

Performance Update

**STATE GEOLOGICAL AND
ECONOMIC SURVEY**

**The State Geological and Economic Survey Is In
Compliance With All Recommendations Made During An
October 2001 Preliminary Performance Review**



**November 2002
PE02-27-259**

JOINT COMMITTEE ON GOVERNMENT OPERATIONS

Senate

Edwin J. Bowman
Chair

Billy Wayne Bailey, Jr.
Vice Chair

Oshel B. Craigo

Sarah M. Minear

Vic Sprouse

House Of Delegates

Vicki V. Douglas
Chair

Earnest H. Kuhn
Vice Chair

Scott G. Varner

Larry Border

Otis Leggett

Citizen Members

Dwight Calhoun

John Canfield

James Willison

W. Joseph McCoy

(Vacancy)



OFFICE OF THE LEGISLATIVE AUDITOR

Aaron Allred
Legislative Auditor

John Sylvia
Director

Susannah Carpenter, CPA
Research Manager

Gail Higgins, MPA
Research Analyst

Performance Evaluation and Research Division
Building 1, Room W-314
State Capitol Complex
Charleston, West Virginia 25305
(304) 347-4890

WEST VIRGINIA LEGISLATURE
Performance Evaluation and Research Division

Building 1, Room W-314
1900 Kanawha Boulevard, East
Charleston, West Virginia 25305-0610
(304) 347-4890
(304) 347-4939 FAX



John Sylvia
Director

November 19, 2002

The Honorable Edwin J. Bowman
State Senate
129 West Circle Drive
Weirton, West Virginia 26062

The Honorable Vicki V. Douglas
House of Delegates
Building 1, Room E-213
1900 Kanawha Boulevard, East
Charleston, West Virginia 25305-0470

Dear Chairs:

Pursuant to the West Virginia Sunset Law, we are transmitting a *Performance Update of the State Geological and Economic Survey*, which will be presented to the Joint Committee on Government Operations on Tuesday, November 19, 2002. The issue covered herein is "The State Geological and Economic Survey Is In Compliance With All Recommendations Made During An October 2001 Preliminary Performance Review."

We transmitted a draft copy of the report to the State Geological and Economic Survey on October 29, 2002. The GES opted not to have an Exit Conference. We received the agency response on November 4, 2002.

Let me know if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "John Sylvia".

John Sylvia

JS/wsc

Joint Committee on Government and Finance

Contents

Executive Summary5

Issue 1: The West Virginia Geological and Economic Survey Provides a Necessary Service for the State's Economic Development.....7

Issue 2: A large amount of out-of-state travel interferes with the State Geologist's administrative responsibilities and travel that was for personal interests should not have been paid for by the state.....9

Issue 3: The West Virginia Geological and Economic Survey is in Violation of the West Virginia Travel Rules.....11

Issue 4: The State Geologist Received Incorrect and Duplicate Payments for Attending Coalbed Methane Review Board Meeting.....13

List Of Appendices

Appendix A: Transmittal Letter to Agency.....15

Appendix B: Agency Response.....17

Executive Summary

This report is an update of the October 2001 Preliminary Performance Review of the Geological and Economic Survey. The purpose of this update is to determine whether or not the agency has complied with recommendations made in the original evaluation.

The October 2001 review identified the following issues:

1. The West Virginia Geological and Economic Survey provides a necessary service for the state's economic development.

This issue stated that the Survey provides a necessary service to the public. However, there were concerns that modern information processing did not exist, and that organization of information was lacking. The Survey is now in full compliance with the recommendations of this issue.

2. A large amount of out-of-state travel interferes with the State Geologist's administrative responsibilities and travel that was for personal interests should not have been paid for by the state.

The Legislative Auditor recommended that the State Geologist pay back to the State \$2,518.44 in travel costs that were for personal use, and that the State Geologist spend more time in the office. In addition, it was recommended that the oversight agency of the Survey approve all future travel. The Survey is in full compliance with all recommendations made.

3. The West Virginia Geological and Economic Survey is in violation of the West Virginia travel rules.

A review of the agency's travel submissions indicates that the 15 day timely travel rule is now being emphasized and followed by agency personnel and the State Geologist. The Survey is in full compliance with the recommendation of this issue.

4. The State Geologist received incorrect and duplicate payments for attending a Coalbed Methane Review Board meeting.

An incorrect payment in the amount of \$285 to the Coalbed Methane Review Board and a duplicate payment of \$531.75 to the State Geologist for hotel travel have been reimbursed by the State Geologist, bringing the agency into compliance on the seventh and eighth recommendations.

The Geological and Economic Survey is in compliance with all eight recommendations of the October 2001 report.

