

**CHEROKEE COUNTY MAGISTRATE COURT  
GAFFNEY, SOUTH CAROLINA**

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**State Auditor's Report on Applying  
Agreed-Upon Procedures  
June 30, 2008**



**CHEROKEE COUNTY MAGISTRATE COURT  
GAFFNEY, SOUTH CAROLINA**

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*State of South Carolina*



*Office of the State Auditor*

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

RICHARD H. GILBERT, JR., CPA  
DEPUTY STATE AUDITOR

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

January 26, 2009

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

The Honorable Steve Wood, Chief Magistrate  
Cherokee County  
Gaffney, South Carolina

This report resulting from the application of certain agreed-upon procedures to certain accounting records of the Cherokee County Magistrate Court System for the period July 1, 2007 through June 30, 2008, 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,

A handwritten signature in black ink, appearing to read "Richard H. Gilbert, Jr.", written in a cursive style.

Richard H. Gilbert, Jr., CPA  
Deputy State Auditor

RHGjr/trb

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Independent Accountants' Report on Applying Agreed-Upon Procedures

Richard H. Gilbert, Jr., CPA  
Deputy 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 Cherokee County Magistrate Court System and to assist the South Carolina Office of the State Auditor in complying with the 2007 - 2008 General Appropriations Act (H. 3620) Section 72.75. Steve Wood, Chief Magistrate for the Cherokee County, is responsible for compliance with the requirements for the Magistrate Court reporting and the South Carolina Office of the State Auditor is responsible for compliance with the requirements of the 2007 - 2008 General Appropriations Act (H. 3620) Section 72.75. 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. TIMELY REPORTING BY THE MAGISTRATES**

- We researched South Carolina Code of Laws Section 14-17-750 to determine the definition of timely reporting with respect to the Magistrate'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 both the manner in which partial pay fines and fees are to be allocated and the timing of the report and remittance submissions by the Clerk and the Treasurer.
- We inquired of the Magistrate and County Treasurer to gain an understanding of their policy for ensuring timely reporting and to determine how the Treasurer specifically documents timeliness.
- We inspected documentation, including the Magistrate Remittance Forms or equivalents for the months of July 1, 2007 through June 30, 2008 to determine if the Magistrate submitted the reports to the County Treasurer in accordance with the law.

We found no exceptions as a result of the procedures.

## **2. TIMELY ACCURATE RECORDING AND REPORTING BY THE COUNTY**

- We traced each month's reporting by the Magistrate to the County Treasurer's Office and to the County's general ledger accounts for the assessments (Sections 14-1-207(A), (B) and (D)) and Victim Assistance surcharge (Section 14-1-211) for the period July 1, 2007 through June 30, 2008.
- We compared the amounts reported on the Magistrate Remittance Forms or equivalents to the Magistrate'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 2007 – 2008 and with South Carolina Judicial Department training instructions and interpretations.
- We judgmentally selected and compared individual fine and assessment amounts recorded in the Magistrate'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 minimum and maximum range.

Our findings are reported under "TIMELY ACCURATE RECORDING AND REPORTING BY THE COUNTY" in the Accountants' Comments section of this report.

## **3. PROPER VICTIM 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 14-1-207(E)(4).
- We compared the fiscal year-ended June 30, 2007 audited Victim Assistance Fund fund balance with all adjustments to the fund balance shown in the Supplemental Schedule of Fines and Assessments on page 103 of the audited financial statement and to the beginning fund balance as adjusted in that fund for fiscal year 2008.
- We judgmentally selected a sample of Victim Assistance Fund reimbursable expenditures and verified that these expenditures were in compliance with Section 14-1-207(E) and Section 14-1-211(B).

Our finding is reported under "PROPER VICTIM ASSISTANCE FUNDS ACCOUNTING" in the Accountants' Comments section of this report.

#### 4. TIMELY ACCURATE REPORTING TO THE STATE TREASURER

- We vouched the amounts reported in the South Carolina State Treasurer's Revenue Remittance Forms to Magistrate Remittance Forms or equivalents for the period July 1, 2007 through June 30, 2008.
- We scanned the South Carolina State Treasurer's Revenue Remittance Forms for timely filing in accordance with Section 14-1-207(B).
- We traced amounts recorded in the County's financial statement Supplemental Schedule of Fines and Assessments on page 103 of the year ended June 30, 2007 report related to fines and assessments revenues reporting in accordance with Section 14-1-207(E) to supporting schedules used in the audit to comply with Section 14-1-207(E).
- We traced and agreed amounts in the supporting schedules to the Magistrate Remittance Forms or South Carolina State Treasurer's Revenue Remittance Forms.

Our findings are reported under "TIMELY ACCURATE REPORTING TO THE STATE TREASURER" in the Accountants' Comments section of this report.

