

**TOWN OF MAYESVILLE MUNICIPAL COURT
MAYESVILLE, SOUTH CAROLINA**

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

**TOWN OF MAYESVILLE MUNICIPAL COURT
MAYESVILLE, SOUTH CAROLINA**

Table of Contents

	<u>PAGE</u>
STATE AUDITOR TRANSMITTAL LETTER	
I. INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES	1-3
II. ACCOUNTANTS' COMMENTS	
VIOLATIONS OF STATE LAWS, RULES OR REGULATIONS	4
<u>PROPER VICTIM ASSISTANCE FUNDS ACCOUNTING</u> <i>Lack of Proper Accounting</i>	5
<u>TIMELY ACCURATE REPORTING TO THE STATE TREASURER</u> <i>Timely Filing</i> <i>Accuracy in Filed Remittance Reports</i> <i>Supplemental Schedule of Fines and Assessments</i>	5-6
<u>CALCULATION OF UNDERREPORTED ASSESSMENTS AND SURCHARGES</u>	6
APPENDIX	
CORRECTIVE ACTION PLAN	

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

November 18, 2008

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

The Honorable George R. Gibson, Municipal Judge
Town of Mayesville
Mayesville, South Carolina

This report resulting from the application of certain agreed-upon procedures to certain accounting records of the Town of Mayesville Municipal 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/cwc

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 Town of Mayesville Municipal 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. George R. Gibson, Municipal Judge for the Town of Mayesville, is responsible for compliance with the requirements for the Municipal 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 CLERK OF COURT

- We researched South Carolina Code of Laws Section 14-25-85 to determine the definition of timely reporting with respect to the Clerk of Court's responsibility for reporting fines, fees and assessments to the Municipal 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 Clerk of Court and Municipal 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 Clerk of Court Remittance Forms or equivalents for the months of July 1, 2007 through June 30, 2008 to determine if the Clerk of Court submitted the reports to the municipal Treasurer in accordance with the law.

We found no exceptions as a result of the procedures.

2. TIMELY ACCURATE RECORDING AND REPORTING BY THE TOWN

- We traced each month's reporting by the Clerk of Court to the Municipal Treasurer's Office and to the Town's general ledger accounts for the assessments (Sections 14-1-208(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 Clerk of Court Remittance Forms or equivalents 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 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 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 minimum and maximum range.

We found no exceptions as a result of the procedures.

3. PROPER VICTIM ASSISTANCE FUNDS ACCOUNTING

- We inquired as to the format determined by Town Council and local policy for record keeping as it relates to fines and assessments in accordance with Section 14-1-208(E)(4).
- We compared the fiscal year-ended March 31, 2007 audited Victim Assistance Fund fund balance with all adjustments to the fund balance shown in the Supplemental Schedule of Fines and Assessments of the audited financial statement on 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 14-1-208(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 Clerk of Court 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 14-1-208(B).

4. TIMELY ACCURATE REPORTING TO THE STATE TREASURER, Continued

- We traced amounts recorded in the Town's financial statement Supplemental Schedule of Fines and Assessments of the year ended March 31, 2007 report related to fines and assessments revenues reporting in accordance with Section 14-1-208(E) to supporting schedules used in the audit to comply with Section 14-1-208(E).
- We traced and agreed amounts in the supporting schedules to the Clerk of Court 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.

5. CALCULATION OF UNDERREPORTED ASSESSMENTS AND SURCHARGES

- Using the State Treasurer's Revenue Remittance Forms as available from February 2003 through June 2008 and the Victim Assistance bank statement as of October 31, 2007 provided by the Town, we accumulated the assessment and surcharge amounts for Victim Assistance in accordance with the South Carolina Code of Laws and the South Carolina Judicial Department memorandums.
- We compared our calculation to the amounts previously remitted on the State Treasurer's Revenue Remittance form to determine if the Town had over/(under) remitted court fines, fees and assessments to the State Treasurer's Office.
- We compared our calculation of assessments and surcharge amounts with the amounts recorded in the Victim Assistance Fund to determine if the Town had over/(under) remitted court assessments related to Victim Assistance.

Our findings are reported under "CALCULATION OF UNDERREPORTED ASSESSMENTS AND SURCHARGES" 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 Mayesville Town Council, Town Clerk of Court, Town 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 25, 2008

ACCOUNTANTS' COMMENTS

**TOWN OF MAYESVILLE MUNICIPAL COURT
MAYESVILLE, 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.

TOWN OF MAYESVILLE MUNICIPAL COURT
MAYESVILLE, SOUTH CAROLINA
State Auditor's Report, Continued
June 30, 2008

PROPER VICTIM ASSISTANCE FUNDS ACCOUNTING

LACK OF PROPER ACCOUNTING

CONDITION: The Town does not account for the Victim Assistance money it collects.

