

# TITLE PAGE

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

**Section 1.** Title 18 of NRS is hereby amended by adding thereto a new chapter to consist of the provisions set forth as sections 2 to 17, inclusive, of this act.

**Sec. 2.** *As used in this chapter, unless the context otherwise requires, the term defined in section 3 of this act have the meaning ascribed to it in those sections.*

**Sec. 3.** *“School district” means any political subdivision by county of this State that receives any public funding for the purposes of educating K-12 students.*

**Sec. 4.** *“Office” means the Nevada Office of the Inspector General created by section 6 of this act.*

**Sec. 5.** *“Waste” means the squandering of money or resources, whether or not the activity is unlawful.*

**Sec. 6.** *1. The Nevada Office of the Inspector General is hereby created within the Nevada State Treasurer’s Office. The Nevada Office of the Inspector General consists of the Inspector General and any person employed in the Office.*

*2. The Treasurer shall appoint the Inspector General for a term of 4 years, and until a successor is appointed and qualified, from a list of three candidates submitted by the Legislative Commission. The Inspector General may be reappointed, and the Legislative Commission shall include the incumbent Inspector General on its list of candidates unless the Legislative Commission determines that the incumbent should not be recommended for reappointment for cause, including, without limitation, inefficiency, neglect of duty or malfeasance in office. A vacancy in the position must be filled in the same manner as the original appointment.*

*3. The Inspector General may be removed from office only by impeachment for misdemeanor or malfeasance in office. The Inspector General shall be deemed to be a state officer for the purposes of NRS 283.140 to 283.290, inclusive.*

*4. The Inspector General must have the demonstrated ability to administer a major public agency in the field of auditing,*

*investigations or inspections or performance reviews of programs of governmental agencies, including, without limitation:*

*(a) Experience in accounting, auditing, financial analysis, law, management analysis, public administration, investigation, criminal justice administration or any other closely related field;*

*(b) Certification as a Certified Fraud Examiner by the Association of Certified Fraud Examiners, or its successor organization, and as a Certified Inspector General by the Association of Inspectors General, or its successor organization, not later than 18 months after appointment as the Inspector General; and*

*(c) Continued status as a Certified Inspector General by the Association of Inspectors General, or its successor organization, while in office.*

*5. The Inspector General:*

*(a) Is in the unclassified service of the State.*

*(b) Shall devote his or her entire time and attention to the business of his or her office and shall not engage in any other gainful employment or occupation.*

*(c) Is ineligible for elective public office under the government and laws of this State, other than federal office, for 4 years after the date he or she leaves office.*

*Sec. 8. The Inspector General shall administer this chapter and all other provisions of law relating to the functions of the Office.*

*Sec. 9. 1. The Inspector General:*

*(a) Shall appoint a Deputy Inspector General and a Special Counsel. The Deputy Inspector General and Special Counsel are in the unclassified service of the State.*

*(b) May, within the limits of available money, employ such persons he or she deems necessary to provide an appropriate staff for the Office, including, without limitation, auditors, administrative staff, investigators and sworn peace officers. The Inspector General may employ category II peace officers. Any such persons employed pursuant to this paragraph are in the classified service of the State.*

*2. The Inspector General may enter into contracts for the services of certified public accountants, qualified management consultants or other professional experts necessary to independently perform the functions of the Office, within the limits of money available for that purpose.*

*Sec. 10. 1. The Inspector General shall:*

*(a) Establish and maintain a full-time program of auditing, investigation, inspection and performance review of each state agency and local government to provide increased accountability*

*and oversight of each state agency and local government and to assist in improving operations and deterring and identifying fraud, waste, abuse or corruption; and*

*(b) Upon request by the Treasurer, but not less often than quarterly, submit a report to the Treasurer and to the Director of the Legislative Counsel Bureau for transmittal to the Legislature setting forth any findings and conclusions relating to an audit, investigation, inspection or review specified in subsection 2 and any suggested corrective or remedial actions, including, without limitation, increased oversight, carrying out or modifying any controls for internal management, termination of employment or referral to the Commission on Ethics or the Attorney General when appropriate.*

*2. The Inspector General may:*

*(a) Engage in prevention activities, including, without*

*limitation, the review of legislation, rules, regulations, policies and procedures of any school district.*

*(b) Review the reliability and validity of the information provided through the performance measures and standards of any school district.*

*(c) Conduct a review of the performance measurement system of any school district.*

*(d) Attend any meeting held by any school district.*

*(e) Audit the economy, efficiency and effectiveness of the operations and functions of any school district.*

*(f) Audit, inspect, investigate and review the activities, records, procurements, grants, agreements and other financial arrangements undertaken by any school district to be spent or used on behalf of the State or a political subdivision, but not including a natural person who is receiving:*

