

VETERANS SERVICE COMMISSION

GALLIA COUNTY

SPECIAL AUDIT REPORT

JANUARY 1, 1998 THROUGH MARCH 31, 1999

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**SCHEDULE OF ELECTED OFFICIALS
AND VETERANS SERVICE BOARD
AS OF MARCH 31, 1999**

ELECTED OFFICIALS	TERM OF OFFICE	SURETY	AMOUNT	PERIOD
<u>Board of Commissioners</u>				
Shirley Angel	01/02/97 - 01/02/01	(A)	\$5,000	(B)
Harold M. Saunders	01/03/97 - 01/03/01	(A)	\$5,000	(B)
Casby (Skip) Meadows III	01/01/99 - 01/01/03	(A)	\$5,000	(B)

VETERANS SERVICE BOARD

BOARD	TERM OF OFFICE	SURETY
<u>Board Members</u>		
Robert Barcus	01/01/96 - 12/31/99	None
Robert Fleshman	01/28/98 - 04/01/00	None
James A. Cozza	02/23/98 - 12/29/01	None
Ralph K. Jeffers	12/30/98 - 12/30/01	None
Charles Reynolds	12/28/98 - 12/28/02	None

STATUTORY LEGAL COUNSEL

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(A) Old Republic Surety Company
(B) Concurrent with term

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REPORT OF INDEPENDENT ACCOUNTANTS

Gallia County Commissioners
Gallia County Veterans Service Commission Board Members
Gallia County Courthouse
18 Locust Street
Gallipolis, Ohio 45631

Pursuant to our Letter of Arrangement dated May 12, 1999, we have conducted a Special Audit and performed the procedures summarized below, and detailed in our "Supplement to the Special Audit Report", which were agreed to by you, for the period January 1, 1998 through March 31, 1999 (the Period). These procedures were performed solely to assist in identifying whether Veterans Service Commission employees were complying with applicable policies and procedures relating to daily attendance and payroll documentation and to determine whether leave usage recorded by those employees on a daily basis were in agreement with leave usage recorded by the County Auditor's Payroll Department. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of this report. Consequently, we make no representations regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested, or for any other purpose. The procedures we performed are summarized as follows:

1. We reviewed the County and Commission's policies and procedures applicable to employees of the Veterans Service Commission to determine a) the frequency of compensation, b) timing of payroll documentation preparation; and c) compensatory time utilization.
2. We reviewed the daily sign-in/out practices of employees of the Veterans Service Commission to determine whether employees were complying with the Commission Policy requiring daily sign-in/out. We compared the leave usage per the daily sign-in sheets to the leave usage per the payroll worksheets to determine that leave usage amounts were in agreement. Finally, we interviewed employees regarding specific dates in which they were allegedly out of the office, and leave was not used.
3. We reviewed the County's "Payroll Attendance Report" and "Accrual Balance Report" to determine that vacation and sick leave accrual and usage were in agreement with the payroll worksheets.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

Gallia County Veterans Service Commission
Report of Independent Accountants
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4. On January 11, 2000, we held an Exit Conference with the following Officials and Board Members:

Mr. Casby (Skip) Meadows III, Gallia County Commissioner
Robert Barcus, Board Member
Robert Fleshman, Board Member
James A. Cozza, Board Member
Ralph K. Jeffers, Board Member
Charles Reynolds, Board Member

The attendees were given five days to respond to this Special Audit. No responses were received.

Our detailed procedures and the results of applying these procedures are contained in the attached "Supplement to the Special Audit Report". Because these procedures do not constitute an examination conducted in accordance with generally accepted auditing standards, we do not express an opinion on the Commission's internal control system over financial reporting or any part thereof. Had we performed additional procedures, or had we conducted an examination of the financial statements in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported to you. This report relates only to transactions relating to the above procedures, and does not extend to any financial statements of Gallia County or the Veterans Service Commission, taken as a whole.

This report is intended for the use of the specified users listed above and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Reports by the Auditor of State are a matter of public record and use by other components of state government or local government officials is not limited.

