

Master

STATE OF WEST VIRGINIA
AUDIT REPORT
OF

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA
FOR THE PERIOD
JULY 1, 1982 - JUNE 30, 1984



OFFICE OF LEGISLATIVE AUDITOR
CAPITOL BUILDING
CHARLESTON, WEST VIRGINIA 25305

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

FOR THE PERIOD

JULY 1, 1982 - JUNE 30, 1984

West Virginia



LEGISLATIVE AUDITOR

CHARLESTON

The Honorable Encil Bailey
Legislative Auditor
State Capitol - West Wing
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 Public Service Commission of West Virginia.

Our examination covers the period July 1, 1982 through June 30, 1984. The results of this examination are set forth on the following pages of this report.

Respectfully submitted,

Theodore L. Shanklin

Theodore L. Shanklin, CPA, Director
Legislative Postaudit Division

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PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

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PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

ACKNOWLEDGMENT

We extend our thanks and appreciation to the Public Service Commission and its staff for their cooperation in supplying the information necessary to prepare this report.

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

EXIT CONFERENCE

We held an exit conference on June 28, 1985 with the Chairman of the Public Service Commission, Chief Fiscal Officer and Director of the Consumer Advocate Division and all findings and recommendations were reviewed and discussed. The above officials' responses are included in the Summary of Findings, Recommendations and Responses and after our recommendations in the General Remarks.

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

INTRODUCTION

The Public Service Commission of West Virginia was created in 1913 under Chapter 24 of the West Virginia Code.

By the enactment of this chapter, the Legislature gave the Public Service Commission authority and duty to enforce through regulation the practices, services and rates of public utilities. Every public utility subject to the provisions of Chapter 24 is required to pay a special license fee based on property value as assessed and a special license fee based on gross revenues to provide for the administration and enforcement of the chapter.

The Public Service Commission is empowered by Chapter 24A of the West Virginia Code to supervise and regulate the transportation of persons and property for hire by motor vehicles upon or over the public highways of the State. The Commission is empowered to collect a special license fee and an annual assessment based on the number and capacity of motor vehicles used by a motor carrier to provide for the administration and enforcement of this chapter. The chapter requires the Commission to prescribe a schedule of fees to accompany applications for certificates of convenience and necessity and permits and for the filing and recordation of other papers with the Commission.

By the enactment of Chapter 24B of the West Virginia Code the Legislature gave the Public Service Commission the power to prescribe and to enforce safety standards for pipeline facilities as defined by the chapter. Every pipeline company subject to the provisions of this chapter is required to pay a special license fee based on the number of three-inch equivalent pipeline miles included in its pipeline facilities as defined by the chapter, and to regulate safety practices of persons engaged in the transportation of gas as defined by the chapter.

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

COMMISSIONERS AND ADMINISTRATIVE STAFF

E. Dandridge McDonald Chairman
Otis D. Casto Commissioner
Michael D. Greer Commissioner
Howard M. Cunningham Executive Secretary
G. Michael Cox Executive Director
Virginia S. Keys Director, Audit Division
David J. Ellis Director, Finance and Special Studies Division
Robert R. Rodecker Director, Legal Division
Franklin G. Crabtree Director, Motor Carrier Division
Richard P. Gerke Director, Engineering Division
Arnold A. Weiford Director, Hearing Examiners Division
John J. Dwyer Director, Railroad Safety Division
Darrell A. McKown Supervisor, Gas Pipeline Safety Division

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA
SUMMARY OF FINDINGS, RECOMMENDATIONS AND RESPONSES

AREAS OF NONCOMPLIANCE

Travel Advances

1. We noted that an employee settled cash advances on two occasions in fiscal year 1984 with checks that were subsequently dishonored by the bank. As a result, the travel advances were not settled within 30 days of the last day of travel.

We recommend travel advances continue to be monitored for settlement within 30 days of the last day of travel and to insure that travel advances are used only for purposes to benefit the State.

We are complying with this recommendation. (See pages 11-12.)

Remittance of Parking Receipts

2. We noted that parking receipts received from the Silverman parking area during the period October 1982 through March 1983 amounting to \$18,840.00 were not transferred to the General Revenue Fund of West Virginia as required by an Attorney General's decision.

We recommend that \$18,840.00 be transferred to the General Revenue Fund of West Virginia in accordance with the Attorney General's decision.

We will comply with this recommendation. (See pages 12-13.)

Lease of Employee Parking Area

3. We noted the lease of a parking area for the purpose of employee parking on a free of charge basis.

We recommend the Commission comply with the Leasing Procedures of the Leasing Division of the Department of Finance and Administration and properly account for the lease agreement.

We do not agree with this audit finding. (See pages 13-14.)

Payment of Health Insurance Billings

4. We noted that health insurance billings during the period March through June 1984 scheduled to be paid from Account 8285-17 were paid from Account 8280-17.

We recommend \$4,172.00 be transferred from the Public Service Commission Pipeline Safety Fund to the Public Service Commission Fund.

We will comply with this recommendation. (See pages 14-16.)

Late Payment of Assessments

5. We noted that payment dates for assessments of utilities and gas pipeline companies are not always enforced.

We recommend the Commission enforce the provisions of the West Virginia Code regarding assessments.

We will attempt to comply with this recommendation through the use of delinquent and final notices. (See pages 16-18.)

Disposal of Records

6. The Public Service Commission disposed of or misplaced various records.

We recommend the Public Service Commission obtain the required approval before disposing of its records.

We will comply with this recommendation. (See pages 18-19.)

Lack of Daily Itemized Record of Receipts

7. We noted that due to lack of motor carrier vehicle stamp receipt records, a daily itemized record of those receipts did not exist.

We recommend the Commission take the necessary steps to ensure that a daily itemized record of receipts is maintained.

No response. (See page 19.)

Negative Cash Balance

8. We noted a negative cash balance in the cash control account of the Consumer Advocate Division on June 30, 1984.

We recommend the Utilities Division and Consumer Advocate Division coordinate their efforts to ensure cash transfers are made in a timely fashion.

We have taken steps to comply with this recommendation. (See pages 19-20.)

Carry-Forward of Annual Leave

9. We noted that an employee of the Consumer Advocate Division was allowed to carry forward more than 30 days of annual leave on January 1, 1983.

We recommend the employee be required to relinquish ten and three-quarter days of annual leave.

We will comply with this recommendation. (See pages 20-21.)

Purchase of Calculators

10. We noted the purchase of a series of calculators without the required obtaining of three bids.

We recommend the Public Service Commission comply with the purchasing regulations of the Purchasing Division of the Department of Finance and Administration.

We are complying with the purchasing regulations. (See pages 21-22.)

INTERNAL CONTROLS AND ACCOUNTING SYSTEM

Inadequate Control Over Motor Carrier Stamps

11. We noted that motor carrier vehicle stamps are not prenumbered and the number of expired stamps which are destroyed is not confirmed by independent sources. Also, replacement stamps which are issued are not documented.

We recommend motor carrier vehicle stamps be sequentially prenumbered and that independent verification of those stamps destroyed at the annual expiration date be performed. Also, documentation of replacement stamps issued should be maintained.

We will comply with this recommendation. (See page 24.)

Assessments Credited to Incorrect Accounts

12. We discovered two deposits in fiscal year 1984 in which deposits were credited to the wrong account.

We recommend the Public Service Commission transfer \$549.67 from the Public Service Commission Pipeline Safety Fund to the Public Service Commission Fund.

No response. (See pages 24-25.)

Annual and Sick Leave Records - Consumer Advocate Division

13. We noted errors in the recordation and computation of annual and sick leave records of the Consumer Advocate Division.

We recommend the annual and sick leave records of all current employees be reviewed to verify accrued balances.

We will comply with this recommendation. (See page 25.)

Inability to Test Equipment

14. We were unable to test equipment due to the recent move to the Public Service Commission Headquarters. An inventory of equipment is yet to be completed with respect to location.

We recommend the inventory of equipment proceed as quickly as possible.

We will comply with this recommendation. (See pages 25-26.)

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

GENERAL REMARKS

INTRODUCTION

We have completed a financial and compliance audit of the Public Service Commission of West Virginia. 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, 1982 through June 30, 1984.

SPECIAL REVENUE ACCOUNTS

During our audit period the Public Service Commission operated from the following special revenue accounts.