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 June 30, 2008 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 Governor, Chairmen of the House Ways and Means Committee, Senate Finance Committee, House Judiciary Committee, Senate Judiciary Committee, members of the Cherokee County Council, County Magistrate, County Treasurer, State Treasurer, State Office of Victim Assistance, Chief Justice and the Office of the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.



August 11, 2008

**ACCOUNTANTS' COMMENTS**

**CHEROKEE COUNTY MAGISTRATE COURT**  
**GAFFNEY, SOUTH CAROLINA**  
State Auditor's Report  
June 30, 2008

**VIOLATIONS OF STATE LAWS, RULES OR REGULATIONS**

Management of the entity is responsible for establishing and maintaining internal controls to ensure compliance with State Laws, Rules or Regulations. The procedures agreed to by the entity require that we plan and perform the engagement to determine whether any violations of State Laws, Rules or Regulations occurred.

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

**CHEROKEE COUNTY MAGISTRATE COURT**  
**GAFFNEY, SOUTH CAROLINA**  
State Auditor's Report, Continued  
June 30, 2008

**TIMELY ACCURATE RECORDING AND REPORTING BY THE COUNTY**

ADHERENCE TO JUDICIAL DEPARTMENT FINE GUIDELINES

**CONDITION:** The Magistrates were not adhering to the Judicial Department minimum and maximum fine guidelines included in legislation.

**CRITERIA:** Judicial Department Guidelines for Fines – Minimums and Maximums. These guidelines are obtained from the minimum and maximum fines recorded in the respective laws.

**CAUSE:** The Magistrates are not using the current Judicial Department's fine guidelines.

**EFFECT:** The Magistrates' fines were not set at the amounts established by the law.

**AUDITORS' RECOMMENDATION:** We recommend the Magistrates obtain and use current fine guidelines.

IMPROPER CLASSIFICATION OF VIOLATION

**CONDITION:** The charge of operating an uninsured vehicle was assessed a conviction surcharge.

**CRITERIA:** South Carolina Code of Laws Section 14-1-211(A)(1) states, "A twenty-five dollar surcharge is imposed on all convictions obtained in magistrate's court" and "The surcharge must not be imposed on convictions for misdemeanor traffic offenses."

**CAUSE:** The charge was not programmed as a misdemeanor traffic offense, therefore the software was assessing the \$25 conviction surcharge.

**EFFECT:** The \$25 conviction surcharge was assessed and collected on a misdemeanor traffic offense.

**AUDITORS' RECOMMENDATION:** The County should have the software modified to correctly allocate the operating an uninsured vehicle violation. Persons convicted of this charge have overpaid and are due a refund.

**TIMELY ACCURATE REPORTING TO THE STATE TREASURER**

TIMELY FILING

**CONDITION:** Two of the State Treasurer's Remittance Reports for the procedures period July 1, 2007 through June 30, 2008 were not filed timely. These two reports were submitted 2 and 33 days late.

**CRITERIA:** South Carolina Code of Laws Section 14-1-207(B) states "The county treasurer must remit... the balance of the assessment revenue ...by the fifteenth day of the each month...."

**CAUSE:** The County Treasurer did not submit the remittance form timely.

**EFFECT:** The County did not comply with the timely filing requirement.

**AUDITORS' RECOMMENDATION:** The County should develop and implement procedures to ensure timely filing of the State Treasurer's Revenue Remittance Forms.

**CHEROKEE COUNTY MAGISTRATE COURT**  
**GAFFNEY, SOUTH CAROLINA**  
State Auditor's Report, Continued  
June 30, 2008

SUPPLEMENTAL SCHEDULE OF FINES AND ASSESSMENT

**CONDITION:** The County's audited financial statement for the fiscal year ended June 30, 2007 did not include the balance carried forward or the Victim Assistance expenditure.

**CRITERIA:** South Carolina Code of Laws Section 14-1-207(E) requires that the county have an audited supplemental schedule indicating all fines and assessments collected by the county court, the amount of the fines and assessments retained by the County Treasurer and the amount of fines and assessments remitted to the State Treasurer, and the total funds, by source, allocated to victim services activities, how those funds were expended, and any balances carried forward.

**CAUSE:** The County relied on the independent auditor to include all required information on the schedule.

**EFFECT:** The Supplemental Schedule of Fines and Assessments did not comply with the law.

**AUDITORS' RECOMMENDATION:** The County is responsible for the schedule, and therefore should ensure the schedule complies with State law.

**CHEROKEE COUNTY GENERAL SESSIONS COURT**  
**GAFFNEY, SOUTH CAROLINA**  
State Auditor's Report, Continued  
June 30, 2008

**SECTION B - OTHER WEAKNESSES**

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

**CHEROKEE COUNTY GENERAL SESSIONS COURT**  
**GAFFNEY, SOUTH CAROLINA**  
State Auditor's Report, Continued  
June 30, 2008

**PROPER VICTIM ASSISTANCE FUNDS ACCOUNTING**

*CORRECTLY ALLOCATING VICTIM ASSISTANCE EXPENSES*

**CONDITION:** Because an account coding error was made, the County Treasurer charged Victim Assistance funds for a purchase that was not an allowable expense of the program.