JIM PETRO
Auditor of State of Ohio

September 17, 1999

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

BACKGROUND INFORMATION

On March 24, 1999, we received a request from Mr. Charles Reynolds, Commission President, to perform a special audit of the Commission's employee payroll records/transactions for the period January 1, 1998 through March, 1999. Mr. Reynolds' request was based upon a cursory review of the payroll records which he and Mr. James Cozza, Commission Secretary, had recently performed. Discrepancies or "Time Keeping Concerns", identified by Mr. Reynolds and Mr. Cozza included: a) employee sign-in sheets were either not completed or only partially completed; b) information recorded on the sign-in sheets did not agree to the corresponding information recorded on the employee payroll worksheets; and c) leave was not recorded when employees were known to have been out of the office on personal business.

On April 6, 1999, we met with Mr. Reynolds and Mr. Cozza to obtain additional information regarding the allegations and to review the supporting documentation which the gentlemen had compiled to support the request for a special audit. Information obtained during that meeting included a) Commission employee sign-in sheets for January, February, and March 1999; b) the Gallia County Auditor's "Payroll Attendance Entry Worksheets" for January 1998 through March 12, 1999; c) select pages from the Commission's Board minutes; and d) "Leave Balance Reports" and "Payroll Attendance Reports" generated by the County Auditor's Payroll Department for the period July 1998 through March 1999.

Mr. Reynolds' request, as well as, the additional information obtained during our meeting were submitted to the Auditor of State's Special Audit Committee in early April, 1999. On April 6, 1999, the Special Audit Committee voted to initiate a special audit.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

SUMMARY OF RESULTS

ISSUE 1 - POLICIES AND PROCEDURES

We reviewed the County and Commission's policies and procedures applicable to employees of the Veterans Service Commission to determine a) the frequency of compensation, b) timing of payroll documentation preparation; and c) compensatory time utilization.

PROCEDURES

We reviewed the "Gallia County Employee Handbook", Veterans Service Commission "Policies and Procedures", and interviewed individuals within the County Auditor's Payroll Department to determine the procedures to be followed by the Veterans Service Commission employees when documenting daily attendance and preparing payroll documentation.

RESULTS

Frequency of Compensation/Preparation of Bi-weekly Payroll Worksheets

According to County Auditor's Payroll Department personnel and the "Gallia County Employee Handbook", all County employees are paid on a bi-weekly basis for the current pay period. Blank payroll worksheets are provided to the various departments by the County Auditor's Payroll Department. These worksheets, which include hours worked and leave taken, are to be filled-out on a bi-weekly basis by the various departments and approved by the Department Head. Should an employee take leave during the pay period after the worksheet has been submitted to the County Auditor's Payroll Department, the employee is required to record that leave on the subsequent pay period's worksheet. As a result, it is possible for leave balances to be incorrectly stated as of the end of a pay period.

The Veterans Service Commission Office submits its bi-weekly payroll worksheets before the end of the pay period. For example, the payroll worksheet for the pay period November 7, 1998 through November 20, 1998, was signed by the department head on November 5, 1998, stamped by the Gallia County Auditor's office and filed on November 9, 1998, and paid on November 20, 1998.

In total, we reviewed 34 Veterans Service Commission biweekly payroll worksheets for pay periods between January 1998 and March 1999. Of these, four of the worksheets were prepared ten days prior to the pay date; four were prepared nine days prior to the pay date; six were prepared eight days prior to the pay date; ten were prepared seven days prior to the pay date; and ten were prepared four days prior to the pay date.

Of the 34 payroll worksheets reviewed, only one of the worksheets was approved by the Department Head, Steven R. Swords, Veterans Service Officer. The remaining thirty-three payroll worksheets were signed by Rhonda Lynch, Office Manager.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

Compensatory Time

According to the "Gallia County Employee Handbook", a full-time employee works at a minimum thirty-five hours per week and compensatory time is granted at a rate of one and one-half hours for each hour worked by those employees who work in excess of forty hours per week.

