

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

**STATE AUDITOR'S REPORT
JUNE 30, 2013**

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**SAO
Transmittal
Letter**

State of South Carolina



Office of the State Auditor

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RICHARD H. GILBERT, JR., CPA
DEPUTY STATE AUDITOR

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June 11, 2014

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

The Honorable Isaac L. Pyatt, Municipal Judge
Ms. Mauretta Dorsey, Town Administrator
Town of Andrews
Andrews, South Carolina

This report resulting from the application of certain agreed-upon procedures to certain accounting records of the Town of Andrews Municipal Court System as of and for the year ended June 30, 2013, was issued by Cline Brandt Kochenower & Co., P.A., Certified Public Accountants, 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

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

April 17, 2014

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

The Honorable Isaac L. Pyatt, Chief Judge
Town of Andrews Municipal Court
Andrews, South Carolina

Ms. Mauretta Dorsey, Town Administrator
Town of Andrews
Andrews, South Carolina

We have performed the procedures described below, which were agreed to by the Town of Andrews and the Town of Andrews Municipal Court, solely to assist you in evaluating the performance of the Town of Andrews Municipal Court for the period July 1, 2012 to June 30, 2013, in the areas addressed. The Town of Andrews and the Town of Andrews 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 Andrews Municipal Court dockets from the Clerk of Court. We judgmentally 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 Isaac L. Pyatt, Chief, Judge
Ms. Mauretta Dorsey, Town Administrator
Town of Andrews
April 17, 2014

- 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, Installment Fee and Breathalyzer Fee in the Accountant's C o m m e n t s section of this report.

2. Finance/Town Administration

- We gained an understanding of the policies and procedures established by the Town for finance to ensure proper accounting for all fines, fees, assessments, surcharges, escheatments, or other monetary penalties.
- We obtained copies of all State Treasurer's Revenue Remittance Forms submitted by the Town for the period July 1, 2012 through June 30, 2013. 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. The Town did not provide us with a general ledger; therefore, we were unable to agree total revenue due to the State Treasurer to the Town's books.
- 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 were unable to obtain a supplemental schedule of fines and assessments for the fiscal year ended June 30, 2012 or the reconciliation to the State Treasurer's Revenue Remittance Forms with the Town's general ledger. We were unable to determine 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 the State Treasurer's Revenue Remittance Form and Supplementary Schedule in the Accountant's C o m m e n t s 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.

The Honorable Nikki R. Haley, Governor
and
The Honorable Isaac L. Pyatt, Chief, Judge
Ms. Mauretta Dorsey, Town Administrator
Town of Andrews
April 17, 2014

3. **Victim Assistance**, continued

- We were unable to obtain the supplemental schedule of fines and assessments in accordance with State law.
- We were unable to obtain 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 findings as a result of these procedures are presented in Victim Assistance Funds and Supplementary Schedule in the Accountant's C o m m e n t s section of this report.

4. **Status of Prior Findings**

- We inquired about the status of findings reported in the Accountant's Comments section of the State Auditor's Report for the twelve month period ended April 30, 2006 and dated August 4, 2006, to determine if the Town had taken adequate corrective action.

Our findings as a result of these procedures are presented as the Status of Prior Findings in the Accountant's C o m m e n t s section of this report.

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, 2013, 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 Andrews Town Council, Town of Andrews Municipal Judge, Town of Andrews Clerk of Court, Town of Andrews Finance Director, 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.



Cline Brandt Kochenower & Co. P.A.

**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 the following instances in which the clerk did not process violations in accordance with State law.

- 1) Based on the CDR code entered, one window tinting violation related to an illegal professional installation of window tinting material. The total fine amount was not in accordance with the guidelines. The ticket related to a traffic stop for a vehicle that had illegal tinting.
Another violation was a speeding ticket that had been pled down to a lower offense. The CDR code entered related to the original charge.
- 2) The clerk entered a 2001 case into the system to record a Non-Resident Violators Compact (NRVC) violation payment in order to collect the fine for the conviction. The violation included a Criminal Justice Academy surcharge pursuant to Section 90.5, Part 1B Temporary Provisos of the current year state budget. This surcharge was not in existence in 2001 and therefore should not have been assessed on this violation.
- 3) One individual charged with DUAC – 1ST was fined less than the \$400 required by statute. Section 56-5-2933(A) of the 1976 South Carolina Code of Laws, as amended, states “A person ... must be punished as follows: (1) for a first offense, by a fine of four hundred dollars or imprisonment for not less than forty-eight hours nor more than thirty days.
- 4) Two individuals charged with Driving Under Suspension [DUS] 2nd were fined less than the \$600 required by statute. Section 56-1-460 of the 1976 South Carolina Code of Laws, as amended, states “... a person ... must, upon conviction, be punished as follows: ... (b) for a second offense, fined six hundred dollars or imprisoned for sixty consecutive days, or both;”

ADHERENCE TO FINE GUIDELINES, Continued

The Town Clerk of Court stated the errors noted in 1) occurred because the clerk entered the incorrect CDR code for the violation into the software. Because the software can assess fines, assessments and surcharges based on the CDR code used, the software did not properly assess these violations in relation to the judge's sentence. The Town Clerk of Court also stated the errors noted in 2) – 4) above were caused by clerk error inputting data.

