

**REPORT OF THE  
VIRGINIA STATE CRIME COMMISSION**

**INSPECTORS GENERAL / STATE  
INTERNAL AUDITOR**

**TO THE GOVERNOR AND  
THE GENERAL ASSEMBLY OF VIRGINIA**



**HOUSE DOCUMENT NO. 41**

**COMMONWEALTH OF VIRGINIA  
RICHMOND  
1997**





# COMMONWEALTH of VIRGINIA

## VIRGINIA STATE CRIME COMMISSION

John R. Isom  
Executive Director

General Assembly Building

MEMBERS:  
FROM THE SENATE OF VIRGINIA:  
Janet D. Howell, Vice-Chair  
Mark L. Earley  
Kenneth W. Stolle

FROM THE HOUSE OF DELEGATES:  
Clifton A. Woodrum, Chairman  
James F. Almand  
Jean W. Cunningham  
John J. Davies, III  
Raymond R. Guest, Jr.  
William S. Moore, Jr.

APPOINTMENTS BY THE GOVERNOR:  
Robert C. Bobb  
Terry W. Hawkins  
Robert J. Humphreys

ATTORNEY GENERAL'S OFFICE  
James S. Gilmore, III

December 10, 1996

TO: The Honorable George Allen, Governor of Virginia, and the Members of the General Assembly:

House Joint Resolution 204, agreed to by the 1996 General Assembly, directed the Virginia State Crime Commission to conduct an evaluation of the roles of the state internal auditor within the Secretary of Finance and the offices of the inspectors general in the Departments of Corrections and Correctional Education, and to submit its findings and recommendations to the Governor and the 1997 session of the General Assembly.

In fulfilling this directive, an evaluation was conducted by the Virginia State Crime Commission in 1996. I have the honor of submitting herewith the study report.

Respectfully submitted,

A handwritten signature in black ink that reads "Clifton A. Woodrum".

Clifton A. Woodrum  
Chairman

CAW/jdw

**MEMBERS OF THE VIRGINIA STATE CRIME COMMISSION  
1996**

**From the Senate of Virginia:**

Janet D. Howell, Vice Chair  
Mark L. Earley  
Kenneth W. Stolle

**From the House of Delegates:**

Clifton A. Woodrum, Chairman  
James F. Almand  
Jean W. Cunningham  
John W. Davies, III  
Raymond R. Guest, Jr.  
William S. Moore, Jr.

**Appointments by the Governor:**

Robert C. Bobb  
Sheriff Terry W. Hawkins  
Robert J. Humphreys

**Attorney General:**

James S. Gilmore, III

**Corrections Subcommittee evaluating the roles of the State Internal Auditor and the offices of the Inspectors General of the Department of Corrections and Correctional Education**

**Correction Subcommittee Members**

Delegate Raymond R. Guest, Jr., Front Royal, Chairman  
Delegate James F. Almand, Arlington  
Delegate Jean W. Cunningham, Richmond  
Delegate John J. Davies, III, Culpepper  
Sheriff Terry W. Hawkins, Albemarle County  
Senator Kenneth W. Stolle, Virginia Beach  
Delegate Clifton A. Woodrum, Roanoke

**Staff**

John R. Isom, Executive Director  
John D. Webb, Policy Analyst



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**HJR 204**  
**Evaluation of the roles of the State Internal Auditor and the offices of the**  
**Inspectors General in the Departments of Corrections and Correctional**  
**Education**

**I. Authority for the Study**

The 1996 General Assembly approved House Joint Resolution 204 (HJR 204/Almand) directing the Virginia State Crime Commission to evaluate the roles of the state internal auditor within the Secretary of Finance and the offices of the inspectors general in the Departments of Corrections and Correctional Education. Further, the Commission was directed to submit its findings and recommendations to the Governor and 1997 General Assembly.

Section 9-125 of the Code of Virginia establishes and directs the Virginia State Crime Commission "to study, report, and make recommendations on all areas of public safety and protection." Section 9-127 of the Code of Virginia provides that "the Commission shall have the duty and power to make such studies and gather information in order to accomplish its purpose, as set forth in Section 9-125, and to formulate recommendations to the Governor and the General Assembly." Section 9-134 authorizes the Commission to "conduct private and public hearings." The Virginia State Crime Commission, in fulfilling its legislative mandate, undertook the evaluation of the roles of the state internal auditor within the Secretary of Finance and the offices of the inspectors general in the Departments of Corrections and Correctional Education.

**II. Members Appointed to Serve**

At the May 15, 1996 meeting of the Virginia State Crime Commission, Chairman Clifton A. Woodrum selected Delegate Raymond R. Guest, Jr., to serve as Chairman of the Corrections Subcommittee, which was directed to evaluate the roles of the State Internal Auditor within the Secretary of Finance and the offices of the Inspectors General within the Departments of Corrections and Correctional Education. The following members of the Crime Commission were selected to serve on the Corrections Subcommittee:

Delegate Raymond R. Guest, Jr., Chairman, Front Royal  
Delegate James F. Almand, Arlington  
Delegate Jean W. Cunningham, Richmond  
Delegate John J. Davies, III, Culpepper  
Sheriff Terry W. Hawkins, Albemarle County  
Senator Kenneth W. Stolle, Virginia Beach  
Delegate Clifton A. Woodrum, Roanoke

### III. Executive Summary

This study was divided into three areas, Department of the State Internal Auditor, the Inspector General of the Department of Correctional Education, and the Inspector General of the Department of Corrections.

