

**STATE OF WEST VIRGINIA**

**AUDIT REPORT**

**OF**

***NORTHERN REGIONAL JAIL***

**FOR THE PERIOD**

**JULY 1, 1997 - JUNE 30, 1999**



**OFFICE OF THE LEGISLATIVE AUDITOR**

**CAPITOL BUILDING**

**CHARLESTON, WEST VIRGINIA 25305-0610**

NORTHERN REGIONAL JAIL  
FOR THE PERIOD  
JULY 1, 1997 - JUNE 30, 1999

WEST VIRGINIA LEGISLATURE  
Joint Committee on Government and Finance

Theford L. Shanklin, CPA, Director  
Legislative Post Audit Division  
Building 1, Room W- 329  
1900 Kanawha Blvd. E.



Area Code (304)  
Phone: 347-4880  
Fax: 347-4880

CHARLESTON, WEST VIRGINIA 25305-0844

To the Joint Committee on Government and Finance:

In compliance with the provisions of the West Virginia Code, Chapter 31, Article 20, as amended, we have examined the accounts of the Northern Regional Jail.

Our examination covers the period July 1, 1997 through June 30, 1999. The results of this examination are set forth on the following pages of this report.

Respectfully submitted,

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

Theford L. Shanklin, CPA, Director  
Legislative Post Audit Division

TLS/ela

NORTHERN REGIONAL JAIL

TABLE OF CONTENTS

Exit Conference . . . . . 1

Introduction . . . . . 2

Board Members . . . . . 4

Administrative Officers and Staff . . . . . 5

Summary of Findings, Recommendations and Responses . . . . . 7

General Remarks . . . . . 16

Independent Auditors' Opinion . . . . . 57

Statement of Cash Receipts, Disbursements  
and Changes in Fund Balances . . . . . 58

Notes to Financial Statements . . . . . 60

Supplemental Information . . . . . 61

Certificate of Director  
Legislative Post Audit Division . . . . . 65

NORTHERN REGIONAL JAIL

EXIT CONFERENCE

We held an exit conference on September 5, 2000 with the Executive Director of the Regional Jail Authority, the Administrator and other representatives of Northern Regional Jail and all findings and recommendations were reviewed and discussed. The Agency's responses are included in bold and italics in the Summary of Findings, Recommendations and Responses and after our findings in the General Remarks section of this report.

## NORTHERN REGIONAL JAIL

### INTRODUCTION

#### West Virginia Regional Jail and Correctional Facility Authority

The West Virginia Regional Jail and Correctional Facility Authority was established under Chapter 150, Acts of the Legislature in 1985, and was amended by House Bill 4702 in 1998, to plan, finance, construct and operate a statewide system of regional jails. The West Virginia Regional Jail and Correctional Facility is also responsible for the financing and the construction of correctional facilities for the Division of Corrections and juvenile facilities for the Division of Juvenile Services.

The West Virginia Regional Jail and Correctional Facility Authority consists of seven voting and two nonvoting members. The voting members are the Secretary of Military Affairs and Public Safety, the Secretary of Administration, three county officials appointed by the Governor, and two citizens appointed by the Governor to represent the areas of law and medicine. The two nonvoting members are the Commissioner of Corrections and the Director of Juvenile Services.

The West Virginia Regional Jail and Correctional Facility Authority opened its first regional jail, Eastern Regional Jail, on May 1, 1989 in Martinsburg, West Virginia; other regional jails operating include the following: Central Regional Jail, Flatwoods, West Virginia; South Central Regional Jail, South Charleston, West Virginia; Southern Regional Jail, Beaver, West Virginia; Northern

Regional Jail and Correctional Facility, Moundsville, West Virginia; and the Southwestern Regional Jail, Holden, West Virginia. Facilities which are currently under construction by the West Virginia Regional Jail and Correctional Facility include the following: The Potomac Highlands Regional Jail, Augusta, West Virginia; North Central Regional Jail, West Union, West Virginia; and Western Regional Jail, Barboursville, West Virginia. Each of the three previous jails under construction have completion dates scheduled for 2000, 2001, and 2003, respectively.

#### Northern Regional Jail

As a result of the closing of the West Virginia Penitentiary at Moundsville, the Northern Regional Jail and Correctional Facility (NRJ&CF) was dedicated on August 24, 1994. The unique feature of this facility is that this is the first time the two correctional entities have been placed under one roof. The facility houses both Regional Jail Authority inmates and the Division of Corrections inmates. This facility received its first inmates on the Corrections side on August 31, 1994 and on the Regional Jail Authority side on October 23, 1994. The Regional Jail side of the dual facility has a general capacity of 200 beds and services Brooke, Hancock, Marshall, Ohio, and Wetzel counties in West Virginia.

WEST VIRGINIA REGIONAL JAIL AND  
CORRECTIONAL FACILITY AUTHORITY

BOARD MEMBERS

Statutory Members

Manfred G. Holland . . . . . Director of Juvenile Services  
05/01/99 - 06/30/99

Phyllis Carter . . . . . Director of Juvenile Services  
07/01/97 - 04/30/99

Otis G. Cox Jr. . . . . Secretary, Department of Military  
Affairs and Public Safety

Paul Kirby . . . . . Commissioner, Division of Corrections  
05/01/99 - 06/30/99

William Duncil . . . Acting Commissioner, Division of Corrections  
03/10/99 - 04/30/99

William K. Davis . . . . . Commissioner, Division of Corrections  
07/01/97 - 03/09/99

Joseph F. Markus . . . . Secretary, Department of Administration

Gubernatorial Appointees

Daniel N. Huck . . . . . Chairman

Commissioner Vernon F. Barley . . . . . Vice Chairman

Sheriff Michael K. Griffin . . . . . Board Member

Commissioner Glen R. Stotler . . . . . Board Member  
01/25/99 - 06/30/99

Commissioner James C. Smith . . . . . Board Member  
07/01/99 - 01/24/99

Dr. John Walden . . . . . Board Member

WEST VIRGINIA REGIONAL JAIL AND  
CORRECTIONAL FACILITY AUTHORITY  
ADMINISTRATIVE OFFICERS AND STAFF  
AS OF JUNE 30, 1999

Stephen D. Canterbury . . . . . Executive Director  
Bobby G. Workman . . . . . Deputy Director  
(5/16/98 - 6/15/99)  
Frank G. Shumaker . . . . . Deputy Director  
(7/1/97 - 7/31/97)  
W. Jean Park . . . . . Administrative Assistant  
John L. King II . . . . . Chief of Operations  
William Chilton Lilly . . . . . Construction Manager  
Todd J. Chafin . . . . . Personnel Director  
Tony W. Davis . . . . . Administrative Services Manager II  
Betty S. Light . . . . . Programs Specialist

NORTHERN REGIONAL JAIL  
ADMINISTRATIVE OFFICERS AND STAFF  
AS OF JUNE 30, 1999

James Spencer . . . . .	Administrator (6/1/98 - Present)
Jerry Hedrick . . . . .	Administrator (7/1/97 - 5/31/98)
Larry Bunting . . . . .	Lieutenant
Nancy Boreman . . . . .	First Sergeant
Shar Murrin . . . . .	Director of Inmate Services
Teresa Rush . . . . .	Fiscal Clerk
Millie Adams . . . . .	Billing Clerk

NORTHERN REGIONAL JAIL

SUMMARY OF FINDINGS, RECOMMENDATIONS AND RESPONSES

Lack of Effective System of Internal Controls

1. During the course of our examination, it became apparent to us, based on observed noncompliance with the West Virginia Code and other applicable rules and regulations, Northern Regional Jail (Northern) did not have an effective system of internal controls in place to insure compliance with applicable State laws, rules and regulations.

Auditor's Recommendation

We recommend the Agency comply with Chapter 5A, Article 8, Section 9(b) of the West Virginia Code, as amended, and establish a system of internal controls.

Agency's Response

*If our procedures do not provide adequate control, then we need to revise them so that they ensure we are in compliance with the Code. (See pages 17-20)*

Retirement Annuity Overstatement

2. The Authority reinstated 2,248 hours to an employee's sick leave balance when their policy permitted reinstatement of only 240 hours. The employee, upon retirement, used this sick leave to extend his credited service which caused his retirement annuity to be overstated by approximately \$135.00 per month. In addition his annual leave balance was overstated resulting in an overpayment of \$112.80 to the employee when he retired.

Auditor's Recommendation

We recommend Northern comply with the Authority's Policy And Procedure Statement 3016. We further recommend they comply with Chapter 12, Article 3, Section 13 of the West Virginia Code, as amended.

Agency's Response

The Authority's policy was followed in allowing the transfer of credited time upon the request of Commissioner Davis. The overpayment of \$112.80 was a calculation error.

(See pages 20-24)

Employee Remained on Payroll While  
Receiving Workers' Compensation Benefits

3. An employee was allowed to remain on payroll and continued to accrue annual and sick leave while receiving benefits from Workers' Compensation. In addition, the employee was not required to buy back two days of sick leave that he used and was later paid for by Workers' Compensation. The employee was overpaid a total of \$1,096.92 and his annual leave balance was understated by 12.15 hours and his sick leave balance was overstated by 12.62 hours.

Auditor's Recommendation

We recommend the Agency comply with the West Virginia Code, Chapter 12, Article 3, Section 13, as amended, and Chapter 23, Article 4, Section 1, as amended, and Division of Personnel rules pertaining to leave accrual while on medical leave of absence. We also recommend the agency use all methods available to them under Chapter 14, Article 1 of the West Virginia Code to recover the overpayments.

