

*West Virginia*



**LEGISLATIVE AUDITOR**

**CHARLESTON**

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

Sir:

In compliance with your instructions and the provisions of Article 2, Chapter 4, Code of West Virginia, as amended, Messrs. Nick Arvon and Charles Lunsford were assigned to audit the accounts of The Adjutant General.

This audit covers the period July 1, 1974 through June 30, 1977. The results of this examination are set forth on the following pages of this report.

Respectfully submitted,

*James R. Blake*  
James R. Blake, Supervisor  
Postaudit Division

JRB:vc

AUDIT REPORT  
OF  
THE ADJUTANT GENERAL  
FOR THE PERIOD  
JULY 1, 1974 - JUNE 30, 1977

I N D E X

General Remarks . . . . .	1
Appropriated Funds:	
Personal Services . . . . .	4
Current Expenses . . . . .	4
Repairs and Alterations . . . . .	4
Equipment . . . . .	5
Compensation Command Officers . . . . .	5
Property Maintenance . . . . .	5
State Armory Board . . . . .	6
Awards for Claims Against the State . . . . .	6
General Revenue Fund - Federal Reimbursements . . . . .	6
Militia Fines and Collections . . . . .	7
Paving Camp Dawson Airport . . . . .	9
Air National Guard Security . . . . .	10
Certificate of Legislative Auditor . . . . .	11

GENERAL REMARKS

SCOPE OF AUDIT

An examination of the financial transactions of The Adjutant General's office for the period July 1, 1974 through June 30, 1977 has been completed. All receipts and disbursements were verified to the State Auditor's records.

RECORDS

It was noted by the examiners that no internal accounting control records were being maintained by The Adjutant General's office. It appeared the agency was depending on the State Auditor's office to determine the balances of their accounts. At the time of this audit, October 1977, the accounting division was comprised of new employees. The new administration was in the process of establishing internal control ledgers for the various accounts assigned to the agency beginning July 1, 1977.

PROPERTY MAINTENANCE ACCOUNT

This account is state and federally funded for the operation of property maintenance of the Charleston and Martinsburg National Guard Air Bases. State funds are appropriated to Account No. 5800-07 for the operation of these bases. The federal government reimburses The Adjutant General's office for 75 percent of the cost as per budget agreement. These reimbursements are deposited to General Revenue, Account No. 5800-80.

Under a supplemental agreement dated March 22, 1976 the federal government authorized the Adjutant General to employ ten additional security guards to provide 24-hour, 7-day week security for these air bases. The federal government agreed to pay 100 percent of the total cost for these ten new guards, plus increase the reimbursement to 100 percent for the eight security guards previously employed under the old agreement. The State Auditor's office established Special Revenue, Account No. 8440-07, to receive federal reimbursements for the ten additional security guards; reimbursements for the eight previously employed guards are still being deposited to Account No. 5800-80.

Since the state appropriations for 1976-77 provided funds for only ten-month salaries for the ten new guards, Account No. 8440-07 was used to pay the salaries for the remaining two months.

There was a balance of \$26,756.78 remaining in Special Revenue, Account No. 8440-07, at June 30, 1977. This balance, plus \$7,604.22 receipted in July and August 1977, are federal reimbursements for expenditures made from appropriated Account No. 5800-07 during fiscal year 1976-77 and should be transferred to the General Revenue Fund. In compliance with the State Auditor's office request, \$26,756.78 should be transferred to Account No. 5800-07-199 fiscal year 1976-77; and, \$7,604.22 should be transferred to Account No. 5800-80-422-01.

According to The Adjutant General's 1977-78 fiscal year budget request for Property Maintenance, Account No. 5800-07, the Legislature appropriated a sufficient amount to cover 100 percent of the cost; however, in October 1977 the federal government required the Adjutant General to employ four additional security guards with reimbursement of 100 percent of state funds expended. Since these four guards were not included in the budget request, their salaries, which estimated will amount to \$20,400.00, must be paid from Special Revenue, Account No. 8440-07. All other monies received in this account from federal reimbursements should be transferred to the General Revenue Fund at the end of the fiscal year.

STATE ARMORY BOARD

The Adjutant General's office receives an appropriation from the Legislature for the payment of rental on state armories from the State Armory Board. These funds are appropriated to Account No. 5800-08 and then transferred to Account No. 8445-09. These funds are to be used by the State Armory Board to retire maturing revenue bonds, maintain the reserve fund and operation and maintenance of the armory system. As per resolution adopted by the State Armory Board an annual audit is conducted by an independent accounting firm. A copy of this audit is on file in the Legislative Auditor's office.

