

STATE OF WEST VIRGINIA
AUDIT REPORT
OF

WEST VIRGINIA STATE BOARD OF EXAMINERS FOR
LICENSED PRACTICAL NURSES
FOR THE PERIOD
JULY 1, 1973 - JUNE 30, 1981



OFFICE OF LEGISLATIVE AUDITOR

CAPITOL BUILDING

CHARLESTON, WEST VIRGINIA 25305

AUDIT REPORT
OF
WEST VIRGINIA STATE BOARD OF EXAMINERS FOR
LICENSED PRACTICAL NURSES
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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 the West Virginia Code, Chapter 4, Article 2, as amended, we have examined the accounts of the West Virginia State Board of Examiners for Licensed Practical Nurses.

This audit covers the period July 1, 1973 through June 30, 1981. The results of this examination are set forth on the following pages of this report. However, only the financial statements for the years ended June 30, 1981 and June 30, 1980 are included in this report. The financial statements covering the period July 1, 1973 to and including June 30, 1979 are included in the audit workpapers.

Respectfully submitted,

Thedford L. Shanklin, CPA, Director
Legislative Postaudit Division

TLS:chw

WEST VIRGINIA STATE BOARD OF EXAMINERS FOR LICENSED PRACTICAL NURSES

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WEST VIRGINIA STATE BOARD OF EXAMINERS
FOR LICENSED PRACTICAL NURSES

ACKNOWLEDGMENT

We extend our thanks and express our appreciation to the Executive Secretary and her staff for their wholehearted cooperation in supplying information and answering the many questions necessary in preparing this report.

WEST VIRGINIA STATE BOARD OF EXAMINERS FOR LICENSED PRACTICAL NURSES

EXIT CONFERENCE

We held an exit conference on August 27, 1982 with the Executive Secretary of the West Virginia State Board of Examiners for Licensed Practical Nurses and all findings and recommendations were reviewed and discussed. The above official's responses are included in the Summary of Findings, Recommendations and Responses and after our recommendations in the following General Remarks.

WEST VIRGINIA STATE BOARD OF EXAMINERS FOR LICENSED PRACTICAL NURSES

INTRODUCTION

The West Virginia State Board of Examiners for Licensed Practical Nurses was established on May 26th, 1957, by Chapter 30, Article 7A of the West Virginia Code. The Code provides for the following:

The Governor shall appoint, by and with the advice and consent of the Senate, seven citizens of the State of West Virginia who shall constitute the West Virginia State Board of Examiners for Licensed Practical Nurses and they shall be charged with the duty of administering the provisions of this article. Of the seven members so appointed two shall be licensed practical nurses, one of whom shall be a graduate of an approved school of practical nursing, and both of whom shall have had not less than five years' experience as licensed practical nurses, two shall be registered professional nurses, at least one of whom shall be experienced in practical nurse education; one shall be a doctor of medicine; one shall be a hospital administrator actively engaged as such in this State and one shall be a vocational educator. Such appointments shall be for terms of five years each, except that in the initial appointments, one licensed practical nurse and one registered professional nurse shall be appointed for a term of five years, one licensed practical nurse and one registered professional nurse shall be appointed for a term of four years, the doctor of medicine shall be appointed for a term of three years, the hospital administrator shall be appointed for a term of two years and the vocational educator shall be appointed for a term of one year. The practical nurses so to be appointed, initially and subsequently, shall be selected by the Governor from a list to be submitted to him by the Licensed Practical Nurses' Association of West Virginia, Inc., which list shall contain the names of at least two licensed practical nurses for each board member so to be appointed, who

shall have been licensed by examination and who shall have not less than five years' experience as a licensed practical nurse. The doctor of medicine so appointed shall be selected by the Governor from two nominations submitted to him by the West Virginia State Medical Association; each registered professional nurse so appointed shall be selected by the Governor from two nominations submitted to him by the West Virginia Nurses Association, Inc.; the hospital administrator shall be appointed by the Governor from two nominations submitted to him by the West Virginia Hospital Association; and the vocational educator shall be appointed by the Governor from two nominations submitted to him by the State Board of Education. Any member of the Board may be eligible for reappointment, but no member shall serve more than two successive terms. The Board is hereby authorized to appoint and employ a qualified person to perform the duties of executive secretary and to act as educational advisor to the Board. Such secretary shall act under the direction of the Board. The Board shall furnish the secretary a headquarters and shall provide such office equipment and clerical assistance as the duties of the office may require. The Board shall have the power to appoint such nurses, deputies, clerks, assistants, inspectors and employees as shall be necessary for the proper exercise of the powers and duties of the Board. The compensation and expenses of the members of the Board and its appointees and employees shall be paid out of such funds as are allocated to the Board in its annual budget. The secretary shall keep the records of proceedings of the Board, and shall keep a registry of the names and addresses of all practical nurses registered under this article, which registry shall be a public record. Said Board shall hold not less than two regular meetings each year and such additional meetings at such times and places as the Board may determine. The Board is authorized to adopt and, from time to time, revise such rules and regulations not inconsistent with this article, as may be necessary to enable it to carry into effect the provisions hereof. The Board shall