Agency's Response

According to time records, apparently the employee falsified time sheets utilizing sick time while receiving Workers' Compensation. The Authority will henceforth put into place a better monitoring protocol for employees who are on Workers' Compensation. (See pages 25-28)

Medical and Food Service Expenditure Reimbursements

4. Reimbursements were made to the Division of Corrections in the amount of \$1,108,795.17, for medical and food services costs paid on behalf of the jail, without any documentation or discernable logic for determining the amount of reimbursement.

Auditor's Recommendation

We recommend Northern renegotiate their contract with the Division of Corrections, establishing a clear criteria for determining the amount and method of any required reimbursements to comply with Chapter 5A, Article 8, Section 9 of the West Virginia Code, as amended.

Agency's Response

Unfortunately, the Department of Corrections does not agree with our position and has not signed our newly proposed interagency agreement. Until a new agreement is signed, we shall continue to do our very best to get a more detailed account of medical and food services for which we are being billed. (See pages 28 and 29)

### Donated Leave

5. We noted instances of donated leave recipients retaining unused donated leave and we found donated leave was not deducted from the balances of some donors while other donors had more hours deducted from their balances than they had donated.

#### Auditor's Recommendation

We recommend Northern comply with Sections 4, 5.1c and 7 of the West Virginia Division of Personnel Rule 143CSR2.

#### Agency's Recommendation

*A memorandum will be issued from the Central Office to all appropriate jail personnel regarding the donated leave procedures so that not only Northern but all of the jails are fully in compliance with Sections 4 5.1c and 7 of the West Virginia Division of Personnel Administrative Rule 143CSR2. We shall instruct that all unused leave be returned. (See pages 29-33)*

### Payment Before Services Rendered

6. Ten employees of 45 tested had been paid a total of \$2,614.29 for services not rendered. These errors resulted from employees being paid for hours not worked, being paid twice for the same hours and being paid at the wrong hourly rate.

Auditor's Recommendation

We recommend Northern comply with Chapter 12, Article 3, Section 13 and Chapter 5, Article 5, Section 2, of the West Virginia Code, as amended. We also recommend Northern comply with the West Virginia Regional Jail and Correctional Facility Authority Policy and Procedure Statement Number 3021, and the Division of Personnel Policy Number 15.1, Section (d). We further recommend Northern use all methods available to them under Chapter 14, Article 1 of the West Virginia Code to recover the overpayments.

Agency's Recommendation

The Director of Personnel has advised the jail Administrators that they must submit a memorandum to the Central Office notifying the payroll personnel of all actions being taken within a week of the effective date. This should clear up the oversight of employees being overpaid and help the Authority be in compliance with the Code. (See pages 33-40)

Incorrect Hourly Rate for Overtime

7. We noted 13 of the 40 employees tested, received overtime compensation at incorrect rate of pay. The errors were a result of increment pay not being correctly factored into the hourly rate. The overpayments totaled \$90.53 and the under payments totaled \$39.96.

Auditor's Recommendation

We recommend that the Agency comply with the West Virginia Code and the Opinions of the Attorney General and the United States Department of Labor.

Agency's Response

*These errors are the result of careless computation. The Authority will continue to instruct staff to be as careful as possible when calculating overtime pay. (See pages 40-42)*

Lump Sum Annual Leave Miscalculation

8. All of the 12 employees tested who had received lump sum payments for annual leave upon termination were paid an incorrect amount. Four were overpaid a total of \$123.48 and eight were underpaid a total of \$778.60.

Auditor's Recommendation

We recommend the Agency's Central Office personnel comply with Chapter 5, Article 5, Section 3 of the West Virginia Code, as amended, and the Attorney General's Opinion No. 3, dated August 17, 1988 when calculating employee's lump sum annual leave payments.

Agency's Response

*The Authority has corrected the problem with an upgrade to the Northern Regional Jail's computer system to minimize the likelihood of repeating these errors and thus making every effort to ensure that the Authority is in compliance with Chapter 5, Article 5, Section 3 of the West Virginia Code. (See pages 43-45)*

Agency Not Adhering to Rules and Regulations for Purchase Card Use

9. The Agency, in several instances, did not comply with the Purchasing Card Policies and Procedures promulgated by the State Auditor's office. We noted invoices which were neither marked paid nor showed a zero balance, stringing of invoices to avoid exceeding the dollar limit and payments which were not made and received by the auditor by the due date.

Auditor's Recommendation

We recommend Northern Regional Jail comply with the State of West Virginia Purchasing Card Policies and Procedures.

Agency's Response

Shortly after the Legislative Post Audit Division staff began their work at Northern, we recognized that the Authority needed to make a system-wide assessment of the stamping of the invoices with "Paid by Visa". This procedure has now been put into place and this problem of omission should be now solved not only at Northern but at any of the other jails which were not in compliance. Concerning the uniform purchases from Bernhardt's, first it is imperative to note that these separate invoices were not prepared with the intention of avoiding the \$500 ceiling on purchases at that time. Since the vendor does not always ship items in a complete order, invoices are prepared accordingly. We are ordering the uniforms using one purchase order per complete uniforms per individual. These

*orders are off of a Purchasing Division's approved agency open-ended contract. The Authority shall continue to make every effort to comply with the State Auditor's Policies and Procedures pertaining to the use of the Purchasing Card. (See pages 45-50)*

Employees Not Paid For All Hours Worked

10. During our test of termination pay, we found six employees of 15 tested were not compensated for all hours they had worked. The six employees were underpaid a total amount of \$611.74.

Auditor's Recommendation

We recommend Northern comply with Chapter 21, Article 5C, Section 3 of the West Virginia Code, as amended, and West Virginia Regional Jail and Correctional Facility Authority Policy and Procedure Statement Numbers 3013, 3020, and 3021.

Agency's Response

*We shall send a memorandum to each of the jails reminding appropriate staff to be especially alert in reviewing time sheets so that these kinds of errors are avoided in the future. (See pages 50-53)*

Incorrect Travel Reimbursement

11. One employee was reimbursed for meals while on travel status at the incorrect rate resulting in an overpayment of \$24.00.

Auditor's Recommendation

We recommend Northern comply with the Governor's Travel Regulations. We further recommend Northern use all methods available to them under Chapter 14, Article 1 of the West Virginia Code to collect the \$24.00 overpayment.

Agency's Response

Apparently, incorrect information was gleaned from the State's Internet site regarding the rate of reimbursement for travel to Fort Worth. The employee has agreed to resolve this matter by reimbursing the Authority \$24.00.

(See pages 53-55)

Equipment

12. The facility did not have a current equipment inventory nor did they have inventory tags affixed to equipment in many instances.

Auditor's Recommendation

We recommend Northern comply with sections 3.2, 3.6, and 3.11 of the Inventory Management and Surplus Property Disposition Policies and Guidelines.

Agency's Response

When the Northern Regional Jail opened, the Department of Corrections took control of all equipment and tagged its property and reported on GAAP. During the audit, the Northern Regional Jail staff prepared an inventory of all equipment in the Regional Jail areas and has affixed tags. The scanner mentioned in the Post Audit Report was verified from Staples to be the one on the receipt noted. (See pages 55 and 56)

NORTHERN REGIONAL JAIL

GENERAL REMARKS

INTRODUCTION

We have completed a post audit of the Northern Regional Jail (Northern). The audit covered the period July 1, 1997 through June 30, 1999.

SPECIAL REVENUE ACCOUNTS

All expenditures required for the general operation of Northern are accounted for through the following special revenue funds:

<u>FUND NUMBER</u>	<u>DESCRIPTION</u>
6654-099/553/640 . . . . .	Northern Regional Jail Operations Fund
6655-099/640 . . . . .	Northern Regional Jail Bond Revenue Fund

LOCAL ACCOUNTS

In order to have cash available for specific local operations, local bank accounts are used for managing funds required on a day-to-day basis. These local accounts are described as follows:

Inmate Trustee Account

To maintain monies received from inmates upon entering the facility, as well as, all monies sent to such inmates while incarcerated. Inmates utilize the funds maintained in this account through the use of payment vouchers and receive the balance of their account upon parole or discharge.

### Commissary Account

To maintain funds from the sale of commissary goods to inmates. Monies maintained in this account are used to reimburse the Department of Corrections for various items purchased to replenish stock supplies in the commissary and to purchase items for inmate's benefits from profits realized by the operation of the commissary.

### COMPLIANCE MATTERS

Chapter 31, Article 20 of the West Virginia Code generally governs the Northern Regional Jail. We tested applicable sections of the above plus other applicable chapters, articles and sections of the West Virginia Code as they pertain to financial matters. Our findings are discussed below.

### Lack of Effective System of Internal Controls

During the course of our examination, it became apparent to us, based on observed noncompliance with the West Virginia Code and other applicable rules and regulations, Northern did not have an effective system of internal controls in place to ensure compliance with applicable State laws. Chapter 5A, Article 8, Section 9 of the West Virginia Code, as amended, states in part:

"The head of each agency shall:

. . . (b) Make and maintain records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures and essential transactions of the agency designed to furnish information to protect the legal and financial rights of the state and of persons directly affected by the agency's activities . . . ."

This law requires the Agency head to have in place an effective system of internal controls in the form of policies and procedures set up to ensure the Agency operates in compliance with the laws, rules and regulations which govern it.

