

TWINSBURG TOWNSHIP

SUMMIT COUNTY

SPECIAL AUDIT REPORT

SEPTEMBER 1, 1995 THROUGH FEBRUARY 15, 1998

TITLE	TABLE OF CONTENTS	PAGE(S)
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Schedule of Elected Officials and Administrative Personnel		1
Report of Independent Accountants		2
Supplement to the Special Audit Report		
Background Information		4
Summary of Results		5
Findings for Recovery		9
Noncompliance Citation		12
Recommendations		12

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**SCHEDULE OF ELECTED OFFICIALS AND ADMINISTRATIVE PERSONNEL
AS OF FEBRUARY 15, 1998**

ELECTED OFFICIALS	TERM OF OFFICE	SURETY	AMOUNT	PERIOD
<u>Board of Trustees</u>				
Thomas Schmidt	1/1/94 - 12/31/97	(B)	\$1,000	(C)
	1/1/98 - 12/31/01	(A)	\$5,000	(C)
Judith Ingram - Thigpen	1/1/96 - 12/31/99	(B)	\$1,000	(C)
Gregory Glover	1/1/94 - 12/31/97	(B)	\$1,000	(C)
	1/1/98 - 12/31/01	(A)	\$5,000	(C)
<u>Clerk/Treasurer</u>				
Betty J. Moore	4/1/96 - 3/31/00	(B)	\$5,000	(C)

ADMINISTRATIVE PERSONNEL

Betty Klingenberg Continuous

Statutory Legal Counsel

Michael Callahan, Prosecutor
Summit County
53 University Avenue
Akron, Ohio 44308

- (A) Ohio Farmers Insurance Company
- (B) Western Surety Company
- (C) Concurrent with term

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REPORT OF INDEPENDENT ACCOUNTANTS

Board of Trustees
Twinsburg Township
9833 Ravenna Road
Twinsburg, Ohio 44087

Pursuant to the request of Betty Klingenberg, Township Administrator, and Betty Moore, Clerk-Treasurer, we have conducted a "Special Audit" and performed the procedures summarized below which were agreed to by you, for the period September 1, 1995 through February 15, 1998, (the Period). These procedures were performed solely to determine if payments made to the former Police Chief, Samuel Williams, and Officer Demetrius MacCannon were in accordance with applicable ordinances, statutory provisions, contractual provisions, and Township policies. 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 and the results of those procedures are summarized as follows:

1. We interviewed Township personnel, including Betty Moore, Clerk-Treasurer and Betty Klingenberg, Administrator. We also interviewed Captains Mashburn and Sciles of the Summit County Sheriff's office; and other individuals deemed necessary to gain an understanding of policies, procedures, and records concerning payroll and leave balances of the former Police Chief, Samuel Williams, and former Officer Demetrius MacCannon.
2. We reviewed the Board of Trustee minutes, personnel policies, employment contracts, and salary ordinances for the Period provided by the Township's Clerk-Treasurer, Administrator, and Trustees to identify salary and leave policies for the police department, specific to Samuel Williams and Demetrius MacCannon.
3. We reviewed Township time sheets during the Period for Samuel Williams and Demetrius MacCannon, and recalculated gross pay based on regular and overtime hours worked. We compared this recalculation to amounts within Township records, and reported on any exceptions.
4. We scheduled the time worked during the Period by Mr. Williams and Mr. MacCannon in accordance with the Township time sheets, and we compared these records with each officer's time sheets from the Akron Metropolitan Housing Authority (AMHA), provided by the Summit County Sheriff's office.

5. We documented overlaps in time worked by the officers for the Township and AHMA based on their time sheets, and reported on any over or under payments, and/or the incorrect calculation of compensatory time for each officer.
6. We scheduled leave earned in accordance with applicable authority, and leave used on each officer's time sheets during the Period for Mr. Williams and Mr. MacCannon, and compared this information to the Township's leave records and reported on any exceptions.
7. On December 21, 1999, we held an exit conference with the following officials and administrative staff:

Thomas O. Schmidt, Chairman of the Twinsburg Township Trustees
Judith Ingram Thigpen, Vice-Chairman of the Twinsburg Township Trustees
Gregory O. Glover, Twinsburg Township Trustee
Betty Klingenberg, Twinsburg Township Administrator
Alfred E. Schrader, Attorney

The attendees were given five days to respond to this Special Audit. No responses were received. Individuals mentioned in this report were also given an opportunity to respond to this Special Audit. We received a response from Samuel Williams. The response was evaluated and changes were made where we deemed appropriate.

