

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

AUDIT REPORT

OF

COUNTY RECORDER

DUBOIS COUNTY, INDIANA

January 1, 2008 to December 31, 2008



FILED

10/07/2009

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Janet L. Sendelweck	01-01-08 to 12-31-11
Recorder	Brenda K. Schnarr	01-01-07 to 12-31-10
President of the County Council	Gregory A. Kendall	01-01-08 to 12-31-09
President of the Board of County Commissioners	John G. Burger Randall L. Fleck	01-01-08 to 12-31-08 01-01-09 to 12-31-09



STATE OF INDIANA
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TO: THE OFFICIALS OF DUBOIS COUNTY

We have audited the records of the County Recorder 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 Dubois County for the year 2008.

STATE BOARD OF ACCOUNTS

September 8, 2009

COUNTY RECORDER
DUBOIS COUNTY
AUDIT RESULTS AND COMMENTS

DEPOSITS

Some receipts were written for amounts which could not be verified to bank deposits. Further examination disclosed that these may have been the result of checks being accepted and refunds being made for the difference between the amount of the check and the amount due for services provided. A test of deposits being made intact could not be performed because the Recorder discontinued completing the deposit tickets to reflect the type of collection. The computerized accounting system provides a Pre-Posting Balance Report; however, the report reflects, in some instances, the net of a check received and a cash refund or it may reflect the sum of several checks from a vendor as one transaction; therefore, this report was not adequate to reflect all receipts by type of collection, cash, check, money order, etc.

IC 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received."

Disbursements were not always made by check or a properly established petty cash fund. Our audit of the Recorder revealed that a petty cash fund had not been established and refunds were being made from a properly established cash change fund and daily cash receipts.

Disbursements, other than proper petty cash disbursements, shall be by check or warrant, not by cash or other methods unless specifically authorized by statute, federal or state rule. (Accounting and Uniform Compliance Guidelines Manual for County Recorders, Chapter 9)

INTERNAL CONTROLS

Controls over the receipting, disbursing, recording, and accounting for the financial activities were insufficient to adequately provide an audit trail. The following exceptions were noted:

1. Collections provided by Doxpop for enhanced access fees are not recorded in a timely manner using statements provided Doxpop and then reconciled to bank statements. Instead, the collection information is recorded based on the bank statements.
2. The Recorder's cashbook provides a record of posted receipts and checks issued; however, it does not provide for a cash balance. If the receipts were recorded in a timely manner, all receipts from the current month would be remitted to the County Auditor by the 10th of the following month; however, no record was presented for audit that provided cash balances.
3. Depository reconciliations of the fund balances to the bank account balances were not presented for audit. Review of bank and record transactions revealed the following discrepancies: Recording and remittance errors for January and February and a bank error from July 2008 were not detected and corrected within the calendar year.

COUNTY RECORDER
DUBOIS COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

4. The computerized accounting system reflected December prepaid collections of \$10; however, as of May 2009, the prepaid collection was not reported on the Report of Collections and was not remitted to the County Auditor, nor was any portion of the prepayment applied on account.
5. The Cashbook and Report of Collections were inaccurate since overpayments were not recorded and reported as overpayments.
6. The Recorder's cash and fee book tracks prepaid accounts and accounts receivables; however, at year end those balances were not carried forward to the subsequent year.
7. One charge account balance at December 31, 2008, was in excess of \$1,600. The Recorder has no written collection policy regarding the charge accounts, such as required frequency of payment, penalty for untimely payment, etc. The Recorder was encouraged to adopt a written policy that would reflect the Recorder's intent: whether it be a designated period of time for payment to be made, a charge amount limit, etc, or the charge account privileges be revoked until payment is received.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for County Recorders, Chapter 9)

Receipts should be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared . . . (Accounting and Uniform Compliance Guidelines Manual for County Recorders, Chapter 9)

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions to help insure compliance with IC 5-15-1 et seq., commonly referred to as the Public Records Law. (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)

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 on the records of the local officers, with the balance statements provided by the respective depositories."

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for County Recorders, Chapter 9)

COUNTY RECORDER
DUBOIS COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

At all times, the manual and/or computerized records, subsidiary ledger, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for County Recorders, Chapter 9)

RETENTION OF RECORDS

The County Recorder's June 2008 accounts receivable schedule of customer copy machine and computer copies billed and collections made thereafter were not retained for audit.

IC 5-15-6-3(f) concerning destruction of public records, states in part:

"Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

IC 5-15-6-3 (d) states:

"No financial records or records relating thereto shall be destroyed until the earlier of the following actions:

- (1) The audit of the records by the state board of accounts has been completed, report filed, and any exceptions set out in the report satisfied.
- (2) The financial record or records have been copied or reproduced as described in subsection (e)."

COUNTY RECORDER
DUBOIS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 8, 2009, with Brenda K. Schnarr, Recorder; Randall L. Fleck, President of the Board of County Commissioners; Janet L. Sendelweck, Auditor; Jerry Hunefeld, County Council member; and Bonnie J. Luebbehusen, County Council member.