

**CITY OF YORK MUNICIPAL COURT  
YORK, SOUTH CAROLINA**

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

**CITY OF YORK MUNICIPAL COURT  
YORK, SOUTH CAROLINA**

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# *State of South Carolina*



## *Office of the State Auditor*

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September 11, 2008

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

The Honorable Bobbie J. Brooks, Clerk of Court  
City of York  
York, South Carolina

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

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 York 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. Bobbie J. Brooks, Clerk of Court for the City of York, 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 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 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.

Our finding is 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 September 30, 2007 audited Victim Assistance Fund fund balance with all adjustments to the fund balance shown in the Schedule of Fines, Assessments and Surcharges 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 14-1-208(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).
- We traced amounts recorded in the City's financial statement Schedule of Fines, Assessments and Surcharges of the year ended September 30, 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.

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 City of York 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.



July 31, 2008

**ACCOUNTANTS' COMMENTS**

**CITY OF YORK MUNICIPAL COURT  
YORK, SOUTH CAROLINA**  
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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.



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June 30, 2008

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

RECONCILING DEPOSITS WITH RECEIPTS

**CONDITION:** The Clerk of Court did not account for all receipt numbers and did not reconcile receipts to the City Treasurer's Bond/Fine Form for daily deposits and general ledger postings. The Clerk of Court prepares these forms to determine the amount of collections to report daily in both bonds posted and ticket collections. These reports accompany the remitted funds from the clerk to the treasurer for deposit in the respective bonds pending or general operating bank account. A separate manual report is generated to transfer deposited bonds to forfeited bonds' fine revenues for the month as well.

The court software generates a monthly payment report for fine and assessment revenues due to the State based on collections of adjudicated cases. The payment amounts do not reconcile to the general ledger liability balances or revenue accounts for the month or year based on these daily reports.

**CRITERIA:** Robert McCurdy memo dated June 29 2007 Section VI (A)(1) states "Every criminal fine and penalty collected by the municipal court is to be forthwith turned over by the municipal court clerk to the Municipal Treasurer for which such court is held. It is recommended that copies of the docket be transmitted with the monies to facilitate accounting of deposits with the treasurer."

**CAUSE:** Neither the Municipal Treasurer nor the Clerk of Court required those procedures to be implemented. The City Treasurer may not be making all of the accounting entries timely based on the reports she receives from the clerk on a monthly basis.

**EFFECT:** The collections reported on the court daily deposit form did not agree with the collections reported on the court's electronic court report. The daily deposit form reported collections of \$10,173.41 and the electronic report reported collections of \$13,237.09, a difference of \$3,063.68. The difference related to the Victim Assistance surcharge was \$438.18. We were unable to trace the revenues or liabilities to the general ledger.

**AUDITORS' RECOMMENDATION:** We recommend the city reconcile the books on a monthly basis.

**PROPER VICTIM ASSISTANCE FUNDS ACCOUNTING**

LACK OF AN EXPENDITURE ALLOCATION PLAN

**CONDITION:** The Victims Advocate has been issued a cell phone for business purposes. The Victims Advocate position is not a full time position and he performs other duties unrelated to victim assistance. The City does not allocate the cell phone bill to all benefiting departments.

**CRITERIA:** South Carolina Code of Laws Section 14-1-208(D) states, "The revenue retained by the municipality under subsection (B) must be used for the provision of services for the victims of crime including those required by law."

**CAUSE:** The City Police Records Clerk serves as the City's Victim Advocate

**EFFECT:** The City is charging expenditures to the Victim Assistance program that benefit other departments.

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**AUDITORS' RECOMMENDATION:** The City should develop and implement an allocation plan to fairly allocate the costs of the cell phone or other goods or services to the other benefiting departments.

**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 1 and 138 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 City has not developed procedures to ensure that reports are submitted timely.

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

**AUDITORS' RECOMMENDATION:** The City should comply with State law.

REQUIRED SUPPLEMENTAL SCHEDULE OF FINES AND ASSESSMENTS

**CONDITION:** The City's audited financial statement for the fiscal year ended September 30, 2007 did not include the required supplemental schedule of fines and assessments.

