
Town of Salley Municipal Court

Salley, South Carolina

Independent Accountant's Report on Applying Agreed-Upon
Procedures for the year ended June 30, 2016



**South Carolina
Office of the State Auditor**

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

June 8, 2017

The Honorable Henry McMaster, Governor
State of South Carolina
Columbia, South Carolina

The Honorable Donna H. Williamson, Chief Judge
Town of Salley Municipal Court
Salley, South Carolina

Ms. Rebecca C. Brown, Town Clerk/Treasurer
Town of Salley Municipal Court
Salley, South Carolina

This report resulting from the application of certain agreed-upon procedures to certain accounting records of the Town of Salley Municipal Court System as of and for the year ended June 30, 2016, was issued by Brown CPA, LLC 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/cwc

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Independent Accountant's Report on Applying Agreed-Upon Procedures

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State Auditor
State of South Carolina
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We have performed the procedures described below, which were agreed to by the South Carolina Office of State Auditor and Town of Salley Municipal Court, solely to assist you in evaluating the performance of the Town of Salley Municipal Court for the period July 1, 2015 through June 30, 2016, in the areas addressed. The Town of Salley Municipal Court's management 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 Salley Municipal Court. 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 determine timely reporting by the Clerk of Court's Office.
- We obtained the 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 determine that the fine, fee, assessment or surcharge was properly allocated in accordance with applicable State law and the South Carolina Court Administration fee memoranda.
- We tested twenty-five judgmentally selected court receipt transactions to determine that the fee, fine, and/or assessment charge adheres to State law and the South Carolina Court Administration fee memoranda.
- We tested twenty-five judgmentally selected court receipt transactions to determine that the receipts were allocated in accordance with applicable State law.

We found no exceptions as a result of these procedures.

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2. **Municipal Treasurer**

- We gained an understanding of the policies and procedures established by the municipal treasurer to determine timely reporting by the municipality.
- We obtained copies of all court remittance forms or equivalents and tested each monthly remittance form to determine that the forms were completed in accordance with instructions and submitted timely in accordance with State law.
- We verified that amounts reported on the monthly court remittance forms or equivalents agreed to the municipality's support.
- We scanned the municipality's support to determine if the municipality had misclassified fine, fee, assessment, and surcharge receipts.
- We obtained copies of all State Treasurer's Revenue Remittance Forms for the period June 1, 2015 through June 30, 2016. We vouched the amounts reported on the State Treasurer's Revenue Remittance Forms to the court remittance forms or equivalents.
- We verified that the amounts reported by the municipality on its supplemental schedule of fines and assessments, as reported in the annual financial statement audit for the period June 1, 2015 through June 30, 2016, agreed to the municipality's general ledger.
- We determined that the Town's supplementary schedule of fines and assessments, as reported in the annual financial statement audit, contained all the required elements in accordance with State law.

Our findings as a result of these procedures are presented in the Accountant's Comments section of this report.

3. **Victim Assistance**

- We gained an understanding of the policies and procedures established by the municipality to determine proper accounting for victim assistance funds.
- We made inquiries and performed substantive procedures to determine that any funds retained by the municipality for victim assistance were deposited into a separate account.
- We tested selected expenditures to determine that the municipality expended victim assistance funds in accordance with State law and South Carolina Court administration Fee Memoranda.
- We determined that the municipality reported victim assistance financial activity on the supplemental schedule of fines and assessments, as reported in the annual financial statement audit, in accordance with applicable State law.
- We verified that the amounts reported by the municipality on its supplemental schedule of fines and assessments, as reported in the annual financial statement audit, applicable to Victim Assistance fund agreed to the municipality's general ledger or subsidiary ledgers.
- We inspected the municipality's victim assistance account to determine if the Victim Assistance fund balance was retained as of June 1 from the previous fiscal year in accordance with State law.

Our findings as a result of these procedures are presented in the Accountant's Comments section of this report.

We were not engaged to and did not conduct an examination or a review of the subject matter, the objective of which would be the expression of an opinion or a disclaimer of an opinion on the subject matter. 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, Chairmen of the House Ways and Means Committee, Senate Finance Committee, House Judiciary Committee, Senate Judiciary Committee, members of Town of Salley Council, Town of Salley Clerk of Court, Town of Salley Treasurer, State Office of Victim Assistance, the Chief Justice, and the South Carolina Office of the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

BROWN CPA, L.L.C.

