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Independent accountant's report on applying agreed-upon procedures for the year ended June 30, 2017

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**SOUTH CONGAREE MUNICIPAL COURT
SOUTH CONGAREE, SOUTH CAROLINA**

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES**

FOR THE YEAR ENDED JUNE 30, 2017

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April 23, 2018

The Honorable Dina Lusk, Clerk of Court
South Congaree Municipal Court
South Congaree, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the Town of South Congaree Municipal Court System as of and for the year ended June 30, 2017, was issued by Steven L. Blake, CPA, 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

April 23, 2018

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

Dina Lusk, Clerk of Court
South Congaree Municipal Court
South Congaree, South Carolina

I have performed the procedures described below, which were agreed to by the South Carolina Office of the State Auditor and Town of South Congaree, on the systems, processes, and behaviors related to court fines and fees of the Town of South Congaree for the period July 1, 2016 through June 30, 2017, in the areas addressed. The Town of South Congaree and the South Congaree 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 Town of South Congaree and the South Congaree Municipal Court. Consequently, I 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**

- 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 randomly 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.

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and
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Findings

Adherence to Fine Guidelines

- The Court did not sentence one defendant in accordance with State law for Driving Under the Influence **[DUI]**. The judge fined the defendant \$12.05 more than the required maximum.

The Clerk stated that the higher fine resulted from the roadside bond amount on the ticket. The amount included a breathalyzer fee; however, the breathalyzer was not administered.

- The software did not assess one defendant a Driving Under Suspension **[DUS]** \$100 Pullout in accordance with State law.

The Clerk stated that the fine was correct, however, when the code for the offense was entered in the software, an old, inactive code was used by mistake. This code did not contain the required pullout. The Clerk also stated that this code was changed once the error was discovered during the procedures and this fine reassessed correctly.

- The court sentenced one defendant \$232.50 for a parking ticket. The maximum fine is \$100 in accordance with State law.

The Clerk stated the judge used the roadside bond amount for a fine of \$100 which, with the included assessments, would be a total fine of \$232.50. However, the court was unaware this fine is one that is not assessed and therefore, the entire \$232.50 is the fine amount.

Installment Payment Fee

The Clerk of Court collected one payment in installments. The Clerk did not charge the 3% Installment Payment Fee.

Timely Submission of State Treasurer's Revenue Remittance Form

The Clerk submitted the State Treasurer's Revenue Remittance Form **[STRRF]** late three times. In addition, the Clerk did not retain copies of STRRF once submitted. The STRRF for June 2017 was partially submitted to correct a dual submission of January 2017. See **Calculation of Over/(Under) Reported Amounts**.

2. Municipal Treasurer

- I gained an understanding of the policies and procedures established by the Municipal treasurer to confirm timely reporting by the Municipality.

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- 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 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, 2016 through June 30, 2017 and agreed the amounts reported on the State Treasurer's Revenue Remittance Forms to the court remittance forms or equivalents.

- I agreed the amounts reported by the Municipality on its supplemental schedule of fines and assessments, as reported in the annual financial statement audit, for the period July 1, 2016 through June 30, 2017, to the Municipality's general ledger.

- I inspected the Municipality'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. The June 30, 2015 financial statement audit was the most recent audit completed.

Findings

Supplemental Schedule

I was unable to trace the information reported in the Supplemental Schedule for the June 30, 2015 audited financial statements, the latest available audit, to the Town's general ledger. The current Town Treasurer stated that the previous years' records were inaccessible due to lack of internal control, insufficient recordkeeping and record retention policies and an ongoing investigation.

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.

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- 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 of fines and assessments, as reported in the annual financial statement audit, and confirmed that it adhered to and included items required by State law.

- I 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 the Victim Assistance Fund, to the Municipality's general ledger or subsidiary ledgers or equivalent.

- 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

Victim Assistance Accounting

The Town had not completed the accounting for Victim Assistance for the fiscal year ended June 30, 2017 when the procedures began. The accounting was completed during the procedures engagement. The Town had not made all required deposits, the Town had not reimbursed itself for expenses for the entire year and amounts deposited and withdrawn from the Victim Assistance fund had no support. I traced reimbursements accounted for during the procedures period to support supplied to me by the Town, I compared amounts deposited and to amounts required to be deposited and I recalculated the net amount of Victim Assistance owed to the Town as a result of the activity for the 36 months ended June 30, 2017. The Town is owed \$1,394.44.

Victim Assistance Negotiated Rate

The Town has negotiated with the State Office of Victim Assistance [SOVA] for a portion of a police officer's time to be reimbursed by the Victim Assistance fund. This negotiation took place for the 2015 fiscal year. It has not been updated since that time.

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4. Calculation of Over/(Under) Reported Amounts

- I inspected copies of monthly State Treasurer Revenue Remittance Forms] for the 12-month period ended June 30, 2017, which the Municipality prepared and submitted to the South Carolina Office of the State Treasurer and compared those to the court transmittals. I calculated the amount over/(under) reported by the Clerk of Court for the period.

Findings

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

STRRF LINE	DESCRIPTION	AMOUNT
F.	Municipal DUS DPS Pullout - \$100	.01
K.	Municipal Law Enforcement Surcharge - \$25	3,549.86
KA.	Criminal Justice Academy Surcharge - \$5	4.61
L.	Municipal – 107.5%	<u>4,692.33</u>
M.	TOTAL REVENUE DUE FROM STATE TREASURER	<u>8,246.81</u>
N.	Assessments - Municipal	1,394.44
O.	Municipal Victim Surcharge	<u>-</u>
P.	TOTAL RETAINED FOR VICTIM SERVICES	<u>1,394.44</u>

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and
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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, on the systems, processes, and behaviors related to court fines and fees of the Town of South Congaree and the Town of South Congaree 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, Chairman of the House Ways and Means Committee, Senate Finance Committee, House Judiciary Committee, Senate Judiciary Committee, members of the South Congaree Municipal Council, South Congaree Municipal Clerk of Court, South Congaree Municipal 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.

Steven L. Blake, CPA