

**DORCHESTER COUNTY MAGISTRATE COURT  
SUMMERVILLE, SOUTH CAROLINA**

**STATE AUDITOR'S REPORT**

**DECEMBER 31, 2010**

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# State of South Carolina



## Office of the State Auditor

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DEPUTY STATE AUDITOR

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### INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

August 5, 2011

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

The Honorable Katrina L. Patton, Chief Magistrate  
Dorchester County Magistrate Court  
Summerville, South Carolina

The Honorable Mary L. Pearson, Treasurer  
Dorchester County  
St. George, South Carolina

We have performed the procedures described below, which were agreed to by the County of Dorchester and the Dorchester County Magistrate Court, solely to assist you in evaluating the performance of the Dorchester County Magistrate Court for the period January 1, 2008 to December 31, 2010, in the areas addressed. The County of Dorchester and the Dorchester County Magistrate Court are 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 specified parties in this 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 the associated findings are as follows:

1. **Clerk of Magistrate**

- We gained an understanding of the policies and procedures established by the Clerk of Magistrate to ensure proper accounting for all fines, fees, assessments, surcharges, forfeitures, escheatments, or other monetary penalties.
- We obtained the Summerville Magistrate Court's Case Filed Report and the St. George Magistrate Court's Case Filed Report for all cases for the period January 1, 2008 to December 31, 2010 from the Clerk of Magistrates. We randomly selected twenty-five cases from each report and recalculated the fine, fee, assessment and surcharge calculation to ensure that the fine, fee, assessment or surcharge was properly allocated in accordance with applicable State law. We determined that the fine, fee, assessment and/or surcharge adhered to State law and to the South Carolina Court Administration fee memoranda. We also agreed amounts to the Court's cash receipt records.

The Honorable Nikki R. Haley, Governor  
and  
The Honorable Katrina L. Patton, Chief Magistrate  
The Honorable Mary L. Pearson, Treasurer  
Dorchester County  
August 5, 2011

- We tested the Clerk of Magistrate's monthly remittance forms to determine that the court generated monies were remitted in a timely manner to the County Treasurer in accordance with State law.

Our findings as a result of these procedures are presented in Adherence to Fine Guidelines, Conviction Surcharge and Timely Submission of Clerk of Magistrate's Monthly Remittance Form in the Accountant's Comments section of this report.

2. **County Treasurer**

- We gained an understanding of the policies and procedures established by the County to ensure proper accounting for court fines, fees, assessments, surcharges, forfeitures, escheatments, or other monetary penalties.
- We obtained copies of all State Treasurer's Revenue Remittance Forms submitted by the County for the period January 1, 2008 to December 31, 2010. We agreed the line item amounts reported on the State Treasurer's Revenue Remittance Forms to the Clerk of Magistrate's monthly remittance forms, general ledger, and to the State Treasurer's receipts.
- We determined if the State Treasurer's Revenue Remittance Forms were submitted in a timely manner to the State Treasurer in accordance with State law.
- We verified that the amounts reported by the County on its supplemental schedule of fines and assessments for the fiscal years ended June 30, 2010, 2009 and 2008 agreed to the State Treasurer's Revenue Remittance Forms and to the County's general ledger. We also determined if the supplemental schedules of fines and assessments contained all required elements in accordance with State law.

Our findings as a result of these procedures are presented in Timely Submission of State Treasurer's Revenue Remittance Form and Accurate Reporting in the Accountant's Comments section of this report.

3. **Victim Assistance**

- We gained an understanding of the policies and procedures established by the County to ensure proper accounting for victim assistance funds.
- We made inquiries and performed substantive procedures to determine that any funds retained by the County for victim assistance were accounted for in a separate account.
- We tested judgmentally selected expenditures to ensure that the County expended victim assistance funds in accordance with State law and South Carolina Court Administration Fee Memoranda, Attachment L.
- We determined if the County reported victim assistance financial activity on the supplemental schedules of fines and assessments for the fiscal years ended June 30, 2010, 2009 and 2008 in accordance with State law.
- We inspected the County's fiscal years ended June 30, 2010, 2009 and 2008 audited financial statements 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.