In examining the status of the Geological and Economic Survey's efforts toward compliance in Issues 1, 2, 3 and 4, this update used the following designations for levels of compliance:

Table 1: Levels of Compliance

<u>In Compliance</u> -The Survey has corrected the problems identified in the 2001 audit report.
<u>Partial Compliance</u> -The Survey has partially corrected the problems identified in the 2001 report.
<u>Planned Compliance</u> -The Survey has not corrected the problem but has provided sufficient documentary evidence to find that the Survey will do so in the future.
<u>In Dispute</u> -The Survey does not agree with either the problem identified, or the proposed solution.
<u>Non-Compliance</u> -The Survey has not corrected the problem identified in the 2001 audit report.
<u>Requires Legislative Action</u> -The recommendation was intended to call the attention of the Legislature to one or more statutory issues.

Issue 1

The West Virginia Geological and Economic Survey Provides a Necessary Service for the State's Economic Development.

Recommendation 2

The West Virginia Geological and Economic Survey should modernize and centralize customer record-keeping to have a complete list of all customers with relevant information. The agency should also assess reasons for declines in revenue and in service requests. The agency should consider follow-up surveys with customers to assess the adequacy of the agency's service. Finally, the Survey should consider modernizing some areas of the customer service section and provide for improved organization of information.

Level of Compliance: In Compliance

The previous reliance on a manual record-keeping system has been eliminated. The Survey has now developed an agency-wide Intranet with a customized Centralized Customer Database and Service Request Log. This system was demonstrated to the Legislative Auditor during an agency visit on Friday, September 27, 2002. The Intranet was developed to improve communication within the agency and facilitate the sharing of information, programs and software. The Centralized Customer Database and the Service Request Log is an electronic record of customers and service provided to them by the Survey. It captures customer information in a standardized, modern format which also allows for various reports to be generated regarding the activity of the agency in relation to its customers. The Centralized Customer Database was implemented July 1, 2002 and contained over 1,000 customer service requests at the end of September 2002.

The Survey has assessed the reasons for declines in revenue and service requests. The main components of the revenue stream are publication sales, and various fees for services, such as information retrieval from computerized databases. The Survey's review of revenue decreases found the major reasons for the drop-off in publication sales may be due to the following reasons:

- i maps are now available on the internet, decreasing the need to purchase them;
- i printing expenses discourage new publications;
- i demands for the petroleum industry report have decreased; and

-
- i some popular Survey publications are out of print. Since these publications still contain valuable information, republication is being explored.

This analysis is contained in a report and presentation provided for the Legislative Auditor during the September visit. As a result of this assessment, the agency has developed a strategy for increasing contacts with the public, increasing sales of publications and increasing billable service requests. The strategy includes:

1. Increased communication with neighboring state's agencies in order to define benchmarks for productivity, and identify areas of cooperative research to result in publications for sale.
2. Implementation of iMission to WV 2002, which is an initiative to visit all county clerks' offices in the state to inform them of the services, areas of expertise and products, such as databases and publications. As of September 2002, 35 counties had been visited by a representative of the Survey, and information had been distributed to the county offices.
3. Creation of an internal study committee to evaluate current publications, costs and customer interest. This committee will determine the potential for new products, and efficiencies and procedures for print-on-demand for new publications.
4. Scanning out-of-print publications and maps for distribution on CD to meet continuing demand for these products.
5. The development of a formal strategic plan to cover all program areas and address specific strategies to improve the number of contacts and sales of agency services and publications.

The Survey has developed postage-paid Customer Satisfaction Response Cards to gather information from its customers on an ongoing basis. Use of these cards was initiated in mid-September 2002, so results of the Customer Satisfaction Response Cards were not available to the Legislative Auditor. Finally, the Legislative Auditor observed that areas of the Survey used by the public were noticeably cleaner, more open and offered more space for customers to look at maps. Staff members have planted gardens during their lunch hour, and improved the exterior grounds of the agency. The Survey recently made some capital improvements to the agency, which includes new flooring of the central customer area. A new color copier has also been purchased.

A Large Amount of Out-of-State Travel Interferes with the State Geologist's Administrative Responsibilities and Travel that was for Personal Interests should not have been paid for by the State.

Recommendation 3

The State Geologist should pay back travel costs to the State for personal travel in the amount of \$2,518.44.

Level of Compliance: In Compliance

The Survey provided documentation that as of January 22, 2002 the retired State Geologist reimbursed the state for personal travel in the amount of \$2,518.44.

Recommendation 4

The Bureau of Commerce, as the oversight agency of the Geological Survey, should review the travel commitments by the State Geologist in order to follow proper protocol, ensure that travel is appropriate, and ensure that the amount of out-of-state travel is appropriate.

Level of Compliance: In Compliance

The Survey provided documentation that the Bureau of Commerce has approved all travel taken by the acting director, who was appointed in August 2002 as the State Geologist. The Cabinet Secretary of Administration issued a requirement that all travel by agency heads be approved by oversight agencies.

Recommendation 5

The State Geologist should arrange his schedule to spend more time in his office.

Level of Compliance: In Compliance

The State Geologist on staff during the Legislative Auditor's 2001 Preliminary Performance Review retired at the end of December 2001. The Assistant State Geologist was named acting director of the agency, and later appointed as State Geologist. At the end of September 2002 a review of the

travel by the present State Geologist indicated that he had traveled eight days since January 2002. This represents about 6 % of the travel days taken by the previous State Geologist in FY 2000, and 12 % of travel days in FY 2001. While this represents only nine months, it indicates a trend toward spending at least 90% more time in the office.

