

WEST VIRGINIA BOARD OF SOCIAL WORK EXAMINERS
FOR THE PERIOD
JULY 1, 1984 - JUNE 30, 1987

West Virginia



LEGISLATIVE AUDITOR

CHARLESTON

The Honorable Encil Bailey
Legislative Auditor
State Capitol - West Wing
Charleston, West Virginia

Sir:

In compliance with your instructions and the provisions of the West Virginia Code, Chapter 4, Article 2, as amended, we have examined the accounts of the West Virginia Board of Social Work Examiners.

Our examination covers the period July 1, 1984 through June 30, 1987. The results of the examination are set forth on the following pages of this report. However, only the financial statements for the years ended June 30, 1987 and June 30, 1986 are included in this report. The financial statement covering the period July 1, 1984 through June 30, 1985 is included in our audit workpapers.

Respectfully submitted,

Theodore L. Shanklin
Theodore L. Shanklin, CPA, Director
Legislative Postaudit Division

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WEST VIRGINIA BOARD OF SOCIAL WORK EXAMINERS

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WEST VIRGINIA BOARD OF SOCIAL WORK EXAMINERS
EXIT CONFERENCE

We held an exit conference on July 18, 1988 with the Chairman of the West Virginia Board of Social Work Examiners and all findings and recommendations were reviewed and discussed. The above official's responses are included in italics in the Summary of Findings, Recommendations and Responses and after our recommendations in the General Remarks section of this report.

WEST VIRGINIA BOARD OF SOCIAL WORK EXAMINERS

INTRODUCTION

The West Virginia Board of Social Work Examiners was created on July 1, 1984 by Chapter 149, Acts of the Legislature, currently Chapter 30, Article 30, Section 1 of the West Virginia Code. It is the duty of the Board to recommend to the Legislature any proposed modifications to Chapter 30, Article 30 of the Code; report to county prosecutors any suspected violations; publish an annual report listing the names and addresses of all persons who have been licensed; establish a fee schedule; establish standards and requirements for continuing education and conduct its proceedings in accordance with the provisions of Chapter 6, Article 9A of the West Virginia Code.

The Board is composed of seven members who are appointed by the Governor to serve three-year staggered terms. Two members are required to be certified social workers, two members graduate social workers, two members social workers and one member chosen from the general public. No member may serve more than four consecutive years. If the Governor fails to make an appointment in 90 days after the expiration of any term, the Board shall make the necessary appointment. Members of the Board are compensated \$35.00 per diem and are reimbursed for all reasonable and necessary expenses incurred in the discharge of their duties.

The Board has no full-time staff but maintains records in the offices of the Women's Commission where the present Board Chairman serves as Executive Director. All fees collected by the Board are deposited to an operating fund of the Board created in the State Treasury. All operation and administrative expenses of the Board are paid from this fund.

WEST VIRGINIA BOARD OF SOCIAL WORK EXAMINERS

BOARD MEMBERS

<u>Certified Social Workers</u>	<u>Term Expires</u>
Ms. Barbara Matz, Chairman Huntington, Cabell County	September 28, 1988
John David Smith Athens, Mercer County	September 28, 1987
<u>Graduate Social Workers</u>	
Manuel J. Viola Wheeling, Ohio County	September 28, 1988
Vacancy <u>1/</u>	September 28, 1987
<u>Social Workers</u>	
Karen Leachman Parkersburg, Wood County	September 28, 1988
Margaret F. Hale Charleston, Kanawha County	September 28, 1987
<u>General Public</u>	
Vacancy <u>2/</u>	September 28, 1986

1/ Vacancy was created by resignation of Ms. Catherine Shultz on October 9, 1987.

2/ Vacancy was created by resignation of Mr. Harry Burgess on March 3, 1986.

