

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

STATE AUDITOR'S REPORT

JUNE 30, 2015

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**South Carolina
Office of the State Auditor**

**George L. Kennedy, III, CPA
State Auditor**

May 25, 2016

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

The Honorable Thomas L. Scoggins, Chief Judge
Ms. Katie Richardson, Clerk of Court
Town of Ridgeland
Ridgeland, South Carolina

This report resulting from the application of certain agreed-upon procedures to certain accounting records of the Town of Ridgeland Municipal Court System as of and for the year ended June 30, 2015, was issued by Steven L. Blake, CPA, 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 blue ink that reads "George L. Kennedy, III".

George L. Kennedy, III, CPA
State Auditor

GLKIII/sag

STEVEN L. BLAKE, CPA

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

May 25, 2016

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

The Honorable Thomas L. Scoggins, Chief Judge
Ms. Katie Richardson, Clerk of Court
Town of Ridgeland Municipal Court
Ridgeland, South Carolina

I have performed the procedures described below, which were agreed to by the Town of Ridgeland Municipal Court, solely to assist you in evaluating the performance of the Town of Ridgeland Municipal Court for the period July 1, 2014 through June 30, 2015, in the areas addressed. The Town of Ridgeland Municipal Court is 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 Office of the State Auditor and the Town of Ridgeland Municipal Court. Consequently, I 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

- I gained an understanding of the policies and procedures established by the Clerk of Court to ensure timely reporting by the Clerk of Court's Office.
- I obtained the court dockets from the Clerk of Court. I 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 adjudicated in accordance with applicable State law and the South Carolina Court Administration Fee Memoranda.
- I tested twenty-five judgmentally selected recorded court receipt transactions to determine that the fine, fee, assessment and/or surcharge amount adheres to State law and the South Carolina Court Administration Fee Memoranda.
- I tested twenty-five judgmentally selected recorded court receipt transactions to determine that the receipts were allocated and apportioned in accordance with applicable State law.

My findings as a result of these procedures are presented in Adherence to Fine Guidelines, Installment Fee, Timely Submission of State Treasurer's Revenue

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Remittance Form and State Treasurer's Revenue Remittance Form Completeness in the Accountant's comments section of this report.

2. Municipal Treasurer

- I gained an understanding of the policies and procedures established by the municipal treasurer to ensure timely reporting by the municipality.
- I obtained copies of all court remittance forms or equivalents and tested each monthly remittance form to ensure that the forms were completed in accordance with instructions and submitted timely in accordance with State law.
- I determined that amounts reported on the monthly court remittance forms or equivalents agreed to the municipality's support.
- I scanned the municipality's support to determine if the municipality had misclassified fine, fee, assessment, and surcharge receipts.
- I obtained copies of all State Treasurer's Revenue Remittance forms for the period July 1, 2014 through June 30, 2015. I vouched the amounts reported on the State Treasurer's Revenue Remittance forms to the court remittance forms or equivalents.
- I determined that the amounts reported by the municipality on its supplemental schedule of fines and assessments agreed to the municipality's support.
- I determined that the municipality reported court financial activity on the supplemental schedule of fines and assessments in accordance with applicable State law.

There were no findings as a result of these procedures.

3. Victim Assistance

- I gained an understanding of the policies and procedures established by the municipality to ensure proper accounting for victim assistance funds.
- I made inquiries and performed substantive procedures to determine that any funds retained by the municipality for victim assistance were deposited into a separate account.
- I tested selected expenditures to ensure that the municipality expended victim assistance funds in accordance with State law and South Carolina Court Administration Fee Memoranda, Attachment L.
- I determined that the municipality reported victim assistance financial activity on the supplemental schedule of fines and assessments in accordance with applicable State law.

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- I verified that the amounts reported by the municipality on its supplemental schedule of fines and assessments applicable to the Victim Assistance fund agreed to the municipality's general ledger or subsidiary ledgers.
- I inspected the municipality's victim assistance fund to determine if the Victim Assistance fund balance was retained as of July 1 from the previous fiscal year in accordance with State law.

My findings as a result of these procedures are presented in Victim Assistance Funds in the Accountant's Comments section of this report.

I was 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, 2015 and, furthermore, I was 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, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my 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 Town of Ridgeland Council, Town of Ridgeland Clerk of Court, Town of Ridgeland Treasurer, State Treasurer, State Office of Victim Assistance, the 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.

Steven L. Blake, CPA

ACCOUNTANT'S COMMENTS

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 I 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 my test of Municipal Court collections and remittances, I noted the following instance in which the Court did not fine the defendant in accordance with State law:

Driving Under Suspension

The Court fined two individuals who were cited for driving under suspension, fixed period, first offense \$299.76.