Issue 3

The West Virginia Geological and Economic Survey is in Violation of West Virginia Travel Rules.

Recommendation 6

The West Virginia Geological and Economic Survey should follow the West Virginia Travel Rules by auditing and submitting traveler's expense account settlements within 15 days of travel completion, and providing an explanation when travel expenses are submitted late. As already stated in Recommendation 3, the State Geologist should follow the protocol of submitting his travel for approval to the Commissioner of the Bureau of Commerce.

Level of Compliance: In Compliance

Following the retirement of the State Geologist in December 2001, the purchasing agent for the Survey reissued the state travel regulations in a January 8, 2002 memorandum to all agency staff. The agency provided documentation to verify compliance with the 15 day timely submission of travel reimbursement. No instances were found of late or old travel submissions in the agency sample evaluated. All travel by the State Geologist was reviewed. The State Geologist provided documentation that any travel not required by the office (i.e. finance committee hearings) was approved by its oversight agency, the Bureau of Commerce.

The State Geologist Received Incorrect and Duplicate Payments for Attending Coalbed Methane Review Board Meeting.

Recommendation 7

The State Geologist should pay back to the Office of Oil and Gas the amount of \$285.

Level of Compliance: In Compliance

The West Virginia Department of Environmental Protection - Office of Oil and Gas received reimbursement on October 24, 2001 from the previous State Geologist in the amount of \$285 for overpayment of Coalbed Methane Review Board travel.

Recommendation 8

All travel, expense and per diem payments to the State Geologist, from 1993 forward (due to record retention and conversion of state auditing system), should be audited for any inappropriate payments and any violations of travel regulations.

Level of Compliance: In Compliance

The Legislative Auditor's Office completed a further review of the State Geologist's travel from FY 1996, the earliest year for which documentation existed, through FY 1999. It was found that the State Geologist received a duplicate payment of \$531.75 for hotel travel. The Survey provided documentation that on December 7, 2001, the previous State Geologist reimbursed the agency in the amount of \$531.75.

Appendix A Transmittal Letter

WEST VIRGINIA LEGISLATURE *Performance Evaluation and Research Division*

Building 1, Room W-314
1900 Kanawha Boulevard, East
Charleston, West Virginia 25305-0610
(304) 347-4890
(304) 347-4939 FAX



John Sylvia
Director

October 29, 2002

Carl J. Smith, State Geologist
West Virginia Geological and Economic Survey
Mont Chateau Research Center
Morgantown, West Virginia 26507-0879

Dear Mr. Smith:

This is to transmit a draft copy of the Update of the Preliminary Performance Review of the Geological and Economic Survey. This report is scheduled to be presented at the Sunday, November 17, 2002 interim meeting of the Joint Committee on Government Operations. It is expected that a representative from your agency be present at the meeting to orally respond to the report and answer any questions the committee may have. If you would like to schedule an exit conference by conference call to discuss any concerns you may have with the report please notify us. We need your written response by noon on November 6, 2002 in order for it to be included in the final report.

We request that your personnel treat the draft report as confidential and that it not be disclosed to anyone not affiliated with your agency. Thank you for your cooperation.

Sincerely,

Handwritten signature of John Sylvia in cursive script.
John Sylvia

_____ *Joint Committee on Government and Finance* _____

Appendix B Agency Response

WEST VIRGINIA
GEOLOGICAL AND ECONOMIC SURVEY

P.O. Box 879
Morgantown, WV 26507-0879

Bob Wise, Governor
Alisa Bailey, Commissioner of Commerce
Carl J. Smith, Director and State Geologist



Phone: 1-800-WVGEOLOGY (1-800-984-3656)
Phone: (304) 594-2331
Fax: (304) 594-2575
E-mail: info@geosrv.wvnet.edu
Web Site: <http://www.wvgs.wvnet.edu>

Mr. John Sylvia
West Virginia Legislature
Performance Evaluation and Research Division
Building 1, Room W-314
1900 Kanawha Boulevard, East
Charleston, WV 25305-0610

R E C E I V E D
NOV 04 2002

PERFORMANCE EVALUATION AND
RESEARCH DIVISION

Dear Mr. Sylvia:

I have reviewed the draft copy of the Update of the Preliminary Performance Review for the West Virginia Geological and Economic Survey dated October 29, 2002, and I concur with the results. The performance audit process conducted by Ms. Gail Higgins was thorough and has resulted in Agency improvements.

The information in the report was complete, and I have no questions. Therefore, I waive the necessity for an exit conference.

John D. May, the Survey's Deputy Director, and I will be present at the time designated on November 17th for the interim meeting of the Joint Committee on Government Operations.

Thank you for your efforts on our behalf. The West Virginia Geological and Economic Survey will continue to improve our capabilities to serve the State and our citizens.

Respectfully yours,

A handwritten signature in black ink, appearing to read "Carl J. Smith".

Carl J. Smith

State Geologist and Director

