

CLEMSON UNIVERSITY MUNICIPAL COURT
CLEMSON, SOUTH CAROLINA

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

For the Year Ended June 30, 2018



June 6, 2019

The Honorable Deborah R. Culler, Chief Judge
Clemson University
Clemson, South Carolina

James P. Clements, President
Clemson University
Clemson, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the Clemson University 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

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

June 6, 2019

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

The Honorable Deborah R. Culler, Chief Judge
Clemson University
Clemson, South Carolina

James P. Clements, President
Clemson University
Clemson, South Carolina

We have performed the procedures described below, which were agreed to by the South Carolina Office of the State Auditor and the Clemson University Municipal Court (the "*University*"), on the systems, processes, and behaviors related to court fines and fees of the University for the period July 1, 2017 through June 30, 2018, in the areas addressed. The University 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 University. 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.

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 confirm timely reporting by the University.
- 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 University's support.
- We inspected the University's support to confirm that the University properly classified fine, fee, assessment, and surcharge receipts.
- We inspected all State Treasurer's Revenue Remittance Forms 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.
- We agreed the amounts reported by the University on its supplemental schedule of fines and assessments, as reported in the annual financial statement audit, for the period July 1, 2017 through June 30, 2018, to the University's general ledger.
- We inspected the University'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 -- Timely Reporting to the State Treasurer

Four of the twelve State Treasurer's Remittance Reports for the year ended June 30, 2018 were not timely filed. The remittance report for August 2017 and September 2017 were filed in the following months which caused these reports to be one month late. The remittance report for October 2017 and November 2017 were filed two months late. South Carolina Code of Laws Section 14-1-208(B) requires the Municipal Treasurer to remit the balance of the assessment money to the State Treasurer by the fifteenth day of the month.

Management Response: The Remittance Report is currently a part of the monthly procedures and processes that have been put in place during the 2018-2019 fiscal year. This will hopefully prevent this oversight in the future.

Finding – Timely transmittal of monies received

Four of the twelve payments remitted to the State Treasurer were not submitted on or before the fifteenth day of the month following the month being reported. The monies received for the month of August were not remitted by the court to the Treasurer until October 5, 2017; Monies collected for October 2017 were not remitted until January 4, 2018; Monies collected for November and December 2017 were not remitted until February 1, 2018. South Carolina Code of Laws Section 14-1-220 requires the Municipal Clerk of Court to transmit all monies received no less frequently than once each month, completed on or before the fifteenth day of the month following the month being reported.

Management Response:

First, Clemson University Municipal Court is a 2-person operation, a full-time job and one full-time court clerk who also acts as back-up for the Judge, handling bond hearings and issuing warrants in the Judge's absence. Since we are a college campus, football season is our busiest time of year. Add that to the fact that we have had some significant success in the area of

football in the past few years, which has increased the caseload and number of weekend on-call duty hours required of the two of employees during that particular time period. (We do not have the luxury, as some counties do, of having a designated judge to handle week-end duty.) All of the late submissions fell during this time period. Months where our reporting was late was due to the clerk working with our state software (CMS) folks or waiting on the Judge to help figure out some errors prior to submitting to the SC Treasurer.

In reviewing the months in question, it appears we also discovered some errors caused by our lack of running the CMS Check Verification which is what clears prior months. It took us some time working with CMS IT folks to straighten that out.

We are forever learning from our mistakes. We learn by recognizing them, reviewing our procedures to determine ways to avoid future mistakes, and by implementing those procedures. We will work closely with our “municipal treasurer” to implement deadlines to ensure that future reports are filed in a timely manner. Our deadlines will be to run the financial reports by the 3rd of the month and get them to the City Treasurer by the 5th of the month.

3. **Victim Assistance**

- We gained an understanding of the policies and procedures established by the University to confirm proper accounting for victim assistance funds.
- We made inquiries and confirmed that any funds retained by the University for victim assistance were deposited into a separate account.
- We selected all (two) expenditures to confirm that the University expended victim assistance funds in accordance with State law and the South Carolina Court administration fee memoranda.
- We inspected the University’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 University on its supplemental schedule of fines and assessments, as reported in the annual financial statement audit for the year ended June 30, 2018, applicable to the Victim Assistance Fund, to the University’s general ledger or subsidiary ledgers.
- We inspected the University’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.

