

**JEFFERSON MUNICIPAL COURT
JEFFERSON, SOUTH CAROLINA**

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

FOR THE YEAR ENDED JUNE 30, 2017

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March 22, 2018

The Honorable Tammy Winthrow, Clerk of Court
Jefferson Municipal Court
Jefferson, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the Town of Jefferson Municipal Court System as of and for the year ended June 30, 2017, was issued by Steven L. Blake, CPA, 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,

George L. Kennedy, III, CPA
State Auditor

GLKIII/sag

STEVEN L. BLAKE, CPA

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

March 22, 2018

Mr. George L. Kennedy, III, CPA
State Auditor
State of South Carolina
Columbia, South Carolina

Tammy Winthrow, Clerk of Court
Jefferson Municipal Court
Jefferson, South Carolina

I have performed the procedures described below, which were agreed to by the South Carolina Office of the State Auditor and Town of Jefferson, on the systems, processes, and behaviors related to court fines and fees of the Town of Jefferson for the period July 1, 2016 through June 30, 2017, in the areas addressed. The Town of Jefferson and the Jefferson Municipal Court are responsible for the systems, processes, and behaviors related to court fines and fees. The sufficiency of these procedures is solely the responsibility of the South Carolina Office of the State Auditor and the Town of Jefferson and the Jefferson Municipal Court. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which the agreed-upon procedures report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

1. Clerk of Court

- I gained an understanding of the policies and procedures established by the Clerk of Court to confirm timely reporting by the Clerk of Court's Office.
- I obtained the court dockets or equivalents from the Clerk of Court. I randomly selected 25 cases from the court dockets and I confirmed the fine assessed adhered to State law. I also recalculated the fine, fee, assessment and surcharge calculation to confirm that the fine, fee, assessment and surcharge were properly calculated and allocated in accordance with applicable State law and the South Carolina Court administration fee memoranda.
- I inspected the court receipt transactions for the above cases to confirm that the fine, fee, assessment and surcharges assessed adhered to State law and the South Carolina Court administration fee memoranda and that the receipts were allocated in accordance with applicable State law.

Mr. George L. Kennedy, III, CPA, State Auditor
and
Tammy Winthrow, Clerk of Court
Jefferson Municipal Court
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Findings

Adherence to Fine Guidelines

- The Court did not sentence one defendant in accordance with State law for Open Container. The judge fined the defendant \$12.05 more than the required maximum.

The Clerk stated that the higher fine resulted from the improper assessment of the conviction surcharge. See **Manual Court Assessment System** finding below.

- The Court did not sentence one defendant in accordance with State law for No Registration in Possession. The fine was \$0.24 more than the required maximum.

The Clerk stated that the fine was correct, however, when the defendant paid the fine, it was over paid by \$0.50 and this was included with the total, thus causing the overage when the overpayment was allocated.

Installment Payment Fee

The Clerk of Court collected one payment in installments. The Clerk did not charge the 3% Installment Payment Fee.

Manual Court Assessment System

The Town uses a manual system to assess, allocate and calculate total fines. This manual system has been unreliable in allocating the \$25 conviction surcharge on all criminal violations. In addition, the system did not allocate to the Driving Under the Influence \$100 Pull Out properly or allocate the \$5 Criminal Justice Academy surcharge in accordance with the Judicial Department memo dated June 22, 2016. See **Calculation of Over/(Under) Reported Amounts**.

2. Municipal Treasurer

- I gained an understanding of the policies and procedures established by the Municipal treasurer to confirm timely reporting by the Municipality.
- I inspected all monthly court remittance forms or equivalents to confirm that the forms were completed in accordance with instructions and submitted timely in accordance with State law.
- I agreed the amounts reported on the monthly remittance forms or equivalents to the Municipality's support.

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- I inspected the Municipality's support to confirm that the Municipality properly classified fine, fee, assessment, and surcharge receipts.

