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Independent accountants' report on applying agreed-upon procedures for the twelve month period ended June 30, 2018

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TOWN OF JONESVILLE MUNICIPAL COURT
JONESVILLE, SOUTH CAROLINA

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

For the Twelve Month Period Ended June 30, 2018



June 4, 2019

The Honorable Calvin L. Payton, Municipal Judge
Town of Jonesville Municipal Court
Jonesville, South Carolina

April M. Smith, Clerk of Court
Town of Jonesville Municipal Court
Jonesville, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the Town of Jonesville Municipal Court System as of and for the year ended June 30, 2018, was issued by The Hobbs Group, P.A., 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

June 4, 2019

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

The Honorable Calvin L. Payton, Municipal Judge
Town of Jonesville Municipal Court
Jonesville, South Carolina

April M. Smith, Clerk of Court
Town of Jonesville Municipal Court
Jonesville, 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 Jonesville Municipal Court (the "*Town*"), on the systems, processes, and behaviors related to court fines and fees of the Town for the twelve month period ended June 30, 2018, in the areas addressed. The Town is 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. 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 confirm timely reporting by the Clerk of Court's Office.
- We obtained the court dockets or equivalents from the Clerk of Court. We randomly selected 25 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 25 court receipt transactions to confirm that the fine, fee, 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.

Finding -- Adherence to Fine Guidelines

During our inspection of Town Court collections and remittances, we observed the following instances in which the Town did not fine the defendant in accordance with State law:

Speeding

The Court fined one individual \$27.41 for speeding, 10 miles per hour or less over the speed limit. Section 56-5-1520(G) of the 1976 South Carolina Code of Laws, as amended, states, "A person violating the speed limits established by this section guilty of a misdemeanor and, upon conviction for a first offense, must be fined or imprisoned as follows:

- (1) in excess of the above posted limit but not in excess of ten miles an hour by a fine of not less than fifteen dollars nor more than twenty-five dollars;"

The Court fined one individual \$77.11 for speeding, more than 15 miles per hour but less than 25 miles per hour over the speed limit. Section 56-5-1520(G) of the 1976 South Carolina Code of Laws, as amended, states, "A person violating the speed limits established by this section guilty of a misdemeanor and, upon conviction for a first offense, must be fined or imprisoned as follows:

- (1) in excess of fifteen miles an hour over the speed limit, but less than twenty-five miles an hour above the posted limit by a fine of not less than fifty dollars nor more than seventy-five dollars;"

Management Response:

We were not aware that the code of law required a fine in the amount listed above. The Clerk of Court has spent two years learning how to operate the Lawtrack system, where all police fines are entered, since obtaining the system in 2016. We will ensure all employees who enter data into Lawtrak have the proper training, skills, and experience to do so in the future to prevent future findings in similar areas.

2. Town Treasurer

- We gained an understanding of the policies and procedures established by the Town treasurer to confirm timely reporting by the Town.
- 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 the amounts reported on the monthly remittance forms or equivalents to the Town's support.
- We inspected the Town's support to confirm that the Town properly classified fine, fee, assessment, and surcharge receipts.
- We inspected all State Treasurer's Revenue Remittance Forms for the period June 1, 2017 through May 31, 2018 and agreed the amounts reported on the State Treasurer's Revenue Remittance Forms to the court remittance forms or equivalents.
- We agreed the amounts reported by the Town on its supplemental schedule of fines and assessments, as reported in the annual financial statement audit, for the period June 1, 2017 through May 31, 2018, to the Town's general ledger.

- We inspected the Town’s supplemental 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.

Finding -- Adherence to Amounts Reported on Remittance Forms

We noted two instances in March and May 2018, where the amounts reported on the remittance forms did not agree to supporting documentation of amounts collected during the month. In March, the Town reported Municipal Assessments per their supporting documentation as \$1,294.71 and per their state remittance form, submitted to the State Treasurer, \$1,394.71. This is a \$100 variance. In May 2018, the Town did not report a collected total for Municipal Drug Surcharges even though per their supporting documentation \$150 was collected on ticket number #42309GT. State law requires all municipal assessments and surcharges to be properly reported and classified.

Management Response:

In response to the finding, the amount was accidentally left off the remittance form sent to the State Treasurer. We do not have an automated programmed system where all court fines and fees are calculated. Because of the low amount of tickets we issue, the size of the Town, and the cost of the automated software, the Town found it more efficient to track the fines collected through an excel spreadsheet. Because the system is not automated and relies on manual entry, it is more susceptible to errors. We will have someone review amounts entered into excel to ensure the amounts reported per the remittance form are in agreement with that of the supporting detail and excel spreadsheets.

3. Victim Assistance

- We gained an understanding of the policies and procedures established by the Town to confirm proper accounting for victim assistance funds.
- We made inquiries and confirmed that any funds retained by the Town for victim assistance were deposited into a separate account.
- We randomly selected 5 expenditures to confirm that the Town expended victim assistance funds in accordance with State law and the South Carolina Court administration fee memoranda.
- We inspected the Town’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 Town on its supplemental schedule of fines and assessments, as reported in the annual financial statement audit, applicable to the Victim Assistance Fund, to the Town’s general ledger or subsidiary ledgers.
- We inspected the Town’s victim assistance account to confirm the Victim Assistance fund balance was retained as of June 1 from the previous fiscal year in accordance with State law.

Finding -- Audited Supplementary Schedule

We noted one exception in which the total expenses per the audited schedule did not agree to the total per the general ledger detail for victims’ assistance funds. The general ledger reports a total of \$19,344

for the 2018 fiscal year while the schedule reports a total of \$11,841. The difference between the audited schedule and the general ledger detail is \$7,503.

Management Response:

In response to the finding, the Town received an audit from the Victims Assistance Advocacy a couple of years ago in which they recommended them remitting all funds received to Union County and closing out the Victims Assistance bank account. The Town completed this at the beginning of this fiscal year. We believe that there could have been an error involving the clearing of this account. We also believe that the difference between the audited schedule and the general ledger detail is that the amount was expensed in the prior fiscal year.

4. Calculation of Over/(Under) Reported Amounts

- We inspected copies of monthly State Treasurer Revenue Remittance Forms for the twelve month period ended June 30, 2018, which the Town prepared and submitted to the South Carolina Office of the State Treasurer. We calculated the amount over/(under) reported by the Town by category.

Finding -- Differences in Amounts Reported per State Revenue Remittance Form

The amounts over/(under) reported, by STRRF line item is listed in the schedule below:

STRRF Line	Description	Amount
J.	PCCSUR/Drug Surcharge	<u>(150.00)</u>
L.	Municipal – 107.5%	<u>100.00</u>
M.	TOTAL REVENUE DUE FROM STATE TREASURER	(50.00)

Management Response:

In response to the finding, the amount was accidentally left off the remittance form sent to the State Treasurer. We do not have an automated programed system where all court fines and fees are calculated. Because of the low amount of tickets we issue, the size of the Town, and the cost of the automated software, the Town found it more efficient to track the fines collected through an excel spreadsheet. Because the system is not automated and relies on manual entry, it is more susceptible to errors. We will have someone review amounts entered into excel to ensure the amounts reported per the remittance form are in agreement with that of the supporting detail and excel spreadsheets.

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 review, the objective of which would be an opinion or conclusion, respectively, on the systems, processes, and behaviors related to court fines and fees of the Town of Jonesville Municipal Court. Accordingly, we do not express 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 the Jonesville Town Council, the Clerk of Court, Town Treasurer, State Treasurer, State Office of Victim Assistance, 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.

The Hobbs Group, P.A.
Columbia, South Carolina

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