Finding – Expenses

Victim’s Advocate Salary Allocation not Supported

The University pays a portion of an officer’s salary with Victim Assistance funds. There is no documented job description indicating the percentage of time that the officer will serve as an advocate and no statistical research was conducted to determine the percentage of time allocated to Victim Assistance as required by the South Carolina Department of Crime Victim Compensation. Additionally, the University does not keep time and activity forms weekly showing the activities of this officer.

Duplicate payment of Travel Reimbursement

We found one instance where the University overpaid one individual's travel expense by paying a reimbursement voucher submitted twice. Both of these expenses, the duplicate payment and the original payment were submitted as victim services expenditures. The mistake was discovered during testing of the agreed upon procedures engagement. Once the University's staff became aware of the system mishap, the individual was ordered to pay back the overpayment via check and did so on 4/18/19.

Management Response:

Item 1: Victim's Advocates Salary Allocation Not Supported

1. At the end of 2018, the Clemson University Police Department reviewed the job description of the staff member conducting victim advocacy duties. At that time, it was updated to reflect the percentage of time that the staff member serves in an advocacy role. The job description will be reviewed annually during the staff members performance evaluation and adjusted as necessary based on data collected and reported by the Victim Advocate throughout the year.

Additionally, the University has ceased utilizing Victim Assistance funds to pay any portion of the Victim's Advocate salary. It is our intention to only utilize Victim Assistance funds for: Continuing Education, Direct Victim Support, and other authorized Victim Services activities.

2. Departmental Policy VI-02 Victim/Witness Assistance has been modified to reflect the actions that are required on a weekly, monthly, and bi-annual basis:

Responsibilities of Reporting Information:

The victim/witness advocate will track daily victim/witness activities via excel spread sheet. The victim/witness advocate will provide the Bureau Commander with a weekly report detailing any interactions with victims/witnesses of crimes. The weekly reports will be combined, and a summary of all victim/witness activities will be included in the Bureau Commander's monthly report.

On a bi-annual basis, the Bureau commander will complete a review of all Victim Advocate activities to identify any gaps in service and assess the overall productivity of the function. The review findings will be used to make necessary adjustments regarding staffing, service delivery, and funding.

Expenditure of Funds Collected in Accordance with Act 96 and Retained by Clemson University for the Service of Crime Victims:

As required by Section 14-1-208(0) SC Code of laws, any funds collected and retained by Clemson University for the service of crime victims in accordance with Section 14-1-208 (B) will be used for, and only for, the provision of services for the victims of crime. Specifically, these are services required of law enforcement by Article 15, Chapter 3, Title 16. Requests to use these funds will be submitted using the department's Administrative Action form. In the "Supplemental Information" section, the requestor will detail how the

request meets the criteria and is in compliance with the above requirements. That request will be reviewed and approved or denied by the Bureau Commander. The victim/witness advocate will keep detailed, up to date documentation of the starting budget, and each transaction into or out of the victim/witness advocate fund and submit this information to the Bureau Commander for inclusion in their Monthly report.

Item 2: Duplicate Payment of Travel Reimbursement

In July 2018, the Department implemented new procedures for requesting training, which requires staff members to complete an internal "Training Request Form" that is approved through the Chain of Command. This documents the approval process and ensures all training is approved prior to staff attendance.

Additionally, after identifying this issue with a duplicate payment, we have directed all staff members to cease utilizing the University's on-line reimbursement process. Our current procedure requires travelers to email their itinerary along with supporting documentation to our Administrative Program Coordinator, once training is complete, to receive reimbursement. This process will prevent duplicate entries, provide the Department written documentation for tracking and accounting of funds, and prevent duplicate payments.

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 Clemson University Municipal Court 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 Ridgeway University Council, the Clerk of Court, University Treasurer, State Treasurer, South Carolina 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.

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

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