

WEST VIRGINIA WOMEN'S COMMISSION
FOR THE PERIOD
JULY 1, 1982 -- JUNE 30, 1990

West Virginia



LEGISLATIVE AUDITOR

CHARLESTON

The Joint Committee on Government and Finance:

In compliance with the provisions of the West Virginia Code, Chapter 4, Article 2, as amended, we have examined the accounts of the West Virginia Women's Commission.

Our examination covers the period July 1, 1982 through June 30, 1990. The results of this examination are set forth on the following pages of this report. However, only the financial statements for the years ended June 30, 1990 and June 30, 1989 are included in this report. The financial statements covering the period July 1, 1982 through June 30, 1988 are included in our audit workpapers.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Theodora L. Shanklin".

Theodora L. Shanklin, CPA, Director
Legislative Postaudit Division

TLS/td

WEST VIRGINIA WOMEN'S COMMISSION

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WEST VIRGINIA WOMEN'S COMMISSION
EXIT CONFERENCE

We held an exit conference on September 3, 1991 with the Executive Director of the West Virginia Women's Commission. All findings and recommendations were reviewed and discussed. The above-mentioned official's responses are included in italics in the Summary of Findings, Recommendations and Responses and in the general remarks sections of this report.

WEST VIRGINIA WOMEN'S COMMISSION

INTRODUCTION

The West Virginia Women's Commission was created by the West Virginia Legislature in 1977, when the Legislature abolished the West Virginia Commission on the Status of Women. The Women's Commission was created within the Office of the Governor, Chapter 29, Article 20, Sections 1-6 of the West Virginia Code, as amended.

The Commission serves as the official advocate for West Virginia women. The major objectives of the Commission are: to provide information to the public, the Governor, and the Legislature about the status and needs of West Virginia women; to provide educational opportunities to West Virginia women and to recognize the accomplishments and contributions of women in West Virginia.

The Commission is comprised of seventeen members, six of whom are ex-officio members, not entitled to vote. Eleven citizen members are appointed by the Governor with the advice and consent of the Senate. The citizen members are appointed to serve a term of three years.

The Commission currently employs one full-time employee, the Executive Director. The Executive Director is responsible for the implementation and execution of the policies and programs of the Women's Commission. The Executive Director assumes responsibility for the day-to-day management of the office, fiscal management, research and the release of information to interested organizations and individuals within the State.

The Women's Commission recently became a part of the Department of Health and Human Resources, Bureau of Human Resources. The Commission believes this reorganization may provide additional resources and support to the Commission and enhance its effectiveness within State government. The Department of Health and Human Resources is currently providing secretarial support and office space to the Commission.

WEST VIRGINIA WOMEN'S COMMISSION

COMMISSION MEMBERS

JUNE 30, 1990

Ex Officio Members:

The Honorable Roger Tompkins,
 Attorney General Charleston

Michael Smith,
 Director of Personnel, Civil Service System Milton

Taunja Willis Miller,
 Secretary, Department of Health and Human Resources Charleston

Roy Smith,
 Commissioner, Department of Labor. Beckley

Quewanncoii C. Stephens,
 Executive Director, Human Rights Commission Charleston

Dr. Henry Marockie,
 State Superintendent of Schools Charleston

Members:

Term Expires

Mary Clare Eros, Chairperson, Kanawha County;
 Charleston June 30, 1993

Nancy Matthews, Cabell County;
 Huntington June 30, 1991

Jean Beasley, Mercer County;
 Athens June 30, 1993

Beatrice Ann Thomas, Ohio County;
 Wheeling June 30, 1991

Nancy Hockensmith, Mineral County;
 Keyser June 30, 1991

Becky Romero, Putman County;
 Hurricane June 30, 1991

Elaine Harris, Kanawha County;
 St. Albans June 30, 1992

Madonna Kolbenschiag, Monongalia County;
 Morgantown June 30, 1992

Janet Boyle, Ohio County;
 Wheeling June 30, 1993

Renate Pore, Berkeley County;
 Hedgesville June 30, 1992

Jane Farmer, Mercer County;
 Princeton June 30, 1992

WEST VIRGINIA WOMEN'S COMMISSION

STAFF MEMBERS

	<u>Period of Employment</u>
Executive Director:	
Barbara Matz	July 1979 - June 1990
Carolyn Mallory, Acting Director	June 1990 - December 1990
Adrienne Worthy	December 1990 - Present
Staff:	
Janet Craig	July 1982 - August 1984
Evelyn Hansbarger	August 1982 - March 1984 December 1985 - June 1987
Roslyn Holdzkom	March 1984 - December 1985
Adrienne Worthy	October 1984 - March 1986 July 1986 - April 1987
Lavonne Sanders	October 1984 - March 1986
Sharon Goodman	October 1986 - November 1986
Deborah Lewis	March 1987 - February 1988
Carolyn Mallory	November 1987 - June 1990
Mary Matthews	January 1988 - May 1988
Barbara Reed	June 1988 - June 1990
Debra Parson	August 1988 - June 1990

