

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

**STATE AUDITOR'S REPORT**

**JUNE 30, 2011**

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# State of South Carolina



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### INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

January 28, 2013

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

The Honorable James Dingle, Municipal Judge  
Town of Summerton  
Summerton, South Carolina

Ms. Francis Feagin, Clerk of Court  
Town of Summerton  
Summerton, South Carolina

We have performed the procedures described below, which were agreed to by the Town of Summerton Municipal Court, solely to assist you in evaluating the performance of the Town of Summerton Municipal Court System for the fiscal year ended June 30, 2011, in the areas addressed. The Town of Summerton and the Town of Summerton 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. **Court Policies**

- 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 court dockets from the Clerk of Court. We randomly selected twenty-five cases from the 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 that the fine, fee, assessment and/or surcharge adhered to State law and to the South Carolina Court Administration fee memoranda.

We found no exceptions as a result of the procedures.

The Honorable Nikki R. Haley, Governor  
and  
The Honorable James Dingle, Municipal Judge  
Ms. Francis Feagin, Clerk of Court  
Town of Summerton  
January 28, 2013

2. **Town Policies**

- 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 fiscal year ended June 30, 2011. We agreed the amounts reported on the State Treasurer's Revenue Remittance Forms to the Court's cash receipt records 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, 2011 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.

Our findings as a result of these procedures are presented in Timely Submission of State Treasurer's Revenue Remittance Form, Accurate Reporting and Supplementary Schedule in the Accountant's Comments section of this report.

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 that any funds retained by the Town for victim assistance were accounted for in a separate account.
- We tested judgmentally selected expenditures to ensure that the Town expended victim assistance funds in accordance with State law and South Carolina Court Administration Fee Memoranda, Attachment L.
- 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 Accounting for Victim Assistance Funds in the Accountant's Comments section of this report.

The Honorable Nikki R. Haley, Governor  
and  
The Honorable James Dingle, Municipal Judge  
Ms. Francis Feagin, Clerk of Court  
Town of Summerton  
January 28, 2013

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, 2011, 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 Summerton Town Council, Town of Summerton Municipal Judge, Town of Summerton 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.

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

**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.

## **TIMELY SUBMISSION OF STATE TREASURER'S REVENUE REMITTANCE FORM**

During our testing of the Town's State Treasurer Revenue Remittance Forms (STRRF), we noted eleven out of twelve STRRF were not submitted to the State Treasurer by the fifteenth day of the month as required by State law. The forms were submitted four to sixty-three days late.

The Town's contracted accountant stated the forms were submitted late due to oversight.

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.

We recommend the Town implement procedures to ensure the STRRF are submitted by the fifteenth day of each month in compliance with State law.

## **ACCURATE REPORTING**

During our testing of the Town's State Treasurer's Revenue Remittance Forms (STRRF), we noted a total variance of \$89,644 when tracing the amounts reported on the December 2010 STRRF to the State Treasurer's receipt. According to the Clerk of Court, the Town had a backlog of old cases that had not been properly closed out when fines were paid and the revenue received was never remitted to the State. It was determined that the Town owed the State \$89,644 and agreed to a payment plan with the State Treasurer's Office to remit the revenue owed. The Town included the \$89,644 on its December 2010 STRRF and made payments to the State from February 2011 to August 2012. Based on our review of the

State Treasurer's receipts, the Town properly remitted all \$89,644 to the State. However, we noted that the December 2010 STRRF included numerous errors. The following table documents the errors noted:

<u>Line</u>	<u>Overreported</u>	<u>Amount</u>	<u>Underreported</u>
F	\$ 16.18		\$ -
G	\$ 12.25		\$ -
H	\$ 102.11		\$ -
I	\$ 102.11		\$ -
J	\$ 208.77		\$ -
K	\$1,699.94		\$ -
KA	\$1,038.43		\$ -
L	\$ -		\$3,179.79
	<u>\$3,179.79</u>		<u>\$3,179.79</u>

The Clerk of Court stated the omission of reporting and remitting the fines totaling \$89,644 was due to oversight. The Clerk of Court also stated she now closes out all paid cases after court to ensure that all fines are properly closed out. She also prints an open cases report at the end of each month and ensures that no cases on that report have paid. The Clerk of Court could not explain the cause of the clerical errors.

Section 14-1-220 of the 1976 South Carolina Code of Laws, as amended, states, "Each...municipal clerk of court or other person who receives monies from the cost of court assessments in criminal or traffic cases in the municipal courts shall transmit all these monies to the Office of the State Treasurer."

We recommend the Town implement procedures to ensure all court collections are properly reported and remitted to the State Treasurer in accordance with State law. We also recommend the Clerk implement procedures to ensure that the STRRFs are completed accurately. Finally, we recommend the Town submit an amended STRRF to correct the reporting errors.