prescribe curricula and standards for schools and courses preparing persons for licensure under this article. It shall survey such schools and courses at such times as it may deem necessary. It shall survey and accredit such schools, clinical practice areas and courses as meet the requirements of this article and of the Board. It shall examine, license and renew the license of duly qualified applicants.

WEST VIRGINIA STATE BOARD OF EXAMINERS FOR LICENSED PRACTICAL NURSES

MEMBERS OF THE BOARD

JUNE 30, 1981

The present members of the Board and the expiration date of their terms are as follows:

Mary E. Walls, Chairperson, Marion County	
June 30, 1981	Fairmont
Violet E. Young, L.P.N., Vice-Chairperson, Kanawha County	
June 30, 1982	Nitro
Margaret M. Hill, R.N., Secretary, Berkeley County	
June 30, 1981	Martinsburg
Clarence E. Burdette, Kanawha County	
June 30, 1983	Cross Lanes
Nancy K. Martin, R.N., Marshall County	
June 30, 1981	Moundsville
William D. Toney, Lay Member, Cabell County	
June 30, 1984	Huntington

WEST VIRGINIA STATE BOARD OF EXAMINERS FOR LICENSED PRACTICAL NURSES

ADMINISTRATIVE STAFF

Nancy R. Wilson Executive Secretary
Grace C. Kelso Administrative Assistant
Iris W. Williams Secretary

WEST VIRGINIA STATE BOARD OF EXAMINERS FOR LICENSED PRACTICAL NURSES

SUMMARY OF FINDINGS, RECOMMENDATIONS AND RESPONSES

AREAS OF NONCOMPLIANCE

Deposits to the State Treasury

1. The Board was not depositing their collections promptly with the State Treasury as required by Chapter 12, Article 2, Section 2, West Virginia Code. Also, funds in excess of those needed for current operations were not invested in accordance with Chapter 12, Article 6, Section 8, paragraph (c), West Virginia Code. Both of the above noncompliances were due to the Board being funded by appropriation from the General Revenue Fund. However, beginning July 1, 1982 the Board's operations were converted to a special revenue account.

We recommend beginning July 1, 1982, the funds in the Kanawha Valley Bank checking and savings accounts be transferred to the State Treasury to the credit of the Board's special revenue account and all collections thereafter be deposited daily in the State Treasury and any amount in excess of that needed for current operations can be made available to the Board of Investments for investment purposes.

We have complied. (See pages 13 and 14)

Lay Members

2. One lay member of the Board had not been appointed during our audit period in compliance with the West Virginia Code.

We recommend the Board continue to contact the Governor about the appointment of the lay member.

We will comply. (See page 15)

Certified Report to State Auditor

3. We noted the Board is not submitting to the State Auditor a certified copy of the detailed statement of all moneys received by him as required by Chapter 30, Article 1, Section 10, West Virginia Code.

We recommend the Secretary of the Board submit a certified detailed statement of moneys received every six months as required by the Code.

We will comply if at all possible. (See page 15)

Equipment

4. The Board did not maintain any record of equipment inventory other than the computer read-out from the Department of Finance and Administration and this was dated July 11, 1977.

We recommend:

- a. A current inventory list of equipment be maintained showing a brief description of item, State identification number, date purchased/ disposed of, cost (wherever possible) and location;
- b. The Board obtain an updated computer inventory listing of its equipment from the Department of Finance and Administration; and,
- c. A periodic check be made of all inventory items by tracing various items to and from the inventory list.

We will comply. (See pages 15-17)

INTERNAL CONTROLS AND ACCOUNTING SYSTEM

Reconciliation of Records

5. The Board deposited some of its collections to a savings bank account.

In some instances these collections and the deposit were not recorded in the cash journal. We also noted the Board did not reconcile its line item ledger balances with the State Auditor's reports and did not retain copies of these monthly reports.