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 or limited assurance on any of the accounts or records referred to above. Also, we express no opinion on the Township'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 the Township, 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

August 31, 1999

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

BACKGROUND INFORMATION

On November 12, 1997, Samuel Williams, the Township's Police Chief, and Officer Demetrius MacCannon were placed on administrative leave pending an internal investigation of the Twinsburg Township Police Department by the Summit County Sheriff's Department.

On November 24, 1997, Samuel Williams resigned as the Township's Police Chief.

In January 1998, the former Police Chief Samuel Williams and former Officer Demetrius MacCannon were convicted of the crimes of theft in office and tampering with records. Samuel Williams was fined \$2,500, and Demetrius MacCannon pleaded guilty to a misdemeanor charge of unauthorized use of a computer and received probation. Mr. MacCannon was sentenced to a one year prison term on an unrelated charge of drug trafficking. The former Chief and Police Officer worked for the Akron Metropolitan Housing Authority (AMHA) while at the same time claiming to be on duty for the Township.

Subsequent to Mr. William's resignation, Betty Klingenberg, Township Administrator had determined that the former Chief was recording overtime incorrectly on his time sheets. Mrs. Klingenberg was instructed by the Trustees to do a complete accounting of the amounts owed back to the Township.

In a letter dated March 3, 1998 from the Township's legal counsel to Mr. William's attorney, it was stated that Mr. Williams owed the Township \$859 due to errors and omissions on time sheets submitted to the Township by Mr. Williams.

On April 29, 1998, in a letter from Mr. William's legal counsel to the Twinsburg Township Trustees, it was stated the Township owed Mr. Williams for overtime worked in 1995 and 1996, and for vacation accrued but not taken in 1996, and for holidays accrued but not taken in 1997 totaling \$18,834.

On May 28, 1998, the Township Administrator, Betty Klingenburg, requested to meet with our office to discuss initiating a special audit. Her concerns were brought before the Auditor of State's Special Audit Committee where a decision was made to initiate a special audit .

On August 13, 1998, Mr. Williams filed a complaint in the Summit County Court of Common Pleas to recover payment for overtime/compensatory services rendered.

The Township's attorney and management both consider the police chief's position to be an administrative position as defined in the Fair Labor Standard's Act. Based on this premise, overtime and compensatory time will be disallowed for 1995 and 1996. In 1997, the Township entered into an employment contract with Mr. Williams in which the terms of the contract allowed payment of overtime, and the accumulation of compensatory time.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

SUMMARY OF RESULTS

Samuel Williams

Compensation

At the September 21, 1995 special meeting of the Twinsburg Township Trustees, a motion was made and approved to appoint Samuel Williams as the "interim officer" in charge to serve in this position at a pay of \$320 per week for a 40 hour week pay period to begin on Monday, September 25, 1995. On December 29, 1995 Mr. Williams received check #9166 totaling \$4,800 as compensation for the period September 25, 1995 through December 29, 1995. There were 13 weeks from September 25, 1995 through the end of the calendar year 1995. At an approved rate of \$320 per week, Mr. Williams' total compensation for this period should have been \$4,160. Based on a review of Mr. Williams' 1995 form W-2 which was issued by the Township, Mr. Williams was over-compensated for two weeks of pay which totaled \$640.

At the January 2, 1996 meeting of the Twinsburg Township Trustees, resolution number 96-008 was made and approved by the Twinsburg Township Board of Trustees to retain Interim Chief, Samuel Williams. His base salary of \$33,073 also included a 10% pay increase of \$3,307 to bring his 1996 base salary to \$36,380. Mr. Williams' 1996 form W-2 disclosed total wages, tips, and other compensation of \$44,881; therefore, Mr. Williams was over compensated by \$8,501 during calendar year 1996. Since Mr. Williams was in a management position, according to the Fair Labor Standards Act, the Township was not required to give him overtime or compensatory time during 1996.

