

**ALLENDALE COUNTY MAGISTRATE COURT  
ALLENDALE, SOUTH CAROLINA**

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**State Auditor's Report  
March 31, 2005**



**ALLENDALE COUNTY MAGISTRATE COURT  
ALLENDALE, SOUTH CAROLINA**

Table of Contents

	<u>PAGE</u>
<b>STATE AUDITOR TRANSMITTAL LETTER</b>	
<b>I. INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES</b>	1-3
<b>II. ACCOUNTANTS' COMMENTS</b>	
<b>SECTION A - MATERIAL WEAKNESSES AND/OR VIOLATIONS OF STATE LAWS, RULES OR REGULATIONS</b>	4
<u>TIMELY RECORDING AND REPORTING BY THE COUNTY</u>	
<i>GENERAL LEDGER POSTING OF REMITTANCE TRANSACTIONS</i>	5
<u>PROPER VICTIMS' ASSISTANCE FUNDS ACCOUNTING</u>	
<i>VICTIMS' ASSISTANCE FUND TRANSACTIONS POSTING</i>	5-6
<u>TIMELY ACCURATE REPORTING TO THE STATE TREASURER INCLUDING REQUIRED FINANCIAL STATEMENT SCHEDULES IN ACCORDANCE WITH SECTION 14-1-207(E)</u>	
<i>DOCUMENTATION OF TIMELY FILING OF REMITTANCE FORMS</i>	6
<i>PREPARATION OF AUDIT AND REQUIRED SCHEDULES</i>	7
<b>SECTION B - OTHER WEAKNESSES NOT CONSIDERED MATERIAL</b>	8
<u>PROPER ALLOCATION AND TIMELY REPORTING BY THE MAGISTRATE</u>	
<i>ALLOCATION OF INSTALLMENT PAYMENTS</i>	9
<b>APPENDIX</b>	
CORRECTIVE ACTION PLAN	

State of South Carolina

Office of the State Auditor

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September 27, 2005

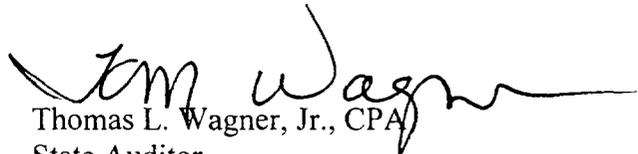
The Honorable Mark Sanford, Governor  
State of South Carolina  
Columbia, South Carolina

The Honorable Walter G. Griffin, Jr., Chief Magistrate  
Allendale County  
Allendale, South Carolina

This report resulting from the application of certain agreed-upon procedures to certain accounting records of the Allendale County Magistrate Court for the period April 1, 2004 through March 31, 2005, 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,

  
Thomas L. Wagner, Jr., CPA  
State Auditor

TLWjr/trb

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Independent Accountants' Report on Applying Agreed-Upon Procedures

Thomas L. Wagner, Jr., CPA  
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 Allendale County Magistrates Court System and to assist the South Carolina Office of the State Auditor in complying with the 2004 - 2005 General Appropriations Act (H. 4925) Section 72.92 for the fiscal year ended June 30, 2005. The Honorable Walter G. Griffin, Jr., Chief Magistrate for Allendale County is responsible for compliance with the requirements for the Magistrate Court reporting and the South Carolina Office of the State Auditor is responsible for compliance with the requirements of the 2004 - 2005 General Appropriations Act (H. 4925) Section 72.92. 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. PROPER ALLOCATION AND TIMELY REPORTING BY THE MAGISTRATE**

- We researched South Carolina Code of Laws Section 14-17-750 to determine the definition of timely reporting with respect to the Magistrate's responsibility for reporting fines, fees and assessments to the County Treasurer.
- We inquired of the South Carolina Judicial Department to determine their requirements for timely filing of fines, fees and assessments to the County Treasurer, including requirements for allocating fines, fees and assessments paid on an installment basis.
- We inquired of the Magistrate and County Treasurer to gain an understanding of their policy for ensuring timely reporting and to determine how the County Treasurer specifically documents timeliness.
- We inspected documentation, including the Magistrate Court Remittance Forms for the months of April 1, 2004 through March 31, 2005, to determine if the Magistrate Court submitted the reports in accordance with the law.
- We judgmentally selected and compared individual fine and assessment amounts recorded in the Magistrate'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 range.

Our finding, *ALLOCATION OF INSTALLMENT PAYMENTS*, is reported under "PROPER ALLOCATION AND TIMELY REPORTING BY THE MAGISTRATE" in the Accountants' Comments section of this report.

