code is amended  
18 to read:

19 8546.8. Unless the contrary is stated or clearly appears from  
20 the context, any reference to the Auditor General or the Office of  
21 the Auditor General in any statute or contract in effect on the  
22 effective date of this chapter, other than Chapter 4 (commencing  
23 with Section 10500), with respect to the performance of audits,  
24 shall be construed to refer to the State Auditor Inspector General  
25 and the Bureau of State Audits and Inspector General, respectively.

26 SEC. 27. Section 8547.4 of the Government Code is amended  
27 to read:

28 8547.4. The State Auditor Inspector General shall administer  
29 this article and shall investigate and report on improper  
30 governmental activities. If, after investigating, the State Auditor  
31 Inspector General finds that an employee may have engaged or  
32 participated in improper governmental activities, the State Auditor  
33 Inspector General shall prepare an investigative report and send a  
34 copy of the investigative report to the employee's appointing  
35 power. Subject to the limitations of Section 8547.5, the State  
36 Auditor Inspector General may provide to the employee's  
37 appointing power any evidence gathered during the investigation  
38 that, in the judgment of the State Auditor Inspector General, is  
39 necessary to support an adverse action or an action recommended  
40 pursuant to subdivision (a) of Section 8547.7. Within 60 days after

1 receiving a copy of the State Auditor Inspector General's  
2 investigative report, the appointing power shall either serve a notice  
3 of adverse action upon the employee who is the subject of the  
4 investigative report or set forth in writing its reasons for not taking  
5 adverse action. The appointing power shall file a copy of the notice  
6 of adverse action with the State Personnel Board in accordance  
7 with Section 19574, and shall submit a copy to the State Auditor  
8 Inspector General. If the appointing power does not take adverse  
9 action within 60 days of receiving a copy of the State Auditor  
10 Inspector General's investigative report, it shall submit its written  
11 reasons for not doing so to the State Auditor Inspector General  
12 and the State Personnel Board, and adverse action may be taken  
13 as provided in Section 19583.5. Any employee who is served with  
14 a notice of adverse action may appeal to the State Personnel Board  
15 in accordance with Section 19575.

16 SEC. 28. Section 8547.5 of the Government Code is amended  
17 to read:

18 8547.5. (a) ~~The State Auditor Inspector General shall create~~  
19 ~~the means for the submission of allegations of improper~~  
20 ~~governmental activity both by transmission via mail or other carrier~~  
21 ~~to a specified mailing address and electronic submission through~~  
22 ~~an Internet Web site portal. The State Auditor Inspector General~~  
23 ~~may request that a person submitting an allegation provide his or~~  
24 ~~her name and contact information and provide the names and~~  
25 ~~contact information for any persons who could help to substantiate~~  
26 ~~the claim. However, the State Auditor Inspector General shall not~~  
27 ~~require any person submitting an allegation to provide his or her~~  
28 ~~name or contact information and shall clearly state on the agency~~  
29 ~~Web site that this information is not required in order to submit~~  
30 ~~an allegation.~~

31 (b) ~~Upon receiving specific information that any employee or~~  
32 ~~state agency has engaged in an improper governmental activity,~~  
33 ~~the State Auditor Inspector General may conduct an investigation~~  
34 ~~of the matter. The identity of the person providing the information~~  
35 ~~that initiated the investigation, or of any person providing~~  
36 ~~information in confidence to further an investigation, shall not be~~  
37 ~~disclosed without the written permission of the person providing~~  
38 ~~the information except that the State Auditor Inspector General~~  
39 ~~may make the disclosure to a law enforcement agency that is~~  
40 ~~conducting a criminal investigation.~~

1 SEC. 29.— Section 8547.6 of the Government Code is amended  
2 to read:

3 ~~8547.6. The State Auditor Inspector General may request the~~  
4 ~~assistance of any state department, agency, or employee in~~  
5 ~~conducting any investigation required by this article. If an~~  
6 ~~investigation conducted by the State Auditor Inspector General~~  
7 ~~involves access to confidential academic peer review records of~~  
8 ~~University of California academic personnel, these records shall~~  
9 ~~be provided in a form consistent with university policy effective~~  
10 ~~on August 1, 1992. No information obtained from the State Auditor~~  
11 ~~Inspector General by any department, agency, or employee as a~~  
12 ~~result of the State Auditor Inspector General's request for~~  
13 ~~assistance, nor any information obtained thereafter as a result of~~  
14 ~~further investigation, shall be divulged or made known to any~~  
15 ~~person without the prior approval of the State Auditor Inspector~~  
16 ~~General.~~

