

WEST VIRGINIA LEGISLATURE
Joint Committee on Government and Finance

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The Honorable Jeffrey V. Kessler, President
West Virginia State Senate
Post Audits Sub-Committee, Co-Chair
Room 227 M, Building 1
State Capitol Complex
Charleston WV 25306

The Honorable Timothy R. Miley, Speaker
West Virginia House of Delegates
Post Audits Sub-Committee, Co-Chair
Room 228 M, Building 1
State Capitol Complex
Charleston, West Virginia

Dear Co-Chairs:

We have completed a post audit of the West Virginia State Police (WVSP) Academy Post Exchange (PX) at the request of the Legislative Auditor. We conducted this audit, which is a performance audit, in accordance with the standards applicable to performance audits contained in *Generally Accepted Government Auditing Standards (GAGAS)*. Our audit scope included a review of applicable internal control and compliance with the W.Va. Code, Purchasing Division's Procedure Handbook, State Auditor's Office P-card Policy, Expenditure Schedule Instructions, Legislative Rules, WV State Treasurer's Office Cash Receipt Handbook, best business practices, and WVSP internal policies and procedures applicable for the period of July 1, 2011 through June 30, 2013 necessary to answer the audit objectives. The scope over internal controls involved only assessing those controls that were significant to the objectives listed in this letter. To conclude on the adequacy of internal controls regarding WVSP as a whole was not a specific objective of this audit; and thus was not undertaken.

Our objectives and conclusions are stated below:

Objective 1: Ascertain whether the Superintendent of the WVSP operates the PX in accordance to and in compliance with W.Va. Code §15-2E.

Conclusion: Based upon our audit and review of the WVSP PX physical location, personnel, sample inventory count, cash count, procedures, observations and interviews we conclude that the WVSP Superintendent operates the PX in accordance to and in compliance with the W.Va. Code §15-2E, with one noted exception. The Superintendent did not submit an annual report for Fiscal years 12 and 13 by the beginning of the Legislative session as required by W.Va. Code §15-2E-6. As a result, of this audit, we later received a copy of the proposed report and the agency has put in place procedures to correct the oversight.

Objective 2: Ascertain whether all moneys collected from operation of the post exchange and any moneys collected from vending machine sales are deposited in a special account in the state treasury to be known as the “state police academy post exchange.”

Conclusion: Based on the results of our work in performing this post audit and after careful review and analysis, we conclude the WVSP PX is depositing all moneys collected into the special account known as the “state police academy post exchange” fund as dictated by W.Va. Code §15-2E-4.

Objective 3: Ascertain whether WV Consumer Sales tax collected and deposited with the WV Tax Department on all sales is in compliance with the WV Consumer Sales Tax Rate Chart.

Conclusion: Based upon our audit results, we determined the WVSP PX is collecting and depositing, with the WV Tax Department, the correct amount of sales tax and is in compliance with the WV Consumer Sales Tax Rate Chart.

Objective 4: Ascertain whether all proceeds derived from the operation of the PX and any money derived from the operation of vending machines, after the payment of operating expenses, is used exclusively for the publication of the cadet class yearbook and for repair and alteration of the state police academy as stated in WV Code §15-2E-5.

Conclusion: We conclude the PX is in compliance with this code section since no cadet yearbook was published and no repairs or alterations to the state police academy post exchange have taken place using these funds. There are no vending machines in operation by the PX. Only operating expenses, such as the replenishment of PX inventory and the payment of sales taxes, have been expended from the account.