## **2. TIMELY RECORDING AND REPORTING BY THE COUNTY**

- We traced and agreed each month's reporting by the Magistrate to the County Treasurer's Office and to the County's general ledger accounts for the assessments (Sections 14-1-207(A), (B) and (D)) and victim's assistance surcharge (Section 14-1-211) for the period April 1, 2004 to March 31, 2005.
- We compared the amounts reported on the Magistrate Court Remittance Forms to the Magistrate 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 2004 – 2005 and with South Carolina Judicial Department training instructions and interpretations.

Our finding, *GENERAL LEDGER POSTING OF REMITTANCE TRANSACTIONS*, is reported under "TIMELY RECORDING AND REPORTING BY THE COUNTY" in the Accountants' Comments section of this report.

## **3. PROPER VICTIMS' ASSISTANCE FUNDS ACCOUNTING**

- We inquired as to the format determined by county council and local policy for record keeping as it relates to fines and assessments in accordance with Section 14-1-207(E)(4).
- We compared the fiscal year-ended June 30, 2004 audited Victims' Assistance Fund fund balance to the fund balance shown in the audited financial statement and to the beginning fund balance as adjusted in that fund for fiscal year 2005.
- We verified Victims' Assistance expenditures were in compliance with Section 14-1-207(E) and Section 14-1-211(B).

Our finding, *VICTIMS' ASSISTANCE FUND TRANSACTIONS POSTING*, is reported under the "PROPER VICTIMS' ASSISTANCE FUNDS ACCOUNTING" title in the Accountants' Comments section of this report.

## **4. TIMELY ACCURATE REPORTING TO THE STATE TREASURER INCLUDING REQUIRED FINANCIAL STATEMENT SCHEDULES IN ACCORDANCE WITH SECTION 14-1-207(E)**

- We vouched the amounts reported in the State Treasurer Remittance Forms to Magistrate Remittance Forms for the period April 1, 2004 to March 31, 2005.
- We scanned the State Treasurer Remittance Forms for timely filing in accordance with Section 14-1-207(B).
- We traced and agreed amounts from the supporting schedules to the Schedule of Fines, Assessments and Surcharges as reported in the County's basic financial statements to ensure compliance with the reporting requirements identified in Section 14-1-207(E).
- We traced and agreed amounts in the supporting schedules to the Clerk of Court Remittance Forms.

Our findings, *DOCUMENTATION OF TIMELY FILING OF REMITTANCE FORMS* and *PREPARATION OF AUDIT AND REQUIRED SCHEDULES*, are reported under "TIMELY ACCURATE REPORTING TO THE STATE TREASURER INCLUDING REQUIRED FINANCIAL STATEMENT SCHEDULES IN ACCORDANCE WITH SECTION 14-1-207(E)" in the Accountants' Comments section of this report.

Thomas L. Wagner, Jr., CPA  
State Auditor  
Office of the State Auditor  
Page Three

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, 2005 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 Office of the State Auditor, the Governor, Chairmen of the House Ways & Means Committee, Senate Finance Committee, House Judiciary Committee, Senate Judiciary Committee, State Treasurer, Office of Victims' Assistance, the local Magistrates and County Treasurers and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "Clint Brantley & Co. PA". The signature is written in a cursive style.

June 15, 2005

**ACCOUNTANTS' COMMENTS**

**ALLENDALE COUNTY MAGISTRATE COURT**  
**ALLENDALE, SOUTH CAROLINA**  
State Auditor's Report  
March 31, 2005

**SECTION A - MATERIAL WEAKNESSES AND/OR VIOLATIONS OF STATE LAWS,  
RULES OR REGULATIONS**

The procedures agreed to by the agency require that we plan and perform the engagement to obtain reasonable assurance about whether noncompliance with the requirements of State Laws, Rules, or Regulations occurred and whether internal accounting controls over certain transactions were adequate. Management of the entity is responsible for establishing and maintaining internal controls. A material weakness is a condition in which the design or operation of one or more of the specific internal control components does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Therefore, the presence of a material weakness or violation will preclude management from asserting that the entity has effective internal controls.

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

**ALLENDALE COUNTY MAGISTRATE COURT**  
**ALLENDALE, SOUTH CAROLINA**  
State Auditor's Report, Continued  
March 31, 2005

**TIMELY RECORDING AND REPORTING BY THE COUNTY**

GENERAL LEDGER POSTING OF REMITTANCE TRANSACTIONS

**CONDITION:** The County Treasurer had not posted any accounting transactions related to the Magistrate Court Remittance forms to the County Treasurer's accounting system for the fiscal year ended June 30, 2005. The County Treasurer's accounting system and therefore the County's general ledger for the fiscal year ended June 30, 2004 were not complete and reconciled.

