
Town of McColl Municipal Court

McColl, South Carolina

Independent Accountant's Report on Applying Agreed-Upon
Procedures for the year ended December 31, 2018



May 22, 2019

The Honorable Bobby Odom, Mayor
Town of McColl
McColl, South Carolina

The Honorable Robert A. Stanton, Jr., Chief Judge
Town of McColl
McColl, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the Town of McColl Municipal Court System as of and for the year ended December 31, 2018, was issued by Brown CPA, LLC, Certified Public Accountants, under contract with the South Carolina Office of the State Auditor.

If you have any questions regarding this report, please let us know.

Respectfully submitted,

George L. Kennedy, III, CPA
State Auditor

GLKIII/sag

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BROWN CPA, LLC

Independent Accountant's Report on Applying Agreed-Upon Procedures

Mr. George L. Kennedy, III, CPA
State Auditor
State of South Carolina
Columbia, South Carolina

The Honorable Bobby Odom, Mayor
Town of McColl
McColl, South Carolina

The Honorable Robert A. Stanton, Jr., Chief Judge
Town of McColl
McColl, South Carolina

We have performed the procedures described below, which were agreed to by the South Carolina Office of State Auditor and the Town of McColl Municipal Court, on the systems, processes, and behaviors related to court fines and fees of the Town of McColl Municipal Court for the period January 1, 2018 through December 31, 2018, in the areas addressed. The Town of McColl and the Town of McColl Municipal Court (the "Municipality") are responsible for the systems, processes, and behaviors related to court fines and fees. The sufficiency of these procedures is solely the responsibility of the South Carolina Office of the State Auditor and the Town of McColl and the Town of McColl Municipal Court. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which the agreed-upon procedures report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

1. Clerk of Court

- We gained an understanding of the policies and procedures established by the Clerk of Court to determine timely reporting by the Clerk of Court's Office.
- We obtained the court dockets or equivalents from the Clerk of Court. We randomly selected twenty-five cases from the court dockets and recalculated the fine, fee, assessment and surcharge calculation to confirm that the fine, fee, assessment and surcharge were properly allocated in accordance with applicable State law and the South Carolina Court administration fee memoranda.
- We randomly selected twenty-five court receipt transactions to confirm that the fee, fine, assessment and surcharge adhered to State law and the South Carolina Court administration fee memoranda and that the receipts were allocated in accordance with applicable State law.

Findings – Two of the twenty-five court fines inspected did not comply with State law.

1. An individual was ticketed for speeding 15 – 24 miles above the posted speed limit. State law section 56-5-1520(G)(3) requires that the fine and assessments be no less than \$128.75 and no more than \$180.63 and the individual was fined \$128.00. When asked why the fine did not comply with State penalty guidelines the judge stated that he was under the impression that you could round down but not up.

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2. An individual was ticketed for not complying State law section 56-5-1538 Move Over Law (Emergency Scene Management). State law requires that the fine and assessments be no less than \$647.50 and no more than \$1,062.50 and the individual was fined \$155.00. When asked why the fine did not comply with State penalty guidelines the judge stated that he could not recall why the fine was assessed at less than the State minimum.

Management Response – See Attachment A.

2. **Municipal Treasurer**

- We gained an understanding of the policies and procedures established by the Municipal Treasurer to determine timely reporting by the Municipality.
- We inspected all monthly court remittance forms or equivalents to confirm that the forms were completed in accordance with instructions and submitted timely in accordance with State law.
- We agreed amounts reported on the monthly remittance forms or equivalents to the Municipality's support.
- We inspected the Municipality's support to confirm that the Municipality properly classified fine, fee, assessment, and surcharge receipts.
- We inspected all State Treasurer's Revenue Remittance Forms ("STRRF") for the period January 1, 2018 through December 31, 2018 and agreed the amounts reported on the State Treasurer's Revenue Remittance Forms to the court remittance forms or equivalents.
- We agreed amounts reported by the Municipality on its supplemental schedule of fines and assessments, as reported in the annual financial statement audit, for the period January 1, 2018 through December 31, 2018, to the Municipality's general ledger.
- We inspected the Municipality's supplementary schedule of fines and assessments, as reported in the annual financial statement audit, to confirm that it contained all the elements required by State law.

Findings

1. **Timely Submission of STRRF** – We noted that the June 2018 and August 2018 State Treasurer's Revenue Remittance Forms were not timely submitted to the State Treasurer's Office. Section 14-1-208(A) of the 1976 South Carolina Code of Laws, as amended, states "...this assessment must be paid to the municipal clerk of court and deposited with the city treasurer for remittance to the State Treasurer." Section 14-1-208(B) of the 1976 South Carolina Code of Laws, as amended, requires the Town to remit the balance of the assessment revenue to the State Treasurer on a monthly basis by the fifteenth day of each month and make reports on a form and in a manner prescribed by the State Treasurer.
2. **Past Due Audits** – We were unable to agree financial activity as reported on the supplemental schedule of the Municipality's audit report for the period January 1, 2018 through December 31, 2018 because this period has not been audited yet. The Municipality's last audit report was for the year ended December 31, 2015 and the auditor's report was dated December 27, 2018. South Carolina Code of Laws Section 5-7-240 mandates municipalities and counties perform annual audits to ensure the proper collection, reporting and distribution of fine and assessments from the point of collection to the point of distribution. Further, audits are required to include a

supplementary schedule detailing all fines and assessments collected at the court level, the amount remitted to the municipal treasurer and the amount remitted to the State Treasurer. , as amended, Section 5-7-240 states that “Council required to provide for independent annual audit of financial records and transactions of municipality and agencies funded by municipal funds...”

