

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

**STATE AUDITOR'S REPORT
JUNE 30, 2013**

CONTENTS

	<u>PAGE</u>
I. STATE AUDITOR'S OFFICE TRANSMITTAL LETTER	
II. INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES	1-3
III. ACCOUNTANT'S COMMENTS	
VIOLATIONS OF STATE LAWS, RULES OR REGULATIONS	4
ADHERENCE TO FINE GUIDELINES	5
OPINION ON SUPPLEMENTARY SCHEDULE	6
MUNICIPALITY'S RESPONSE	7

**SAO
Transmittal
Letter**

State of South Carolina



Office of the State Auditor

1401 MAIN STREET, SUITE 1200
COLUMBIA, S.C. 29201

RICHARD H. GILBERT, JR., CPA
DEPUTY STATE AUDITOR

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May 16, 2014

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

The Honorable John F. Quattlebaum, Municipal Judge
Ms. Sally Beard, Clerk of Court
Ms. Willia B. Wright, Town Finance Director
Town of Santee
Santee, South Carolina

This report resulting from the application of certain agreed-upon procedures to certain accounting records of the Town of Santee Municipal Court System as of and for the year ended June 30, 2013, 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 ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

February 3, 2014

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

The Honorable John F. Quattlebaum, Municipal Judge
Town of Santee Municipal Court
Santee, South Carolina

Willia B. Wright, Town Financial Director
Town of Santee
Santee, South Carolina

We have performed the procedures described below, which were agreed to by the Town of Santee and the Town of Santee Municipal Court, solely to assist you in evaluating the performance of the Town of Santee Municipal Court for the period July 1, 2012 to June 30, 2013, in the areas addressed. The Town of Santee and the Town of Santee Municipal Court are 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 specified parties in this 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 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 ensure proper accounting for all fines, fees, assessments, surcharges, forfeitures, escheatments, or other monetary penalties.
- We obtained certain judgmentally selected Santee Municipal Court dockets from the Clerk of Court. We randomly 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 allocated in accordance with applicable State law. We also determined whether the fine, fee, assessment and/or surcharge adhered to State law and to the South Carolina Court Administration fee memoranda.

The Honorable Nikki R. Haley, Governor
and
The Honorable John F. Quattlebaum, Municipal Judge
Willia B. Wright, Town Finance Director
Town of Santee
February 3, 2014

- We tested recorded court receipt transactions to determine that the receipts were remitted in a timely manner to the Town's finance department in accordance with State law.

Our finding as a result of these procedures is presented in Adherence to Fine Guidelines in the Accountant's C o m m e n t s section of this report.

2. Finance Director

- We gained an understanding of the policies and procedures established by the Town to ensure proper accounting for court fines, fees, assessments, surcharges, forfeitures, escheatments, or other monetary penalties.
- We obtained copies of all State Treasurer's Revenue Remittance Forms submitted by the Town for the period July 1, 2012 through June 30, 2013. We agreed the line item amounts reported on the State Treasurer's Revenue Remittance Forms to the monthly court remittance reports and to the State Treasurer's receipts. We also agreed the total revenue due to the State Treasurer to the general ledger.
- We determined if the State Treasurer's Revenue Remittance Forms were submitted in a timely manner to the State Treasurer in accordance with State law.
- We verified that the amounts reported by the Town on its supplemental schedule of fines and assessments for the fiscal year ended June 30, 2012 agreed to the State Treasurer's Revenue Remittance Forms and to the Town's general ledger. We also determined if the supplemental schedule of fines and assessments contained all required elements in accordance with State law.

There were no findings as a result of these procedures.

3. Victim Assistance

- We gained an understanding of the policies and procedures established by the Town to ensure proper accounting for victim assistance funds.
- We made inquiries and performed substantive procedures to determine if any funds retained by the Town for victim assistance were accounted for in a separate account.
- We tested judgmentally selected victim assistance expenditures to ensure that the Town expended victim assistance funds in accordance with State law and South Carolina Court Administration Fee Memoranda, Attachment L.

The Honorable Nikki R. Haley, Governor
and
The Honorable John F. Quattlebaum, Municipal Judge
Willia B. Wright, Town Finance Director
Town of Santee
February 3, 2014

3. **Victim Assistance**, continued

- We determined if the Town reported victim assistance financial activity on the supplemental schedule of fines and assessments in accordance with State law.
- We inspected the Town's general ledger to determine if the Victim Assistance Fund balance was retained as of July 1 from the previous fiscal year in accordance with State law.

Our finding as a result of these procedures is presented in Opinion on Supplementary Schedule in the Accountant's 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, 2013 and, furthermore, we were 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, 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, Chairman of the House Ways and Means Committee, Chairman of the Senate Finance Committee, Chairman of the House Judiciary Committee, Chairman of the Senate Judiciary Committee, members of the Town of Santee Town Council, Town of Santee Municipal Judge, Town of Santee Finance Director, Town of Santee Clerk of Court, State Treasurer, State Office of Victim Assistance, and the Chief Justice and is not intended to be and should not be used by anyone other than these specified parties.



Cline Brandt Kochenower & Co. P.A.

**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 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.

ADHERENCE TO FINE GUIDELINES

We selected twenty-five cases from the final court dockets to ensure that the fine, fee, assessment and/or surcharge levied by the Municipal Court adhered to State law. Based on the tests performed, we noted six instances where defendants were not fined in accordance with state law for speeding in excess of posted limits.

Section 56-5-1520(G) of the 1976 South Carolina Code of Laws, as amended, states, "A person violating the speed limits established by this section is guilty of a misdemeanor and, upon conviction for a first offense, must be fined or imprisoned as follows: (1) in excess of the above posted limit but not in excess of ten miles an hour by a fine of not less than fifteen dollars nor more than twenty-five dollars; "."

The Clerk of Court stated the error in the fine assessment was due to rounding the total fine amount up to the nearest dollar.

We recommend the Municipal Court implement procedures to ensure that fines levied by the court adhere to applicable State law.

OPINION ON SUPPLEMENTARY SCHEDULE

During our testing of the schedule of court fines, assessments and surcharges included in the Town's financial statements for the year ended June 30, 2012, we noted the auditors' opinion was not an "in-relation-to" opinion. In fact, no form of assurance was given on the supplementary schedule.

Town personnel could not provide an explanation.

Section 14-1-208(E)(2) and 14-1-211(D)(2) of the 1976 South Carolina Code of Laws, as amended, states, "The supplementary schedule must be included in the external auditor's report by an "in relation to" paragraph as required by generally accepted auditing standards when information accompanies the basic financial statements in auditor submitted documents.."

We recommend the Town inform their auditor of the requirement to provide an "in-relation-to" opinion on its supplementary schedule in accordance with State law.

**MUNICIPALITY'S
RESPONSE**

MUNICIPALITY'S RESPONSE

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