### EXIT CONFERENCE

An exit conference was held on November 15, 1977 at 2:30 p.m. with the chief of administrative services, administrative assistant, fiscal supervisor and the finance manager. All phases of the examination including suggestions and recommendations were reviewed. The officials concurred with all findings and recommendations with the exception of the disposition of the federal reimbursements in Account No. 8440-07. They contend that \$32,584.00 of these funds will be needed to cover the cost of the Property Maintenance Account for the 1977-78 fiscal year. This amount consists of \$12,184.00 over the amount appropriated as per budget request plus the estimated \$20,400.00 for the four new security guards authorized by the federal government.

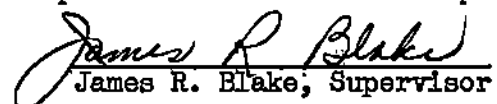
### RECOMMENDATIONS

It is recommended that:

1. The State Auditor's monthly account status report be filed in book form;
2. All Treasury deposits be filed in numerical order in book form;
3. All transmittals with invoices attached be filed according to account number in numerical order;
4. A transmittal numbering system be established beginning with number one for each account; and
5. The reimbursement funds for fiscal year 1976-77 expenditures deposited to Special Revenue, Account No. 8440-07, be transferred to the General Revenue Fund in accordance with the State Auditor's office request. Future monies received in this account from federal reimbursements for expenditures from the Property Maintenance Account be transferred to General Revenue with the exception of approximately \$20,400.00 needed to pay the cost for four new positions authorized by the federal government.

### CERTIFICATE

In the opinion of the examiners the above statements and the following schedules present a true and complete report of the records and accounts of The Adjutant General, Charleston, West Virginia, for the period covered in the Scope of Audit.

  
James R. Blake, Supervisor

ACCOUNT NO. 5800-00  
PERSONAL SERVICES  
RECEIPTS AND DISBURSEMENTS

	<u>July 1, 1974- June 30, 1975</u>	<u>July 1, 1975- June 30, 1976</u>	<u>July 1, 1976- June 30, 1977</u>	<u>Combined Totals</u>
<u>Appropriations</u>	<u>\$123,942.00</u>	<u>\$136,139.00</u>	<u>\$160,000.00</u>	<u>\$420,081.00</u>
<u>Disbursements</u>	<u>\$120,221.57</u>	<u>\$130,648.08</u>	<u>\$149,653.27</u>	<u>\$400,522.92</u>
<u>Unexpended Balances, July 31</u>	<u>\$ 3,720.43</u>	<u>\$ 5,490.92</u>	<u>\$ 10,346.73</u>	<u>\$ 19,558.08</u>
<u>Transmittals Paid in July</u>	<u>758.49</u>	<u>750.00</u>	<u>-0-</u>	<u>1,508.49</u>
<u>Unexpended Balances, June 30</u>	<u>\$ 4,478.92</u>	<u>\$ 6,240.92</u>	<u>\$ 10,346.73</u>	<u>\$ 21,066.57</u>

ACCOUNT NO. 5800-01  
CURRENT EXPENSES  
RECEIPTS AND DISBURSEMENTS

	<u>July 1, 1974- June 30, 1975</u>	<u>July 1, 1975- June 30, 1976</u>	<u>July 1, 1976- June 30, 1977</u>	<u>Combined Totals</u>
<u>Appropriations</u>	<u>\$250,000.00</u>	<u>\$301,324.00</u>	<u>\$324,400.00</u>	<u>\$875,724.00</u>
<u>Disbursements</u>	<u>\$248,159.06</u>	<u>\$299,849.01</u>	<u>\$323,990.95</u>	<u>\$871,999.02</u>
<u>Unexpended Balances, July 31</u>	<u>\$ 1,840.94</u>	<u>\$ 1,474.99</u>	<u>\$ 409.05</u>	<u>\$ 3,724.98</u>
<u>Transmittals Paid in July</u>	<u>20,771.32</u>	<u>32,981.53</u>	<u>27,229.39</u>	<u>80,982.24</u>
<u>Unexpended Balances, June 30</u>	<u>\$ 22,612.26</u>	<u>\$ 34,456.52</u>	<u>\$ 27,638.44</u>	<u>\$ 84,707.22</u>

