

**RICHLAND COUNTY GENERAL SESSIONS COURT
COLUMBIA, SOUTH CAROLINA**

**State Auditor's Report
March 31, 2005**

**RICHLAND COUNTY GENERAL SESSIONS COURT
COLUMBIA, SOUTH CAROLINA**

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State of South Carolina



Office of the State Auditor

1401 MAIN STREET SUITE 1200
COLUMBIA, S.C. 29201

THOMAS L. WAGNER, JR., CPA
STATE AUDITOR

(803) 253-4160
FAX (803) 343-0723

September 27, 2005

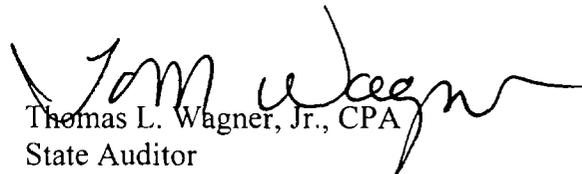
The Honorable Mark Sanford, Governor
State of South Carolina
Columbia, South Carolina

The Honorable Barbara A. Scott, Clerk of Court
Richland County
Columbia, South Carolina

This report resulting from the application of certain agreed-upon procedures to certain accounting records of the Richland County General Session Court for the period April 1, 2004 through March 31, 2005, was issued by Cline Brandt Kochenower & Co., 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,


Thomas L. Wagner, Jr., CPA
State Auditor

TLWjr/trb

Independent Accountants' Report on Applying Agreed-Upon Procedures

Thomas L. Wagner, Jr., CPA
State Auditor
Office of the State Auditor
Columbia, South Carolina

We have performed the procedures described below which were agreed to by the South Carolina Office of the State Auditor solely to assist these users in evaluating the performance of the Richland County General Sessions Court System and to assist the South Carolina Office of the State Auditor in complying with the 2004 - 2005 General Appropriations Act (H. 4925) Section 72.92 for the fiscal year ended June 30, 2005. The Honorable Barbara A. Scott, Clerk of Court for Richland County is responsible for compliance with the requirements for the General Sessions Court reporting and the South Carolina Office of the State Auditor is responsible for compliance with the requirements of the 2004 - 2005 General Appropriations Act (H. 4925) Section 72.92. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

1. PROPER ALLOCATION AND TIMELY REPORTING BY THE CLERK OF COURT

- We researched South Carolina Code of Laws Section 14-17-750 to determine the definition of timely reporting with respect to the Clerk of Court's responsibility for reporting fines, fees and assessments to the County Treasurer.
- We inquired of the South Carolina Judicial Department to determine their requirements for timely filing of fines, fees and assessments to the County Treasurer, including requirements for allocating fines, fees and assessments paid on an installment basis.
- We inquired of the Clerk of Court and County Treasurer to gain an understanding of their policy for ensuring timely reporting and to determine how the County Treasurer specifically documents timeliness.
- We inspected documentation, including the Clerk of Court Remittance Forms for the months of April 1, 2004 through March 31, 2005, to determine if the Clerk of Court submitted the reports in accordance with the law.
- We judgmentally selected and compared individual fine and assessment amounts recorded in the Clerk of Court's software system-generated detail reports to the Judicial Department guidelines' range for the offense code to see if the fine and assessment were within the range.

Our finding, *TIMELY FILING WITH THE COUNTY TREASURER*, is reported under "PROPER ALLOCATION AND TIMELY REPORTING BY THE CLERK OF COURT" in the Accountants' Comments section of this report.

2. TIMELY RECORDING AND REPORTING BY THE COUNTY

- We traced and agreed each month's reporting by the Clerk of Court to the County Treasurer's Office and to the County's general ledger accounts for the assessments (Sections 14-1-206(A), (B) and (D)) and victim's assistance surcharge (Section 14-1-211) for the period April 1, 2004 to March 31, 2005.
- We compared the amounts reported on the Clerk of Court Remittance Forms to the Clerk of Court's software system-generated report summaries for three judgmentally determined test months. We tested the system-generated reports for compliance with various laws including Section 35.11 of the General Appropriations Act for the fiscal year 2004 – 2005 and with South Carolina Judicial Department training instructions and interpretations.

We found no exceptions as a result of the procedures.

