

**TOWN OF ALLENDALE MUNICIPAL COURT  
ALLENDALE, SOUTH CAROLINA**

**STATE AUDITOR'S REPORT**

**FOR THE PERIOD JANUARY 1, 2009  
THROUGH DECEMBER 31, 2011**

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# State of South Carolina



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

January 31, 2013

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

The Honorable Willard D. Branch, Jr., Municipal Judge  
Town of Allendale Municipal Court  
Allendale, South Carolina

Ms. Tanya Ward, Town Financial Director  
Town of Allendale  
Allendale, South Carolina

We have performed the procedures described below, which were agreed to by the Town of Allendale and the Town of Allendale Municipal Court, solely to assist you in evaluating the performance of the Town of Allendale Municipal Court for the period January 1, 2009 to December 31, 2011, in the areas addressed. The Town of Allendale and the Town of Allendale 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 fines, fees, assessments, surcharges, forfeitures, escheatments, or other monetary penalties.
- We obtained certain judgmentally selected Allendale Municipal Court dockets from the Clerk of Court. We randomly selected twenty-five 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 whether 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 Willard D. Branch, Jr., Municipal Judge,  
Ms. Tanya Ward, Town Finance Director  
Town of Allendale  
January 31, 2013

- We tested recorded court receipt transactions to determine that the receipts were remitted in a timely manner to the Town's finance department in accordance with State law.

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

## **2. Town Finance Director**

- 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 period January 1, 2009 through December 31, 2011. We agreed the line item 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 years ended June 30, 2010 and June 30, 2011, agreed to the State Treasurer's Revenue Remittance Forms and to the Town's general ledger. We also determined if the supplemental schedule 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, Accurate Reporting, Supporting Documentation 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 if any funds retained by the Town for victim assistance were accounted for in a separate account.
- We tested judgmentally selected victim assistance expenditures to ensure that the Town expended victim assistance funds in accordance with State law and South Carolina Court Administration Fee Memoranda, Attachment L.
- 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.

Our finding as a result of these procedures is presented in Accounting for Victim Assistance Funds in the Accountant's Comments section of this report.

The Honorable Nikki R. Haley, Governor  
and  
The Honorable Willard D. Branch, Jr., Municipal Judge,  
Ms. Tanya Ward, Town Finance Director  
Town of Allendale  
January 31, 2013

#### 4. Calculation of Over/(Under) Reported Amounts

- We prepared a schedule of fines, fees, assessments and surcharges for the Town for the 36 months ended December 31, 2011 using the Court's cash receipts records and monthly remittance reports. We compared amounts from this schedule to amounts reported on the State Treasurer's Revenue Remittance Forms and calculated the amount over/(under) reported by the Town by category.

The results of our procedures disclosed that the Town had underreported amounts due to the State. See Attachment 1 in the Accountant's Comments section of this report for further detail.

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, 2011, 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. Accordingly, we do not express such an opinion. 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 Town of Allendale Town Council, Town of Allendale Municipal Judge, Town of Allendale Finance Director, Town of Allendale Clerk of Court, 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.



Richard H. Gilbert, Jr., CPA  
Deputy State Auditor

**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 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 the individual was fined \$112.05 for leaving the scene of an accident involving an unattended vehicle.

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."

The Town Finance Director stated the error in the fine assessment was an oversight by Court staff.

We recommend the Municipal Court implement procedures to ensure that fines levied by the court adhere to applicable State law.

## **TIMELY SUBMISSION OF MUNICIPAL COURT MONTHLY REMITTANCE FORM**

During our testing of the Town's State Treasurer's Revenue Remittance Forms (STRRF), we noted five instances where the Municipal Court did not submit the monthly remittance forms and supporting financial data to the Town's finance department in accordance with State law. In addition, the Court was unable to provide us with monthly remittance forms in three instances; therefore, we were unable to determine if those forms were submitted in accordance with State law.

We used the submission date printed on the STRRF by the court's INCODE accounting software to determine if the forms were submitted timely. The forms were submitted from two to sixty-six working days late. The Finance Director stated the late submissions were due to court accounting software issues and/or the Town's former clerk of court's failure to submit the documentation in a timely manner.

Section 14-25-85 of the 1976 South Carolina Code of Laws, as amended, states, “All fines and penalties collected by the municipal court shall be forthwith turned over by the clerk to the treasurer of the municipality for which such court is held.” We determined forthwith to mean no more than five business days from the first working day of the month after collection.

