

STATE OF WEST VIRGINIA
SPECIAL REPORT
OF
WEST VIRGINIA DIVISION OF LABOR
WEST VIRGINIA JOBS ACT
FOR THE PERIOD
SEPTEMBER 1, 2001 - OCTOBER 15, 2002



OFFICE OF THE LEGISLATIVE AUDITOR
CAPITOL BUILDING
CHARLESTON, WEST VIRGINIA 25305-0610

SPECIAL REPORT
OF THE
WEST VIRGINIA DIVISION OF LABOR
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WEST VIRGINIA LEGISLATURE
Joint Committee on Government and Finance

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CHARLESTON, WEST VIRGINIA 25305-0610

December 12, 2002

The Joint Committee on Government and Finance:

In compliance with the provisions of the West Virginia Code, Chapter 21, Article 1C, Section 5, we have examined the records of the West Virginia Jobs Act as maintained by the West Virginia Division of Labor.

Our examination covers the period September 1, 2001 through October 15, 2002. The results of this examination are set forth on the following pages of this report.

Respectfully submitted,


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

TLS/gkc

WEST VIRGINIA DIVISION OF LABOR

WEST VIRGINIA JOBS ACT

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WEST VIRGINIA DIVISION OF LABOR

WEST VIRGINIA JOBS ACT

EXIT CONFERENCE

We held an exit conference on December 12, 2002 with the Commissioner and other representatives of the West Virginia Division of Labor and all findings and recommendations were reviewed and discussed. The Division's responses are included in bold and italics in the Summary of Findings, Recommendations and Responses and after our findings in the General Remarks section of this report.

WEST VIRGINIA DIVISION OF LABOR

WEST VIRGINIA JOBS ACT

INTRODUCTION

The Division of Labor was created "... to make suggestions ... as to legislation tending to increase the prosperity of the industrial establishments of the State, and to protect the lives and health and promote the prosperity of the persons employed therein...." The State Bureau of Labor was created by an Act of the Legislature in 1889 and renamed the Department of Labor in 1915. In 1989, under the reorganization of the Executive Branch of West Virginia State Government, Chapter 3 of the Acts of the 1989 Legislature, the Department of Labor became the Division of Labor. The Division of Labor has numerous responsibilities under State Law, including the provisions of Chapter 21, Article 1C known as the "West Virginia Jobs Act". The Division of Labor provides services through five sections, including the Wage and Hour Section. The duties of the Wage and Hour Section include the following:

1. Licenses contractors doing business in West Virginia.
2. Secures employer's bond for wages and benefits in mining and construction, and transportation in mineral industries.
3. Assures compliance with the state minimum wage law by a business where six or more persons are employed and the gross annual business is \$500,000 or more.
4. Enforces statutes regarding the maximum hours worked before overtime pay is due.
5. Collects data and issues the fair minimum wage rates (Prevailing Wage) to be paid in each county for highway construction, heavy construction, and building construction.
6. Certifies the licensing of all private employment agencies.
7. Approves all age certificates and work permits issued to minors by school authorities.

8. Mediates labor disputes when requested by both parties.
9. Assists in the collection of unpaid wages.
10. Tests polygraph examiner applicants and issues state licenses for practice in West Virginia.

WEST VIRGINIA DIVISION OF LABOR
WEST VIRGINIA JOBS ACT
ADMINISTRATIVE OFFICERS AND STAFF
OCTOBER 15, 2002

James R. Lewis Commissioner
Fran Cook Deputy Commissioner
Larry Walker Director, Wage and Hour Section
Andrew A. Brown Labor Program Specialist
Marsha Bone Compliance Officer

WEST VIRGINIA DIVISION OF LABOR

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SUMMARY OF FINDINGS, RECOMMENDATIONS AND RESPONSES

Certified Payrolls

1. All certified payrolls submitted by employers were remitted directly to the West Virginia Division of Labor (WVDOL) in noncompliance with the Jobs Act, instead of through the contracting public authorities; therefore, it is impossible for us to determine with certainty the specific public authority who had contracted with those contractors and subcontractors. Also, no certified payrolls indicated the listed employees had been a resident of the Local Labor Market for at least 6 months as required by the Jobs Act. Lastly, 11 of the 81 contractors submitted certified payrolls which did not list the county of residence of the employee which does not comply with the reporting requirements of the Jobs Act.