## **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, 2011, we noted amounts reported for court fines collected and retained by the Town, assessments and surcharges remitted to the State Treasurer's Office, and assessments and surcharges retained for victim services did not agree with the cumulative totals reported on the twelve State Treasurer's Revenue Remittance Forms submitted for fiscal year ended June 30, 2011.

The Town's contracted accountant stated the June 2010 court collections were inadvertently included in amounts reported on the schedule of court fines, assessments and surcharges.

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 of court 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."

We recommend the Town implement procedures to ensure amounts reported on the supplementary schedule are accurately reported in accordance with State law.

## **ACCOUNTING FOR VICTIM ASSISTANCE FUNDS**

Based on our testing of victim assistance expenditures, we noted the Town charged the following expenditures to the victim assistance fund: (1) \$971 for a computer; (2) \$1,019 for vehicle maintenance; (3) \$212 for September 2010 cell phone charges; and (4) \$662 for fuel purchases from May 24, 2010 through June 22, 2010. All purchases and/or services were for the Town's police chief who, according to the Clerk of Court, performed the duties of the Town's victim advocate during the fiscal year ending June 30, 2011. We noted the expenditures were charged 100% to the victim services fund even though the police chief had other duties. The Clerk of Court could not provide any statistical data or time and activity reports, as required by the State Office of Victim Assistance, to support charging the costs to the victim assistance fund; therefore, we deem the victim assistance expenditures to be unallowable.

According to the Town's contracted accountant, the Town's previous Treasurer paid some of the police chief's expenses out of the victim assistance fund. The Town no longer pays for those expenses out of the victim assistance fund.

Section 14-1-208(D) of the South Carolina Code of Laws, as amended, states, "The revenue retained by the municipality under subsection (B) must be used for the provision of services for the victims of crime including those required by law. These funds must be appropriated for the exclusive purpose of providing victim services as required by Article 15 of Title 16; specifically, those service requirements that are imposed on local law enforcement, local detention facilities, prosecutors, and the summary courts." Also, the South Carolina Court Administration Memorandum, Attachment L, dated June 24, 2010, and the South Carolina Victim Service Coordinating Council, Approved Guide for Expenditures of Monies

Collected for Crime Victim Service in Municipalities and Counties, effective January 2010, set forth guidelines for expenditures of monies collected for crime victim services.

We recommend the Town reimburse the victim assistance fund for the expenditures that were improperly charged and establish and implement policies and procedures to ensure victim assistance revenue is used only for expenditures that benefit the victim assistance program in accordance with State law.

**TOWN'S RESPONSE**

# *TOWN OF SUMMERTON*

## **MAYOR**

Jay Bruner

## **COUNCIL MEMBERS**

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Ellen Ardis  
Duvall Elliot  
Terrance Tindal  
Ritchie Way  
Loretta Pollard

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## **TOWN CLERK**

Christine Richburg  
**CHIEF OF POLICE**  
Ray Perdue

**PUBLIC WORKS DIRECTOR**  
William W. Brailsford

### TIMELY SUBMISSION OF STATE TREASURER'S REVENUE REMITTANCE FORM

The Town has implemented procedures to ensure the STRRF are submitted to the State Treasurer by the 15<sup>th</sup> of each month. The procedure states the Town's contracted accountant will contact the Clerk of Court within the first week of each month to ensure the report is prepared. Once it is complete, the Town's accountant then faxes the report to the State Treasurer's office and retains a copy of the successful fax transmittal sheet.

### ACCURATE REPORTING

The Town continues to implement the procedures noted in the "Accountant's Comments" report. The additional procedure mentioned under Timely Submission of State Treasurer's Revenue Remittance Form will serve as a reminder to close cases properly.

The Town will submit an amended STRFF to correct the reporting errors from the December 2010 STRRF. This is expected to be completed and submitted to the State Treasurer by May 15, 2013.

### SUPPLEMENTARY SCHEDULE

The Town's contracted accountant will review the externally prepared supplementary schedule to ensure the appropriate amounts are captured and reported on the schedule prior to issuing the final audit report.

### ACCOUNTING FOR VICTIM ASSISTANCE FUNDS

The Town has reimbursed the victim assistance fund for the items deemed to be unallowable in the "Accountant's Comments" report. The Town is aware of the restrictions on victim's funds, and has contracted with the county to provide victim's services. No expenditures other than the monthly

payments to the county will be paid out of the victim's fund unless thoroughly reviewed and determined to be an allowable expense as stated in the South Carolina Code of Laws.

  
\_\_\_\_\_  
JUDGE JAMES DINGLE

  
\_\_\_\_\_  
COURT CLERK FRANCES FEAGIN

5 copies of this document were published at an estimated printing cost of \$1.49 each, and a total printing cost of \$7.45. Section 1-11-125 of the South Carolina Code of Laws, as amended requires this information on printing costs be added to the document.