No detail time sheets for Mr. Williams were provided by the Township for the periods January 21, 1996 through January 27, 1996; January 28, 1996 through February 10, 1996; and March 10, 1996 through March 23, 1996. There was a total of five weeks during 1996 where there was no documentation to support the time worked by Mr. Williams.

During 1996, Mr. Williams took the following days off work and used compensatory time: June 3, 1996; June 4, 1996; July 1, 1996 through July 5, 1996; August 8, 1996; August 9, 1996; September 9, 1996; September 10, 1996; October 21, 1996; October 22, 1996; and October 23, 1996. Since Mr. Williams' position by law is considered a management position, he was not entitled to earn or use compensatory time during 1996; therefore, he was over compensated for 112 hours at a rate of \$17.49 per hour totaling \$1,959.

No detail time sheets for Mr. Williams were provided by the Township for the period January 28, 1997 through January 31, 1997. There was a total of four days during 1997 in which there was no documentation to support the time worked by Mr. Williams.

Mr. Williams used funeral leave on the following dates after his funeral leave allotment for 1997 was exhausted: June 5, June 6, October 16, October 17, October 20, October 21, and October 22. Although Mr. Williams did not have 56 hours of funeral leave remaining to use on these dates, he did have other leave available to use at that time. His other leave balances were adjusted for this 56 hours.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

Mr. Williams was granted paid administrative leave effective November 12, 1997. However, he was paid for November 10, 1997 and November 11, 1997 without any documentation to support that he worked these days or the specific type of leave that was used.

During 1997 various pay periods were calculated in error based on regular and overtime hours worked for Mr. Williams which resulted in Mr. Williams being over-compensated by \$694 as detailed in the following table.

<u>Pay Period</u>	<u>Actual Pay (Based on the Township's Payroll Check Duplicates)</u>	<u>Recalculated Pay (Based on Employee Time Sheets)</u>	<u>Amount of Excess Compensation</u>
12/22/96-01/04/97	\$1,758	\$1,666	\$92
01/19/97-02/01/97	2,091	1,888	203
02/16/97-03/01/97	1,620	1,573	47
03/02/97-03/15/97	1,620	1,573	47
03/16/97-03/29/97	1,620	1,573	47
03/30/97-04/12/97	1,647	1,592	55
04/13/97-04/26/97	1,620	1,573	47
05/11/97-05/24/97	1,786	1,685	101
08/17/97-08/30/97	<u>1,647</u>	<u>1,592</u>	<u>55</u>
Total	<u>\$15,409</u>	<u>\$14,715</u>	<u>\$694</u>

Leave Balances

Per Mr. William's payroll records for 1997, he recorded/worked 239.25 hours of compensatory time, used 208 hours of compensatory time, and he elected to be paid for 109.50 hours of compensatory time creating a negative balance of 78.25 hours. These hours were considered when recalculating his compensatory time balance. Seventeen times during the year, Mr. Williams showed compensatory time being earned at the Township while time sheets from the Akron Metropolitan Housing Authority disclosed that he was also working there at the same time. Therefore, Mr. Williams was over-compensated for 78.25 hours at a rate of \$18.51 per hour for a total of \$1,448.

During 1996, Mr. Williams was entitled to 10 days or 80 hours of sick leave according to the Twinsburg Township Salaried/Police Personnel Policy. Mr. Williams did not use any sick leave during 1996.

During 1997, Mr. Williams was entitled to 10 days or 80 hours of sick leave according to his contract as Chief of Police. Mr. Williams also had 80 hours of unused sick leave carried over from 1996. Mr. Williams used 140.50 hours of sick leave during 1997 which resulted in a unused sick leave balance of 19.50 hours.

