

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

**State Auditor's Report
April 30, 2006**

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

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State of South Carolina



Office of the State Auditor

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September 13, 2006

The Honorable Mark Sanford, Governor
State of South Carolina
Columbia, South Carolina

The Honorable Vickie Brinkley, Clerk of Court
Town of Jackson
Jackson, South Carolina

This report resulting from the application of certain agreed-upon procedures to certain accounting records of the Town of Jackson Municipal Court for the period May 1, 2005 through April 30, 2006, 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 Accountants' Report on Applying Agreed-Upon Procedures

Richard H. Gilbert, Jr., CPA
Deputy State Auditor
Office of the State Auditor
Columbia, South Carolina

We have performed the procedures described below which were agreed to by the South Carolina Office of the State Auditor solely to assist these users in evaluating the performance of the Town of Jackson Municipal Court System and to assist the South Carolina Office of the State Auditor in complying with the 2005 - 2006 General Appropriations Act (H. 3716) Section 72.86. Vickie Brinkley, Clerk of Court for the Town of Jackson is responsible for compliance with the requirements for the Municipal Court reporting and the South Carolina Office of the State Auditor is responsible for compliance with the requirements of the 2005 - 2006 General Appropriations Act (H. 3716) Section 72.86. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the 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 associated findings are as follows:

1. TIMELY REPORTING BY THE CLERK OF COURT

- We researched South Carolina Code of Laws Section 14-25-85 to determine the definition of timely reporting with respect to the Clerk of Court's responsibility for reporting fines, fees and assessments to the Municipal Treasurer.
- We inquired of the South Carolina Judicial Department to determine their requirements for both the manner in which partial pay fines and fees are to be allocated and the timing of the report and remittance submissions by the Clerk and the Treasurer.
- We inquired of the Clerk of Court and Municipal Treasurer to gain an understanding of their policy for ensuring timely reporting and to determine how the treasurer specifically documents timeliness.
- We inspected documentation, including the Clerk of Court Remittance Forms or equivalents for the months of May 1, 2005 through April 30, 2006 to determine if the Clerk of Court submitted the reports to the municipal treasurer in accordance with the law.

We found no exceptions as a result of the procedures.

2. TIMELY ACCURATE RECORDING AND REPORTING BY THE TOWN

- We traced each month's reporting by the Clerk of Court to the Municipal Treasurer's Office and to the Town's general ledger accounts for the assessments (Sections 14-1-208(A), (B) and (D)) and victim's assistance surcharge (Section 14-1-211) for the period May 1, 2005 to April 30, 2006.
- We compared the amounts reported on the Clerk of Court Remittance Forms or equivalents to the Clerk of Court's software system-generated report summaries for three judgmentally determined test months. We tested the system-generated reports for compliance with various laws including Section 35.11 of the General Appropriations Act for the fiscal year 2005 – 2006 and with South Carolina Judicial Department training instructions and interpretations.
- We judgmentally selected and compared individual fine and assessment amounts recorded in the Clerk of Court's software system-generated detail reports to the Judicial Department guidelines' range for the offense code to see if the fine and assessment were within the minimum and maximum range.

We found no exceptions as a result of the procedures.

3. PROPER VICTIM'S ASSISTANCE FUNDS ACCOUNTING

- We inquired as to the format determined by Town council and local policy for record keeping as it relates to fines and assessments in accordance with Section 14-1-208(E)(4).
- We compared the fiscal year-ended June 30, 2005 audited Victims' Rights Fund fund balance with all adjustments to the fund balance shown in the Schedule of Fines, Assessments and Surcharges on page 28 of the audited financial statement and to the beginning fund balance as adjusted in that fund for fiscal year 2005.
- We judgmentally selected a sample of Victim's Rights Fund reimbursable expenditures and verified that these expenditures were in compliance with Section 14-1-208(E) and Section 14-1-211(B).

We found no exceptions as a result of the procedures.

4. TIMELY ACCURATE REPORTING TO THE STATE TREASURER

- We vouched the amounts reported in the South Carolina State Treasurer's Revenue Remittance Forms to Clerk of Court Remittance Forms or equivalents for the period May 1, 2005 to April 30, 2006.
- We scanned the South Carolina State Treasurer's Revenue Remittance Forms for timely filing in accordance with Section 14-1-208(B).
- We traced amounts recorded in the Town's financial statement Schedule of Fines, Assessments and Surcharges on page 28 of the year ended June 30, 2005 report related to fines and assessments revenues reporting in accordance with Section 14-1-208(E) to supporting schedules used in the audit to comply with Section 14-1-208(E).
- We traced and agreed amounts in the supporting schedules to the Clerk of Court Remittance Forms or South Carolina State Treasurer's Revenue Remittance Forms.