17 SEC. 30.— Section 8547.7 of the Government Code is amended  
18 to read:

19 ~~8547.7. (a) If the State Auditor Inspector General determines~~  
20 ~~that there is reasonable cause to believe that an employee or state~~  
21 ~~agency has engaged in any improper governmental activity, he or~~  
22 ~~she shall report the nature and details of the activity to the head of~~  
23 ~~the employing agency, or the appropriate appointing authority,~~  
24 ~~and may include recommended actions to prevent the continuation~~  
25 ~~or recurrence of the activity. If appropriate, the State Auditor~~  
26 ~~Inspector General shall report this information to the Attorney~~  
27 ~~General, the policy committees of the Senate and Assembly having~~  
28 ~~jurisdiction over the subject involved, and to any other authority~~  
29 ~~that the State Auditor Inspector General determines appropriate.~~

30 ~~(b) The State Auditor Inspector General shall not have any~~  
31 ~~enforcement power. In any case in which the State Auditor~~  
32 ~~Inspector General submits a report of alleged improper activity to~~  
33 ~~the head of the employing agency or appropriate appointing~~  
34 ~~authority, that individual shall report to the State Auditor Inspector~~  
35 ~~General with respect to any action taken by the individual regarding~~  
36 ~~the activity, the first report being transmitted no later than 60 days~~  
37 ~~after the date of the State Auditor Inspector General's report and~~  
38 ~~monthly thereafter until final action has been taken.~~

39 ~~(c) The State Auditor Inspector General shall keep confidential~~  
40 ~~every investigation, including, but not limited to, all investigative~~

1 files and work product, except that the State Auditor Inspector  
 2 General may issue any report of an investigation that has been  
 3 substantiated, keeping confidential the identity of the individual  
 4 or individuals involved, or, subject to the limitations of Section  
 5 8547.5, release any findings or evidence supporting any findings  
 6 resulting from an investigation conducted pursuant to this article  
 7 that is deemed necessary to serve the interests of the state.

8 (d) This section does not limit any authority conferred upon the  
 9 Attorney General or any other department or agency of government  
 10 to investigate any matter.

11 SEC. 31. Section 8547.11 of the Government Code is amended  
 12 to read:

13 8547.11. (a) A University of California employee, including  
 14 an officer or faculty member, may not directly or indirectly use or  
 15 attempt to use the official authority or influence of the employee  
 16 for the purpose of intimidating, threatening, coercing, commanding,  
 17 or attempting to intimidate, threaten, coerce, or command any  
 18 person for the purpose of interfering with the right of that person  
 19 to disclose to a University of California official, designated for  
 20 that purpose by the regents, or the State Auditor Inspector General  
 21 matters within the scope of this article.

22 (b) For the purpose of subdivision (a), "use of official authority  
 23 or influence" includes promising to confer, or conferring, any  
 24 benefit; effecting, or threatening to effect, any reprisal; or taking  
 25 or directing others to take, or recommending, processing, or  
 26 approving, any personnel action, including, but not limited to,  
 27 appointment, promotion, transfer, assignment, performance  
 28 evaluation, suspension, or other disciplinary action.

29 (c) Any employee who violates subdivision (a) may be liable  
 30 in an action for civil damages brought against the employee by  
 31 the offended party.

32 (d) Nothing in this section shall be construed to authorize an  
 33 individual to disclose information otherwise prohibited by or under  
 34 law.

