

107TH CONGRESS
2^D SESSION

H. R. 5084

To amend title 38, United States Code, to improve accountability of research corporations established at Department of Veterans Affairs medical centers.

IN THE HOUSE OF REPRESENTATIVES

JULY 10, 2002

Mr. BUYER introduced the following bill; which was referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to improve accountability of research corporations established at Department of Veterans Affairs medical centers.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Department of Vet-
5 erans Affairs Research Corporations Accountability Act of
6 2002”.

1 **SEC. 2. IMPROVED ACCOUNTABILITY OF DEPARTMENT OF**
2 **VETERANS AFFAIRS RESEARCH CORPORA-**
3 **TIONS.**

4 (a) AUDITS AND IMPROVED ANNUAL REPORT.—Sub-
5 section (b) of section 7366 of title 38, United States Code,
6 is amended to read as follows:

7 “(b)(1) Not later than March 1 each year, each such
8 corporation shall submit to the Secretary a report con-
9 cerning the preceding calendar year. Each such annual re-
10 port shall include the following:

11 “(A) A detailed statement of the corporation’s
12 operations, activities, and accomplishments during
13 the preceding calendar year.

14 “(B) A description of each research project or
15 activity for which funds were provided by the cor-
16 poration during that year or for which funds were
17 provided by the corporation during a preceding year
18 and that is ongoing during the year covered by the
19 report, including, for each such project or activity,
20 the title of the project or activity and a description
21 of the purpose of the project or activity.

22 “(C) A statement of the amount of funds con-
23 trolled by the corporation as of the first day, and as
24 of the last day, of the year covered by the report and
25 a statement of the amount of funds received, shown
26 by source, during the year.

1 “(D) An itemized accounting of all disburse-
2 ments made during the year.

3 “(E) The most recent audit of the corporation
4 under paragraph (2).

5 “(F) Such other information as may be nec-
6 essary to enable the Secretary to prepare the annual
7 report to congressional committees required under
8 section 7367 of this title.

9 “(2) A corporation with a balance of funds under its
10 control in excess of \$300,000 at any time during a cal-
11 endar year shall obtain an audit of the corporation for that
12 year. Any other corporation shall obtain an independent
13 audit of the corporation at least once every three years.
14 The report on any such audit shall specifically state
15 whether the corporation audited made any payment, or
16 provided any travel, during the period covered by the audit
17 to a member of the board of directors of the corporation
18 and, if so, the amount and recipient of any such payment
19 or travel.

20 “(3) Any audit under paragraph (2) shall be per-
21 formed by an independent auditor and shall be performed
22 in accordance with generally accepted Government audit-
23 ing standards and in accordance with Office of Manage-
24 ment and Budget Circular A-133.

1 “(4) The Inspector General of the Department shall
2 each year review the most recent audit under paragraph
3 (2) of not less than 10 percent of the corporations de-
4 scribed in the first sentence of paragraph (2) and not less
5 than 10 percent of the corporations described in the sec-
6 ond sentence of that paragraph. As part of such review,
7 the Inspector General shall determine whether the audit
8 was carried out in accordance with generally accepted
9 Government auditing standards, as required by paragraph
10 (3).”.

11 (b) ANNUAL REPORT OF SECRETARY.—(1) Sub-
12 chapter IV of chapter 73 of such title is amended—

13 (A) by inserting after subsection (c) of section
14 7366 the following:

15 **“§ 7367. Annual report to congressional committees”;**

16 and

17 (B) in the text immediately following the sec-
18 tion heading inserted by subparagraph (A)—

19 (i) by striking “(d)” and inserting “(a)”;

20 (ii) by inserting after the first sentence the
21 following new sentence: “Each such report shall
22 be based on the annual reports submitted by
23 the corporations to the Secretary under section
24 7366(b) of this title and shall be submitted not

1 later than May 1 of the year following the year
2 covered by such reports.”; and

3 (iii) by striking “The report shall” and in-
4 serting the following:

5 “(b) Each such report shall”.

6 (2) The table of sections at the beginning of such
7 chapter is amended by inserting after the item relating
8 to section 7366 the following new item:

“7367. Annual report to congressional committees.”.

9 (c) EXTENSION OF AUTHORITY TO ESTABLISH RE-
10 SEARCH CORPORATIONS.—Section 7368 of such title is
11 amended by striking “December 31, 2003” and inserting
12 “December 31, 2006”.

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