WEST VIRGINIA WOMEN'S COMMISSION
SUMMARY OF FINDINGS, RECOMMENDATIONS AND RESPONSES

COMPLIANCE MATTERS

Overpayment of Accrued Annual Leave

1. Our examination showed the annual leave balance of the former Executive Director was not adjusted at the end of calendar years 1985 through 1989 to reflect the maximum carry-forward of 30 days as stated in the Commission's personnel manual. For instance, the employee was allowed to carry-forward 47 days of annual leave as of January 1, 1986, rather than the required 30 days.

As a result, the former Executive Director was paid \$4,307.81 for 38.5 days of accrued annual leave when she resigned on June 30, 1990, while our calculations indicate she should have been paid \$1,851.38 for 15.5 days of accrued annual leave. Since we were unable to locate any authorization for exemptions from the annual leave provisions of the Commission's personnel manual, we believe the former Executive Director was overpaid \$2,456.43 for her accrued annual leave. Also, another former employee was apparently overpaid \$196.63 for her accrued annual leave as a result of an error in the posting of leave records.

We recommend the Commission comply with Chapter 12, Article 3, Section 13 of the West Virginia Code, as amended, and seek reimbursements of \$2,456.43 and \$196.63 from the respective former employees.

We will comply with the audit recommendation and seek the respective reimbursements for overpayment of annual leave. (See pages 11-12.)

Overpayment of Annual Increment

2. We believe the annual increment paid to the former Executive Director was not correctly calculated. The personnel files indicate she was employed by the Commission on July 9, 1979. We were unable to locate any other prior employment that would have constituted credited service for purposes of calculating annual increment pay. The first annual increment payment received by her reflected nine years of credited service while we were able to document only six years of credited service resulting in an apparent overpayment of \$108.00. Each year thereafter, the annual increment paid to her included an apparent overpayment of \$108.00 and resulted in apparent overpayments totaling \$540.00 as of the date of her resignation.

We recommend the Commission comply with Chapter 5, Article 5, Section 2 of the West Virginia Code, as amended, and seek reimbursement of \$540.00 in annual increment overpayments.

We will comply with the recommendation and seek reimbursement of \$540.00 in annual increment overpayments. (See pages 13-14.)

Inappropriate Expenditures

3. Our examination showed the Women's Commission received several reimbursements totaling \$2,854.92 from the Board of Social Work Examiners during the period July 1, 1987 through June 30, 1990. Since we were unable to locate any legislative act authorizing the use of Women's Commission funds for the benefit of the Board of Social Work Examiners, we believe that requisitioning of monies belonging to the Women's Commission for such purposes would violate Chapter 12, Article 3, Section 9 of the West Virginia Code. We noted the former Executive Director of the Women's Commission had also acted in the capacity of Chairperson

of the Board of Social Work Examiners. As such, she would have been in a position to allow the requisition of funds belonging to either of the spending units.

Also, we learned the former Executive Director did not always take annual leave when she was involved in activities connected with the operations of the Board of Social Work Examiners. It appears annual leave should have been taken on 23 days between May 1, 1987 through December 31, 1988. The total cost of the time spent attending functions of the Board of Social Work Examiners amounted to \$3,270.80.

We recommend the Commission comply with Chapter 12, Article 3, Section 9 of the West Virginia Code, as amended.

We will comply with the audit recommendation. (See pages 14-16.)

Late Settlement of Cash Advances

4. Our examination of cash advances made to employees and members of the Women's Commission for out-of-state travel shows several cash advances in fiscal years 1985 and 1986, were not settled within 30 days of last day of travel made from the advance as required by the Governor's Travel Regulations. Specifically, three of five cash advances in fiscal year 1985 and five of six cash advances in fiscal year 1986 were not settled timely. The late settlement of cash advances could result in State funds being temporarily converted to personal use or used to pay for in-state travel expenses which is not allowable under the Governor's Travel Regulations.

We recommend the Commission comply with the provisions of the Governor's Travel Regulations.

We will comply with all provisions of the Governor's Travel Regulations.
(See pages 16-18.)

