
City of Columbia Municipal Court

Columbia, South Carolina

Independent Accountant's Report on Applying Agreed-Upon
Procedures for the year ended June 30, 2015



**South Carolina
Office of the State Auditor**

**George L. Kennedy, III, CPA
State Auditor**

June 22, 2016

The Honorable Nikki R. Haley, Governor
State of South Carolina
Columbia, South Carolina

The Honorable Dana D. Turner, Chief Judge
Ms. Pam Hawkins, Municipal Court Clerk
City of Columbia Municipal Court
Columbia, South Carolina

This report resulting from the application of certain agreed-upon procedures to certain accounting records of the City of Columbia Municipal Court System as of and for the year ended June 30, 2015, was issued by Brown CPA, LLC, 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 blue ink that reads "George L. Kennedy, III".

George L. Kennedy, III, CPA
State Auditor

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BROWN CPA, LLC

Independent Accountant's Report on Applying Agreed-Upon Procedures

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State Auditor
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We have performed the procedures described below, which were agreed to by the South Carolina Office of State Auditor and City of Columbia Municipal Court, solely to assist you in evaluating the performance of the City of Columbia Municipal Court for the period July 1, 2014 through June 30, 2015, in the areas addressed. The City of Columbia Municipal Court is responsible for its financial records, internal controls and compliance with State laws and regulations. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Office of the State Auditor and the City of Columbia Municipal Court. 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 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 determine timely reporting by the Clerk of Court's Office.
- We obtained the court dockets from the Clerk of Court. We judgmentally selected twenty-five cases from the court dockets and recalculated the fine, fee, assessment and surcharge calculation to determine that the fine, fee, assessment or surcharge was properly allocated in accordance with applicable State law and the South Carolina Court Administration fee memoranda.
- We tested twenty-five judgmentally selected court receipt transactions to determine that the fee, fine, and/or assessment charge adhered to State law and the South Carolina Court Administration fee memoranda.
- We tested twenty-five judgmentally selected court receipt transactions to determine that the receipts were allocated in accordance with applicable State law.

We found no exceptions as a result of the procedures.

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2. **Municipal Treasurer**

- We gained an understanding of the policies and procedures established by the municipal treasurer to determine timely reporting by the municipality.
- We obtained copies of all court remittance forms or equivalents and tested each monthly remittance form to determine that the forms were completed in accordance with instructions and submitted timely in accordance with State law.
- We verified that amounts reported on the monthly court remittance forms or equivalents agreed to the municipality's support.
- We scanned the municipality's support to determine if the municipality had misclassified fine, fee, assessment, and surcharge receipts.
- We obtained copies of all State Treasurer's Revenue Remittance Forms for the period July 1, 2014 through June 30, 2015. We vouched the amounts reported on the State Treasurer's Revenue Remittance Forms to the court remittance forms or equivalents.
- We verified that 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, 2014 through June 30, 2015, agreed to the municipality's general ledger.
- We determined that the City's supplementary schedule of fines and assessments, as reported in the annual financial statement audit, contained all the required elements in accordance with State law.

Our findings as a result of these procedures are presented in the Accountant's Comments section of this report.

3. **Victim Assistance**

- We gained an understanding of the policies and procedures established by the municipality to determine proper accounting for victim assistance funds.
- We made inquiries and performed substantive procedures to determine that any funds retained by the municipality for victim assistance were deposited into a separate account.
- We tested selected expenditures to determine that the municipality expended victim assistance funds in accordance with State law and the South Carolina Court administration Fee Memoranda.
- We determined that the municipality reported victim assistance financial activity on the supplemental schedule of fines and assessments, as reported in the annual financial statement audit, in accordance with applicable State law.
- We verified that the amounts reported by the municipality on its supplemental schedule of fines and assessments, as reported in the annual financial statement audit, applicable to Victim Assistance fund agreed to the Municipality's general ledger or subsidiary ledgers.
- We inspected the Municipality's victim assistance account to determine if the Victim Assistance fund balance was retained as of July 1 from the previous fiscal year in accordance with State law.