- I inspected all State Treasurer's Revenue Remittance Forms (STRRF) for the period July 1, 2016 through June 30, 2017 and agreed the amounts reported on the State Treasurer's Revenue Remittance Forms to the court remittance forms or equivalents.

- I agreed 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 March 1, 2016 through February 28, 2017, to the Municipality's general ledger.

- I inspected the Municipality's supplemental schedule of fines and assessments, as reported in the annual financial statement audit, to confirm that it contained all the elements required by State law.

Findings

Reporting Error

The Town incorrectly reported revenues to the State Treasurer's Office (STO) for August 2016 and June 2017. The Town discussed this error with the STO and was directed by the STO to make corrections in the July 2017 filing. I recalculated these corrections and agreed them to the July 2017 report and confirmed the reported corrections.

Also, the Town has reported Line O revenues in Line OA. This has no financial impact on the Town as both line items fund the Victim Assistance fund.

3. Victim Assistance

- I gained an understanding of the policies and procedures established by the Municipality to confirm proper accounting for victim assistance funds.

- I made inquiries and confirmed that any funds retained by the Municipality for victim assistance were deposited into a separate account.

- I selected all expenditures to confirm that the Municipality expended victim assistance funds in accordance with State law and the South Carolina Court administration fee memoranda.

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- I inspected the Municipality's victim assistance financial activity on the supplemental schedule of fines and assessments, as reported in the annual financial statement audit, and confirmed that it adhered to and included items required by State law.

- I agreed the amounts reported by the Municipality on its supplemental schedule of fines and assessments, as reported in the annual financial statement audit, applicable to the Victim Assistance Fund, to the Municipality's general ledger or subsidiary ledgers or equivalent.

- I inspected the Municipality's victim assistance account to confirm the Victim Assistance fund balance was retained as of March 1 from the previous fiscal year in accordance with State law.

Findings

Supplemental Schedule

The Town's Victim Assistance fund balance appears in a note to the financial statements rather than the Supplemental Schedule as required by law. Also, the data in the Supplemental Schedule did not agree to amounts reported on the Town's STRRF.

Victim Assistance Fund Balance

The Town transfers the Victim Assistance money it collects to the County monthly. However, there is a balance of \$3,138 that has never been transferred.

4. Calculation of Over/(Under) Reported Amounts

- I inspected copies of monthly State Treasurer Revenue Remittance Forms] for the 12-month period ended June 30, 2017, which the Municipality prepared and submitted to the South Carolina Office of the State Treasurer and compared those to the court transmittals. I calculated the amount over/(under) reported by the Clerk of Court for the period.

Mr. George L. Kennedy, III, CPA, State Auditor
and
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Findings

The amounts over/(under) reported, by STRRF line item is listed in the schedule below:

STRRF LINE	DESCRIPTION	AMOUNT
F.	Municipal DUS DPS Pullout - \$100	(100.00)
K.	Municipal Law Enforcement Surcharge - \$25	50.00
KA.	Criminal Justice Academy Surcharge - \$5	110.00
L.	Municipal – 107.5%	<u>423.44</u>
M.	TOTAL REVENUE DUE FROM STATE TREASURER	<u>483.44</u>
N.	Assessments - Municipal	53.17
O.	Municipal Victim Surcharge	<u>(150.00)</u>
P.	TOTAL RETAINED FOR VICTIM SERVICES	<u>(96.83)</u>

Mr. George L. Kennedy, III, CPA, State Auditor
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This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. I was not engaged to and did not conduct an examination or review, the objective of which would be an opinion or conclusion, respectively, on the systems, processes, and behaviors related to court fines and fees of the Town of Jefferson and the Town of Jefferson Municipal Court. Accordingly, I do not express an opinion or conclusion. Had I 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, Senate Finance Committee, House Judiciary Committee, Senate Judiciary Committee, members of the Jefferson Municipal Council, Jefferson Municipal Clerk of Court, Jefferson Municipal Treasurer, 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. However, this report is a matter of public record and its distribution is not limited.

Steven L. Blake, CPA