ACCOUNT NO. 5800-02  
REPAIRS AND ALTERATIONS  
RECEIPTS AND DISBURSEMENTS

	<u>July 1, 1974- June 30, 1975</u>	<u>July 1, 1975- June 30, 1976</u>	<u>July 1, 1976- June 30, 1977</u>	<u>Combined Totals</u>
<u>Appropriations</u>	<u>\$24,500.00</u>	<u>\$24,500.00</u>	<u>\$36,000.00</u>	<u>\$85,000.00</u>
<u>Disbursements</u>	<u>\$23,128.36</u>	<u>\$23,167.94</u>	<u>\$26,275.84</u>	<u>\$72,572.14</u>
<u>Unexpended Balances, July 31</u>	<u>\$ 1,371.64</u>	<u>\$ 1,332.06</u>	<u>\$ 9,724.16</u>	<u>\$12,427.86</u>
<u>Transmittals Paid in July</u>	<u>5,292.60</u>	<u>1,483.95</u>	<u>6,225.62</u>	<u>13,002.17</u>
<u>Unexpended Balances, June 30</u>	<u>\$ 6,664.24</u>	<u>\$ 2,816.01</u>	<u>\$15,949.78</u>	<u>\$25,430.03</u>

ACCOUNT NO. 5800-03  
EQUIPMENT  
RECEIPTS AND DISBURSEMENTS

	<u>July 1, 1974- June 30, 1975</u>	<u>July 1, 1975- June 30, 1976</u>	<u>July 1, 1976- June 30, 1977</u>	<u>Combined Totals</u>
<u>Appropriations</u>	<u>\$7,200.00</u>	<u>\$11,200.00</u>	<u>\$7,700.00</u>	<u>\$26,100.00</u>
<u>Disbursements</u>	<u>\$5,950.74</u>	<u>\$ 7,852.33</u>	<u>\$7,567.67</u>	<u>\$21,370.74</u>
<u>Unexpended Balances, July 31</u>	<u>\$1,249.26</u>	<u>\$ 3,347.67</u>	<u>\$ 132.33</u>	<u>\$ 4,729.26</u>
<u>Transmittals Paid in July</u>	<u>2,004.80</u>	<u>3,550.80</u>	<u>4,598.00</u>	<u>10,153.60</u>
<u>Unexpended Balances, June 30</u>	<u>\$3,254.06</u>	<u>\$ 6,898.47</u>	<u>\$4,730.33</u>	<u>\$14,882.86</u>

ACCOUNT NO. 5800-06  
COMPENSATION COMMAND OFFICERS  
RECEIPTS AND DISBURSEMENTS

	<u>July 1, 1974- June 30, 1975</u>	<u>July 1, 1975- June 30, 1976</u>	<u>July 1, 1976- June 30, 1977</u>	<u>Combined Totals</u>
<u>Appropriations</u>	<u>\$96,040.00</u>	<u>\$95,360.00</u>	<u>\$95,360.00</u>	<u>\$286,760.00</u>
<u>Disbursements</u>	<u>\$89,201.67</u>	<u>\$88,985.81</u>	<u>\$91,254.52</u>	<u>\$269,442.00</u>
<u>Unexpended Balances, July 31</u>	<u>\$ 6,838.33</u>	<u>\$ 6,374.19</u>	<u>\$ 4,105.48</u>	<u>\$ 17,318.00</u>
<u>Transmittals Paid in July</u>	<u>16,083.30</u>	<u>37,335.37</u>	<u>10,234.95</u>	<u>63,653.62</u>
<u>Unexpended Balances, June 30</u>	<u>\$22,921.63</u>	<u>\$43,709.56</u>	<u>\$14,340.43</u>	<u>\$ 80,971.62</u>

ACCOUNT NO. 5800-07  
PROPERTY MAINTENANCE  
RECEIPTS AND DISBURSEMENTS

	<u>July 1, 1974- June 30, 1975</u>	<u>July 1, 1975- June 30, 1976</u>	<u>July 1, 1976- June 30, 1977</u>	<u>Combined Totals</u>
<u>Appropriations</u>	<u>\$300,240.00</u>	<u>\$317,198.00</u>	<u>\$365,200.00</u>	<u>\$ 982,638.00</u>
<u>Transfers from Account     8440-07</u>		<u>14,522.25*</u>	<u>22,307.50</u>	<u>36,829.75</u>
<u>Totals</u>	<u>\$300,240.00</u>	<u>\$331,720.25</u>	<u>\$387,507.50</u>	<u>\$1,019,467.75</u>
<u>Disbursements - Personal Ser.</u>	<u>\$270,599.08</u>	<u>\$305,924.45</u>	<u>\$383,208.66</u>	<u>\$ 959,732.19</u>
<u>Unexpended Balances, July 31</u>	<u>\$ 29,640.92</u>	<u>\$ 25,795.80</u>	<u>\$ 4,298.84</u>	<u>\$ 59,735.56</u>
<u>Transmittals Paid in July</u>	<u>1,137.25</u>	<u>(14,522.25)</u>	<u>-0-</u>	<u>(13,385.00)</u>
<u>Unexpended Balances, June 30</u>	<u>\$ 30,778.17</u>	<u>\$ 11,273.55</u>	<u>\$ 4,298.84</u>	<u>\$ 46,350.56</u>

