

**CITY OF WEST COLUMBIA MUNICIPAL COURT
WEST COLUMBIA, SOUTH CAROLINA**

**State Auditor's Report on Applying
Agreed-Upon Procedures
March 31, 2007**

**CITY OF WEST COLUMBIA MUNICIPAL COURT
WEST COLUMBIA, SOUTH CAROLINA**

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State of South Carolina



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October 10, 2007

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

The Honorable Cindy Webber, Clerk of Court
City of West Columbia
West Columbia, South Carolina

This report resulting from the application of certain agreed-upon procedures to certain accounting records of the City of West Columbia Municipal Court System for the period April 1, 2006 through March 31, 2007, 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

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 City of West Columbia Municipal Court System and to assist the South Carolina Office of the State Auditor in complying with the 2006 - 2007 General Appropriations Act (H. 4810) Section 72.80. Cindy Webber, Clerk of Court for the City of West Columbia, 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 2006 - 2007 General Appropriations Act (H. 4810) Section 72.80. 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 April 1, 2006 to March 31, 2007 to determine if the Clerk of Court submitted the reports to the municipal treasurer in accordance with the law.

Our finding is reported under "TIMELY REPORTING BY THE CLERK OF COURT" in the Accountants' Comments section of this report.

2. TIMELY ACCURATE RECORDING AND REPORTING BY THE CITY

- We traced each month's reporting by the Clerk of Court to the Municipal Treasurer's Office and to the City'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 April 1, 2006 – March 31, 2007.
- 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 2006 – 2007 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.

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

3. PROPER VICTIM ASSISTANCE FUNDS ACCOUNTING

- We inquired as to the format determined by City 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 June 30, 2006 audited Victim Assistance Fund fund balance with all adjustments to the fund balance shown in the Schedule of Fines, Assessments and Surcharges on page 84 of the audited financial statement and to the beginning fund balance as adjusted in that fund for fiscal year 2007.
- 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).

We found no exceptions as a result of the procedures.

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 April 1, 2006 to March 31, 2007.
- We scanned the South Carolina State Treasurer's Revenue Remittance Forms for timely filing in accordance with Section 14-1-208(B).
- We traced amounts recorded in the City's financial statement Schedule of Fines, Assessments and Surcharges on page 84 of the year ended June 30, 2006 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 finding is 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 March 31, 2007 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 West Columbia City Council, city clerk of court, city 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.



May 14, 2007

ACCOUNTANTS' COMMENTS

**CITY OF WEST COLUMBIA MUNICIPAL COURT
WEST COLUMBIA, SOUTH CAROLINA**
State Auditor's Report
March 31, 2007

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.

CITY OF WEST COLUMBIA MUNICIPAL COURT
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State Auditor's Report, Continued
March 31, 2007

TIMELY REPORTING BY THE CLERK OF COURT

TIMELY FILING BY THE CLERK

CONDITION: The Clerk of Court was late in submitting the report and check request to the Finance Department four times during the procedures period.

CRITERIA: South Carolina Code of Laws Section 14-25-85 states "All fines and penalties collected by the municipal court shall be forthwith turned over by the clerk to the treasurer of the municipality for which such court is held."

CAUSE: The City's process of completing the report and getting the approval signatures for the report and check request causes it to submit the reports late.

EFFECT: The Clerk's submission to the Finance Department was not timely.

AUDITORS' RECOMMENDATION: The Clerk of Court should implement procedures to ensure timely submission.

TIMELY ACCURATE RECORDING AND REPORTING BY THE CITY

BACKDATING PAYMENTS

CONDITION: We determined that the City will occasionally backdate receipts so the payment date coincides with the court date. This generally occurs at the beginning of the month. When this occurs and the remittance forms from prior months are reprinted, the amount due to the State and to the Victim Assistance Fund are different than the amounts listed on the original report.

CRITERIA: South Carolina 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 ...in the format determined by the county council and make those records available for review."

CAUSE: The finance department continues to receive and post payments for a previous months court date into the subsequent month. When the finance department backdates payments made for a prior month court session, it changes the remittance reports for the month in which the payment is posted. This is a procedural error related to how the software is designed and collections are recorded.

EFFECT: The amounts on two of the twelve reports tested during the procedures period were different when the clerk reprinted the reports. The amount on the Victim Assistance fund line and the amount due to the State differed from the original printed report. The amount due to the State was increased by \$219.27 one month and \$97.54 another month. These amounts and payments have not been reported to the State.

AUDITORS' RECOMMENDATION: The City needs to meet with the software vendor, develop procedures and work together to resolve future posting problems. The City should determine the extent of the error and make the necessary adjustments to its accounting system to properly distribute the fine in accordance with the law. This would include revising reports made to the State Treasurer's Office.

CITY OF WEST COLUMBIA MUNICIPAL COURT
WEST COLUMBIA, SOUTH CAROLINA
State Auditor's Report, Continued
March 31, 2007

FINE OVERPAYMENTS – ADHERENCE TO JUDICIAL FINE GUIDELINES

CONDITION: Occasionally the City will receive an overpayment from violators. The overpayments will range from a few cents to a few dollars. When the City receives an overpayment it records the overpayment as fine revenue instead of recording a liability.

CRITERIA: Court Administrative Policies prohibit recognizing revenue in excess of the maximum allowed fine in Judicial Department Guidelines for Fines – Minimums and Maximums. These guidelines are obtained from the minimum and maximum fines recorded in the respective legislations.

CAUSE: The Court did not know overpayments of fine collections should be recorded separate from the fine revenue.

EFFECT: By charging the overpayments to fine revenue, the City has received payments in excess of the maximum allowed by the Judicial Department's guidelines for fines.

AUDITORS' RECOMMENDATION: We recommend the City adhere to the Court Administration Policy. Fine payments received in excess of the maximum allowable fine should be recorded as a liability to the payee and remitted to the State of South Carolina as escheated property, if the City is unable to refund the overpayment to the payee.

TIMELY ACCURATE REPORTING TO THE STATE TREASURER

TIMELY FILING

CONDITION: Eight of the twelve State Treasurer's Remittance Reports for the procedures period April 30, 2006 through March 31, 2007 were not timely filed. The submissions were 2 – 12 days late.

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 Clerk of Court was late in submitting the report and check request to the Finance Department four times during the procedures period. Sometimes the process of completing the report and getting the approval signatures for the report and check request causes them to be submitted late. The City Finance Department was late in filing the report to the State Treasurer four more times during the procedures period.

EFFECT: The City did not comply with the timely filing law.

AUDITORS' RECOMMENDATION: The City should develop and implement a policy to ensure timely filing in compliance with State law.

CITY OF WEST COLUMBIA MUNICIPAL
COURT RESPONSE TO STATE AUDITOR'S REPORT
October 4, 2007

1. TIMELY FILING BY CLERK OF COURT

The Clerk has established internal controls to insure timely preparation of state reports. The Clerk will submit the report and check request to the Treasurer's department on a high priority basis on the fifth of each month following the report period.

2. BACKDATING PAYMENTS

The Treasurer's department will respond to this issue.

3. FINE OVERPAYMENTS

The audit identified six instances where the maximum fine was exceeded; all of which were results of defendants' overpayments. The Court is in communication with court administration and the state treasurer's office as to how to account for these overpayments.

4. TIMELY FILING

The Treasurer's Department will respond to this issue.