

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

**State Auditor's Report on Applying
Agreed-Upon Procedures
June 30, 2008**

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

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State of South Carolina



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November 18, 2008

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

The Honorable Antoinette Marra, Municipal Judge
Town of Lamar
Lamar, South Carolina

This report resulting from the application of certain agreed-upon procedures to certain accounting records of the Town of Lamar Municipal Court System for the period July 1, 2007 through June 30, 2008, 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/cwc

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 Lamar Municipal Court System and to assist the South Carolina Office of the State Auditor in complying with the 2007-2008 General Appropriations Act (H. 3620) Section 72.75. Antoinette Marra, Judge for the Town of Lamar, 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 2007-2008 General Appropriations Act (H. 3620) Section 72.75. 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 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 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 July 1, 2007 through June 30, 2008 to determine if the Clerk of Court submitted the reports to the Treasurer in accordance with the law.

Our findings are reported under "TIMELY REPORTING BY THE CLERK OF COURT" in the Accountants' Comments section of this report.

2. TIMELY ACCURATE RECORDING AND REPORTING BY THE TOWN

- We traced each month's reporting by the Clerk of Court to the Treasurer's Office and to the Town's general ledger accounts for the assessments (Sections 14-1-208(A), (B) and (D)) and Victim Assistance surcharge (Section 14-1-211) for the period July 1, 2007 through June 30, 2008.
- 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 2007-2008 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.

Our findings are reported under "TIMELY ACCURATE RECORDING AND REPORTING BY THE TOWN" in the Accountants' Comments section of this report.

3. PROPER VICTIM 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, 2007 audited Victim Assistance Fund fund balance with all adjustments to the fund balance shown in the Supplemental Schedule of Fines and Assessments of the audited financial statement on page 24 and to the beginning fund balance as adjusted in that fund for fiscal year 2008.
- We judgmentally selected a sample of Victim Assistance Fund reimbursable expenditures and verified that these expenditures were in compliance with Section 14-1-208(E) and Section 14-1-211(B).

Our findings are reported under "PROPER VICTIM ASSISTANCE FUNDS ACCOUNTING" in the Accountants' Comments section of this report.

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 July 1, 2007 through June 30, 2008.
- 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 Supplemental Schedule of Fines and Assessments of the year ended June 30, 2007 report related to fines and assessments revenues reporting on page 24 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.

5. STATUS OF PRIOR FINDINGS

- We tested the Town's responses to the findings of the State Auditor's Report on Agreed-upon Procedures for the procedures period April 30, 2006 dated June 27, 2006.
- Using receipt books provided we traced receipts for careless operation of a vehicle violations from the receipt books to the software program for the period January 1, 2004 through April 2006.
- Using State Treasurer's Revenue Remittance forms provided we compared the amounts due to the State to amounts received by the State to determine if the Town had over/(under) remitted court fines, fees and assessments to the State Treasurer's Office.

Our findings are reported under "STATUS OF PRIOR YEAR FINDINGS" 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 June 30, 2008 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 Governor, Chairmen of the House Ways and Means Committee, Senate Finance Committee, House Judiciary Committee, Senate Judiciary Committee, members of the Lamar Town Council, Town Clerk of Court, Town Treasurer, State Treasurer, State Office of Victim Assistance, Chief Justice and the Office of the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.



September 15, 2008

ACCOUNTANTS' COMMENTS

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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. 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.

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TIMELY REPORTING BY THE CLERK OF COURT

TIMELY FILING

CONDITION: Nine of the twelve State Treasurer's Remittance Reports for the procedures period July 1, 2007 through June 30, 2008 was not timely filed with the Town Treasurer. A similar finding was noted in the State Auditor's Report for the procedures period ended April 30, 2006 and dated June 27, 2006.

CRITERIA: South Carolina Code of Laws Sections 14-1-208 (A) states "...This assessment must be paid to the municipal clerk of court and deposited with the city treasurer for remittance to the State Treasurer." Section 14-1-208(B) states further "The city treasurer must remit ... on a monthly basis by the fifteenth day of each month...."

CAUSE: The Judge did not remit the report in a timely manner.

EFFECT: The Judge did not comply with the timely filing requirement.

