
City of Walhalla Municipal Court

Walhalla, 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 10, 2016

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

The Honorable James L. Williams, Chief Judge
Ms. Ashley Jones, Municipal Clerk
City of Walhalla Municipal Court
Walhalla, South Carolina

This report resulting from the application of certain agreed-upon procedures to certain accounting records of the City of Walhalla 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

GLKIII/sag

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BROWN CPA, LLC

Independent Accountant's Report on Applying Agreed-Upon Procedures

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

The Honorable James L. Williams, Chief Judge
City of Walhalla Municipal Court
Walhalla, South Carolina

Ms. Ashley Jones, Municipal Clerk
City of Walhalla Municipal Court
Walhalla, South Carolina

We have performed the procedures described below, which were agreed to by the South Carolina Office of the State Auditor and City of Walhalla Municipal Court, solely to assist you in evaluating the performance of the City of Walhalla Municipal Court for the period July 1, 2014 through June 30, 2015, in the areas addressed. The City of Walhalla 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 Walhalla 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 finding as a result of these procedures is 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 bank 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.

We found no exceptions as a result of the procedures.

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 the City of Walhalla Council, City of Walhalla Clerk of Court, City of Walhalla 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 9, 2016

Accountant's Comments

Management of the City of Walhalla 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 Walhalla require that we plan and perform the engagement to determine whether any violations of State Laws, Rules or Regulations occurred.

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 March 2015 STRRF was faxed to the South Carolina State Treasurer's Office on April 16, 2015 and was due on April 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 Walhalla's bank account for the fines and fees collected in march and due to the State of South Carolina. Such amounts were remitted to the State of South Carolina the following month with the April 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 Walhalla implement procedures to ensure the STRRF is prepared and submitted timely in accordance with State law.

Attachment A

Walhalla Municipal Court

*101 East Main Street
Walhalla, SC 29691*

(864) 638-4341

fax (864) 638-4356

The Honorable James L. Williams

June 13, 2016

Matt Brown, CPA
Brown CPA. LLC
P.O. Box 3288
Irmo, SC 29063

Dear Mr. Brown,

I appreciate your efforts in performing this agreed upon procedure with minimal disruption to our day to day activities. With respect to the comment in the report regarding submitting the State Treasurer's Office Revenue Remittance Form one day late, I offer the following explanation.

While not an excuse, I'd like to point out that our City operates with minimal staffing. Consequently, other city employees are sometimes asked to assist in areas that are outside their normal duties. In this instance, I was on a scheduled, excused vacation and had made arrangement with another employee to submit the form in my absence. However, due to human oversight, it was mistakenly faxed in to the Treasurer's Office one day late.

I believe our history of timely submissions of this form speak well for the City and hope that you see this as an isolated incident. Thank you for your time and consideration in this matter.

Sincerely,

Ashley Jones
Court Clerk