

**COUNTY OF WILLIAMSBURG
GENERAL SESSIONS COURT
KINGSTREE, SOUTH CAROLINA**

**State Auditor's Report
April 30, 2006**

**COUNTY OF WILLIAMSBURG GENERAL SESSIONS COURT
KINGSTREE, SOUTH CAROLINA**

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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

December 1, 2006

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

The Honorable Carolyn Williams, Clerk of Court
Williamsburg County
Kingstree, South Carolina

This report resulting from the application of certain agreed-upon procedures to certain accounting records of the Williamsburg County General Sessions Court for the period May 1, 2005 through April 30, 2006, 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 County of Williamsburg General Sessions Court System and to assist the South Carolina Office of the State Auditor in complying with the 2005 - 2006 General Appropriations Act (H. 3716) Section 72.86. Carolyn Williams, Clerk of Court for the County of Williamsburg is responsible for compliance with the requirements for the General Sessions Court reporting and the South Carolina Office of the State Auditor is responsible for compliance with the requirements of the 2005 - 2006 General Appropriations Act (H. 3716) Section 72.86. 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 14-17-750 to determine the definition of timely reporting with respect to the Clerk of Court's responsibility for reporting fines, fees and assessments to the County 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 County 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 May 1, 2005 through April 30, 2006 to determine if the Clerk of Court submitted the reports to the County 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 COUNTY

- We traced each month's reporting by the Clerk of Court to the County Treasurer's Office and to the County's general ledger accounts for the assessments (Sections 14-1-206(A), (B) and (D)) and victim's assistance surcharge (Section 14-1-211) for the period May 1, 2005 to April 30, 2006.
- 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 2005 – 2006 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 COUNTY" in the Accountants' Comments section of this report.

3. PROPER VICTIM'S ASSISTANCE FUNDS ACCOUNTING

- We inquired as to the format determined by County council and local policy for record keeping as it relates to fines and assessments in accordance with Section 14-1-206(E)(4).
- We compared the fiscal year-ended June 30, 2005 audited Victims' Rights Fund fund balance with all adjustments to the fund balance shown in the Schedule of Fines, Assessments and Surcharges on Exhibit C-3 of the audited financial statement and to the beginning fund balance as adjusted in that fund for fiscal year 2005.
- We judgmentally selected a sample of Victim's Rights Fund reimbursable expenditures and verified that these expenditures were in compliance with Section 14-1-206(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 May 1, 2005 to April 30, 2006.
- We scanned the South Carolina State Treasurer's Revenue Remittance Forms for timely filing in accordance with Section 14-1-206(B).
- We traced amounts recorded in the County's financial statement Schedule of Fines, Assessments and Surcharges on Exhibit C-3 of the year ended June 30, 2005 report related to fines and assessments revenues reporting in accordance with Section 14-1-206(E) to supporting schedules used in the audit to comply with Section 14-1-206(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 April 30, 2006 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 Office of the State Auditor, Chairmen of the House Ways & Means Committee, Senate Finance Committee, House Judiciary Committee, Senate Judiciary Committee, State Treasurer, Office of Victim Assistance, Chief Justice and the Governor and is not intended to be and should not be used by anyone other than these specified parties.

August 31, 2006

ACCOUNTANTS' COMMENTS

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**MATERIAL WEAKNESSES AND/OR VIOLATIONS OF STATE LAWS, RULES OR
REGULATIONS**

The procedures agreed to by the agency require that we plan and perform the engagement to obtain reasonable assurance about whether noncompliance with the requirements of State Laws, Rules, or Regulations occurred and whether internal accounting controls over certain transactions were adequate. Management of the entity is responsible for establishing and maintaining internal controls. A material weakness is a condition in which the design or operation of one or more of the specific internal control components does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Therefore, the presence of a material weakness or violation will preclude management from asserting that the entity has effective internal controls.

The conditions described in this section have been identified as material weaknesses or violations of State Laws, Rules, or Regulations.

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TIMELY REPORTING BY THE CLERK OF COURT

TIMELY FILING

CONDITION: One of the Clerk of Court's Remittance Forms was submitted to the County Treasurer late during the procedures period. The County Treasurer's procedures include date stamping the Clerk of Court's submission. The County Treasurer did not date stamp every month however.

CRITERIA: South Carolina Code of Laws Section 14-17-750 requires that the clerk "on the first Wednesday in each month or within ten days thereafter, to make in writing to the auditor and treasurer of his county a full and accurate statement of all moneys collected on account of licenses, fines, penalties and forfeitures during the past month...."

CAUSE: The Clerk of Court did not submit the report timely.

EFFECT: The Clerk of Court submitted her report to the County Treasurer after the deadline specified in Section 14-17-750.

AUDITORS' RECOMMENDATION: The Clerk of Court should require implementation of the County Treasurer's date stamping procedure to ensure their timely filing is documented.

TIMELY ACCURATE RECORDING AND REPORTING BY THE COUNTY

ALLOCATION OF INSTALLMENT PAYMENTS

CONDITION: The Clerk of Court's computer system is not programmed to allocate fines paid on an installment basis ratably to all fine, assessment and surcharge categories as required. When payments are received by the County on an installment basis receipts are applied to a fine or assessment in a specified order of priority.