We recommend:

- a. All collections and deposits be recorded in the cash journal;
- b. A written reconciliation be prepared periodically of the bank balances per books with the balances per bank records; and,
- c. The Board's general ledger balances be reconciled monthly with the State Auditor's reports and these reports be retained for future auditing purposes.

We will comply. (See pages 18 and 19)

Returned Check Register

6. During our audit we noted the records of returned checks did not provide adequate information to ensure a satisfactory system of internal control in the area of receivables. However, since March 1982, the Board has been maintaining satisfactory records on the returned checks.

We recommend the Board continue to maintain the current records on returned checks. Also, we recommend the Board periodically reconcile the bad checks on hand with the balance per register.

We will comply. (See page 19)

Endorsement Out Register

7. We noted the Board did not have records to provide details of licenses endorsed out of the State during our audit period. However, beginning

in March 1982, the Board has been maintaining such a register.

We recommend the Board continue to maintain this register as is currently being done.

We will comply. (See pages 19 and 20)

WEST VIRGINIA STATE BOARD OF EXAMINERS FOR LICENSED PRACTICAL NURSES

GENERAL REMARKS

INTRODUCTION

We have completed a financial and compliance audit of the West Virginia State Board of Examiners for Licensed Practical Nurses. A financial and compliance audit determines whether the financial statements of an audited entity present fairly the financial position and the results of operations in accordance with generally accepted accounting principles and whether the entity has complied with laws and regulations that may have a material effect upon the financial statements. The audit covered the period July 1, 1973 through June 30, 1981.

APPROPRIATED FUNDS

All expenditures required for the general operation of the West Virginia State Board of Examiners for Licensed Practical Nurses are made from the appropriated Unclassified Account 5870-06.

The Board is appropriated money each year for expenditures incurred in its operations. They limited all expenditures to the amount of receipts and deposited any excess of receipts over expenditures to the State's General Fund.

LOCAL ACCOUNTS

During the audit period, the Board operated a checking account and savings account with the Kanawha Valley Bank. The accounting records are maintained at the Embleton Building, Quarrier Street in Charleston. Periodically, the office transfers collections to the General Fund in the State Treasury by a check drawn on the local bank checking account.

Collections were derived from the following fees as of June 30, 1981:

State Board Examination	\$ 32.00
Renewal of License	\$ 7.50
Reinstatement Fee (Delinquents)	\$ 15.00
Lapsed License Fee	\$ 20.00
Endorsement Into West Virginia	\$ 25.00
Endorsement Out of West Virginia	\$ 25.00
Change of Name	\$ 2.00
Duplicate License	\$ 2.00

Transcripts	\$ 2.00
Framable Certificate (Free to New Graduates)	\$ 8.00
Insufficient Funds Penalty	\$ 5.00
Roster	\$ 35.00
Copy of Law	\$ 1.00
Rules and Regulations	\$ 3.00
School Survey (New School)	\$100.00

AREAS OF NONCOMPLIANCE

Chapter 30, Articles 1 and JA of the West Virginia Code generally governs the West Virginia State Board of Examiners for Licensed Practical Nurses. We tested applicable sections of the above plus general State regulations and other applicable chapters, articles and sections of the West Virginia Code as they pertain to fiscal matters. Our findings are listed below.

Deposits to the State Treasury

Collections by the West Virginia State Board of Examiners for Licensed Practical Nurses were deposited in either a checking account or a savings account maintained in the Kanawha Valley Bank. These collections were not transferred promptly to the State Treasury as required by the West Virginia Code, Chapter 12, Article 2, Section 2, which states: "All officials and employees of the State authorized by statute to accept moneys due the State of West Virginia shall keep a daily itemized record of such moneys so received for deposit in the State Treasury and shall deposit promptly with the State Treasurer all moneys received or collected by them for or on behalf of the State for any purpose whatsoever." The word "promptly" in the above extract of the Code was replaced by the words "within twenty-four hours" effective July 1, 1981.

The noncompliance with the above stated section of the West Virginia Code was due to the Board operating from an appropriation funded from the General Revenue Fund with the expenditures limited to the amount of collections deposited in the State Treasury during any one fiscal year. Since the licenses issued by the Board expire on June 30, of each year, the major portion of the revenue for

the new licenses is collected in April, May and June. If the Board deposited these collections in the State Treasury in compliance with the Code, they would have no funds from which to operate in the new fiscal year.

The savings account was established in May, 1977 as a reserve fund in order to meet any extraordinary expenses. The balance in the savings account at June 30, 1981 was \$40,480.22 and at June 30, 1980 was \$47,390.00.

