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*Town of Timmons ville Municipal Court*

Timmons ville, South Carolina

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



June 21, 2019

Mr. Darrick Jackson, Mayor  
Town of Timmonsville  
Timmonsville, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the Town of Timmonsville 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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## Independent Accountant's Report on Applying Agreed-Upon Procedures

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

Mr. Darrick Jackson, Mayor  
Town of Timmonsville  
Timmonsville, South Carolina

We have performed the procedures described below, which were agreed to by the South Carolina Office of the State Auditor and the Town of Timmonsville Municipal Court, on the systems, processes, and behaviors related to court fines and fees of the Town of Timmonsville Municipal Court for the period January 1, 2018 through December 31, 2018, in the areas addressed. The Town of Timmonsville and the Town of Timmonsville 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 Timmonsville and the Town of Timmonsville 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.

We found no exceptions as a result of the procedures.

### 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 Uniform Schedule of Court Fines Assessments and Surcharges, 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 Uniform Schedule of Court Fines Assessments and Surcharges, 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 – Twelve of the STRRF 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 or 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. The reports were submitted between 3 and 123 days late.
2. Assessment of 3% Installment Fee – Six out of twenty five cases selected had individuals paying their fine over time. None of these individuals were assessed the installment fee. Section 14-17-725 of the 1976 South Carolina Code of Laws, as amended, states, "... where criminal fines, assessments, or restitution payments are paid through installments, a collection cost charge of three percent of the payment also must be collected by the Clerk of Court, magistrate, or municipal court from the defendant...".
3. 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 period ended December 31, 2016. 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...".

**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.

#### **Finding**

1. South Carolina legislative proviso 93.27 from the 2017 – 2018 Appropriations Act requires that a county or municipality to retain no more than \$25,000 or ten percent of Victims Assistance funds collected in the prior fiscal year, whichever is higher, and any excess to be sent to the State Victim Assistance Program. Town of Timmonsville has retained and not spent more than the amount allowed by this proviso. Timmonsville has retained \$39,539 for the year ended December 31, 2018 and did not spend any money during this year or the prior year.
2. As discussed in section 2 finding #3 above, we were unable to agree financial activity as reported on the supplementary 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 period ended December 31, 2016.

#### **Management Response – See Attachment A**

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 Timmons ville Council, Town of Timmons ville Clerk of Court, Town of Timmons ville Finance Director, State Treasurer, 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  
June 21, 2019

## Attachment A





# Town of Timmonsville

P.O. Box 447 • Timmonsville, SC 29161

Office (843) 346-7942

**Darrick Jackson**  
MAYOR

June 21, 2019

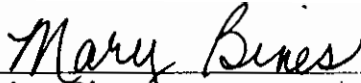
To whom it may concern:

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

1. 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 15<sup>th</sup> day of the following month. We recognized that the reports were being submitted late and changed policies and procedures in September 2018 to try and report more timely, thus we are surprised to learn that all twelve months were identified as being late. We have been mailing these reports in and use the services of an outside bookkeeper which may be part of the reason for the delay. In any event we will contact the South Carolina State Treasurer's Office and investigate some of the alternative methods of reporting such as faxing in the form or completing the form online and allowing the State Treasurer's Office to bank draft the amounts due.
2. With respect to assessing the 3% installment fee we will immediately start assessing this fee for all cases where the fine is being paid over time.
3. For past due audit reports 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.
4. As to the comment provided herein with respect to South Carolina legislative proviso regarding the maximum allowable amount a county or municipality may retain in Victims Assistance monies, we were unaware of the requirements of this proviso and as such did not comply with the limitation of retaining Victims Assistance monies. Now that we are aware of these requirements we will implement policies and procedures to ensure that either Victims Assistance monies are spent or will transfer excess amounts to the State of South Carolina Victims Assistance Program or our County Sheriff's Office in the future.

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

Sincerely yours,

  
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Mary Bines  
Town Administrator