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*City of Loris Municipal Court*

Loris, South Carolina

Independent Accountant's Report on Applying Agreed-Upon  
Procedures for the year ended June 30, 2017



June 27, 2018

The Honorable Henry L. Nichols, Mayor  
City of Loris Municipal Court  
Loris, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the City of Loris Municipal Court System as of and for the year ended June 30, 2017, was issued by Brown CPA, LLC, 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,

George L. Kennedy, III, CPA  
State Auditor

GLKIII/cwc

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# BROWN CPA, LLC

## Independent Accountant's Report on Applying Agreed-Upon Procedures

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

The Honorable Henry L. Nichols, Mayor  
City of Loris  
Loris, South Carolina

We have performed the procedures described below, which were agreed to by the South Carolina Office of State Auditor and the City of Loris Municipal Court, on the systems, processes, and behaviors related to court fines and fees of the City of Loris Municipal Court for the period July 1, 2016 through June 30, 2017, in the areas addressed. The City of Loris and the City of Loris Municipal Court (the "Municipality") 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 City of Loris and the City of Loris Municipal Court. Consequently, we 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

- We gained an understanding of the policies and procedures established by the Clerk of Court to determine timely reporting by the Clerk of Court's Office.
- We obtained the court dockets or equivalents 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 confirm that the fine, fee, assessment and surcharge were properly allocated in accordance with applicable State law and the South Carolina Court administration fee memoranda.
- We randomly selected twenty-five court receipt transactions to confirm that the fee, fine, assessment and surcharge adhered to State law and the South Carolina Court administration fee memoranda and that the receipts were allocated in accordance with applicable State law.

**Findings** – We found the following findings as a result of the procedures.

#### A. Adherence to Fine Guidelines

1. Of the ten convicted individuals speeding 10 mph or less over the speed limit, five were fined \$81.50 and five were fined \$81.00. Under section 56-5-1520(G) (1) of the South Carolina Code of Laws the maximum fine is \$76.88.
2. Two convicted individuals speeding more than 10 mph but less than 15 mph over the speed limit were fined \$133.00. Under section 56-5-1520(G) (2) of the South Carolina Code of Laws the maximum fine is \$128.75.

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MEMBER:  
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS  
SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS



3. Three convicted individuals speeding more than 15 mph but less than 25 mph over the speed limit were fined \$185.00. Under section 56-5-1520(G) (3) of the South Carolina Code of Laws the maximum fine is \$180.63.
4. One individual fined for failure to change address was fined \$237.50. Under section 56-2-230 of the South Carolina Code of Laws the maximum fine is \$232.50.
5. One individual convicted of driving without a license 1<sup>st</sup> offense was fined \$237.50. Under section 56-1-20 of the South Carolina Code of Laws the maximum fine is \$128.75.
6. Two individuals convicted of failure to possess vehicle registration card were fined \$237.50. Under section 56-3-2520 of the South Carolina Code of Laws the maximum fine is \$232.50.

**Management Response** – See Attachment A

2. **Municipal Treasurer**

- We gained an understanding of the policies and procedures established by the Municipal treasurer to determine timely reporting by the Municipality.
- We 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.
- We agreed the amounts reported on the monthly remittance forms or equivalents to the Municipality’s support.
- We inspected the Municipality’s support to confirm that the Municipality properly classified fine, fee, assessment, and surcharge receipts.
- We 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.
- We agreed amounts reported by the Municipality on its supplemental schedule of fines and assessments, as reported in the annual financial statement audit, to the Municipality’s general ledger.
- We inspected the Municipality’s supplementary 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** – We found the following findings as a result of the procedures.

- A. The Municipality was not timely in remitting the State’s share of court fines and fees due to the South Carolina State Treasurer.

Section 14-1-208(A) of the 1976 South Carolina Code of Laws, as amended, states “...this assessment must be paid to the municipal clerk of court and deposited with the city treasurer for remittance to the State Treasurer.” Section 14-1-208(B) of the 1976 South Carolina Code of Laws, as amended, requires the city 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.

- Seven of twelve STRRFs were not submitted timely. Three instances were less than 30 days, one instance was less than 60 days, and three instances were 90 days or more late.
- B. The Municipality submitted the November STRRF twice and is due a refund of \$3,559.30 as detailed in procedure #4 below.
  - C. The last audit completed for the Municipality is for the year ended December 31, 2014 as such we were not able to agree amounts reported by the Municipality on its supplemental schedule of fines and assessments, as reported in the annual financial statement audit, for the period July 1, 2016 through June 30, 2017. We noted that the supplemental schedule for the fiscal year ended December 31, 2014 did contain all the elements required. Additionally, note that the Municipality has changed its fiscal year end from December 31 to June 30.