WEST VIRGINIA BOARD OF SOCIAL WORK EXAMINERS
SUMMARY OF FINDINGS, RECOMMENDATIONS AND RESPONSES

AREAS OF NONCOMPLIANCE

Subsequent Event - Remittance of Collected Fees

1. During our review of events subsequent to the concluding date of the financial statement (June 30, 1987), we noted that all licensing fees collected by the independent testing company had not been transferred to the Board. Based on our examination, the Board was owed \$9,010.00 for all persons licensed through October 1987. The Board received \$8,550.00 on May 9, 1988, leaving a balance of \$460.00 still owed the Board.

We recommend the Board monitor the remittance of license fees more closely to ensure compliance with the contractual agreement and seek to recover the \$460.00 in license fees still owed the Board.

We will comply with this audit recommendation. (See pages 8-9.)

Review of Travel Expenses

2. We noted three instances where Board members overcharged for travel expenses based on records examined by us. The overcharges during the audit period totaled \$125.60. Also, Board members are not submitting claims or travel expenses in a timely manner.

We recommend the Board comply with the Governor's Travel Regulations and review the above mentioned travel expenditures to determine whether total reimbursements of \$125.60 may be due the Board.

We will comply with this audit recommendation. (See pages 9-10.)

Appointment of Board Members

3. We noted the term of one Board member expired in September 1986 and the terms of three other members expired in September 1987. As of May 24, 1988, we could find no evidence that either the Governor or the Board had made appointments to fill the expired terms.

We recommend the Board comply with Chapter 30, Article 30, Section 3, Subsection (a)(5) of the West Virginia Code.

We will comply with this audit recommendation. (See pages 10-11.)

Expenditure in Excess of Approved Expenditure Schedule

4. We noted the Board expended \$54,673.59 in excess of the amount authorized for operating expenditures during fiscal year 1987. We were unable to locate any amendments to the expenditure schedule which would have authorized the expenditure of the excess collections in fiscal year 1987.

We recommend the Board comply with Chapter 5A, Article 2, Section 20 of the West Virginia Code, as amended.

We will comply with this audit recommendation. (See pages 11-12.)

Annual Report

5. We noted the Board has published an Annual Report each year since its creation; however, it does not list the names and addresses of all licensees as required by law.

We recommend the Board comply with Chapter 30, Article 30, Section 3, Subsection (e)(3) of the West Virginia Code, as amended.

The Board will recommend a change in the legislation due to the prohibitive cost involved. (See pages 12-13.)

Fee Schedule

6. We noted a discrepancy between the fee charged for screening for exemption from examination (\$35.00) and the fee charge (\$5.00) shown in the fee schedule on file with the Secretary of State's Office. The Board has been charging the proper fee. Also, the fee schedule does not include the \$10.00 fee for temporary permits and the \$35.00 fee for temporary licenses. The minutes of meetings of the Board indicate the Board formally adopted the fees for temporary permits and temporary licensees but the charges were not incorporated into the official rules and regulations on file with the Secretary of State.

We recommend the Board correct Section 4.2.2 of the Interpretive Rules to reflect the proper fee for screening for exemption from examination and include the fees for temporary permits and temporary licenses.

We will comply with this audit recommendation. (See pages 13-14.)

WEST VIRGINIA BOARD OF SOCIAL WORK EXAMINERS

GENERAL REMARKS

INTRODUCTION

We have completed a financial and compliance audit of the West Virginia Board of Social Work Examiners. The audit covered the period July 1, 1984 through June 30, 1987.

SPECIAL REVENUE ACCOUNT

All revenues generated from fees which are established by the Board and expenditures required for the general operation of the West Virginia Board of Social Work Examiners are accounted for through the following special revenue account:

<u>Number</u>	<u>Description</u>
8380-24	Board of Social Work Examiners

LICENSE FEES

The following are the fees established by the Board:

Examination Fee	\$70.00
Screening for Exemption from Examination	\$35.00
Issuance of Licensing Certificate	\$ 5.00
Biennial License Renewal	\$25.00
Temporary License	\$35.00
Temporary Permit	\$10.00

AREAS OF NONCOMPLIANCE

Chapter 30, Article 30 of the West Virginia Code generally governs the West Virginia Board of Social Work Examiners. We examined applicable sections of the above plus general State regulations and other applicable chapters, articles and sections of the West Virginia Code as they pertain to fiscal matters. Our findings are discussed below.