**CRITERIA:** South Carolina Code of Laws Section 14-1-208(E) states "To ensure that fines and assessments imposed pursuant to this section and Section 14-1-209(A) are properly collected ... the annual independent external audit ... must include ...a supplementary schedule detailing all fines and assessments collected ...."

**CAUSE:** The City was unaware of the requirement.

**EFFECT:** The City did not comply with the law.

**AUDITORS' RECOMMENDATION:** We recommend the City prepare a schedule to include in the year-end financial statements that meets the requirements of Section 14-1-208(E) (a) through (f) and have it audited annually in accordance with the requirement.



# CITY OF YORK

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Director of Finance

**CITY OF YORK MUNICIPAL COURT  
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June 30, 2008**

## **CORRECTIVE ACTION PLAN**

### **TIMELY ACCURATE RECORDING AND REPORTING BY THE CITY**

#### **RECONCILING DEPOSITS WITH RECEIPTS**

In an effort to assure that collections reconcile to the Lawtrac Electronic Court Report, Finance Director, Mosely and Clerk of Court, Bobbie Brooks traveled to Florence and attended a Lawtrac Training Course, September 2, 2008. Bobbie Brooks is currently working with a programmer from Nicholson Business Systems to make sure all receipts, whether Fines or Bonds, are posted correctly in Lawtrac so that dependable reports are produced from Lawtrac each month. Our goal is to eliminate the current Bond/Fine Form (court daily form) that Clerk Brooks updates manually, and rely on the Lawtrac software to produce a Daily Receipt Report, starting during September 2008. Each time funds are remitted from the Clerk to the Treasurer for deposit in the respective Bonds Pending or General Operating Bank Account, the daily Receipt Total Close Report will follow. For each person listed, this report has the Lawtrac receipt number, ticket number, and corresponding handwritten receipt number that the individual received. This report is a standard Lawtrac report and Accounting will post to the General Ledger based on the amounts included in it, i.e. post all monies to a liability account initially. Then for month end, the Clerk will produce the Lawtrac Period Ending Report that will break out the amounts that will be remitted to the State, the amounts that will be posted to the Victim's Advocate Fund, and amounts posted to City Revenue. Each month, the Treasurer will adjust the General Ledger accordingly. The Ticket number on the Daily Receipt Total Close Report will match to the corresponding ticket number on the Period Ending Report.



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## PROPER VICTIM ASSISTANCE FUNDS ACCOUNTING

For the period July 2008 through June 30<sup>th</sup>, 2008, the Victim's Advocate cell phone bill was charged to the Victim's Advocate fund twice, July, 2007 and August 2007. For each month thereafter, September 2007 through August 2008, 100% of each of the Victim's Advocate's cell phone bills were charged to the Operating Fund. The city does have an allocation plan for expenditures related to the Victim's Advocate; 85% of her salary and fringe benefits are charged to our regular Operating Fund and 15% of her salary and fringe benefits are charged to the Victim's Advocate Fund. In general, few costs other than 15% of her salary and fringe benefits are charged to the Victim's Advocate Fund.

As of September 1<sup>st</sup>, 2008, however, the City has adopted a definitive plan to charge the entire Victim's Advocate cell phone bill to the Victim's Advocate Fund because the bill is a fixed charge no matter how many calls she makes. In addition, the only reason the cell phone was issued to the employee is because of Victim's Advocate business. Also, 50% of the costs of printer cartridges will be charged to the Victim's Advocate Fund since the printer is used at least 50% of the time for printing photos and printing letters to victims. We will continue to allocate 85% of her salary and fringe benefits to the regular Operating Fund and 15% of her salary and fringe benefits to the Victim's Advocate Fund. Any other costs associated with the advocate will be split 85/15.

## TIMELY ACCURATE REPORTING TO THE STATE TREASURER

### TIMELY FILING

The City Treasurer is now aware that the State Treasurer's Remittance Reports must be filed by the fifteenth day of each month, and will double check each month to insure timely remittance.

## REQUIRED SUPPLEMENTAL SCHEDULE OF FINES AND ASSESSMENTS

The City will prepare the required supplemental Schedule of Fines and Assessments to include in the year-end financial statements, and the city will have it audited at fiscal year-end.