Supporting Documentation

5. Our audit disclosed five transmittals totaling \$199.51 and 42 intra-governmental transaction documents (IGT's) totaling \$1,972.43 processed in fiscal year 1987 which had no supporting documentation attached to explain the nature of goods or services for which payments were being requisitioned. Without supporting documentation, it is not possible to determine whether State funds have been used only for those purposes set forth in the law.

We recommend the Commission comply with Chapter 12, Article 3, Section 10 of the West Virginia Code, as amended.

We will comply with the audit recommendation by maintaining supporting documentation. (See page 18.)

INTERNAL CONTROLS AND ACCOUNTING SYSTEM

Recording of Transactions

6. We noted the Women's Commission recorded monies received from outside organizations in a method which reduced recorded expenditures in the Special Operating Account (8264-05) rather than as gifts, grants, or donations received in the course of conducting business. This practice of recording transactions leads to an understatement of the true financial activities of the Women's Commission as shown in the records of the State Auditor's Office which are the official accounting records of the State of West Virginia.

We recommend the Commission record transactions in a method which will reflect the true and complete financial effects of those transactions in

the accounting records of the Women's Commission and the Office of the State Auditor.

We have changed our method of recording transactions in the special revenue account and are now in compliance with the audit recommendation.

(See page 20.)

WEST VIRGINIA WOMEN'S COMMISSION

GENERAL REMARKS

INTRODUCTION

We have completed a financial and compliance audit of the West Virginia Women's Commission. The audit covered the period July 1, 1982 through June 30, 1990.

GENERAL REVENUE ACCOUNTS

Expenditures required for the general operation of the West Virginia Women's Commission were made from the following appropriated accounts:

<u>Number</u>	<u>Description</u>
6000-00	Personal Services
6000-14	Unclassified
6000-35	Employee Benefits
6000-66	Annual Increment

SPECIAL REVENUE ACCOUNT

During the audit period, the West Virginia Women's Commission maintained one special revenue account. The account was used to account for the proceeds of special revenue sources or to finance specified activities as required by law or administrative regulations. The following special revenue account was active during the audit period:

<u>Number</u>	<u>Description</u>
8264-05	Special Operating Account Grants and state funds; for work performed by staff on grants and projects received.

COMPLIANCE MATTERS

Chapter 29, Article 20 of the West Virginia Code, as amended, generally governs the West Virginia Women's Commission. We tested 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.

Overpayment of Accrued Annual Leave

The accrual of annual leave and the allowable amount of annual leave which may be carried forward from year to year are set forth in the Women's Commission Personnel Manual which states, in part:

"...Each employee shall be entitled to annual leave with full pay as follows:

<u>Rate</u>	<u>Period of Service</u>
15 days per year calculated at 1 1/4 days per month	Less than 5 years
18 days per year calculated at 1 1/2 days per month	5 but less than 10 years
21 days per year calculated at 1 3/4 days per month	10 but less than 15 years
24 days per year calculated at 2 days per month	15 years or more

No more than 240 working hours (30 work days) of accumulated annual leave may be carried forward from one calendar year to another. If an employee's services are terminated for any reason other than death, s/he cannot be paid for more than 240 working hours of accumulated annual leave.

An employee whose employment is terminated for any reason shall be paid all annual leave accumulated as of the date of her/his termination not to exceed 30 days. Annual leave will be paid at the same rate of pay as the employee is earning at the time of termination...."

Our examination showed the annual leave balance of the former Executive Director was not adjusted at the end of calendar years 1985 through 1989 to reflect the maximum carry-forward of 30 days as stated above in the Commission's personnel manual. For instance, the employee was allowed to carry-forward 47 days of annual leave as of January 1, 1986, rather than the required 30 days. Upon noting this situation, we prepared necessary schedules based on the leave records to determine the amount of annual leave which the former Executive Director should have been credited with under the Commission's personnel manual as of June 30, 1990.

Our audit showed the former Executive Director was credited with accrued annual leave of 38.5 days according to the Commission's leave records when she resigned on June 30, 1990. However, our calculations indicate she should have been credited with only 15.5 days as of June 30, 1990. We were unable to locate any authorization for exemptions from the annual leave provisions of the Commission's personnel manual. As a result, the former Executive Director was paid \$4,307.81 for 38.5 days of accrued annual leave on July 16, 1990 while our calculations indicate she should have been paid \$1,851.38 for 15.5 days of accrued annual leave. Therefore, we believe the former Executive Director was overpaid \$2,456.43 for her accrued annual leave.

Also, we noted another former employee was apparently overpaid for her accrued annual leave. The employee took four days of annual leave in July 1989; however, the annual leave was not deducted from the employee's annual leave balance. As a result, we believe the employee was overpaid \$196.63 when she resigned effective June 30, 1990.