Subsequent Event - Remittance of Collected Fees

During our review of events subsequent to the concluding date of the financial statement (June 30, 1987), we noted that all licensing fees collected by the independent testing company with which the Board has contracted with to screen and test applicants who apply for licensure had not been remitted to the Board in a timely manner. Article 5 of the contractual agreement states, "ASI shall be responsible for collecting fees established by the Board from candidates. Board fees will be forwarded to BSWE as soon as testing period is completed."

The roster of licensees furnished the Board by the testing company following the October 1987 examination, showed 3,433 persons had been licensed to perform social work in West Virginia since July 1, 1984. However, as of April 30, 1988, the Board had received the \$5.00 licensing fee for only 1,631 persons. By our calculations based on the official roster, the Board was owed the license fee for 1,802 other persons. Upon our inquiry, the Board contacted the testing company and received the license fee for 1,710 licensees totaling \$8,550.00 on a check dated May 9, 1988. The Board is still owed \$460.00 for 92 licensees based on the official roster. The failure of the testing company to remit the licensing fees timely, results in lost interest income to the State.

We recommend the Board monitor the remittance of license fees more closely to ensure compliance with the contractual agreement and seek to recover the \$460.00 in license fees still owed the Board.

Fees due the Board for licensing of Social Work have not been forwarded to the Board in a most timely fashion. Upon discovery of this, the processing center was notified; they as well as the Board had assumed that the fees were up to date and they took immediate action to remedy the deficit. According to their records, all fees have been paid to the Board for grandfathering and subsequent license issuance fees. The auditor questions an additional \$460 due which the Board is investigating with the processing Center. Both the processing center and

the Board are committed to resolving the difficulties and being sure that the state is properly paid. The Board intends to monitor the timely payment more closely in the future.

Review of Travel Expenses

During our examination of travel expenditures, we noted a Board member who resided in Parkersburg was paid travel expenses for a round trip from Parkersburg to Charleston on January 16, 1987 to attend a Board meeting; however, the Board's minutes indicate the meeting was held in Parkersburg. The same Board member was also reimbursed twice for lunch on January 16, 1987 on transmittals prepared on January 26, 1987 and February 23, 1987. Based on our review, the Board member may have overcharged \$37.60.

Another Board member charged mileage from Huntington to Morgantown to attend a Board meeting on August 22, 1986 on a transmittal prepared on February 13, 1987. The same Board member charged for lodging and meals related to the August 22, 1986 Board meeting on a separate transmittal prepared May 4, 1987 but indicated she had rode to the meeting with another person. Based on our review, the Board member may have overcharged \$88.00.

The Governor's Travel Regulations effective November 1, 1986, states in the section entitled "Expense Accounts", "Approval of expense accounts is more than a formality. Approval indicates that expenses submitted for reimbursement have been reviewed and found to comply with state policies regarding authorized travel expenses." Based on our examination, expense accounts are not always reviewed in conjunction with the meeting schedule of the Board to identify possible discrepancies. Also, travel expense forms are not always prepared and submitted in a timely manner which is a possible explanation for some of our findings.

We recommend the Board comply with the Governor's Travel Regulations and review the above mentioned travel expenditures to determine whether total reimbursements of \$125.60 may be due the Board.