Irmo, South Carolina
June 8, 2017

Accountant's Comments

Management of Town of Salley 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 Town of Salley require that we plan and perform the engagement to determine whether any violations of State Laws, Rules or Regulations occurred.

SECTION A - VIOLATIONS OF STATE LAWS, RULES OR REGULATIONS

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

2016-1

Comment – Six of twelve monthly State Treasurer's Revenue Remittance Forms (STRRF) were not timely remitted to the South Carolina State Treasurer's Office. As a result, the South Carolina State Treasurer's Office did not have the information needed to determine the amount of the bank draft from the Town's bank account for the fines and fees collected for the associated delinquent months due to the State of South Carolina. The past due amounts were remitted in full the following months.

Criteria – Section 14-1-208(A) of the 1976 South Carolina Code of Laws, as amended, 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) of the 1976 South Carolina Code of Laws, as amended, requires the city 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.

Recommendation – We recommend the Town implement procedures to ensure the STRRF is prepared and submitted timely in accordance with State law.

2016-2

Comment – The supplemental schedule contained in the Town's June 30, 2016 financial statement audit did not mathematically agree with the underlying financial records.

Criteria – Section 14-1-208(E)(1) of the 1976 South Carolina Code of Laws, as amended, states, "The supplementary schedule must include the following elements: (a) all fines collected by the clerk of court for the municipal court; (b) all assessments collected by the clerk for the municipal court; (c) the amount of fines retained by the municipal treasurer; (d) the amount of assessments retained by the municipal treasurer; (e) the amount of fines and assessments remitted to the State Treasurer pursuant to this section; and (f) the total funds, by source, allocated to victim services activities, how those funds were expended, and any balances carried forward.

Recommendation – We recommend the Town implement procedures to ensure the amounts presented in the supplemental schedule to the financial statements agree with the underlying accounting records.

Per our review of the financial activity related to victim services the supplemental schedule as presented in the audit report should be revised as follows:

	As Presented in		
	Audit Report	Difference	As Revised
Amount Available / Bank Balance Beginning of Year	\$ 27,258.00	\$ 5,211.24	\$ 32,469.24
Outstanding Deposit due to Victims Services Account	-	270.59	270.59
Amount Available Beginning of Year	27,258.00	5,481.83	32,739.83
Amounts Allocated to Victim Services Account	2,729.00	50.09	2,779.09
Interest Earned on Account Balance	-	40.35	40.35
Victim Assistance Expenses	-	(680.07)	(680.07)
Subtotal	29,987.00	4,892.20	34,879.20
Difference	(3.00)	3.00	-
Amount Available End of Year	\$ 29,984.00	\$ 4,892.20	\$ 34,879.20
Bank Balance End of Year	\$ 29,984.00	\$ 4,675.23	\$ 34,659.23
Outstanding Deposit due to Victims Services Account	-	219.97	219.97
Amount Available End of Year	\$ 29,984.00	\$ 4,895.20	\$ 34,879.20

SECTION B – 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 fiscal year ended June 30, 2010 and dated April 20, 2011 to determine if the Town had taken adequate corrective action. The results of this inquiry are as follows:

Comment	Status
Late submission of State Treasurer’s Revenue Remittance Forms.	See Current Comment 2016-1
Supplementary Schedule of court fines, assessments and surcharges did not include all the elements as require by State law.	Corrective Action Taken.

Attachment A

Mayor
N. R. Salley, Sr.
Clerk/Treasurer
Becky Brown

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June 12, 2017

To whom it may concern:

We have reviewed the comments and recommendations provided herein related to 1) the timely submission of monthly State Treasurer's Revenue Remittance Form (STRRF) and 2) the preparation of the municipal court Schedule of Fines, Assessments, and Surcharges included within our annual financial statement audit. We are in agreement with the comments and recommendations provided.

The Town of Salley has a very small administrative staff with numerous regulatory reporting requirements and we have to prioritize work as we see to be in the best interest of the Town. With that being said, we will try to improve upon our timely submission of the STRRF. Additionally, during our next financial statement audit we will place additional emphasis in accurately balancing and reporting the financial activity of the municipal court and the Victim Services account and reporting that activity on the Schedule of Fines, Assessments, and Surcharges included within the audit report.

We are always receptive to positive constructive criticism in our effort to improve upon financial reporting.

Sincerely yours,

Rebecca Brown
Town Clerk / Treasurer
Clerk of Court

Salley Town Council

Jerry Griswold

Mark Hartley

Marion Milhouse

Paul Salley