**Management Response** – See Attachment A

**3. Victim Assistance**

- We gained an understanding of the policies and procedures established by the Municipality to confirm proper accounting for victim assistance funds.
- We made inquiries and confirmed that any funds retained by the Municipality for victim assistance were deposited into a separate account.
- We selected 25 expenditures to confirm that the Municipality expended victim assistance funds in accordance with State law and South Carolina Court administration fee memoranda.
- We 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 was in compliance with applicable State law.
- We 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 Victim Assistance Fund, to the Municipality’s general ledger or subsidiary ledgers.
- We inspected the Municipality’s victim assistance account to confirm the Victim Assistance fund balance was retained as of July 1 from the previous fiscal year in accordance with State law.

**Findings** – We found the following findings as a result of the procedures.

- A. The last audit completed for the Municipality is for the year ended December 31, 2014 as such we were not able to agree amounts reported by the Municipality on its supplemental schedule of fines and assessments, as reported in the annual financial statement audit, for the period July 1, 2016 through June 30, 2017. We noted that the supplemental schedule for the fiscal year ended December 31, 2014 did contain all the elements required. Additionally, note that the Municipality has changed its fiscal year end from December 31 to June 30.

**4. Calculation of Over/(Under) Reported Amounts**

- We inspected copies of monthly State Treasurer Revenue Remittance Forms for the twelve month period ended June 30, 2017, which the Municipality prepared and submitted to the South Carolina Office of the State Treasurer. We calculated the amount over/(under) reported by the Municipality by category.

**Findings** – As noted in procedure 2 finding B above, the Municipality submitted the November STRRF twice and is due a refund of \$3,559.30 as follows:

E	Boating Under The Influence (BUI)	-
F	Municipal DUS DPS Pullout - \$100	97.63
G	Municipal DUI Assessment - \$12 Per Case	-
H	Municipal DUI Surcharge - \$100 Per Case	-
I	Municipal DUI DPS Pullout - \$100	-
IA	DUI/DUAC Breathalyzer Test Conviction Fee - SLED - \$25	-
J	Municipal Drug Surcharge - \$150 Per Case	265.89
K	Municipal Law Enforcement Surcharge - \$25 Per Case	941.12
KA	Municipal Criminal Justice Academy Surcharge - \$5 Per Case	42.61
L	Municipal - 107.5%	2,212.05
LA	Municipal Traffic Education Program \$140 Application Fee	-
		-
		<u>3,559.30</u>

**5. Status of Prior Findings**

- We inquired with management of the Municipality about the status of finding(s) reported in the Accountant’s Comments section of the State Auditor’s Report on the Municipality resulting from an engagement for the period ended June 30, 2010, to confirm that the Municipality had taken adequate corrective action.

**Findings** – We noted the following repeat findings.

- The report from June 30, 2010 noted numerous instances where fines and assessments were improperly assessed. We noted the same situation in procedure 1 finding A above.
- The report from June 30, 2010 noted that the STRRF was not timely submitted. We noted the same situation in procedure 2 finding A above.

**Management Response** – See Attachment A

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or a review, the objective of which would be the expression of an opinion or conclusion, respectively, on the systems, processes, and behaviors related to court fines and fees of the Court. Accordingly, we do not express such an opinion or conclusion. 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, Chairmen of the House Ways and Means Committee, Senate Finance Committee, House Judiciary Committee, Senate Judiciary Committee, members of City of Loris Council, City of Loris Clerk of Court, City of Loris Finance Director, State Treasurer, State Office of Victim Assistance, the Chief Justice, and the South Carolina Office of the State Auditor, 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.

BROWN CPA, L.L.C.

Irmo, South Carolina  
June 27, 2018

## Attachment A

June 27, 2018

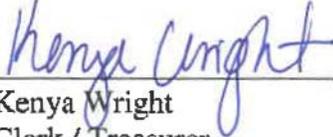
To whom it may concern:

We have reviewed the comments provided herein and are in agreement with the comments and will remediate these items as follows.

We will review the State of South Carolina guidelines for minimum and maximum amounts for police fines and assessments in an effort to conform with State Law. Additionally we will place greater effort in timely remitting to the South Carolina State Treasurer's Office the monthly State Treasurer Revenue Remittance Forms which we understand are due by the 15<sup>th</sup> day of the following month. We have had personnel turnover within our City which has resulted in some of the problems identified.

We are always receptive to positive constructive criticism in our efforts to improve upon compliance and financial reporting.

Sincerely yours,

  
\_\_\_\_\_  
Kenya Wright  
Clerk / Treasurer