<u>Utilities</u>	<u>Account Number</u>			<u>Description</u>
	<u>Gas Pipeline</u>	<u>Motor Carrier</u>	<u>Consumer Advocate</u>	
8280-X0				Salaries of Commissioners
8280-00	8285-00	8290-00	8295-00	Personal Services
8280-01	8285-01	8290-01	8295-01	Current Expenses
8280-03	8285-03	8290-03	8295-03	Equipment
8280-06	8285-06	8290-06	8295-06	Social Security Matching Fund
8280-07	8285-07	8290-07		Refund of Erroneous Payments
8280-08	8285-08	8290-08		Purchase of Investments
8280-09				Consumer Advocate Headquarters Building Development
8280-10	8285-10	8290-10		
8280-16	8285-16	8290-16	8295-16	Public Employees' Retirement Matching Fund
8280-17	8285-17	8290-17	8295-17	Public Employees' Health Insurance
8280-99	8285-99	8290-99	8295-99	Cash Control

FEDERAL FUND ACCOUNTS

During our audit period the Public Service Commission operated from the following Federal fund accounts.

<u>Utilities</u>	<u>Account Number</u> <u>Gas Pipeline</u>	<u>Motor Carrier</u>	<u>Description</u>
7985-00	7996-00	7993-00	Personal Services
7985-01	7996-01	7993-01	Current Expenses
		7993-03	Equipment
7985-99	7996-99	7993-99	Cash Control

AREAS OF NONCOMPLIANCE

Chapters 24, 24A and 24B of the West Virginia Code generally govern the Public Service Commission of West Virginia. 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.

Travel Advances

Our examination of travel advances revealed that one employee cleared their advance against related expenses on two separate occasions in fiscal year 1984 with a check that was subsequently dishonored by the bank. As a result, the employee failed to effectively settle the advances within thirty (30) days of the last date of travel as required by the Governor's Travel Regulations then in effect.

In the first instance, the travel advance was to have been settled by February 27, 1984. However, the check submitted in settlement was dishonored by the bank and a redeposit was processed on March 27, 1984. As a result, the advance was settled thirty (30) days late. In the second instance, the travel advance was to have been settled by May 13, 1984. However, the check submitted in settlement was dishonored by the bank and a redeposit was processed on July 5, 1984. As a result, the advance was settled more than 45 days late.

In addition, the dishonor of the check by the bank raises the possibility that the travel advances could have been used for purposes other than to benefit the State. The Governor's Travel Regulations, then in effect stated, "The transmittal for the advance allowance shall be approved by the department

head and cleared against the related expenses within thirty (30) days of the last day of travel. The department head will be responsible to ascertain that such allowance and related expense reports are cleared within thirty (30) days."

We recommend travel advances continue to be monitored closely for compliance with settlement within the time constraints established by the Governor's Travel Regulations and to prevent possible use of advance allowances for purposes other than to benefit the State.

The PSC instituted a new system in 1983 whereby tighter controls were placed on the request and settlement of cash advances. Settlement of cash advances has been on timely basis with few exceptions, since that time.

The two instances mentioned in your preliminary draft were originally settled on time, but considerable time passed before the checks were returned to us. This particular employee was on an audit out of state and had to be notified. New checks were deposited in both instances.

Remittance of Parking Receipts

We discovered in our examination of the Cash Control Account 8280-99, a transfer of \$28,064.52 to the General Fund of West Virginia. Upon inquiry, we discovered that the transfer was the result of an Attorney General's decision regarding the disposition of parking receipts received from the Silverman parking area (the present site of the Public Service Commission Headquarters). The Attorney General ruled that in accordance with Chapter 12, Article 2, Section 2 of the West Virginia Code and lacking special revenue legislation, the parking receipts were required to be remitted to the General Fund of West Virginia.

The transfer of \$28,064.52 represented parking receipts from February 1982 through September 1982. However, we could find no evidence that parking receipts for October 1982 through March 1983 totaling \$18,840.00 were transferred to the General Fund of West Virginia.

We recommend \$18,840.00 be transferred from the Public Service Commission Fund to the General Fund of West Virginia in compliance with the Attorney General's decision.

The receipt from October 1982 through March 1983 of \$18,840 will be transferred to the General Fund of West Virginia as per your recommendation.

Lease of Employee Parking Area

Our examination of the Current Expense Account, 8280-01 revealed several disbursements to an organization identified as The Baptist Temple. Our investigation revealed that the payments were representative of a contractual agreement between the Public Service Commission and the above mentioned vendor for the use of a parking area for Commission employees.

Upon inquiry, we were informed by Commission personnel that the parking area was utilized by employees on a free of charge basis and was required by the City of Charleston before a building permit would be issued for the construction of the Public Service Commission Headquarters. The agreement called for quarterly payments of \$460.00 prior to the beginning of occupancy of the Public Service Commission Headquarters and \$25.00 per parking space per month after the occupancy of the Public Service Commission Headquarters.

In our opinion, the lease of a parking area for the purposes of employee parking is in violation of the leasing procedures as promulgated by the Leasing Division of the Department of Finance and Administration. Specifically, the procedures state on Page 1 of the Leasing Procedures Handbook, "Only those parking spaces necessarily required to park State-owned vehicles, or spaces needed for agency clients will be included in State leases. An agency is not permitted to pay for employee parking."

Furthermore, the agreement was formalized on a contract agreement form (WV-47). In our opinion, the agreement in question was strictly for the use of property and not for services rendered and as such should have been

formalized on a Requisition for Space Form (WV-14).

We recommend the Public Service Commission take the necessary steps to properly account for the lease agreement as well as bring the lease agreement in compliance with the leasing procedures of the Department of Finance and Administration.

We would disagree strongly with the opinion of the auditor concerning this lease agreement. The contract for the lease of parking spaces and the subsequent purchase order were approved by the Attorney General and the last two Commissioners of Finance and Administration in November-December, 1982 (contract) and reaffirmed in September, 1984 (purchase order) at the time of the building occupancy. The Commission has violated neither the law nor any regulation filed with the Secretary of State. The leasing procedure handbook cited is administered by Finance and Administration, and the Commissioner of Finance and Administration may exercise his discretion in its administration.

To declare that the Public Service Commission has improperly accounted for the lease agreement and leasing procedures of Finance and Administration when on their face they have been approved by them is to ignore the history of this situation and after the fact to hold the Commission accountable to standards that have been waived.

In the event this citation remains in the final audit then a meeting with the Commissioner of Finance and Administration and the Director of the Leasing Division will be scheduled to resolve the details of your finding.

Payment of Health Insurance Billings

Our examination of the Public Employees' Health Insurance Accounts revealed that billings for Account 8285-17 for the months of March through June 1984 were in fact paid from the appropriations of Account 8280-17. Likewise, the billing for May and June 1984 for Account 8295-17 were paid from the appropriations of Account 8280-17.

It appears that the appropriations for fiscal year 1984 for Accounts 8285-17 and 8295-17 were exhausted and Commission personnel elected to make these payments from an alternate account rather than seek a supplemental appropriation. Apparently, the Commission personnel intended to make required transfers to reimburse the accounts at a later date. Our investigation indicates that these transfers have not been made as of the date of the present audit report.

In our opinion, the payment of employer health insurance contributions scheduled to be paid from Account 8285-17 and actually paid from Account 8280-17 is a violation of Chapter 24, Article 3, Section 6 and Chapter 24B, Article 5, Section 3 of the West Virginia Code.

Chapter 24, Article 3, Section 6 states, "...A special fund designated 'public service commission fund,' to be appropriated as provided by law for the purpose of paying the salaries of the commission, as fixed by this chapter, its expenses and salaries, compensations, costs and expenses of its employees...."

Chapter 24B, Article 5, Section 3 as amended states, "... (b) Such sums collected under subsection (a) of this section shall be paid into the state treasury and kept as a special fund, designated 'public service commission pipeline safety fund' to be appropriated as provided by law for the purpose of paying the salaries, compensation, costs and expenses of its employees...."

Accordingly, we recommend the Public Service Commission transfer \$4,172.00 from the Public Service Commission Pipeline Safety Fund to the Public Service Commission Fund.

Also, we recommend the Public Service Commission utilize those procedures available should appropriation amounts prove insufficient in the future.

We concur with the finding and agree that the PSC intended to make required transfers to reimburse the accounts at a later date. The amount of

\$4,172 will be reimbursed form the Gas Pipeline Safety Fund to the PSC Fund.