Since the Commission rules did not allow for the above employees to be paid for the annual leave, we believe by paying the employees the Commission appears to have not complied with Chapters 12, Article 3, Section 13 of the West Virginia Code, as amended, which states, "No money shall be drawn from the treasury to pay the salary of any officer or employee before his services have been rendered."

We recommend the Commission comply with Chapter 12, Article 3, Section 13 of the West Virginia Code, as amended, and seek reimbursements of \$2,456.43 and \$196.63 from the respective former employees.

The Commission will comply with Chapter 12, Article 3, Section 13 of the West Virginia Code, as amended, and seek reimbursements of \$2,456.43 and \$196.63 from the respective former employees for overpayment of annual leave.

Overpayment of Annual Increment

Based on our audit of payroll records, we believe the annual increment paid to the former Executive Director was not correctly calculated. Chapter 5, Article 5, Section 2 of the West Virginia Code, as amended, states in part:

"Effective for the fiscal year beginning the first day of July, one thousand nine hundred eighty-five, every eligible employee with three or more years of service shall receive an annual salary increase equal to thirty-six dollars times the employees' years of service, not to exceed twenty years of service. In each fiscal year thereafter and on the first day thereof, each such employee shall receive an annual increment increase of thirty-six dollars for such fiscal year: Provided, That every employee becoming newly eligible as a result of meeting the three years of service minimum requirement on the first day of July in any fiscal year subsequent to one thousand nine hundred eighty-five shall be entitled to the annual salary increase equal to the aforesaid thirty-six dollars times the employee's years of service, where he has not theretofore received the benefit of any such increment computation; and shall receive a single annual increment increase thereafter of thirty-six dollars for each such subsequent fiscal year...."

The former Executive Director's personnel file indicates she was employed by the Commission on July 9, 1979. We were unable to locate any other prior employment that would have constituted credited service for purposes of calculating annual increment pay. Therefore, our calculations show she would have been entitled to receive \$216.00 in annual increment pay for six years of credited service as of July 1, 1985. However, the former Executive Director was actually paid for nine years of credited service totaling \$324.00 in July 1985 resulting in an apparent overpayment of \$108.00. Each year thereafter, the annual increment payment to her included an apparent overpayment of \$108.00 caused by the inclusion of three years of credited service claimed by her that we were unable to verify. The following schedule details our findings:

<u>Fiscal Year Paid</u>	<u>Documented Years of Service</u>	<u>Claimed Years of Service</u>	<u>Amount Paid</u>	<u>Amount Which Should Have Been Paid</u>	<u>Calculated Overpayment</u>
1986	6	9	\$ 324.00	\$ 216.00	\$108.00
1987	7	10	360.00	252.00	108.00
1988	8	11	396.00	288.00	108.00
1989	9	12	432.00	324.00	108.00
1990	10	13	<u>468.00</u>	<u>360.00</u>	<u>108.00</u>
			<u>\$1,980.00</u>	<u>\$1,440.00</u>	<u>\$540.00</u>

We recommend the Commission comply with Chapter 5, Article 5, Section 2 of the West Virginia Code, as amended, and seek reimbursement of \$540.00 in annual increment overpayments.

The Commission will comply with Chapter 5, Article 5, Section 2 of the West Virginia Code, as amended, and seek reimbursements from the former Executive Director of \$540.00 in annual increment overpayment.

Inappropriate Expenditures

Our examination of the financial records of the West Virginia Women's Commission showed several reimbursements received from the West Virginia Board of Social Work Examiners. The reimbursements related to various types of expenses including, but not limited to, telephone charges and copying costs. We discussed the reimbursements with the current Executive Director, but she could not tell us the dollar magnitude of transactions involved. However, she did inform us the former Executive Director had also acted in the capacity of Chairperson of the Board of Social Work Examiners. As such, she would have been in a position to allow the requisition of funds belonging to either of the spending units.

Chapter 12, Article 3, Section 9 of the West Virginia Code, as amended, states in part,

"Every board or officer authorized by law to issue requisitions upon the auditor for payment of money out of the state treasury, shall, before any such money is paid out of the state

treasury, certify to the auditor that the money for which such requisition is made is needed for present use for the purposes for which it was appropriated;..."

