

TOWN OF FORT MILL MUNICIPAL COURT  
FORT MILL, SOUTH CAROLINA

INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES

For The Year Ended September 30, 2017



June 25, 2018

The Honorable Kyle Hobbs, Municipal Judge  
Town of Fort Mill Municipal Court  
Fort Mill, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the Town of Fort Mill Municipal Court System as of and for the year ended September 30, 2017, was issued by The Hobbs Group, 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,

George L. Kennedy, III, CPA  
State Auditor

GLKIII/sag

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1704 Laurel Street  
Columbia, SC 29201  

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P.O. Box 2411  
Columbia, SC 29202



Phone (803) 799-0555  
Fax (803) 799-4212  

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www.hobbsscpa.com

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

June 25, 2018

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

Kyle Hobbs, Municipal Judge  
Town of Fort Mill, South Carolina

We have performed the procedures described below, which were agreed to by the South Carolina Office of the State Auditor and the Town of Fort Mill Municipal Court (the "*Town*"), on the systems, processes, and behaviors related to court fines and fees of the Town for the period October 1, 2016 through September 30, 2017, in the areas addressed. The Town is 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. 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 confirm timely reporting by the Clerk of Court's Office.
- We obtained the court dockets or equivalents from the Clerk of Court. We randomly selected 25 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 25 court receipt transactions to confirm that the fine, fee, 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.

We found no exceptions as a result of the procedures.

## 2. Town Treasurer

- We gained an understanding of the policies and procedures established by the Town treasurer to confirm timely reporting by the Town.
- 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 Town's support.
- We inspected the Town's support to confirm that the Town properly classified fine, fee, assessment, and surcharge receipts.
- We inspected all State Treasurer's Revenue Remittance Forms for the period October 1, 2016 through September 30, 2017 and agreed the amounts reported on the State Treasurer's Revenue Remittance Forms to the court remittance forms or equivalents.
- We agreed the amounts reported by the Town on its supplemental schedule of fines and assessments, as reported in the annual financial statement audit, for the period October 1, 2016 through September 30, 2017, to the Town's general ledger.
- We inspected the Town'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.

### **Finding -- Timely Reporting to the State Treasurer**

One State Treasurer's Revenue Remittance Report for the period of October 1 through September 30 was not filed timely. The report was filed 9 days late. South Carolina Code of Laws Section 14-1-208(B) states "The Town treasurer must remit ... the assessment revenue to the State Treasurer on a monthly basis by the fifteenth day of each month."

Management Response: It's the Town desire to comply with state law. The reporting is a task that is assigned to the Clerk of Court, which includes submission to the State via email. Concerning the reporting period which was late, the Clerk of Court did prepare the report timely but did not follow through with emailing the documentation to the State before the 15<sup>th</sup> of the month. Once this was realized, it was immediately submitted. Going forward, the Clerk of Court will continue to produce the report, however, the actual submission to the State will be handled by the Finance Director or a designee from the Finance office.

### **Finding -- Presentation of the Schedule of Court Fines, Assessments, and Surcharges**

The Town did not properly present all of the required information in its September 30, 2017 supplemental schedule of fines, assessments, and surcharges in the financial statement audit. Section 14-1-208(E)(1)(a) and (b) states the following elements must be included:

- (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

The Town did not present these elements separately on the schedule as required by state law.

Management Response: The schedule in the independent audit report does include the items in question in summary rather than detail. This has been brought to the attention of the independent auditor. Going forward the schedule will reflect separately the elements as prescribed by state law.

### 3. **Victim Assistance**

- We gained an understanding of the policies and procedures established by the Town to confirm proper accounting for victim assistance funds.
- We made inquiries and confirmed that any funds retained by the Town for victim assistance were deposited into a separate account.
- We randomly selected 12 expenditures to confirm that the Town expended victim assistance funds in accordance with State law and the South Carolina Court administration fee memoranda.
- We inspected the Town'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 Town on its supplemental schedule of fines and assessments, as reported in the annual financial statement audit, applicable to the Victim Assistance Fund, to the Town's general ledger or subsidiary ledgers.
- We inspected the Town's victim assistance account to confirm the Victim Assistance fund balance was retained as of October 1 from the previous fiscal year in accordance with State law.

We found no exceptions as a result of the procedures.

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

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

We found no exceptions as a result of the procedures.

### 5. **Status of Prior Findings**

- We inquired with management of the Town about the status of findings reported in the Accountant's Comments section of the State Auditor's Report on the Town resulting from an engagement for the period ended April 30, 2006 to confirm that the Town had taken adequate corrective action.

We noted one finding that is repeated in the current period. Our finding is reported under "Timely Reporting to the State Treasurer".

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 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. Accordingly, we do not express 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, Chairman of the House Ways and Means Committee, Senate Finance Committee, House Judiciary Committee, Senate Judiciary Committee, members of the Fort Mill Town Council, the Clerk of Court, Town 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.

The Hobbs Group, P.A.  
Columbia, South Carolina

*The Hobbs Group, P.A.*