Late Payment of Assessments

We noted that the statutory dates for receipt of assessments from utilities and gas pipeline companies are not enforced in all cases by the Public Service Commission. Chapter 24, Article 3, Section 6 of the West Virginia Code requires a special license fee based on property value as assessed to be paid on or before the twentieth day of January of each year and a special license fee based on intrastate revenues in the prior calendar year to be paid on or before the first day of July of each year. Chapter 24B, Article 5, Section 3 of the West Virginia Code requires a special license fee based on three-inch equivalent pipeline miles to be paid on or before the first day of July of each year. Chapter 24, Article 4, Section 1 of the West Virginia Code states, "Every officer, agent, employee, or stockholder of any public utility subject to the provisions of this chapter, and every patron, passenger, shipper or consignee, or other person, who shall violate any provision of this chapter, or who procures, aids or abets any violation of any such provision by any such provision by any such public utility shall be guilty of a misdemeanor, and, upon conviction thereof, shall be fined not more than one thousand dollars or be confined in jail not more than one year, or both, in the discretion of the court...." Chapter 24B, Article 4, Section 6 of the West Virginia Code states, "...Any person who violates any provision of this chapter or any valid regulation or order issued thereunder, shall be subject to a civil penalty to be imposed by the Commission of not to exceed one thousand dollars for each violation for each day that the violation persists: Provided, that the maximum civil penalty shall not exceed two hundred thousand dollars for any related series of violations...."

Our analysis of receipts showed the following:

	<u>Due Date</u>	<u>Compliance</u>	<u>Noncompliance</u>
Utilities Property Assessments	1/20/84		
Number of Companies		0 (0.00%)	144 (100.00%)
Amount		\$ 0.00 (0.00%)	\$1,112,028.17 (100.00%)
Utilities Property Assessments	1/20/83		
Number of Companies		0 (0.00%)	121 (100.00%)
Amount		0.00 (0.00%)	\$1,833,945.76 (100.00%)
Utilities Revenue Assessments	7/1/83		
Number of Companies		494 (89.49%)	58 (10.51%)
Amount		\$2,426,882.16 (70.43%)	\$1,018,580.31 (29.57%)
Utilities Revenue Assessments	7/1/82		
Number of Companies		459 (81.10%)	107 (18.90%)
Amount		\$3,319,433.45 (92.35%)	\$ 274,923.01 (7.65%)
Gas Pipeline Assessments	7/1/83		
Number of Companies		239 (73.31%)	87 (26.69%)
Amount		\$ 198,143.34 (80.56%)	\$ 47,814.24 (19.44%)
Gas Pipeline Assessments	7/1/82		
Number of Companies		228 (69.94%)	98 (30.06%)
Amount		\$ 160,338.61 (80.58%)	\$ 38,652.47 (19.42%)

As a result of these violations, funds were not available for expenditures at the date required by the West Virginia Code.

We recommend the Public Service Commission enforce the provisions of Chapter 24, Article 3, Section 6 and Chapter 24B, Article 5, Section 3 of the West Virginia Code as prescribed by the provisions of Chapter 24, Article 4, Section 1 and Chapter 24B, Article 4, Section 6 of the West Virginia Code.

In the technical sense, the finding described is correct. However, we feel the following points merit mention:

A. Fees based upon property assessed are to be paid by January 20. The information upon which this assessment is based is derived from the Board of Public Works. Historically, these records are not made available to us until after January 1. This makes it nearly impossible to calculate the assessments, mail them out and have them returned in accordance with the statutory date. Therefore, the Commission will attempt to seek revision of the January 20 deadline.

B. Fees for gas pipeline safety and utility revenue assessments are due July 1. Computerization of these files has increased the compliance percentage tremendously since 1983. We can now calculate and mail out the assessment statement much faster than has been the case in the past.

The compliance and non-compliance categories delineated in the finding do not address anything other than statutory date. Only a very small percentage of utilities are in non-compliance after the first few days of July. Rather than using the civil penalties and fines which are available and which you have suggested, we hope that by sending delinquent notices and final notices will remedy the problem. We will seek a revision of the deadline of January 20 in 24-346(a).

Disposal of Records

The Public Service Commission disposed of or lost records which pertained to the period under examination. Chapter 5, Article 8, Section 17 of the West Virginia Code states, "No record shall be destroyed or otherwise disposed of by any agency of the state, unless it is determined by the administrator and the director of the division of archives and history of the department of culture and history that the record has no further administrative, legal, fiscal, research or historical value."

The Public Service Commission disposed of or lost encumbered copies of transmittals, motor carrier vehicle stamp receipt records and assessment letters that pertained to our audit period. Commission personnel indicate that the records in question were disposed of or have been subsequently misplaced during the move to the Public Service Commission Headquarters located at Quarrier and Brooks Street in Charleston, West Virginia.

We recommend the Public Service Commission obtain the required approval before disposing of its records and utilize safeguards to ensure that records are retained for subsequent audit engagements where the required ap-

proval for disposal has not been obtained from the proper authority.

We concur with the finding and will request that any future disposal of records be approved by the proper authorities. There was no intentional disposition of records to the best of our knowledge. These records could possibly still be found upon a thorough search of our storage areas.

Lack of Daily Itemized Record of Receipts

We noted in our examination of motor carrier receipts that vehicle stamp receipt records (logs) had been destroyed during the move to the Public Service Commission Headquarters. The vehicle stamp receipt records constitute a daily itemized record of receipts as required by Chapter 12, Article 2, Section 2 of the West Virginia Code.

Specifically, Chapter 12, Article 2, Section 2 of the West Virginia Code 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...."

In our opinion, the lack of vehicle stamp receipt records results in a violation of the requirements as stated in Chapter 12, Article 2, Section 2 of the West Virginia Code.

We recommend the Public Service Commission take the necessary steps to ensure that vehicle stamp receipt records or other suitable daily itemized record of receipts are retained as required in Chapter 12, Article 2, Section 2 of the West Virginia Code.

No response.

Negative Cash Balance

We noted a negative cash balance of \$30,770.39 in the cash control account of the Consumer Advocate Division at June 30, 1984. We were informed by Commission personnel that cash transfers to the account from the Public Service Commission fund apparently had not been credited to the account apparently due to unknown reasons.

Chapter 24, Article 1, Section 1, Subsection (f), Subdivisions (2) and (3) of the West Virginia Code, as amended, states, "...The creation of a division which shall act as an advocate for the position of and in the interest of all customers; The means and procedures by which the division to be created pursuant to the provisions of subdivision (2) of this subsection shall protect the interests of each class of customers and the means by which the Commission will assure that such division will be financially and departmentally independent of the division created by subdivision (1) of this subsection...."

As a result of the failure to transfer funds, monies were not available to pay expenditures of the Consumer Advocate Division as required by the above mentioned section of the West Virginia Code.

We recommend the Consumer Advocate Division and the Utilities Division coordinate their efforts to ensure that funds are transferred in a timely fashion.

An IGT was processed by the Budget Division of Finance and Administration on June 19, 1984 to transfer funds to the Consumer Advocate Division in the amount of \$50,000, but was not recorded by the State Auditor's Office until July 1984. All funds used by our Consumer Advocate Division, Account 8295, is transferred from the PSC fund, Account 8280.

The CAD concurs with the finding. The CAD and the Executive Director's Office of the PSC have now agreed to a coordinated method of transferring funds to the CAD account at the beginning of each quarter. This should prevent a future occurrence of the negative cash balance.

Carry-Forward of Annual Leave

We noted that an employee in the Consumer Advocate Division was allowed to carry forward more days of annual leave than was permissible under Civil Service regulations. Specifically, the employee carried forward forty and three-quarter days of annual leave and should have been allowed to carry forward not more than thirty days on January 1, 1983.

The Civil Service (State of West Virginia) rules and regulations on Page 45 states that an employee of less than 10 years of service may carry forward not more than 240 hours or 30 days based on an eight-hour workday. The leave records of the Consumer Advocate Division are based on a seven-hour workday. The number of hours of accrued leave are converted to days based on a seven-hour workday.

Accordingly, we recommend the accrued annual leave of the employee be adjusted by a reduction of ten and three-quarter days. Also, we recommend the Consumer Advocate Division not allow employees to carry forward amounts of accrued annual leave in excess of those limits specified in the Civil Service rules and regulations.