The West Virginia Code, Chapter 12, Article 6, Section 8, paragraph (c) states, "Each board, commission, department, official or agency charged with the administration of state funds is hereby authorized to make moneys available to the board of investments."

No agency is authorized to make investments of State funds except through participation in the investment pool of the West Virginia Board of Investments. However, since the West Virginia State Board of Examiners for Licensed Practical Nurses was not assigned a special revenue account, and operated from an appropriated account, it was impossible for them to participate in the investment pool. The operations of the Board were converted to a special revenue account effective July 1, 1982, subsequent to the ending date of this audit.

We recommend, beginning July 1, 1982, the funds in the Kanawha Valley Bank checking and savings accounts be transferred to the State Treasury and all collections thereafter be deposited daily in the State Treasury in compliance with the West Virginia Code and any amount in excess of that needed for current operations can be made available to the Board of Investments for investment purposes.

Bank balances for savings and checking transferred to State Treasury as of July 26, 1982. Accounts closed. All monies deposited daily in State Treasury account. Deposited in State Treasury Investment Pool as of July 27, 1982.

Lay Members of the Board

One lay member of the Board of Examiners of Licensed Practical Nurses had not been appointed during our audit period. According to the West Virginia Code, Chapter 30, Article 1, Section 4A, "...the governor shall appoint at least one lay person to represent the interests of the public on every health professional licensing board. If the total number of members on any such board after the appointment of one such lay person is an even number, an additional lay person shall be appointed." We noted the Board has made attempts to have the Governor appoint the additional lay member but without any results.

We recommend the Board continue to contact the Governor with regard to this requirement of the West Virginia Code.

Will continue to seek appointments as recommended.

Certified Report to State Auditor

We noted the Secretary of the Board did not submit a certified copy of the detailed statement of all moneys received as required by the West Virginia Code, Chapter 30, Article 1, Section 10, which states, "...He shall also on the first day of January and July in each year or within five days thereafter certify to the state auditor a detailed statement of all such moneys received by him during the preceding six months."

We recommend the Secretary of the Board of Licensed Practical Nurses submit a certified detailed statement of all moneys received in compliance with the West Virginia Code.

Have attempted to seek assistance from Auditors office to comply with recommendation. Will continue to call and find out how to go about it and will comply if at all possible.

Equipment

During our audit of equipment, we noted the Board did not maintain any record of equipment inventory. The last inventory listing was dated July 11,

1977. The office equipment was not tagged with the State tag number, and the location of the equipment listed on the State's inventory listing of 1977 did not correspond to current locations in the office. The old inventory listing did not include new additions to the equipment inventory nor details of the equipment retired or sold.

The Handbook of Purchasing Procedures, page 51, states, "...a tag identifying the property as owned by the state of West Virginia and a sequential number (State of WY xxxx) must be affixed to each piece of personal property." Also, on page 48, Registering Equipment, states, "Equipment owned by the state must be tagged with initials of the buying agency, the division where it is located and a number."

Equipment, Lost, Stolen and/or Damaged, page 48 of the Handbook of Purchasing Procedures states, "An annual inventory must be taken by all agencies. When the agency receives its computer read-out of equipment, they should check it against what they have."

All equipment, which had not been tagged, was tagged during our equipment inventory verification.

We recommend:

1. A current inventory list of equipment be maintained showing brief description of item, date purchased/disposed of, cost (wherever possible), and location;
2. The Board obtain an updated computer inventory listing of its equipment from the Department of Finance and Administration; and,
3. A periodic check be made of all inventory items by tracing various items to and from the inventory list.

Have requested current inventory listing from Finance and Administration. Listing will be maintained and periodically reviewed and items traced as requested. All inventory is contained in two rooms. Items not

present would certainly be immediately obvious.

INTERNAL CONTROLS AND ACCOUNTING SYSTEM

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

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

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

Our study and evaluation of the system of internal accounting control for the period July 1, 1973 through June 30, 1981, which was made for the purpose set forth in the first paragraph above, would not necessarily disclose all weaknesses in the system. However, such study and evaluation disclosed conditions that we believe to be material weaknesses.