**CRITERIA:** South Carolina Code of Laws Section 14-1-207(E)(4) and Section 14-1-207(B). Section 14-1-207(E)(4) reads "The Clerk of Court and County Treasurer shall keep records of fines and assessments required to be reviewed pursuant to this subsection in the format determined by the county council and make those records available for review." The Committee of Sponsoring Organizations Treadway Commission Report entitled *Internal Control - Integrated Framework* provides criteria against which internal control can be evaluated.

**CAUSE:** The County entered into major office space renovations during the fiscal years covered by this audit. During the renovations, the County Treasurer's office was moved and had no access to the computer system that the general ledger was on. The original plan was to input all information at one time once the renovations were finished and the move was done. Complications with the new facility's computer network further delayed processing of the information until after this audit was finished.

**EFFECT:** There were no general ledger transactions to vouch at the time of our procedures for the fiscal year ended June 30 2005 or June 30, 2004. The County is not in compliance with Section 14-1-207(E)(4) because records were not available for review.

**AUDITORS' RECOMMENDATION:** We recommend the County Treasurer post transactions on a monthly basis to her accounting system enabling the finance office to keep the County's general ledger current so management can make sound business decisions.

**PROPER VICTIMS' ASSISTANCE FUNDS ACCOUNTING**

VICTIMS' ASSISTANCE FUND TRANSACTIONS POSTING

**CONDITION:** The County Treasurer had not posted any accounting transactions related to the Magistrate Court Remittance forms to the County Treasurer's accounting system for the fiscal year ended June 30, 2005. The County Treasurer's accounting system and therefore the County's general ledger for the fiscal year ended June 30, 2004 were neither complete nor reconciled. Because of these two circumstances there was no accounting for the Victims' Assistance funds done for the period April 1, 2004 through March 31, 2005.

**CRITERIA:** South Carolina Code of Laws Section 14-1-207(E)(4) and Section 14-1-207(B). Section 14-1-207(E)(4) reads "The Clerk of Court and County Treasurer shall keep records of fines and assessments required to be reviewed pursuant to this subsection in the format determined by the county council and make those records available for review." The Committee of Sponsoring Organizations Treadway Commission Report entitled *Internal Control - Integrated Framework* provides criteria against which internal control can be evaluated. Strong internal controls are necessary and essential to comply with state and federal laws, regulations, grants and contracts.

**ALLENDALE COUNTY MAGISTRATE COURT**  
**ALLENDALE, SOUTH CAROLINA**  
State Auditor's Report, Continued  
March 31, 2005

**PROPER VICTIMS' ASSISTANCE FUNDS ACCOUNTING**, Continued

VICTIMS' ASSISTANCE FUND TRANSACTIONS POSTING, Continued

**CAUSE:** The County entered into major office space renovations during the fiscal years covered by this audit. During the renovations, the County Treasurer's office was moved and had no access to the computer system that the general ledger was on. The original plan was to input all information at one time once the renovations were finished and the move was done. Complications with the new facility's computer network further delayed processing of the information until after this audit was finished.

**EFFECT:** There were no general ledger transactions to vouch at the time of our procedures for the fiscal year ended June 30 2005 or June 30, 2004. The County is not in compliance with Section 14-1-207(E)(4) because records were not available for review.

**AUDITORS' RECOMMENDATION:** We recommend the County Treasurer post transactions on a monthly basis to enable the County to properly manage the Victims' Assistance Funds in accordance with the law and strong internal controls.

**TIMELY ACCURATE REPORTING TO THE STATE TREASURER INCLUDING REQUIRED FINANCIAL STATEMENT SCHEDULES IN ACCORDANCE WITH SECTION 14-1-207(E)**

DOCUMENTATION OF TIMELY FILING OF REMITTANCE FORMS

**CONDITION:** In discussions with the County Treasurer, she indicated that her State Treasurer's Remittance forms were prepared in a timely manner, however the State Treasurer's Office did not receive their copies until the reports were re-filed on March 24, 2005.

**CRITERIA:** South Carolina Code of Laws Section 14-1-207(B). This section states "The County Treasurer must remit the balance of the assessment revenue to the State Treasurer on a monthly basis by the fifteenth day of each month."

**CAUSE:** The loss of every report and check while in transit precluded compliance with Section 14-1-207(B).

**EFFECT:** The County is not in compliance with Section 14-1-207(B) for the period of April 1, 2004 through March 31, 2005.

**AUDITORS' RECOMMENDATION:** We recommend the County develop a system to document they timely filed with the State Treasurer's Office. If the County Treasurer does not receive receipts from the State Treasurer within a reasonable time period then the County Treasurer should initiate follow-up. The necessary resources should be in place to document compliance with all legal obligations.