According to the "Gallia County Veterans Service Office Policies and Procedures", adopted May 17, 1995: "Office hours are 8:00 am to 4:00 pm, Monday through Friday, except for approved holidays. Employees are provided with one hour for lunch and two fifteen minute breaks." Therefore, Veterans Service Commission employees work seven hours per day or thirty-five hours per week. These Veterans Service Commission "Policies and Procedures" are silent with regard to compensatory time.

According to minutes of the Veterans Service Commission Board, the Board has awarded compensatory time to employees in certain circumstances, such as when employees attend meetings on the weekend or in the evenings when they prepare for parades and ceremonies, and when they work on holidays. However, as stated above, the Veterans Service Commission does not have a standard policy which establishes under what circumstances employees may earn compensatory time for each hour worked in excess of the standard thirty-five hour work week.

MANAGEMENT COMMENTS

County Payroll Worksheets

During our review of 34 Veterans Service Commission payroll worksheets, we noted that only one of the worksheets was approved by the Veterans Service Officer, the Department Head. The remaining 33 worksheets were prepared and signed by the Office Manager. Without appropriate approval and control, errors could undetected.

We recommend that the Veterans Service Officer sign the county payroll worksheets, thereby attesting in agreement to the information contained on the form. This will help irregularities from going undetected for long periods of time.

Payroll Procedures

Payroll worksheets are prepared prior to the completion of the actual pay period. This increased the likelihood that an employee could be paid for hours not actually worked, and could cause discrepancies in the employee's leave balances.

We recommend the County Auditor and Veterans Service Commission implement a grace period between the time the pay period ends and the actual pay date.

Compensatory Time Policy

The Board does not have a formal policy concerning the accrual and usage of compensatory time. A compensatory time policy should include who may earn compensatory time, when and how compensatory time may be earned or taken, the approval method for its accrual and usage, the required records to be maintained, and any other items the Board would deem necessary to include.

We recommend the Board adopt such a policy to help prevent irregularities from occurring in the accrual and usage of compensatory time.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

ISSUE 2 - TIME KEEPING CONCERNS

We reviewed the daily sign-in/out practices of employees of the Veterans Service Commission to determine whether employees were complying with the Commission Policy requiring daily sign-in/out. We compared the leave usage per the daily sign-in sheets to the leave usage per the payroll worksheets to determine that leave usage amounts were in agreement. Finally, we interviewed employees regarding specific dates in which they were allegedly out of the office, however leave was not used.

PROCEDURES

1. We reviewed the "Gallia County Veterans Service Office Policies and Procedures", adopted May 17, 1995 to determine the Commission's policy with regard to daily attendance documentation.
2. We requested all daily sign-in sheets for the period January 1, 1998 through March 31, 1999 from the Veterans Service Commission Office to determine that sign-in sheets were completed and maintained.
3. We reviewed all available daily sign-in sheets to determine whether employees signed in/out as required by Office Policy.
4. For each of the three full-time employees of the Veterans Service Commission, we compared the number of leave hours used per the daily sign-in sheets to the number of leave hours used per the biweekly payroll worksheets and documented any discrepancies.
5. We interviewed Veterans Service Commission employees regarding specific dates identified by Mr. Reynolds and Mr. Cozza when leave was not recorded by employees, however the employees were allegedly out of the office on personal business. The specific dates were:
 - a. December 24, 1998 and December 31, 1998 - These were not scheduled County holidays. According to Mr. Reynolds and Mr. Cozza, the Veterans Service Commission Board passed a motion on December 8, 1998 to allow employees to take vacation or compensatory leave on these days since the office was closed. Mr. Reynolds and Mr. Cozza were concerned because no vacation or compensatory time was recorded on the payroll worksheets for this time period.
 - b. January 28, 1999 - Mr. Reynolds and Mr. Cozza reported that Mr. Swords, Veterans Service Officer, was known to have been in Columbus, Ohio participating in a personal lawsuit against the Veterans Service Commission on this date, however no personal leave usage was recorded on the payroll worksheets.
 - c. November 7, 1998 through November 20, 1998 - Mr. Reynolds and Mr. Cozza reported that Rhonda Lynch, Office Manager, was known to have been out of the office due to a surgery, however no sick leave usage was recorded on the payroll worksheets.
 - d. November 23, 1998 through January 1, 1999 - This time period spans three pay periods which included 21 hours of holiday pay and 189 hours of regular pay. Mr. Reynolds and Mr. Cozza reported that during this period, Ms. Lynch should have reported a total of 21 hours holiday pay and 189 hours of sick leave usage, however her payroll worksheets reflected 21 hours of holiday pay, 94 hours of regular pay and 95 hours of sick leave usage.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