Since we were unable to locate any legislative act authorizing the use of Women's Commission funds for the benefit of the Board of Social Work Examiners, we believe that requisitioning of monies belonging to the Women's Commission as evidenced by the reimbursements noted in the first paragraph would violate the aforementioned provisions of the West Virginia Code. The following schedule summarizes the reimbursements made from the Board of Social Work Examiners Operating Account (8380-24) to accounts of the West Virginia Women's Commission during the period July 1, 1987 through June 30, 1990:

<u>Fiscal Year</u>	<u>Current Expenses Account (6000-01)</u>	<u>Special Operating Account (8264-05)</u>	<u>Total Reimbursements</u>
1990	\$ 783.00	\$580.60	\$1,363.60
1989	706.68	-0-	706.68
1988	<u>794.64</u>	<u>-0-</u>	<u>794.64</u>
	<u>\$2,284.32</u>	<u>\$580.60</u>	<u>\$2,864.92</u>

Further, we learned the former Executive Director did not always take annual leave when she was involved in activities connected with the operations of the Board of Social Work Examiners. The following schedule shows the dates we believe annual leave should have been taken by the former Executive Director during the period May 1, 1987 through December 31, 1988, including the value of salary and fringe benefits paid by the Women's Commission:

<u>Dates</u>	<u>Purpose of Travel</u>	<u>Calculated Salary</u>	<u>Calculated Fringe Benefits</u>	<u>Total</u>
5/21,22,25/87	Delegate Assembly	\$ 369.05	\$ 62.70	\$ 431.75
6/12/87	Board Meeting	117.16	19.91	137.07
8/07/87	Board Meeting	117.16	19.91	137.07
9/09/87	Board Meeting	117.16	19.91	137.07
9/17,18/87	Social Workers' Meeting	234.32	39.81	274.13
11/4,5,6/87	National Meeting	388.47	66.00	454.47

<u>Dates</u>	<u>Purpose of Travel</u>	<u>Calculated Salary</u>	<u>Calculated Fringe Benefits</u>	<u>Total</u>
1/11/88	Board Meeting	\$ 129.49	\$ 22.45	\$ 151.94
2/11/88	Board Meeting	129.49	22.45	151.94
4/06/88	Board Meeting	117.16	20.32	137.48
5/24-27/88	National Meeting	468.63	81.26	549.89
11/15,16/88	Social Workers' Exam	246.03	42.66	288.69
11/30/88 -				
12/1,2/88	National Meeting	<u>357.34</u>	<u>61.96</u>	<u>419.30</u>
		<u>\$2,791.46</u>	<u>\$479.34</u>	<u>\$3,270.80</u>

We could not determine the total amount of operating expenses of the Board of Social Work Examiners which were paid from funds belonging to the Women's Commission; therefore, we do not know whether the \$2,864.92 of reimbursements noted earlier represents the total reimbursements which should have been received from the Board of Social Work Examiners.

We recommend the Commission comply with Chapter 12, Article 3, Section 9 of the West Virginia Code, as amended.

The Commission will comply with Chapter 12, Article 3, Section 9 of the West Virginia Code, as amended, with regard to inappropriate expenditures.

Late Settlement of Cash Advances

Our audit included an examination of cash advances made to employees and members of the Women's Commission for the purpose of out-of-state travel. These procedures showed several cash advances in fiscal years 1985 and 1986 were not settled within 30 days of the last day of travel made from the advance as required by the Governor's Travel Regulations which state in part:

"...An agency or department head may approve an advance allowance for out-of-state travel, provided that the transmittal for the advance allowance is cleared against the related expenses within thirty (30) days of the last day of travel. The department head will be responsible to ascertain that such allowance and related expense reports are cleared within thirty (30) days. No such allowance will be approved for in-state travel.

According to our examination, three of five cash advances in fiscal year 1985 and five of six cash advances in fiscal year 1986 were not settled timely as shown in the following schedule:

<u>Fiscal Year</u>	<u>Employee No.</u>	<u>Date of Advance</u>	<u>Amount of Advance</u>	<u>Scheduled Settlement Date</u>	<u>Actual Settlement Date</u>	<u>Days Late</u>
1985	1	1/17/85	\$ 555.00	3/02/85	3/28/85	26
	1	1/25/85	535.00	3/12/85	4/05/85	25
	1	1/29/85	435.00	3/19/85	3/28/85	9
			<u>\$1,525.00</u>			

<u>Fiscal Year</u>	<u>Employee No.</u>	<u>Date of Advance</u>	<u>Amount of Advance</u>	<u>Scheduled Settlement Date</u>	<u>Actual Settlement Date</u>	<u>Days Late</u>
1986	1	2/05/86	\$ 565.00	3/26/86	4/22/86	27
	1	5/12/86	561.00	7/01/86	7/07/86	6
	1	6/04/86	1,000.00	7/22/86	8/04/86	13
	2	5/06/86	493.00	6/22/86	7/14/86	22
	3	6/04/86	475.00	7/22/86	8/04/86	13
			<u>\$3,094.00</u>			

The late settlement of cash advances culminated in a memorandum from the State Auditor dated April 1, 1986 which stated in part:

"...In order that I might run my office in a business-like manner, it is with reluctance that I must now inform you that you have ten (10) days, from the date of this memorandum to settle these outstanding cash advances. Failure to comply with this memorandum will bring about suspension of all requests for cash advances on April 15, 1986 for your agency until this matter is settled...."