Our findings are reported under "TIMELY ACCURATE REPORTING TO THE STATE TREASURER" in the Accountants' Comments 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 April 30, 2006 and, furthermore, we were not engaged to express an opinion on the effectiveness of the 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.

This report is intended solely for the information and use of the Office of the State Auditor, Chairmen of the House Ways & Means Committee, Senate Finance Committee, House Judiciary Committee, Senate Judiciary Committee, State Treasurer, Office of Victim Assistance, Chief Justice and the Governor and is not intended to be and should not be used by anyone other than these specified parties.

July 28, 2006

ACCOUNTANTS' COMMENTS

TOWN OF JACKSON MUNICIPAL COURT
JACKSON, SOUTH CAROLINA
State Auditor's Report
April 30, 2006

MATERIAL WEAKNESSES AND/OR VIOLATIONS OF STATE LAWS, RULES OR REGULATIONS

The procedures agreed to by the agency require that we plan and perform the engagement to obtain reasonable assurance about whether noncompliance with the requirements of State Laws, Rules, or Regulations occurred and whether internal accounting controls over certain transactions were adequate. Management of the entity is responsible for establishing and maintaining internal controls. A material weakness is a condition in which the design or operation of one or more of the specific internal control components does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Therefore, the presence of a material weakness or violation will preclude management from asserting that the entity has effective internal controls.

The conditions described in this section have been identified as material weaknesses or violations of State Laws, Rules, or Regulations.

TOWN OF JACKSON MUNICIPAL COURT
JACKSON, SOUTH CAROLINA
State Auditor's Report, Continued
April 30, 2006

TIMELY ACCURATE REPORTING TO THE STATE TREASURER

TIMELY FILING

CONDITION: Five of the twelve State Treasurer's Remittance Reports for the procedures period May 31, 2005 through April 30, 2006 were not timely filed. The delays ranged from 4 to 42 days late.

CRITERIA: South Carolina Code of Laws Section 14-1-208(B) requires that the Town Treasurer remit the balance of the assessment money to the State Treasurer by the fifteenth day of the month.

CAUSE: Although the Clerk of Court was timely in submitting her report to the Town Treasurer, the Town Treasurer submitted her reports late to the State.

EFFECT: The Town did not comply with the timely filing law.

AUDITORS' RECOMMENDATION: The City should develop and implement a policy to ensure compliance with State law.

SCHEDULE OF FINES AND ASSESSMENT

CONDITION: The Supplementary Schedule of Fines and Assessments, which was prepared by an independent external auditor and submitted to the State, did not include all information that is required by law to be in the schedule. It did not list assessments separately. It also did not list victim's assistance revenues by source or victim's assistance expenses. The schedule did not show a fund balance or carry forward balance for the victim's assistance fund.

CRITERIA: South Carolina Code of Laws Section 14-1-208(E) requires that the municipality have an audited supplementary schedule indicating all fines and assessments collected by the municipal court, the amount of the fines and assessments retained by the Town Treasurer and the amount of fines and assessments remitted to the State Treasurer, and the total funds, by source, allocated to victim services activities, how those funds were expended, and any balances carried forward.

CAUSE: The Town was not familiar with the law and did not review the schedule to ensure it included all required information on the schedule before it was submitted to the State Treasurer.

EFFECT: The Supplementary Schedule of Fines and Assessments did not comply with South Carolina Code of Laws Section 14-1-208(E)(1)(b & f)

AUDITORS' RECOMMENDATION: The Town should ensure their schedule complies with State law.

I received a draft copy of the audit report for the Town of Jackson. I am disputing a statement made in the report "Although the Clerk of Court was timely in submitting her report to the Town Treasurer, the Town Treasurer submitted her reports late to the State"

I, as treasurer, do not submit the reports. The Court Clerk is responsible for sending reports to the State Treasurer. I as treasurer write the state treasurer checks send them for a second signature, and then they are sent to another office for mailing. The submitted date of the fee report is not necessarily the day I receive the report, as on numerous occasions I have had to request the report. To avoid this situation in the future a received and mailed stamp will be used by the Town; we are also contemplating electronic submission of funds.

The statement should be amended to state the Town submitted the reports late to the State; this is due to the fact at least 4 people are involved in getting the check to the state treasurer's office. Only one person is responsible for the reporting to the state, the clerk of court.

I have never received in my 16 years as treasurer a late notice from the state treasurer's office concerning reports or funds; I'm concerned that this is the first notification.

I was unable to attend the audit to answer any questions, due to the fact I was on a prescheduled vacation. I feel that the audit should have been rescheduled if my records were needed or concerns needed addressing.

Please consider this my written statement on the audit.

Bonnie L. Stikeleather
Clerk/Treasurer
803-471-2221