The CAD concurs in this finding. Ten and 3/4 days of annual leave time will be deducted from the accrued leave time of the employee in question to bring the accrual within Civil Service Regulations. In addition, in the future employees will not be allowed to carry forward accrued annual leave in excess of Civil Service Regulations.

Purchase of Calculators

We noted the purchase of a series of calculators within a short period of time in fiscal year 1983. The Commission was billed on separate invoices for each calculator and payment was subsequently made over a period from one to nine months. Based on our observation, six calculators were purchased on July 27, 1982 at a price of \$99.97 or a total purchase of \$599.82. Also five calculators were purchased on August 25, 1982 at a price of \$99.97 or a total purchase of \$499.85. The first series of calculators were paid on a series of transmittals prepared between August 24 and November 22, 1982. The second series of calculators were paid on a series of transmittals prepared between February 25, 1983 and May 9, 1983.

We were informed by Commission personnel that the calculator in question was on sale at the time and time constraints did not allow them to obtain the required bids.

In our opinion, the purchase of calculators in the manner described would constitute a single purchase as defined in the purchasing regulations in effect at the date of purchase.

The purchasing regulations then in effect stated on Page 72, "... For all purchases of commodities or services over \$100.00 a file of bids must be maintained at the Spending Unit... Purchases under \$100.00 will NOT require retention of bid records. However, if several purchases of the same item total over \$100.00 and have been made in a short period of time, the Spending Unit must retain a record of the bids. Frequent purchases of a commodity without bid records will not be allowed...."

We recommend the Public Service Commission adhere to the purchasing regulations established by the Purchasing Division of the Department of Finance and Administration.

The state contract price of calculators at the time mentioned in your findings was approximately \$165.00. The PSC had hired some new auditors and calculators were needed immediately. One of the employees had mentioned that Casio Calculators were a sale item at a discount store for \$99.97, which was under the \$100.00 limit. The calculators mentioned were purchased over a period of time, and even though the sale price did not exist, we were still allowed to purchase at the sale price. Since that time, all equipment purchases and office supplies such as brief cases and columnar pads, to mention a few, are being ordered through the Purchasing Division, with three or more vendors submitting quotations. This series of transactions would have been in compliance with the current state purchasing regulations.

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 on 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 procedures 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, 1982 to June 30, 1984, 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 weaknesses.

Inadequate Control of Motor Carrier Vehicle Stamps

We noted a lack of sufficient internal control over the issuance of motor carrier vehicle stamps. We discovered that vehicle stamps are not sequentially numbered and independent verification of the number of vehicle stamps which are unsold and destroyed at the annual expiration date is not performed.

As a result, the possibility exists that unauthorized access to vehicle stamps could be gained without knowledge of Commission personnel.

Also, we learned that infrequently a carrier will indicate that stamps were ordered but were not received. In these instances, replacement stamps are issued and forwarded to the carrier. We were informed that documentation is not retained.

We recommend vehicle stamps be sequentially numbered and independent verification be obtained of the number of stamps which are unsold prior to their destruction on the annual expiration date.

Also, we recommend a file be created to contain proper documentation for any replacement stamps which are issued.

We concur with the finding. The Motor Carrier Division will implement a revised procedure that will assure the ease of verifying the stamp record.

Assessments Credited to Incorrect Account

We noted two deposits which were credited to an incorrect account. In October 1983 Treasury Deposit Number 9243 was credited to the Public Service Commission Pipeline Safety Fund instead of the Public Service Commission Fund. As a result, \$88.83 was credited to an incorrect account. In June 1984, Treasury

Deposit Number 27432 contained receipts for the Public Service Commission Fund and the Public Service Commission Pipeline Safety Fund. The deposit amounts were reversed and \$460.84 was incorrectly credited to the Public Service Commission Pipeline Safety Fund.

We recommend \$549.67 be transferred from the Public Service Commission Pipeline Safety Fund to the Public Service Commission Fund. Also, we recommend procedures be adopted to compare Treasury deposit slips and monthly reports of account activity prepared by the State Auditor's Office to confirm that deposits were credited to the proper account.

No response.

Annual and Sick Leave Records - Consumer Advocate Division

We discovered errors in the computation and recordation of annual and sick leave records of the Consumer Advocate Division. Therefore, adjustments are required to the amount of accrued annual and/or sick leave of those individuals selected for examination.

We recommend the annual and sick leave records of all current employees of the Consumer Advocate Division be reviewed for possible errors in computation or recordation of annual and sick leave earned and taken.

The CAD concurs in this finding. The errors noted by the audit staff have been corrected and leave records will be reviewed quarterly for mathematical errors.

Inability to Test Equipment Purchases

We were unable to perform a test of equipment due to the recent move to the Public Service Commission Headquarters. We were unable to test equipment purchases from the Headquarters Building Development Accounts as well as the regular equipment accounts.

We were told by Commission personnel that a complete inventory of equipment with respect to location will be performed in the near future with

the use of temporary summer employees.

We recommend the inventory of equipment proceed as quickly as possible to safeguard Commission assets.

All equipment purchased by the Commission which is eligible for inventory is logged and tagged. We then, in turn, forward the Added Property Form to State Inventory Control for inclusion on the master inventory sheets for the PSC.

We do not dispute the possibility of a property tag being torn off during our recent move to our new Headquarters Building. We will continue to update our records of location and tags by conducting an annual inventory of existing equipment.

A large amount of new equipment and furniture was purchased through our Headquarters Building Development accounts, which technically were not required to be inventoried since it was not an equipment account. On our own, however, we have assigned inventory numbers and in the near future, all of this information will be forwarded to State Inventory Control.

AUDITORS' OPINION

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

Sir:

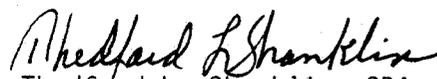
We have examined the statement of cash receipts, disbursements and changes in fund balance of the Public Service Commission of West Virginia for the years ended June 30, 1984 and June 30, 1983. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and other such auditing procedures as we considered necessary in the circumstances.

As more fully described in Note A, the financial statement was prepared using the cash basis of accounting. Accordingly, the financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the statement of cash receipts, disbursements and changes in fund balance of the Public Service Commission of West Virginia presents fairly the cash transactions for the years ended June 30, 1984 and June 30, 1983 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

June 11, 1985

Auditors: Michael E. Sizemore, Auditor-in-Charge
Mark E. McCallister
David P. Given
Martha A. Gibson
Jack L. Miller

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
 CHANGES IN FUND BALANCE

	Year Ended June 30, 1984			
	<u>Utilities</u>	<u>Gas Pipeline</u>	<u>Motor Carrier</u>	<u>Consumer Advocate</u>
Cash Receipts:				
Fees and Assessments	\$ 3,806,939.72	\$ 142,217.53	\$ 1,454,100.16	\$ -0-
Federal Funds	5,078.12	-0-	-0-	-0-
Earned Interest	807,054.49	57,443.36	128,657.74	-0-
Miscellaneous	-0-	-0-	134.00	-0-
	<u>4,619,072.33</u>	<u>199,660.89</u>	<u>1,582,891.90</u>	<u>-0-</u>
Disbursements:				
Personal Services	2,777,790.65	141,625.17	863,889.08	194,335.72
Current Expenses	1,665,196.44	88,410.60	452,604.96	185,583.18
Equipment	131,794.15	327.00	4,201.32	1,106.49
Headquarters Building Development	3,520,185.77	-0-	142,618.85	-0-
Transfer to State General Revenue Fund	-0-	-0-	-0-	-0-
	<u>8,094,967.01</u>	<u>230,362.77</u>	<u>1,463,314.21</u>	<u>381,025.39</u>
Cash Receipts (Under) Over Disbursements	(3,475,894.68)	(30,701.88)	119,577.69	(381,025.39)
Beginning Balance	10,221,047.39	666,707.46	1,228,306.47	-0-
Transfers to Consumer Advocate	(350,255.00)	-0-	-0-	350,255.00
Ending Balance	<u>\$ 6,394,897.71</u>	<u>\$ 636,005.58</u>	<u>\$ 1,347,884.16</u>	<u>(\$ 30,770.39)</u>