#### Department of the State Internal Auditor

On July 1, 1995, the operating budget for the Department of the State Internal Auditor was significantly reduced. As a result, the department reported in its biennial report to the Governor for the period July 1, 1993 through June 30, 1995, that "...These staffing levels do not permit the agency to carry out all of its statutory responsibilities in the *Code of Virginia*, §2.1-234.32."<sup>1</sup>

The internal audit function is important in maintaining public confidence in the governments ability to self-regulate. Virginia's internal audit program was considered excellent during 1991 and 1992.<sup>2</sup>

The majority of the department's resources are currently used in conjunction with the operation of the State Employee Fraud, Waste and Abuse Hotline. The Auditor of Public Accounts recent analysis of this function stated the necessity for maintaining its operation. The analysis did express concerns over placement of the hotline and its overall scope of operation.

**Recommendation 1: The Department of the State Internal Auditor performs a needed and vital function to the Commonwealth. The internal audit function should be preserved, and additional funding/staffing would be needed to permit the Department to perform mandated duties.**

**Recommendation 2: The scope of the State Employees Fraud, Waste and Abuse Hotline should remain to report allegations within state government only.**

#### Inspector General of the Department of Correctional Education.

The office of the Inspector General of the Department of Correctional Education technically does not exist. The position is identified by the state as "Confidential Assistant Policy/Administration." The duties performed by this individual are considered crucial by the Superintendent to the continued effective operation of the

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<sup>1</sup> For Section §2.1-234.32, of the Code of Virginia, see Appendix B.

<sup>2</sup> *Financial World* magazine, recognizing Virginia's full internal audit program in its "ranking pluses" in connection with naming Virginia as the "Best Managed State", for both years.

department. This position is not codified as is the position in the Department of Corrections, nor should it be. Ultimately, the responsibility for the control and security of persons entering both adult and juvenile correctional centers rests with those agencies. The Department of Juvenile Justice does have need of an "Inspector General", of similar makeup, authority and responsibility, as that of the Department of Corrections. The Departments of Correction and Juvenile Justice must have the ability to conduct internal investigations and the ability to screen and control all persons entering their facilities.

**Recommendation 1: A position of Inspector General should be created for the Department of Juvenile Justice. This position should also be given identical powers and authority to that of the Inspector General for the Department of Corrections.**

**Recommendation 2: The Department of Correctional Education should be permitted to retain its current position of "Confidential Assistant Policy/Administration", with its accompanying position description, with the exception of changing its working title of Inspector General to some other title that more appropriately describes job duties.**

### **Inspector General of the Department of Corrections**

The office of the Inspector General is divided into four functional areas. The Absconder/Extradition Unit, the Internal Affairs Unit, the Background Investigations Unit and the Staff Inspections Unit. Recently, in response to internal audit staff concerns over the freedom or independence to conduct what audits they felt were necessary, the internal audit function was relocated under the Directors office to allow for direct reporting.

All four units within the Inspector General's office have impressive operational statistics. However, during the course of the study, a number of areas of concern surfaced. They were, internal auditing practices, capital construction, and staffing. Even though the internal auditing function has been moved for the Inspector General's office, staff felt it was important to mention that, to date, the internal audit function has failed to follow the departments risk assessment models that identify where audits need to be performed.

Capital construction caused concern when it was learned that the department was paying for work to be corrected that had originally been improperly done under the original construction contract. In addition, final payments were being made and performance bonds released while there was still disagreement on satisfactory completion of some projects.

Staffing for the Inspector General's office is now a problem because of its workload, and will continue to get worse. Several programs have been implemented to

attempt to stem the flow of contraband into the prison system. To date, these programs have met with significant success, and they should be continued. The Code of Virginia, Section §53.1-16, limits the number of sworn members of the Inspector General's staff to fifteen. This section should be amended to allow for the increased workload, which should be performed by sworn personnel.

**Recommendation 1: The Department of Corrections should ensure that high-risk areas as identified by the risk assessment model are audited with priority being given to the top five ranked risks.**

**Recommendation 2: The Department of Corrections should ensure that engineers from its Planning and Engineering section and the Building and Grounds supervisor for the new facility, are on-site at the start of construction and throughout to verify that the work performed is what was specified.**

**Recommendation 3: The Department of Corrections should ensure that no work is signed-off by on-site DOC personnel as being completed unless it has been visually verified by on-site DOC personnel.**

**Recommendation 4: The Department of Corrections should ensure that no funds are released for work not completed in accordance with all plans and specifications. In no event should a final payment be made or a performance bond released while there is disagreement over the satisfactory completion of a contract.**

**Recommendation 5: The Department of Corrections should promulgate policy that clearly states that all case files, documents, and records generated by the Inspector General's office are the property of the Department and may not be removed, secreted or destroyed except in accordance with the state Records Retention Schedule.**

