

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

AUDIT REPORT  
OF  
COUNTY RECORDER  
CLARK COUNTY, INDIANA  
January 1, 2010 to December 31, 2010



**FILED**  
03/20/2012



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Recorder	Richard P. Jones, Sr.	01-01-08 to 12-31-14
President of the County Council	Jack Coffman Kevin Vissing Barbara Hollis	01-01-10 to 12-31-10 01-01-11 to 12-31-11 01-01-12 to 12-31-12
President of the Board of County Commissioners	M. Edward Meyer Les Young	01-01-10 to 12-31-11 01-01-12 to 12-31-12



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
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TO: THE OFFICIALS OF CLARK COUNTY

We have audited the records of the County Recorder for the period from January 1, 2010 to December 31, 2010, 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 Clark County for the year 2010.

STATE BOARD OF ACCOUNTS

December 5, 2011

COUNTY RECORDER  
CLARK COUNTY  
AUDIT RESULT AND COMMENT

***DEPARTMENT ANNUAL FINANCIAL REPORT***

The financial activity for the year 2010, reported on the Supplemental CAR-1 for the County Recorder's office, did not agree with the financial activity reported on the County Recorder's accounting records. The beginning cash balance and disbursements were overstated in the amounts of \$45,663 and \$53,842, respectively, resulting in the ending cash balance being understated in the amount of \$8,179. The financial information presented on the Supplemental CAR-1 was used by the County Auditor's Office to report the County Recorder's financial activity on the Annual Report filed with the Indiana State Board of Accounts on March 1, 2011.

After the State Board of Accounts brought the above error to the attention of the County Recorder, the County Recorder submitted a revised Supplemental CAR-1 on July 27, 2011, and County Management approved an adjustment to the County's financial statements.

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 of Indiana, Chapter 9)

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. (Accounting and Uniform Compliance Guidelines Manual for County Recorders of Indiana, Chapter 9)

COUNTY RECORDER  
CLARK COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on December 5, 2011, with Richard P. Jones, Sr., 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 discussed on December 13, 2011, with Barbara Hollis, President of the County Council.

The contents of this report were discussed on December 19, 2011, with M. Edward Meyer, former President of the Board of County Commissioners.

CLARK COUNTY RECORDER  
501 E. Court Ave., Rm. 105  
Jeffersonville, IN 47130-4019

Phone: 812-285-6239

Fax: 812-258-2560

**VERIFIED RESPONSE TO DRAFT FIELD EXAMINATION AND  
REQUEST FOR EDITING, REVIEW & MODIFICATION BY THE  
STATE BOARD OF ACCOUNTS BOARD MEMBERS OR  
SUPERVISOR**

Thank you for the opportunity to respond to The State Board of Accounts Field Examination Report. There are several discrepancies that I would like to point out and request that these issues be reviewed and edited by The SBA Board upon investigation of the below remarks and review of the Field Examiner's Field Report (referred to by said Examiner as "the audit" in the Field Report) and corrected to show that the Clark County Recorder's Office was in full compliance of known State Board of Accounts rules, procedures and practices as prescribed by Indiana Law.

The Field Examiner's report first starts with a statement that "The Supplemental CAR-1 has been prescribed to summarize funds..." No one disputes this statement of the need to use The Supplemental CAR-1 form and

1. Exhibit A (attached) is a copy of the Supplemental CAR-1 form submitted to the Clark County Auditor's Office by the Clark County Recorder file stamped as received by the Auditor on January 11, 2011. **To emphasize again: The Clark County Recorder's Office DID use the Supplemental CAR-1 form as Exhibit "A" and "C" prove by the dated file stamp, and said records being on file with, The Clark County Auditor.**
  - a. Exhibit C (attached) also shows a Revised Supplemental CAR-1 form filed by the Clark Co. Recorder and file stamped received by the Clark Co. Auditor on July 27, 2010.
    - i. It should further be noted that the Field Examiner's Field Report states, "Officials & Employees are required to use State Board of Accounts 'prescribed or approved forms in the manner prescribed'." However, the

Supplemental CAR-1 form does not have any mention of being  
“Approved” or “Prescribed” by the State Board of Accounts.