See Notes to Financial Statement

<u>Combined Totals</u>	<u>Utilities</u>	<u>Year Ended June 30, 1983</u>		<u>Combined Totals</u>
		<u>Gas Pipeline</u>	<u>Motor Carrier</u>	
\$ 5,403,257.41	\$ 4,901,045.14	\$ 238,176.20	\$ 1,347,952.76	\$ 6,487,174.10
5,078.12	82,112.00	32,833.85	-0-	114,945.85
993,155.59	1,003,988.42	56,568.11	140,446.51	1,201,003.04
134.00	34,794.65	-0-	950.00	35,744.65
<u>6,401,625.12</u>	<u>6,021,940.21</u>	<u>327,578.16</u>	<u>1,489,349.27</u>	<u>7,838,867.64</u>
3,977,640.62	3,016,091.40	125,942.99	878,026.96	4,020,061.35
2,391,795.18	1,774,270.77	74,424.11	437,360.39	2,286,055.27
137,428.96	39,794.77	-0-	5,095.00	44,889.77
3,662,804.62	107,017.50	-0-	505,495.99	612,513.49
-0-	28,064.52	-0-	-0-	28,064.52
<u>10,169,669.38</u>	<u>4,965,238.96</u>	<u>200,367.10</u>	<u>1,825,978.34</u>	<u>6,991,584.40</u>
(3,768,044.26)	1,056,701.25	127,211.06	(336,629.07)	847,283.24
12,116,061.32	9,164,346.14	539,496.40	1,564,935.54	11,268,778.08
-0-	-0-	-0-	-0-	-0-
<u>\$ 8,348,017.06</u>	<u>\$10,221,047.39</u>	<u>\$ 666,707.46</u>	<u>\$ 1,228,306.47</u>	<u>\$12,116,061.32</u>

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

NOTES TO FINANCIAL STATEMENT

Note A - Accounting Policies

Accounting Method: The cash basis of accounting is followed for all 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 obligations 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 Totals: The combined totals contain the totals of similar accounts of various funds. Since the cash receipts of certain funds are restricted as to use 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 matter other than that provided by such laws, rules and regulations.

Note B - Earned Interest

Chapter 12, Article 6, Section 8(e) of the West Virginia Code, as amended, 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...." Under this provision the Commission invests with the State Board of Investments. The Commission has transferred to its operating account in the State Auditor's Office the following interest.

	<u>Year Ended June 30,</u>	
	<u>1984</u>	<u>1983</u>
Utilities Division	\$ 1,003,988.42	\$ 1,041,613.39
Gas Pipeline Division	56,568.11	63,104.41
Motor Carrier Division	140,446.51	274,569.37
	<u>\$ 1,201,003.04</u>	<u>\$ 1,379,287.17</u>

The remaining interest which has not been transferred to the Commission's Operating Accounts in the State Auditor's Office is reinvested with the State Board of Investments.

Note C - Fund Balances

The components of the fund balances are as follows:

	<u>Year Ended June 30,</u>	
	<u>1984</u>	<u>1983</u>
Utilities Division		
Cash	\$ 2,100,810.49	\$ 217,074.66
Investments	4,294,087.22	10,003,972.73
	<u>\$ 6,394,897.71</u>	<u>\$10,221,047.39</u>

	<u>Year Ended June 30,</u>	
	<u>1984</u>	<u>1983</u>
Gas Pipeline Division		
Cash	\$ 238,730.14	\$ 75,805.38
Investments	397,275.44	590,902.08
	<u>\$ 636,005.58</u>	<u>\$ 666,707.46</u>
Motor Carrier Division		
Cash	\$ 685,995.68	\$ 20,771.73
Investments	661,888.48	1,207,534.74
	<u>\$1,347,884.16</u>	<u>\$1,228,306.47</u>
Consumer Advocate Division		
Cash	(\$ 30,770.39)	\$ -0-
	<u>(\$ 30,770.39)</u>	<u>\$ -0-</u>

Note D - Pension Plan

All eligible employees are members of the West Virginia Public Employees' Retirement System. Employees' contributions are 4½% of their compensation and employees have vested rights under certain circumstances. Contributions by the Commission are 9½% of the employees' compensation. The Commission's pension expires were as follows:

	<u>Year Ended June 30,</u>	
	<u>1984</u>	<u>1983</u>
Utilities Division	<u>\$ 272,750.53</u>	<u>\$ 278,430.41</u>
Gas Pipeline Division	<u>\$ 13,041.57</u>	<u>\$ 11,610.57</u>
Motor Carrier Division	<u>\$ 71,274.66</u>	<u>\$ 72,681.61</u>
Consumer Advocate Division	<u>\$ 18,461.95</u>	<u>\$ 18,784.90</u>

Note E - Refund of Assessment

Subsequent to the date of the financial statements, an error was discovered in the reporting and payment of an intrastate revenue assessment due July 1, 1983. The correction of this error which resulted from a payment of \$67,136.28 as opposed to a correct assessment of \$4,348.98 will result in a refund payable from the Public Service Commission Fund of \$62,787.30. The error resulted from the utility incorrectly reporting to the Public Service Commission the amount of their intrastate revenues for calendar year 1982.

Note F - Seizure of Earned Interest

Subsequent to the date of the financial statements, House Bill Number 2051 was adopted which required the transfer of certain accrued interest to the General Revenue Fund of West Virginia. As a result of House Bill 2051, the Public Service Commission was required to relinquish the following amounts of accrued interest:

Utilities Division (Account 8280-99)	\$1,194,448.16
Gas Pipeline Division (Account 8285-99)	102,398.31
Motor Carrier Division (Account 8290-99)	<u>210,019.25</u>
	<u>\$1,506,865.12</u>

Note G - Restatement of Balances

As a result of a transfer of \$20,755.20 in fiscal year 1984 from the Public Service Commission Motor Carrier Fund to the Public Service Commission Fund, the beginning balance at July 1, 1983 was appropriately restated in both accounts. The transfer was the result of a recommendation in a prior audit report. The financial statement reflects the restatement of the fund balance.

Note H - Consumer Advocate

Prior to July 1, 1983 all obligations of the Consumer Advocate Division were paid directly from the Public Service Commission Fund. Pursuant to the directives of the Legislature, a fund was established for the Consumer Advocate Division. The Consumer Advocate Division is funded by direct transfers from the Public Service Commission Fund to the Consumer Advocate Division's Cash Control Account.

SUPPLEMENTAL INFORMATION

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA
STATEMENTS OF APPROPRIATIONS AND EXPENDITURES

<u>Salaries of Commissioners -</u> <u>Account 8280-X0</u>	<u>Year Ended June 30,</u>	
	<u>1984</u>	<u>1983</u>
Appropriations	\$ -0-	\$ 87,800.00
Expenditures	<u>-0-</u>	<u>87,800.00</u>
	-0-	-0-
Transmittals Paid July 1 - September 30	<u>-0-</u>	<u>-0-</u>
Balance	<u>\$ -0-</u>	<u>\$ -0-</u>
<u>Other Personal Services -</u> <u>Account 8280-00</u>		
Appropriations	\$2,992,950.00	\$2,953,150.00
Expenditures	<u>2,777,790.65</u>	<u>2,730,036.45</u>
	215,159.35	223,113.55
Transmittals Paid July 1 - September 30	<u>-0-</u>	<u>-0-</u>
Balance	<u>\$ 215,159.35</u>	<u>223,113.55</u>
<u>Current Expenses - Account 8280-01</u>		
Appropriations	\$1,227,435.00	\$1,088,438.00
Expenditures	<u>946,614.93</u>	<u>1,001,634.93</u>
	280,820.07	86,803.07
Transmittals Paid July 1 - September 30	<u>157,013.55</u>	<u>199,429.70</u>
Balance	<u>\$ 437,833.62</u>	<u>\$ 286,232.77</u>
<u>Equipment - Account 8280-03</u>		
Appropriations	\$ 119,600.00	\$ 148,000.00
Expenditures	<u>116,653.60</u>	<u>135,676.49</u>
	2,946.40	12,323.51
Transmittals Paid July 1 - September 30	<u>102,995.00</u>	<u>107,706.95</u>
Balance	<u>\$ 105,941.40</u>	<u>120,030.46</u>