During 1996, Mr. Williams was entitled to 10 days or 80 hours of holiday leave according to the Twinsburg Township Salaried/Police Personnel Policy. This policy allows any unused holiday leave to be carried forward to the subsequent year. Mr. Williams used 8 hours of holiday leave during 1996 and elected to carry over 72 hours of unused holiday leave to 1997.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

During 1997, Mr. Williams was entitled to 7 days or 56 hours of holiday leave according to his contract as Chief of Police. This contract allows any unused holiday leave to be carried forward to the subsequent year. Mr. Williams did not use any holiday leave during 1997 and elected to carry over 56 hours of unused holiday leave.

During 1997, Mr. Williams was entitled to 2 days or 16 hours of personal leave which can not be carried over to the next calendar year according to his contract. Mr. Williams did not use any of his personal leave during 1997.

Mr. Williams was entitled to 2 weeks or 80 hours of vacation in 1997 after having completed one year of full-time service with Twinsburg Township. Since he worked at least six months during 1997 towards his next anniversary date, he was entitled to an additional week or 40 hours of vacation leave for a total of 120 hours. Mr. Williams did not use any vacation leave during 1996 or 1997.

Mr. Williams submitted his resignation as Chief of Police on November 20, 1997 to be effective November 24, 1997. His final pay was through November 21, 1997. He did not receive compensation for any of his leave balances. As of his final pay, Mr. Williams had the following adjusted leave balances:

Vacation	120.00	hours
Sick	19.50	hours
Holiday	128.00	hours
Compensatory Time	<u>(78.25)</u>	hours
Total Adjusted Leave Balances	<u>189.25</u>	hours

Demetrius MacCannon

Compensation

No detail time sheets for Mr. MacCannon were provided by the Township for the periods November 6, 1995 through November 18, 1995 and December 10, 1995 through December 23, 1995. No detail time sheets for Mr. MacCannon were provided by the Township for the periods January 21, 1996 through February 3, 1996; February 5, 1996 through February 10, 1996; March 10, 1996 through March 23, 1996; and June 24, 1996 through July 5, 1996.

For the pay period December 24, 1995 through January 6, 1996, Mr. MacCannon had documentation to support that he worked or took eligible leave of 72 hours during the period; however, he was compensated for an 80 hour pay period. His time sheet did not indicate that he took holiday leave. Therefore, an adjustment to his holiday leave was made for 8 hours. Based on an hourly rate of \$10.89 calculated on an annual salary of \$22,650, Mr. MacCannon was compensated for 8 hours of undocumented time at a rate of \$10.89 per hour totaling \$87.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

For the pay period January 7, 1996 through January 20, 1996, Mr. MacCannon received compensation of \$1,030. His approved semi-monthly pay should have been \$944. Therefore, he was over-compensated by \$86 based on his approved annual salary schedule in Township Resolution 96-007. On June 15, 1996, Mr. MacCannon disclosed in his time sheet that he worked eight hours for Twinsburg Township; however, four of those hours were also disclosed on time sheets from the Akron Metropolitan Housing Authority as being worked at that entity. Therefore, Mr. MacCannon was over-compensated for four hours at Twinsburg Township at \$10.89 per hour totaling \$44.

During 1997 various pay periods were calculated in error by Betty Moore, Clerk-Treasurer. Errors in calculating regular and overtime hours worked for Mr. MacCannon resulted in Mr. MacCannon being over-compensated by \$291 as detailed in the following table.

<u>Pay Period</u>	<u>Actual Pay (Based on the Township's Payroll Check Duplicates)</u>	<u>Recalculated Pay (Based on Employee Time Sheets)</u>	<u>Amount of Excess Compensation</u>
01/19/97-02/01/97	\$1,218	\$1,145	\$73
08/17/97-08/30/97	1,319	1,174	145
10/26/97-11/08/97	1,281	1,208	73
11/09/97-11/22/97	1,174	1,351	(177)
11/23/97-12/06/97	<u>1,351</u>	<u>1,174</u>	<u>177</u>
Total	<u>\$6,343</u>	<u>\$6,052</u>	<u>\$291</u>

Leave Balances

According to Mr. MacCannon's payroll records for 1996, he earned 74.25 hours of compensatory time and he used 156.50 hours of compensatory time creating a negative balance of 82.25 hours. He had no carry over balance from 1995. Therefore, Mr. MacCannon was over-compensated for 82.25 hours at a rate of \$10.89 per hour totaling \$896.