We recommend the Municipal Court implement procedures to ensure the monthly remittance forms are submitted to the Town’s finance department in compliance with State law.

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

During our testing of the Town’s State Treasurer’s Revenue Remittance Forms (STRRF), we noted twenty-three out of thirty-six STRRF were not submitted to the State Treasurer by the fifteenth day of the month as required by State law. We determined the forms were submitted from one day to six months late.

The Town Finance Director stated some of the late submissions were due to court accounting software problems. In addition, during our engagement period the Town’s judge stepped down and the Town contracted with the county for new judges. These judges were unaware that the previous judge had submitted the STRRF to the State Treasurer and did not assume this responsibility.

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.

## **CONVICTION SURCHARGE**

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

The Town Finance Director stated the omission was due to an error in the Court's accounting system.

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 Municipal Court implement procedures to ensure the conviction surcharge is properly assessed and collected in accordance with State law.

## **ACCURATE REPORTING**

During our testing of the Town's State Treasurer's Revenue Remittance Forms (STRRF), we noted several amounts reported on the STRRF did not agree to the Town's court accounting records; therefore we prepared a schedule of court fines and fees for the 36 months ended December 31, 2011, to determine if the Court over or underreported amounts reported to the State. See Schedule of Court Fines and Fees Over/(Under) Reported (Attachment 1).

Town personnel stated the reporting differences were a result of errors in the Court accounting software and also misreporting by the Town's former clerk of court.

Section 14-1-220 of the 1976 South Carolina Code of Laws, as amended, states, "Each...municipal clerk of court or other person who receives monies from the cost of court assessments in criminal or traffic cases in the municipal courts shall transmit all these monies to the Office of the State Treasurer."

We recommend the Town implement procedures to ensure all court collections are reported and remitted to the State Treasurer in accordance with State law and have been reconciled to accounting records and reviewed for accuracy. We also recommend the Town revise and submit an amended STRRF in accordance with Attachment 1.

### **SUPPORTING DOCUMENTATION**

During our testing of the Town's State Treasurer's Revenue Remittance Forms (STRRF), Town personnel could not provide us with documentation to support the amounts reported on the January 2010, August 2011 and September 2011 STRRF. Town personnel stated the Municipal Court did not provide the Town with documentation to support the January 2010 STRRF and it is believed that SLED still has the Town's documentation to support the August 2011 and September 2011 STRRF for a pending court case involving the Town's former clerk of court.

Also, during our testing of Municipal Court collections and remittances, the Court was unable to provide us with the necessary court documents supporting four cases to determine if the individuals in these cases were sentenced in accordance with State law. According to Town personnel, the Town's Police Department/Municipal Court could not locate the documentation.

Section 14-1-208 (E)(4) of the 1976 South Carolina Code of Laws, as amended, states, "The clerk of court and municipal treasurer shall keep records of fines and assessments required to be reviewed pursuant to this subsection in the format determined by the municipal governing body and make those records available for review." In addition, South Carolina Court Administration's Summary Court Bench Book, Memoranda 1996-03, sets forth retention guidelines for various court documents.

We recommend the Town implement procedures to ensure court accounting records are maintained and readily available for review. We also recommend that all court records are retained in accordance with Court Administration's retention schedule.

### **ACCOUNTING FOR VICTIM ASSISTANCE FUNDS**

During our testing of victim assistance expenditures, we noted the Town did not maintain adequate documentation to support the following expenditures charged to the victim assistance fund: (1) \$423.75 for accommodations in Myrtle Beach, South Carolina on March 9, 2010 and April 6, 2010; (2) \$480.00 for accommodations in Myrtle Beach, South Carolina on April 10, 2011; and (3) a \$201.21 reimbursement to the Town of Allendale General Fund on November 12, 2010. Town personnel stated these expenditures were all for victim assistance conference accommodations and travel; however they could not provide us with detailed invoices or other documentation to support these expenditures. As a result we were unable to determine if these expenditures were allowable victim assistance expenditures.

Town personnel could not provide an explanation as to why no documentation to support the expenditures was maintained.