Thereafter, the former Executive Director responded on April 2, 1986 with a correspondence which stated as follows:

"I have your memo of April 1 and would like to explain that the reason for delay in settling the cash advance outstanding is that some receipts were lost. We have asked for duplicate copies and as soon as they are received the settlement documents will be sent to you."

The late settlement of cash advances could result in State funds being temporarily converted to personal use or used to pay for in-state travel expenses which is not allowable under the Governor's Travel Regulations.

We recommend the Commission comply with the provisions of the Governor's Travel Regulations.

The Commission will comply with all provisions of the Governor's Travel Regulations.

Supporting Documentation

Our audit disclosed 5 transmittals totaling \$199.51 and 42 intra-governmental transaction documents (IGT's) totaling \$1,972.43 processed in fiscal year 1987 which had no supporting documentation attached to explain the nature of goods or services for which payments were being requisitioned. Although, supporting documentation would have been included with these payments when submitted to the State Auditor to requisition State warrants or transfer funds to other State accounts and would be available in his files, Chapter 12, Article 3, Section 10 of the West Virginia Code, as amended states in part:

"It shall be unlawful for any state officer to issue his requisition on the state auditor in payment of any claim unless an itemized account is filed in the office of the officer issuing the requisition. If the account is for services, it shall show the kind of service, dates when performed and names of persons performing the service; if the account is for materials or supplies, it shall show in detail the kind of material or supplies, the quantity, dates of delivery and to whom delivered;..."

Without supporting documentation, it is not possible to determine whether State funds have been used only for those purposes set forth in the law.

We recommend the Commission comply with Chapter 12, Article 3, Section 10 of the West Virginia Code, as amended.

The Commission will comply with Chapter 12, Article 3, Section 10 of the West Virginia Code, as amended, with regard to maintaining supporting documentation.

INTERNAL CONTROLS AND ACCOUNTING SYSTEM

As a part of our examination, we reviewed and tested the system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. Under these standards the purpose of such evaluation is to establish a basis for reliance thereon in determining the nature, timing and extent of other auditing procedures that are necessary for expressing an opinion on the financial statements.

The objective of internal accounting control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management with respect either to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further projection of any evaluation of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes

in conditions and that the degree of compliance with the procedures may deteriorate.

Our study and evaluation of the system of internal accounting control for the period July 1, 1982 to June 30, 1990, which was made for the purposes set forth in the first paragraph above, would not necessarily disclose all weaknesses in the system. However, such study and evaluation disclosed a condition that we believe to be a weakness.

Recording of Transactions

We noted the Women's Commission recorded monies received from outside organizations in a method which reduced recorded expenditures in the Special Operating Account (8264-05) rather than as gifts, grants, or donations received in the course of conducting business. This practice of recording transactions effectively leads to an understatement of the true financial activities of the Women's Commission as shown in the records of the State Auditor's Office which are the official accounting records of the State of West Virginia. The financial statements included in our audit report have been reclassified to reflect the gross amounts of monies received and expenditures made by the Women's Commission.

We recommend the Commission record transactions in a method which will reflect the true and complete financial effects of those transactions in the accounting records of the Women's Commission and the Office of the State Auditor.

The Commission, through the Department of Health and Human Resources Financial Services Office, has changed the method of recording transactions (specifically grants and donations) for its special revenue account (8264-05) to comply with the postaudit's recommendations to reflect the true and complete effects of the transactions on the agency's accounting records.

INDEPENDENT AUDITORS' OPINION

The Joint Committee on Government and Finance:

We have audited the statement of appropriations/cash receipts, expenditures/disbursements and changes in fund balances of the West Virginia Women's Commission for the years ended June 30, 1990 and June 30, 1989. The financial statement is the responsibility of the management of the West Virginia Women's Commission. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note A, the financial statement was prepared on the cash and modified cash basis of accounting, which are comprehensive bases of accounting other than generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the appropriations and expenditures and revenue collected and expenses paid of the West Virginia Women's Commission for the years ended June 30, 1990 and June 30, 1989, on the bases of accounting described in Note A.