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA
STATEMENTS OF APPROPRIATIONS AND EXPENDITURES

<u>Social Security Matching - Account 8280-06</u>	Year Ended June 30,	
	1984	1983
Appropriations	\$ 201,672.00	\$ 218,314.00
Expenditures	194,629.00	189,635.63
	7,043.00	28,678.37
Transmittals Paid July 1 - September 30	-0-	-0-
Balance	\$ 7,043.00	\$ 28,678.37
<u>Consumer Advocate - Account 8280-09</u>		
Appropriations	\$ -0-	\$ 410,932.00
Expenditures:		
Personal Services	-0-	198,254.95
Current Expenses	-0-	186,650.89
Equipment	-0-	13,874.42
	-0-	398,780.26
	-0-	12,151.74
Transmittals Paid July 1 - September 30	-0-	25,744.73
Balance	\$ -0-	\$ 37,896.47
<u>Headquarters Building Development - Account 8280-10</u>		
Reappropriations	\$4,756,685.50	\$4,863,703.00
Expenditures:		
Utilities	14,967.00	-0-
Contractual and Professional Services	3,505,218.77	107,017.50
	3,520,185.77	107,017.50
	1,236,499.73	4,756,685.50
Transmittals Paid July 1 - September 30	-0-	-0-
Balance	\$1,236,499.73	\$4,756,685.50

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA
STATEMENTS OF APPROPRIATIONS AND EXPENDITURES

<u>Public Employees' Retirement Matching - Account 8280-16</u>	Year Ended June 30,	
	1984	1983
Appropriations	\$284,415.00	\$309,546.00
Expenditures:		
Retirement Match	272,740.53	278,430.31
Administrative Fee	816.00	20.00
	273,556.53	278,450.31
	10,858.47	31,095.69
Transmittals Paid July 1 - September 30	20.00	10.00
Balance	\$ 10,878.47	\$ 31,105.69
<u>Public Employees' Health Insurance - Account 8280-17</u>		
Appropriations	\$272,516.00	\$215,760.00
Expenditures:		
Insurance Contribution	191,923.70	157,412.30
Administrative Fee	750.00	70.00
	192,673.70	157,482.30
	79,842.30	58,277.70
Transmittals Paid July 1 - September 30	-0-	-0-
Balance	\$ 79,842.30	\$ 58,277.70

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

STATEMENT OF CHANGES IN INVESTMENT BALANCE

<u>Investments - Account 8280-08</u>	<u>Year Ended June 30,</u>	
	<u>1984</u>	<u>1983</u>
Additions:		
Transfers to State Board of Investments	\$ 2,303,988.42	\$ 5,166,613.39
Interest Reinvested	807,054.49	1,003,988.42
	<u>3,111,042.91</u>	<u>6,170,601.81</u>
Deductions:		
Withdrawals from State Board of Investments	8,820,928.42	4,871,613.39
	<u>(5,709,885.51)</u>	<u>1,298,988.42</u>
Beginning Balance	<u>10,003,972.73</u>	<u>8,704,984.31</u>
Ending Balance	<u>\$ 4,294,087.22</u>	<u>\$10,003,972.73</u>

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

<u>Refunds of Erroneous Payments -</u> <u>Account 8280-07</u>	<u>Year Ended June 30,</u>	
	<u>1984</u>	<u>1983</u>
Cash Receipts	\$166.15	\$-0-
Disbursements	<u>166.15</u>	<u>-0-</u>
Balance	<u>\$-0-</u>	<u>\$-0-</u>

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
 CASH CONTROL UTILITIES - ACCOUNT 8280-99

	<u>Year Ended June 30,</u>	
	<u>1984</u>	<u>1983</u>
Beginning Balance:		
State Treasury	\$ 128,722.44	\$ 101,936.86
Cash on Hand	67,597.02	336,669.77
	<u>196,319.46</u>	<u>438,606.63</u>
Transfer from Public Service Commission Motor Carrier Fund - (Account 8290-99)	20,755.20	-0-
	<u>217,074.66</u>	<u>438,606.63</u>
Cash Receipts:		
Fees and Assessments	3,806,939.72	4,901,045.14
Federal Funds	5,078.12	82,112.00
Interest	1,003,988.42	1,041,613.39
Miscellaneous Receipts	-0-	34,794.65
	<u>4,816,006.26</u>	<u>6,059,565.18</u>
TOTAL CASH TO ACCOUNT FOR	<u><u>\$5,033,080.92</u></u>	<u><u>\$6,498,171.81</u></u>

	Year Ended June 30,	
	<u>1984</u>	<u>1983</u>
Ending Balance:		
State Treasury	\$2,100,810.49	\$ 128,722.44
Cash on Hand	-0-	67,597.02
	<u>2,100,810.49</u>	<u>196,319.46</u>
Disbursements:		
Personal Services	2,777,790.65	2,817,836.45
Current Expenses	946,614.93	1,001,634.93
Equipment	116,653.60	135,676.49
Social Security Matching	194,629.00	189,635.63
Investments - Net	(5,512,951.58)	1,336,613.39
Consumer Advocate	-0-	398,780.26
Headquarters Building Development	3,520,185.77	107,017.50
Public Employees' Retirement Matching	273,556.53	278,450.31
Public Employees' Health Insurance	192,673.70	157,482.30
Transfer to General Revenue Fund of West Virginia	-0-	28,064.52
Transfers to Consumer Advocate Division	350,255.00	-0-
	<u>2,859,407.60</u>	<u>6,451,191.78</u>
Add Transmittals Paid July 1 - September 30 Beginning and (Less Transmittals Paid July 1 - September 30 Ending):		
Current Expenses	199,429.70	147,723.45
(Current Expenses)	(157,013.55)	(199,429.70)
Equipment	107,706.95	4,983.21
(Equipment)	(102,995.00)	(107,706.95)
Consumer Advocate	25,744.93	30,845.29
(Consumer Advocate)	-0-	(25,744.73)
Public Employees' Retirement Matching	10.00	-0-
(Public Employees' Retirement Matching)	(20.00)	(10.00)
	<u>72,863.03</u>	<u>(149,339.43)</u>
	<u>2,932,270.43</u>	<u>6,301,852.35</u>
 TOTAL CASH ACCOUNTED FOR	 <u>\$5,033,080.92</u>	 <u>\$6,498,171.81</u>

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA
STATEMENTS OF APPROPRIATIONS AND EXPENDITURES

	<u>Year Ended June 30,</u>	
	<u>1984</u>	<u>1983</u>
<u>Personal Services - Account 8285-00</u>		
Appropriations	\$144,297.00	\$169,297.00
Expenditures	<u>141,625.17</u>	<u>125,942.99</u>
	2,671.83	43,354.01
Transmittals Paid July 1 - September 30	<u>-0-</u>	<u>-0-</u>
Balance	<u>\$ 2,671.83</u>	<u>\$ 43,354.01</u>
 <u>Current Expenses - Account 8285-01</u>		
Appropriations	\$ 65,960.00	\$ 80,385.00
Expenditures	<u>48,672.72</u>	<u>53,756.94</u>
	17,287.28	26,628.06
Transmittals Paid July 1 - September 30	<u>8,339.52</u>	<u>17,464.82</u>
Balance	<u>\$ 25,626.80</u>	<u>\$ 44,092.88</u>
 <u>Equipment - Account 8285-03</u>		
Appropriations	\$ 1,500.00	\$ 3,500.00
Expenditures	<u>327.00</u>	<u>-0-</u>
	1,173.00	3,500.00
Transmittals Paid July 1 - September 30	<u>-0-</u>	<u>-0-</u>
Balance	<u>\$ 1,173.00</u>	<u>\$ 3,500.00</u>
 <u>Social Security Matching - Account 8285-06</u>		
Appropriations	\$ 10,519.00	\$ 12,194.00
Expenditures	<u>9,418.21</u>	<u>8,156.78</u>
	1,100.79	4,037.22
Transmittals Paid July 1 - September 30	<u>-0-</u>	<u>-0-</u>
Balance	<u>\$ 1,100.79</u>	<u>\$ 4,037.22</u>

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA
STATEMENTS OF APPROPRIATIONS AND EXPENDITURES

<u>Headquarters Building Development - Account 8285-10</u>	Year Ended June 30,	
	1984	1983
Reappropriations	\$96,075.79	\$96,075.79
Expenditures	-0-	-0-
	96,075.79	96,075.79
Transmittals Paid July 1 - September 30	-0-	-0-
Balance	\$96,075.79	\$96,075.79
<u>Public Employees' Retirement Matching - Account 8285-16</u>		
Appropriations	\$14,914.00	\$17,289.00
Expenditures:		
Retirement Match	12,996.57	11,605.57
Administrative Fee	45.00	5.00
	13,041.57	11,610.57
	1,872.43	5,678.43
Transmittals Paid July 1 - September 30	-0-	-0-
Balance	\$ 1,872.43	\$ 5,678.43
<u>Public Employees' Health Insurance - Account 8285-17</u>		
Appropriations	\$ 8,915.00	\$ 8,928.00
Expenditures:		
Insurance Contribution	8,116.80	7,985.70
Administrative Fee	36.00	10.00
	8,152.80	7,995.70
	762.20	932.30
Transmittals Paid July 1 - September 30	-0-	-0-
Balance	\$ 762.20	\$ 932.30