**Recommendation 6: Section §53.1-16., of the Code of Virginia should be amended to increase from fifteen (15), to thirty (30), the number of sworn members of the internal investigations unit of the Inspector General of the Department of Corrections.**

**Recommendation 7: A study should be conducted to determine the feasibility, cost effectiveness, and need for an office of the Inspector General of Virginia. This study should include recommendations on organizational structure (i.e. to whom this office reports), and an analysis of what methods, if any, are used by other states.**

**Recommendation 8: A House Joint Resolution should be drafted directing that Virginia State Crime Commission to continue this study as it pertains to the reporting structure of the Inspector General of the Department of Corrections and to follow-up on capital construction issues raised in the course of this study.**

#### **IV. Background**

In the ongoing effort to maintain the confidence of the citizens of the Commonwealth in our methodology and ability to self-regulate, and to continue to hold government agencies and personnel to the highest standards of ethics and quality, several events called into question whether these standards were being maintained.

Legislators called into question the ability of an inspector general to perform an unbiased and objective investigation, given the reporting procedures, after an incident occurred in which it was alleged that a death row inmate had possession of a loaded firearm, concealed in a typewriter.

Concerns were also raised about the creation of an Inspector General's office within the Department of Correctional Education. This position was without benefit of codification, power, or authority to perform his responsibilities in a manner similar to that of the Inspector General of the Department of Corrections.

Concerns were raised about whether the Department needed an Inspector General, were the job duties of the position similar in nature to that of the DOC Inspector General, and would the position have been more appropriately located somewhere else.

The autonomy and independence of the internal audit function for the Department of Corrections were called into question when it was learned that this function did not report to the Director, but to the Inspector General, an alleged violation of the Standards for the Professional Practice of Internal Auditing developed by the Institute of Internal Auditors.

The Department of the State Internal Auditor is charged by Code to be responsible for the "...development and maintenance of internal audit programs in state agencies in order to ensure that the Commonwealth's assets are subject to appropriate internal management controls." Section §2.1-234.32, of the Code of Virginia sets forth the duties of this office. There was concern that budgetary cutbacks had limited or prevented the office's ability to perform mandated functions.

House Joint Resolution No. 204 was drafted directing the Virginia State Crime Commission to evaluate the roles of the state internal auditor within the Secretary of Finance and the offices of the Inspectors' General in the Departments of Corrections and Correctional Education with these and other considerations in mind.

## V. Study Results and Recommendations

This study has been divided into three main areas of concern. First, an evaluation of the role of the Department of the State Internal Auditor. Second, an evaluation of the office of the Inspector General of the Department of Correctional Education, and lastly, an evaluation of the role of the Inspector General of the Department of Corrections.

### A. Department of the State Internal Auditor

The budget for the Department of the State Internal Auditor for the fiscal year beginning July 1, 1995, was significantly reduced. As a result, the departments very limited resources have been channeled into the operation of the State Employee Fraud, Waste and Abuse Hotline. In the departments biennial report to the Governor for the period July 1, 1993 through June 30, 1995, the department states under "Statutory Duties not Funded" on page 2-7, that it provides "...audit services to three agencies within the Finance Secretariat, and completes special projects as requested. These staffing levels do not permit the agency to carry out all of its statutory responsibilities in the *Code of Virginia*, §2.1-234.32."<sup>3</sup>

The internal audit function is important in maintaining public confidence in the governments ability to self-regulate. Virginia's internal audit program was rated highly in 1991 and 1992 by the magazine, *Financial World*, recognizing Virginia's full internal audit program in its "ranking pluses" in connection with naming Virginia as the "Best Managed State", for both years. At current funding/staffing levels however, the Department of the State Internal Auditor is unable to fulfill most of its mandated duties.

The main function that the department performs is the operation of the State Employee Fraud, Waste and Abuse Hotline.<sup>4</sup> The Auditor of Public Accounts recently completed an analysis of this function. While there is general agreement that this type of hotline is both necessary and useful, a few concerns were raised. First, placement of the hotline. In states that have hotlines, it is intended to be an extension of the legislature's financial oversight responsibility or reduce the influence that the executive branch could exert over the review of complaints. Neither is the case in Virginia. Second, is the purpose and scope of the hotline. When the hotline number was publicized and made available to the public, the hotline possibly expanded its original mission and purpose of having state employees report fraud, waste and abuse. The hotline is receiving some complaints

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<sup>3</sup> For Section §2.1-234.32, of the Code of Virginia see Appendix B.

<sup>4</sup> The State Employee Fraud, Waste and Abuse Hotline was created by Executive Order of Governor Wilder. Operating procedures are maintained by the Department of the State Internal Auditor.

from citizens that deal with local governments, authorities and other public entities. There needs to be clarification as to the scope of the State Employee Fraud, Waste and Abuse Hotline.

**Recommendation 1: The Department of the State Internal Auditor performs a needed and vital function to the Commonwealth. The internal audit function should be preserved, and additional funding/staffing would be needed to permit the Department to perform mandated duties.**

**Recommendation 2: The scope and purpose of the State Employees Fraud, Waste and Abuse Hotline should remain to report allegations within state government only.**

#### **B. Inspector General of the Department of Correctional Education**

The office of the Inspector General of the Department of Correctional Education technically does not exist. The correct title for the position is "Confidential Assistant Policy/Administration." This position has been called "Inspector General" but it has no basis in statute, and no defined powers, scope, or authority. It does not qualify as a "criminal justice agency" under Section § 9-169 of the *Code of Virginia*.