**ALLENDALE COUNTY MAGISTRATE COURT**  
**ALLENDALE, SOUTH CAROLINA**  
State Auditor's Report, Continued  
March 31, 2005

**TIMELY ACCURATE REPORTING TO THE STATE TREASURER INCLUDING REQUIRED FINANCIAL STATEMENT SCHEDULES IN ACCORDANCE WITH SECTION 14-1-207(E), Continued**

*PREPARATION OF AUDIT AND REQUIRED SCHEDULES*

**CONDITION:** As of June 15, 2005, our last day of fieldwork, the County's external auditor had not issued the County's June 30, 2004 financial statements.

**CRITERIA:** South Carolina Code of Laws Section 14-1-207(E). This section states "To ensure that fines and assessments imposed pursuant to this section and Section 14-1-209(A) are properly collected and remitted to the State Treasurer, the annual independent external audit required to be performed for each county pursuant to Section 4-9-150 must include a supplementary schedule detailing all fines and assessments collected by the Clerk of Court for the court of general sessions, the amount remitted to the County Treasurer, and the amount remitted to the State Treasurer. Section 4-9-150 states "A copy of...the audit must be submitted...no later than January first..."

**CAUSE:** The auditor encountered issues that required more time to resolve.

**EFFECT:** No schedules had been prepared in accordance with South Carolina Code of Laws Section 14-1-207(E). The audit was not submitted by January 1, 2005. It appears that the County is not in compliance with Section 4-9-150.

**AUDITORS' RECOMMENDATION:** We recommend that the County implement the procedures necessary to be able to receive an audit in a timely manner.

**ALLENDALE COUNTY MAGISTRATE COURT**  
**ALLENDALE, SOUTH CAROLINA**  
State Auditor's Report, Continued  
March 31, 2005

**SECTION B - OTHER WEAKNESSES NOT CONSIDERED MATERIAL**

The conditions described in this section have been identified as weaknesses subject to correction or improvement but they are not considered material weaknesses or violations of State Laws, Rules, or Regulations.

**ALLENDALE COUNTY MAGISTRATE COURT**  
**ALLENDALE, SOUTH CAROLINA**  
State Auditor's Report, Continued  
March 31, 2005

**PROPER ALLOCATION AND TIMELY REPORTING BY THE MAGISTRATE**

ALLOCATION OF INSTALLMENT PAYMENTS

**CONDITION:** The Magistrate's computer system does not allocate installment payments ratably across all fine, assessment and surcharge categories as required.

**CRITERIA:** Section 35.11 of the Temporary Provisions of the General Appropriations Act for the fiscal year 2004 – 2005 and fiscal year 2003 – 2004 as well as Judicial Department memos dated June 4, 2004 and June 30, 2003 for the respective fiscal years. Judicial Department training materials and sessions.

**CAUSE:** The automated system used by the Magistrate does not allocate costs, instead it uses a priority order that applies fine, fee and assessment receipts to the first priority until that priority is fully paid. Once paid, it applies any remaining funds to the second and third priorities etcetera, until they are fully paid. The system has a built-in default for applying payments or the system manager can set a different order that is deemed more appropriate. The current Magistrate's computer system version cannot allocate installment payments to the applicable recipients.

**EFFECT:** The Judicial Department's guidance in the memos related to Section 35.11 of the Temporary Provisions of the General Appropriations Act for the fiscal year 2004 – 2005 and 2003 – 2004 were not complied with. The County is unable to comply with those provisions with the current version of the software they are using without major manual intervention.

**AUDITORS' RECOMMENDATION:** We recommend the Magistrate meet with the software developer to determine if the current system can be modified to allocate installment payments to the various recipients as required by law.



OFFICE OF

**County Treasurer**  
**Allendale County**

P.O. BOX 511  
ALLENDALE, SOUTH CAROLINA 29810

GERZELL C. CHANEY  
TREASURER  
(803) 584-3876

Thomas L. Wagner, Jr. CPA  
State Auditor  
Office of State Auditor  
Columbia, South Carolina

I have reviewed the audit report for the Allendale County Magistrate Court. It was unfortunate that our relocation to the courthouse, lack of personnel, and lack of resources initiated the findings described. Regretfully, my concerns that this type of outcome could result from our deficiencies was not heeded.

I can assure you that steps have been taken to correct those issues sighted. The negative ramifications generated from our office being run predominately by one individual and the inability to access to the General Ledger has been addressed.

On a positive note, the hardships faced by the Treasurer's Office this year and the recommendations contained in the audit report provided us with the opportunity to implement methods to improve the overall performance of this office.

Respectfully Yours,

A handwritten signature in cursive script that reads "Gerzell C. Chaney".

Gerzell C. Chaney  
Allendale County Treasurer