According to Mr. MacCannon's payroll records for 1997, he earned 233.25 hours of compensatory time, used 42.50 hours of compensatory time and elected to be paid for 184.50 hours of compensatory time leaving a balance of 6.25 hours at December 31, 1997.

During 1996, Mr. MacCannon was entitled to 10 days or 80 hours of holiday leave according to the Twinsburg Township Salaried/Police Personnel Policy. This policy allows any unused holiday leave to be carried forward to the subsequent year. Mr. MacCannon used 66 hours of holiday leave during 1996 and elected to carry over 14 hours of unused holiday leave to 1997.

During 1997, Mr. MacCannon was entitled to 8 days or 64 hours of holiday leave according to the Twinsburg Township Salaried/Police Personnel Policy. This policy allows any unused holiday leave to be carried forward to the subsequent year. Mr. MacCannon did not use any holiday leave during 1997 and elected to carry over 64 hours of unused holiday leave.

During 1996, Mr. MacCannon was entitled to 10 days or 80 hours of sick leave according to the Twinsburg Township Salaried/Police Personnel Policy. Mr. MacCannon used all 80 hours of sick leave during 1996.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

During 1997, Mr. MacCannon was entitled to 10 days or 80 hours of sick leave according to the Twinsburg Township Salaried/Police Personnel Policy which addresses sick and medical leave. Mr. MacCannon used 52 hours of sick leave during 1997 creating an unused sick leave balance of 28 hours.

During 1996, Mr. MacCannon was entitled to 2 days or 16 hours of personal leave which he used during 1996.

During 1997, Mr. MacCannon was entitled to 2 days or 16 hours of personal leave which can not be carried over to the next calendar year. Mr. MacCannon did not use any personal leave during 1997.

During 1996, Mr. MacCannon was entitled to 2 weeks or 80 hours of vacation which he was allowed to accumulate and carry over to another calendar year in accordance with the Salaried/Police Personnel Policy. He used 40 hours of vacation during 1996 creating an unused vacation leave balance of 40 hours.

During 1997, Mr. MacCannon was entitled to 2 weeks or 80 hours of vacation which he was allowed to accumulate and carry over to another calendar year in accordance with the Salaried/Police Personnel Policy. He used 38 hours of vacation during 1997 creating an unused vacation leave balance of 42 hours.

Mr. MacCannon's final pay was paid on January 23, 1998 which included his administrative leave through January 5, 1998. He did receive compensation for his leave balances; however, this payment was made outside the period of this audit. As of his final pay, Mr. MacCannon had the following adjusted leave balances:

Vacation	82.00 hours
Sick	28.00 hours
Holiday	78.00 hours
Compensatory Time	<u>(76.00) hours</u>
Total Adjusted Leave Balances	<u>112.00 hours</u>

FINDINGS FOR RECOVERY

1. On December 29, 1995, Mr. Williams received check #9166 totaling \$4,800 as compensation for a 13 week period. Mr. Williams' total compensation for this period should have been \$4,160. Mr. Williams was over-compensated by \$640. The check was signed and issued by Debra Hicks, former Clerk/Treasurer, who was responsible for calculating the correct pay amount.

This qualifies as a finding for recovery pursuant to Ohio Rev. Code Section 117.28 as public monies were illegally received and expended. Thus, in accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery is hereby issued against Samuel Williams and Debra Hicks, former Clerk/Treasurer of the Township, and her bonding company, Western Surety Company, jointly and severally, in the amount of \$640, and in favor of the General Fund of Twinsburg Township.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

2. Since the Township's resolution number 96-008 was silent as to whether Mr. Williams should earn compensatory time, it was determined that Mr. Williams was in a management position and according to the Fair Labor Standards Act, the Township was not required to give him overtime or compensatory time during 1996. Mr. Williams' 1996 form W-2 disclosed wages of \$44,881 and based on the above referenced resolution, Mr. Williams' approved salary was \$36,380; therefore, he was over-compensated by \$8,501. Since he was paid more than his approved salary and there were no indications in the minutes that the trustees approved an increase in salary, the difference appears to be payment for compensatory time that he was not entitled to earn or some other additional compensation that was not approved by the trustees.