The Job Task Analysis<sup>5</sup> provided by the Department of Correctional Education indicates that this position spends approximately 35% of its resources on internal investigations and conducting background investigations. Another 35% of the resources are spent on such things as monitoring the substitute teacher program, additional projects assigned by the Superintendent and others, and managing the privatization process. The remaining 30% of resources are spent with security audits, liaison with other law enforcement agencies and compliance requirements.

There is little doubt that the Department of Correctional Education requires the position currently performing the tasks stated above. It does not, however, require an "Inspector General", of similar make-up and authority as that of the Department of Corrections. The Department of Juvenile Justice does however, have considerable need for an Inspector General similar to the Department of Corrections. The agencies operating the adult and juvenile correctional facilities should and must have the ability to screen and control *all* persons entering their facilities and they must have the ability to conduct internal investigations on any incident occurring in their facilities.

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<sup>5</sup> Position description for "Confidential Assistant Policy/Administration see Appendix C.

**Recommendation 1: A position of Inspector General should be created for the Department of Juvenile Justice. This position should also be given identical powers and authority to that of the Inspector General for the Department of Corrections.**

**Recommendation 2: The Department of Correctional Education should be permitted to retain its current position of "Confidential Assistant Policy/Administration", with its accompanying position description, with the exception of changing its working title from Inspector General to some other title that more appropriately describes job duties.**

### **C Inspector General of the Department of Corrections**

The office of the Inspector General is divided into four functional areas. The Absconder/Extradition Unit, the Internal Affairs Unit, the Background Investigations Unit and the Staff Inspections Unit. Until earlier this year, this office also had responsibility for the internal audit process as well. In response to issues raised by the internal audit staff concerning adherence to the Department of the State Internal Auditor Directive No. 1-85<sup>6</sup>, the Director moved the internal audit function to his office.

Staff spent considerable time evaluating the functions and effectiveness of all areas of the Inspector Generals office. An in-depth review was made of all of their procedures. Staff visited them at several locations in the field and closely monitored their performance. Numerous interviews were conducted with the Inspector General staff, correctional staff, and law enforcement officials.

The Staff Inspection Unit of the Inspector General is particularly noteworthy. This unit was instituted in early 1996. Its purpose is to go into a correctional facility with personnel from other regions and evaluate and test the facility and its staff. They review every policy, procedure and guideline in all areas of operating a correctional facility and then watch to ensure compliance by facility staff. In one instance the unit went into a facility and, within a short period of time, had secreted two prisoners so that they wouldn't be there for the head-count. The purpose being to verify that facility staff were making accurate counts. The hidden prisoners were not discovered missing for several head-counts. The results of the Staff Inspection Units surveys are forwarded to the Director. The Director then meets with the Warden and Regional Director to discuss the evaluation and outline corrective measures. The Staff Inspections Unit performs two inspections of correctional facilities per month.

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<sup>6</sup> Department of the State Internal Auditor Directive No. 1-85 see Appendix D.



Operational statistics for other units of the Inspector General's office are fairly impressive. The Absconder/Extradition unit has reduced the number of escapees-at-large by more than 450%, down from 150 to 31. In addition they have reduced the overall costs of extraditions/transport by 18.4%. The Background Unit performs more than 4,500 background investigations per year. The Internal Affairs Unit is discussed below.

During the course of this study, several areas of concern surfaced. They are, internal auditing practices, capital construction, and staffing.

**Internal auditing practices:** There are two areas that need addressing. First is the independence issue for the Internal Audit Unit within the Inspector General's office. Second, is the failure to follow risk assessment models for the selection of internal audits. With respect to the first, the Director moved the function directly under his control thereby remedying the concern. As to the second, risk assessments were completed by the Internal Audit Unit and submitted to the Chief of the Internal Audit Unit for selection of audit areas. In the last three years, the Chief of Internal Audit failed to select any of the top five rated risk areas for auditing.

**Capital Construction:** This area is in the Planning and Engineering section of DOC. The issue came to light during site visits with the Staff Inspection Unit when the costs to remedy construction problems occurred at a new facility. There are a number of areas that need mention. First, construction work being signed off by DOC engineers as being built to plans and specifications when it isn't. Second, change orders. Third, the release of final payments and performance bonds to vendors when major issues still exist. On the first issue, signing-off work that doesn't meet specifications, the planning and engineering section is supposed to have people on-site at critical times to make sure work is performed to specification. In addition, in several instances, DOC has had a construction administrator to specifically monitor these issues at sites and the work is still performed incorrectly. The second issue, change orders, is costing the Commonwealth substantial money. Change orders are being issued and paid for by DOC to remedy initial construction problems. The third problem, release of final payments and bonds while major issues still exist, should never be allowed to occur for obvious reasons.