- e. December 14, 1998 and January 5, 1999 - According to records maintained by the Veterans Service Office, Roger Hauck, Driver/Investigator, had dental appointments on these days, however the payroll worksheets do not reflect any leave usage.

RESULTS

1. According to the "Gallia County Veterans Service Office Policies and Procedures":

All employees are required to log-in upon arriving for work and log-out when leaving for the day; and

Each employee shall be required to sign-out on a log-out sheet if it is necessary for them to leave the office for more than one hour on other than office business. This time shall be counted as vacation or sick leave, whichever applies.

2. Upon our request for all daily sign-in sheets for the period January 1, 1998 through March 31, 1999, the Veterans Service Commission Office provided us with the fifty-nine daily sign-in sheets for the period January 4, 1999 through March 31, 1999. The 1998 daily sign-in sheets were not available for review. Upon inquiry, the Veterans Service Officer stated that he believed the 1998 sign-in sheets may have been lost during the move to the new location or they were removed by unknown individuals.
3. When reviewing the daily sign-in sheets for completeness of information, we noted the following:
 - a. Steve Swords, Veterans Service Officer, signed-in thirty-one times and did not sign-out nine times;
 - b. Rhonda Lynch, Office Manager, signed-in fifty-three times and did not sign out five times; and
 - c. Roger Houck, Driver/Investigator, signed-in fifty-five times and did not sign out two times.
4. When comparing the number of the leave hours used per the daily sign-in sheets to the number of leave hours used per the payroll worksheets, the following discrepancies were noted:
 - a. Daily sign-in sheets covering the period January 4, 1999 through March 31, 1999 indicate Steve Swords, Veterans Service Officer, used a total of 12 hours of sick leave; seven hours on February 3, 1999 and five hours on March 5, 1999. The payroll worksheets covering this same period indicate the Mr. Swords used a total of twenty-eight hours of sick leave;
 - b. Daily sign-in sheets covering the period January 4, 1999 through March 31, 1999 indicate Rhonda Lynch, Office Manager, used no sick leave. The payroll worksheets covering this same period indicate Ms. Lynch used fourteen hours of sick leave;
 - c. On January 15, 1999, Steve Swords signed-out at 2:00 p.m., however no vacation, sick, or personal leave usage is reflected on the payroll worksheet for the pay period ended January 15, 1999 or January 29, 1999;

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

- d. On March 22, 1999, Steve Swords signed-out at 2:00 p.m., however no vacation, sick, or personal leave usage is reflected on the payroll worksheets for the pay period ended March 26, 1999 or April 9, 1999 for the leave used on March 22nd. There were nine hours of sick leave on the payroll worksheet for the pay period ended March 26, 1999, however, those hours account for leave taken on March 9, 1999, and March 15, 1999.
- e. On March 23, 1999, Rhonda Lynch signed-out at 2:00 p.m., however no vacation, sick, or personal leave is reflected on the payroll worksheet for the pay period ended March 26, 1999 or April 9, 1999 for the leave used on March 23rd. There are seven hours of sick leave reflected on the payroll worksheet for the pay period ended March 26, 1999, however those hours account for leave taken on March 17, 1999.

Mr. Swords was questioned about the above days in which 1) he did not sign in/out of the office; or 2) he signed out of the office, however did not record leave used on the sign-in sheet or the payroll worksheet. He stated during that time, the office was being moved from the Courthouse to its present location in Spring Valley Plaza. The Spring Valley Plaza location required remodeling such as painting, drywall, etcetera, and he was assisting the contractors in performing these services. As a result, he did not consistently sign-in/out. Mr. Swords stated employees of the general contractor "AOK Builders" could verify his presence at the Spring Valley Plaza location during this time. Paul Knox, President of AOK Builders, confirmed that Mr. Swords did spend several days at the Spring Valley Plaza location when it was being remodeled. Mr. Knox also stated Mr. Swords was present on weekends, painting and performing other miscellaneous work that AOK Builders was not contracted to perform.

