

**CHESTERFIELD COUNTY GENERAL SESSIONS COURT
CHESTERFIELD, SOUTH CAROLINA**

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

**CHESTERFIELD COUNTY GENERAL SESSIONS COURT
CHESTERFIELD, SOUTH CAROLINA**

Table of Contents

	<u>PAGE</u>
STATE AUDITOR TRANSMITTAL LETTER	
I. INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES	1-3
II. ACCOUNTANTS' COMMENTS	
SECTION A - MATERIAL WEAKNESSES AND/OR VIOLATIONS OF STATE LAWS, RULES OR REGULATIONS	4
<u>PROPER ALLOCATION AND TIMELY REPORTING BY THE CLERK OF COURT</u>	
<i>TIMELY TRANSMITTAL TO THE COUNTY TREASURER</i>	5
<i>USE OF MINIMUM FINES</i>	5
SECTION B - OTHER WEAKNESSES NOT CONSIDERED MATERIAL	6
<u>PROPER ALLOCATION AND TIMELY REPORTING BY THE CLERK OF COURT</u>	
<i>ALLOCATION OF INSTALLMENT PAYMENTS</i>	7
<u>PROPER VICTIMS' ASSISTANCE FUNDS ACCOUNTING</u>	
<i>ALLOWABLE VICTIMS' ASSISTANCE EXPENDITURE</i>	7
<u>TIMELY ACCURATE REPORTING TO THE STATE TREASURER INCLUDING REQUIRED FINANCIAL STATEMENT SCHEDULES IN ACCORDANCE WITH SECTION 14-1-206(E)</u>	
<i>NO SUPPORTING DOCUMENTATION FOR REQUIRED SCHEDULES</i>	8
<i>INACCURATE VICTIMS' ASSISTANCE FUND REPORTING IN THE REQUIRED SCHEDULE</i>	8
APPENDIX	
CORRECTIVE ACTION PLAN	

State of South Carolina



Office of the State Auditor

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

THOMAS L. WAGNER, JR. CPA
STATE AUDITOR

(803) 253-4160
FAX (803) 343-0723

September 27, 2005

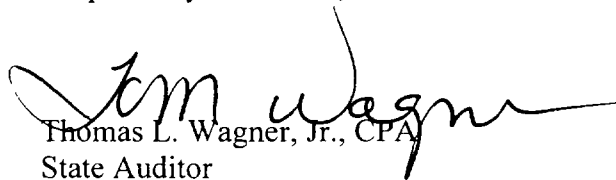
The Honorable Mark Sanford, Governor
State of South Carolina
Columbia, South Carolina

The Honorable Faye L. Sellers, Clerk of Court
Chesterfield County
Chesterfield, South Carolina

This report resulting from the application of certain agreed-upon procedures to certain accounting records of the Chesterfield County General Session 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

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 Chesterfield County General Sessions 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 Faye L. Sellers, Clerk of Court for Chesterfield County is responsible for compliance with the requirements for the General Sessions 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 CLERK OF COURT

- We researched South Carolina Code of Laws Section 14-17-750 to determine the definition of timely reporting with respect to the Clerk of Court'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 Clerk of Court 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 Clerk of Court Remittance Forms for the months of April 1, 2004 through March 31, 2005 to determine if the Clerk of Court submitted the reports in accordance with the law.
- We judgmentally selected and compared individual fine and assessment amounts recorded in the Clerk of Court'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 findings, *TIMELY TRANSMITTAL TO THE COUNTY TREASURER, ALLOCATION OF INSTALLMENT PAYMENTS* and *USE OF MINIMUM FINES*, are reported under "PROPER ALLOCATION AND TIMELY REPORTING BY THE CLERK OF COURT" 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 Clerk of Court to the County Treasurer's Office and to the County's general ledger accounts for the assessments (Sections 14-1-206(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 Clerk of Court Remittance Forms to the Clerk of 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.

We found no exceptions as a result of the procedures.

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 14-1-206(E)(4).
- We compared the fiscal year-ended June 30, 2004 audited Victims' Assistance Fund fund balance with all adjustments to the fund balance shown in the Required State Schedules on page 36 of the audited financial statement and to the beginning fund balance as adjusted in that fund for fiscal year 2005.
- We verified the Victims' Assistance Fund reimbursable expenditures were in compliance with Section 14-1-206(E) and Section 14-1-211(B).