**Staffing:** The Internal Affairs Unit of the Inspector General's office is the unit responsible for all criminal investigation on all DOC property. This unit investigates more than 500 criminal cases per year, with the case-load rising. Potential cases come from nearly 30,000 inmates, 12,500 DOC staff personnel, and the more than a quarter million visitors of inmates per year plus, 35,000 active parolees. With the increase in all three of these areas, their case-load will surely rise. The Inspector General has taken some of his investigators

and reassigned them from headquarters out to the regions to speed up response times, and improve service. In addition, in an attempt to stem the flow of contraband into correctional facilities, the Inspector General has instituted a Drug/Contraband Interdiction Unit. This unit is responsible for slightly over 2.5 arrests per week of staff and visitors attempting to smuggle drugs, weapons, or the like into prisons. This unit only functions in the Central Region due to staffing.

While the self-policing function of the Inspector General's office has met with significant success, full autonomy to conduct investigations would be extremely difficult to achieve when the Inspector General is subordinate to the head of the department in which he conducts investigations.

**Recommendation 1:** The Department of Corrections should ensure that high-risk areas as identified by the risk assessment model are audited with priority being given to the top five ranked risks.

**Recommendation 2:** The Department of Corrections should ensure that engineers from its Planning and Engineering section and the Building and Grounds supervisor for the new facility, are on-site at the start of construction and throughout to verify that the work performed is what was specified.

**Recommendation 3:** The Department of Corrections should ensure that no work is signed-off by on-site DOC personnel as being completed unless it has been visually verified by on-site DOC personnel.

**Recommendation 4:** The Department of Corrections should ensure that no funds are released for work not completed in accordance with all plans and specifications. In no event should a final payment be made or a performance bond be released while there is disagreement over the satisfactory completion of a contract.

**Recommendation 5:** The Department of Corrections should promulgate policy that clearly states that all case files, documents, and records generated by the Inspector General's office are the property of the Department and may not be removed, secreted or destroyed except in accordance with the state Records Retention Schedule.

**Recommendation 6:** Section §53.1-16.7, of the Code of Virginia should be amended to increase from fifteen (15), to thirty (30), the number of sworn members of the internal investigations unit of the Inspector General of the Department of Corrections.

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<sup>7</sup> For proposed amendment to §53.1-16, Code of Virginia, see Appendix E.

**Recommendation 7: A study should be conducted to determine the feasibility, cost effectiveness, and need for an office of the Inspector General of Virginia. This study should include recommendations on organizational structure (i.e. to whom this office reports), and an analysis of what methods, if any, are used by other states.**

**Recommendation 8: A House Joint Resolution should be drafted directing the Virginia State Crime Commission to continue this study as it pertains to the reporting structure of the Inspector General of the Department of Corrections and to follow-up on Capital Construction issues raised in the course of this study.**

## **VI Resources**

Standards for the Professional Practice of Internal Auditing, The Institute of Internal Auditors, 1978.

Report to the Virginia State Crime Commission, Department of Corrections, Office of the Inspector General, August 29, 1995.

Department of the State Internal Auditor Biennial Report to the Governor of Virginia, for the period July 1, 1993 - June 30, 1995, DSIA, June 6, 1996

Analysis of the State Employees' Fraud, Waste, & Abuse Hotline, Auditor of Public Accounts, 1996.

## **VII. Acknowledgements**

The Crime Commission staff wishes to thank the Department of Corrections, the Department of Correctional Education, the Department of the State Internal Auditor, and the Auditor of Public Accounts for their cooperation and assistance in conducting this study. A special thanks is extended to the following individuals for their assistance:

Ron Angelone, Department of Corrections  
Ray Gomes, Department of Corrections  
Harold Catron, Department of Corrections  
June Kimbriel, Department of Corrections  
Norm Peale, Department of Corrections  
Walter MacFarlane, Department of Correctional Education  
Edgar S. Robb, Department of Correctional Education  
Walter Kucharski, Auditor of Public Accounts

The wardens and staff at:

Coffeewood Correctional Center  
Dillwyn Correctional Center  
Greensville Correctional Center  
Powhatan Correctional Center



# Appendix A

House Joint Resolution 204





961890112

**HOUSE JOINT RESOLUTION NO. 204**  
**AMENDMENT IN THE NATURE OF A SUBSTITUTE**  
(Proposed by the House Committee on Rules  
on February 6, 1996)

(Patron Prior to Substitute—Delegate Almand)

*Directing the Virginia State Crime Commission to evaluate the roles of the state internal auditor within the Secretary of Finance and the offices of the inspectors general in the Departments of Corrections and Correctional Education.*

WHEREAS, the state internal auditor is primarily responsible for the "development and maintenance of internal audit programs in state agencies in order to ensure that the Commonwealth's assets are subject to appropriate internal management controls"; and

WHEREAS, the office of the state internal auditor has been called upon over the years to investigate and rule upon the propriety of management decisions and activities which were in question; and

WHEREAS, the Code of Virginia, in § 2.1-234.34, requires a review of the performance of the office of the state internal auditor every four years to be performed by the Secretary of Finance; and

WHEREAS, the inspector general in the Department of Corrections is empowered to investigate allegations of criminal behavior which affect the operations of the Department, and investigators have the same powers as law-enforcement officers during the course of such investigations; and

WHEREAS, the Department of Correctional Education has only recently established a position of inspector general for that Department; and

WHEREAS, government agencies and representatives are constantly under the scrutiny of the public and the press and it is imperative that the work of government be held to the highest standards of ethics and quality; and

WHEREAS, independent audits provide the most reliable method for discovering facts, ensuring credibility, and withstanding public scrutiny; and

WHEREAS, to maintain the confidence of the people of the Commonwealth, it would behoove us to examine our methods of self-regulation and solicit unbiased recommendations on how we, as a Commonwealth, can maintain the trust and confidence of the people; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Virginia State Crime Commission be directed to evaluate the roles of the state internal auditor within the Secretary of Finance and the offices of the inspectors general within the Departments of Corrections and Correctional Education. The Commission shall make recommendations on how the functions of government oversight might be improved.