*(1) Compensation for employment; or*

*(2) An income subsidy with no restriction on his or her use of the money or property.*

*(g) Recommend remedial actions to be taken by any school district to overcome or correct operating or maintenance deficiencies or inefficiencies identified by the Office.*

*(h) Establish a program for receiving, reviewing and*

*investigating any complaint submitted to the Inspector General concerning any fraud, waste, abuse or corruption within any school district, including, without limitation, deficiencies in the operation and maintenance of facilities, and*

*referral of those complaints to the appropriate school district.*

*(i) Conduct civil, criminal and administrative investigations.*

*(j) Conduct joint investigations and projects with other oversight or law enforcement agencies.*

*(k) Provide information and evidence relating to criminal acts to appropriate law enforcement officials.*

*(l) Refer matters for further civil, criminal and administrative action to appropriate administrative and prosecutorial agencies.*

*(m) Identify any other school district that is responsible for auditing, investigating, inspecting or reviewing the operation and management of a school district, including, without limitation, the Inspector General of the Department of Corrections, and coordinate with those school districts to share information and avoid any duplication of activities.*

*(n) Issue public reports.*

*(o) Adopt regulations to carry out the provisions of this chapter.*

*(p) Perform any other task relating to his or her duties as he or she determines is necessary.*

**Sec. 11. 1. The Inspector General shall:**

*(a) Establish a telephone number at which a person may confidentially report to the Office information relating to abuse, fraud or waste with respect to public money received and used by a school district; and*

*(b) Create a written notice that:*

*(1) Clearly identifies the telephone number established pursuant to paragraph (a); and*

*(2) Contains a statement directing any person with any information relating to abuse, fraud or waste with respect to public money received and used by a school district to report the information at the telephone number established pursuant to paragraph (a).*

**2. The written notice created pursuant to paragraph (b) of subsection 1 must be posted conspicuously:**

*(a) In each public building of each state agency; and*

*(b) On the Internet website maintained by the Office.*

**3. Upon receipt of information from a person calling the telephone number established pursuant to paragraph (a) of subsection 1, the Office must perform a review and prepare a report of its findings. The report is a public record and:**

*(a) Must include, without limitation, an explanation of:*

*(1) The purpose of the review; and*

*(2) Any resolution or corrective action taken by the Office that resulted from the review.*

*(b) Must not include the identity of the person who reported the information.*

*4. Except as otherwise provided in subsections 3 and 5, any information reported to the Office at the telephone number established pursuant to paragraph (a) of subsection 1, including, without limitation, the identity of the person who reported the information, is confidential.*

*5. The Office shall not disclose information that is confidential pursuant to subsection 4 except:*

*(a) Pursuant to NRS 239.0115;*

*(b) For the purpose of carrying out any duty of the Office or for the purpose of assisting the Director of the Office of Finance or Administrator of the Division of Internal Audits of the Office of Finance in carrying out any duty of the Director or Administrator;*

*(c) Upon the lawful order of a court of competent jurisdiction;*  
*or*

*(d) To the Office of the Attorney General or the office of a district attorney within this State for the purpose of investigating the alleged abuse, fraud or waste reported to the Nevada Office of the Inspector General.*

*6. As used in this section:*

*(a) "Contractor" means any person, business, organization or nonprofit corporation that contracts with a school district to receive public money. The term includes, without limitation, a subcontractor or a third party who receives any portion of the public money from the contractor to carry out any obligation pursuant to a contract between the contractor and the school district.*

*(b) "Public money" means any money deposited with a depository by the State Treasurer and includes, without limitation, money which is received by a school district from the Federal Government for distribution and use in this State pursuant to a federal law or federal regulation.*

**Sec. 12.** *1. Upon request by the Inspector General, each school district and any employee of a school district shall cooperate with and provide assistance to the Inspector General in carrying out the provisions of this chapter and shall ensure that the premises, equipment, employees, books, papers, contracts, correspondence and other records of the school district are available for use by the Inspector General in carrying out those provisions.*

*2. A person who willfully prevents, impairs or prohibits the Inspector General from initiating, carrying out or completing any*

*audit, investigation, inspection or review is guilty of a category E felony and shall be punished as provided in NRS 193.130.*

**Sec. 13.** *1. In carrying out the provisions of this chapter, the Inspector General may subpoena the attendance of witnesses or the production of books, papers and*

*documents,*

*notwithstanding any claim of privilege.*

*2. If any person refuses to obey a subpoena issued by the Inspector General, the Inspector General may present a petition to the district court of the county in which the person resides, setting forth the facts, and thereupon the court, in a proper case, shall issue its subpoena to the person requiring his or her attendance before the court to testify or to produce books, papers and documents.*

*3. Any person failing or refusing to obey the subpoena of a district court may be proceeded against in the same manner as for a refusal to obey any other order of the court.*