Auditors' Recommendation

We recommend the Division of Labor and the public authorities comply with Chapter 21, Article 1C, Sections 4 and 5 of the West Virginia Code by having certified employer payrolls submitted to the public authorities for transfer to the Division of Labor by the public authority letting the contract and having the public authorities review the submitted certified payrolls prior to such submission to insure the reporting requirements of the Jobs Act have been met.

Division's Response

We agree with the audit recommendation. (See pages 11-16.)

Prevailing Wage

2. We randomly selected 50 certified payroll reports listing a total of 463 employees. We believe three of these employees were not being paid the Prevailing Wage based on the information available to us. In addition, we were unable to determine whether the Prevailing Wage was being paid to a total of 270 of these 463 employees for a variety of reasons.

Auditors' Recommendation

We recommend the Division of Labor and the public authorities comply with the provisions of Chapter 21, Article 1C, Section 5 and Chapter 21, Article 5A, Section 2 of the West Virginia Code.

Division's Response

We believe the prevailing wage payment issues have been resolved; however we will conduct a follow-up review to further verify compliance. (See pages 16-18.)

Inability to Determine Start of Construction

3. Currently, there is no requirement for a contracting public authority to notify the WVDOL that a contract covered by the Jobs Act has been executed or when construction relating to that contract has commenced. We believe in order for the WVDOL to perform its function of monitoring for the requirements of the payment of Prevailing Wages as set forth in Chapter 21, Article 5A of the West Virginia Code, the WVDOL should be notified by the respective public authorities that the work on a contract covered by the Jobs Act has commenced.

Auditors' Recommendation

We recommend the covered public authorities comply with the provisions of Chapter 21, Article 1C, Section 5 of the West Virginia Code. In addition, we suggest the West Virginia Legislature consider amending the provisions of Chapter 21, Article 1C of the West Virginia Code to expressly require the public authorities letting contracts covered by the Jobs Act inform the Division of Labor that a covered contract has been executed and when the work covered by that covered contract is scheduled to commence.

Division's Response

We agree with the audit recommendation. (See pages 18-20.)

Compilation of Payroll Information

4. The Division of Labor did not compile any payroll information from the certified payroll reports submitted by the employers and did not perform any formal review of the submitted payrolls prior to turning those payrolls over to us for audit. We believe the provisions of Chapter 21, Article 1C, Section 4 required the WVDOL to do more than simply act as a warehouse for storing the certified payrolls in anticipation of the required audit. We also believe the WVDOL is required by law to take reasonable steps to determine the procedures they established with respect to the Jobs Act are being followed by the various public authorities

Auditors' Recommendation

We recommend the Division of Labor comply with the provisions of Chapter 21, Article 1C, Section 5 of the West Virginia Code and compile the submitted payroll

information, as well as establish a monitoring process to ensure that procedures set up by the Division of Labor related to the Jobs Act are being followed.

Division's Response

The Division basically agrees with the audit findings. However, the Division was under the impression that the Legislative intent was for an independent, third party audit of the data collected. It is the Division's opinion that the final version of Senate Bill 103 was intended to require the Division to only collect the data and then turn it over to Joint Committee on Government and Finance for an independent analysis. (See pages 20 and 21.)

WEST VIRGINIA DIVISION OF LABOR

WEST VIRGINIA JOBS ACT

GENERAL REMARKS

INTRODUCTION

We have completed a Special Report of certified payroll information submitted by employers to the West Virginia Division of Labor as required by the provisions of the "West Virginia Jobs Act" as set forth in Chapter 21, Article 1C of the West Virginia Code. The Special Report covered the period September 1, 2001 through October 15, 2002.

COMPLIANCE MATTERS

Chapter 174 of the Acts of the Regular Session of the 2001 West Virginia Legislature titled the "West Virginia Jobs Act" was passed on April 14, 2001 and codified as Chapter 21, Article 1C of the West Virginia Code. Chapter 21, Article 1C, Section 2 of the West Virginia Code defines several terms contained within the "West Virginia Jobs Act" as follows:

"As used in this article:

(1) The term "construction project" means any construction, reconstruction, improvement, enlargement, painting, decorating or repair of any public improvement let to contract in an amount equal to or greater than five hundred thousand dollars. The term "construction project" does not include temporary or emergency repairs; ...