All agencies of the Commonwealth shall provide assistance to the Commission, upon request.

The Commission shall complete its work in time to submit its findings and recommendations to the Governor and the 1997 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

961890112

HJ204H1

2/6/96 19:57

Official Use By Clerks			
Passed By		Passed By The Senate	
The House of Delegates			
without amendment	<input type="checkbox"/>	without amendment	<input type="checkbox"/>
with amendment	<input type="checkbox"/>	with amendment	<input type="checkbox"/>
substitute	<input type="checkbox"/>	substitute	<input type="checkbox"/>
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Date: _____		Date: _____	
_____		_____	
Clerk of the House of Delegates		Clerk of the Senate	



## **Appendix B**

Section §2.1-234.32, Code of Virginia



Duties of the Department

The Department shall have the following duties:

1. To establish state policies, standards, and procedures which will ensure an effective internal audit program in all state agencies;
2. To provide technical information to state agencies concerning trends and new techniques in internal auditing;
3. To develop evaluative tools and other modern methods to assist agency internal auditors in performing audits;
4. To assist state agencies in developing and implementing automated data processing internal audit programs in the Commonwealth;
5. To provide general technical and audit assistance to agency internal auditors and to the Auditor of Public Accounts and the Governor on request;
6. To assist agency heads and collegial bodies in establishing and operating internal audit organizations;
7. To assist in the professional development of agency internal auditors by developing and conducting training programs;
8. To examine the adequacy of agency internal audit programs through periodic assessments of such programs and provide the Governor, Governor's Secretaries, the State Comptroller, the Director of the Department of Planning and Budget, and agency heads with the results of such assessments;
9. To develop, in conjunction with the State Comptroller, the Auditor of Public Accounts, the Joint Legislative Audit and Review Commission, and other appropriate state officials, a plan for accommodating the internal audit needs of agencies that do not require full-time internal auditors; and
10. To prepare a biennial report for the Governor, Governor's Secretaries, Auditor of Public Accounts, and appropriate agency heads on the status of agency internal audit programs generally, and on agency adherence to other legislative requirements on internal auditing.

The provisions included above shall not infringe upon responsibilities assigned to the Comptroller, the Auditor of Public Accounts, or the Joint Legislative Audit and Review Commission by other provisions of the Code of Virginia.

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## Appendix C

Position Description  
Department of Correctional Education  
Inspector General







# COMMONWEALTH of VIRGINIA

## *Department of Correctional Education (DCE)*

Office of the  
Superintendent of Schools

James Monroe Building - 7th Floor  
101 North 14th Street  
Richmond, Virginia 23219-3670

Local: (804) 225-3310  
TDD: 371-8467

April 1, 1996

Mr. John Webb  
State Crime Commission  
Suite 915  
General Assembly Building  
Richmond, Virginia 23219

Re: Job Description for Edgar Robb

Dear Mr. Webb:

As per our discussion, attached hereto is a copy of the job classification for Ed Robb. As I noted, perhaps the job title is incorrect because of the plethora of work objectives that are required. For personnel purposes, he is listed as "Confidential Assistant Policy/Administration." His working title is Inspector General. He is taking care of a number of issues that do not cleanly fit in other work areas.

Please note that I have numbered the different areas in order to allow me to refer to them in offering practical clarification of what some of the work entails in certain areas.

Under #1:

Handles all "hotline complaints." Some of the complaints require extensive investigation in order to determine if they are credible.

Handles the review of employee, inmate, and other agency complaints.

Investigates all grievance issues and supplies information concerning the conduct and misconduct of employees for agency managers. This allows managers to determine if there is evidence of employee misconduct that would warrant sanctions. This is more critical in our agency than in most state agencies because of the security roles that DCE employees must undertake and their contact with at-risk juveniles.

*An Equal Opportunity Employer*

As I explained, our teachers are referred to as the "third shift" in the youth facilities. This means that when the youth are turned over to the school each morning, our teachers are then responsible for maintaining security. The only relief that has been granted is that there are 13 security guards now being supplied by DYFS. This is only enough to cover one school on a good day. Yet, these 13 positions are being dispersed throughout the 6 youth schools and the Reception and Diagnostic Center. Accordingly, he must create a new security system for our youth schools. This is necessary because of the more difficult type of youth that are now being placed in our schools. The system that has been in effect for the past 22 years is simply not effective in handling the problems associated with today's juvenile offenders.

