

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

AUDIT REPORT
OF
COUNTY RECORDER
BOONE COUNTY, INDIANA
January 1, 2005 to December 31, 2005



FILED
10/10/2006

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Recorder	Mary Alice Baldwin	01-01-05 to 12-31-08
President of the County Council	Jeffrey Heck	01-01-05 to 12-31-05
	Steve Jacob	01-01-06 to 12-31-06
President of the Board of County Commissioners	Betty Lee Cooper	01-01-05 to 12-31-05
	Harold "Huck" Lewis	01-01-06 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

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

TO: THE OFFICIALS OF BOONE COUNTY

We have audited the records of the County Recorder for the period from January 1, 2005 to December 31, 2005, 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 Result and Comment. The financial transactions of this office are reflected in the Annual Report of Boone County for the year 2005.

STATE BOARD OF ACCOUNTS

August 28, 2006

COUNTY RECORDER
BOONE COUNTY
AUDIT RESULT AND COMMENT

CONDITION OF RECORDS

We noted the following deficiencies relating to the recordkeeping:

- (1) Record balances were not reconciled to depository balances as of December 31, 2005.

IC 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

- (2) Collections remitted to the County Auditor were not in agreement with the amounts deposited in the Recorder's bank account.

The monthly total of receipts should agree with the depository balance at the close of the month, considering the deposit of any fees received on the last day of the month, and will represent the amount paid into the county treasury. (Accounting and Uniform Compliance Guidelines Manual for County Recorders, Chapter 7)

COUNTY RECORDER
BOONE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 21, 2006, with Mary Alice Baldwin, Recorder. The official response has been made a part of this report and may be found on pages 6 through 13.

The contents of this report were also discussed on September 12, 2006, with Harold "Huck" Lewis, President of the Board of County Commissioners; Steve Jacob, President of the County Council; and Gretchen Smith, Auditor.



RECORDER OF BOONE COUNTY

202 COURTHOUSE SQUARE

LEBANON, IN 46052

PHONE: (765) 482-3070

MARY ALICE "SAM" BALDWIN, RECORDER

September 18, 2006

In response to the audit performed by the State Board of Accounts in August 2006 reviewing the 2005 books and recordkeeping, we were cited for remitting amounts to the County Auditor for June, October, November, and December that were not in agreement with what was deposited into the Recorders bank account.

Ultimately the issue for June 2005 was simply human error. According to the Audit Results the distribution to the County Auditor for June was short by \$1,046. After looking it was proven that the computer report we run to balance monthly and determine the distribution breakdown was incorrectly ran from June 2, 2005 thru June 30, 2005. Due to human error we failed to show the June 1, 2005 Business Day in the distribution totals. According to the June bank statement the money had been deposited but never distributed. To correct this problem we figured the distribution according to the documents taken in for June 1, 2005 and on September 11, 2006 we wrote the checks and distributed the \$1,046 to the appropriate entity. (See Exhibit A&B)

The months of October, November, and December 2005 were not quite as cut and dry. The differences for these 3 months were a combination of multiple issues. On October 17, 2005 we went live on the upgraded ACS computer system. The upgrade allows for accounts to be set up by the office staff. These accounts are accessed by using a specific password. On the public terminals once the password is entered the system automatically keeps track of copies made until the individual logs off. The last day of the month we print bills and deliver or mail. We request these charge payments be paid by the 20th of the next month. When we receive payment it is put in the system as a charge payment. These totals are shown on the Auditors Fee Report, which our staff ran in full detail at the end of each business day. This amount is included in the total to be deposited on the Auditors Fee Report. These monies were deposited into the Recorders Bank account at Keybank, as they were collected. The oversight came when the monies were then to be distributed into the Recorders Perpetual Fund. The ACS Distribution Report that we run at the end of the month fails to include charge payments into the amount to be distributed. In order to account for these Charge Payments an Auditors Fee Report needs to be run without detail for the month to account for the Total Charge Payments received so this total can be included in the Report of Collections and ultimately distributed to the Recorders Perpetual Fund.