The Honorable Nikki R. Haley, Governor  
and  
The Honorable Katrina L. Patton, Chief Magistrate  
The Honorable Mary L. Pearson, Treasurer  
Dorchester County  
August 5, 2011

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 thirty-six months ended December 31, 2010, and, furthermore, we were not engaged to express an opinion on the effectiveness of 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, Chairman of the House Ways and Means Committee, Chairman of the Senate Finance Committee, Chairman of the House Judiciary Committee, Chairman of the Senate Judiciary Committee, members of the Dorchester County Council, Dorchester County Chief Magistrate, Dorchester County Clerk of Magistrate, Dorchester County Treasurer, State Treasurer, State Office of Victim Assistance, and the Chief Justice and is not intended to be and should not be used by anyone other than these specified parties.

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

**ACCOUNTANT'S COMMENTS**

## **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 governing court collections and remittances. 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.

## **ADHERENCE TO FINE GUIDELINES**

During our test of Magistrate Court collections and remittances, we noted the following instances in which the magistrate did not sentence the defendant in accordance with State law:

1. An individual found guilty of driving under suspension, license not suspended for DUI, fifth offense, was sentenced to a \$1,000 fine or 30 days jail time. Section 56-1-460(A)(1) of the 1976 South Carolina Code of Laws, as amended, states, "...A person who drives a motor vehicle on any public highway of this state when his license to drive is canceled, suspended or revoked must, upon conviction, be punished as follows: (c) for a third and subsequent offense, fined one thousand dollars and imprisoned for not less than ninety days nor more than six months, no portion of which may be suspended by the trial judge." The Chief Magistrate stated this error was due to oversight.
2. One individual was fined \$25.06 for speeding 10 miles per hour or less over the speed limit and another individual was fined \$77.11 for speeding more than 15 but less than 25 miles per hour over the speed limit. Section 56-5-1520(G) of the 1976 South Carolina Code of Laws, as amended, states, "A person violating the speed limits established by this section is guilty of a misdemeanor and, upon conviction for a first offense, must be fined or imprisoned as follows: (1) in excess of the above posted limit but not in excess of ten miles an hour by a fine of not less than fifteen dollars nor more than twenty-five dollars"; (3) in excess of fifteen miles an hour but less than twenty-five miles an hour above the posted limit by a fine of not less than fifty dollars nor more than seventy-five dollars." The Chief Magistrate stated the error in fine assessments was a result of the issuing officer writing the wrong roadside bond on the tickets.

We recommend the Magistrate Court implement procedures to ensure defendants are sentenced in accordance with State law.

## **CONVICTION SURCHARGE**

During our test of Magistrate Court collections and remittances, we noted one instance where the Court did not assess and collect the \$25 conviction surcharge.

The Chief Magistrate stated this was due to oversight.

Section 14-1-211(A)(1) of the 1976 South Carolina Code of Laws, as amended, states "In addition to all other assessments and surcharges...a twenty-five dollar surcharge is imposed on all convictions obtained in magistrates and municipal courts in this State."

We recommend the Magistrate Court implement procedures to ensure the conviction surcharge is assessed and collected in accordance with State law.

## **TIMELY SUBMISSION OF CLERK OF MAGISTRATE'S MONTHLY REMITTANCE FORM**

During our testing of the County's State Treasurer's Revenue Remittance Forms (STRRF), we noted seventeen instances where the Clerk of Magistrate did not submit the Clerk of Magistrate's Monthly Remittance Form to the County Treasurer in accordance with State law.

The Chief Magistrate stated the late submissions were due to cases not being updated in CMS, the state's court accounting software, in a timely manner.

Section 22-1-90 of the 1976 South Carolina Code of Laws, as amended, states, "Every magistrate shall, on the first Wednesday in each month or within ten days thereafter, make to the auditor and treasurer of his county a full and accurate statement in writing of all moneys collected."

We recommend the Magistrate Court implement procedures to ensure the Clerk of Magistrate's Monthly Remittance Form is submitted to the County Treasurer in compliance with State law.

