

TOWN OF MCBEE MUNICIPAL COURT

MCBEE, SOUTH CAROLINA

STATE AUDITOR'S REPORT

JUNE 30, 2010

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State of South Carolina



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DEPUTY STATE AUDITOR

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

June 13, 2011

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

The Honorable John Campolong, Mayor
Town of McBee
McBee, South Carolina

The Honorable Barbara A. Lisenby, Municipal Judge
Town of McBee Municipal Court
McBee, South Carolina

We have performed the procedures described below, which were agreed to by the Town of McBee Municipal Court, solely to assist you in evaluating the performance of the Town of McBee Municipal Court for the fiscal year ended June 30, 2010, in the areas addressed. The Town of McBee and the Town of McBee Municipal 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. **Court Policies**

- We gained an understanding of the policies and procedures established by the Court to ensure proper accounting for all fines, fees, assessments, surcharges, forfeitures, escheatments, or other monetary penalties.
- We obtained certain judgmentally selected court dockets from the Court. We randomly selected 25 cases from the court dockets 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 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
The Honorable John Campolong, Mayor
The Honorable Barbara A. Lisenby, Municipal Judge
Town of McBee
June 13, 2011

Our finding as a result of these procedures is presented in Adherence to Fine Guidelines in the Accountant's Comments section of this report.

2. Town Policies

- We gained an understanding of the policies and procedures established by the Town 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 Town for the fiscal year ended June 30, 2010. We agreed the amounts reported on the State Treasurer's Revenue Remittance Forms to the monthly court remittance reports and to the State Treasurer's receipts. We also agreed the total revenue due to the State Treasurer to the general ledger.
- 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 Town on its supplemental schedule of fines and assessments for the fiscal year ended June 30, 2010 agreed to the State Treasurer's Revenue Remittance Forms and to the Town's general ledger.

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

3. Victim Assistance

- We gained an understanding of the policies and procedures established by the Town to ensure proper accounting for victim assistance funds.
- We made inquiries and performed substantive procedures to determine that any funds retained by the Town for victim assistance were accounted for in a separate account.
- We determined if the Town reported victim assistance financial activity on the supplemental schedule of fines and assessments in accordance with State law.
- We inspected the Town'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.

We found no exceptions as a result of the procedures.

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, 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.

The Honorable Nikki R. Haley, Governor
and
The Honorable John Campolong, Mayor
The Honorable Barbara A. Lisenby, Municipal Judge
Town of McBee
June 13, 2011

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 Town of McBee Town Council, Town of McBee Municipal Judge, 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 Municipal Court collections and remittances, we noted one instance where an individual who forfeited bond for driving a vehicle at greater speed than is reasonable under conditions was fined \$161.45. Section 56-5-6190 of the 1976 South Carolina Code of Laws, as amended, states, "Every person convicted of a misdemeanor for a violation of any of the provisions of this chapter for which another penalty is not provided shall be punished by a fine of not more than one hundred dollars or by imprisonment for not more than thirty days."

According to the Town's contracted bookkeeper, the Town's former police chief set the roadside bond at an amount greater than the maximum allowed by State law for this violation.

We recommend the Town implement procedures to ensure that fines levied adhere to the minimum and maximum required by State law.

TIMELY SUBMISSION OF STATE TREASURER'S REVENUE REMITTANCE FORM

During our testing of the Town's State Treasurer Revenue Remittance Forms (STRRF), we noted two out of twelve 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 five to twenty-one days late.

The Town's contracted bookkeeper stated the STRRF were submitted late due to oversight and due to lack of other personnel trained to submit the STRRF during times the bookkeeper did not work. Section 14-1-208(B) of the 1976 South Carolina Code of Laws, as amended, requires the Town 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 Town implement procedures to ensure the STRRF are submitted by the fifteenth day of each month in compliance with State law.

SUPPLEMENTARY SCHEDULE

During our testing of the schedule of court fines, assessments and surcharges included in the Town's financial statements for the year ended June 30, 2010, we noted the Town did not report any fines collected by the municipal court. According to the court's detail monthly reports, which agreed to the Town's general ledger, the court collected \$14,942 in fines during the year.

The Town's contracted bookkeeper stated this was due to oversight.

South Carolina Code of Laws, Section 14-1-208(E)(1)(a) requires the supplementary schedule to include all fines collected by the clerk of court for the municipal court.

We recommend the Town implement procedures to ensure amounts reported on the supplementary schedule are accurately reported in accordance with State law.

TOWN'S RESPONSE

TOWN OF M^cBEE

COUNCIL MEMBERS:

Mrs. Marilyn Fields
Mr. Shilon Green
Mr. A. C. McLeod
Mr. Charlie Sutton



MAYOR:
Mr. John Campolong

July 27, 2011

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

RE: Town of McBee State Auditor's Report – June 30, 2010

Release Authorization

This "Release Authorization" is to confirm that the referenced audit of the McBee Police Department has been reviewed by the Town of McBee and is authorized for release with the Town's response to the audit findings.

Our comments regarding the matters discussed in the "Accountant's Comments" are included with this release.

Respectively,

A handwritten signature in black ink, appearing to read "John Campolong".

John Campolong
Mayor

Post Office Box 248, McBee, SC 29101
Phone: 843-335-8474 Fax: 843-335-5163

TOWN'S RESPONSE

Violations of State Laws, Rules or Regulations

Adherence to Fine Guidelines

The Town of McBee Police Department implemented procedures to adhere to the "Fine Guidelines" as set forth by the State of South Carolina in January 2010. At this time the Police Department was restructured and reviewed for areas of concern.

Officers are instructed to use the "Fine Guidelines" when assessing fines for the violations given.

Timely Submission of State Treasurer's Revenue Remittance Form

The McBee Police Department went through a period of turn over where the department did not have a clerk responsible for the filing of the State Treasurer's Revenue Remittance Form.

The McBee Police Department contracted with their outside bookkeeper to compile and submit the monthly reports prior to the due date.

Supplementary Schedule

The Town of McBee contracts with an outside auditor to complete the annual audit of the Town of McBee, which includes the Police Department.

The auditor has been notified as to how the state requires the supplementary schedule to be completed and will begin completing the schedule in accordance to the state regulations.

Submitted by

Mayor John Campolong

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5 copies of this document were published at an estimated printing cost of \$1.40 each, and a total printing cost of \$7.00. Section 1-11-125 of the South Carolina Code of Laws, as amended requires this information on printing costs be added to the document.