In the beginning, Board members absorbed all their own expenses as well as ones related to performing the work of the Board. This continued until DHS agreed to provide some support services to the Board until the Board had funds. Eventually, the Board began to receive revenues and could handle reimbursement itself. Board members, not being used to overseeing this process, sometimes did not remit these expenses in a timely fashion. The Board has reviewed the two incidents of overpayment for expenses and found that the board member from Parkersburg inadvertently charged travel for a Board meeting that was held in Parkersburg. She has reimbursed the Board for this overcharge. In the second instance, the Board member had initially intended to travel with another Board member, but in the end, needed to use her own vehicle and therefore did not overcharge the Board. Expense accounts are being handled by one individual now and are closely monitored to comply with the state's policies regarding authorized travel expenses.

Appointment of Board Members

The Board of Social Work Examiners is not complying with Chapter 30, Article 30, Section 3, Subsection (a)(5) of the West Virginia Code which states in part, "If the governor fails to make an appointment in ninety days after the expiration of any term, the board shall make the necessary appointment." The term of one Board member expired in September 1986 and the terms of three other members expired in September 1987. As of May 24, 1988, we could find no evidence that either the Governor or the Board had made appointments to fill the expired terms.

We recommend the Board comply with Chapter 30, Article 30, Section 3, Subsection (a)(5) of the West Virginia Code.

The Board has diligently notified the Governor of expired terms and vacancies on the Board, requesting new appointments several times a year. Those requests have not resulted in the appointment of new Board members to date. The Board has been reluctant to appoint members themselves; first, appointment is the Governor's prerogative and secondly, the Board does not know how it is possible to appoint members itself. Does the Board issue a certificate of appointment? Does the Board submit it's appointees to the Senate for confirmation? If it is not possible to secure appointments from the Governor, the Board will seek the advise and counsel of the Attorney General's Office.

Expenditures in Excess of Approved Expenditure Schedule

As a part of our examination, we reviewed the results of financial operations of the Board of Social Work Examiners in comparison with the budgetary estimates contained in the approved expenditure schedule for the years under examination. We noted the Board expended \$73,143.59 in fiscal year 1987 while the approved expenditure schedule called for expenditures of not more than \$18,470.00.

Chapter 5A, Article 2, Section 20 of the West Virginia Code, as amended states:

"If the amount actually collected by a spending unit exceeds the amount which it is authorized to expend from collections, the excess in collections shall be set aside in a special surplus fund for the spending unit. Expenditures from this fund shall be made only in accordance with the following procedure:

The spending officer shall submit to the commissioner:

- (1) A plan of expenditure showing the purposes for which the surplus is to be expended, and
- (2) A justification statement showing the reasons why the expenditure is necessary and desirable.

The commissioner shall submit the request to the governor with his recommendation.

If the governor approves the plan of expenditure and justification statement, and is satisfied that the expenditure is required to defray the additional cost of the service or activity of the spending unit, and that the expenditure is in accordance with sound fiscal policy, he may authorize the use of the surplus during the current fiscal year. Notices of such authorization shall be sent to the state auditor, the state treasurer and the legislative auditor.

An expenditure from a special surplus fund without the authorization of the governor, or other than in accordance with this section, shall be an unlawful use of public funds. (1939, c. 39, § 32; 1961, c. 132; 1969, c. 13.)"

Based on our examination, the Board expended \$54,673.59 in excess of the amount authorized for operating expenditures. We were unable to locate any amendments to the expenditure schedule which would have authorized the expenditure of the excess collections in fiscal year 1987.

We recommend the Board comply with Chapter 5A, Article 2, Section 20 of the West Virginia Code, as amended.

The Board, upon receiving its first fees, sought the advice of the office of Finance and Administration Budget Planning regarding how to complete the expenditure schedule in view of the fact that the Board had no history or experience on which to base its estimates. Budget Planning indicated that in such a situation, the projection is based on a best guess related to the available date on money coming into the state. This was done. Later, as the contract with the processing center was reviewed in the Attorney's General Office, the Board was informed that state law required that all fees needed to be deposited first with the state and then the processing center needed to bill the Board for services rendered. This made the income increase considerably, but there was an immediate related expenditure so that the totals increased significantly but the actual dollars available to the Board was not significantly different than those originally projected. When Finance and Administration was contacted about the changed procedure, they did not indicate a need to file a new schedule. Budget and expenditure schedules should be much more accurate now that the system is in operation and there is a history on which to base projections.

