Findings, Corrective Action Plans, & Internal Controls

2020 County Recorders Conference

Findings

- Types of Audit Findings
  - Audit Results and Comments – Significant Noncompliance with statute or an SBOA uniform compliance guideline
  - Management Letter Finding – Not Significant Noncompliance with statute or an SBOA uniform compliance guideline
  - Discussion Only Finding - Immaterial Noncompliance with statute or SBOA uniform compliance guidelines
Financial Audits

- Supplemental Compliance Report:
  - This report contains the Audit Results and Comments found and should be read in conjunction with the Financial Audit Report, which could be Federal or Non-Federal.
  
- Included in the Report:
  - Audit Results and Comments
  - Official Response (optional)

Corrective Action Plans for Financial Audits

- Only Repeat Comments require a Corrective Action Plan.

- Repeat Comments are Audit Results and Comments that have appeared in the prior report as well as the current.

- Corrective Action Plans for Repeat Comments are submitted through the SBOA website.

- Audit Results and Comments that require a Corrective Action Plan will be outlined on the Form 4 at Exit.
Submitting Repeat Comments

https://www.in.gov/sboa/5207.htm

- Includes:
  - Instructions
  - CAP Template
  - 1031 Guidelines

** Notes that a new template should be filled out for each Repeat comment that requires a corrective action plan.

Common Repeat Findings
### Bank Account Reconciliations

The County Recorder failed to perform monthly reconciliements of the Fee and Cash Book to the depository balance as required by statute. Cash balances were not listed in the Fee and Cash Book that would enable a reconcilement to be done. Therefore, no safeguard was in place to ensure that all monies were timely and accurately remitted to the county. Due to these issues, there was an excess cash balance totaling $46,589 that had not been remitted to the county.

### County Remittances

The County Recorder did not remit fees collected in a timely manner to the County Treasury. During the course of the audit fees were only being remitted quarterly.
**Fee and Cash Book**

**Condition of Records**

The County Recorder did not use the prescribed County Recorder’s Fee and Cash Book or an alternative form in lieu of the prescribed form.

The County Recorder’s ledger has a detail of receipts with cumulative monthly receipt balances by type of receipt. However, the ledger was not complete. The “Total Disbursements for Month to Date” and Balance Carried Forward columns were not used properly. The ledger was maintained on a monthly basis always starting with a zero balance and did not include the disbursement of the prior months receipts to the County Treasury.

**Deposits**

Receipts were not deposited by the next business day in 54 percent of the receipts tested.
Misappropriation of Funds

Failure to Immediately Report Losses of Public Funds

The County Recorder failed to immediately report to the Indiana State Board of Accounts losses of public funds through a banking scheme. Verbal notice was given to the Field Examiners on-site six months after the loss was discovered.

Per the County Recorder the bank account was compromised in November 2019. The County Recorder discovered the loss while performing the monthly bank reconcilement and the funds were returned by the bank in the amount of $5,693.

Resources


Indiana State Board of Accounts
Resources

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Questions?