(3) The term "employer" means any person, firm or corporation employing one or more employees on any public improvement and includes all contractors and subcontractors;

(4) The term "local labor market" means every county in West Virginia and all counties bordering West Virginia that fall within seventy-five miles of the border of West Virginia;

(5) The term “public authority” means any officer, board, commission, or agency of the state of West Virginia, excluding counties and municipalities. Further, the economic development authority, infrastructure and jobs development council and school building authority shall be required to comply with the provisions of this article for loans, grants or bonds provided for public improvement construction projects: Provided, That any project initiated by a county or local economic development authority and which is under the effective management of the county or local economic development authority shall not be included in this requirement;

(6) The term “public improvement” includes the construction of all buildings, roads, highways, bridges, streets, alleys, sewers, ditches, sewage disposal plants, waterworks, airports and all other structures that may be let to contract by a public authority, excluding improvements funded, in whole or in part, by federal funds.” (Emphasis added)

In addition, Chapter 21, Article 1C, Section 5 of the West Virginia Code states as

follows:

“(a) This article applies to expenditures for construction projects by any public authority for public improvements as defined by this article.

(b) For public improvements let pursuant to this article, the public authority shall file with the division of labor copies of the waiver certificates and certified payrolls, pursuant to article five-a of this chapter, or other comparable documents that include the number of employees, the county and state wherein the employees reside and their occupation....

(d) Each public authority has the duty to implement the reporting requirements of this article. Every public improvement contract or subcontract let by a public authority shall contain provisions conforming to the requirements of this article.

(e) The division of labor is authorized to establish procedures for the efficient collection of data, collection of civil penalties prescribed in section six and transmittal of data to the joint committee on government and finance.”(Emphasis added)

We tested applicable sections of the above plus other applicable sections of West Virginia Code and other applicable State rules and regulations. Our findings are discussed below.

OVERVIEW

In mid-October 2002, we made arrangements with the West Virginia Division of Labor (WVDOL) to obtain access to the certified payrolls submitted to the WVDOL by contractors as required by the provisions of Chapter 21, Article 1C of the West Virginia Code, also known as the West Virginia Jobs Act (Jobs Act). We determined a grand total of 1,045 certified payroll reports had been submitted by a total of 81 contractors and subcontractors relating to 31 different projects during the period September 1, 2001 through October 15, 2002. We reviewed the certified payrolls to determine the nature of completeness of the reports and to make an initial determination as to whether the certified payrolls met the requirements set forth in State law. We also reviewed the informational packet assembled by the WVDOL which was discussed with and transmitted to various public authorities in early June 2001 to determine whether all necessary information required to comply with State law was included therein. Next, we compiled the payroll information by assembling the payroll information in a format which would allow us to analyze the data. Throughout this process, we examined the certified payrolls for compliance with the reporting requirements set forth in Chapter 21, Article 1C of the West Virginia Code regarding the West Virginia Jobs Act and Chapter 21, Article 5A of the West Virginia Code requiring the payment of Prevailing Wages. We made the following observations:

Certified Payrolls

During our examination, we noted all certified payrolls turned over to us for audit had been directly remitted to the Division of Labor by the contractors and subcontractors. **As such,**

it was impossible for us to determine with certainty the specific public authority who had contracted with these contractors and subcontractors. We believe this procedure does not comply with the provisions of Chapter 21, Article 1C, Section 5 of the West Virginia Code which states in part,

“...(b) For public improvement projects let pursuant to this article, the public authority shall file with the division of labor copies of the waiver certificates and certified payrolls, pursuant to article five-a of this chapter, or other comparable documents that include the number of employees, the county and state wherein the employees reside and their occupation....”

In effect, the WVDOL was accepting any and all certified payrolls submitted by contractors and subcontractors until questions were raised by us as to why certified payrolls had been accepted which were obviously in noncompliance with the reporting requirements of the West Virginia Jobs Act. Specifically, we observed 11 of the 81 contractors submitted certified payrolls which did not indicate the county of residence of the listed employees which does not comply with the aforementioned provisions of Chapter 21, Article 1C, Section 5 of the West Virginia Code or the sample payroll report format which the WVDOL provided to public authorities as part of a packet developed by them in early June 2001 prior to the effective date of the Jobs Act (September 1, 2001). Due to the lack of this information, we were unable to determine whether some of the employees were in fact residents of the Local Labor Market as defined in the Jobs Act.