Annual Report

The Board of Social Work Examiners has published an Annual Report each year since its creation; however, it does not list the names and addresses of all licensees. Chapter 30, Article 30, Section 3, Subsection (e)(3) of the West Virginia Code states, "(3) Publish an annual report listing the names and

addresses of all persons who have been licensed in accordance with the provisions of this article as a certified social worker, graduate social worker or social worker"

We recommend the Board comply with Chapter 30, Article 30, Section 3, Subsection (e)(3) of the West Virginia Code, as amended.

The Board has published an Annual Report each year since its inception and has distributed it to the Governor, the Legislature and interested parties. The Board has also supplied the Governor and the Secretary of State with a complete roster of licensed Social Workers as required by the Administrative Procedures Act. These two items were not combined because of the expense of printing, particularly in those times before the Board had any money. The Board would like to recommend a change in <30-30-3 (e)(3)° from "annual report listing the names" to "annual report and a listing of the names" so that these two items are not required to be issued together (but could be when circumstances permit).

Fee Schedule

The Interpretive Rules of the Board of Social Work Examiners, which are on file at the Secretary of State's Office, appear to list an incorrect amount for screening for exemption from examination and does not include the \$10.00 fee for temporary permits and the \$35.00 fee for temporary licensees. At the time of our review, Section 4.2.2 of the Interpretive Rules stated, "Fee for screening for exemption for examination is five dollars (\$5.00)." According to minutes of meetings of the Board and the financial records examined by us, the Board has been charging the proper fee of \$35.00. The minutes of meetings, of the Board, indicate the Board formally adopted the fees for temporary permits and temporary licenses but the changes were not incorporated into the official rules and regulations on file with the Secretary of State.

We recommend the Board correct Section 4.2.2 of the Interpretive Rules to reflect the proper fee for screening for exemption from examination and include the fees for temporary permits and temporary licenses.

The fee in question (\$5.00 for screening for exemption from examination) was published in the proposed rules as \$35.00 and has been administered as a \$35.00 fee; however, when the fund rules were resubmitted to the Secretary of State, the fee was inadvertently listed as a \$5.00 fee due to a clerical error. This was brought to the attention of Rich O. Hartman, Administrator of the Rules and Regulations Section of the Secretary of State's Office, who informed the Board that this error could easily be corrected in the next publication of the Rules and Regulations and would not require an additional hearing. The fees for Temporary License and Permits will be included in the next revision of the Board's Regulations.

AUDITORS' OPINION

The Honorable Encil Bailey
Legislative Auditor
State Capitol - West Wing
Charleston, West Virginia

Sir:

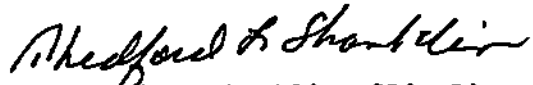
We have examined the statement of revenues, expenditures and changes in cash balance of the West Virginia Board of Social Work Examiners for the years ended June 30, 1987 and June 30, 1986. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and other such auditing procedures as we considered necessary in the circumstances.

As more fully described in Note A, the financial statement was prepared using the cash basis of accounting. Accordingly, the financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the statement of revenues, expenditures and changes in cash balance of the West Virginia Board of Social Work Examiners presents fairly cash transactions for the years ended June 30, 1987 and June 30, 1986 on a basis consistent with the preceding year.

Our examination was made for the purpose of forming an opinion on the basic financial statement taken as a whole. The supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such information has been subjected to the auditing procedures applied in the examination of the basic financial statement and, in our opinion, is fairly stated in all material respects in relation to the basic financial statement taken as a whole.