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA
STATEMENT OF CHANGES IN INVESTMENT BALANCE

<u>Investments - Account 8285-08</u>	<u>Year Ended June 30,</u>	
	<u>1984</u>	<u>1983</u>
Additions:		
Transfers to State Board of Investments	\$101,568.11	\$188,104.41
Interest Reinvested	<u>57,443.36</u>	<u>56,568.11</u>
	159,011.47	244,672.52
Deductions:		
Withdrawals from State Board of Investments	<u>352,638.11</u>	<u>149,104.41</u>
	(193,626.64)	95,568.11
Beginning Balance	<u>590,902.08</u>	<u>495,333.97</u>
Ending Balance	<u><u>\$397,275.44</u></u>	<u><u>\$590,902.08</u></u>

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

<u>Refund of Erroneous Payments -</u> <u>Account 8285-07</u>	<u>Year Ended June 30,</u>	
	<u>1984</u>	<u>1983</u>
Cash Receipts	\$777.08	\$-0-
Disbursements	<u>777.88</u>	<u>-0-</u>
Balance	<u>\$-0-</u>	<u>\$-0-</u>

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
 CASH CONTROL GAS PIPELINE - ACCOUNT 8285-99

	<u>Year Ended June 30,</u>	
	<u>1984</u>	<u>1983</u>
Beginning Balance:		
State Treasury	\$ 75,805.38	\$ 43,679.67
Cash on Hand	-0-	482.76
	<u>75,805.38</u>	<u>44,162.43</u>
Cash Receipts:		
Fees and Assessments	142,217.53	238,176.20
Federal Funds	-0-	32,833.85
Interest	56,568.11	63,104.41
	<u>198,785.64</u>	<u>334,114.46</u>
TOTAL CASH TO ACCOUNT FOR	<u>\$274,591.02</u>	<u>\$378,276.89</u>

	<u>Year Ended June 30,</u>	
	<u>1984</u>	<u>1983</u>
Ending Balance:		
State Treasury	\$238,730.14	\$ 75,805.38
Cash on Hand	-0-	-0-
	<u>238,730.14</u>	<u>75,805.38</u>
Disbursements:		
Personal Services	141,625.17	125,942.99
Current Expenses	48,672.72	53,756.94
Equipment	327.00	-0-
Social Security Matching	9,418.21	8,156.78
Investments - Net	(194,501.89)	102,104.41
Public Employees' Retirement Matching	13,041.57	11,610.57
Public Employees' Health Insurance	8,152.80	7,995.70
	<u>26,735.58</u>	<u>309,567.39</u>
Add Transmittals Paid July 1 - September 30		
Beginning and (Less Transmittals Paid		
July 1 - September 30 Ending):		
Current Expenses	17,464.82	10,368.94
(Current Expenses)	(8,339.52)	(17,464.82)
	<u>9,125.30</u>	<u>(7,095.88)</u>
	<u>35,860.88</u>	<u>302,471.51</u>
 TOTAL CASH ACCOUNTED FOR	 <u>\$274,591.02</u>	 <u>\$378,276.89</u>

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA
STATEMENTS OF APPROPRIATIONS AND EXPENDITURES

	<u>Year Ended June 30,</u>	
	<u>1984</u>	<u>1983</u>
<u>Personal Services - Account 8290-00</u>		
Appropriations	\$943,874.00	\$943,874.00
Expenditures	<u>863,889.08</u>	<u>878,026.96</u>
	79,984.92	65,847.04
Transmittals Paid July 1 - September 30	<u>-0-</u>	<u>-0-</u>
Balance	<u>\$ 79,984.92</u>	<u>\$ 65,847.04</u>
 <u>Current Expenses - Account 8290-01</u>		
Appropriations	\$351,900.00	\$383,360.00
Expenditures	<u>248,128.71</u>	<u>251,553.85</u>
	103,771.29	131,806.15
Transmittals Paid July 1 - September 30	<u>49,753.78</u>	<u>65,639.86</u>
Balance	<u>\$153,525.07</u>	<u>\$197,446.01</u>
 <u>Equipment - Account 8290-03</u>		
Appropriations	\$ 5,000.00	\$ 8,250.00
Expenditures	<u>4,201.32</u>	<u>5,095.00</u>
	798.68	3,155.00
Transmittals Paid July 1 - September 30	<u>-0-</u>	<u>-0-</u>
Balance	<u>\$ 798.68</u>	<u>\$ 3,155.00</u>
 <u>Social Security Matching - Account 8290-06</u>		
Appropriations	\$ 64,900.00	\$ 67,983.00
Expenditures	<u>51,182.87</u>	<u>51,053.10</u>
	13,717.13	16,929.90
Transmittals Paid July 1 - September 30	<u>-0-</u>	<u>-0-</u>
Balance	<u>\$ 13,717.13</u>	<u>\$ 16,929.90</u>

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA
STATEMENTS OF APPROPRIATIONS AND EXPENDITURES

<u>Headquarters Building Development</u> <u>Account 8290-10</u>	<u>Year Ended June 30,</u>	
	<u>1984</u>	<u>1983</u>
Reappropriations	\$ 537,369.05	\$1,042,865.04
Expenditures:		
Contractual and Professional Services	142,618.85	505,495.99
	<u>394,750.20</u>	<u>537,369.05</u>
Transmittals Paid July 1 - September 30	<u>-0-</u>	<u>-0-</u>
Balance	<u>\$ 394,750.20</u>	<u>537,369.05</u>
<u>Public Employees' Retirement Matching -</u> <u>Account 8290-16</u>		
Appropriations	\$ 89,700.00	\$ 96,393.00
Expenditures:		
Retirement Match	70,979.66	72,666.61
Administrative Fee	290.00	15.00
	<u>71,269.66</u>	<u>72,681.61</u>
	18,430.34	23,711.39
Transmittals Paid July 1 - September 30	<u>10.00</u>	<u>5.00</u>
Balance	<u>\$ 18,440.34</u>	<u>\$ 23,716.39</u>
<u>Public Employees' Health Insurance -</u> <u>Account 8290-17</u>		
Appropriations	\$ 78,600.00	65,472.00
Expenditures:		
Insurance Contribution	65,891.64	53,265.66
Administrative Fee	252.00	25.00
	<u>66,143.64</u>	<u>53,290.66</u>
	12,456.36	12,181.34
Transmittals Paid July 1 - September 30	<u>-0-</u>	<u>-0-</u>
Balance	<u>\$ 12,456.36</u>	<u>\$ 12,181.34</u>

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA
STATEMENT OF CHANGES IN INVESTMENT BALANCE

<u>Investments - Account 8290-08</u>	<u>Year Ended June 30,</u>	
	<u>1984</u>	<u>1983</u>
Additions:		
Transfers to State Board of Investments	\$ 885,446.51	\$ 739,569.37
Interest Reinvested	128,657.74	140,446.51
	<u>1,014,104.25</u>	<u>880,015.88</u>
Deductions:		
Withdrawals from State Board of Investments	1,559,751.51	934,569.37
	<u>(545,647.26)</u>	<u>(54,553.49)</u>
Beginning Balance	<u>1,207,534.74</u>	<u>1,262,088.23</u>
Ending Balance	<u>\$ 661,887.48</u>	<u>\$1,207,534.74</u>

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
 CASH CONTROL MOTOR CARRIER - ACCOUNT 8290-99

	<u>Year Ended June 30,</u>	
	<u>1984</u>	<u>1983</u>
Beginning Balance:		
State Treasury	\$ 37,824.67	\$ 314,576.09
Cash on Hand	3,702.26	9,026.42
	<u>41,526.93</u>	<u>323,602.51</u>
Transfer to Public Service Commission Fund - (Account 8280-99)	(20,755.20)	-0-
	<u>20,771.73</u>	<u>323,602.51</u>
Cash Reciepts:		
Fees and Assessments	1,454,100.16	1,347,952.76
Interest on Investments	140,446.51	274,569.37
Miscellaneous Receipts	134.00	950.00
	<u>1,594,680.67</u>	<u>1,623,472.13</u>
TOTAL CASH TO ACCOUNT FOR	<u>\$1,615,452.40</u>	<u>\$1,947,074.64</u>