3. Audit Report Presentation of South Carolina Mandated Information – During our inspection of the audit report was for the year ended December 31, 2015 with an auditor’s report dated December 27, 2018, the most recent audit report available, we noted the information on court fines fees and assessments was not properly presented in accordance with professional standards or South Carolina law, rules and regulations.
 - a. The schedule of court fines, fees, and assessments was included within a footnote to the financial statements and not presented in accordance with and South Carolina law which requires that this information be included as supplementary information to the financial statements. Section 14-1-208(E)(1) of the 1976 South Carolina Code of Laws, as amended, states “To ensure that files and assessments imposed pursuant to this section and section 14-1-209(A) are properly collected and remitted to the State Treasurer, the annual independent external audit required to be performed for each municipality pursuant to Section 5-7-240 must include a review of the accounting controls over the collection, reporting and distribution of fines and assessments from the point of collection to the point of distribution.
 - b. The independent auditor’s report on the financial statements did not properly cover the schedule of court fines, fees, and assessments. As noted above the information was presented in a footnote to the financial statements and covered by the auditor’s report on financial statements and notes to financial statements. This information is required by professional standards and state law to be presented as supplementary information covered by an “in relation to” opinion on the financial statements. Section 14-1-211 of the 1976 South Carolina Code of Laws, as amended, states that “The supplementary schedule must be included in the external auditor’s report by an “in relation to” paragraph as required by generally accepted auditing standards when information accompanies the basic financial statements in auditor submitted documents”.

Management Response – See Attachment A.

3. **Victim Assistance**

- We gained an understanding of the policies and procedures established by the Municipality to confirm proper accounting for victim assistance funds.
- We made inquiries and confirmed that any funds retained by the Municipality for victim assistance were deposited into a separate account.
- We selected twenty five expenditures to confirm that the Municipality expended victim assistance funds in accordance with State law and South Carolina Court administration fee memoranda.
- We inspected the Municipality’s victim assistance financial activity on the supplemental schedule of fines and assessments, as reported in the annual financial statement audit, and confirmed that it was in compliance with applicable State law.
- We agreed the amounts reported by the Municipality on its supplemental schedule of fines

and assessments, as reported in the annual financial statement audit, applicable to Victim Assistance Fund, to the Municipality's general ledger or subsidiary ledgers.

- We inspected the Municipality's victim assistance account to confirm the Victim Assistance fund balance was retained as of January 1 from the previous fiscal year in accordance with State law.

Findings

As discussed in section 2 finding #2 above, we were unable to agree financial activity as reported on the supplemental schedule of the audit report for the period January 1, 2018 through December 31, 2018 because this period has not been audited yet. The Municipality's last audit report was for the year ended December 31, 2015 and the auditor's report was dated December 27, 2018.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or a review, the objective of which would be the expression of an opinion or conclusion, respectively, on the systems, processes, and behaviors related to financial activity of the Court. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Governor, Chairmen of the House Ways and Means Committee, Senate Finance Committee, House Judiciary Committee, Senate Judiciary Committee, members of Town of McColl Council, Town of McColl Clerk of Court, Town of McColl Finance Director, State Treasurer, Office of Attorney General Department of Crime Victims Compensation, the Chief Justice, and the South Carolina Office of the State Auditor, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

BROWN CPA, L.L.C.

Irmo, South Carolina
May 22, 2019

Attachment A

M Town of McColl

A Progressive City of 3,000

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Bobby Odom, Mayor
Tameka McLain, Clerk/Treasurer
Billy Stubbs, Chief (PD)
Tammie Goff, Water/Sewer Clerk
David Coleman, Water & Sewer Supervisor

Brian Blue, Council
R.C. Cummings, Council
George Garner, Council
Jody Stubbs, Council
Lisa Price, Council
Van Carlise, Council

May 22, 2019

To whom it may concern:

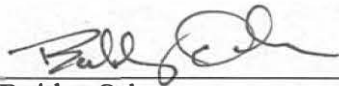
We have reviewed the comments provided herein and are in agreement with the comments and will remediate these items as follows.

We will review State of South Carolina guidelines for minimum and maximum amounts for police fines and assessments in an effort to conform with State Law. Additionally we will place greater effort in timely remitting to the South Carolina State Treasurer's Office the monthly State Treasurer Revenue Remittance Forms which we understand are due by the 15th day of the following month. We have had personnel turnover within our Town which has resulted in some of the problems identified.

With respect to the presentation and reporting on the schedule of fines, fees, and assessments within our annual financial statements we will provide our outside auditor with a copy of this report and request that they review the comments and to correct the presentation and reporting deficiencies identified. We are in the process of getting caught up on our past due annual financial statement audits and anticipate issuing the reports in the near term.

We are always receptive to positive constructive criticism in our effort to improve upon compliance and financial reporting.

Sincerely yours,



Bobby Odom
Mayor
Town of McColl