We asked the WVDOL why these certified payrolls which did not contain information required by the Jobs Act were not simply returned to the employers for correction and resubmission through the public authority which let the contract and we were told the WVDOL interpreted the law to make the contracting public authorities responsible for ensuring that contractors and

subcontractors doing work for them submitted certified payrolls which met the standards set forth in the Jobs Act. Therefore, the WVDOL did not believe the law specifically empowered the WVDOL to perform this oversight function. The WVDOL believed the role of the WVDOL was limited to developing the reporting procedures required by the Jobs Act and to acting as a repository for the certified payroll reports submitted until such time as we began our audit as required by Chapter 21, Article 1C, Section 5 of the West Virginia Code.

We further noted the certified payrolls submitted by the contractors and subcontractors, including those certified payrolls based on the sample report format developed by the WVDOL do not indicate the employer is certifying the employees listed on the payroll report had been a resident of the Local Labor Market for at least six months prior to their application for employment. As a result, we were unable to audit the certified payrolls for compliance with the provisions of Chapter 21, Article 1C, Section 4 of the West Virginia Code which states in part,

“(a) Employers shall hire at least seventy-five percent of employees for public improvement construction projects from the local labor market, to be rounded off, with at least two employees from outside the local labor market permissible for each employer per project. Employees shall have resided in the local labor market for at least six months prior to the application for employment.

(b) Any employer unable to employ the minimum number of employees from the local labor market shall inform the nearest office of the bureau of employment programs’ division of employment services of the number of qualified employees needed and provide a job description of the positions to be filled.

(c) If, within three business days following the placing of the job order, the division is unable to refer any qualified job applicants to the employer or refers less qualified job applicants than the number requested, then the division shall issue a waiver to the employer stating the unavailability of applicants and shall permit the employer to fill any positions covered by the waiver from outside the local labor market....” (Emphasis added)

Because the payroll reporting format does not require the employer to certify each listed employee meets the six-month residence requirement and none of the certified payrolls we examined contained information allowing us to ascertain the six-month residence requirement was met and 11 of the 81 employers submitted certified payroll reports which did not list the county of residence of the employee resulting in our inability to determine whether the waiver certificates granted to the employer represented all waiver certificates which should have been required to have been obtained under the provisions of Chapter 21, Article 1C, Section 4 of the West Virginia Code. **Based on the information made available to us, only two of the 31 projects submitting certified payrolls were granted any waiver certificates by the West Virginia Bureau of Employment Programs authorizing the contractor to hire an employee who resided outside the Local Labor Market.**

We recommend the Division of Labor and the public authorities comply with Chapter 21, Article 1C, Sections 4 and 5 of the West Virginia Code by having certified employer payrolls submitted to the public authorities by the contractors for transfer to the Division of Labor by the public authority letting the contract and having the public authorities review the submitted certified payrolls prior to such submission to insure the reporting requirements of the Jobs Act have been met.

Division's Response

The division agrees with the audit findings. Payroll documents were submitted by contractors rather than by the awarding agency as required by law. Nearly all the documents received directly from contractors were found to be incomplete in violation of the reporting requirements. Awarding agencies failed to comply with the mandate of the Act. The division will forward all payroll documents to the appropriate awarding agencies for correction and specifically for compliance certification under the provisions of the Act.

It is the opinion of the division that the data collection time frame has been so restrictive that data reliability is non-existent. The implementation time frame requirements were not properly considered when the expiration date of the Jobs Act was established. The effective date of the reporting requirements was set as September 1, 2001. Only public improvement contracts let to bid after that date would be subject to the Act. In most cases, this meant the contract award and commence of actual construction work would not take place until early 2002. Most of these projects began submitting data in June, 2002 which was the tenth month of a fourteen month study period. This restrictive time frame permitted the division only about four months in which to collect data before the October, 2002 due date for the submission of data to the joint committee on finance.

The implementation of any new law requires a significant period of time to properly educate those parties directly affected. Normally, at least one year is required before an acceptable level of compliance becomes a reality. The audit findings clearly demonstrate that awarding agencies have not reached that acceptable level of compliance. Once that level is achieved, at least one year of data collection is necessary to establish a truly scientific representation of the affects of the Jobs Act. It is the recommendation of the division that twelve months be added to all the "due dates" currently contained in the Act.

