

**HAMPTON COUNTY CIRCUIT,
PROBATE AND FAMILY COURT SYSTEMS**

HAMPTON, SOUTH CAROLINA

STATE AUDITOR'S REPORT

JUNE 30, 2014

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State of South Carolina



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June 24, 2015

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

The Honorable Mylinda D. Nettles, Clerk of Court
The Honorable Wilson Tuten, Treasurer
Hampton County
Hampton, South Carolina

This report resulting from the application of certain agreed-upon procedures to certain accounting records of the Hampton County Circuit, Probate and Family Court Systems as of and for the year ended June 30, 2014, was issued by Steven L. Blake, CPA, 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

STEVEN L. BLAKE, CPA

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

June 24, 2015

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

The Honorable Mylinda D. Nettles, Clerk of Court
Hampton County Circuit and Family Court System
Hampton, South Carolina

The Honorable Wilson Tuten, Treasurer
Hampton County
Hampton, South Carolina

I have performed the procedures described below, which were agreed to by the County of Hampton and the Hampton County Circuit, Probate and Family Courts, solely to assist you in evaluating the performance of the Hampton County Circuit, Probate and Family Court Systems for the fiscal year ended June 30, 2014, in the areas addressed. The County of Hampton and the Hampton County Circuit, Probate and Family Courts 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 Office of the State Auditor and the Hampton County Circuit, Probate and Family Court Systems. Consequently, I 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

- I gained an understanding of the policies and procedures established by the Clerk of Court to determine proper accounting for all fines, fees, assessments, surcharges, forfeitures, escheatments, or other monetary penalties.
- I obtained the General Sessions Court beginning and ending indictment numbers for all cases for the period under review from the Clerk of Court. I randomly selected twenty-five cases 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. I also determined that the fine, fee, assessment and/or surcharge adhered to State law and to the South Carolina Court Administration fee memoranda.

The Honorable Nikki R. Haley, Governor
and
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The Honorable Wilson Tuten, Treasurer, Hampton County
June 24, 2015

- I obtained the population of case numbers for all new cases filed in the Court of Common Pleas during the period under review from the Clerk of Court. I randomly selected twenty-five case numbers to determine that filing and motion fees adhered to State law and the Clerk of Court Manual.
- I obtained the population of case numbers for all new cases filed in Family Court during the period under review from the Clerk of Court. I randomly selected twenty-five cases to determine that filing fees, motion fees, support collection fees, and fines adhered to State law and the Clerk of Court Manual.
- I tested twenty-five randomly selected, recorded court receipt transactions in each court to determine that the receipts were remitted in a timely manner to the County Treasurer in accordance with State law.
- I agreed amounts reported on all monthly court remittance reports to the Court's cash receipts ledger.

My finding as a result of these procedures is presented in Timely, Accurate Reporting by the Clerk of Court in the Accountant's Comments section of this report.

2. Probate Judge

- I gained an understanding of the policies and procedures established by the Probate Court to determine proper accounting for all domestic violence fees.
- I obtained the population of marriage license numbers for all new marriage licenses issued by the Probate Court during the period under review from the Probate Judge. I tested all licenses to determine that the domestic violence fee included in the marriage license fee adhered to State law and were timely transmitted to the County Treasurer.

My finding as a result of these procedures is presented in Timely, Accurate Recording and Reporting by the Probate Judge in the Accountant's Comments section of this report.

