

**CHESTER MUNICIPAL COURT
CHESTER, SOUTH CAROLINA**

STATE AUDITOR'S REPORT

JUNE 30, 2018

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May 15, 2019

Mr. Oscar Baker, Municipal Treasurer
Ms. Gisela Gaither, Clerk of Court
City of Chester Municipal Court
Chester, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the City of Chester Municipal Court System as of and for the year ended June 30, 2018, was issued by Steven L. Blake, CPA, 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

STEVEN L. BLAKE, CPA

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

May 15, 2019

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

Mr. Oscar Baker, Municipal Treasurer
Ms. Gisela Gaither, Clerk of Court
City of Chester Municipal Court
Chester, South Carolina

I have performed the procedures described below, which were agreed to by the South Carolina Office of the State Auditor and City of Chester, on the systems, processes, and behaviors related to court fines and fees of the City of Chester Municipal Court for the period July 1, 2017 through June 30, 2018, in the areas addressed. The City of Chester and the Chester Municipal Court 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 City of Chester and the Chester Municipal Court. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this 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**

- I gained an understanding of the policies and procedures established by the Clerk of Court to confirm timely reporting by the Clerk of Court's Office.
- I obtained the court dockets or equivalents from the Clerk of Court. I judgmentally selected 25 cases from the court dockets and I confirmed the fine assessed adhered to State law. I also recalculated the fine, fee, assessment and surcharge calculation to confirm that the fine, fee, assessment and surcharge were properly calculated and allocated in accordance with applicable State law and the South Carolina Court Administration fee memoranda.
- I inspected the court receipt transactions for the above cases to confirm that the fine, fee, assessment and surcharges assessed adhered to State law and the South Carolina Court Administration fee memoranda and that the receipts were allocated in accordance with applicable State law.

Mr. George L. Kennedy, III, CPA, State Auditor
And
Mr. Oscar Baker, Municipal Treasurer
Ms. Gisela Gaither, Clerk of Court
City of Chester Municipal Court
May 15, 2019

Findings

Adherence to Fine Guidelines

- The Court fined one defendant \$411.75 for Driving Under the Influence Per Se, 1st Offense less than .1. Section 56-5-2933(A) of the 1976 South Carolina Code of Laws, as amended, states, "A person who violates the provisions of this section... must be punished as follows: (1) for a first offense, by a fine of four hundred dollars...". The Clerk stated that this ticket had a roadside bond listed which included a breathalyzer fee but, when input, the breathalyzer fee was not included. Therefore, the software did not allocate the total fine to a breathalyzer fee thus causing the maximum fine amount to be exceeded.

- The Court fined various defendants for local ordinance violations using a prescribed ordinance violation sheet which contained fines set by local law based on total fine amounts before the \$5 Criminal Justice Academy surcharge was discontinued. The ordinance's fines currently calculate to an amount over the maximum because the extra \$5 collected is allocated to fines, victim and State assessments. The Clerk stated the total fines on the local ordinance sheet will be reduced so in the future the maximum fine amounts will not be exceeded.

- The Court fined one defendant \$169.48 for Failure to Use a Turn Signal. The South Carolina Code of Laws 56-5-2150 states the maximum fine is \$25. The Clerk stated the incorrect fine amount was entered in the system and the software was overridden.

- The Court fined one defendant \$490.60 for Drug Paraphernalia, a local ordinance violation requiring a fine of \$500. The Clerk stated that it appeared the local ordinance violation sheet had a typographical error in it because the requested fine amount should have been \$1,088 rather than the \$1,068 listed. However, this amount of \$1,088 would still result in an incorrect fine amount due to a rounding up of \$0.50. The correct amount should be \$1,087.50.

- The Court fined one defendant \$500.24 for Assault & Battery 3rd Degree. The South Carolina Code of Laws 16-3-600 states the maximum fine is \$500. The Clerk stated the total fine amount was rounded up. The amount rounded was allocated to fines, victim and State assessments causing the maximum fine amount to be exceeded.

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Court Receipt Inspection

I was unable to trace receipted fine payments prior to mid-December 2017 from the software system's Daily Cash Receipts reports to bank deposits. I was able to trace receipts for all receipts collected after that date.

2. Municipal Treasurer

- I gained an understanding of the policies and procedures established by the Municipal Treasurer to confirm timely reporting by the Municipality.
- I 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.
- I compared and agreed the amounts reported on the monthly remittance forms or equivalents to the Municipality's support.
- I inspected the Municipality's support to confirm that the Municipality properly classified fine, fee, assessment, and surcharge receipts.
- I inspected all State Treasurer's Revenue Remittance Forms **[STRRF]** for the period July 1, 2017 through June 30, 2018 and agreed the amounts reported on the State Treasurer's Revenue Remittance Forms to the court remittance forms or equivalents.
- I compared and agreed the amounts reported by the Municipality on its Supplemental Schedule, as reported in the latest annual financial statement audit, for the period July 1, 2016 through June 30, 2017, to the Municipality's general ledger or equivalent support.
- I inspected the Municipality's Supplemental Schedule, as reported in the annual financial statement audit, to confirm that it contained all the elements required by State law.

Findings

Supplemental Schedule

- The auditor's opinion did not include an "in-relation-to" opinion on the Supplemental Schedule as mandated by State law. The auditor stated in their opinion that they were "unable to apply certain limited procedures to the supplementary information."
- The Supplemental Schedule did not include all the elements required by State law and it appeared to be mathematically inaccurate. It lacked victim's assistance carryforward balances and expenses as well as amounts remitted to the State Treasurer. Due to the mathematical inaccuracies I was not able to confirm it contained the total amounts collected and/or retained for fines and assessments.

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3. **Victim Assistance**

- I gained an understanding of the policies and procedures established by the Municipality to confirm proper accounting for victim assistance funds.
- I made inquiries and confirmed that any funds retained by the Municipality for victim assistance were deposited into a separate account.
- I selected all expenditures to confirm that the Municipality expended victim assistance funds in accordance with State law and the South Carolina Court Administration fee memoranda.
- I inspected the Municipality's victim assistance financial activity on the Supplemental Schedule, as reported in the annual financial statement audit, for the period July 1, 2016 through June 30, 2017, and confirmed that it adhered to and included items required by State law.
- I compared and agreed the amounts reported by the Municipality on its Supplemental Schedule, as reported in latest the annual financial statement audit applicable to the Victim Assistance Fund, to the Municipality's general ledger or equivalent support.
- I inspected the Municipality's Victim Assistance account to confirm the Victim Assistance fund balance was retained as of July 1 from the previous fiscal year in accordance with State law.

Findings

Supplemental Schedule

- As reported above, the Supplemental Schedule did not include all the elements required by State law; the schedule lacked victim's assistance carryforward balances and expenses.
- The City does not reimburse itself for the full-time Victim's Advocate position. The City does not transfer the money from the Court Bonds and Fines account to a separate Victims' Assistance fund on a monthly basis but instead leaves it in the Bonds and Fines account. In addition, the police budget is funded in part by monies from the Bonds and Fines account even though no Victims' Assistance accounting is done to justify the expenditures of Victims' Assistance from this account.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. I was not engaged to and did not conduct an examination or review, the objective of which would be an opinion or conclusion, respectively,

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on the systems, processes, and behaviors related to court fines and fees of the City of Chester Municipal Court. Accordingly, I do not express an opinion or conclusion. Had I 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 the Chester Municipal Council, Chester Municipal Clerk of Court, Chester Municipal Treasurer, State Treasurer, Department of Crime Victim Compensation, and the Chief Justice 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.

Steven L. Blake, CPA