It is the opinion of the division that the Act should be amended to include a "baseline" data collection. This would require the collection of certified payrolls from public improvement projects which are not directly subject to the Jobs Act. Under current law, awarding agencies are required to collect certified payrolls for ALL public improvement projects for the purpose of verifying the proper payment of prevailing wages. Once this verification process is complete, the awarding agency could simply forward the document to the division for inclusion

in the study data base. This would NOT create any additional paperwork burden upon anyone other than the division of labor. The intent of the Jobs Act was to provide “local jobs to local workers” by requiring that 75% of all workers on certain projects be hired from the local labor market. However, the Act established no measure of the hiring practices on public improvement projects which were not covered by the Act. Without this base-line data, a means of comparison is non-existent and it is scientifically impossible to measure the overall affect of the Jobs Act.

Prevailing Wage

During our examination, we randomly selected 50 certified payroll reports turned over to us by the WVDOL and attempted to determine whether the listed employees were being paid the Prevailing Wage as required by the provisions of Chapter 21, Article 5A, Article 2 of the West Virginia Code which states,

“It is hereby declared to be the policy of the State of West Virginia that a wage of no less than the prevailing hourly wage rate of wages for work of a similar character in a locality in this State in which the construction is performed, shall be paid to all workmen employed by or on behalf of any public authority engaged in construction of public improvements.”

In addition, Chapter 21, Article 1C, Section 5 of the West Virginia Code states in part,

“...(b) For public improvement projects let pursuant to this article, the public authority shall file with the division of labor copies of the waiver certificates and certified payrolls, pursuant to article five-a of this chapter,...”

The 50 certified payroll reports included in our test of prevailing wage payments listed a total of 463 employees. We were unable to determine whether the Prevailing Wage was being paid to a total of 270 of these 463 employees for a variety of reasons. For instance, the Job Class listed for 191 employees did not match any Job Class contained in the Prevailing Wage Rate Schedules for 2001 and 2002 compiled by the WVDOL; 59 employees were listed on payroll reports

relating to projects which lacked sufficient information to determine the county in which the construction was being conducted thereby inhibiting our ability to access the correct Prevailing Wage Rate Schedule; 16 employees did not have a Regular Rate of Pay shown on the payroll report against which to measure the Prevailing Wage Rate Schedule and; lastly, a total of four other employees lacked sufficient information to make a reasonable determination of what year the contract authorizing the construction was executed in by the public authority meaning we did not know which Prevailing Wage Rate Schedule was to control the payments made to these employees.

Even more importantly, we identified three employees who we believe were not being paid the Prevailing Wage based on the information available to us. Specifically, we were able to identify the county where the project was underway on which each of these three employees were working, the listed Job Class of each employee tied to a Job Class listed in the Prevailing Wage Rate Schedule for that county and each employee showed a Regular Rate of Pay less than the established Prevailing Wage for both 2001 and 2002. The evidence strongly indicates each of these three employees were being paid a Regular Rate of Pay less than the Prevailing Wage for such work. We believe the public authorities have a responsibility under the Jobs Act to review the certified payrolls to ensure that the reports contain information necessary to determine whether Prevailing Wages are being paid on such contracts. Also, we believe the WVDOL has the responsibility of reviewing certified payrolls submitted on behalf of contractors by public authorities to ascertain whether Prevailing Wages are shown as having been paid.

We recommend the Division of Labor and the public authorities comply with the provisions of Chapter 21, Article 1C, Section 5 and Chapter 21, Article 5A, Section 2 of the West Virginia Code.

Division's Response

Based solely on the payroll documents provided to the audit team, the findings of the audit are correct. However, prevailing wage payment verification is a separate and distinct operation within the division. It is the opinion of the division that the prevailing wage payment issues have been resolved through that separate operation and compliance has been achieved. The division will conduct a follow-up review to further verify compliance.