The Honorable Nikki R. Haley, Governor
and
The Honorable Mylinda D. Nettles, Clerk of Court
The Honorable Wilson Tuten, Treasurer, Hampton County
June 24, 2015

3. County Treasurer

- I gained an understanding of the policies and procedures established by the County to determine proper accounting for court fines, fees, assessments, surcharges, forfeitures, escheatments, or other monetary penalties.
- I obtained copies of all State Treasurer's Revenue Remittance Forms submitted by the County which reported court generated monies for the fiscal year ended June 30, 2014. I agreed the line item amounts reported on the State Treasurer's Revenue Remittance Forms to the monthly court remittance reports for four judgmentally selected months and to the general ledger and State Treasurer's receipts for the procedures period.
- I determined if the State Treasurer's Revenue Remittance Forms were submitted in a timely manner to the State Treasurer in accordance with State law.
- I verified that the amounts reported by the County on its supplementary schedule of fines and assessments for the fiscal year ended June 30, 2014 agreed to the State Treasurer's Revenue Remittance Forms and to the County's general ledger.
- I determined that the County's supplementary schedule of fines and assessments contained all the required elements in accordance with State law.

My finding as a result of these procedures is presented in Section B in the Accountant's Comments section of this report.

4. Victim Assistance

- I gained an understanding of the policies and procedures established by the County to determine proper accounting for victim assistance funds.
- I made inquiries and performed substantive procedures to determine that funds retained by the County for victim assistance were accounted for in a separate account.
- I tested two judgmentally selected payroll expenditures which accounted for one thirteenth of the expense to determine that the County expended victim assistance funds in accordance with State law and South Carolina Court Administration Fee Memoranda, Attachment L.
- I determined if the County reported victim assistance financial activity on the supplemental schedule of fines and assessments in accordance with State law.
- I inspected the County's general ledger to determine if the Victim Assistance Fund balance was retained as of July 1 from the previous fiscal year in accordance with State law.

There were no findings as a result of these procedures.

The Honorable Nikki R. Haley, Governor
and
The Honorable Mylinda D. Nettles, Clerk of Court
The Honorable Wilson Tuten, Treasurer, Hampton County
June 24, 2015

5. Status of Prior Findings

- I inquired about the status of findings reported in the Accountant's Comments section of the State Auditor's Report on the municipality resulting from an engagement for the period ended June 30, 2008, dated July 22, 2008, to determine if the municipality had taken adequate corrective action.

My findings as a result of these procedures are presented in Section C in the Accountant's Comments section of this report.

I was 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 the county level of court for the twelve months ended June 30, 2014, and, furthermore, I was 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. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my 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 Hampton County Council, Hampton County Clerk of Court, Hampton County Treasurer, Hampton County Probate Judge, State Treasurer, State Office of Victim Assistance, the 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.

Steven L. Blake, CPA

**ACCOUNTANT'S
COMMENTS**

SECTION A - VIOLATIONS OF STATE LAWS, RULES OR REGULATIONS

Management of the entity is responsible for establishing and maintaining internal controls to determine compliance with State Laws, Rules or Regulations governing court collections and remittances. The procedures agreed to by the entity require that I 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.

TIMELY, ACCURATE REPORTING BY THE CLERK OF COURT

Purchase of Service Reimbursement Request Omission

During my test of Family Court collections and remittances, I noted one instance where the Clerk of Court did include one case in the Department of Social Services Purchase of Service Reimbursement Request. The omission of this case resulted in the Clerk not being reimbursed the required \$150 filing fee by the plaintiff.

Section 8-21-310(11)(a) of the 1976 South Carolina Code of Laws, as amended, states, "For filing first complaint or petition, including application for a remedial and prerogative writ and bond on attachment or other bond, in a civil action or proceeding, in a court of record, one hundred dollars." 14-1-204(B) further states "(1) There is added to the fee imposed pursuant to Section 8-21-310 (11)(a) an additional fee equal to fifty dollars."

The Clerk stated this omission was caused by human error.

I recommend the Court implement procedures to ensure filing fees are reimbursed on all cases applicable in accordance with State law.

Imposition of Installment Fee Charge

I determined that the Clerk of Court imposed the three percent installment fee on two defendants that paid their fine in full at the time of sentencing.

Section 14-17-725 of the 1976 South Carolina Code of Laws, as amended, states, "...where criminal fines, assessments, or restitution payments are paid through installments, a collection cost charge of three percent of the payment also must be collected by the clerk of court."