## **TIMELY SUBMISSION OF STATE TREASURER'S REVENUE REMITTANCE FORM**

During our testing of the County's State Treasurer's Revenue Remittance Forms (STRRF), we noted thirty-five instances where the STRRF were not submitted to the State Treasurer by the fifteenth day of the month as required by State law. The forms were submitted from approximately one week to two months late.

The County Treasurer stated the STRRF were submitted late because the magistrate courts submitted their monthly remittance reports late to the County Treasurer.

Section 14-1-207(B) of the 1976 South Carolina Code of Laws, as amended, requires the County 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.

We recommend the County implement procedures to ensure the STRRF are submitted by the fifteenth day of each month in compliance with State law.

### **ACCURATE REPORTING**

During our testing of the County's State Treasurer's Revenue Remittance Forms (STRRF), we noted several instances where amounts reported on Line EE – Victim Services Assessments – County Share (Magistrate) and Line GG – Victim Services Surcharges – County Share (Magistrate) of the STRRF did not agree to the Clerk of Magistrate's monthly remittance forms. We also noted one instance where the DUI Breathalyzer Test Fee was not reported on Line VA – DUI/DUAC Breathalyzer Test Conviction Fee of the STRRF but instead was reported on Line U – General Session DUI DPS Auto Fee.

The County Treasurer stated the amounts were reported incorrectly due to clerical errors.

Section 14-1-207(B) of the 1976 South Carolina Code of Laws, as amended, states "The county treasurer must...make reports on a form and in a manner prescribed by the State Treasurer."

We recommend the County Treasurer implement procedures to ensure all court collections and victim services' monies retained by the County are properly reported to the State Treasurer in accordance with State law. We also recommend the County submit an amended STRRF to correct the reporting errors.

**COUNTY'S RESPONSE**

**MAGISTRATE COURT  
FOR  
DORCHESTER COUNTY**



212 DEMING WAY, BOX 10  
SUMMERVILLE, SC 29483

PHONE (843) 832-0370  
FAX (843) 832-0371

September 30, 2011

Rick Ziegler, CPA  
Court Audit Supervisor  
Office of the State Auditor  
1401 Main Street, Suite 1200  
Columbia, South Carolina 29201

RE: Dorchester County Magistrate Court Audit

Dear Mr. Ziegler,

I received the preliminary draft copy of your Report dated August 5, 2011 (Re: INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES).

I reviewed the Report, and on behalf of the Dorchester County Magistrate Court, offer the following comments.

Page 5. Conviction Surcharge

COMMENT: The Magistrate's Court has indeed implemented a procedure to comply with the surcharge requirements of the applicable statutes.

Page 6. Timely Submission of Clerk of Magistrate's Monthly Remittance Form

COMMENT: The Report cites "seventeen instances", all of which occurred prior to October 8, 2010, when the Magistrate's Court implemented the following correction plan: staff members must have cases updated every Friday of each week so that the office manager can begin the monthly report promptly. Thereafter, and in compliance with S.C. Code 22-1-90, the reports are delivered to the Treasurer's office no later than within ten days after the first Wednesday of each month.

September 30, 2011

COMMENT: In addition, the monthly disbursements are now hand delivered to the Treasurer's office of signature of delivery (rather than using the courier).

Page 6. Timely Submission of State Treasurer's Revenue Remittance Form (STRRF)

COMMENT: The Report cites "thirty-five instances where the STRRF were not submitted to the State Treasurer by the fifteenth day of the month as required by State law. The forms were submitted from approximately one week to two months late." The Report further states that the Treasurer's office faults the Magistrate's Court for these late submissions.

Prior to October 8, 2010, the Magistrate's Court was late in "seventeen instances" in submitting the Monthly Remittance Form; further, the late periods ranged from two days to two weeks. Therefore, the "thirty-five instances" cited in this section could not all result from Magistrate' Court delinquency.

Finally, pursuant to your cover letter dated September 20, 2011, I do authorize your office to release the report. If there is a specific authorization form required, please forward it to me and I will sign it immediately.