However for October, November and December we were still getting familiar with the reports, the information each report should include and how they should tie into one

another. We discovered some discrepancies in the reports that were being generated. Once we noticed this we contacted ACS Support and it was discovered that ACS set up the Calculation Tables incorrectly. Please see the attached Letter from ACS for their explanation. (See Exhibit C)

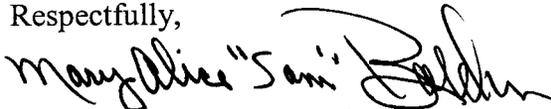
When we initially prepared our Report of Collections for these 3 months we were inconsistent in the totals we used regarding Over-the-Counter Copies, Charge Copies and Charge Payments because of the discrepancy in Totals of these 3 items between the reports we ran from the computer system. In other words one report showed one amount and another report showed a different amount for the same item and time frame. One month we took amounts of one report and the next month we took the totals of the other report.

This resulted in Over Payment to the County Auditor for 2 months for a combined total of \$2,466 and Under Payment for 1 month in the amount of \$462. We determined that the difference of these is \$2,004. Therefore, we paid \$2,004 too much to the County Auditor for distribution into the Recorders Perpetual Fund. To correct this problem the Auditor is going to write a check in the amount of \$2,004 out of the Recorders Perpetual Fund and we will be depositing it back into our Bank Account. (See Exhibit D)

There was another issue that we just became aware of while trying to resolve the above issues. We are asking the bank to credit our account for 2 items that were not accounted for in the 2005 audit of the 2004 records when the previous Recorder had a fee for "drawn against uncollected funds" of \$26.00 and "overdraft charges" of \$27.50 both in the month of December 2004. We have asked the bank to credit those charges back into our account. The bank has agreed to credit the Boone County Recorders bank account for the fees charged in December 2004. (See Exhibit E)

The records are now reconciled and all monies have been distributed for 2005 to the County Auditor and will be in agreement with the amounts deposited in the Boone County Recorders bank account.

Respectfully,



Mary Alice "Sam" Baldwin

DATE SEPTEMBER 11, 2006

BY THE ORDER OF TREASURER OF BOONE COUNTY \$ 641.50

SIX HUNDRED FORTY-ONE-----50/100 DOLLARS



FOR GENERAL (2005 ADJUSTMENT)

⑈000776⑈ ⑆074001048⑆ ⑆291501727⑈

BOONE COUNTY RECORDER
202 COURTHOUSE SQ.
LEBANON, IN 46052

777

DATE SEPTEMBER 11, 2006 20-104/740
57944

BY THE ORDER OF BOONE COUNTY TREASURER \$ 47.50

FORTY-SEVEN-----50/100 DOLLARS



MORTGAGE FEE (2005 ADJUSTMENT)

⑈000777⑈ ⑆074001048⑆ ⑆291501727⑈

BOONE COUNTY RECORDER
202 COURTHOUSE SQ.
LEBANON, IN 46052

778

DATE SEPTEMBER 11, 2006 20-104/740
57944

BY THE ORDER OF BOONE COUNTY TREASURER \$ 307.00

THREE HUNDRED SEVEN-----00/100 DOLLARS



FOR RECORDER'S PERPETUAL (2005 ADJUSTMENT)

⑈000778⑈ ⑆074001048⑆ ⑆291501727⑈

BOONE COUNTY RECORDER
202 COURTHOUSE SQ.
LEBANON, IN 46052

779

DATE SEPTEMBER 11, 2006 20-104/740
57944

BY THE ORDER OF BOONE COUNTY TREASURER \$ 50.00

FIFTY-----00/100 DOLLARS



FOR SURVEYOR'S (2005 ADJUSTMENT)

⑈000779⑈ ⑆074001048⑆ ⑆291501727⑈

QUIETUS
Boone County
Office of the Auditor

"EXHIBIT B"

Date of Receipt
September 11, 2006

Receipt No.
24213

I hereby certify that BO CO RECORDER has filed in my office
the receipt of the Treasurer of BOONE COUNTY