AUDITORS' RECOMMENDATION: The Judge should develop and implement procedures to ensure compliance with applicable law.

TIMELY ACCURATE RECORDING AND REPORTING BY THE TOWN

ADHERENCE TO JUDICIAL DEPARTMENT FINE GUIDELINES

CONDITION: The Municipal Court Judge was not adhering to the Judicial Department minimum/maximum fine guidelines included in the laws. A similar finding was noted in the State Auditor's Report for the procedures period ended April 30, 2006 and dated June 27, 2006.

CRITERIA: Judicial Department Guidelines for Fines – Minimums and Maximums. These guidelines are obtained from the minimum and maximum fines recorded in the respective laws.

CAUSE: The Judge did not use the current Judicial Department's fine guidelines.

EFFECT: By not assessing the minimum fines as required in the legislation, the Town is violating the law.

AUDITORS' RECOMMENDATION: We recommend that the Town comply with the fine guidelines.

COURT DISPOSITIONS NOT COMPLETED

CONDITION: Court cases that have been found guilty and entered in the software as such are not being processed at month end for payment to the parties due their allocations.

CRITERIA: South Carolina Code of Laws Section 14-1-208 (B) states "The city treasurer must remit 12 percent of ... the assessment ... to the municipality and remit the balance of the assessment revenue to the State Treasurer on a monthly basis by the fifteenth day of each month.... Assessments paid in installments must be remitted as received."

CAUSE: The judge entered dispositions and payments on violations in the computer system but did not close all the cases.

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EFFECT: The software does not include these payments in reports to the State until they are closed. By not including all of the payments as required in the law, the Town is violating the law.

AUDITORS' RECOMMENDATION: We recommend the judge close all outstanding adjudicated cases and properly report money collected to all parties.

IMPROPER CLASSIFICATION OF VIOLATIONS

CONDITION: The collections for Open Container, Trespassing and Simple Possession were not properly classified upon input in the software to assess a conviction surcharge and properly allocate the amount collected.

CRITERIA: South Carolina Code of Laws Section 14-1-211(A)(1) states, "... a twenty-five dollar surcharge is imposed on all convictions obtained in ... municipal court The surcharge must not be imposed on convictions for misdemeanor traffic offenses."

CAUSE: The judge input these charges as misdemeanor traffic offenses rather than non-traffic offenses.

EFFECT: The conviction surcharge collections were allocated between fines and assessments rather than to conviction surcharge.

AUDITORS' RECOMMENDATION: We recommend the Town reimburse the liability to the Victim Assistance.

RECEIPT OMISSIONS

CONDITION: The Judge did not enter every receipt for fine payments within the procedures period timely. A similar finding was noted in the State Auditor's Report for the procedures period ended April 30, 2006 and dated June 27, 2006.

CRITERIA: South Carolina Code of Laws Section 14-1-208 (B) states "The city treasurer must remit 12 percent of ... the assessment ... to the municipality and remit the balance of the assessment revenue to the State Treasurer on a monthly basis by the fifteenth day of each month Assessments paid in installments must be remitted as received."

CAUSE: The Judge's workload prevented her from entering all receipts timely.

EFFECT: The Town retained monies collected beyond the time to report those collections.

AUDITORS' RECOMMENDATION: The Town should develop and implement procedures to timely enter all receipts for fines collected.

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PROPER VICTIM ASSISTANCE FUNDS ACCOUNTING

LACK OF PROPER ACCOUNTING

CONDITION: The Town does not properly account for the Victim Assistance money it collects. The Town does not maintain accurate financial records for Victim Assistance financial activity. A similar finding was noted in the State Auditor's Report for the procedures period ended April 30, 2006 and dated June 27, 2006.

CRITERIA: South Carolina Code of Laws Section 14-1-208 (B) states "The city treasurer must remit ... the assessment ... to the municipality to be used for the purposes set forth in subsection (D)" and Code of Laws Section 14-1-208 (E)(4) states "The clerk of court and municipal treasurer shall keep records of fines and assessments required to be reviewed pursuant to this subsection...."

CAUSE: The Town has not established separate accounts for Victim Assistance.

EFFECT: The Town has no information to enable it to manage Victim Assistance funds in accordance with the law.