During our audit of Northern, we found the following noncompliance with State laws and other rules and regulations: (1) The Authority reinstated 2,248 hours which had been earned during previous State employment to an employee's sick leave balance when their policy only permitted reinstatement of 240 hours. The employee upon retirement used this sick leave to extend his credited service by 25 months which caused his retirement annuity to be overstated by approximately \$135.00 per month. (2) An employee was allowed to remain on payroll and continued to accrue annual and sick leave while receiving benefits from Worker's Compensation. In addition the employee was not required to buy back two days of sick leave that he used and was later paid for by worker's compensation. (3) Reimbursements were made to the Division of Corrections for medical and food services paid on behalf of the jail without any documentation or discernable logic for determining the amount of reimbursement. (4) We noted instances of donated leave recipients retaining unused donated leave and we found that donated leave was not deducted from the balances of some donors while other donors had more hours deducted from their balances than they had donated. (5) We found ten employees had been paid a total of \$2,614.29 for services not rendered. These errors resulted from employees being paid for

hours not worked, being paid twice for the same hours and being paid at the wrong hourly rate. (6) We noted 13 of 40 employees tested had been compensated at the incorrect rate for overtime hours worked. Included were six instances of increment pay being factored into the hourly rate for all hours paid over 40 hours in a week even though the hours worked were 40 or less. Also included were ten instances of increment pay not being factored into the hourly rate when more than 40 hours were worked in a week. (7) All of the twelve employees tested who had received lump sum payments for annual leave upon termination were paid an incorrect amount. Four were overpaid a total of \$123.48 and eight were underpaid a total of \$778.60. (8) The Agency in several instances did not comply with the Purchasing Card Policies and Procedures promulgated by the State Auditor's office. (9) During our test of termination pay we found six employees of 15 tested were not compensated for all of the hours they had worked. (10) One employee was reimbursed for meals while on travel status at the incorrect rate resulting in an overpayment of \$24.00. (11) The facility did not have a current equipment inventory nor did they have inventory tags affixed to equipment in many instances.

We recommend Northern comply with Chapter 5A, Article 8, Section 9(b) of the West Virginia Code, as amended, and establish a system of internal controls.

**Agency's Response**

***The Authority will continue to make every effort to be in full compliance with all applicable State laws. Specifically,***

since a number of processing and other errors were uncovered during this post audit procedure, we clearly need to examine our policies and procedures to make sure that they provide adequate control. If they do provide adequate control, then we need to step up our activities to ensure that they are followed to the letter. If they do not provide adequate control, then we need to revise them so that they are ensuring that we are in full compliance with Chapter 5A, Article 8, Section 9 of the Code.

Retirement Annuity Overstatement

We noted one employee had 2,248 hours of sick leave reinstated by Northern after he began working there. These hours were earned by the employee when he had been previously employed by other agencies. According to the applicable policies of the Regional Jail And Correctional Facility Development Authority only 240 of those hours should have been credited to the employee's sick leave balance.

Regional Jail And Correctional Facility Development Authority Policy and Procedure Statement 3016 states in part:

"...if the employee returns to work within twelve (12) successive calendar months, all sick leave shall be restored. However, if the employee returns to work after more than twelve (12) successive calendar months from his effective date of separation of employment, no more than thirty (30) days of lost sick leave shall be restored."

The employee's prior service was as follows:

12/06/65 - 09/28/71	West Virginia State Police
05/22/72 - 10/13/73	West Virginia State Police
09/11/73 - 06/30/74	Prosecutor's Office McDowell County
11/17/75 - 01/19/89	West Virginia Division of Corrections

The employee started working for the Authority January 1993, in February 1994 he had 100 days sick leave added to his balance (70 hours from his employment with the state police and 30 days from the Division of Corrections). September 1996, the Commissioner of the Division of Corrections wrote to the Authority stating "...we are officially transferring 152.5 days of sick leave to the Regional Jail Authority in "the employee's" behalf. This will negate any prior documents that were sent to your Agency regarding his sick leave" (Employee not identified). Approximately one month later, the Executive Director of the Authority notified the employee that an additional 122.5 days were being added to his sick leave. Then in April 1998, the month the employee retired an additional 58 days were added to his sick leave. All of this resulted in the employee receiving a total of 25 months service credit which he was not entitled to receive, when upon retirement he chose to convert his sick leave balance to credited service time. The additional 25 months service credit increased his retirement annuity by a factor of four percent or approximately \$135.00 per month.

In addition, the former Northern Administrator was overpaid \$112.80 for a nine hour overstatement in his annual leave balance. The Agency paid the employee \$6,349.19 for 344.5 hours for his annual leave balance at a regular hourly rate. We calculated he should have been paid \$6,236.34 for 335.5 hours.

Chapter 12, Article 3, Section 13 of the West Virginia Code, as amended, states,

"No money shall be drawn from the treasury to pay the salary of any officer or employee before his services have been rendered."

The Authority's Central Office Accounting Technician III stated the leave balances are calculated by Northern Regional Jail personnel. Whenever she pays an annual leave balance, she pays what is listed on the WV-11 in the personnel file. Because the former Administrator's annual leave balance was calculated wrong, his annual leave hours were overstated and he was overpaid \$112.80.

We recommend Northern comply with the Authority's Policy and Procedure Statement 3016. We further recommend the Authority comply with Chapter 12, Article 3, Section 13 of the West Virginia Code, as amended.

Agency's Response

*For several years, the employee in question had repeatedly advanced his claim of days owed him to the Division of Corrections (DOC). Under the leadership of a few different Commissioners, that division all but ignored his requests, flatly denying his days.*

*Upon Steve Canterbury's becoming Executive Director in June 1997, the employee immediately appealed his claim to Canterbury. Canterbury made it clear that he had no control over decisions made at DOC and that the employee should advance his case to then newly appointed Commissioner Bill Davis.*

Over the next several months, Canterbury had a few discussions with Commissioner Davis regarding the employee and his request. Canterbury made it clear to Commissioner Davis that this decision was purely the DOC's alone.

After several months of consideration (and after Commissioner Davis had discussed whether or not the employee would retire upon receiving the days in dispute), Canterbury received a memorandum from Commissioner Davis that granted the days (and which is quoted in part in the Legislative Post Audit Division Report).

Item #5 of Policy and Procedure Statement 3016 dictates that the "Authority will accept the transfer of all accrued sick leave from another state agency" (emphasis added). Thus, after Commissioner Davis made up his mind, the Authority had no choice but to follow our own policy and accept what Commissioner Davis transferred.

The Legislative Post Audit Division Report refers to Item #6 of Policy and Procedure Statement 3016 and claims that that section prohibited the Authority from accepting the days. Item #6 of Statement 3016 states in full;

6. All accumulated sick leave shall be canceled as of the effective date of separation of employment or last day worked during the notice period. Sick leave does not accrue after the effective date of separation or last day worked during the notice period. If the employee returns to work within twelve (12) successive calendar months, all sick leave shall be restored. However, if the employee returns to work after more than twelve (12) successive calendar months from his effective date of separation of employment, no more than thirty (30) days of sick leave shall be restored.

*This entire section has been quoted in order to drive home a point: the section refers only to separation from and return to employment with the Regional Jail Authority. Thus, the Authority was not in violation of this section as the Legislative Post Audit Report alleges (p.6). When the Executive Director was presented with the revised finding from Commissioner Davis, this section of policy did not prohibit the transferring of credited time since it refers only to employment--separation of employment and return to employment--in the Regional Jail Authority; no reference is made in this item to employment with other agencies. Rather, Item #5 controls here. The employee was not attempting to have days credited from previous employment with the Authority since he had never taken a break from employment with the Authority once he began work at Northern Regional Jail. Rather, the issue involves the transfer of accumulated leave from another State agency.*

*The Authority's own policy, then, was followed in allowing the transfer of credited time upon the request of Commissioner Davis.*

*The overpayment of \$112.80 for a nine hour overstatement appears, however, to be an error on the part of the Authority. Our records indicate that this was a calculation error and was in no way an attempt to be out of compliance with Chapter 12, Article 3, Section 13 of the West Virginia Code with which we shall always do our very best to be in compliance.*

Employee Remained On Payroll While  
Receiving Worker's Compensation Benefits

One employee remained on the payroll and continued to receive his regular pay and also continued to accrue annual and sick leave while he received Temporary Total Disability benefits from the Division of Worker's Compensation. He received Temporary Total Disability benefits totaling \$2,555.76 for the period September 24 - December 1, 1997. For the period of September 16 through September 31, the employee was paid his full wages of \$802.50. He should have only been paid for 64 hours (\$592.64) because his last workday was September 23<sup>rd</sup> and he used sick leave September 24<sup>th</sup> and 25<sup>th</sup> and neither sick nor annual leave was used after that date. The employee was also paid his full wages of \$802.50 for the first half of October even though he did not report for work or request leave. The employee was overpaid a total of \$1,012.36 for days when he was neither at work nor on leave status. Also the employee failed to buy back his sick leave used for the days for which he later received disability benefits. Using the West Virginia Division of Personnel "Buy Back" formula, we calculated the employee should have paid \$84.56 to buy back the two days of sick leave used. Paying the individual for time not worked is not in compliance with the West Virginia Code.

Chapter 12, Article 3, Section 13 of the West Virginia Code, as amended, states,

"No money shall be drawn from the treasury to pay the salary of any officer or employee before his services have been rendered."

It is also in noncompliance with the West Virginia Code for an employee to receive both payment for sick leave and disability benefits for the same time period.

Chapter 23, Article 4, Section 1 of the West Virginia Code, as amended, states in part,

“. . . Provided, that in the case of any employees of the state and its political subdivisions . . . who have received personal injuries in the course of and resulting from their covered employment, such employees are ineligible to receive compensation while such employees are at the same time and for the same reason drawing sick leave benefits . . . such employee for whatever reason uses or obtains sick leave benefits and subsequently receives temporary total disability benefits for the same time period, such employees may be restored sick leave time taken by him or her as a result of the compensable injury by paying to his or her employer the temporary total disability benefits received or an amount equal to the temporary total disability benefits received. Such employee shall be restored sick leave time on a day for day basis which corresponds to temporary total disability benefits paid to the employer. . .”