Section 56-1-460(A)(1) of the 1976 South Carolina Code of Laws, as amended, states, "a person...be punished as follows: (a) for a first offense, fined three hundred dollars or imprisoned for up to thirty days, or both;

The Clerk of Court stated the driving under suspension fines were not in accordance with State law because of rounding of the total fine amounts.

I recommend the Municipal Court implement procedures to ensure fines levied by the court adhere to applicable State law including not suspending fines, assessments and surcharges which cannot be waived, reduced or suspended.

INSTALLMENT FEE

During my testing of Municipal Court collections and remittances, I noted six instances where the Town did not assess and collect the three percent installment fee from individuals who paid the total amount due in installments.

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, magistrate, or municipal court from the defendant..."

The Clerk of Court stated it is court policy not to assess the installment fee and did not realize their policy violated State law.

I recommend the Clerk of Court implement procedures to ensure the installment fee is charged and collected in accordance with State law.

TIMELY SUBMISSION OF STATE TREASURER'S REVENUE REMITTANCE FORM

I obtained copies of all State Treasurer Revenue Remittance Forms (STRRF) prepared during the procedures period and for the previous 12 months. During my testing of the town's State Treasurer Revenue Remittance Forms (STRRF), I noted three of the STRRF were not submitted to the State Treasurer timely. They were submitted from 3 to 5 days late. I could not determine whether the Clerk of Court or town treasurer were responsible because the Town

has no system in place to determine when the Clerk of Court submitted the report to the town treasurer.

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.

The town treasurer stated the Town would endeavor to comply with State law. I recommend the Town implement procedures to ensure the STRRF are submitted by the fifteenth day of each month in compliance with State law.

STATE TREASURER'S REVENUE REMITTANCE FORM COMPLETENESS

During my testing of STRRF I became aware of differences in STRRF previously submitted and STRRF recently printed for my testing. I inquired and found payments totaling \$1,434 made and entered into the court software system after the original STRRF were submitted were missing from the previously submitted STRRF.

Section 14-1-220 of the 1976 South Carolina Code of Laws, as amended, states, "Each...municipal clerk of court ... who receives monies from the cost of court assessments ... shall transmit all these monies to the Office of the State Treasurer." It further states "The municipal clerk of court or county treasurer shall then forward the total sum collected to the State Treasurer ..."

The Clerk of Court researched this and determined a required report for the system had not been printed routinely during month end closeout procedures. Had this report been printed, it would have alerted the Clerk of Court to the presence of additional payments requiring submission. The Clerk of Court printed the required reports, determined the corrective action necessary to properly report these missing payments and reported them on the STRRF for the period ended March 2016.

I recommend the Clerk of Court print the reports needed at month end close out to ensure the completeness of the STRRF submissions.

VICTIM ASSISTANCE FUNDS

During my review of the Town's general ledger, I noted a transfer of \$39,687.00 from the victim assistance account to the Town's general fund for reimbursement of the Town's victims' advocate salaries and benefits. The town treasurer could not provide statistical data or time and activity reports, as required by the State Office of Victim Assistance, to support these

charges to the victim assistance fund. I inquired of the victims' advocate to determine if their duties encompassed only victims' advocate duties and the answer was no; therefore I could not determine the amount of allowable victim assistance expenditures.

Section 14-1-211(B) of the 1976 South Carolina Code of Laws, as amended, 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. Any funds retained by the county or city treasurer pursuant to subsection (A)(1) must be deposited into a separate account for the exclusive use for all activities related to the requirements contained in this provision."

The town treasurer stated one hundred percent has always been used in the past. She inquired of the Chief of Police who stated the victims' advocate was occasionally doing duties on an as needs basis but that her role was one hundred percent victim advocate.

I recommend the Town establish and implement policies and procedures to ensure time and activity sheets are kept of the victims' advocate time in accordance with State Office of Victims Assistance [SOVA] requirements.

MUNICIPALITY'S RESPONSE

The management of the Town of Ridgeland has been provided a copy of the findings identified in the Accountant's Comments Section of this report and has elected not to provide a written response to the findings.



Town of Ridgeland

One Town Square • Post Office Box 1119 • Ridgeland, SC 29936

June 14, 2016

Mr. Steve Blake
209 Brittany Road
Gaffney, South Carolina 29341

Dear Mr. Blake:

The Town of Ridgeland has reviewed the audit on the Municipal Court for Fiscal Year 2014-2015. We have noted the areas of concern that were mentioned in your report and have implemented procedures to eliminate issues in the future.

Sincerely,

Penelope B. Daley
Clerk/Treasurer