2. The Field Examiner’s Report (Exhibit B) is vague and ambiguous (and paragraph’s one and four are general statements that do not seem relevant to the Examiner’s Report at issue). It appears the Field Examiner has written that the Clark County Recorder’s Office should use the Supplemental CAR-1 Form which said Office has been using (see Exhibits A & C). To the best knowledge, belief and information available the Supplemental CAR-1 form was in compliance based on conversations with the SBA, conference demonstrations and other discussions with State and County Officials.
3. A review of said Form was requested. This request was denied. For further information on the denied request, please contact this Office.
4. The Clark County Recorder’s Office used the only Supplemental CAR-1 form available. Although not marked “approved” or “prescribed” by the State Board of Accounts it was the Office’s belief said CAR-1 Form was the valid form to be used.
5. Supplemental CAR-1 was submitted to the Clark County Auditor’s Office on January 11, 2011 (Exhibit A).
6. On or about July 26, 2011 a question on the January 11<sup>th</sup>, 2010 Supplemental CAR-1 Form was raised. Subsequently on July 27, 2011 a Supplemental/Revised CAR-1 form was submitted to the Clark County Auditor’s Office on the Clark County Recorder’s own volition. The decision, or *internal controls*, was the action solely of the Clark Co. Recorder.
7. After carefully reviewing the Field Examiner’s unsigned and unverified Field Report it is hard to see what “was not accurately reported” when said Field Report does not even acknowledge that the Supplemental CAR-1 form was filed with the Clark County Auditor on January 11, 2011 (Exhibit A) and an Amended CAR-1 on July 27, 2010 (Exhibit C). With such an acknowledgement the entire paragraph should, and is hereby requested to be, stricken from the final report. With paragraph two edited to the facts all that is left of the Field Report are generalized statements about “internal controls” and other generic statements not directly relevant to the Clark County Recorder’s Office.
8. I hereby give notice, pursuant to Indiana Code 5-11-5-1(a)(b), I would like to exercise my right to issue an additional response should the Field Report not properly be edited to the undisputed facts that the Clark County Recorder’s Office did comply with filing the Supplemental CAR-1 Report(s) and all other uniform requirements of State Law and State Board of Accounts Rules and Procedures.

In conclusion, we feel the Field Examiner's Field Report ranges toward the inflammatory, (especially by including general Indiana County Government "internal controls" wording out of context among other generalized and not relevant paragraphs of said Field Report), ambiguous and so vague that it is misleading to even know what the Field Report was written to correct or point out to the Clark Co. Recorder's Office.

At all times the correct (to the best of our knowledge, belief and subsequent training) Supplemental CAR-1 Form was used in compliance of State Board of Account procedures. It should also be noted, but is not in the Field Report, that the Revised/Amended Supplemental CAR-1 Report was done on the own volition of the Clark County Recorder's Office and not by the suggestion of any other agency.

The Field Report does not comply with Indiana Code 5-11-1-24 which states in part:

(a) The State Board of Accounts shall establish in writing uniform compliance guidelines for the examinations and reports required by this chapter. The uniform compliance guidelines **must** (emphasis added) include the standards that an entity must observe to avoid a finding that is critical of the entity for a reason other than the entity's failure to comply with a specific law.

Further, pursuant to Indiana Code 5-11-5-1(1) & (2) states that a finding that is critical of an examined entity **must** be based on:

- Failure of the entity to observe a uniform compliance guideline...
- Failure of the entity to comply with a specific law.

In this case Exhibits A & C prove that the criticism of allegedly not accurately reporting the [Clark County Recorder's Office's] financial activity on the Supplemental CAR-1, 'prescribed form' is incorrect. If the Field Report made such an admission that the Supplemental CAR-1 form was submitted properly on January 11, 2010 and then later a Revised/Amended CAR-1 on July 27, 2010 then the whole report would be moot.

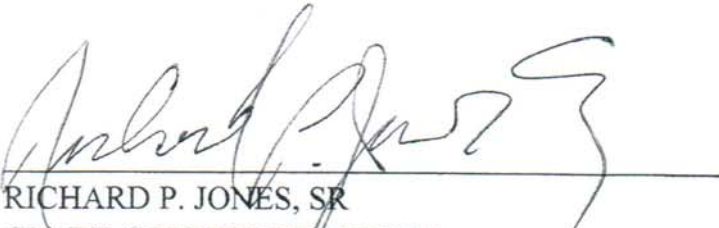
We believe that the Clark Co. Recorder's Office has many internal controls. In fact, the State Board of Accounts is welcome to actually make suggestions on improvements as the State Board of Accounts Mission and Value Statement Reads (<http://www.in.gov/sboa/2445.htm>):

In addition to performing financial and compliance audits of state and local governments, we prescribe forms and uniform accounting systems; we provide training for public officials and employees; we publish manuals, newsletters, and technical bulletins; and our consulting services are always available to officials on the state and local level.

- SUPPORT - Creating an atmosphere of trust, support, and open communication, both internally and externally.

Thank you for the opportunity to submit this Response to Field Examination and Request for Editing/Deletion of said Examination by a Supervising member or the Board of the Indiana State Board of Accounts. If the Field Examination is not edited, I reserve the opportunity to respond further to the signed and verified Final Examination Report.

Subscribed and Sworn under the pains and penalty's of Perjury (Indiana Code 35-44-2) this 15<sup>th</sup> Day of December, 2011.



RICHARD P. JONES, SR  
CLARK COUNTY RECORDER

Accession with Measure 4-19-11

County Recorder

EXHIBIT A Recorders Notebook

11-11-11

Supplemental CAR-1

RETURN THE COMPLETED FORM TO THE COUNTY AUDITOR BY JANUARY 31ST.