Section 14-1-208(D) of the 1976 South Carolina Code of Laws, as amended, states, "The revenue retained by the municipality under subsection (B) must be used for the provision of services for the victims of crime including those required by law. These funds must be appropriated for the exclusive purpose of providing victim services as required by Article 15 of Title 16; specifically, those service requirements that are imposed on local law enforcement, local detention facilities, prosecutors, and the summary courts." In addition, the South Carolina Court Administration Memorandum, Attachment L, dated June 26, 2009; June 24, 2010; and June 30, 2011, and the South Carolina Victim Service Coordinating Council,

Approved Guide for Expenditures of Monies Collected for Crime Victim Service in Municipalities and Counties, effective January 2010, set forth guidelines for expenditures of monies collected for crime victim services.

We recommend the Town reimburse the victim assistance fund for the expenditures that were not adequately supported by source documentation. We also recommend the Town establish and implement policies and procedures to ensure victim assistance revenue is used only for properly documented expenditures in accordance 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, 2011, we noted amounts reported for court fines and fees collected, court fines remitted to State Treasurer's Office, court fines and fees retained by the Town, and surcharges and assessments retained for victims services did not agree to the Town's general ledger.

Town personnel could not provide an explanation for the differences.

Section 14-1-208(E)(1) of the 1976 South Carolina Code of Laws, as amended, states, "The supplementary schedule must include the following elements: (a) all fines collected by the clerk of court for the municipal court; (b) all assessments collected by the clerk of court for the municipal court; (c) the amount of fines retained by the municipal treasurer; (d) the amount of assessments retained by the municipal treasurer; (e) the amount of fines and assessments remitted to the State Treasurer pursuant to this section; and (f) the total funds, by source, allocated to victim services activities, how those funds were expended, and any balances carried forward."

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

Town of Allendale Municipal Court  
 Schedule of Court Fines and Fees Over/(Under) Reported  
 For the 36 months ended December 31, 2011

Attachment 1

Allocation in Accordance with State Law

	Total Court Collections	Municipal Conditional Discharge Fee - \$150	DUS DPS Pullout - \$100	DUI Assessment - \$12	DUI Surcharge	DUI DPS Pullout - \$100	Drug Surcharge - \$100 per case	Law Enforc. Surcharge - \$25 Per Case	Criminal Justice Academy Surcharge - \$5 Per Case	Municipal - State Assessment	Municipal - Victim Services Assessment	Municipal - Victim Services Surcharge
Total YE December 2009	37,743.83		1,200.44				418.44	6,052.58	1,198.50	23,595.30	2,964.76	2,313.81
Total YE December 2010	50,189.46		1,646.49	1.74	14.61		1,076.06	6,912.33	1,317.66	32,728.74	4,112.48	2,379.35
Total YE December 2011	59,135.68	50.00	2,499.63	12.00	100.00		1,236.02	9,827.36	1,921.41	37,077.32	4,663.00	1,748.94
Total Court Collections *	147,068.97		5,346.56	13.74	114.61	-	2,730.52	22,792.27	4,437.57	93,401.36	11,740.24	6,442.10
Remittances per State Treasurer's Revenue Remittance Forms	128,673.71	50.00	5,413.78	13.74	114.61	-	2,573.96	22,769.99	4,400.42	93,337.21		
Total Retained for Victim Assistance	18,186.58										11,761.96	6,424.62
	<u>(208.68)</u>											
Balance Due From/(Due to) State	(212.92)		67.22	-	-	-	(156.56)	(22.28)	(37.15)	(64.15)		
Balance Due From/(Due to) Victim Assistance	4.24										21.72	(17.48)
State Treasurer Revenue Remittance Form Line		DA	F	G	H	I	J	K	KA	L	N	O

\* We did not include amounts collected/reported for January 2010, August 2011 and September 2011 because the Town could not provide support for those months. See our finding titled **Supporting Documentation** in the Accountant's Comments section of this report.

**TOWN'S RESPONSE**

April 1, 2013

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

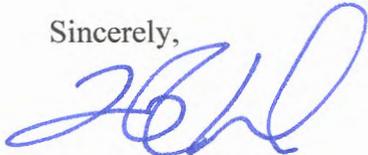
Re: Town of Allendale Municipal Court Report

Dear Mr. Gilbert:

Please, accept this letter as official indication that Municipal Judge Willard D. Branch, Jr. and I have reviewed the preliminary draft copy of the report resulting from your performance of agreed-upon procedures to the accounting records of the Town of Allendale Municipal Court for the period January 1, 2009 through December 31, 2011. We hereby authorize the release of the report, and do not have any additional responses or comments to offer at this time.

If you should have any questions or need any further information regarding this matter, please feel free to contact me at (803) 584-4619.

Sincerely,



Tanya R. Ward  
Finance Director

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