This qualifies as a finding for recovery pursuant to Ohio Rev. Code Section 117.28 as public monies were illegally received and expended. Thus, in accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery in favor of the General Fund of Twinsburg Township in the amount of \$8,501 is hereby issued against Samuel Williams.

3. During 1996, Mr. Williams took the following days off work and used compensatory time: June 3, 1996; June 4, 1996; July 1, 1996 through July 5, 1996; August 8, 1996; August 9, 1996; September 9, 1996; September 10, 1996; October 21, 1996; October 22, 1996; and October 23, 1996. Since Mr. Williams' position is considered a management position, he was not entitled to earn or use compensatory time during 1996; therefore, he was over-compensated for those days off totaling \$1,959.

This qualifies as a finding for recovery pursuant to Ohio Rev. Code Section 117.28 as public monies were illegally received and expended. Thus, in accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery in favor of the General Fund of Twinsburg Township in the amount of \$1,959 is hereby issued against Samuel Williams.

4. During 1997 various pay periods were calculated in error based on overtime hours worked for Mr. Williams which resulted in Mr. Williams being over-compensated by \$694.

This qualifies as a finding for recovery pursuant to Ohio Rev. Code Section 117.28 as public monies were illegally received and expended. Thus, in accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery in favor of the General Fund of Twinsburg Township in the amount of \$694 is hereby issued against Samuel Williams.

5. For the pay period January 7, 1996 through January 20, 1996, Mr. MacCannon received compensation in the amount of \$1,030. Based on his approved semi-monthly pay he should have been paid \$944. Mr. MacCannon was over-compensated by \$86. The check was signed and issued by Debra Hicks, former Clerk/Treasurer, who was responsible for recalculating the correct pay amount.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

This qualifies as a finding for recovery pursuant to Ohio Rev. Code Section 117.28 as public monies were illegally received and expended. Thus, in accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery is hereby issued against Demetrius MacCannon and Debra Hicks, former Clerk/Treasurer of the Township, and her bonding company, Western Surety Company, jointly and severally, in the amount of \$86, and in favor of the General Fund of Twinsburg Township.

6. On June 15, 1996, Mr. MacCannon disclosed in his time sheet that he worked eight hours for Twinsburg Township; however, four of those hours were also disclosed on time sheets from the Akron Metropolitan Housing Authority as being worked at that entity. Therefore, Mr. MacCannon was over-compensated for four hours at Twinsburg Township at \$10.89 per hour totaling \$44.

This qualifies as a finding for recovery pursuant to Ohio Rev. Code Section 117.28 as public monies were illegally received and expended. Thus, in accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery in favor of the General Fund of Twinsburg Township in the amount of \$44 is hereby issued against Demetrius MacCannon.

7. During 1996 Mr. MacCannon earned 74.25 hours of compensatory time and used 156.50 hours of compensatory time. Therefore, Mr. MacCannon was compensated for 82.25 hours of compensatory time in excess of his earned hours. He was paid \$896 for this compensatory time used in excess of his balance.

This qualifies as a finding for recovery pursuant to Ohio Rev. Code Section 117.28 as public monies were illegally received and expended. Thus, in accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery in favor of the General Fund of Twinsburg Township in the amount of \$896 is hereby issued against Demetrius MacCannon.

8. During 1997 various pay periods were calculated in error based on regular and overtime hours worked for Mr. MacCannon which resulted in Mr. MacCannon being over-compensated by \$291. These checks were signed and issued by Betty Moore, former Clerk/Treasurer, who was responsible for recalculating the correct pay amount.

This qualifies as a finding for recovery pursuant to Ohio Rev. Code Section 117.28 as public monies were illegally received and expended. Thus, in accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery in favor of the General Fund of Twinsburg Township in the amount of \$291 is hereby issued against Demetrius MacCannon and Betty Moore, former Clerk/Treasurer and her bonding company, Western Surety Company, jointly and severally.

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 time sheets for Mr. Williams and Mr. MacCannon which could not be located by management.