County Name: Clark

Office Name: Recorder

Year: 2010

Contact Person:

Richard P. Jones

Phone Number:

812-285-6238

E-mail Address:

jwhite@co.clark.in.us

List all accounts/funds managed by this office

Fund Name	Beginning Balance	Receipts	Disbursements	Ending Balance	New Fund
Recorder's Funds	\$45,663.00	\$504,852.00	\$504,852.00	\$45,663.00	
Cash Change	\$100.00	-	-	\$100.00	

Certification: This is to certify that the data contained in this report is accurate and agrees with the financial records, to the best of my knowledge and belief.

Signature of Official:

*Richard P. Jones*

Title:

Clark County Recorder

Printed Name of Official:

Richard P. Jones, Sr.

Date Signed:

1-11-11

FILED  
SUBJECT TO FINAL APPROVAL

JAN 11 2011

AUDITOR, CLARK COUNTY

Source: Copy of Supplemental CAR-1

Purpose: To document financial activity per CAR-1

Conclusion: Information is documented and will be used for holding in copy C.S.1

Bookkeeper: [unclear]

EXHIBIT A

**EXHIBIT**  
**B**

*Exhibit B*

**EXHIBIT**  
**B**

(04/10) Form 4

**EXIT CONFERENCE  
OFFICIALS' RESPONSE**  
Page 1 of 2

Unit Examined: Clark County - County Recorder  
Period Examined: 1-1-10 to 12-31-10  
Date of Conference: 7-26-11

In accordance with Indiana Code 5-11-5-1, management (Chief Disbursing Officer or the Chief Executive Officer of the unit examined) and those charged with governance (governing boards) are given the opportunity to respond to the comments contained in the report. Your response, if any, will be bound in and become a part of our report. We ask that you initial the option selected below, sign, and date this form. Unless you choose Option No. 2, your signature is not deemed to be a concurrence with our findings but merely acknowledges that you understand that you have a right to respond to the report. Please note that the report is a draft prepared by the Field Examiners and is subject to editing by department supervisors and board members.

Initial  
Below

           OPTION NO. 1: We understand that the report does not contain audit comments and therefore a response on our part is not indicated or necessary. The exit conference statement in the report will be similar to the following:

The contents of this report were discussed on (insert date) with (insert name and title of those present). Our report disclosed no material items that warrant comment at this time.

           OPTION NO. 2: We do not wish to make an official response to the report but we do wish to have a general statement included in the report that we concur with the comments. (If you wish to have specific language used, please modify or add to the following statement as desired). We understand that if we do not provide specific language, the exit conference statement in the report will be similar to the following:

The contents of this report were discussed on (insert date) with (insert name and titles of those present). The officials concurred with our findings.

           OPTION NO. 3: We do not wish to make an official response to the report and do not wish to have any additional comments included as a response in the report. We understand that the exit conference statement in the report will be similar to the following:

The contents of this report were discussed on (insert date) with (insert name and titles of those present).

**EXHIBIT**  
**B**

*copy*

**EXHIBIT**  
**B**

EXHIBIT

EXHIBIT

Revised 7-27-11

EXHIBIT

Supplemental CAR-1

RETURN THE COMPLETED FORM TO THE COUNTY AUDITOR BY JANUARY 31ST.

County Name:

Clark

Contact Person:

Richard P. Jones

Office Name:

Recorder

Phone Number:

812-285-6238

Year:

2010

E-mail Address:

jwhite@co.clark.in.us

List all accounts/funds managed by this office

Fund Name	Beginning Balance	Receipts	Disbursements	Ending Balance	New Fund
Recorders Funds	0	504,852.00	451,010.00	53,842.00	
Cash Change	100.00	-	-	100.00	

year to date retention on 2/28/11  
year to date retention on 2/28/11  
year to date retention on 2/28/11  
year to date retention on 2/28/11  
year to date retention on 2/28/11

Certification: This is to certify that the data contained in this report is accurate and agrees with the financial records, to the best of my knowledge and belief.

Signature of Official:

Richard P. Jones Sr.

Title:

Clark County Recorder

Printed Name of Official

Richard P. Jones, Sr.

Date Signed:

7-27-11

FILED  
SUBJECT TO FINAL APPROVAL

R. P. Jones Sr.  
Assistant Clark County

EXHIBIT

1<sup>st</sup> ARC KLR

**EXHIBIT**

**D**

**EXHIBIT**

**D**

COUNTY RECORDER  
CLARK COUNTY  
AUDIT RESULTS AND COMMENTS

DEPARTMENT ANNUAL FINANCIAL REPORT

The Supplemental CAR-1 has been prescribed to summarize yearly financial activity associated with the funds handled directly by County departments for inclusion in the County's Annual Financial Report (CAR).

The County Recorder did not accurately report the department's financial activity on the Supplemental CAR-1, prescribed form. The financial activity reported on the Supplemental CAR-1 prepared by the Department overstated the beginning cash balance by \$45,663. The disbursement activity was overstated in the amount of \$53,842 and the ending cash balance was understated in the amount of \$8,179. During the course of the audit adjustments were made to the County's Annual Financial report to correctly report the Departments' financial activity.

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 Counties of Indiana, Chapter 1)

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 Counties of Indiana, Chapter 1)

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