Inability to Determine Start of Construction

The provisions of the Jobs Act requires public authorities to implement the provisions of the Act and requires every public improvement contract or subcontract let by a covered public authority to contain provisions conforming to the Act, including requiring contractors to submit certified payrolls and pay Prevailing Wages. However, there are no provisions in State Law expressly requiring public authorities to inform the WVDOL when any such contracts are let or when the construction phase of any such contracts have started. As a part of our work, we asked the WVDOL when the respective contracts related to the certified payrolls had been executed by the respective public authorities in order to determine which Prevailing Wage Rate Schedule would govern wages paid on that particular project. We were told by the WVDOL that they had received no formal notification from any covered public authority telling them that work had started on any of the 31 projects for which contractors had submitted certified payrolls under the Jobs Act. As a means of trying to identify ongoing construction projects where the provisions of the Job Act might be applicable, the WVDOL made us of F.W. Dodge reports, a database listing information about ongoing construction projects within West Virginia. Specifically, Chapter 21, Article 1C, Section 5 of the West Virginia Code states in part,

“...(b) For public improvement projects let pursuant to this article, the public authority shall file with the division of labor, copies of the waiver certificates and certified payrolls, pursuant to article five-a of this chapter,...

“...(d) Each public authority has the duty to implement the reporting requirements of this article. Every public improvement contract or subcontract let by a public authority shall contain provisions conforming to the requirements of this article...”

We believe in order for the WVDOL to perform its function of monitoring for compliance with the requirements of the payment of Prevailing Wages as set forth in Chapter 21, Article 5A of the West Virginia Code, the WVDOL should be notified by the respective public authorities that the work on a contract covered by the Jobs Act has commenced. In turn, the WVDOL could then determine what monitoring procedures are required to be in place for the WVDOL to carry out its function regarding the payment of Prevailing Wages.

We recommend the covered public authorities comply with the provisions of Chapter 21, Article 1C, Section 5 of the West Virginia Code. In addition, we suggest the West Virginia Legislature consider amending the provisions of Chapter 21, Article 1C of the West Virginia Code to expressly require the public authorities letting contracts covered by the Jobs Act inform the Division of Labor that a covered contract has been executed and when the work covered by that covered contract is scheduled to commence.

Division's Response

The division agrees with the audit findings. Presently, there exists no provision of law which requires awarding agencies to notify the division of contract awards or project starts. The only means for the division to identify covered projects is to instruct its compliance officers to physically canvas the state and search for these construction projects. A simple notification

requirement placed upon awarding agencies would be a major funding and personnel resources savings to the division.

Compilation of Payroll Information

Chapter 21, Article 1C, Section 5 of the West Virginia Code states in part,

“(c) The division of labor shall compile the information required by this section and submit it to the joint committee on government and finance by the fifteenth day of October, two thousand two, for a legislative audit to be prepared for the December, two thousand two, interim session....

...(e) The division of labor is authorized to establish procedures for the efficient collection of data, collection of civil penalties prescribed in section six and transmittal of data to the joint committee on government and finance.”

The Division of Labor has acted only as a repository for the certified payrolls submitted by contractors. We learned the WVDOL had not performed any formal review of the submitted payrolls prior to turning those payrolls over to us in October 2002, and no compilation of such payroll information had been performed by the WVDOL. As a result, we were required to compile the payroll data into a suitable format in order to extract useful information. We believe the provisions of Chapter 21, Article 1C, Section 4 of the West Virginia Code required the WVDOL to do more than simply act as a warehouse for storing the certified payrolls in anticipation of the required audit. Also, we believe the WVDOL is required by law to take reasonable steps to determine that the procedures which they established as authorized by Chapter 21, Article 1C, Section 5 of the West Virginia Code are being followed by the various public authorities.

We recommend the Division of Labor comply with the provisions of Chapter 21, Article 1C, Section 5 of the West Virginia Code and compile the submitted payroll information, as well as, establish a monitoring process to ensure that procedures set up by the Division of Labor related to the Jobs Act are being followed.

Division's Response

The division agrees with the audit findings with explanation. The division did act only as a repository for certified payroll information received and no analysis of these data was performed. The audit team was correct in their interpretation of WV Code §21-1C-5 which required the compilation of information. However, the audit team was privileged to the Senate sub-committee's desire for an independent, third party audit of the data collected. It is the opinion of the division that the final version of Senate Bill 103 was intended to require the division to only collect the data and then turn it over to the joint committee on finance for an independent analysis of the overall affect of the WV Jobs Act.

STATE OF WEST VIRGINIA

OFFICE OF THE LEGISLATIVE AUDITOR, TO WIT:

I, Thedford L. Shanklin, CPA, Director of the Legislative Post Audit Division, do hereby certify that the Special Report appended hereto was made under my direction and supervision, under the provisions of the West Virginia Code, Chapter 4, Article 2, as amended, and that the same is a true and correct copy of said report.

Given under my hand this 16th day of December 2002.



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

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