Without these records, we were unable to verify time worked and leave taken for these specific pay periods.

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

The Township should develop formal procedures for the proper filing and storage of the Township’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.

RECOMMENDATIONS

Policies and Procedures

1. The Township does not have complete written formal policies and procedures. Formalizing responsibilities, authority and general procedures are essential. In addition, accountability can be more clearly defined, and the system of internal controls enhanced through clear, written policies and procedures.

The absence of established policies and procedures contributed to the lack of segregation of duties, formal review and approval procedures, and other control deficiencies noted during this engagement.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

We recommend management develop standard written policies and procedures, and formalize them in a manual which is available to all Township personnel. At a minimum, those policies and procedures should include:

- A. An authority schedule, which clearly defines individual authority to initiate or approve transactions, particularly as to payroll.
- B. A responsibility schedule, delineating responsibilities by position. In particular, this schedule should address adequate segregation of duties and monitoring controls.
- C. Documentation standards, which at least defines supporting documentation for payroll and contractual salary agreements.
- D. The Township should develop policies to include leave time policies (sick, vacation, compensatory, and holiday).

In order to be effective, these policies and procedures and compliance with policies and procedures should be reviewed periodically by the Board of Trustees.

2. Beginning in August of 1996, the Township elected to change from a semi monthly payroll payment cycle to bi-weekly payroll payment cycle.

A detailed review of the Township's minutes and resolutions did not disclose any indication that this procedure was properly reviewed or approved by the Board of Trustees.

We recommend that significant personnel policies, procedures, and practices be formerly approved by the Board of Trustees.

Payroll Time Sheets - Police Department

3. Formal policies and procedures in accordance with Ohio Rev. Code Section 149.43 regarding document retention have not been followed. Such policies are critical for defining a framework for legal compliance, and safeguarding records essential to supporting accountability and legal requirements concerning the police department's payroll.

Detailed time sheets for specific pay periods in the calendar years 1997 and 1996 for Mr. Williams and Mr. MacCannon were requested, but were not provided.

Management should follow formal records retention policies in accordance to the Ohio Revised Code. In connection with developing these policies, it's suggested that management consult with legal counsel to ensure the policies incorporate necessary legal or regulatory requirements. The policies should clearly define the documents to be retained, the retention period, and procedures for disposal. Management should approve all records disposals.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

4. During our review of Mr. Williams' payroll time sheets, we determined that his payroll time sheets were not formally reviewed or approved and he was not paid in accordance to his contract. Time sheets contained errors and inconsistencies which could have been prevented if they were properly reviewed and hours were recalculated by utilizing a standard form which could facilitate these procedures easily.

At a minimum, this form should include the employee's name, department, pay period, and exact dates of hours worked. This form should also include dates and the type of leave used. Prior to leave being taken, the type of leave should be specified, and authorized and properly approved by requiring personnel to complete the Township's "Request for Leave Form".

Any special pay considerations for overtime, court appearances, seminars or training should be pre-approved and specifically indicated on the time sheet.

Another alternative could be that management consider requiring all personnel to utilize the time clock to ensure accountability.

Devising and implementing specific policies and procedures for payroll will reduce the likelihood of errors and omissions, and inconsistencies in recording and payment of wages to personnel. These procedures will also reduce the likelihood that an officer would record time worked incorrectly.

Request for Leave Form

5. During the review of the leave records for Mr. Williams and Mr. MacCannon, we noted errors and inconsistencies for all types of leave accumulated and used during 1997 and 1996.

Management had devised and implemented a "Request for Leave Form" which mandated that every employee complete when requesting leave. There were 4 and 37 instances in 1997 and 1996, respectively which Mr. MacCannon failed to complete the "Request for Leave Form" prior to taking leave. Also, Mr. Williams failed to complete the "Request for Leave Form" in all instances where leave was taken.

We recommend that all employees complete the "Request for Leave Form" and submit this form for approval prior to taking the leave. This procedure would ensure that leave is properly approved, and would prevent employees from using leave which they are not entitled to use.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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TWINSBURG TOWNSHIP

SUMMIT 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 6, 2000**