Our finding, *ALLOWABLE VICTIMS' ASSISTANCE EXPENDITURE*, 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 14-1-206(E)

- We vouched the amounts reported in the State Treasurer Remittance Forms to Clerk of Court 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 14-1-206(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 14-1-206(E).
- We traced and agreed amounts in the supporting schedules to the Clerk of Court Remittance Forms.

Our findings, *NO SUPPORTING DOCUMENTATION FOR REQUIRED SCHEDULES* and *INACCURATE VICTIMS' ASSISTANCE FUND REPORTING IN THE REQUIRED SCHEDULE*, are reported under "TIMELY ACCURATE REPORTING TO THE STATE TREASURER INCLUDING REQUIRED FINANCIAL STATEMENT SCHEDULES IN ACCORDANCE WITH SECTION 14-1-206(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 Clerk of Court and County Treasurer 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 24, 2005

ACCOUNTANTS' COMMENTS

CHESTERFIELD COUNTY GENERAL SESSIONS COURT
CHESTERFIELD, 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.

CHESTERFIELD COUNTY GENERAL SESSIONS COURT
CHESTERFIELD, SOUTH CAROLINA
State Auditor's Report, Continued
March 31, 2005

PROPER ALLOCATION AND TIMELY REPORTING BY THE CLERK OF COURT

TIMELY TRANSMITTAL TO THE COUNTY TREASURER

CONDITION: One Clerk of Court Remittance Report for the procedures period of April 1, 2004 through March 31, 2005 was not timely filed. The December 2004 report was one day beyond the 10-day deadline.

CRITERIA: South Carolina Code of Laws Section 14-17-750. Section 14-17-750 requires that the Clerk make a full and accurate statement, in writing, to the County Auditor and County Treasurer, of all monies collected on account of licenses, fines, penalties and forfeitures during the past month, on the first Wednesday or within ten days thereafter, in each successive month.

EFFECT: South Carolina Code of Laws Section 14-17-750 was violated for the month of December 2004.

AUDITORS' RECOMMENDATION: We recommend the Clerk timely file.

USE OF MINIMUM FINES

CONDITION: The General Sessions Court Judges were not adhering to the Judicial Department minimum fine guidelines. For the entire period the judges were not fining defendants.

CRITERIA: A number of Code Sections require a minimum fine be levied along with assessments.

CAUSE: Local judicial interpretation.

EFFECT: The County fines and therefore assessments were not set at the minimum amounts set by the statute.

AUDITORS' RECOMMENDATION: We recommend that the judges adhere to the minimum fines set by the statutes.

CHESTERFIELD COUNTY GENERAL SESSIONS COURT
CHESTERFIELD, 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.

CHESTERFIELD COUNTY GENERAL SESSIONS COURT
CHESTERFIELD, SOUTH CAROLINA
State Auditor's Report, Continued
March 31, 2005

PROPER ALLOCATION AND TIMELY REPORTING BY THE CLERK OF COURT

ALLOCATION OF INSTALLMENT PAYMENTS

CONDITION: The Clerk of Court'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. The Judicial Department has determined and provided examples in training instructing the Clerk of Courts and Magistrates how to allocate fine, fee, and assessment payments made on an installment basis.

CAUSE: The automated system used by the Clerk 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 Clerk of Court computer system version cannot allocate installment payments to the applicable recipients.

EFFECT: Section 35.11 of the Temporary Provisions of the General Appropriations Act for the fiscal year 2004 – 2005 was violated. The County is unable to comply with the law with the current version of the software they are using without major manual intervention.

AUDITORS' RECOMMENDATION: We recommend the Clerk of Court 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.

PROPER VICTIMS' ASSISTANCE FUNDS ACCOUNTING

ALLOWABLE VICTIMS' ASSISTANCE EXPENDITURE

CONDITION: The County has agreed to reimburse the Solicitor's Office fifty percent of a full-time salary for one solicitor. The County uses Victims' Assistance money to fund the reimbursement. The agreement entered into by the County and the Solicitor's Office states that in exchange for the flat payment the Solicitor agrees to perform the entire Victims' Assistance services necessary in Chesterfield County. We were unable to determine if the amount paid is reasonable.

CRITERIA: Sections 14-1-206(D) states "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."