3. PROPER VICTIMS' ASSISTANCE FUNDS ACCOUNTING

- We inquired as to the format determined by county council and local policy for record keeping as it relates to fines and assessments in accordance with Section 14-1-206(E)(4).
- We compared the fiscal year-ended June 30, 2004 audited Victims' Assistance Fund fund balance in the general ledger to the fund balance shown in the Schedule of Court Fines, Assessments and Surcharges on page 157 of the audited financial statement and to the beginning fund balance as adjusted in that fund for fiscal year 2005.
- We verified Victims' Assistance Fund reimbursable expenditures were in compliance with Section 14-1-206(E) and Section 14-1-211(B).

Our findings, *REQUIRED SCHEDULE NOT IN AGREEMENT WITH GENERAL LEDGER* and *ALLOWABLE VICTIMS' ASSISTANCE EXPENDITURES*, are reported under the "PROPER VICTIMS' ASSISTANCE FUNDS ACCOUNTING" title in the Accountants' Comments section of this report.

4. TIMELY ACCURATE REPORTING TO THE STATE TREASURER INCLUDING REQUIRED FINANCIAL STATEMENT SCHEDULES IN ACCORDANCE WITH SECTION 14-1-206(E)

- We vouched the amounts reported in the State Treasurer Remittance Forms to Clerk of Court Remittance Forms for the period April 1, 2004 to March 31, 2005.
- We scanned the State Treasurer Remittance Forms for timely filing in accordance with Section 14-1-206(B).
- We traced and agreed amounts from the supporting schedules to the Schedule of Fines, Assessments and Surcharges as reported on page 157 in the County's basic financial statements to ensure compliance with the reporting requirements identified in Section 14-1-206(E).
- We traced and agreed amounts in the supporting schedules to the Clerk of Court Remittance Forms.

Our finding, *INACCURATE REPORTING TO THE STATE TREASURER*, is reported under "TIMELY ACCURATE REPORTING TO THE STATE TREASURER INCLUDING REQUIRED FINANCIAL STATEMENT SCHEDULES IN ACCORDANCE WITH SECTION 14-1-206(E)" in the Accountants' Comments section of this report.

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State Auditor
Office of the State Auditor
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We were not engaged to, and did not conduct an audit the objective of which would be the expression of an opinion on compliance with the collection and distribution of court generated revenue at any level of court for the twelve months ended March 31, 2005 and, furthermore, we were not engaged to express an opinion on the effectiveness of the internal controls over compliance with the laws, rules and regulations described in paragraph one and the procedures of this report. 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 Office of the State Auditor, the Governor, Chairmen of the House Ways & Means Committee, Senate Finance Committee, House Judiciary Committee, Senate Judiciary Committee, State Treasurer, Office of Victims' Assistance, the local Clerk of Court and County Treasurer and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "Chris Brautt for K & C RA". The signature is written in a cursive style.

July 27, 2005

ACCOUNTANTS' COMMENTS

RICHLAND COUNTY GENERAL SESSIONS COURT
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**SECTION A - MATERIAL WEAKNESSES AND/OR VIOLATIONS OF STATE LAWS,
RULES OR REGULATIONS**

The procedures agreed to by the agency require that we plan and perform the engagement to obtain reasonable assurance about whether noncompliance with the requirements of State Laws, Rules, or Regulations occurred and whether internal accounting controls over certain transactions were adequate. Management of the entity is responsible for establishing and maintaining internal controls. A material weakness is a condition in which the design or operation of one or more of the specific internal control components does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Therefore, the presence of a material weakness or violation will preclude management from asserting that the entity has effective internal controls.

The conditions described in this section have been identified as material weaknesses or violations of State Laws, Rules, or Regulations.

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PROPER ALLOCATION AND TIMELY REPORTING BY THE CLERK OF COURT

TIMELY FILING WITH THE COUNTY TREASURER

CONDITION: One of the State Treasurer's Remittance Reports for the procedures' period of April 1, 2004 through March 31, 2005 was not timely filed.

CRITERIA: South Carolina Code of Laws Section 14-17-750. Section 14-17-750 requires that the Clerk make a full and accurate statement, in writing, to the County Auditor and County Treasurer, of all monies collected on account of licenses, fines, penalties and forfeitures during the past month, on the first Wednesday or within ten days thereafter, in each successive month.