The responsible Central Office staff member stated the employee did not contact her and tell her he wanted to buy back his sick leave days used. According to Chapter 23, Article 4, Section 1 of the West Virginia Code, the employee should pay Northern a total of \$84.56 to buy back sick leave for the two days he was also compensated for by the Worker's Compensation Division.

In addition, the employee accrued a total of 10 hours of annual leave and 12 hours of sick leave during the month of September, 1997. We calculated he should have accrued a total of only 7.38 hours of annual leave and 8.86 hours of sick leave during this time period since he was receiving Worker's Compensation benefits from September 24<sup>th</sup> through the 30<sup>th</sup>. In addition, we found

other errors in his annual and sick leave records which caused his annual leave balance to be understated by 14.77 and sick leave balance was overstated by 9.48. In total, his annual leave balance was understated by 12.15 hours and his sick leave balance was overstated by 12.62 hours. The Division of Personnel Workers' Compensation/Sick Leave Policy states in part,

"2. When electing to receive TTD Benefits, the employee must submit a request for a Medical Leave of Absence Without Pay in accordance with the Division of Personnel Administrative Regulations on Leave of Absence. . .

c. While absent from work due to a Medical Leave of Absence Without Pay, an employee will not accrue service tenure. The resulting break in service will affect the eligibility for, and may affect the amount of, the employee's annual increment pay. Additionally, annual and sick leave will not accrue while an employee is on a Medical Leave of Absence Without Pay. Holidays occurring during this period will not be paid."

We recommend Northern comply with Chapter 12, Article 3, Section 13, as amended, and Chapter 23, Article 4, Section 1 of the West Virginia Code, as amended. We further recommend the Authority use all methods available to them under Chapter 14, Article 1 of the West Virginia Code to collect the amount due the Authority. Additionally, we recommend Northern comply with the Division of Personnel Workers' Compensation/Sick Leave Policy regarding leave accrual when an employee is on a Medical Leave of Absence.

Agency's Response

*According to time records, apparently the employee falsified time sheets utilizing sick time while receiving Workers' Compensation. The staff at the Northern Regional Jail should have caught this when the time sheets were submitted.*

*The Authority will henceforth put into place a better monitoring protocol for employees who are on Workers' Compensation so that their time sheets are clearly examined for any conflicts. We will also make every possible effort to obtain reimbursement for the overpayment.*

Medical and Food Service Expenditure Reimbursements

We were unable to test the Medical and Food Service reimbursements made from Northern's funds to the Division of Corrections (DOC). The Division of Corrections pays the Medical and Food Services expenditures for Northern and later requests reimbursement from the Regional Jail Authority for Northern's share of the costs.

Chapter 5A, Article 8, Section 9 of the West Virginia Code, as amended, states in part:

"The head of each agency shall:

. . . (b) Make an maintain records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures and essential transactions of the agency designed to furnish information to protect the legal and financial rights of the state and of persons directly affected by the agencies activities. . . "

The documentation DOC provided did not indicate how they calculated Northern's share of the total Medical and Food Service costs. During fiscal years 1998 and 1999, Northern paid the Division of Corrections \$1,108,795.17 in reimbursements for Medical and Food Services, without receiving documentation to support the original disbursements made by the DOC.

We recommend Northern renegotiate their contract with the Division of Corrections establishing a clear criteria for determining the amount and method of any required reimbursements to comply with Chapter 5A, Article 8, Section 9 of the West Virginia code.

Agency's Response

*The Authority agrees that we need a better interagency agreement with DOC establishing a clearer set of criteria for determining reimbursements at the Northern Regional Jail. Indeed, we have authored a new agreement which not only includes more specific accounting, but also a credit system since DOC typically owes the Authority millions of dollars in per diem fees annually; i.e., instead of sending a check to reimburse DOC, the Authority would apply a credited amount to the total owed for unpaid per diem bills.*

*Unfortunately, DOC does not agree with our position and has not signed this newly proposed interagency agreement. Until then, we shall continue to do our very best to get a more detailed account of medical and food services for which we are being billed.*

Donated Leave

During our audit, we found several instances of noncompliance with Division of Personnel Administrative Rules relating to donated leave. First, we noted two recipients of donated leave retained unused donated leave balances upon their return to work. These recipients had unused donated leave balances with a dollar value of \$139.28 and \$165.78, respectively. In

addition, donated leave was not deducted from the balances of some donors while other donors had excess amounts deducted from their leave balances.

Section 7 of the West Virginia Division of Personnel Administrative Rule 143CSR2 states:

"If, for whatever reason, more leave is donated to a recipient than the recipient needs or is eligible to use, that excess leave donation should be returned to the donor(s) and re-credited to his/her (their) annual leave balance(s) as follows.

. . . determine the amount of the unused leave donation in hours by dividing the unused dollar amount of the leave donation by the hourly rate of the donor at the time the donation was made;

re-credit the number of hours of unused leave donation to the annual leave balance of the donor; and,

Notify the donor of the amount of unused leave donation re-credited to his/her annual leave balance.

Unused leave donations are re-credited to the donor's annual leave balance as of the original date of the donation. In the case of leave which could not have been carried forward to the new calendar year, the donor will be given one additional opportunity to donate the leave to another designated eligible recipient. This donation should be made within five work days of notice of the re-crediting of the unused donation. If the subsequent donation is unused, that donation is re-credited to the donor's annual leave balance as of the original date of the first donation and the Administrative Rule is followed regarding carry-forward hours."

Since regulations call for donated leave to be used in the order received (earliest to latest), any unused donated leave should be returned to donors (latest to earliest).

Additionally, Northern personnel did not properly deduct leave donations from the donors annual leave balances. The following chart depicts the noted errors and affected donors for recipient No. 1:

<u>Name of Donor</u>	<u>Date Donor Donated Leave</u>	<u>Hours Donated</u>	<u>Hours Deducted From Leave Balance</u>	<u>Result</u>
Donor #1	11/18/98	24	40	AL is 16 Hrs understated
Donor #2	11/18/98	16	8	AL is 8 Hrs overstated
Donor #3	11/18/98	16	8	AL is 8 Hrs overstated

The following chart depicts the errors and affected donors for recipient No. 2:

<u>Name of Donor</u>	<u>Date Donor Donated Leave</u>	<u>Hours Donated</u>	<u>Hours Deducted From Leave Balance</u>	<u>Result</u>
Donor #3	09/24/98	8	0	AL is 8 Hrs overstated
Donor #4	09/24/98	8	0	AL is 8 Hrs overstated
Donor #5	09/24/98	8	0	AL is 8 Hrs overstated
Donor #6	09/24/98	8	0	AL is 8 Hrs overstated

Section 5.1c of the West Virginia Division of Personnel Administrative Rule 143CSR2 states:

"The appointing authority shall deduct the total donation from the annual leave balance of the donor upon receipt of the donation form specified by the Director of Personnel."

The aforementioned donor's annual leave balances are either understated or overstated by the amounts noted above. In addition, Donor No. 3 terminated employment with Northern on February 26, 1999 and received a lump sum payment for his annual leave balance which resulted in an overpayment to him of \$84.00 at the time of termination.

Finally, neither Recipient No. 1 nor Recipient No. 2 applied for a Leave of Absence without Pay before they applied for donated leave. West Virginia Division of Personnel Administrative Rule 143CSR2 Section 4 states:

"Employee who are recipients of donated leave are considered in leave without pay status in accordance with the Administrative Rule of the Division of Personnel 143CSR1."

And Section 4.4 states:

"The receipt of donated leave in no way relieves an employee of the responsibilities of applying for either a personal or a medical leave of absence without pay or receiving approval for a personal leave of absence without pay in accordance with the Administrative Rule of the Division of Personnel, 143CSR1."

Authority's Central Office personnel stated that if the individual applied for a Leave of Absence Without Pay there would be documentation in their personnel file. We looked in both employee's personnel files and neither one had any documentation stating they had applied for Leave Without Pay. Recipient No. 1 used a dollar value leave total of \$2,357.42 and Recipient No. 2 used a dollar value leave total of \$1,503.23 without properly applying for Leave Without Pay status.

We recommend Northern comply with Sections 4, 5.1c, and 7 of the West Virginia Division of Personnel Administrative Rule 143CSR2.

Agency's Response

Apparently, the Northern Regional Jail staff was not fully conversant with the donated leave policies and protocols, resulting in the errors noted in the Legislative Post Audit Report. Part of the confusion is the result of the different pay scales for various donators and employees who receive the donated time and how our jail staff can access those varying pay scales.

Naturally, we shall instruct that all unused leave be returned.

Furthermore, the Authority's central office will include a section concerning the donated leave procedure in its next Administrators' meeting so that this procedure is fully understood by all relevant jail personnel. Further, a memorandum will be issued from the Central Office to all appropriate jail personnel regarding the donated leave procedures so that not only Northern but all of the jails are full in compliance with Sections 4 5.1c, and 7 of the West Virginia Division of Personnel Administrative Rule 143CSR2.

Payment Before Services Rendered

We noted ten employees of 45 tested received compensation from Northern totaling \$2,614.29; for services not rendered. Five of the ten employees terminated employment with Northern during the audit period.

The first of these five employees was paid for three full pay periods while he should have only been paid for a partial pay period. The paycheck for one of the three pay periods was redeposited; however, the employee who terminated employment on March 25, 1998, still received a full salary of \$755.00 for both the last pay period in March and the first pay period in April. Since the employee worked only 43 hours, had eight hours holiday pay and an annual leave balance of 3.54 hours, we calculated he should have been paid \$500.79. This resulted in an overpayment of \$254.21 for the second pay period in March and \$755.00 for the first half of April or a total overpayment of \$1,009.21. Agency personnel stated the overpayment of this employee was probably a mistake.