Respectfully submitted,



Thedford L. Shanklin, CPA, Director
Legislative Postaudit Division

May 18, 1988

Auditors: Michael E. Sizemore, CPA, Supervisor
Carolyn J. Epling

WEST VIRGINIA BOARD OF SOCIAL WORK EXAMINERS
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN CASH BALANCE
 BUDGET AND ACTUAL

	<u>Year Ended June 30, 1987</u>		
	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Revenues:			
Fees, Permits and Licenses	\$ 13,250.00	\$125,460.00	(\$112,210.00)
Expenditures:			
Personal Services	-0-	-0-	-0-
Current Expenses	<u>18,470.00</u>	<u>73,143.59</u>	<u>(54,673.59)</u>
	<u>18,470.00</u>	<u>73,143.59</u>	<u>(54,673.59)</u>
Revenues Over (Under) Expenditures	(5,220.00)	52,316.41	(57,536.41)
Beginning Balance	<u>5,220.00</u>	<u>5,219.43</u>	<u>0.57</u>
Ending Balance	<u>\$ -0-</u>	<u>\$ 57,535.84</u>	<u>(\$ 57,535.84)</u>

See Note to Financial Statement

Year Ended June 30, 1986

<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
\$ -0-	\$ 5,960.00	(\$ 5,960.00)
20,000.00	-0-	20,000.00
<u>25,870.00</u>	<u>740.57</u>	<u>25,129.43</u>
<u>45,870.00</u>	<u>740.57</u>	<u>45,129.43</u>
(45,870.00)	5,219.43	(51,089.43)
<u>45,870.00</u>	<u>-0-</u>	<u>45,870.00</u>
<u>\$ -0-</u>	<u>\$ 5,219.43</u>	<u>(\$ 5,219.43)</u>

WEST VIRGINIA BOARD OF SOCIAL WORK EXAMINERS

NOTE TO FINANCIAL STATEMENT

Note A - Accounting Policies

Accounting Method: The cash basis of accounting is followed. Therefore, certain revenue and related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

SUPPLEMENTAL INFORMATION

WEST VIRGINIA BOARD OF SOCIAL WORK EXAMINERS
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN CASH BALANCE

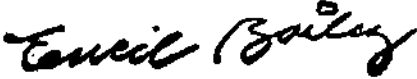
<u>Board of Social Work Examiners -</u> <u>Account 8380-24</u>	<u>Year Ended June 30,</u>	
	<u>1987</u>	<u>1986</u>
Cash Receipts:		
Grandfather Candidates	\$116,150.00	\$ 4,425.00
License Issue Fee	6,620.00	1,535.00
Temporary Permits	380.00	-0-
Temporary Licenses	2,310.00	-0-
	<u>125,460.00</u>	<u>5,960.00</u>
Disbursements:		
Current Expenses	<u>73,143.59</u>	<u>740.57</u>
Cash Receipts Over Disbursements	52,316.41	5,219.43
Beginning Balance	<u>5,219.43</u>	<u>-0-</u>
Ending Balance	<u>\$ 57,535.84</u>	<u>\$ 5,219.43</u>
Components of Cash Balance:		
Cash on Hand	\$ 18,855.00	\$ -0-
State Treasury	<u>38,680.84</u>	<u>5,219.43</u>
Ending Balance	<u>\$ 57,535.84</u>	<u>\$ 5,219.43</u>

STATE OF WEST VIRGINIA

OFFICE OF LEGISLATIVE AUDITOR, TO WIT:

I, Encil Bailey, Legislative Auditor, do hereby certify that the report of audit appended hereto was made under my direction and supervision, under the provisions of the West Virginia Code, Chapter 4, Article 2, as amended, and that the same is a true and correct copy of said report.

Given under my hand this _____ day of July,
1988.



Encil Bailey, Legislative Auditor

Copy forwarded to the Commissioner of the Department of Finance and Administration to be filed as a public record. Copies forwarded to the West Virginia Board of Social Work Examiners; Governor; Attorney General; and, State Auditor.