\* This amount was transferred from Account 8440-07 on April 15, 1977.



ACCOUNT NO. 5800-08  
STATE ARMORY BOARD  
RECEIPTS AND DISBURSEMENTS

	<u>July 1, 1974- June 30, 1975</u>	<u>July 1, 1975- June 30, 1976</u>	<u>July 1, 1976- June 30, 1977</u>	<u>Combined Totals</u>
<u>Appropriations</u>	<u>\$1,100,573.00</u>	<u>\$1,164,116.00</u>	<u>\$1,325,000.00</u>	<u>\$3,589,689.00</u>
<u>Disbursements</u>				
Transfers to Account 8445-09	<u>\$1,100,573.00</u>	<u>\$1,164,116.00</u>	<u>\$1,325,000.00</u>	<u>\$3,589,689.00</u>

ACCOUNT NO. 5800-79  
AWARDS FOR CLAIMS AGAINST THE STATE  
RECEIPTS AND DISBURSEMENTS

	<u>July 1, 1974- June 30, 1975</u>	<u>July 1, 1976- June 30, 1977</u>	<u>Combined Totals</u>
<u>Appropriations</u>	<u>\$2,476.38</u>	<u>\$15,248.89</u>	<u>\$17,725.27</u>
<u>Disbursements</u>	<u>\$2,476.38</u>	<u>\$ -0-</u>	<u>\$ 2,476.38</u>
<u>Unexpended Balances</u>	<u>\$ -0-</u>	<u>\$15,248.89</u>	<u>\$15,248.89</u>

Note: The appropriation for fiscal year 1976-77 was not expended until fiscal year 1977-78.

ACCOUNT NO. 5800-80  
GENERAL REVENUE FUND  
JULY 1, 1974 - JUNE 30, 1977

	<u>July 1, 1974- June 30, 1975</u>	<u>July 1, 1975- June 30, 1976</u>	<u>July 1, 1976- June 30, 1977</u>	<u>Combined Totals</u>
<u>Receipts</u>				
Federal Reimbursements:				
Air National Guard - Charleston	\$160,970.93	\$131,146.80	\$265,201.77	\$ 557,319.50
Air National Guard - Martinsburg	162,198.99	138,239.62	290,019.79	590,458.40
Army National Guard	<u>45,963.61</u>	<u>27,008.27</u>	<u>42,605.46</u>	<u>115,577.34</u>
Totals	<u>\$369,133.53</u>	<u>\$296,394.69</u>	<u>\$597,827.02</u>	<u>\$1,263,355.24</u>

ACCOUNT NO. 8336-06  
MILITIA FINES AND COLLECTIONS  
RECEIPTS AND DISBURSEMENTS  
JULY 1, 1974 - JUNE 30, 1975

<u>Balance</u>		
State Treasury		\$2,079.32
 <u>Receipts</u>		
Federal Funds		<u>1,360.94*</u>
TOTAL CASH TO ACCOUNT FOR		<u>\$3,440.26</u>
 <u>Disbursements</u>		
Office Expenses	\$ 9.95	
Telephone and Telegraph	113.29	
Garbage Collection	79.75	
Rental Expenses (Equipment)	335.83	
Equipment Repairs	57.00	
Building Supplies and Alterations	268.98	
Service Medals	78.00	
Pistol Match Fees	144.00	
4 - Mountaineer Uniforms	1,000.00	
OCS Staff Shield	<u>202.43</u>	
 Total		 \$2,289.23
 <u>Balance</u>		
State Treasury		<u>1,151.03</u>
TOTAL CASH ACCOUNTED FOR		<u>\$3,440.26</u>

\* Federal reimbursement for telephone calls operation "Go Guard."

Note: This account number was changed to 8440-06 effective July 1, 1975.

