

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

EXAMINATION REPORT
OF
COUNTY RECORDER
SCOTT COUNTY, INDIANA
January 1, 2006 to December 31, 2006



FILED
12/20/2007

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Recorder	Missy Applegate	01-01-05 to 12-31-08
President of the County Council	Stephan Patrick Bridgewater Kelley Robbins	01-01-06 to 12-31-06 01-01-07 to 12-31-07
President of the Board of County Commissioners	Mark Hays Robert C. Tobias	01-01-06 to 12-31-06 01-01-07 to 12-31-07



STATE OF INDIANA
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TO: THE OFFICIALS OF SCOTT COUNTY

We have examined the records of the County Recorder for the period from January 1, 2006 to December 31, 2006, 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 Examination Result and Comment. The financial transactions of this office are reflected in the Examination Report of Scott County for the year 2006.

STATE BOARD OF ACCOUNTS

November 20, 2007

COUNTY RECORDER
SCOTT COUNTY
EXAMINATION RESULT AND COMMENT

CONDITION OF FINANCIAL RECORDS

A review of the financial records for the County Recorder's office for the period January 1, 2006 to June 30, 2007, identified the following problems:

1. County Form 3, Recorder's Fee and Cash Book, as prescribed by the State Board of Accounts was not in use to record financial activity. An alternative form was used which did not properly segregate various fees collected for proper receipt into the applicable County funds. As a result of not using the prescribed form, excess fees on hand as discussed in item number two below could not be identified with the source of the collections for receipt into the proper County funds.

Transactions posted to the alternative form were not being posted properly. Instead of posting the transactions with the date of the associated activity, transactions were posted to the record based upon the date the funds were deposited in the bank.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for County Recorders, Chapter 9)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for County Recorders, Chapter 9)

2. Funds were not being remitted properly to the County Treasurer. The prescribed accounting system requires funds collected during the month to be remitted monthly to the County Treasurer; therefore, funds on hand for any given month should only represent collections for that month. At December 31, 2006, funds in excess of the current month's collections in the amount of \$290 were on hand. At June 30, 2007, excess funds in the amount of \$278 were on hand.

The County Recorder was instructed to remit the excess funds on hand to the County Treasurer for receipt into the County General Fund.

Indiana Code 36-2-7-10(a) states the county recorder shall pay all fees collected to the county at the end of each calendar month.

3. Monthly reconcilements of the record balance to the depository balance were not being properly performed. Failure to properly reconcile, allowed posting errors to occur without being detected.

Monies received on March 14, 2007, and March 15, 2007, in the amount of \$318 and \$209, respectively, were not posted to the financial records. Collections received on April 11, 2007, were posted to the financial records as \$533 when the actual collections were \$553. A mathematical error was made in the financial ledger in calculating the ending cash balance on January 26, 2007, which resulted in the ledger balance showing \$62 less than the actual balance.

Indiana Code 5-13-6-1(e) states: "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."

COUNTY RECORDER
SCOTT COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 8, 2007, with Missy Applegate, Recorder, and on November 20, 2007, with Robert C. Tobias, President of the Board of County Commissioners. The officials concurred with our examination finding.