Our audit was conducted for the purpose of forming an opinion on the basic financial statement taken as a whole. The supplemental information is presented for the purpose 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 audit 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 8, 1991

Auditors: Michael E. Sizemore, CPA, Supervisor

WEST VIRGINIA WOMEN'S COMMISSION
STATEMENT OF APPROPRIATIONS/CASH RECEIPTS, EXPENDITURES/
DISBURSEMENTS AND CHANGES IN FUND BALANCES

	<u>Year Ended June 30, 1990</u>		
	<u>General Revenue</u>	<u>Special Revenue</u>	<u>Combined Totals</u>
Appropriations/Cash Receipts:			
Appropriations	\$70,705.00	\$ -0-	\$ 70,705.00
Women's Foundation	-0-	36,039.40	36,039.40
Other Donations	-0-	41.00	41.00
	<u>70,705.00</u>	<u>36,080.40</u>	<u>106,785.40</u>
Expenditures/Disbursements:			
Personal Services	51,325.00	31,052.72	82,377.72
Current Expenses	17,071.15	8,254.11	25,325.26
	<u>68,396.15</u>	<u>39,306.83</u>	<u>107,702.98</u>
Appropriations/Cash Receipts Over (Under) Expenditures/Disbursements	2,308.85	(3,226.43)	(917.58)
Expirations and Expenditures After June 30	(2,308.85)	-0-	(2,308.85)
Beginning Balance	<u>-0-</u>	<u>3,237.63</u>	<u>3,237.63</u>
Ending Balance	<u>\$ -0-</u>	<u>\$ 11.20</u>	<u>\$ 11.20</u>

See Notes to Financial Statement

Year Ended June 30, 1989

<u>General Revenue</u>	<u>Special Revenue</u>	<u>Combined Totals</u>
\$67,025.00	\$ -0-	\$ 67,025.00
-0-	21,616.00	21,616.00
-0-	-0-	-0-
<u>67,025.00</u>	<u>21,616.00</u>	<u>88,641.00</u>
50,299.88	27,498.43	77,798.31
12,894.72	12,532.60	25,427.32
<u>63,194.60</u>	<u>40,031.03</u>	<u>103,225.63</u>
3,830.40	(18,415.03)	(14,584.63)
(3,830.40)	-0-	(3,830.40)
<u>-0-</u>	<u>21,652.66</u>	<u>21,652.66</u>
<u>\$ -0-</u>	<u>\$ 3,237.63</u>	<u>\$ 3,237.63</u>

WEST VIRGINIA WOMEN'S COMMISSION

NOTES TO FINANCIAL STATEMENT

Note A - Accounting Policies

Accounting Method: The modified cash basis of accounting is followed for the General Revenue Fund. The major modification from the cash basis is that a 31-day carry-over period is provided at the end of each fiscal year for the payment of obligations incurred in that year. All balances of the General Revenue Fund appropriations for each fiscal year expire on the last day of such fiscal year and revert to the unappropriated surplus of the fund from which the appropriations were made, except that expenditures encumbered prior to the end of the fiscal year may be paid up to 31 days after the fiscal year-end; however, appropriations for buildings and land remain in effect until three years after the passage of the act by which such appropriations were made. The cash basis of accounting is followed by all other funds. Therefore, certain revenue and the 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.

Expenditures paid after June 30 in the carry-over period and expirations were as follows:

	<u>Expenditures</u>		<u>Expirations</u>	
	<u>Paid After June 30,</u>		<u>July 31, July 31,</u>	
	<u>1990</u>	<u>1989</u>	<u>1990</u>	<u>1989</u>
Personal Services	\$-0-	\$-0-	\$ -0-	\$ 968.00
Unclassified	187.85	479.40	2,121.00	1,951.00
Employee Benefits	-0-	-0-	-0-	-0-
Annual Increment	-0-	-0-	-0-	432.00
	<u>\$187.85</u>	<u>\$479.40</u>	<u>\$2,121.00</u>	<u>\$3,351.00</u>

Combined Totals: The combined totals contain the totals of similar accounts of the various funds. Since the appropriations and cash receipts are restricted by various laws, rules and regulations, the totaling of the accounts is for memorandum purposes only and does not indicate that the combined totals are available in any manner other than that provided by such laws, rules and regulations.

