WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1961

ENROLLED
SENATE BILL NO. 19
(By Mr. President)

PASSED
March 7th, 1961

In Effect July 1st, 1961
ENROLLED

Senate Bill No. 19
(By Mr. Carson, Mr. President)

(Passed March 7, 1961; in effect July 1, 1961.)

AN ACT to repeal sections eleven and twelve, article nine, chapter six of the code of West Virginia, one thousand nine hundred thirty-one, as amended; to amend and reenact sections two, three, five, six, seven and eight of said article nine; and to further amend said article nine by adding thereto two new sections designated sections nine-a and ten, all relating to the supervision of public offices.

Be it enacted by the Legislature of West Virginia:

That sections eleven and twelve, article nine, chapter six of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be repealed; that sections two, three, five, six, seven and eight of said article nine be amended and re-
enacted; and that said article nine be further amended by adding thereto two new sections designated sections nine-a and ten, all to read as follows:

Section 2. **How and by Whom System of Accounting Prescribed.**—The chief inspector shall formulate, prescribe and install a system of accounting and reporting in conformity with the provisions of this article, which shall be uniform for all local governmental offices or agencies (including district offices and justices of the peace and constables), and for all public accounts of the same class, and which shall exhibit true accounts and detailed statements for all public funds collected, received and expended for any purpose whatever by all local governmental offices, employees or other persons. Such accounts shall show the receipt, use and disposition of all public property under their control, and the income (if any) derived therefrom, and of all sources of such public income, and the amounts due and received from each source, all receipts, vouchers and other documents kept or that may be required to be kept and necessary to identify and prove the validity of every transaction, and all statements
and reports made or required to be made for the internal
administration of the office to which they pertain, and all
reports published or that may be required to be published
for the information of the people regarding any and all
details of the financial administration of such public
affairs. The chief inspector shall also formulate, prescribe
and install a system of accounting for the civil accounts
of the justices of the peace, which shall exhibit true ac-
counts and detailed statements of the services rendered,
the name and address of the persons for whom rendered,
the charges made and collected therefor and such other
information as may be necessary to identify the trans-
action.

The system of accounting prescribed and formulated
by the chief inspector and any changes made therein from
time to time shall, before becoming operative, be approved
by the board of public works.

Sec. 3. Separate Accounts for Different Appropriations.

—Separate accounts shall be kept for every appropriation
or fund made or levied by a local governing body, show-
ing the date and manner of each payment made out of the
funds provided by such appropriation or levy, the name, address and vocation of each person, organization, corporation or association to whom paid, and for what purpose paid. Separate accounts shall be kept for each department, public improvement, undertaking, institution and public service industry under the jurisdiction of every local governing agency; and all service rendered by or property transferred from one department, public improvement, undertaking, institution or public service industry to another shall be paid for at its true and full value by the department, public improvement, undertaking, institution or public service industry receiving the same; and no department, public improvement, undertaking, institution or public service industry shall benefit in any financial manner whatever by an appropriation or fund made for the support of another department, public improvement, undertaking, institution or public service industry. All unexpended balances or appropriations shall be transferred to the credit of the fund from which originally appropriated or levied whenever the account with an appropriation is closed.
Sec. 5. *Reports to and by Chief Inspector.*—The chief inspector shall require from every local taxing agency financial reports covering a full period of each fiscal year, in accordance with the forms and methods prescribed by him, which shall be uniform for all accounts of the same class. Such reports shall contain an accurate statement in summarized form of all collections made by or receipts received by the officers from all sources, all accounts due the public but not collected, and of all expenditures for every purpose, and by what authority authorized, and also: (a) A statement of all costs of ownership and operation and of all income of each and every public service industry owned and operated by a municipality; (b) a statement of the entire public debt of every taxing body to which power has been delegated by the state to create a public debt, showing the purpose for which each item of the debt was created, the provisions made for the payment of the debt, together with such other information as may be required by the chief inspector. Such reports shall be certified as to their correctness by the chief inspector or by his assistant appointed by him for the pur-
pose. Their substance shall be published in a biennial volume of comparative statistics that shall be issued for each class of accounts at the expense of the state as a public document, and shall be submitted by the chief inspector to the governor for transmittal to the legislature.

Sec. 6. Accounts and Reports by Local Public Officers.—

All local governing officers, departments, boards and commissions shall keep their financial accounts in records and forms approved or prescribed by the chief inspector of public offices and shall furnish promptly to the chief inspector of public offices such information and reports as may be requested. Refusal or neglect to comply with the requirements of this section shall subject the person offending to removal from office. In case an officer or employee of a local governing agency collects or receives funds for the account of a local governing agency of which he is not an officer or employee, he shall remit to the proper officer of the local governing agency for whose account the collection was made or payment was received,
the full amount collected or received for the account of
such local governing agency.