The second employee received compensation for his annual leave balance of 66 hours twice. He received \$640.45 on February 14, 1999 and again on February 28, 1999. We calculated he should have been paid \$761.08 for his annual leave balance of 66 hours. The total overpayment to this employee was \$519.82. The Accounting Technician III stated a possible reason this employee was paid for his annual leave balance twice was because she paid the leave balance when she had a copy of the WV-11 and then again when she received the original WV-11.

On the check dated October 31, 1997, a third employee received a total of \$768.07, which consisted of a full salary \$755.00 plus \$13.07 for 1.5 hours of overtime. After reviewing this employee's time sheets, we determined he should have been paid

a total of \$622.88, for 60 regular hours, ten annual leave hours and 1.5 hours of overtime. This employee was overpaid \$145.20. Next, on the check dated November 15, 1997, Northern paid this employee for 32 hours and we calculated they should have paid him for a total of 44 hours. This resulted in a \$104.59 underpayment. Finally, on the check dated November 30, 1997, Northern paid this individual \$104.52 for 12 hours of Family Sick leave, when his sick leave balance was only four hours. We calculated his pay should have been \$82.52 for four hours sick leave balance and 5.47712 hours annual leave balance. As a result, he was overpaid \$22.00. In total, this employee was overpaid in the amount of \$62.61.

A fourth employee, on check dated January 16, 1999, was paid a total of \$969.72, which consisted of a full salary of \$926.00 plus four hours of overtime at \$43.72, during this pay period. After reviewing this employee's time sheets and leave records, we determined he did not work during this pay period and should have been paid a total of \$432.06 for his sick leave balance of 30.75 hours, four hours of overtime at his regular rate of pay and his annual leave balance of 5.25 hours. Also, on a check dated January 31, 1999, this employee was paid \$87.44 for a holiday when he had gone off the payroll after exhausting all of his annual and sick leave. The Agency also failed to pay this employee his pro-rata increment pay. In reference to the errors relating to the third and fourth employees, the Accounting Technician III stated, each pay period she pays the amount indicated on the Northern Overtime Summary Sheet, which lists the overtime hours and the

employee's regular salary. She reviews the time sheets for overtime hours only. She also stated the leave balances are calculated and maintained at the Jails and unless she is notified otherwise by the regional jails, she assumes the employees have sick or annual leave to use. She also stated the eight hours paid on January 31, 1999 was probably for January 1, 1999 holiday. Division of Personnel Policy Number 15.1, Section (d) states,

"An employee must either work or be on approved paid leave for either the full scheduled workday before or after the holiday and either work or be on approved paid leave for any fraction of the scheduled workday before or after the holiday to receive pay for the holiday. No employee is entitled to payment for any holiday which occurs prior to the first day of work or after the effective date of separation."

We calculated the employee was entitled to \$300.00 for his pro rated share of annual increment. The Authority's Central Office Accounting Technician III stated the list for increment comes from the Budget Division and she adjusts information on it if necessary. She stated she must have marked the employees names out by mistake because they were no longer employed. She also stated, if the pro rata amount wasn't on the increment check date July 31, 1999, it wasn't paid. In total, as a result of the errors outlined above this employee was overpaid in the amount of \$325.10. 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 ninety-six, every eligible employee with three or more years of service shall receive an annual salary increase equal to fifty dollars

time the employees' years of service, not to exceed twenty years of service. . ."

Attorney General Opinion Number 37, dated June 27, 1990, states in part:

". . .Considering that the W. Va. Code §5-5-2 incremental increase constitutes part of an eligible state employee's regular pay for services previously rendered, any such employee has a statutory right to any accrued pro rata share of that increment owing but not due on his final day of employment. By entitlement to pro rata share, it is meant that an employee who does not work an entire fiscal year is entitled to a fractional portion of the total increment to which the employee would have been entitled had he been employed during the entire fiscal year. The fraction would have as a numerator the number of pay periods employed, and as a denominator the number twenty-four if the employing agency pays its employees twice monthly. Any other pay plan would require the use of a fraction that would similarly provide the employee with that portion of the salary increment he earned during his final year of employment. . ."

Finally, the fifth employee was on Leave Without Pay (LWOP) status several times during the months of May and June 1998. On the following check dates, this employee was overpaid because Northern paid him his regular semi-monthly salary plus overtime worked:

<u>Check Date</u>	<u>Amount of Overpayment</u>
05/30/98	\$371.76
06/15/98	69.68
06/30/98	152.43
07/16/98	<u>2.18</u>
<b>TOTAL</b>	<b><u>\$596.04</u></b>

These overpayments occurred as a result of mathematical errors in calculating hours worked per workweek due to the employee being on LWOP status.

Chapter 12, Article 3, Section 13 of the West Virginia Code, as amended, states,

"No money shall be drawn from the treasury to pay the salary of any officer or employee before his services have been rendered."

In addition, we noted four employees were overpaid a total of \$100.38 as a result of being compensated for overtime hours at a rate 1.5 their regular rate when they had not worked 40 hours during the workweek; because they had taken annual or sick leave. We also noted an instance where one employee was paid the wrong hourly rate for four hours of overtime resulting in an overpayment of \$1.13. The Accounting Technician III stated the four employees paid at one and one-half times the hourly rate were oversights and they should have been paid at regular hourly rate. She also stated the hourly rates are obtained from the WV-11 in the employee's personnel file. She said she pays the overtime hours from a summary schedule received from Northern Regional Jail.

West Virginia Regional Jail and Correctional Facility Authority Policy and Procedure Statement Number 3021, states, in part,

". . . The normal workweek for employees assigned to regional jails shall consist of forty hours. Employees defined as non-exempt who are approved to work in excess of forty hours, shall be compensated at the rate of one and one-half times their normal hourly rate of pay for all hours worked in excess of forty.

In the consideration of overtime, there are certain hours which are not considered to be hours worked for the purposes of the Fair Labor Standards Act; those hours include time taken off from work on paid sick leave or annual leave, paid holidays . . ."

We recommend Northern comply with Chapter 12, Article 3, Section 13 and Chapter 5, Article 5, Section 2, of the West Virginia Code, as amended. We also recommend Northern comply with the West Virginia Regional Jail and Correctional Facility Authority Policy and Procedure Statement Number 3021, and the Division of Personnel Policy Number 15.1, Section (d). We further recommend Northern make payments to those individuals who were under paid and use all methods available to them under Chapter 14, Article 1 of the West Virginia Code to collect the \$2,614.29 due them.

Agency's Response

*Errors with the pay of five employees are herein cited. There were mistakes made as noted in all of the cases except one.*

*The employee who terminated employment on March 25, 1998, would have received a full salary on March 31, 1998. The agency pays two weeks in arrears and this would have been for time worked from March 1 through March 16, 1998. However, there were miscalculation errors on the part of the Authority for the first pay period in April. This occurred because the time sheets are submitted two weeks after the occurrence of a pertinent transaction. It is, therefore, essential that the jail staff notify the Central Office of personnel actions.*

The Director of Personnel has advised the jail Administrators that they must submit a memorandum to the Central Office notifying the payroll personnel of all actions being taken within a week of the effective date. This should clear up the oversight of employees being overpaid and help the Authority be in compliance with the Code. We will also make every effort to obtain reimbursement for the overpayments.

Incorrect Hourly Rate for Overtime

We noted 13 employees of 40 tested, received overtime compensation at the wrong rate of pay during the period July 1, 1997 - June 30, 1999. Six employees, on one occasion each, were compensated at an hourly rate of pay which included increment pay for all hours over 40 even though actual hours worked in a workweek totaled 40 or less hours. This resulted in a total overpayment of \$10.63. One of those six employees was also overpaid a total of \$79.90 because increment pay was factored into his hourly rate, when at termination, he was paid for 277 hours of annual leave.

Next, we noted ten instances, involving two of those employees mentioned above and seven others, of employees being compensated at an hourly rate of pay which did not factor in annual increment for overtime hours worked in excess of 40 hours per workweek. The total amount of overpayment to these employees amounted to \$39.96.

Chapter 21, Article 5C, Section 3 of the West Virginia Code states in part:

"(a) On and after the first day of July, one thousand nine hundred eighty, no employer shall employ any of his employees for a

workweek longer than forty hours, unless such employee receives compensation for his employment in excess of the hours above specified at a rate of not less than one and one-half times the regular rate at which he is employed.

(b) As used in this section the "regular rate" at which an employee is employed shall be deemed to include all remuneration for employment paid to, or on behalf of, the employee . . ."

Attorney General Opinion No. 37 dated June 27, 1990 states in part,

". . . The Supreme Court of Appeals has twice held that the W.Va. Code §5-5-2 incremental increases represent an adjustment in the salary for services previously performed. Referring to the first incremental salary increase payable on July 1, 1985, the High Court said: 'The statute is designed to provide supplemental salary increments based not only on (the number of years of) past services but for services rendered since the enactment of the statute.' State ex rel. Erwin v. Gainer, No. 16791 (August 2, 1985) (per curiam). . . Finally, it should be noted that the United States Department of Labor has determined the statutory increase 'constitutes additional earnings for the completed year and is payment for services rendered throughout the year.' Letter dated August 26, 1985, to Acting Director of Personnel, West Virginia Civil Service System, from Eldon F. Spurlock, Area Director. . . Considering (1) the constitutional prohibition against after-the-fact bonus forms of compensation, (2) the constitutional and statutory prohibitions against payments for services not yet rendered, (3) existing case law, (4) prior opinions of this office, as well as, (5) the position of the United States Department of Labor, it is concluded that this salary adjustment represents payment for prior services, and is not prospective in nature. . ."

