

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

AUDIT REPORT

OF

COUNTY HIGHWAY

OWEN COUNTY, INDIANA

January 1, 2008 to December 31, 2008



**FILED**

08/14/2009



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials .....	2
Transmittal Letter .....	3
Audit Results and Comments:	
Advance Payments.....	4
Overpayment of Personal and Compensatory (Comp) Time .....	4
Official Bond .....	5
Exit Conference.....	6
Official Response .....	7
Summary .....	8
Affidavit .....	9

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Highway Superintendent	Larry Abrams Darrell Russell (Interim) Joe Pettijohn	01-01-08 to 09-02-08 09-03-08 to 12-14-08 12-15-08 to 12-31-09
President of the County Council	Michael L. Wood	01-01-08 to 12-31-09
President of the Board of County Commissioners	Wiley Truesdel George Jennings	01-01-08 to 12-31-08 01-01-09 to 12-31-09



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

---

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

TO: THE OFFICIALS OF OWEN COUNTY

We have audited the records of the County Highway for the period from January 1, 2008 to December 31, 2008, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Results and Comments. The financial transactions of this office are reflected in the Annual Report of Owen County for the year 2008.

STATE BOARD OF ACCOUNTS

April 23, 2009

COUNTY HIGHWAY  
OWEN COUNTY  
AUDIT RESULTS AND COMMENTS

ADVANCE PAYMENTS

Dates of County Highway Department transactions with Rogers Group indicate payment was made prior to the receipt of goods. The County Highway Department received a statement for stone with no supporting invoices on December 30, 2008, for stone that was held at the Rogers Group quarry. Payment was made on January 2, 2009.

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

IC 11-10-1.6(c) states in part: "The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless: (2) the invoice or bill is approved by the officer or person receiving the goods or services."

OVERPAYMENT OF PERSONAL AND COMPENSATORY (COMP) TIME

Larry Abrams', former County Highway Superintendent, employment was ended with the County on September 2, 2008. Included on his pay checks dated September 12, 2008 and September 26, 2008 were reimbursements for accrued personal and compensation time as follows:

<u>Pay Check Date</u>	<u>Check Number</u>	<u>Personal Time</u>	<u>Compensation Time</u>	<u>Totals</u>
September 12, 2008	104530	\$ 1,780.00	\$ -	\$ 1,780.00
September 26, 2008	104779	<u>553.20</u>	<u>41.49</u>	<u>594.69</u>
Totals		<u>\$ 2,333.20</u>	<u>\$ 41.49</u>	<u>\$ 2,374.69</u>

According to the County's personnel policy section 307 Personal/Sick Leave Benefit states: "unused personal/sick leave benefits will not be paid to employees while they are employed or upon termination of employment." Personnel policy section 506 Comp Time states: "Comp time may be accrued and accumulated up to 35 hours of regular time and must be used within the calendar."

Larry Abrams, former County Highway Superintendent, was requested to reimburse the overpayment of personal and comp time totaling \$2,374.69 to the Owen County General Fund. (See Summary, page 7)

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

COUNTY HIGHWAY  
OWEN COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

OFFICIAL BOND

The official bond for Larry Abrams, former County Highway Superintendent, was on file in the Owen County Recorder's office; however, this was a continuation bond and not bound unto the State of Indiana as required by Indiana Code. The official bond was written by Western Surety Company in the amount of \$10,000 for the period January 6, 2008 to January 6, 2009.

IC 5-4-1-9 states:

"An officer required to give an official bond shall give the bond before the commencement of his term of office. If the officer fails to give the bond before that time, the officer may not take office."

IC 5-4-1-10 states:

"All official bonds shall be payable to the state of Indiana and every such bond shall be obligatory to such state, upon the principal and sureties, for the faithful discharge of all duties required of such officer by any law, then or subsequently in force, for the use of any person injured by any breach of the condition thereof."

COUNTY HIGHWAY  
OWEN COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on April 23, 2009, with Michael L. Wood, President of County Council; George Jennings, President of the Board of County Commissioners; Joe Pettijohn, County Highway Superintendent; Darrell Russell, former County Highway Superintendent/current County Highway Office Assistant; and Wiley Truesdel, County Commissioner.

The contents of this report were discussed on April 2, 2009, by telephone with Larry Abrams, former County Highway Superintendent. The official response has been made a part of this report and may be found on page 7.

Larry H. Abrams  
815 Splinter Ridge Rd  
Spencer, IN 47460

July 31, 2009

I Larry H. Abrams do not agree with the findings and disagree with the letter sent to me about returning the pay for my personal and compensation time. While assigned as the Owen County Highway Superintendent, requirements of the job did not allow me the opportunity to take my personal or compensation time. After being dismissed from this position, the Owen County Commissioners allowed me to be paid for my personal time that I had not used. The minutes of this Executive Meeting will be on file in the Auditors Office at the Owen County Courthouse. Additionally, the Owen County Attorney agreed with the Commissioners vote and he had drafted a letter addressed to me, indicating that I would be paid for that time owed me while assigned that position. Additionally, the compensation time was obtained while I was an hourly employee and can not be taken from me as I took compensation time in lieu of overtime pay.

Thank You  
Larry H. Abrams



COUNTY HIGHWAY  
OWEN COUNTY  
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Larry Abrams, former County Highway Superintendent: Overpayment of Personal and Compensatory (Comp) Time, page 4	<u>\$ 2,374.69</u>	<u>\$ -</u>	<u>\$ 2,374.69</u>

AFFIDAVIT

STATE OF INDIANA                    )  
  )  
Morgan COUNTY )

We, Lynne Spencer and Michael Sullivan, Field Examiners, being duly sworn on our oaths, state that the foregoing report based on the official records of the County Highway, Owen County, Indiana, for the period from January 1, 2008 to December 31, 2008, is true and correct to the best of our knowledge and belief.

Lynne Spencer  
Michael Sullivan  
Field Examiners

Subscribed and sworn to before me this 28<sup>th</sup> day of July, 2009.

Margaret M. Mansfield  
Clerk of the Circuit Court