Our finding as a result of these procedures is presented in the Accountant's Comments section of this report.

We were not engaged to and did not conduct an examination or a review of the subject matter, the objective of which would be the expression of an opinion or a disclaimer of an opinion on the subject matter. Accordingly, we do not express such an opinion. 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 City of Columbia Council, City of Columbia Clerk of Court, City of Columbia Treasurer, State Office of Victim Assistance, the Chief Justice, and the South Carolina Office of the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

BROWN CPA, L.L.C.

Irmo, South Carolina
June 22, 2016

Accountant's Comments

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

SECTION A - VIOLATIONS OF STATE LAWS, RULES OR REGULATIONS

The condition described in this section has been identified as a violation of State Laws, Rules or Regulations.

Comment – One of twelve State Treasurer's Revenue Remittance Forms (STRRF) was not timely remitted to the South Carolina State Treasurer's Office. The May 2015 STRRF was sent late to the South Carolina State Treasurer's Office, it was due on June 15, 2016. As a result, the South Carolina State Treasurer's Office did not have the information needed to determine the amount of the bank draft from the City of Columbia's bank account for the fines and fees collected in May and due to the State of South Carolina. Such amounts were remitted to the State of South Carolina the following month with the June 2015 fines and fees.

Criteria – Section 14-1-208(A) of the 1976 South Carolina Code of Laws, as amended, states "...this assessment must be paid to the municipal clerk of court and deposited with the city treasurer for remittance to the State Treasurer." Section 14-1-208(B) of the 1976 South Carolina Code of Laws, as amended, requires the city to 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 prescribed by the State Treasurer.

Recommendation – We recommend the City of Columbia implement procedures to ensure the STRRF is prepared and submitted timely in accordance with State law.

SECTION B - OTHER WEAKNESS

The condition described in this section has/have been identified while performing the agreed-upon procedures but it is not considered a violation of State Laws, Rules or Regulations.

Comment – During our comparison of the amounts reported by the City of Columbia on its supplemental schedule of fines and assessments for Victims Assistance, as reported in the annual financial statement audit for the period July 1, 2014 through June 30, 2015, to the City of Columbia's general ledger we noted a difference of \$827 between the two as detailed below.

	Per the General Ledger	Difference	Per Supplemental Schedule
Cash as of July 1, 2014	31,014	(827)	30,187
Expenditure of Victims Assistance	179,487	827	178,660

Recommendation – We recommend the City of Columbia implement procedures to ensure amounts reported in the supplemental schedule of fines and assessments agree with the general ledger.

Attachment A



CITY OF COLUMBIA FINANCE DEPARTMENT

Everybody Counts; Everybody Contributes; Everybody Benefits

June 28, 2016

Mr. Matt Brown, CPA

We appreciate your efforts in performing this agreed-upon procedures project with minimal disruption to our day to day activities. With respect to the comments in the report regarding submitting the State Treasurer's Office Revenue Remittance Form late and the \$827 reconciling difference we offer the following explanation. While not an excuse, we wish to point out that our City operates with minimal staffing, and the finance department processes a significant number of monthly transactions and completes numerous compliance reports. We believe the delay in timely submitting the State Treasurer's Office Revenue Remittance Form for one of twelve months is an isolated event and not likely to reoccur. With respect to the \$827 reconciling difference, this was discovered subsequent to the issuance of our June 30, 2014 financial statements, and, in order to properly account for all victims assistance cash receipt and disbursement activity, we chose to make the adjustment to the amounts reported for the year ended June 30, 2015.

We believe our history of timely submitting the form to the State Treasurer's Office and accounting for the numerous transactions associated with the collection and remittance of fines and assessments speaks well for the City and we hope you see this as an isolated instance.

Sincerely yours,

Janice Alonso
Finance Director