AUDITORS' RECOMMENDATION: The Town should design and implement a system that will prospectively keep accurate records. The Town should comply with law and remit revenue to the Victim Assistance account monthly and also make monthly accounting entries to the Victim Assistance account.

TIMELY ACCURATE REPORTING TO THE STATE TREASURER

TIMELY FILING

CONDITION: Nine of the twelve State Treasurer's Remittance Reports for the procedures period July 1, 2007 through June 30, 2008 were not filed timely. These reports were submitted 33 to 185 days late. One report was never submitted to the State Treasurer. A similar finding was noted in the State Auditor's Report for the procedures period ended April 30, 2006 and dated June 27, 2006.

CRITERIA: South Carolina Code of Laws Sections 14-1-208 (B) states "The city treasurer must remit ... on a monthly basis by the fifteenth day of each month...."

CAUSE: The Town has not developed procedures to ensure that reports are submitted timely.

EFFECT: As a result the Treasurer was late in filing the report nine times.

AUDITORS' RECOMMENDATION: The Town should comply with State law.

SUPPLEMENTAL SCHEDULE OF FINES AND ASSESSMENTS

CONDITION: The Supplemental Schedule of Fines and Assessments, which was prepared by an independent external auditor and submitted to the State, did not include all of the information that is required by law to be included on the schedule. The schedule did not include the beginning balance or any balance carried forward. A similar finding was noted in the State Auditor's Report for the procedures period ended April 30, 2006 and dated June 27, 2006.

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CRITERIA: South Carolina Code of Laws Section 14-1-208(E) states "the annual independent external audit ... must include ... a supplementary schedule detailing all fines and assessments collected at the court level, the amount remitted to the municipal treasurer, and the amount remitted to the State Treasurer."

CAUSE: The Town relied on the independent auditor to include all required information on the schedule.

EFFECT: The Supplemental Schedule of Fines and Assessments did not comply with the law.

AUDITORS' RECOMMENDATION: The Town is responsible for the schedule and therefore should ensure the schedule complies with State law.

ACCURACY IN FILED REMITTANCE REPORTS

CONDITION: The judge did not input all receipts for the period into the system timely; therefore, the State Treasurer's Office Revenue Remittance forms that were submitted during the procedures period were not complete.

CRITERIA: South Carolina Code of Laws Section 14-1-208(B) states "The city treasurer must 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."

CAUSE: The judge did not input all receipts into the software program.

EFFECT: The Town has not reported all the monies collected for the period to the State.

AUDITORS' RECOMMENDATION: The Town should develop and implement procedures to ensure all receipts for the period are input timely into the system and reports are complete. The Town should immediately input all outstanding receipts and report all collections for past periods to the State Treasurer's Office.

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SECTION B –STATUS OF PRIOR FINDINGS

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 State Auditor's Report on the Town of Lamar for the procedures period ended April 30, 2006, and dated June, 27, 2006. We determined that the Town has taken no corrective action on each of the following:

- Manual receipt system
- Adherence to Judicial Department fine guidelines
- Lack of proper Victim Assistance accounting
- Timely filing
- Supplemental Schedule of Fines and Assessments

The above findings were repeated for the procedures period ending June 30, 2008.

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CORRECTIVE ACTION PLAN:

My plan is to follow through with the recommendations from the Preliminary auditor's report sent to the Lamar Municipal Court. I can't speak for the prior judge, I can only answer to my findings and mistakes. I will advise the mayor and city council to pay what is owed to the state treasurer's office. I will also ask the town treasurer to get us a separate account for our victim's fund. I will be working closely with the Chief of Lamar in getting the violation codes put in the system correctly so that the surcharges will be administered and pay to the state treasurer's office. We will be preparing judge's and officer manuals for our software. I will see that the assessments are done in a timely manner and if late there needs to be an explanation given to the mayor and judge. This is a part-time position and once everything is put into play and done right it will be easier to keep correct. I noticed in the report that most of it was done from 2006 and prior, with this in mind, I have to go and correct the violation codes to show the correct amount of money and where it should have gone. Thank you for giving us a chance to correct the problem.

Sincerely;

Antionette Marra Judge of Lamar