**CRITERIA:** South Carolina Code of Laws Section 14-1-206 (D) states "These funds must be appropriated for the exclusive purpose of providing victim services...."

**CAUSE:** The accounting department charged the expenditure to the Victim Assistance fund in error.

**EFFECT:** The accounting for Victim Assistance expenses is incorrect.

**AUDITORS' RECOMMENDATION:** We recommend the accounting department reimburse the Victim Assistance fund for this purchase.

# CHEROKEE COUNTY TREASURER

Deputy Treasurer

Stacie Humphries

**JACKIE W. WILLIAMS**

Cherokee County Courthouse

Clerks

Angie Higgins  
Angie Wilkie  
Shelia Carpenter

Phone: (864) 487-2551

Fax: (864) 487-2548

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January 20, 2009

Richard H. Gilbert, Jr., CPA  
Deputy State Auditor  
Office of the State Auditor  
Columbia, South Carolina

The Cherokee County Treasurer respectfully responds:

## **TIMELY ACCURATE REPORTING TO THE STATE TREASURER**

### TIMELY FILING

The audit stated two of the State Treasurer Remittance Reports were not filed timely.

- The Clerk of Court changed software systems during the month of April 2008. Part of the month was on the old system and the other was on the new system. Only the information from the new system was given to the county treasurer for the month. Later it was discovered that the information from the old system was omitted. At that time it was remitted on the June 08 report.
- On the monthly reports to the State Treasurer, I include collections from the Clerk of Court, Probate Court, and Magistrate Court. Due to the change in the system and a personnel change in Chief Magistrate, the magistrate reports were received on Thursday, 6-12-2008. I submitted the report on Monday, 6-16-2008.

*As County Treasurer, I will take measures to comply with the law by filing all reports in a timely manner.*

### SUPPLEMENTAL SCHEDULE OF FINES AND ASSESSMENTS

The audit stated the County's financial statement for the fiscal year ended June 30, 2007 did not include the balance carried forward and the expenditures for Victim Assistance.

- I rely on my auditors to inform me of changes in reporting requirements. On previous financial statements I only reported the collections, I was not aware that the balance carried forward and the expenditures were to be on the schedule. I became aware of this after the financial statements were completed.

*As County Treasurer, I am now aware of this requirement and I am in compliance with the law beginning with the Financial Statements for year ended 06-30-2008.*

**PROPER VICTIM ASSISTANCE FUNDS ACCOUNTING**

*CORRECTLY ALLOCATING VICTIM ASSISTANCE EXPENSES*

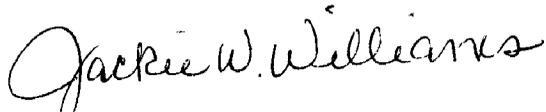
The audit stated an account coding error charged Victim Assistance funds with expenses that were not allowable.

- This was a posting error resulting in a charge to the wrong account. The correction has been made and the Victim Assistance fund has been reimbursed.

*As County Treasurer, I will stress accuracy in posting and reconcile funds periodically.*

Please contact me if you have any questions or comments.

Respectfully submitted,

A handwritten signature in black ink that reads "Jackie W. Williams". The signature is written in a cursive style with a large initial "J".

Jackie W. Williams  
Cherokee County Treasurer

# CHEROKEE COUNTY MAGISTRATE COURT

POST OFFICE BOX 336  
312 EAST FREDERICK STREET  
GAFFNEY, SOUTH CAROLINA 29342  
864-487-2533  
www.cherokeemagistrate.com

POST OFFICE BOX 427  
101 SOUTH SHELBY STREET  
BLACKSBURG, SOUTH CAROLINA 29702  
864-839-2492

January 23, 2009

Cherokee County Council  
210 N. Limestone Street  
Gaffney, S.C. 29340

Re: State Auditor's Report on Applying Agreed-Upon Procedures  
June 30, 2008

Dear Council Members:

In reference to the Timely Accurate Recording and Reporting by the County in the above named State Auditor's Report on Applying Agreed-Upon Procedures, I find the following:

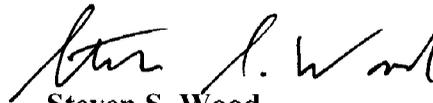
**Adherence to judicial department fine guidelines:**

The QS1 accounting system did not have the correct fines for all charges. The problem was corrected on April 9, 2008 with the change to the CMS accounting system.

**Improper classification of violation:**

The software has been modified to correctly allocate the fine revenue.

Very truly yours,



Steven S. Wood  
Chief Magistrate

SSW:vw