The United States Department of Labor letter dated August 26, 1985 states in part,

" . . . This increase is not discretionary since it is mandated by law. The increase constitutes additional earnings for the completed year and is payment for services rendered throughout the year. It increases the regular hourly rate (as defined in the FLSA) upon which overtime premium compensation is computed for any employee who has worked in excess of 40 hours in any week or weeks during the year for which the increase was paid. . ."

The Authority's Central Office Accounting Technician III stated she obtained the hourly rates from the employee's WV-11 in their personnel file. The hourly rates of pay on the WV-11's included increment. Their payroll system has a formula that automatically calculates an employee's overtime compensation by multiplying the hourly rate by 1.5.

We recommend the Authority comply with the West Virginia Code and the applicable Attorney General Opinions and the United States Department of Labor rulings. We further recommend Northern make payments to those individuals who were under paid and use all methods available to them under Chapter 14, Article 1 of the West Virginia Code to collect the overpayments.

Agency's Response

*These errors are the result of careless computation. The Authority will continue to instruct staff to be as careful as possible when calculating overtime pay so that the agency is fully in compliance with West Virginia Code and the rulings of the Attorney General and the United States Department of Labor. We will make payment to those employees who were underpaid and seek reimbursement from those who were overpaid.*

Lump Sum Annual Leave Miscalculations

During our test of personal services terminations, we noted none of the 12 employees who were entitled to lump sum annual leave payments were paid the correct amount. The following is a schedule of the overpayment and underpayments to the 12 employees caused by the miscalculation of payments for their lump sum annual leave:

<u>Employee Name</u>	<u>Overpaid</u>	<u>Underpaid</u>
Employee #1	\$ 0.00	\$ 30.37
Employee #2	0.00	60.77
Employee #3	2.10	0.00
Employee #4	0.00	17.41
Employee #5	6.75	0.00
Employee #6	0.00	120.63
Employee #7	0.00	74.22
Employee #8	0.00	2.63
Employee #9	1.83	0.00
Employee #10	0.00	30.43
Employee #11	112.80	0.00
Employee #12	<u>0.00</u>	<u>442.14</u>
Total	<u>\$123.48</u>	<u>\$778.60</u>

Chapter 5, Article 5, Section 3 of the West Virginia Code, as amended, states in part:

"Every eligible employee, as defined in section one [ \$5-5-1] of this article, at the time his or her active employment ends due to resignation, death, retirement or otherwise, may be paid in a lump sum amount, at his or

her option, for accrued and unused annual leave at the employee's usual rate of pay at such time. . . In determining the amount of annual leave entitlement, weekends, holidays or other periods of normal, noncountable time shall be excluded, . . ."

The Attorney General's Opinion No. 3, dated August 17, 1988, concerning Chapter 5, Article 5, Section 3 of the West Virginia Code, states in part:

". . . Thus, although an eligible employee will not be remaining on the payroll, but instead will be electing and exercising his option to lump sum payment; nevertheless, the calendar month of the date of his last day on the payroll and/or subsequent calendar months must be used to determine the countable days against which his accrued annual leave days are applied and credited and the full month's salary for which he is entitled, such is to be computed by first striking from consideration as excludable, the aforesaid weekend days, holidays, or other non-countable time, and thereafter determining the fractional part of the monthly salary which is to constitute such lump sum payment, with the numerator thereof being the accrued leave days of an employee remaining and applicable in such month and the denominator thereof being the countable days of such month remaining after the aforesaid exclusions . . ."

These differences are caused by the Authority's Central Office personnel calculating Northern employee's lump sum annual leave payments incorrectly. They take the employee's annual leave balance and multiply it by the individual's regular hourly rate of pay.

We recommend the Authority's Central Office personnel comply with Chapter 5, Article 5, Section 3 of the West Virginia Code, as amended, and the Attorney General's Opinion No. 3, dated August 17, 1988 when calculating employee's lump sum annual leave

payments. We further recommend Northern make payments to those individuals who were under paid and use all methods available to them under Chapter 14, Article 1 of the West Virginia Code to collect the overpayments.

Agency's Response

*The Northern Regional Jail staff apparently did not prorate the hours correctly which led to calculation errors.*

*The Authority has corrected the problem with an upgrade to the Northern Regional Jail's computer system to minimize the likelihood of repeating these errors and thus making every effort to ensure that the Authority is in compliance with Chapter 5, Article 5, Section 3 of the West Virginia Code. We will make payment to those employees who were underpaid and seek reimbursement from those employees who were overpaid.*

Agency Not Adhering to Rules and Regulations for Purchase Card Use

During our audit we noted several instances of noncompliance with the State of West Virginia Purchasing Card Policies and Procedures. First, none of the 53 transactions tested was supported by an invoice which had been marked paid or indicated a zero balance due.

The State of West Virginia Purchasing Card Policies and Procedures states in part:

"A receipt is required for all transactions. A receipt must contain specific information and meet certain conditions, but may be in any form. Shipping tickets order forms may be acceptable if the following information is provided and conditions met:

- A valid receipt shows no balance due or and invoice marked Paid . . ."

Not insuring invoices are either marked "Paid" or show no balance due, increases the potential risk of processing an invoice, received as supporting documentation for a purchase card purchase, for payment a second time.

The Authority's Administrative Services Manager II stated, all the regional jails are supplied with the stamp for appropriately marking the invoices as "Paid by VISA". Not all the jails have been diligent in doing this. He stated he will issue a memo to all regional jails informing them they must put the "Paid by VISA" stamp on all invoices received as supporting documentation for purchase card purchases.

Next, we noted Northern made several purchases from the same vendor on the same day. Separate invoices were prepared by Bernhardt's so the clothing purchases would not exceed the single transactions limit of \$500.00 for fiscal year 1998. The State of West Virginia Purchasing Card Policies and Procedures states in part:

For fiscal year 1998,

"Purchases of goods and approved services which total \$500 or less per transaction may be made by using State of West Virginia Purchasing Card which was established to provide a more efficient, cost-effective method of purchasing and paying for small purchases."

#### DEFINITIONS

"Stringing of Purchases/Charges - the intentional manipulation of the ordering, billing, or payment processing in order to circumvent the transaction limit."

## RESTRICTIONS

"...the following are not to be purchased with the purchasing card...Stringing of Purchases"

Northern circumvented the State of West Virginia Purchasing Card Policies and Procedures by placing several uniform purchases on the same day so that each purchase was less than the \$500.00 allowable single transaction limit.

In addition, we noted two of Northern's payments were not made and received by the State Auditor by the due date. The payments were two and 15 days late. The State of West Virginia Policies and Procedures states in part,

For fiscal year 1998,

"All WVFIMS cover sheets for payment must be received by the Auditor at least five days prior to the statement due date."

For fiscal year 1999,

"The invoice for payment must be received by the Auditor's Office on or before the first business day prior to the 22<sup>nd</sup> of the month, regardless of the status of the statement reconciliation process." ... "Failure to forward invoices for payment to the State Auditors Office in a timely manner or violation of these procedures may result in the agency's participation in the program being canceled."

The Authority's Administrative Services Manager II stated the invoices and statements are not always received at the Authority on time from the regional jail facilities. This in turn makes the payments received by the State Auditor's office late. He stated no penalties are charged by the Auditor's office and also no finance charges are incurred from One Valley Bank when payments are late.

Finally, on July 30, 1998, a computer printer costing \$119.99 purchased from Staples was allocated to object code 055 (Credit card purchases - Supplies) and should have been allocated to object code 079 (Credit card purchases - Equipment). According to the State of West Virginia Purchasing Card Policies and Procedures,

" . . . Payment will be made by attaching the original Purchasing card statement to a WVFIMS cover sheet using any combination of the WVFIMS object codes 55, 79, and 160 . . . "

In addition, the Department of Administration's State of West Virginia Expenditure Schedule Instructions defines the following object codes:

"055 - Credit Card Purchases-Supplies: All payments for eligible purchases of \$500 or less utilizing the State of West Virginia Purchasing Credit Card that are not 1099 reportable and in included in Object 079 or 160."

"160 - Credit Card Purchases- Repairs and Alterations: All payments for eligible supply purchases of \$500 or less utilizing the State of West Virginia Purchasing Credit Card."

"079 - Credit Card Purchases- Equipment: All payments for equipment purchases of \$500 or less utilizing the State of West Virginia Purchasing Credit Card."

Authority's Central Office personnel stated when he processes the billings, sometimes he doesn't have the receipts and log sheets to tell him what was purchased. When this happens, he processes the payment through object code 055 (Credit card purchases - Supplies). The posting of the wrong object code has caused an overstatement in object code 055 (Credit card purchases - Supplies) of \$119.99 and

an understatement in object code 079 (Credit card purchases - Equipment) by \$119.99.

We recommend the Northern Regional Jail comply with the State Auditor's Policies and Procedures pertaining to use of the Purchasing Card.

Agency's Response

Shortly after the Legislative Post Audit Division staff began their work at Northern, we recognized that the Authority needed to make a system-wide assessment of the stamping of the invoices with "Paid by Visa." This procedure has now been put into place and this problem of omission should be now solved not only at Northern but at any of the other jails which were not in compliance.

At Northern, evidently some receipts from vendors do not meet requirements and sometimes they don't send a final, zero-balance receipt, so the invoices are stamped "Paid by Visa."

Concerning the uniform purchases from Bernhardt's, first it is imperative to note that these separate invoices were not prepared with the intention of avoiding the \$500 ceiling on purchases at that time. Instead, it has been an on-going procedure within the Authority that each new hire's complete uniform is a separate order due to the Authority's desire that the new employee receive his/her uniform in the most efficient manner possible. Since the vendor does not always ship items in a complete order, invoices are prepared accordingly.

