

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

**State Auditor's Report on Applying
Agreed-Upon Procedures
March 31, 2007**

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

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State of South Carolina



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November 15, 2007

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

The Honorable Tameka McLain, Clerk of Court
Town of McColl
McColl, South Carolina

This report resulting from the application of certain agreed-upon procedures to certain accounting records of the Town of McColl Municipal Court System for the period April 1, 2006 through March 31, 2007, 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 McColl Municipal Court System and to assist the South Carolina Office of the State Auditor in complying with the 2006 - 2007 General Appropriations Act (H. 4810) Section 72.80. Tameka McLain, Clerk of Court for the Town of McColl, 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 2006 - 2007 General Appropriations Act (H. 4810) Section 72.80. 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 April 1, 2006 to March 31, 2007 to determine if the Clerk of Court submitted the reports to the municipal treasurer in accordance with the law.

Our finding is 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 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 assistance surcharge (Section 14-1-211) for the period April 1, 2006 – March 31, 2007.
- 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 2006 – 2007 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 finding is 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, 2006 audited Victim Assistance Fund fund balance with all adjustments to the fund balance shown in the Schedule of Fines, Assessments and Surcharges of the audited financial statement to the beginning fund balance as adjusted in that fund for fiscal year 2007.
- We judgmentally selected a sample of Victim Assistance Fund reimbursable expenditures and verified that these expenditures were in compliance with Section 14-1-208(D) and Section 14-1-211(B).

Our finding is 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 April 1, 2006 to March 31, 2007.
- 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 of the year ended June 30, 2006 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 March 31, 2007 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 McColl 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.



June 7, 2007

ACCOUNTANTS' COMMENTS

TOWN OF MCCOLL MUNICIPAL COURT
MCCOLL, SOUTH CAROLINA
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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

NO COURT REPORTING SYSTEM

CONDITION: The Town does not have a system in place to properly track and account for court revenues.

CRITERIA: South Carolina Code of Laws Section 14-17-725 states "The clerk of court and municipal treasurer shall keep records of fines and assessments required to be reviewed...."

CAUSE: The Town has had staff turnover and has not provided new employees training on court administration policies and procedures.

EFFECT: The Town does not properly account for court fines, assessments and surcharges. In addition, the Town is not complying with court administration laws.

AUDITORS' RECOMMENDATION: The Town should develop and immediately implement procedures to ensure proper accounting of court fines, assessments and surcharges. The Town should stay current in their reporting prospectively while bringing reports in arrears up to date. The Town should comply with State law.

TIMELY ACCURATE RECORDING AND REPORTING BY THE TOWN

INSTALLMENT PAYMENT COLLECTION FEE

CONDITION: The Town has elected not to assess the 3% collection fee on all fines paid on an installment basis as mandated by law.

CRITERIA: South Carolina Code of Laws Section 14-17-725 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.... "

CAUSE: The Town was unaware of the required 3% collection fee on partial payments.

EFFECT: The Town is not complying with Section 14-17-725 when they do not assess the 3% collection fee.

AUDITORS' RECOMMENDATION: We recommend the Town comply with the law related to installment payments and collect the 3% fee as required by law.

PROPER VICTIM ASSISTANCE FUNDS ACCOUNTING

LACK OF VICTIM ASSISTANCE ACCOUNTING

CONDITION: The Town is not properly accounting for and allocating court fines to the Victim Assistance program.

CRITERIA: South Carolina Code of Laws Section 14-1-208 (B) states "The city treasurer must remit 12 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 South Carolina Code of Laws Section 14-1-208 (D) states "These funds must be appropriated for the exclusive purpose of providing victim services... All unused funds must be carried forward from year to year and used exclusively for the provision of services for victims of crime. All unused funds must be separately identified...."

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CAUSE: The Town has not segregated collections into assessments and fines in the last three years. Court money collected is retained by the Town and recorded in the general fund.

EFFECT: Because there has been no accounting for Victim Assistance, the Town has not complied with the law.

AUDITORS' RECOMMENDATION: The Town must develop and implement procedures to prospectively comply with the calculation and identification of Victim Assistance funds. The Town should obtain from the extant records the information it needs to retroactively account for Victim Assistance funds and properly segregate and identify those funds levied for the exclusive purpose of providing Victim Services. The Town should develop and implement a policy whereby they can comply with State law.

TIMELY ACCURATE REPORTING TO THE STATE TREASURER

TIMELY FILING

CONDITION: All twelve of the State Treasurer's Remittance Reports for the procedures period April 30, 2006 through March 31, 2007 were not filed timely. No reports have been filed since January of 2004.

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 Town treasurer must remit ... on a monthly basis by the fifteenth day of each month...."

CAUSE: The Town has endured a lot of staff turnover and information about proper court administration was not passed along to the new staff members. The current staff lacks training in court administrative processes.

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

AUDITORS' RECOMMENDATION: The Town should develop and immediately implement procedures to correct the deficiency. The Town should stay current in their reporting prospectively while bringing reports in arrears up to date. The Town should comply with State law.

REQUIRED SUPPLEMENTAL SCHEDULE OF FINES AND ASSESSMENTS

CONDITION: The required supplemental schedule of fines and assessments was not available for testing.

CRITERIA: South Carolina Code of Laws Section 14-1-208(E) 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 ... must include ...a supplementary schedule detailing all fines and assessments collected"

CAUSE: The Town has not had a financial audit since June 30, 2003. Because there has been no audit of the financial statements, no supplemental schedule of fines and assessments has been prepared and submitted as required by State law.

EFFECT: The Town has not complied with the law.

AUDITORS' RECOMMENDATION: We recommend the Town prepare a schedule that meets the requirements of Section 14-1-208(E) (a) through (f) and have it audited annually in accordance with the requirement.

TWO RAILROADS
PEE DEE RIVER
CSX

TWO MAIN HIGHWAYS
15 AND 38

TOWN of McCOLL

A PROGRESSIVE CITY OF 3,000

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McCOLL, SOUTH CAROLINA

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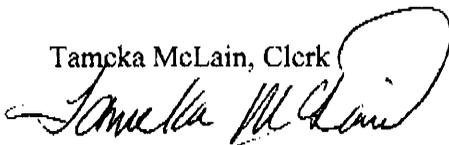
November 16, 2007

To Whom It May Concern:

The Town of McColl reviewed the State Audit Report. The timely reporting by the clerk of court is now in process of purchasing new software for our court system. We are making every effort to correct these problems. This new system will help us send the reports in timely.

Thank you so very much for your help.

Tamcka McLain, Clerk



Mayor Gary Quick