**Sec. 14.** *1. Except as otherwise provided in subsection 2, the Inspector General shall make public an annual report of audits, investigations, inspections and reviews conducted by the Office after such audits, investigations, inspections or reviews are concluded.*

*2. A report made public pursuant to subsection 1 must not include:*

*(a) The personal identifying information of an original source without his or her written consent; or*

*(b) Any information deemed privileged or confidential by law.*

*3. As used in this section:*

*(a) "Original source" means a person:*

*(1) Who voluntarily discloses to a school district the information on which the allegations or*

*transactions for an audit, investigation, inspection or review are based before the public disclosure of the information; or*

*(2) Who has knowledge of information that is independent of and materially adds to any allegations or transactions which are publicly disclosed and who voluntarily provides such information to a school district.*

*(b) "Personal identifying information" has the meaning ascribed to it in NRS 205.4617.*

**Sec. 15.** *1. Audits, investigations, inspections and reviews conducted by the Office must conform to professional standards, including, without limitation, standards promulgated by the Association of Inspectors General or its successor organization.*

*2. The Legislative Auditor shall, on or before July 1, 2026, and at least once every 3 years thereafter, prepare and make public a report reviewing a representative sample of the audits,*

*investigations, inspections and reviews issued by the Office for that time period for conformance with the professional standards described in subsection 1.*

**Sec. 16.** *1. The Nevada Inspector General's Fund is hereby created in the State Treasury as a special revenue fund to be administered by the Office. All money received by the Office must be deposited in the Fund. The money in the Fund does not revert to the State General Fund at the end of any fiscal year, and the balance in the Fund must be carried forward to the next fiscal year.*

*2. The interest and income earned on the money in the Fund, after deducting any applicable charges, must be credited to the Fund. All claims against the Fund must be paid as other claims against the State are paid.*

*3. The money in the Fund may be used only to pay the costs of carrying out programs or laws administered by the Office.*

**Sec. 17.** *A person who willfully discharges, demotes, suspends, threatens, harasses or discriminates against an employee, contractor or agent as a result of a lawful complaint of the employee, contractor or agent concerning any fraud, waste, abuse or corruption within any school district is guilty of a category E felony and shall be punished as provided in NRS 193.130.*

**Sec. 18.** NRS 197.090 is hereby amended to read as follows:

**197.090** *1. Except under circumstances where a greater penalty is provided in subsection 2 or NRS 200.481, any person who, by means of any threat, force or violence, attempts to deter or prevent any executive or administrative officer from performing any duty imposed upon the officer by law, or who knowingly resists by force or violence any executive or administrative officer in the performance of the officer's duty, is guilty of a gross misdemeanor.*

*2. Any person who, by means of any threat, force or violence, attempts to deter or prevent the Inspector General or an employee of the Nevada Office of the Inspector General from performing any duty imposed by law upon the Inspector General or the Office, or who knowingly resists by force or violence the Inspector General or an employee of the Office in the performance of his or her duty, is guilty of a category E felony and shall be punished as provided in NRS 193.130.*

*3. As used in this section:*

*(a) "InspectorGeneral" means the Inspector General appointed pursuant to section 6 of this act.*

*(b) "Nevada Office of the Inspector General" or "Office" means the Nevada Office of the Inspector General created by section 6 of this act*

*21. The Inspector General appointed pursuant to section 6 of*



*this act and any person employed as an investigator by the Nevada Office of the Inspector General created by section 6 of this act.*

**Sec. 23.** NRS 353A.010 is hereby amended to read as follows:  
353A.010 As used in this chapter, unless the context otherwise requires:

1. “Agency” means every agency, department, division, board, commission or similar body, or elected officer, of the Executive Branch of the State.

2. “Committee” means the Executive Branch Audit Committee created pursuant to NRS 353A.038.

3. “Director” means the Director of the Office of Finance.

4. *“Inspector General” means the Inspector General*

*appointed by the Treasurer pursuant to section 6 of this act.*

5. *“Internal accounting and administrative control” means a method through which school districts can safeguard assets, check the accuracy and reliability of their accounting information, promote efficient operations and encourage adherence to prescribed managerial policies.*

**Sec. 24.** NRS 353A.025 is hereby amended to read as follows:

**353A.025** *1. The head of each school district shall periodically review the school district’s system of internal accounting and administrative control to determine whether it is in compliance with the uniform system of internal accounting and administrative control for agencies adopted pursuant to subsection 1 of NRS 353A.020.*

*2. On or before July 1 of each even-numbered year, the head of each school district shall report to the Director whether the agency’s system of internal accounting and administrative control is in compliance with the uniform system adopted pursuant to subsection 1 of NRS 353A.020. The reports must be made available for inspection by the members of the Legislature.*