

**CITY OF LORIS MUNICIPAL COURT**

**LORIS, SOUTH CAROLINA**

**STATE AUDITOR'S REPORT**

**JUNE 30, 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

May 3, 2011

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

The Honorable Aaron Butler, Municipal Judge  
City of Loris  
Loris, South Carolina

Ms. Martha G. Dorman, City Clerk/Treasurer  
City of Loris  
Loris, South Carolina

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

- We gained an understanding of the policies and procedures established by the Clerk of Court to ensure proper accounting for all fees, fines, assessments, surcharges, forfeitures, escheatments, or other monetary penalties.
- We obtained certain judgmentally selected final docket reports from the Clerk of Court. We randomly selected 25 cases from the final docket reports and recalculated the fee, fine, assessment and surcharge calculation to ensure that the fee, fine, assessment or surcharge was properly allocated in accordance with applicable State law. We also determined that the fee, fine, 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 Aaron Butler, Municipal Judge  
Ms. Martha G. Dorman, City Clerk/Treasurer  
City of Loris  
May 3, 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. **City Treasurer**

- We gained an understanding of the policies and procedures established by the City to ensure proper accounting for court fees, fines, assessments, surcharges, forfeitures, escheatments, or other monetary penalties.
- We obtained copies of all State Treasurer's Revenue Remittance Forms submitted by the City 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 City on its supplemental schedule of fines and assessments for the year ended December 31, 2009 agreed to the State Treasurer's Revenue Remittance Forms and to the Town's general ledger.

Our finding as a result of these procedures is presented in Timely Submission of State Treasurer's Revenue Remittance Form in the Accountant's Comments section of this report.

3. **Victim Assistance**

- We gained an understanding of the policies and procedures established by the City to ensure proper accounting for victim assistance funds.
- We made inquiries and performed substantive procedures to determine that any funds retained by the City for victim assistance were accounted for in a separate account.
- We determined if the City reported victim assistance financial activity on the supplemental schedule of fines and assessments in accordance with State law.
- We inspected the City's general ledger to determine if the Victim Assistance Fund balance was retained as of January 1 from the previous 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 Aaron Butler, Municipal Judge  
Ms. Martha G. Dorman, City Clerk/Treasurer  
City of Loris  
May 3, 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 City of Loris City Council, City of Loris Municipal Judge, City of Loris Clerk of Court, City of Loris Clerk/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 Municipal Court collections and remittances, we noted the following instances in which the judge did not fine the defendant in accordance with State law:

1. Two individuals who pled guilty to parking in a handicapped parking space were fined \$200.00 and \$103.00, respectively. Section 56-3-1970(C) of the 1976 South Carolina Code of Laws, as amended, states, "A person violating the provisions of this section...must be fined not less than five hundred dollars nor more than one thousand dollars or imprisoned for not more than thirty days for each offense."
2. An individual who forfeited bond for public disorderly conduct was fined \$106.03. Section 16-17-530 of the 1976 South Carolina Code of Laws, as amended, states, "...upon conviction shall be fined not more than one hundred dollars or be imprisoned for not more than thirty days."
3. An individual who pled guilty to driving without a license, first offense, was sentenced to time served and spent four days in jail. Section 56-1-440(A) of the 1976 South Carolina Code of Laws, as amended, states, "A person who drives a motor vehicle on a public highway of this State without a driver's license in violation of Section 56-1-20 is guilty of a misdemeanor and, upon conviction of a first offense, must be fined not less than fifty dollars nor more than one hundred dollars or imprisoned for thirty days."
4. An individual who pled guilty to failure to return license plate and registration upon loss of insurance, first offense, was fined \$2.41. Section 56-10-240(D), of the 1976 South Carolina Code of Laws, as amended, states, "A person willfully failing to return his motor vehicle license plates and registration certificates as required in this section is guilty of a misdemeanor and, upon conviction, must be punished as follows: (1) for a first offense fined not less than one hundred dollars nor more than two hundred dollars or imprisoned for thirty days."

The Municipal Judge stated that the error in the fine assessments was an oversight.

We recommend the Municipal Court 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 City's State Treasurer's Revenue Remittance Forms (STRRF), we noted eleven 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 approximately one to six months late.

The City Clerk of Court stated the STRRF were submitted late due to personnel shortages.

Section 14-1-208(B) of the 1976 South Carolina Code of Laws, as amended, requires the City 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 City implement procedures to ensure the STRRF are submitted by the fifteenth day of each month in compliance with State law.

**CITY'S RESPONSE**

DAVID E. SToudenMIRE, JR.  
MAYOR

MARTHA G. DORMAN  
CLERK-TREASURER

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## CITY OF LORIS

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June 24, 2011

State of South Carolina Office of the State Auditor  
1401 Main Street, Suite 1200  
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Attn: Mr. Richard H. Gilbert, Jr., CPA  
Deputy State Auditor

Dear Mr. Gilbert:

The City of Loris is in receipt of your June 22, 2011 letter and the preliminary draft copy of the report on agreed upon procedures to the accounting records for our Municipal Court.

The City has reviewed this preliminary draft and authorizes the release of this report to the appropriate people. I am certain the City will address and adhere to the findings as has been outlined in this report.

Thank you for the time and professionalism in which this review was done.

Sincerely,

David E. Stoudenmire, Jr.  
DESJr/mgd

C: Loris City Council  
Judge Aaron Butler, Loris Municipal Judge  
Mrs. Vicky Huggins, Clerk of Court, City of Loris

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