Sec. 7. Examination into Affairs of Local Public Officers.
—The chief inspector shall have power by himself, or by
any person appointed by him to perform the service, to
examine into all financial affairs of every local govern-
mental office or agency (including district offices) and
shall make such an examination at least once a year, if
practicable. On every such examination inquiry shall be
made as to the financial conditions and resources of the
agency having jurisdiction over the appropriations and
levies disbursed by the office, whether the requirements
of the constitution and statutory laws of the state and the
ordinances and orders of the agency have been properly
complied with, and also inquire into the methods and
accuracy of the accounts, and as to such other matters of
audit and accounting as the chief inspector may prescribe.
He or any of his assistants shall have power and may exer-
cise all the authority to issue subpoenas and compulsory
process, and to direct the service thereof by any constable
or sheriff, to compel the attendance of witnesses and the
production of books and papers before him at any designated time and place, selected in their respective county, and to administer oaths. If any person shall refuse to appear before said chief inspector or his assistants when required so to do, or shall refuse to testify in regard to any matter or refuse to produce any books or papers in his possession or under his control, he shall be guilty of a misdemeanor, and, upon conviction thereof shall be fined not more than one hundred dollars and imprisoned not more than six months. Wilful false swearing in such examinations shall be punishable as such. A report of each examination shall be made in duplicate, one copy to be filed in the office of the state tax commissioner and one in the auditing department of the agency. If any such examination discloses misfeasance, malfeasance or nonfeasance in office on the part of any public officer or employee, a certified copy of the report shall be filed with the proper legal authority of the agency for such legal action as is proper in the premises. Refusal, neglect, or failure on the part of the proper legal authority of the agency to take prompt and efficient legal action to carry into effect the
findings of any such examination, or to prosecute the
same to a final conclusion, shall give to the chief inspector
the right to institute the necessary proceedings, or to
participate therein, and to prosecute the same in any of
the courts of the state, to a final conclusion.

Sec. 8. Cost of Services of Chief Inspector; Revolving
Fund.—The cost of any service or act performed by the
chief inspector under the provisions of this article as to
any county or district office, officer or institution, shall
be paid by the county court of the county; the cost thereof
as to any board of education shall be paid by such board;
the cost thereof as to any municipal corporation shall be
paid by the authorities thereof: Provided, That in mu-
nicipalities in which the total revenue from all taxes does
not exceed the sum of two thousand dollars annually,
such cost including the per diem and all actual costs and
expenses of such services shall not exceed the sum of
sixty dollars. The cost of this service shall be the ac-
tual cost and expense of the service performed, including
transportation, hotel, meals, materials, per diem compen-
sation of deputies, assistants, clerical help and such oth-
costs as may be necessary to enable them to perform the services required. The chief inspector shall render to the agency liable for such cost a statement thereof as soon after the same was incurred as practicable, and it shall be the duty of such agency to allow the same, and cause it to be paid promptly in the manner that other claims and accounts are allowed and paid, and such total amount shall constitute a debt against the local agency due the state. Whenever there is in the state treasury a sum of money due any such county court, board of education or municipality from any source, upon the application of the chief inspector, the same shall be at once applied on the debt aforesaid against the county court, board of education or municipality, and the fact of such application of such fund shall be reported by the auditor to the said county court, board of education or municipality, which report shall be a receipt for the amount therein named. All money received by the chief inspector from this source shall be paid into the state treasury, shall be deposited to the credit of an account to be known as chief inspector's fund and shall be expended only for the purpose of cov-
erring the cost of such services, unless otherwise directed
by the legislature. The cost of any such examination,
service or act by the chief inspector made necessary, or
such part thereof as was made necessary, by the wilful
fault of any officer or employee, may be recovered by the
chief inspector from such person, on motion, on ten days'
otice in any court having jurisdiction.

For the purpose of permitting payments to be made at
definite periods to deputy inspectors and assistants for
per diem compensation and expenses, there is hereby cre-
ated a revolving fund for the chief inspector's office. The
fund shall be accumulated and administered as follows:

(1) There shall be appropriated from the state fund
general revenue the sum of twenty-five thousand dollars
to be transferred to this fund to create a revolving fund
which, together with other payments into this fund as
provided in this article, shall constitute a fund to defray
the cost of this service.

(2) Payments received for the cost of services of the
chief inspector's office shall be deposited into this revolv-
58 ing fund, which shall be known as the chief inspector's
59 fund.
60 (3) Any appropriations made to this fund shall not be
61 deemed to have expired at the end of any fiscal period.

Sec. 9-a. Public Inspection of Reports.—All reports of
2 examinations and audits of public offices made in accord-
3 ance with the provisions of section seven of this article,
4 and the copies thereof, when filed in the office of the chief
5 inspector of public offices or in the office of the state tax
6 commissioner, shall be public documents and shall be
7 available for public inspection.

Sec. 10. Statutory References.—Whenever any statute
2 refers to an audit or examination of a state department
3 or agency by the tax commissioner or inspector and/or
4 supervisor of public offices, if within the prescribed func-
5 tions and duties of the legislative auditor in making post
6 audit of such state department or agency, and in order to
7 avoid duplication, the reference shall be deemed to be
8 made to the legislative auditor to whom such functions
9 and duties have been transferred.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originated in the Senate.

Takes effect July 1st, 1961 passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

The within approved this the 17th

day of March, 1961.

Governor