*The State Auditor's Office Purchasing Card Division has said on several occasions that this procedure is okay to follow. We are ordering the uniforms using one purchase order per complete uniforms per individual. Also, these orders are off of a Purchasing Division's approved agency open-ended contract.*

*Finally, the faulty nomenclature "supplies" instead of the correct "equipment" is simply a careless error.*

*The Authority shall continue to make every effort to comply with the State Auditor's Policies and Procedures pertaining to the use of the Purchasing card.*

Employees Not Paid for All Hours Worked

As part of our test of personal services we reviewed termination pay. We noted six employees of 15 tested did not receive compensation for all hours worked. One employee was incorrectly paid a full salary of \$731.48 on check dated November 15, 1998; that check was redeposited on November 24, 1998; however, the employee should have been paid \$326.70 for 12 hours at her regular rate and 16 hours at 1.5 times her regular rate for overtime. The Accounting Technician III stated she knew the check issued on pay period October 16, 1998 was redeposited, but she didn't know why the employee wasn't paid for the 12 regular hours and the 16 hours of overtime.

One employee was not paid for four hours worked, as a result, the employee was underpaid \$34.90. Also, on the paycheck dated December 31, 1998, an employee was compensated for 12.5 hours of overtime at the regular hourly rate. However, after reviewing

the time sheets, we noted 4.5 of the 12.5 hours should have been paid at the overtime hourly rate of 1.5 times the regular hourly rate because these 4.5 overtime hours were worked in excess of the normal workweek of 40 hours. This resulted in the individual being underpaid in the amount of \$21.88. The Authority's Central Office personnel stated it was an oversight that the one employee was not paid for the additional four hours and the other was not paid the correct overtime rate. She stated she obtained the hourly rates from the employee's WV-11 in their personnel file. Their payroll system has a formula that automatically calculates an employee's overtime compensation by multiplying the hourly rate by 1.5.

West Virginia Regional Jail and Correctional Facility Authority Policy and Procedure Statement Number 3013 states in part,

" . . . All employees, including those serving in positions on a part-time basis, shall be paid in proportion to the actual time worked. . . ."

West Virginia Regional Jail and Correctional Facility Authority Policy and Procedure Statement Number 3021, states in part,

" . . . The normal workweek for employees assigned to regional jails shall consist of forty hours. Employees defined as non-exempt who are approved to work in excess of forty hours, shall be compensated at the rate of one and one-half times their normal hourly rate of pay for all hours worked in excess of forty.

In the consideration of overtime, there are certain hours which are not considered to be hours worked for the purposes of the Fair Labor Standards Act; those hours include time taken off from work on paid sick leave or annual leave, paid holidays . . ."

The remaining three Correctional Officers did not receive compensation for holidays noted on their time sheets. Each of the three was shorted one holiday or eight hours pay at their regular hourly rate. The three officers are owed \$77.69, \$72.77, and \$77.80, respectively, for a total of \$228.26. We submitted a list of questions to the Authority's Central Office Accounting Technician III who forwarded the questions to Northern personnel. Northern personnel could not explain why the employees did not receive pay for the holidays in question.

West Virginia Regional Jail and Correctional Facility Authority Policy and Procedure Statement Number 3020 states in part,

" . . . It is recognized that facilities under the jurisdiction of the Authority require around-the-clock shifts and therefore must schedule altered holidays. Holiday work schedules for those facilities will be approved by the Administrator and posted as far in advance as practical.

When personnel are required to work on an observed holiday, an alternate day off will be scheduled within the same pay period, or those persons shall be compensated for an additional work day, at their regular rate of pay, on the payroll submitted following the payroll containing the holiday."

In addition, Chapter 21, Article 5C, Section 3 of the West Virginia Code states in part,

"(a) On and after the first day of July, one thousand nine hundred eighty, no employer shall employ any of his employees for a workweek longer than forty hours, unless such employee receives compensation for his employment in excess of the hours above specified at a rate of not less than one and one-half times the regular rate at which he is employed. . . ."

We recommend Northern comply with Chapter 21, Article 5C, Section 3 of the West Virginia Code, as amended, and West Virginia Regional Jail and Correctional Facility Authority Policy and Procedure Statement Numbers 3013, 3020, and 3021. We further recommend the Agency make payment to those employees who were underpaid.

Agency's Response

*This mistake is a double-edged sword which is initiated by the employees' failure to complete their time sheets so that all hours may be added. However, it is also admittedly the failure of Northern Regional Jail staff to review the final time sheets for fullness and accuracy.*

*While clearly an employee has a responsibility to him or herself to review these time sheets, the Authority agrees that our staff must be diligent in their review of these time sheets. We shall send a memorandum to each of the jails reminding appropriate staff to be especially alert in reviewing time sheets so that these kinds of errors are avoided in the future. We will make payment to those employees who were underpaid.*

Incorrect Travel Reimbursement

In our test of travel we noted one employee's meal reimbursement exceeded the allowable limit. The Northern Administrator was reimbursed for meals at a rate of \$42.00 per day for six days when he should have been reimbursed for \$38.00 per day for six days. As a result, the Administrator was overpaid \$24.00 during his business trip to Fort Worth, Texas.

The Governor's Travel Regulations state, in part,

". . . State employees will be reimbursed the actual cost of meals when there is an overnight stay. Employees will be reimbursed actual costs not to exceed the established General Service Administration meal rates. Exceptions may be granted to these rate in situations where the Cabinet Secretary/Agency Head authorizes. If reimbursement is made in excess of the GSA rate, receipts are required and the Cabinet Secretary/Agency Head must approved the expense voucher. . ."

". . . For trips involving multiple days of travel or for single day travel where the traveler is unexpectedly delayed for business reasons, the traveler may make one personal telephone call home per day. Reimbursement shall be made at actual cost, not to exceed \$3.00 a day. . ."

The Central Office Accounting Assistant II stated the Authority was unable to obtain the current per diem rates because they were not on line at the time of the trip and they used the per diem rates that they had. Those per diem rates were effective January 1, 1998 - December 31, 1998. The trip was taken in May 1999 and the per diem rates had changed.

We recommend Northern comply with the Governor's Travel Regulations. We further recommend Northern use all methods available to them under Chapter 14, Article 1, of the West Virginia Code to collect the \$24.00 overpayment.

Agency's Response

*This is a similar situation to which our attention was brought in the Legislative Post Audit Report on the Central Office concerning our personnel director, Todd Chafin. Apparently, incorrect information was gleaned from the State's Internet site regarding the rate of reimbursement for travel to Fort Worth.*

*Administrator Jim Spencer has agreed to resolve this matter by reimbursing the Authority \$24.00.*

Equipment

We noted several instances of noncompliance with the Inventory Management and Surplus Property Disposition Policies and Guidelines. Northern did not have an updated equipment listing and several equipment items did not have inventory tag numbers affixed to them. Also, we were unable to locate a scanner with the identification numbers noted on the sales receipt from Staples, however, we did locate one scanner, which Northern personnel stated was the only scanner they have ever owned.

Section 3.2 of the Inventory Management and Surplus Property Disposition states:

3.2 "Agencies are responsible for all property, regardless of its state (removable or fixed), origin, or acquisition cost."

Additionally, Sections 3.6 and 3.11 of the Inventory Management and Surplus Property Disposition state:

3.6 "Reportable Property: The Purchasing Division has established a capitalization figure of \$1,000.00 and a useful life of one (1) year or more. This means that any item which has an original acquisition cost of \$1,000.00 or more and a useful life of one (1) year or more should be placed into the agency's inventory. An agency may, however, include property or equipment costing less than \$1,000.00 in the report submitted to the Purchasing Division."

3.11 "Identification Tags: All equipment over \$1,000 will have a numbered tag and that equipment will be placed into the agency's inventory system. Agencies will be responsible for obtaining and placing the proper tags on all equipment under their juris-

diction. Tags are to be placed on all items of property/equipment in such a manner that it may be easily seen and read . . ."

According to the Northern Administrator, the equipment being utilized by Northern was previously listed on the Division of Corrections' inventory listing. The Administrator was notified by the Authority's Central Office personnel that the jail side of Northern was to keep their own inventory for items utilized solely by jail personnel. In addition, the Administrator stated jail personnel completed the inventory listing in early January 2000. Not maintaining an inventory list and not tagging equipment could result in the loss or misuse of state equipment.

We recommend the Authority comply with sections 3.2, 3.6, and 3.11 of the Inventory Management and Surplus Property Disposition Policies and Guidelines.