Reconciliation of Records

We noted the Board occasionally deposited its collections to a savings bank account. These collections were not recorded in the cash journal nor was an entry made for transfer of these collections to the savings account. These collections were recorded only in the license journal and the savings account deposit book. For example, collections of \$15,756 during fiscal years 1981 and \$13,352 during fiscal year 1980 were recorded in the license journal but not in the cash journal. Also, it appeared the Board did not reconcile its ledger balances with the State Auditor's monthly line item expenditure reports. Our test of expenditures revealed eleven differences in classification of line item expenditure balances for fiscal year 1980 between the Board's general ledger balances and the State Auditor's balances. However, for the 1981 fiscal year the Board's accounting procedures were improved and we observed only three differences. We also noted the Board did not retain copies of the monthly Auditor's Office reports.

We recommend:

1. All collections as well as deposits to the savings account be recorded in the cash journal;
2. A written reconciliation be prepared periodically of the bank balances per book with the balances per bank records; and,
3. The Board's general ledger balances be reconciled monthly with the State Auditor's reports and these reports be retained for future auditing purposes.

Recommendations #1 and 2 are not applicable at this time, all monies deposited with State Treasury daily. Private accounts closed. Regarding Recommendation #3, we will certainly comply when reports received, however, reports are usually not received until approximately 30 days after the close of a month.

Register of Returned Checks

We noted during our test of internal control on accounts receivable, the Board did not maintain a register of returned checks from which the balance of bad checks on hand could be determined on any date. The Board recorded the details of the checks returned on the bank statement of the month in which the check was returned, and when the check was replaced by the licensee, the total amount of the check, excluding service charges, was recorded in the license journal. Service charges were also recorded in the license journal on a separate column. Due to the manner in which records were maintained it was difficult to reconcile the returned checks on hand to these records. However, the Board installed a bad check register in March 1982 to properly control the returned checks.

We recommend:

1. The Board continue to maintain the bad check register up-to-date and basically in the same format; and,
2. Periodically reconcile the bad checks on hand with the balance of the bad check register and investigate the differences, if any.

Will continue register and periodically reconcile checks on hand. Returned checks on hand will average less than \$250.00 through a one year period.

Endorsement Out Register

We noted the only record available for licenses endorsed out was the license journal. The journal listed only the total number of licenses endorsed

out during the period for which money was deposited, and gave no further details as to the name of the licensee, West Virginia license number, the date the license was endorsed out, and the fees collected. Under the current method of recording, it is not possible to directly access the files of the licensees endorsed out. However, the Board started maintaining an endorsement out register in March 1982.

We recommend the Board continue to maintain this register up-to-date.

We will continue to maintain endorsement out register.

AUDITORS' OPINION

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

Sir:

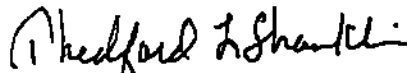
We have examined the financial statement of the West Virginia State Board of Examiners for Licensed Practical Nurses for the years ended June 30, 1981 and June 30, 1980, as listed in the foregoing table of contents. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As more fully described in Note A, the Board's policy is to prepare its financial statement on the modified cash and cash basis. Accordingly, the accompanying financial statement is not intended to present financial position and results of operation in conformity with generally accepted accounting principles.

In our opinion, the financial statement of the West Virginia State Board of Examiners of Licensed Practical Nurses as listed in the aforementioned table of contents presents fairly the appropriations, expenditures and cash transactions for the years ended June 30, 1981 and June 30, 1980 on a basis consistent with the preceding year.

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

Respectfully submitted,



Thedford L. Shanklin, CPA, Director
Legislative Postaudit Division

July 1, 1982

Auditors: James R. Blake, Supervisor-in-Charge
P.R. Rao, CPA, Auditor-in-Charge
Robert High

WEST VIRGINIA STATE BOARD OF EXAMINERS FOR LICENSED PRACTICAL NURSES

STATEMENT OF APPROPRIATIONS, EXPENDITURES, CASH RECEIPTS AND DISBURSEMENTS

	<u>Year Ended June 30, 1981</u>		
	<u>General</u> <u>Revenue</u>	<u>Collection</u> <u>Account</u>	<u>Combined</u> <u>Total</u>
Appropriations/Cash Receipts:			
Appropriations	\$78,000.00	\$ -0-	\$ 78,000.00
License Fees	-0-	80,516.32	80,516.32
Interest from Savings	-0-	2,334.22	2,334.22
	<u>78,000.00</u>	<u>82,850.54</u>	<u>160,850.54</u>
Expenditures/Disbursements:			
Personal Services	46,589.56	-0-	46,589.56
Current Expenses	31,010.80	-0-	31,010.80
Repairs and Alterations	-0-	-0-	-0-
Refunds	7.50	-0-	7.50
General Fund	-0-	78,000.00	78,000.00
	<u>77,607.86</u>	<u>78,000.00</u>	<u>155,607.86</u>
Appropriations/Cash Receipts Over Expenditures/Disbursements	392.14	4,850.54	5,242.68
Thirty-day Expenditures and Expirations	<u>(392.14)</u>	-0-	<u>(392.14)</u>
	-0-	4,850.54	4,850.54
Beginning Balance	<u>-0-</u>	<u>62,004.93</u>	<u>62,004.93</u>
Ending Balance	<u>\$ -0-</u>	<u>\$66,855.47</u>	<u>\$ 66,855.47</u>