	<u>Year Ended June 30,</u>	
	<u>1984</u>	<u>1983</u>
Ending Balance:		
State Treasury	\$ 683,209.56	\$ 37,824.67
Cash on Hand	<u>2,786.12</u>	<u>3,702.26</u>
	685,995.68	41,526.93
Disbursements:		
Personal Services	863,889.08	878,026.96
Current Expenses	248,128.71	251,553.85
Equipment	4,201.32	5,095.00
Social Security Matching	51,182.87	51,053.10
Investments - Net	(533,858.49)	79,569.37
Headquarters Building Development	142,618.85	505,495.99
Public Employees' Retirement Matching	71,269.66	72,681.61
Public Employees' Health Insurance	66,143.64	53,290.66
	<u>913,575.64</u>	<u>1,896,766.54</u>
Add Transmittals Paid July 1 - September 30		
Beginning and (Less Transmittals Paid		
July 1 - September 30 Ending):		
Current Expenses	65,639.86	74,426.03
(Current Expenses)	(49,753.78)	(65,639.86)
Public Employees' Retirement Matching	5.00	-0-
(Public Employees' Retirement Matching)	(10.00)	(5.00)
	<u>15,881.08</u>	<u>8,781.17</u>
	<u>929,456.72</u>	<u>1,905,547.71</u>
 TOTAL CASH ACCOUNTED FOR	 <u>\$1,615,452.40</u>	 <u>\$1,947,074.64</u>

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA
STATEMENTS OF APPROPRIATIONS AND EXPENDITURES

<u>Personal Services - Account 8295-00</u>	<u>Year Ended June 30,</u> <u>1984</u>
Appropriations	\$219,000.00
Expenditures	<u>194,335.72</u> 24,664.28
Transmittals Paid July 1 - September 30	<u>-0-</u>
Balance	<u>\$ 24,664.28</u>
<u>Current Expenses - Account 8295-01</u>	
Appropriations	\$239,816.00
Expenditures	<u>162,012.07</u> 77,803.93
Transmittals Paid July 1 - September 30	<u>18,534.41</u>
Balance	<u>\$ 96,338.34</u>
<u>Equipment - Account 8295-03</u>	
Appropriations	\$ 6,000.00
Expenditures	<u>1,414.19</u> 4,585.81
Transmittals Paid July 1 - September 30	<u>307.70</u>
Balance	<u>\$ 4,893.51</u>
<u>Social Security Matching - Account 8295-06</u>	
Appropriations	\$ 14,673.00
Expenditures	<u>13,076.77</u> 1,596.23
Transmittals Paid July 1 - September 30	<u>-0-</u>
Balance	<u>\$ 1,596.23</u>

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA
STATEMENTS OF APPROPRIATIONS AND EXPENDITURES

<u>Public Employees' Retirement Matching - Account 8295-16</u>	<u>Year Ended June 30, 1984</u>
Appropriations	\$20,805.00
Expenditures:	
Retirement Match	18,461.95
	<u>2,343.05</u>
Transmittals Paid July 1 - September 30	<u>-0-</u>
Balance	<u>\$ 2,343.05</u>
<u>Public Employees' Health Insurance - Account 8295-17</u>	
Appropriations	\$10,432.00
Expenditures	10,566.80
	<u>(134.80)</u>
Transmittals Paid July 1 - September 30	<u>-0-</u>
Balance	<u>\$ (134.80)</u>

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
 CASH CONTROL CONSUMER ADVOCATE - ACCOUNT 8295-99

	<u>Year Ended June 30,</u>	
	<u>1984</u>	<u>1983</u>
Beginning Balance:		
State Treasury	\$ -0-	\$ -0-
Cash Receipts:		
Transfers from 8295-00	<u>350,255.00</u>	<u>-0-</u>
	350,255.00	-0-
TOTAL CASH TO ACCOUNT FOR	<u><u>\$350,255.00</u></u>	<u><u>\$ -0-</u></u>

	<u>Year Ended June 30,</u>	
	<u>1984</u>	<u>1983</u>
Ending Balance:		
State Treasury	(\$ 30,770.39)	\$ -0-
Disbursements:		
Personal Services	194,335.72	-0-
Current Expenses	162,012.07	-0-
Equipment	1,414.19	
Social Security Matching	13,076.77	-0-
Public Employees' Retirement Matching	18,461.95	-0-
Public Employees' Health Insurance	10,566.80	-0-
	<u>399,867.50</u>	<u>-0-</u>
Add Transmittals Paid July 1 - September 30		
Beginning and (Less Transmittals Paid		
July 1 - September 30 Ending)		
(Current Expenses)	(18,534.41)	-0-
(Equipment)	(307.70)	-0-
	<u>(18,842.11)</u>	<u>-0-</u>
	<u>381,025.39</u>	<u>-0-</u>
 TOTAL CASH ACCOUNTED FOR	 <u>\$350,255.00</u>	 <u>\$ -0-</u>

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA
 STATEMENTS OF APPROPRIATIONS AND EXPENDITURES
 FEDERAL FUNDS

<u>General Administration -</u> <u>Personal Services - Account 7985-00</u>	<u>Year Ended June 30,</u> <u>1984</u>
Appropriations	\$48,000.00
Expenditures	-0-
	48,000.00
Transmittals Paid July 1 - September 30	-0-
Balance	\$48,000.00
<u>General Administration -</u> <u>Current Expenses - Account 7985-01</u>	
Appropriations	\$21,376.00
Expenditures	-0-
	21,376.00
Transmittals Paid July 1 - September 30	-0-
Balance	\$21,376.00
<u>Motor Carrier Division -</u> <u>Personal Services - Account 7993-00</u>	
Appropriations	\$31,000.00
Expenditures	-0-
	31,000.00
Transmittals Paid July 1 - September 30	-0-
Balance	\$31,000.00

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA
 STATEMENTS OF APPROPRIATIONS AND EXPENDITURES
 FEDERAL FUNDS

<u>Motor Carrier Division -</u> <u>Current Expenses - Account 7993-01</u>	<u>Year Ended June 30,</u> <u>1984</u>
Appropriations	\$44,700.00
Expenditures	-0-
	44,700.00
Transmittals Paid July 1 - September 30	-0-
Balance	\$44,700.00
<u>Motor Carrier Division -</u> <u>Equipment - Account 7993-03</u>	
Appropriations	\$ 4,300.00
Expenditures	-0-
	4,300.00
Transmittals Paid July 1 - September 30	-0-
Balance	\$ 4,300.00
<u>Gas Pipeline Division -</u> <u>Personal Services - Account 7996-00</u>	
Appropriations	\$60,429.00
Expenditures	-0-
	60,429.00
Transmittals Paid July 1 - September 30	-0-
Balance	\$60,429.00
<u>Gas Pipeline Division -</u> <u>Current Expenses - Account 7996-01</u>	
Appropriations	\$25,646.00
Expenditures	-0-
	25,646.00
Transmittals Paid July 1 - September 30	-0-
Balance	\$25,646.00

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA
 STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS
 FEDERAL FUNDS

<u>General Administrative -</u> <u>Cash Control - Account 7985-99</u>	<u>Year Ended June 30,</u> <u>1984</u>
Cash Receipts	\$98,558.50
Disbursements	<u>-0-</u>
Balance	<u>\$98,558.50</u>
<u>Motor Carrier Division -</u> <u>Cash Control - Account 7993-99</u>	
Cash Receipts	\$14,103.92
Disbursements	<u>-0-</u>
Balance	<u>\$14,103.92</u>
<u>Gas Pipeline Division -</u> <u>Cash Control -Account 7996-99</u>	
Cash Receipts	\$86,075.00
Disbursements	<u>-0-</u>
Balance	<u>\$86,075.00</u>

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 10th day of July,
1985.

Encil Bailey

Encil Bailey, Legislative Auditor

Copy forwarded to the Commissioner of the Department of Finance and Administration to be filed as a public record. Copies forwarded to the Chairman, Public Service Commission of West Virginia; Governor; Attorney General; and, State Auditor.