Under #2:

We have experienced a significant increase in inmates in both the youth and adult areas. We are now piloting the use of distance learning in our adult facilities to handle some of the waiting list of inmates who wish to take education courses but for which class space is unavailable. We are also preparing to offer a high school diploma program for the first time in our youth schools; accordingly, we will use distance learning to handle the courses such as foreign languages, higher math, and sciences. This will require us to create a studio, telecasting and reception equipment in house or through private contract.

The new tool control objective is being completed at Beaumont but must also be initiated and completed at all of our youth schools. This sounds like a small task; however, it must be realized that we use hundreds of tools in our vocational classrooms. Each individual tool must be inventoried, permanently marked, and secured. A system for continued monitoring must then be created to assure the safety of inmates and staff.

We have had to create a new security process for computer usage that allows us to teach computer literacy while at the same time preventing illegal use by our students.

Under #3:

This agency is one of the few state agencies which has no regulations. We operate on internal work policies and the regulations applicable to state agencies, generally. Our present policies are 6 years old. The rule of thumb is that all policies should be reviewed and updated where appropriate every 5 years. Our policy manual is extensive, covering everything from school operation hours to curricula.

Because we have no regulations, the Attorney General has advised that we cannot create privatization bids and contracts until regulations are in place that will assure that privately run schools are operated to standards equal to other DCE schools. These regulations must be created and put into place under the Administrative Process Act. It is estimated that it will require the creation of 75 to 100 different regulations.

Under #4:

This agency does not have a substitute system for teachers in juvenile schools. Unlike substitutes in public schools, our substitutes will have to have security training and background clearances before they can enter secured facilities and teach in youth schools. The new system must be created and put into place. Once the system is in place, it will require

management, recruitment of hard to find substitutes, and daily assignments of substitutes to the 6 schools.

Under #5:

He must create a new background investigation process for applicants. (This is particularly important for applicants who apply for jobs that require them to come in contact with and work with juveniles.) As I explained, the present process is not as secure as it should be.

Under #6:

Many of the investigations require specialized investigative ability with a knowledge of the mission and programs that adhere to DCE. The ability to converse with law enforcement agencies on a knowledgeable and equal level is vital when security issues intertwine with educational objectives.

As I explained to you, the foregoing duties for this position are to cover a number of areas that previously were being accomplished by personnel positions that were eliminated but for which vital parts of their functions still had to be carried out. For example, two years ago I had an administrative assistant, but today those duties are spread among a number of personnel, including this new IG position. Two years ago we had four regional directors to cover the 58 schools in our system. Today we only have two. We have never had anyone capable of carrying out internal audit functions to assure quality control. This position gives us that ability. Moreover, it was only after this position was created that we found a number of incidents concerning our employees which DOC had reviewed but for which we were never advised.

I hope the foregoing is of aid to you. If you have any questions or you need a more in-depth explanation of some of the duties discussed in the position description, please let me know.

With kind regards, I am

Sincerely,



Walter A. McFarlane

## COMMONWEALTH OF VIRGINIA POSITION DESCRIPTION

**INSTRUCTIONS:** This position description is an important document for determining the appropriate classification, pay range and performance standards for a position. Parts I and II are generally completed by the employee in the position with supervisory review. The shaded areas of Part I, however, should be completed by the supervisor or agency personnel officer. Part III is to be filled out by the immediate supervisor. Please be sure that the information on this form is accurate and complete. You may refer to the Position Description Brochure, "Here's How to Write a Position Description" for guidance in the completion of this form.

### PART I: ORGANIZATIONAL INFORMATION

1. Name (first, last middle):	2. Date: December 21, 1995
3. Class Title: Confidential Assistant Policy/Administration	4. Position Number: 00543
5. Working Title if Different: Inspector General	6. Agency: Department of Correctional Education
7. Work Location and Code: Richmond - 760	8. Agency Code: 750
9. Title/Position Number of Supv: Superintendent - 100246	10. Organizational Unit: Central Office - Office of the Superintendent

### PART II: POSITION INFORMATION

11	<p>State the chief objective of your position in a brief statement:</p> <p>To coordinate the agency's privatization initiatives, regulatory process, and other projects as assigned. To review, develop and revise agency policies and procedures related to assigned programs. To conduct background investigations for applicants, and other agency investigations as assigned.</p>
12	<p>Prior to filling out the next section, think about the tasks and duties that you perform in your position. Consider the time you spend on the tasks and duties, how important they are to achieving the objective of your position, and the processes or ways in which you perform these tasks and duties. After considering these aspects of your position, state the tasks and duties that you perform in your position on page 2 of this form in this order:</p> <ol style="list-style-type: none"> <li>1. State the most important duty first and finish with the least important duty.</li> <li>2. Calculate the percent each duty requires of your total working time. Be sure these percentages total 100%.</li> <li>3. Include all tasks, duties, and functions that you perform except those that occupy 2% or less time, unless you consider them very important</li> </ol>