- 5. The following information was obtained with regard to the specific "time keeping" concerns raised by Mr. Reynolds and Mr. Cozza:
 - a. December 24, 1998 and December 31, 1998: Based upon i) our interviews with Steve Swords, Rhonda Lynch, and Roger Houck; ii) review of the payroll worksheets; iii) the lack of daily sign-in sheets for 1998; and iv) the fact that there is no formal policy regarding accumulation and usage of compensatory time, we could not determine whether or not these employees were paid for time not worked.
 - b. January 28, 1999 - Mr. Swords stated he believed Rhonda Lynch, Office Manager had recorded 7 hours of personal leave usage for that day. Mr. Swords stated he did not see the sign-in sheet or the payroll worksheet and since he was out, Mrs. Lynch signed the payroll worksheets.

As stated further in Issue 3, the County Auditor does not maintain personal or compensatory leave balances for the various County departments. Therefore, any personal leave or compensatory leave usage is not required to be reported on the payroll worksheets when submitted to the County Auditor. Such information is the responsibility of each of the individual departments.

According to Rhonda Lynch, Office Manager, she does not maintain a record of personal leave usage for any of the Veterans Service Commission employees. Compensatory time records are maintained only for Roger Houck, Driver/Investigator.

Based upon the above, we were unable to determine whether Steve Swords' personal leave balance was reduced by seven hours on January 28, 1999.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

- c. November 7, 1998 through November 20, 1998 - Ms. Lynch stated she was scheduled to have surgery on November 7, 1998. Three days prior to the surgery, Sheri Quickle was hired on a contractual basis by the Board of the Veterans Service Commission to fill-in while Ms. Lynch was out of the office. Ms. Lynch stated she accumulated several hours of compensatory time in the three days while training Ms. Quickle and recorded it on her calendar. When asked how she was able to accumulate enough time in three days to cover the 56 hours she was out of the office between November 7, 1998 and November 20, 1998, Mrs. Lynch acknowledged she "probably" did not have enough compensatory time to cover the entire 56 hours, however she was unsure of the exact amount of hours worked. There is no indication in the Commission Board minutes, that the Board approved this compensatory time. However, due to the fact that i) the Veterans Service Commission has no policy regarding compensatory time accrual and usage; ii) the Veterans Service Commission Board has granted compensatory time to Ms. Lynch in the past for working in excess of seventy hours as evidenced in the Board minutes; and iii) Ms. Lynch is unable to provide us evidence of the exact number of hours she worked during this pay period in excess of seventy hours, we will not recommend that Ms. Lynch's sick leave balance be reduced by 56 hours. Instead, we recommend that the Commission Board address the issue of compensatory time accrual, usage and documentation requirements as soon as possible through the adoption of a formal resolution.
- d. November 23, 1998 through January 1, 1999 - Mrs. Lynch attests that the payroll worksheets covering this time period are correct with regard to the number of days she worked during this time period. Although Ms. Lynch had intended on being out of the office during this period to recover from surgery, she did continue to work. Ms. Lynch was able to provide a phone message book which indicated she was at the Veterans Services Office taking messages on several dates she claimed to be in the office. Additionally, several telephone messages were taken by Ms. Lynch on days her time sheet indicates she was off work sick. Ms. Lynch indicated that individuals can confirm she was at the office during this time. However, they may not know the exact time and dates.

According to Ms. Quickle, who was hired contractually to fill-in for Ms. Lynch while she was out of the office during November and December, Ms. Lynch came into the office after having her surgery and prior to coming back to work full time. Ms. Quickle stated that Ms. Lynch came into the office on several occasions while "technically" being off of work. However, there were many year-end projects she was not familiar with and Ms. Lynch had to come in and help her. Ms. Quickle added that when Ms. Lynch was in the office, she was there for the entire day.