CRITERIA: The Judicial Department memo dated June 14, 2005 Section I.A.10 states "When the fine and assessment are paid in installments, Section 35.11 of the Temporary Provisions of the General Appropriations Act suspends Section 14-1-209(B) for the fiscal year 2005 - 2006 and requires that 51.80722% of each installment be treated as a payment towards the assessment. The remaining 48.192771% is treated as a payment towards the fine. The fine amount must be further divided, with 56% of the amount being retained by the county, and 44% being remitted to the state. The assessment amount must further be divided, with 64.65% being transmitted to the state, and 35.35% being retained by the county for victims' services. Prior to making these computations, you must determine what other assessments may apply (conviction surcharge, DUI assessments, etc.). Those charges must be collected separately and not included in the percentage splits explained above."

CAUSE: The automated system used by the Clerk of Court is not programmed to allocate fines and assessments collected on an installment basis, instead it uses a priority order that applies fine, fee and assessment receipts to the first priority until that priority is fully paid. Once paid, it applies any remaining funds to the second and third priorities etcetera, until they are fully paid. The system has a built-in default for applying payments or the system manager can set a different order that is deemed more appropriate.

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EFFECT: The County is not in compliance with the Judicial Department's directive dated June 14, 2005.

AUDITORS' RECOMMENDATION: We recommend the Clerk of Court meet with the software developer to modify the current software and ensure the proper allocation of installment payments.

CLERK OF COURT REMITTANCE FORM ACCURACY

CONDITION: The Clerk of Court has improperly combined assessments from computer-generated reports when completing the Clerk of Court Remittance Forms sent to the County Treasurer.

CRITERIA: South Carolina Code of Laws Section 14-17-750 requires that the clerk "on the first Wednesday in each month or within ten days thereafter, to make in writing to the auditor and treasurer of his county a full and accurate statement of all moneys collected on account of licenses, fines, penalties and forfeitures during the past month...."

CAUSE: The Clerk of Court's Office manually recalculates the assessments from the software's collection summary reports rather than using the priority system generated amounts to prepare the Clerk of Court Remittance Forms. This is unnecessary given the priority order the software application uses.

EFFECT: As a result, the Clerk of Court Remittance form, prepared by the Clerk of Court's Clerk, was not properly completed and did not accurately report information related to assessments' collections.

AUDITORS' RECOMMENDATION: The Clerk of Court's Office should immediately implement procedures to properly report prospectively each item as it is collected and summarized. The Clerk of Court's Office should revise and resubmit the Clerk of Court Remittance Forms to the County Treasurer. The County should assess the probable under and over payments to the State and revise and resubmit State Treasurer's Revenue Remittance forms previously submitted.

TIMELY ACCURATE REPORTING TO THE STATE TREASURER

TIMELY FILING

CONDITION: Seven of the twelve State Treasurer's Remittance Reports for the procedures period May 31, 2005 through April 30, 2006 were not timely filed. The delays ranged from 5 to 14 days late.

CRITERIA: South Carolina Code of Laws Section 14-1-206(B) requires that the County Treasurer to remit the balance of the assessment money to the State Treasurer by the fifteenth day of the month.

CAUSE: The Clerk of Court was late in filing her reports to the County Treasurer at least one time during the procedures period. The Clerk of Court's tardiness for that one month documented may have caused the County Treasurer's report to the State Treasurer. The County Treasurer was also late in filing the report to the State Treasurer six additional times that did not involve delays in reporting by the Clerk of Court.

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

AUDITORS' RECOMMENDATION: The County Treasurer should develop and implement procedures to ensure timely filing of the State Treasurer's Revenue Remittance Forms.

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REQUIRED SCHEDULE OF FINES AND ASSESSMENTS

CONDITION: The County provided the auditors with documentation used to create the Schedule of Fines and Assessments. The documentation used to create the Schedule of Fines and Assessments reconciled to the general ledger. This was not the data actually published in the financial statement; the published data was unsupported. However, because of the errors noted in the findings discussed above, the information provided in the supporting documentation was not accurate. In addition, the schedule neither reported the expenditures of Victims' Assistance funds nor reported an ending balance of Victims' Assistance funds at June 30, 2005.

CRITERIA: The South Carolina Code of Law section 14-1-206(E) requires "the total funds, by source, allocated to victim services activities, how those funds were expended, and any balances carried forward" to be included in the Schedule.

CAUSE: The County published amounts in their financial statement other than those provided in the documentation for the schedule that reconciled to the general ledger.

EFFECT: The County has not complied with Section 14-1-206(E).

AUDITORS' RECOMMENDATION: The County should ensure that the Schedule of Fines and Assessments includes data that reconciles with their general ledger so it complies with the law.

CHILD RESTRAINT AND SEAT BELT SOFTWARE PROGRAMMING

CONDITION: The County's software allocates the child restraint and the seat belt violation collections between fines and assessments.

CRITERIA: South Carolina Code of Laws Section 56-5-6450 and 6540 require that no surcharges or assessments be assessed on these violations.

CAUSE: The software was not modified to exclude child restraint and seat belt violation fines from the allocation.

EFFECT: The County lost fine revenue because it should have received 100% of the fine related to those violations. The County has over reported assessments on the State Treasurer's Revenue Remittance Form and has allocated fine monies to Victim's Assistance Funds as well.

AUDITORS' RECOMMENDATION: We recommend the County contract with the software vendor to modify the software to account for the seat belt and child restraint fines in accordance with the law. Once the vendor has made the modification to the software the County should test it to ensure that it properly accounts for the fines before accepting the modification from the vendor. In addition, the County should determine the extent of the error and make the necessary adjustments to its accounting system to properly distribute the fines in accordance with the law. This would include revising reports made to the State Treasurer's Office. These changes should occur as soon as possible.

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Management has elected not to respond.