We recommend the Municipal Court implement procedures to ensure that fines levied by the court adhere to applicable State law and that an adequate review process is in place to reduce input errors.

INSTALLMENT FEE

During our test of Municipal Court collections and remittances, we noted the Court did not assess and collect the three percent installment fee from three defendants that had paid the total amount due in installments.

The Court's policy is to charge and collect the three percent installment fee on any cases where the defendant pays in installments; however, in these instances the applicable information was not input into the court accounting software so the three percent was not applied to the defendants' accounts.

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...".

We recommend the Court ensures the installment fee is charged and collected in accordance with State law.

BREATHALYZER FEE

During our test of Municipal Court collections and remittances, we noted one instance where the Court assessed the \$25 breathalyzer test fee for a DUI case in which the defendant refused the breathalyzer test and was subsequently convicted.

Section 56-5-2950(B) of the 1976 South Carolina Code of Laws, as amended, states, “No tests may be administered or samples obtained unless, ..., the person has been given a written copy of and verbally informed that:

(1) he does not have to take the test or give the samples,....”

The Clerk of Court stated the software requires manual intervention in order to properly assess the Breathalyzer fee and this was not done.

We recommend the Court follow its policies and procedures to ensure the breathalyzer fee is properly assessed in accordance with 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 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 seven to two hundred thirty-one days late.

The Town Treasurer stated forms were submitted as Town finances allowed.

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.

VICTIM ASSISTANCE FUNDS

We were unable to obtain a general ledger to trace court revenue into the various accounts, including victim services, to determine if the fund balance was carried forward or to ensure that the Town properly accounted for its victim services funds. The Town however provided us with bank statements entitled "Town of Andrews Victims" which we used to trace deposits made during the procedures period. We were unable to trace all required deposits into this account. We determined from our scan of the account activity that there were no expenditures during the procedures period and also that the available balance is maintained from one fiscal year to the next.

Section 14-1-208(B) states "The city treasurer must remit 11.16 percent of the revenue generated by the assessment imposed in subsection (A) to the municipality to be used for the purposes set forth in subsection (D)..." and Section 14-1-211(B) states "The revenue collected pursuant to subsection (A)(1) must be retained by the jurisdiction which heard or processed the case and paid to the city or county treasurer, for the purpose of providing services for the victims of crime, including those required by law."

The Town Administrator stated the town made deposits as funds became available.

We recommend the Town determine if any amount is owed to the victim services account and properly account for this liability and this fund in its general ledger. We also recommend the Town establish and implement policies and procedures to ensure victim assistance revenue is used only for allowable expenditures and is deposited in this fund timely.

SUPPLEMENTARY SCHEDULE

The Town did not provide us with an audited financial statement or a schedule of fines and assessments for our testing.

Section 5-7-240 of the South Carolina Code of Laws, as amended, states, “The council shall provide for an independent annual audit of all financial records and transactions of the municipality and any agency funded in whole by municipal funds...”. In addition, Section 14-1-208(E) of the South Carolina Code of Laws, as amended, states, “To ensure that fines and assessments imposed pursuant to this section and Section 14-1-209(A) are properly collected...the annual independent external audit required to be performed for each municipality...must include...a supplementary schedule detailing all fines and assessments collected...” .

Town personnel could not explain why the financial audit and schedule were not available.

We recommend the Town contract with an independent Certified Public Accountant to conduct an audit of its financial statements annually. In addition, we recommend the Town prepare a schedule of fine and assessments and include it as a supplementary schedule to its financial statements.

SECTION B – STATUS OF PRIOR FINDINGS

During the current engagement, we reviewed the status of corrective action taken on each of the findings reported in the Accountant's Comments section of the Report on Agreed Upon Procedures of the Town of Andrews Municipal Court for the twelve month period ended April 30, 2006 and dated August 4, 2006. We determined that the Town of Andrews has taken adequate corrective action on the deficiency titled Proper Assessment/Fine/Surcharge Allocation on Old Fines by implementing new software. However, we noted additional deficiencies during our test work which will be reported in similar findings in Section A of the report. We also determined that the deficiencies outlined in the findings titled Timely Submission of State Treasurer's Revenue Remittance Form and Schedule of Fines and Assessments Not Available for Testing still exist; consequently we have reported similar findings in Timely Submission of the State Treasurer's Revenue Remittance Form and Supplementary Schedule, respectively, in Section A of the report.

**MUNICIPALITY'S
RESPONSE**

MUNICIPALITY'S RESPONSE

The management of the of Andrews has been provided a copy of the finding(s) identified in the Accountant's Comments Section of this report and has elected not to provide a written response to finding(s).