CAUSE: The County chose to negotiate the services without including a clause regarding, or any analysis documenting, the substantiation of the time devoted to Victims' services as it relates to reimbursement made.

EFFECT: There is no substantiation of the time devoted to Victims' services by the Solicitor's Office to allow the County to justify the amount of reimbursement from the Victims' Assistance Funds.

AUDITORS' RECOMMENDATION: We recommend the County occasionally substantiate the rate of pay with the percentage of time given by Solicitor's Office personnel on Chesterfield County Victims' Assistance needs in order to justify the rate exchanged for the services provided. The substantiation could be based on the number of cases handled, billable hours or some other similar methodology.

CHESTERFIELD COUNTY GENERAL SESSIONS COURT
CHESTERFIELD, 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 14-1-206(E)

NO SUPPORTING DOCUMENTATION FOR REQUIRED SCHEDULES

CONDITION: No supporting schedules were provided to compare to the Clerk of Court Remittance Forms to test for accuracy of the "Required State Schedules" on page 36 of the County's audited financial statement.

CRITERIA: South Carolina Code of Laws Section 14-1-206(E) and (E)(4). 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" and (4) "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."

CAUSE: The auditor prepares the "Required State Schedules" and did not leave a copy of their support with the County.

EFFECT: We were unable to determine the validity of the amounts reported in the "Required State Schedule".

AUDITORS' RECOMMENDATION: We recommend the County always be in possession of any supporting schedules that are used to produce their financial statements. The County is responsible for and therefore, should thoroughly understand their financial statements. The County's external auditors should explain all schedules they prepare to County personnel and County personnel should obtain copies of all documentation supporting any schedule in their financial statements.

INACCURATE VICTIMS' ASSISTANCE FUND REPORTING IN THE REQUIRED SCHEDULE

CONDITION: The Victims' Assistance Beginning and Ending Escrow Fund Balance in Victims' Fund amounts provided on the "Required State Schedules" schedule found on page 36 of the County financial statement were not reconciled to the County's general ledger. When reconciled to the ledger as part of our procedures we noted the escrow balances were understated by \$5,440.29.

CRITERIA: South Carolina Code of Laws Section 14-1-206(E)(1) (f). This section details what should be included in the required financial statement schedules and it states, "the total funds, by source, allocated to victim services activities, how those funds were expended and any balances carried forward."

CAUSE: The beginning and ending escrow balances were not reconciled to the general ledger, and therefore, the amounts carried forward were not properly reported in the "Required Supplementary Schedules".

EFFECT: The amounts represented in the financial statement, as funds left over in the Victims' Assistance fund are \$5,440 understated when compared to the general ledger. This has no effect on monies the State or Victims' Assistance actually received, only the reporting of carry forward balances.

AUDITORS' RECOMMENDATION: We recommend the financial statement schedule be accurate, reconciled to the general ledger and reflect the true balance of the amount of Victims' Assistance funds on hand and carried forward. The County should point this difference out to their external auditor to correct in the next financial statement. You may consider notifying the State Treasurer regarding the error as well.



CHESTERFIELD COUNTY CLERK OF COURT

FAYE L. SELLERS, CLERK
200 West Main Street • P. O. Box 529
Chesterfield, South Carolina 29709
Telephone (843) 623-2574
April Griffin, Chief Deputy Clerk

Court of General Sessions
Court of Common Pleas
Registrar of Deeds

September 19, 2005

Steven L. Blake, CPA
Cline Brandt Kochenower & Co., P.A.
1225 Baker Boulevard
P.O. Box 848
Gaffney, S.C. 29342

Dear Mr. Blake,

After reading your report several times I am responding to your findings.

I was a day late in December of 2004, but I did not know until this year that reports were due in Treasurer's Office on the 1st Wednesday of the month or within 10 days. I will continue to send the monthly reports to Treasurer's Office in a timely manner.

I think the Solicitor should be notified of Use of Minimum Fines and a copy of report sent to the Administrative Judge. As I told you in June I think that they might already know this since we are seeing a few fines on sentence sheets.

I talked with Perry Burnett (Smith Data) this morning. He said the new program has been completed and in testing at this time. He said that we should have program ready for use next month.

If I can be of any more help with this report or if I need to respond to something else please let me know.

Sincerely,

Faye Sellers
Clerk of Court
Chesterfield County