35 SEC. 32. Section 8548.1 of the Government Code is amended  
 36 to read:

37 8548.1. No later than April 1, 2002, the State Auditor Inspector  
 38 General shall prepare for state employees a written explanation of  
 39 the California Whistleblower Protection Act contained in Article

1 ~~3 (commencing with Section 8547). The explanation shall include,~~  
2 ~~but not be limited to, the following information:~~

3 ~~(a) Instructions on how to contact the State Auditor Inspector~~  
4 ~~General by mail or telephone.~~

5 ~~(b) A general overview of improper governmental activities and~~  
6 ~~examples of three of the most common types of improper~~  
7 ~~governmental activities that may be reported to the State Auditor~~  
8 ~~Inspector General.~~

9 ~~(c) Examples of two of the most commonly reported~~  
10 ~~governmental activities that the State Auditor Inspector General~~  
11 ~~does not have authority to investigate.~~

12 ~~(d) An explanation of whistleblower protection available to state~~  
13 ~~employees who report improper governmental activities to the~~  
14 ~~State Auditor Inspector General.~~

15 ~~(e) The requirement that the State Auditor Inspector General~~  
16 ~~protect the anonymity of a person who reports improper~~  
17 ~~governmental activity to the State Auditor Inspector General.~~

18 ~~(f) The State Auditor Inspector General's authority in connection~~  
19 ~~with violations of law discovered during an investigation of~~  
20 ~~improper governmental activities.~~

21 ~~SEC. 33. Section 8548.2 of the Government Code is amended~~  
22 ~~to read:~~

23 ~~8548.2. The State Auditor Inspector General shall prepare for~~  
24 ~~distribution to each state agency in an electronic format a notice~~  
25 ~~containing the information in the written explanation prepared~~  
26 ~~pursuant to Section 8548.1. No later than July 1, 2002, each state~~  
27 ~~agency shall print and post this notice at its state office or offices~~  
28 ~~in a location or locations where employee notices are maintained.~~  
29 ~~A state agency shall not edit the written text of the notice but it~~  
30 ~~may publish the notice in a manner it chooses, and it may include~~  
31 ~~its own introductory language in the notice, provided that the~~  
32 ~~language and the format selected do not alter the meaning of the~~  
33 ~~notice.~~

34 ~~SEC. 34. Section 8548.4 of the Government Code is amended~~  
35 ~~to read:~~

36 ~~8548.4. The State Auditor Inspector General shall post the~~  
37 ~~information described in Section 8548.1 on the Web site of the~~  
38 ~~bureau.~~

39 ~~SEC. 35. Section 8548.9 of the Government Code is amended~~  
40 ~~to read:~~

1     ~~8548.9. (a) The State Auditor Inspector General shall, by~~  
2     ~~January 15th of each year, report to the Joint Legislative Budget~~  
3     ~~Committee, the Joint Legislative Audit Committee, and the~~  
4     ~~Department of Finance with respect to each recommendation he~~  
5     ~~or she has made based on an audit or investigation that was reported~~  
6     ~~more than one year prior and that has not been fully implemented~~  
7     ~~by the affected agency.~~

8     ~~(b) The report shall clearly identify the state agency audited or~~  
9     ~~investigated, the audit or investigation that contained the~~  
10    ~~recommendation, a brief description of the recommendation, the~~  
11    ~~date it was issued, and the most recent explanation provided by~~  
12    ~~the agency to the State Auditor Inspector General on the status of~~  
13    ~~the recommendation.~~

14    ~~(c) Any state agency that is notified by the State Auditor~~  
15    ~~Inspector General that it has not fully implemented a~~  
16    ~~recommendation made pursuant to this chapter more than one year~~  
17    ~~prior, shall do either of the following:~~

18    ~~(1) Provide a written report to the State Auditor Inspector~~  
19    ~~General, the respective policy committees and budget~~  
20    ~~subcommittees of the Assembly and Senate with oversight of the~~  
21    ~~agency, and the Department of Finance, explaining why the audit~~  
22    ~~recommendation or investigation has not been fully implemented.~~

23    ~~(2) Notify all entities described in subdivision (a) that it will~~  
24    ~~begin implementing the audit recommendation or investigation~~  
25    ~~recommendation within 90 days of the notification by the State~~  
26    ~~Auditor Inspector General, and include the estimated date of full~~  
27    ~~implementation.~~