See Notes to Financial Statement

Year Ended June 30, 1980

<u>General</u>	<u>Collection</u>	<u>Combined</u>
<u>Revenue</u>	<u>Account</u>	<u>Total</u>
\$76,000.00	\$ -0-	\$ 76,000.00
-0-	72,660.76	72,660.76
-0-	2,963.32	2,963.32
<u>76,000.00</u>	<u>75,624.08</u>	<u>151,624.08</u>
43,219.08	-0-	43,219.08
29,043.85	-0-	29,043.85
241.91	-0-	241.91
32.00	-0-	32.00
-0-	73,721.85	73,721.85
<u>72,536.84</u>	<u>73,721.85</u>	<u>146,258.69</u>
3,463.16	1,902.23	5,365.39
<u>(3,463.16)</u>	<u>-0-</u>	<u>(3,463.16)</u>
-0-	1,902.23	1,902.23
-0-	60,102.70	60,102.70
<u>\$ -0-</u>	<u>\$62,004.93</u>	<u>\$ 62,004.93</u>

WEST VIRGINIA STATE BOARD OF EXAMINERS FOR LICENSED PRACTICAL NURSES

NOTES TO FINANCIAL STATEMENT

Note A - Accounting Policies

Accounting Method: The modified cash basis of accounting is followed for the General Revenue Fund. The major modification from the cash basis is that a 30-day carry-over period is provided at the end of each fiscal year for the payment of obligations incurred in that year. All balances of the General Revenue Fund appropriations for each fiscal year expire on the last day of such fiscal year and revert to the unappropriated surplus of the fund from which the appropriations were made, except that expenditures encumbered prior to the end of the fiscal year may be paid up to thirty days after the fiscal year-end. The cash basis of accounting is followed by all other funds. Therefore, certain revenue and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

Expenditures during the 30-day carry-over period and expirations are as follows:

	<u>Expenditures</u>		<u>Expirations</u>	
	<u>July 1-30</u>		<u>July 31</u>	
	<u>1981</u>	<u>1980</u>	<u>1981</u>	<u>1980</u>
Unclassified	<u>\$8.28</u>	<u>\$1,098.69</u>	<u>\$383.86</u>	<u>\$2,364.47</u>

Combined Totals: The combined totals contain the totals of similar accounts of various funds. Since the appropriations and cash receipts of certain funds are restricted by various laws, rules and regulations, the totaling of the accounts is for memorandum 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

The eligible employees are members of the West Virginia Public Employeas' Retirement System. Employees' contributions are 4½ percent of their compensation and employees are vested under certain circumstances. The West Virginia State Board of Examiners for Licensed Practical Nurses matches contributions at 9½ percent of the compensation at which the employees made contributions.

Contributions to the pension and retirement plan are as follows:

<u>June 30, 1981</u>	<u>June 30, 1980</u>
<u>\$4,364.52</u>	<u>\$3,996.14</u>

SUPPLEMENTAL INFORMATION

WEST VIRGINIA STATE BOARD OF EXAMINERS FOR LICENSED PRACTICAL NURSES

COLLECTION ACCOUNT - LOCAL

BANK RECONCILIATIONS

JUNE 30, 1981

Kanawha Valley Bank:

Checking Account No. 846-579-1:

Balance Per Bank and Book

\$26,375.25

Savings Account No. 53589:

Balance Per Bank

\$40,480.22

Balance Per Book

\$39,496.68

Plus: Unrecorded Interest

983.54

Adjusted Balance Per Book

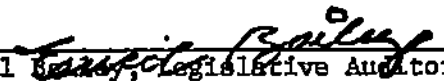
\$40,480.22

STATE OF WEST VIRGINIA

OFFICE OF LEGISLATIVE AUDITOR, TO WIT:

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

Given under my hand this 15th day of September, 1982.


Encil ~~Bailey~~, Legislative Auditor

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