Note B - Pension Plan

All eligible employers are members of the West Virginia Public Employees' Retirement System. Employees' contributions are 4.5% of their annual compensation and employees have vested rights under certain circumstances. In fiscal year 1989, the West Virginia Public Employees' Retirement System matched contributions at 9.5% of the compensation on which the employee made contributions. In fiscal year 1990, the West Virginia Women's Commission matched contributions at 9.5% of the compensation on which the employee made contributions. However, legislation

suspended all of the matching contributions by PERS during fiscal year 1987. Also, the West Virginia Women's Commission matches contributions at 9.5% of the compensation on which the employee made contributions for all employees whose compensation is paid from any funds other than appropriations from the General Revenue Fund of West Virginia. The West Virginia Women's Commission pension expenditures were as follows:

	<u>Year Ended June 30,</u>	
	<u>1990</u>	<u>1989</u>
General Revenue	\$4,401.30	\$ -0-
Special Revenue	2,464.04	1,745.52
	<u>\$6,865.34</u>	<u>\$1,745.52</u>

SUPPLEMENTAL INFORMATION

WOMEN'S COMMISSION (Original)
July 1, 1982 - June 30, 1990

WEST VIRGINIA WOMEN'S COMMISSION
 STATEMENTS OF APPROPRIATIONS AND EXPENDITURES
 GENERAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1990</u>	<u>1989</u>
<u>Personal Services - Account 6000-00</u>		
Appropriations	\$50,893.00	\$53,014.00
Expenditures:		
Personal Services	50,893.00	50,299.88
Current Expenses	-0-	1,746.12
	<u>50,893.00</u>	<u>52,046.00</u>
	-0-	968.00
Transmittals Paid After June 30	<u>-0-</u>	<u>-0-</u>
Balance	<u>\$ -0-</u>	<u>\$ 968.00</u>
 <u>Unclassified - Account 6000-14</u>		
Appropriations	\$10,424.00	\$13,579.00
Expenditures	<u>8,303.00</u>	<u>11,628.00</u>
	2,121.00	1,951.00
Transmittals Paid After June 30	<u>187.85</u>	<u>479.40</u>
Balance	<u>\$ 2,308.85</u>	<u>\$ 2,430.40</u>
 <u>Employee Benefits - Account 6000-35</u>		
Appropriations	\$ 8,956.00	\$ -0-
Expenditures	<u>8,956.00</u>	<u>-0-</u>
	-0-	-0-
Transmittals Paid After June 30	<u>-0-</u>	<u>-0-</u>
Balance	<u>\$ -0-</u>	<u>\$ -0-</u>

WEST VIRGINIA WOMEN'S COMMISSION
 STATEMENT OF APPROPRIATION AND EXPENDITURES
 GENERAL REVENUE

	Year Ended June 30,	
	1990	1989
<u>Annual Increment - Account 6000-66</u>		
Appropriations	\$432.00	\$432.00
Expenditures	$\frac{432.00}{-0-}$	$\frac{-0-}{432.00}$
Transmittals Paid After June 30	<u>-0-</u>	<u>-0-</u>
Balance	<u>\$-0-</u>	<u>\$432.00</u>

WEST VIRGINIA WOMEN'S COMMISSION
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH BALANCE
SPECIAL REVENUE

	Year Ended June 30,	
	1990	1989
<u>Special Operating Account - Account 8264-05</u>		
Cash Receipts:		
Women's Foundation	\$36,039.40	\$21,616.00
Other Donations	41.00	-0-
	36,080.40	21,616.00
Disbursements:		
Personal Services	31,052.72	27,498.43
Current Expenses	8,254.11	12,532.60
	39,306.83	40,031.03
Cash Receipts (Under) Disbursements	(3,226.43)	(18,415.03)
Beginning Balance	3,237.63	21,652.66
Ending Balance	\$ 11.20	\$ 3,237.63

WEST VIRGINIA WOMEN'S COMMISSION

RECONCILIATION

JUNE 30, 1990

Special Operating Account - Account 8264-05

Balance per State Treasury and Agency

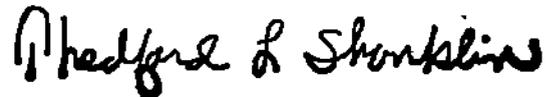
\$11.20

STATE OF WEST VIRGINIA

OFFICE OF LEGISLATIVE AUDITOR, TO WIT:

I, Thedford L. Shanklin, CPA, Director of the Legislative Postaudit Division, do hereby certify that the report of audit appended hereto was 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 9th day of September, 1991.



Thedford L. Shanklin, CPA, Director
Legislative Postaudit Division

Copy forwarded to the Secretary of the Department of Administration to be filed as a public record. Copies forwarded to the Secretary of the Department of Health and Human Resources; each member of the West Virginia Women's Commission; Executive Director of the Women's Commission; Governor; Attorney General; and, State Auditor.