In the Sum of:
** ONE THOUSAND FORTY SIX DOLLARS AND 00/100 **

On Account of: ADJUSTMENTS FOR JUNE 2005/REC FEES/MTG FEES/REC PERP/SURVEYOR

Fund/Account	Description	Amount
0101	GENERAL FUND	
888-2108	RECORDER	641.50
0155	RECORDER MORTGAGE FEES	
888-2108	MORTGAGE FEES	47.50
0152	RECORDERS RECORDS PERPETUA	
888-2108	COUNTY RECORDER	307.00
0154	ID SECURITY PROTECTION	
888-2108	COUNTY FEES	50.00
Total Distributions:		1,046.00
Paid By:	641.50 BO CO RECORDER	776
Check	47.50 BO CO RECORDER	777
Check	307.00 BO CO RECORDER	778
Check	50.00 BO CO RECORDER	779

Kleanna Willhoite

Kleanna Willhoite, TREASURER
Audited by the State Board of Accounts for BOONE COUNTY, 2006

Gretchen Smith

Gretchen Smith, AUDITOR



August 31, 2006

Mary Alice Baldwin
Boone County Recorder
202 Courthouse Square
Lebanon IN 46052

Dear Ms. Baldwin:

As we discussed, my investigation found that your ACS LandMarc Recording System was initially set up as follows.

- From initial installation in October 2005 through December 6, 2005, both COPY and CHARGE COPY fees were distributed to the COPIES FUND (100/7).

Your calculation tables were updated on December 7, 2005, to distribute COPY and CHARGE COPY fees to separate funds.

- Since 12/7/2005, COPY fees are distributed to the COPIES FUND (100/7) while Charge Copy fees are now distributed to the CHARGE COPIES FUND (100/8).

Please feel free to contact me at the ACS LandMarc Dallas Support Center (1-888-363-6720) if you have any questions regarding this subject.

Sincerely,

Patrick Russell
ACS LandMarc
Information Management Specialist
2800 W. Mockingbird Lane
Dallas TX 75235

ORIGINAL CHECK HAS AN ARTIFICIAL WATERMARK ON REVERSE SIDE - HOLD AT AN ANGLE TO VIEW

FORM APPROVED BY STATE BOARD OF ACCOUNTS FOR BOONE COUNTY - 1998

TREASURER BOONE COUNTY, INDIANA

KeyBank N.A.
20-104/740

LEBANON, INDIANA 46052

THIS CHECK VOID TWO (2) YEARS AFTER DEC. 31 OF YEAR OF ISSUE.

075013

"EXHIBIT D"

CHECK	DATE	AMOUNT
75013	09/15/06	\$2,004.00

PAY EXACTLY
** TWO THOUSAND FOUR DOLLARS AND 00/100 **

PAY BOONE COUNTY RECORDER
TO THE
ORDER
OF:

9203

NOT GOOD UNLESS COUNTERSIGNED BY TREASURER

Catcher Smith
Deanna Wilhoit

AUDITOR

TREASURER

⑈075013⑈ ⑆074001048⑆ 12919 9918 2⑈



Transaction Receipt

The transaction for which this receipt is issued is subject to the rules, regulations, and practices of KeyCorp in force at the time of this transaction. Retain this receipt until verified with your statement of account.

"EXHIBIT D6"

09182006 10:27:15 0100944 MIKESKE 003E
CKDEP 1291501727

\$2,004.00

The office, teller and transaction number, date, type and amount of your transaction are shown above.

FORM NO. 44-1093KB REV. 2/00



Credit Memo
Checking Account

KeyBank National Association
We have credited your account for:

Account No										Amount	
1	2	9	1	5	0	0	1	7	2	7	
Uncollected Funds Fee 12-30-04											26.00
00 Item Charge											27.50
Total \$											53.50

Boone County Recorder Date 9-18-06
 By M. Walters
 Dept /C.C. Indpls Pub Sec 3584014

CUSTOMER'S ADVICE

"EXHIBIT E"