CRITERIA: South Carolina Code of Laws Section 14-1-208 (B) states "The city treasurer must remit ... the assessment ... to the municipality to be used for the purposes set forth in subsection (D) ..." and Code of Laws Section 14-1-208 (E)(4) states "The clerk of court and municipal treasurer shall keep records of fines and assessments required to be reviewed pursuant to this subsection...."

CAUSE: The Town does not have general ledger accounts established for Victim Assistance.

EFFECT: The Town does not have accurate, current accounting information with respect to Victim Assistance accounts.

AUDITORS' RECOMMENDATION: The Town should comply with law and remit revenue to the Victim Assistance account monthly and also make monthly accounting entries to the Victim Assistance account. The Town should reimburse Victim Assistance the amounts reported in the CALCULATION OF UNDERREPORTED ASSESSMENTS AND SURCHARGES section of this report.

TIMELY ACCURATE REPORTING TO THE STATE TREASURER

TIMELY FILING

CONDITION: Four of the State Treasurer's Remittance Reports for the procedures period July 1, 2007 through June 30, 2008 were not filed timely.

CRITERIA: South Carolina Code of Laws Sections 14-1-208 (B) states "The City treasurer must remit ... on a monthly basis by the fifteenth day of each month...."

CAUSE: The Treasurer has no procedure to document timeliness.

EFFECT: As a result the Treasurer was late in filing the report.

AUDITORS' RECOMMENDATION: The Town should comply with State law.

ACCURACY IN FILED REMITTANCE REPORTS

CONDITION: Because of manual omissions, one Revenue Remittance form that was submitted during the procedures period was not accurate.

CRITERIA: South Carolina Code of Laws Section 14-1-208(B) states the Town Treasurer must "remit the balance of the assessment revenue to the State Treasurer on a monthly basis by the fifteenth day of each month and make reports on a form and in a manner proscribed by the State Treasurer."

CAUSE: The judge transferred numbers from the computer generated State Treasurer's Revenue Remittance Report to a handwritten State Treasurer's Revenue Remittance Report and omitted the amount to be reported in "Line L" from the handwritten report in the month of January.

TOWN OF MAYESVILLE MUNICIPAL COURT
MAYESVILLE, SOUTH CAROLINA
State Auditor's Report, Continued
June 30, 2008

EFFECT: The Town reported inaccurate and incomplete information to the State during one month of the procedures period.

AUDITORS' RECOMMENDATION: The Town Treasurer should review the information provided for accuracy, errors and remissions. The Town should remit the amount listed in the CALCULATION OF UNDERREPORTED ASSESSMENTS AND SURCHARGES section of this report.

SUPPLEMENTAL SCHEDULE OF FINES AND ASSESSMENTS

CONDITION: The Supplemental Schedule of Fines and Assessments was not available for testing.

CRITERIA: South Carolina Code of Laws Section 14-1-208(E) states "the annual independent external audit ... must include ... a supplementary schedule detailing all fines and assessments collected at the court level, the amount remitted to the municipal treasurer, and the amount remitted to the State Treasurer."

CAUSE: The Town relied on the independent auditor to prepare the schedule but the audit was not completed at the time of our fieldwork.

EFFECT: The Town was unable to show compliance with the law related to annual audits or the Supplemental Schedule of Fines and Assessments.

AUDITORS' RECOMMENDATION: Because the Town is responsible for the annual audit and schedule, they should ensure their audit is timely and their schedule complies with State law.

CALCULATION OF UNDERREPORTED ASSESSMENTS AND SURCHARGES

The Town stopped maintaining separate accounts for Victim Assistance after March 31, 2002. At March 31, 2002 the Victim Assistance account had a balance of \$2,515.92. From April 1, 2002 through June 30, 2008 the Town has collected \$6,198.04 in Victim Assistance revenues. The Town should reestablish the Victim Assistance account and transfer \$8,713.96 to the account. The Town should use this account to maintain accountability over Victim Assistance activity.

The Judge omitted \$179.84 of State assessments from the January 2008 report. The Town should remit that amount to the State using a State Treasurer's Revenue Remittance Form reporting the amount on line L.

TOWN OF MAYESVILLE

Mayesville, South Carolina

Nov. 22, 2008

Cline Brandt Kochenower & Co
Gaffney, S.C.

Dear Mr. Blake:

The town received your preliminary draft of the state auditors report.

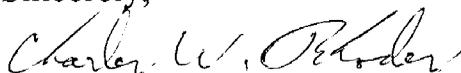
We have addressed all issues of concern. We are no longer placing the victim assistance funds in the general fund. A separate account has been reopened for this and the proper funds placed into it.

The judge is working with myself on having the reports sent on a timely basis. We will make all efforts to have them in by the 15th of the month.

The audit report is now completed and does show the supplemental schedule of fines and assessments.

We thank you for giving us this opportunity for a reply.

Sincerely,



Charles W. Rhodes
Clerk-Treasurer