The Clerk stated the software is set up to automatically charge the installment fee on every conviction. Human error was responsible for not removing it when the fine is paid in full at the time of sentencing.

I recommend the Court implement procedures to ensure the installment fee is assessed and collected only from individuals who pay in multiple installments.

Public Defender Application Fee

The Clerk of Court could not document that the defendant had paid the public

defender application fee in ten of the eighteen applicable General Sessions Court cases tested.

Section 17-3-30(B) of the 1976 South Carolina Code of Laws, as amended, states, “A forty dollar application fee for public defender services must be collected from every person who executes an affidavit that he is financially unable to employ counsel. The person may apply to the clerk of court or other appropriate official for a waiver or reduction in the application fee. If the clerk or other appropriate official determines that the person is unable to pay the application fee, the fee may be waived or reduced, provided that if the fee is waived or reduced, the clerk or appropriate official shall report the amount waived or reduced to the trial judge upon sentencing and the trial judge shall order the remainder of the fee paid during probation if the person is granted probation.” Section 17-3-45(B) of the 1976 South Carolina Code of Laws, as amended, further states that the application fee must be paid “by a time payment method if probation is not granted or appropriate.”

The Clerk stated that it is their policy to waive the fee when the defendant is incarcerated. They previously had not been including the application fee at sentencing but will begin doing so immediately.

I recommend the Court implement procedures to document fees are properly assessed and collected in accordance with State law.

TIMELY, ACCURATE RECORDING AND REPORTING BY THE PROBATE JUDGE

Over Reported Fees

I determined the Probate Judge had over reported Marriage License Fees by \$40

Section 20-1-375 of the 1976 South Carolina Code of Laws, as amended, states, “ ... there is imposed an additional twenty dollar fee for each marriage license applied for.”

The Probate Judge stated she manually summarizes the number of licenses applied for during a month. Human error in the manual summary caused the over reporting.

I recommend the Probate office use software reports as well as manual summaries and verify licenses applied for by a comparison of the data from all these sources.

SECTION B – OTHER WEAKNESS

The condition described in this section has been identified while performing agreed-upon procedures but is not considered a violation of State Laws, Rules or Regulations.

DATE STAMPING PROCEDURES

The County Treasurer's office does not have a procedure in place that requires staff to date stamp documents. Therefore I was unable to determine if court transmittal documents from the Clerk of Court and Probate Judge were processed timely. The County Treasurer stated that when the Probate Judge does not submit the transmittal documents in time to allow his office to timely submit the form to the State Treasurer's Office, he would omit the transmittal information for that month.

State law does not currently specify when the Probate Judge is required to submit the transmittal information to the County Treasurer. However, State law requires the Clerk of Court to submit their transmittal documents to the County Treasurer by the 10th of the month. Because the County Treasurer staff does not date stamp the transmittal documents received from the Clerk of Court or Probate Judge, I could not determine when the County Treasurer received the transmittal documents or determine if the information was submitted timely. Date stamping the transmittal documents would provide evidence that the clerk of court submitted the documents timely.

I recommend the County Treasurer establish a policy for date stamping documents to support the date of receipt.

SECTION C – STATUS OF PRIOR FINDINGS

During the current engagement, I reviewed the status of corrective action taken on each of the findings reported in the Accountant's Comments section of the State Auditor's Report on the agreed upon procedures for the Hampton County Circuit, Probate and Family Court Systems for the twelve months ended June 30, 2008, and dated July 22, 2008. I determined that the Hampton County Circuit, Probate and Family Court Systems has taken adequate corrective action on the deficiencies titled Installment Payments Allocation, Remittance Form Error, Software System Assessment Program and Timely Filing. This corrective action included implementing a new software system and filing timely.

No findings repeated.

COUNTY'S RESPONSE

The governance and management of the County of Hampton have been provided a copy of the findings identified in the Accountant's Comments Section of this report and has elected not to provide a written response to the findings.