Based upon the testimonies of Ms. Lynch and Ms. Quickle and the presence of a telephone message book which reflects that Ms. Lynch was in the office working during this time period, it appears as though Ms. Lynch was working during this period as stated on the payroll worksheet.

- e. December 14, 1998 and January 5, 1999 - Mr. Houck stated that he accumulates a lot of compensatory time because the Veterans Service Commission Board refuses to pay overtime for any additional hours he works. He stated he recalled an instance when he took one-half hour comp time to visit the dentist which was next door to the office. However, he did not recall going to the dentist in late January 1999.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

NONCOMPLIANCE CITATION

Ohio Rev. Code Section 149.43, availability of public records states in part:

“Public record” means any record that is kept by any public office, including, but not limited to, state, county, city, village, township, and school district units, with the exception of certain medical, adoption, probation and parole proceeding records.

All public records shall be promptly prepared and made available for inspection to any person at all reasonable times during regular business hours. Upon request, a person responsible for public records shall make copies available at cost, within a reasonable period of time.

We requested certain documents relating to sign-in sheets for Commission employees which could not be located by management.

Without these records, we were unable to verify time worked and leave taken for all of 1998.

This condition occurred in part due to a lack of accountability and responsibility over the proper filing and storage of the Commission’s public records.

The Commission should develop formal procedures for the proper filing and storage of the Commission’s public records. The procedures should include clear labeling of records, assignment of storage areas by department and assignment of personnel having access to the records. Developing such procedures will reduce the likelihood of records being lost or misplaced.

MANAGEMENT COMMENT

Review of Daily Time Sheets

The Veterans Service Officer and the Board should review the daily time sheets on a regular basis, monitor these time sheets closely, and correct any deficiencies/errors noted.

There was no indication of review by the Veterans Service Officer or Board member on those daily time sheets that were located. Each daily time sheet should be filled out as to the requirements set forth by the Board.

We recommend the Veterans Service Officer and the Board review the daily time sheets for accuracy and completeness, and provide documentation that they have been reviewed and are correct. This will help prevent irregularities from going undetected for long periods of time.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

ISSUE 3 - PAYROLL ATTENDANCE REPORT AND ACCRUAL BALANCE REPORT

We reviewed the County's "Payroll Attendance Report" and "Accrual Balance Report" to determine that vacation and sick leave accrual and usage were in agreement with the payroll worksheets.

PROCEDURES

1. We reviewed the County's Payroll Attendance Report and the Accrual Balance Report. We reviewed the leave balance report maintained by the Office Manager of the Veterans Service Commission. We recalculated the employees leave records from the start of the audit period, plus accruals, less usage to determine ending balances.
2. We reviewed the Veterans Service Commission policies and procedures related to vacation, sick leave, compensatory time and personal leave accruals.

RESULTS

1. The County's Payroll Attendance Report reflects vacation and sick leave earned and used by each employee. All the vacation and sick leave used by the employees agrees to the Gallia County Auditor Payroll Attendance Entry Worksheets and the County's Accrual Balance Report. Also, we recalculated the accumulated vacation and sick leave balances for the period January 3, 1998 through March 26, 1999, based on accrual amounts for each employee, and these agreed to the County records, except for slight rounding variances.

The leave balances maintained by the Office Manager did not agree with the County records for 1998. However, they did agree for the pay period ended March 26, 1999, except for slight rounding variances.

2. The County's payroll system does not track compensatory time for Commission employees. Compensatory time records are maintained by the Veterans Service Commission office manager. The only compensatory time record maintained is for Roger Houck. Upon review of the daily sign-in sheets and his compensatory time records, we confirmed that his balance was being adjusted based on the following days reviewed:
 - a. On February 17, 1999, Roger Houck did not sign-in until 3:00 p.m., and is listed as off due to an appointment. The compensatory time records maintained by the Veterans Service Commission office manager reflects that six hours of compensatory time was taken on this day, and that he worked until 4:00 p.m.
 - b. On February 19, 1999, Roger Houck did not sign-in until 3:00 p.m., and is listed as using compensatory time. The compensatory time records maintained by the Veterans Service Commission office manager reflects that six hours of compensatory time was taken on this day, and that he worked until 4:00 p.m.
 - c. On March 19, 1999, Roger Houck did not sign-in until 3:00 p.m. The compensatory time records maintained by the Veterans Service Commission office manager reflects that five hours of compensatory time was taken on this day, and that he worked until 5:00 p.m.
 - d. On March 22, 1999, Roger Houck did not sign-in until 1:00 p.m. The compensatory time records maintained by the Veterans Service Commission office manager reflects that four hours of compensatory time was taken on this day, and that he worked until 4:00 p.m.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