With kind regards,



Katrina L. Patton  
Chief Magistrate  
Dorchester County

Summerville:  
843-832-0045  
843-563-0045  
Fax: 843-832-0046  
Fax: 843-563-0046



St. George:  
843-563-0165  
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**Dorchester County Treasurer's Office**  
**Mary L. Pearson, Treasurer**  
**201 Johnston Street • PO Box 338 • St. George, SC 29477**

September 28, 2011

Richard H. Gilbert, Jr., CPA, Deputy State Auditor  
Office of State Auditor  
1401 Main Street Suite 1200  
Columbia, SC 29201

RE: Responses to Timely Submission of State Treasurer's Revenue Remittance Form and Accurate Reporting on State Auditor's findings on Dorchester County Magistrate Court Audit

Dear Deputy Gilbert:

I am in receipt of the Report of the State Auditor's Office findings and would like to thank you for the opportunity to give a response regarding the timely submission of the Remittance Forms to the State Treasurer's Office and the Accurate Reporting findings on the Dorchester County Magistrate Audit.

**RESPONSE TO TIMELY SUBMISSION OF STATE TREASURER'S REVENUE REMITTANCE FORM**

In this area the laws are in conflict regarding when the County Treasurers have to report to the State Treasurer and when the Magistrates have to report to the County Treasurers. Pursuant to Section 14-1-207 (B) states that the county has to remit the balance of assessment revenue to the State Treasurer by the fifteenth of each month. However, pursuant to Section 22-1-90 the Magistrates have to submit to the County Treasurer by the first Wednesday of the month or 10 days thereafter. Often times this does not allow sufficient time for the County Treasurers to process payment and get it to the State Treasurer by the fifteenth of the month because in some months the Magistrates have until the 16<sup>th</sup> of the month to get their reports to the County Treasurers. (EX: July 2011, first Wednesday is July 6<sup>th</sup> and ten days thereafter puts it as July 16<sup>th</sup>). In this case the Magistrates would be in compliance and the Treasurers would not. In Dorchester County we need these forms to the Treasurer's Office between the fifth and the eighth of the month in order to submit payment to the State Treasurer by the fifteen of the month.

Page 1 of 2

This ambiguity in the law leaves the County Treasurers' hands somewhat tied when the law is in conflict for the County Treasurers to submit to the State Treasurer and the County Magistrates to submit to the County Treasurers regarding their reporting time. The County Treasurers cannot submit the Remittance Forms until the Magistrates submit their reports to them.

In October 2010 I contacted Chief Magistrate Maite Murphy (Chief at that time) in Dorchester County and asked for her assistance in getting the reports to the County quicker and their reporting has improved in recent months. I also have followed up with Judge Patton who was recently appointed as the County's Chief Magistrate with the same request. Earlier in October 2010 I had also contacted the State Treasurer's Office and pointed out this conflict in the law and was told they were aware of it. In addition, I was told that it would take either a Proviso to current law or new legislation. So this is really out of the County Treasurers' hands. This is a legislative issue. Any assistance that we could get in order for this legislation to be straightened out so that both the County Treasurers and the County Magistrates can be in compliance of their respective laws and not in conflict with each other would make it a lot easier for all concerned.

### **RESPONSE TO ACCURATE REPORTING**

The errors indicated in these findings were clerical in nature. The Remittance Forms submitted to the State Treasurer's Office had either an instance where the first two digits of a number had been reversed, a line was inadvertently left blank or information had been reported on the wrong line. Supporting documentation was provided and in none of these instances did these clerical errors reflect a discrepancy in the remittance due to the State Treasurer's Office or the County's Victim Services. Any discrepancies would have been reported in the findings in the State Auditor's report.

I take seriously the fact that accurate reporting and timely remittance to the State is important. I will continue to emphasize to my staff the importance of being accurate, verifying all the work they do and being timely.

In order to be in compliance with Section 14-1-20-207 (B) on August 17, 2011 amended Remittance Forms were submitted to the State Treasurer's Office as recommend by the State Auditor's Office findings.

Since the ensuing audit began I have put in place the following measures in the Treasurer's Office to help alleviate these issues of concern.

1. The monthly Remittance Forms to the State Treasurer's Office will be filed electronically.
2. A secure and dedicated account has been set up where only the amount due monthly to the State Treasurer's Office will be deposited in that account in order for the State Treasurer's Office to access and receive their monthly funds.

Sincerely,



Mary L. Pearson  
Dorchester County Treasurer

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