Agency's Response

*When the Northern Regional Jail opened, DOC took control of all equipment and tagged its property and reported on GAAP. During the audit, the Northern Regional Jail staff prepared an inventory of all equipment in the Regional Jail areas and has affixed tags. The scanner mentioned in the Post Audit Report was verified from Staples to be the one on the receipt noted.*

INDEPENDENT AUDITORS' OPINION

The Joint Committee on Government and Finance:

We have audited the statement of cash receipts, disbursements and changes in fund balances of Northern Regional Jail for the years ended June 30, 1999 and June 30, 1998. The financial statement is the responsibility of the management of Northern Regional Jail. 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 basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues collected and expenses paid of the Northern Regional Jail for the years ended June 30, 1999 and June 30, 1998, on the basis 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,

  
Theodor L. Shanklin, CPA, Director  
Legislative Post Audit Division

March 22, 2000

Auditors: Michael A. House, CPA, Supervisor  
Neil M. McEachron, Jr., CPA  
Rhonda L. Combs, Auditor-in-Charge  
David N. Harris, CPA  
Lori A. Fischer  
David L. Penix  
Carolyn Sanders

**NORTHERN REGIONAL JAIL  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES**

	<u>Year Ended June 30, 1999</u>		
	<u>Special Revenue</u>	<u>Trust Funds</u>	<u>Combined Totals</u>
<b>Cash Receipts:</b>			
Transfers From Cash Control Account - 6678	\$2,744,766.51	\$ 0.00	\$2,744,766.51
Inmate Funds	0.00	198,588.74	198,588.74
Miscellaneous	0.00	1,469.93	1,469.93
	<u>2,744,766.51</u>	<u>200,058.67</u>	<u>2,944,825.18</u>
<b>Disbursements:</b>			
Personal Services	1,512,366.15	0.00	1,512,366.15
Employee Benefits	556,036.70	0.00	556,036.70
Current Expenses	633,478.05	0.00	633,478.05
Repairs and Alterations	201.00	0.00	201.00
Equipment	99.96	0.00	99.96
Transfer to Funds 6652 and 6663	45,000.00	0.00	45,000.00
Reimburse Northern Correctional Facility for Commissary Purchases	0.00	103,883.82	103,883.82
Inmate Releases	0.00	55,959.89	55,959.89
Inmate Families	0.00	17,601.35	17,601.35
Transfers to Other Facilities	0.00	6,088.41	6,088.41
Miscellaneous	0.00	14,073.81	14,073.81
	<u>2,747,181.86</u>	<u>197,607.28</u>	<u>2,944,789.14</u>
Cash Receipts (Under)/Over Disbursements	(2,415.35)	2,451.39	36.04
Beginning Balance	<u>18,991.81</u>	<u>29,009.28</u>	<u>48,001.09</u>
Ending Balance	<u>\$ 16,576.46</u>	<u>\$ 31,460.67</u>	<u>\$ 48,037.13</u>

*See Notes to Financial Statement*

Year Ended June 30, 1998

<u>Special Revenue</u>	<u>Trust Funds</u>	<u>Combined Totals</u>
\$2,576,000.00	\$ 0.00	\$2,576,000.00
0.00	191,484.83	191,484.83
0.00	274.67	274.67
2,576,000.00	191,759.50	2,767,759.50
1,386,355.01	0.00	1,386,355.01
528,044.18	0.00	528,044.18
636,735.66	0.00	636,735.66
15,546.78	0.00	15,546.78
9,558.86	0.00	9,558.86
0.00	0.00	0.00
0.00	108,169.47	108,169.47
0.00	49,835.18	49,835.18
0.00	16,472.89	16,472.89
0.00	2,312.84	2,312.84
0.00	10,355.75	10,355.75
2,576,240.49	187,146.13	2,763,386.62
(240.49)	4,613.37	4,372.88
19,232.30	24,395.13	43,627.43
<u>\$ 18,991.81</u>	<u>\$ 29,008.50</u>	<u>\$ 48,000.31</u>

NORTHERN REGIONAL JAIL

NOTES TO FINANCIAL STATEMENTS

Note A - Accounting Policies

Accounting Method: The cash basis of accounting was followed. Therefore, certain revenues 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.

Combined Total: The combined totals contain the totals of similar accounts of the various funds. Since the cash receipts of certain funds 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 employees are members of the West Virginia Public Employee's Retirement System. Employees' contributions are four and one half percent of their compensation and employees have vested rights under certain circumstances. Contributions by the West Virginia Public Employees' Retirement Board are nine and one half percent of the employee's compensation.

Northern's pension expenditures were as follows:

	<u>Year Ended June 30,</u>	
	<u>1999</u>	<u>1998</u>
Special Revenue	<u>\$134,647.39</u>	<u>\$129,239.94</u>

Note C - Intra-Account Transactions

The following intra-account transactions have been eliminated:

	<u>Year Ended June 30,</u>	
	<u>1999</u>	<u>1998</u>
Local Bank Accounts	<u>\$116,267.28</u>	<u>\$120,005.44</u>

**SUPPLEMENTAL INFORMATION**

NORTHERN REGIONAL JAIL  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
LOCAL ACCOUNT

	<u>Year Ended June 30,</u>	
	<u>1999</u>	<u>1998</u>
<u>Inmate Trustee Account</u>		
Beginning Balance	\$ 9,777.89	\$ 7,741.46
Cash Receipts:		
Deposit of Receipts	198,588.74	191,484.83
Bank Charges Reimbursed from Commissary	337.45	166.00
Outstanding Checks Voided	0.00	95.69
Interest	121.33	12.81
Voided or Outstanding checks	229.46	107.26
	<u>199,276.98</u>	<u>191,866.59</u>
 TOTAL CASH TO ACCOUNT FOR	 <u>\$209,054.87</u>	 <u>\$199,608.05</u>
 Cash Disbursements:		
Inmate Releases	\$ 55,959.89	\$ 49,835.18
Inmate Families	17,601.35	16,472.89
Commissary Sales	115,797.08	119,769.25
Interest Transfer to Commissary Account	87.80	0.00
Inmate Donations to Commissary Account	69.40	68.39
Outside Vendor Sales	844.27	125.12
Columbia University Law School-Law Books	39.98	40.00
Post Office	156.79	93.78
West Virginia Regional Jail Authority - Restitution	39.05	64.71
Northern Correctional Facility Restitution Account	667.00	784.46
Department of Corrections Arts and Crafts	25.07	0.00
Transfers to Other Facilities	6,088.41	2,312.84
The Commonwealth of Pennsylvania-Copy of GED	0.00	6.00
Dept. of Transportation-DMV License Renewal	15.00	0.00
Fines or Civil Lawsuits	105.00	50.00
Primecare Medical	486.23	39.74
Bank Charges	337.45	167.80
	<u>198,319.77</u>	<u>189,830.16</u>
 Ending Balance	 <u>10,735.10</u>	 <u>9,777.89</u>
 TOTAL CASH ACCOUNTED FOR	 <u>\$209,054.87</u>	 <u>\$199,608.05</u>

NORTHERN REGIONAL JAIL  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
LOCAL ACCOUNT

	<u>Year Ended June 30,</u>	
	<u>1999</u>	<u>1998</u>
<u>Commissary Account</u>		
Beginning Balance	\$ 19,230.61	\$ 16,653.67
Cash Receipts:		
Commissary Sales	115,772.63	119,768.23
Big Run Community Assn. - Popcorn Supplies	900.00	0.00
Unclaimed Money Order	15.16	0.00
Inmate Donations from Trustee Account	69.40	68.39
Contraband/Cash	0.00	20.00
Interest Transfer from Trustee Account	87.80	0.00
Commissary Account Interest	203.98	38.91
Restitution Account	0.00	1.02
Error Correction	0.00	1.80
	<u>117,048.97</u>	<u>119,898.35</u>
 TOTAL CASH TO ACCOUNT FOR	 <u>\$136,279.58</u>	 <u>\$136,552.02</u>
 Cash Disbursements:		
Reimburse Northern Correctional Facility for Commissary Purchases	\$103,883.82	\$108,169.47
Commissary Supplies	1,841.76	2,136.48
Items For Resale	0.00	750.48
International Notary Institute - Supplies	87.50	0.00
Recreational Supplies	1,090.20	719.16
Barber Supplies	0.00	32.01
Popcorn Supplies	0.00	2,001.89
Stamps	192.00	144.00
Inmate Christmas Stockings	902.53	1,086.70
Plates, Cups, Napkins, Plastic Silverware	87.23	47.39
Pizza	1,011.00	341.00
Office Equipment and Supplies	3,429.52	742.66
Pamphlets/Workbooks for Classes	2,543.53	943.88
Commissary Account Check Charges	65.75	0.00
Bank Charges Reimbursed to Trustee Account	337.45	167.80
Inmate Refunds and Error Corrections	19.19	4.80
Employee Reimbursements	63.31	33.69
	<u>115,554.79</u>	<u>117,321.41</u>
 Ending Balance	 <u>20,724.79</u>	 <u>19,230.61</u>
 TOTAL CASH ACCOUNTED FOR	 <u>\$136,279.58</u>	 <u>\$136,552.02</u>

WV REGIONAL JAIL & CORRECTIONAL FACILITY AUTHORITY  
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS  
 AND CHANGE IN CASH BALANCE  
 SPECIAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1999</u>	<u>1998</u>
<u>Northern Regional Jail Operations Fund</u>		
<u>Fund 6654-099/553/640</u>		
Cash Receipts:		
Transfers From Cash Control Account-6678	\$2,744,766.51	\$2,576,000.00
Disbursements:		
Personal Services	1,512,366.15	1,386,355.01
Employee Benefits	556,036.70	528,044.18
Current Expenses	633,478.05	636,735.66
Repairs and Alterations	201.00	15,546.78
Equipment	99.96	9,558.86
Transfer to Funds 6652 and 6663	45,000.00	0.00
	<u>2,747,181.86</u>	<u>2,576,240.49</u>
Cash Receipts (Under) Disbursements	(2,415.35)	(240.49)
Beginning Balance	<u>18,991.81</u>	<u>19,232.30</u>
Ending Balance	<u>\$ 16,576.46</u>	<u>\$ 18,991.81</u>

STATE OF WEST VIRGINIA

OFFICE OF THE LEGISLATIVE AUDITOR, TO WIT:

I, Thedford L. Shanklin, CPA, Director of the Legislative Post Audit Division, do hereby certify that the report 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 10<sup>th</sup> day of September  
2000.

  
Thedford L. Shanklin, CPA, Director  
Legislative Post Audit Division

Copy forwarded to the Secretary of the Department of Administration to be filed as a public record. Copies forwarded to the Northern Regional Jail; Governor; Attorney General; and, State Auditor.