The Veterans Service Office Policies and Procedures states that “whenever possible, employees should make prior arrangements for absences that are to be charged against an employee’s vacation, personal leave, or compensatory time”. The only balances maintained by the County and the Commission are for vacation and sick leave, except as previously stated for Roger Houck, in which the Office Manager has a record of his compensatory time. There are no balances maintained for personal leave. The Gallia County Employee Handbook states that all full-time County employees receive three paid personal days per year awarded on January 1. Full-time employment is for those employees working at least seven hours per day. The Gallia County Veterans Service Commission employees receive personal days each year. However, it should be noted that a motion was not passed by the Board of the Commission until September 8, 1998, to adopt the Gallia County Handbook and its provisions.

MANAGEMENT COMMENTS

Request for Leave Forms

Request for leave forms were not utilized by the employees of the Gallia County Veterans Service Commission.

Request for leave forms should be utilized by all employees when leave (compensatory, personal, sick, vacation, leave without pay, etc.) is taken. The form should include the date(s) and type of leave requested, the leave balance, the reason for the leave, appropriate date categories, and employee, supervisor, and Board approvals, as well as any other information the Board would deem necessary to include.

We recommend the Board adopt and utilize such a form to help prevent irregularities from occurring concerning the dates, times, and amounts of leave used.

Reconciliation of Records

There was no indication that any review or reconciliation of leave records was performed. Whenever any type of leave is used, the leave balance, leave request form, the payroll worksheet, and daily time sheet, should all be in agreement. Each should indicate some type of approval by an appropriate level of supervision.

The Veterans Service Officer and the Board should reconcile payroll and leave records to help ensure completeness correctness.

We recommend that the Veterans Service Officer and the Board review and reconcile these records prior to approving payroll. This will help prevent irregularities from going undetected for long periods of time.

Compensatory Time Records

Compensatory time records must be accurately maintained for each employee that accrues compensatory time. Upon review of records available, only one employee had records concerning the accrual and use of compensatory time.

A ledger should be maintained for each employee that indicates the initial balance of compensatory time, the amount of, and date, additional time was accrued, the date compensatory time was used, and the remaining balance. An indication should also be made on this ledger that an approved request for accrual/usage of compensatory time is on file.

We recommend that compensatory time records be maintained as described above, since this information is not recorded or tracked by the County payroll system. This will help prevent irregularities from going undetected for long periods of time.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

Personal Leave Records

Personal leave records must be accurately maintained for each employee. Upon review of records available, there was no records concerning the accrual and use of personal leave.

A ledger should be maintained for each employee that indicates the initial balance of personal leave, the amount of, and date, personal leave was used, and the remaining balance. An indication should also be made on this ledger that an approved request for usage of personal leave is on file.

We recommend that personal leave records be maintained as described above, since this information is not recorded or tracked by the County payroll system. This will help prevent irregularities from going undetected for long periods of time.

Sick and Vacation Leave Records

Sick and vacation leave records must be accurately maintained for each employee. Upon review of records available, there was no indication that individual ledgers were reconciled to the County records concerning the accrual and use of sick and vacation leave, except at the end of the year.

A ledger should be maintained for each employee that indicates the initial balance of the leave type, the amount of, and date, of accrual and usage of leave, and the remaining balance. An indication should also be made on this ledger that an approved request for usage of leave is on file.

We recommend that sick and vacation leave records be maintained as described above, even though this information is recorded by the County payroll system. This will help prevent irregularities from going undetected for long periods of time.



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VETERANS SERVICE COMMISSION

GALLIA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 27, 2000**