## 12. Continued

Percent of Total Working Time	Work Tasks and Duties
1. 25%	Conducts internal investigations of allegations of employee misconduct; complaints raised by citizens, staff, other agencies, and inmates; reports of fraud and abuse from state hotline; incidents involving assaults on staff, and potential financial irregularities. Prepares for the Superintendent investigative reports and makes recommendations for the resolution of problems. Advises agency management on appropriate procedures for handling sensitive or controversial investigations.
2. 25%	Coordinates and conducts security audits in youth and adult schools with emphasis on tool control, computer usage, and distance learning initiatives. Ensures DCE policies and procedures are in compliance with DOC and DYFS security requirements.
3. 15%	Manages the privatization initiatives including: the regulatory process, planning and research, and development of procedures, position papers and policies.
4. 15%	Develops and monitors agency's substitute teacher program. Analyzes site needs on a daily basis, and assigns substitutes accordingly.
5. 10%	Conducts background investigations for new hires. Coordinates and controls access to information networks. Responds to inquiries concerning background investigation policies and procedures. Develops internal operational procedures and policies for handling background investigations. Corresponds or meets with prospective applicants who submit requests to review their completed background investigation reports.
6. 5%	Maintains contacts with other federal, state and local law enforcement agencies. Coordinates activities with these agencies as appropriate.
7. 5%	Manages projects as assigned by Superintendent, Cabinet Secretary and Governor's Office.
100%	

13. What work actions and/or decisions do you make without prior approval? To what extent do you receive advice and guidance from your supervisor? State examples of the type of supervisory advice and guidance that you receive as well as actions or decisions you make without prior approval.

Receives general directions from agency Superintendent. Handles daily activities independently. Consults with Superintendent and/or other members of agency's management team regarding unusual or extremely sensitive investigations and situations.

14. List and explain the contacts you have both inside and outside the State Government, if any, as a routine function of your work. Do not list contacts with supervisors, co-workers, and subordinates.

Persons or Organizations	Purpose	How Often	Inside/Outside Virginia Government
Federal, state and local law enforcement agencies	Coordination of investigations	As needed	Outside
Attorney General's Office	Gather information, seek guidance regarding investigations	As needed	Inside
General Public	Investigate and respond to complaints	As needed	Outside
Other state agencies (i.e. DOC, DYFS, DOE)	Coordination of related programs, and investigations when appropriate	As needed	Inside

(Additional Comments by Employee)

# **Appendix D**

Department of the State Internal Auditor  
Directive 85-1







# COMMONWEALTH of VIRGINIA

## Department of the State Internal Auditor

JOHN H. HUSTON  
STATE INTERNAL AUDITOR

P.O. BOX 6--N  
RICHMOND, VIRGINIA 23215  
(804) 225-3106

### Department of the State Internal Auditor Directive No. 1-85

Subject: Policies, Standards, and Procedures for Agency and Institutional Internal Auditors.

Purpose: This directive is to ensure that internal auditors establish and follow generally accepted auditing standards in the conduct of their work.

Applicability: This directive applies to all State agencies and institutions with an internal audit function.

Effective Date: October 15, 1985.

Authority: Section 2.1-234.32 of the Code of Virginia.

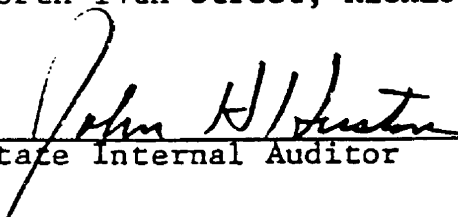
Policy: All State agencies and institutions with internal audit functions shall adopt and prescribe to the "Standards for the Professional Practice of Internal Auditing" and "Statements on Internal Auditing Standards" promulgated by the Institute of Internal Auditors. This is not intended to restrict internal auditors from adopting additional standards from other authoritative bodies, such as the Comptroller General of the United States or the American Institute of Certified Public Accountants, as appropriate.

When developing agency or institutional policies and procedures to meet the standards included in this directive, agency and institutional internal auditors will be expected to follow the guidance provided in the State Internal Auditor's Internal Audit Policies and Procedures Manual.

Exceptions: If an agency or institution believes that adherence to the policy set forth above will create an undue hardship, an agency head may request that the State Internal Auditor amend or modify the requirements. Such requests should be in writing and include reasons for the request and the exact nature of the proposed modification. The State Internal Auditor will provide written response to the agency or institutional head.

Department of the State Internal Auditor Directive No. 1-85  
Page Two

Assistance: Requests for assistance in complying with this Directive should be forwarded to the State Internal Auditor, James Monroe Building, 101 North 14th Street, Richmond, Virginia 23219.

  
State Internal Auditor      10/7/85  
Date

Distribution: Governor  
Lieutenant Governor  
Attorney General  
Governor's Secretaries  
Heads of State Agencies  
and Institutions  
Auditor of Public Accounts  
Director, Joint Legislative Audit  
and Review Commission  
State Agency and Institutional  
Internal Audit Directors  
Agency Fiscal Officers

## **Appendix E**

Proposed amendment to Section §53.1-16, Code of Virginia



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**§53.1-16. Police power of internal investigators; training. -**

The Director may designate the inspector general of the Department and no more than ~~fifteen~~ thirty members of the internal investigations unit of the Department to have the same powers as a sheriff or a law-enforcement officer in the investigation of allegations of criminal behavior affecting the operations of the Department. Investigators so designated shall receive the training required by the Department of Criminal Justice Services for law-enforcement personnel before exercising such powers.

Nothing in this section shall be construed to grant the Department any authority over the operation and security of local jails which is not specified in other provisions of law.