CAUSE: Complications in the installment of a new software system resulted in a delay in submitting one month. However, the County did notify the State Treasurer that the report would be late.

EFFECT: The County did not comply with South Carolina Code of Laws Section 14-17-750 for one month in the period of April 1, 2004 through March 31, 2005.

AUDITORS' RECOMMENDATION: The County was proactive and notified the State Treasurer regarding the delay. No corrective action necessary.

TIMELY ACCURATE REPORTING TO THE STATE TREASURER INCLUDING REQUIRED FINANCIAL STATEMENT SCHEDULES IN ACCORDANCE WITH SECTION 14-1-206(E)

INACCURATE REPORTING TO THE STATE TREASURER

CONDITION: The new software system produces the State Treasurer's Remittance Forms. The County Treasurer audited their monthly State Treasurer's Remittance Forms for accuracy. As a result, County Treasurer personnel identified misclassified revenues and processed a correction to the report. We determined upon testing the correction entry that County Treasurer personnel incorrectly classified \$1,226.70 of "General Sessions \$12.00 DUI Assessment" revenue as General Sessions \$100.00 DUI Assessment" revenue.

CRITERIA: Strong internal controls include review and approval for corrections.

CAUSE: Human error.

EFFECT: The County did not comply with Section 14-1-206(B) and 14-1-211 for the period of April 1, 2004 through March 31, 2005 due to this reporting error in the amount of \$1,226.70. The State Treasurer received all the monies they were entitled to but not labeled correctly as to revenue type.

AUDITORS' RECOMMENDATION: We recommend the County Treasurer's Office develop procedures to review adjustments to the State Treasurer's Remittance Forms before they are finalized. If an independent review of the form is done, the reviewer should document their review by signing and dating the form. The County should amend this report with the State Treasurer.

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SECTION B - OTHER WEAKNESSES NOT CONSIDERED MATERIAL

The conditions described in this section have been identified as weaknesses subject to correction or improvement but they are not considered material weaknesses or violations of State Laws, Rules, or Regulations.

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PROPER VICTIMS' ASSISTANCE FUNDS ACCOUNTING

REQUIRED SCHEDULE NOT IN AGREEMENT WITH GENERAL LEDGER

CONDITION: The County's required Schedule of Fines and Assessments presented on page 157 of the financial statement overstated Victims' Assistance expenditures by \$33,750 as compared to the general ledger. The general ledger agreed to the Remittance Forms and to what was transmitted to the State, thus the State received all monies due them. There was no substantiation for this \$33,750.

CRITERIA: South Carolina code of Laws Section 14-1-206(E)(1)(f) that states in regard to what the Schedule of Fines and Assessments contains "the total funds, by source, allocated to victim service activities, how those funds were expended, and any balances carried forward".

CAUSE: [To be determined by the County.]

EFFECT: More expenses are being reported on the schedule than were in the general ledger thus, showing less funds on hand at the year end. The Victims' Assistance Fund in the Special Revenues section agrees to the general ledger. It is the Required Supplementary Schedule which does not agree to either the Victims' Assistance Special Revenue Fund in the financial statement or the general ledger account.

AUDITORS' RECOMMENDATION: We recommend the County prepare the schedule using the general ledger amounts for Victims' Assistance that are in agreement with the Victims' Assistance Fund.

ALLOWABLE VICTIMS' ASSISTANCE EXPENDITURES

CONDITION: Victims' Assistance expenditures included payments for personnel, carpet cleaning, and uniforms that are not allowable pursuant to Sections 14-1-206(D) and 14-1-211. However, the County also subsidized the Victims' Assistance program from general funds for the year ended June 30, 2004 in excess of \$432,000. Expenditures relating to the program can be found in the General Fund, the Victim Assistance Fund and in the Victim Assistance Assessment Fund. All allowable expenditures are not charged against restricted monies first until those monies are exhausted and then charged against unrestricted; they are commingled.

CRITERIA: Section 14-1-206(D) and 14-1-211 references Chapter 3, Article 15 of Title 16 that provides a list of acceptable expenditures of Victims' Assistance Funds retained by county governments.

AUDITORS' RECOMMENDATION: We recommend segregating expenditures into allowable versus County sponsored to help clarify questions regarding the allowable nature of the cost. Charge only allowable expenditures to Victims' Assistance Funds.

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The County was given an opportunity to respond and chose not to.