ACCOUNT NO. 8440-06  
MILITIA FINES AND COLLECTIONS  
RECEIPTS AND DISBURSEMENTS  
JULY 1, 1975 - JUNE 30, 1976

<u>Balance</u>		
State Treasury		\$1,151.03
 <u>Receipts</u>		
Fines	\$255.00	
Federal Funds	<u>284.24</u>	
Total		<u>539.24</u>
TOTAL CASH TO ACCOUNT FOR		<u>\$1,690.27</u>
 <u>Disbursements</u>		
Entry Fees to Wadcutter's, Inc. for Pistol Match Tournaments		\$ 318.00
 <u>Balance</u>		
State Treasury		<u>1,372.27</u>
TOTAL CASH ACCOUNTED FOR		<u>\$1,690.27</u>

JULY 1, 1976 - JUNE 30, 1977

<u>Balance</u>		
State Treasury		\$1,372.27
 <u>Receipts</u>		
Fines	\$413.00	
Less: Charge Back (Benny Hicks)	<u>8.00</u>	
Net Receipts		<u>405.00</u>
TOTAL CASH TO ACCOUNT FOR		<u>\$1,777.27</u>
 <u>Disbursements</u>		
2 - Kentucky Load Rifles	\$199.98	
Entry Fees State Pistol Match	383.00	
Trophies	<u>69.69</u>	
Total		\$ 652.67
 <u>Balance</u>		
State Treasury		<u>1,124.60</u>
TOTAL CASH ACCOUNTED FOR		<u>\$1,777.27</u>

ACCOUNT NO. 8339-09  
PAVING CAMP DAWSON AIRPORT  
RECEIPTS AND DISBURSEMENTS  
JULY 1, 1974 - JUNE 30, 1975

<u>Balance</u>	
State Treasury	<u>\$10,056.95</u>

Note: No activity in this account during this period.

This account number was changed to 8440-09 effective July 1, 1975.

JULY 1, 1975 - JUNE 30, 1976

<u>Balance</u>	
State Treasury	<u>\$10,056.95</u>

<u>Disbursements</u>	
F. M. File Hardware (Perforated Plastic Pipe)	\$2,580.85
Airport Lighting and Navigation Aids (2 - White Wind Socks)	<u>92.00</u>
Total	\$ 2,672.85

<u>Balance</u>	
State Treasury	<u>7,384.10</u>
TOTAL CASH ACCOUNTED FOR	<u>\$10,056.95</u>

JULY 1, 1976 - JUNE 30, 1977

<u>Balance</u>	
State Treasury	<u>\$7,384.10</u>

<u>Disbursements</u>	
Royal Supply (Floor Squeegees)	\$ 71.10
Jennite Company (Pavement Sealer)	<u>5,512.50</u>
Total	\$5,583.60

<u>Balance</u>	
State Treasury	<u>1,800.50</u>
TOTAL CASH ACCOUNTED FOR	<u>\$7,384.10</u>

ACCOUNT NO. 8440-07  
AIR NATIONAL GUARD SECURITY  
RECEIPTS AND DISBURSEMENTS  
JULY 1, 1975 - JUNE 30, 1976

<u>Receipts</u>		
Federal Reimbursements		<u>\$4,558.25</u>
<u>Balance</u>		
State Treasury		<u>\$4,558.25</u>

JULY 1, 1976 - JUNE 30, 1977

<u>Balance</u>		
State Treasury		\$ 4,558.25

<u>Receipts</u>		
Federal Reimbursements		<u>59,028.28</u>

TOTAL CASH TO ACCOUNT FOR	<u>\$63,586.53</u>
---------------------------	--------------------

<u>Disbursements</u>		
Transfers to Account 5800-07 -		
April 15, 1977 - 1975-76 Fiscal Year	\$14,522.25 1/	
April 27, 1977 - 1976-77 Fiscal Year	16,807.50 2/	
June 17, 1977 - 1976-77 Fiscal Year	<u>5,500.00 2/</u>	
Total		\$36,829.75

<u>Balance</u>		
State Treasury		<u>26,756.78</u>

TOTAL CASH ACCOUNTED FOR	<u>\$63,586.53</u>
--------------------------	--------------------

1/ To revert 100% federal reimbursement of approximately ten security guards employed from March 17, 1976 through June 30, 1976 and paid with state appropriated funds.

2/ To reimburse for two months salary for ten security guards.

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 Article 2, Chapter 4, Code of West Virginia, as amended, and that the same is a true and correct copy of said report.

Given under my hand this 17<sup>th</sup> day of May,  
1978.

Encil Bailey  
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 Adjutant General; Attorney General; Governor; and State Auditor.