

**TOWN OF LYMAN MUNICIPAL COURT
LYMAN, SOUTH CAROLINA**

**State Auditor's Report on Applying
Agreed-Upon Procedures
March 31, 2007**

**TOWN OF LYMAN MUNICIPAL COURT
LYMAN, 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	
VIOLATIONS OF STATE LAWS, RULES OR REGULATIONS	4
<u>TIMELY ACCURATE RECORDING AND REPORTING BY THE TOWN</u>	5
<i>Assessment of the 3% Collection Cost Charge on Installment Payments</i>	
<i>Adherence to Judicial Department Fine Guidelines</i>	
<i>Charging Court Costs</i>	
<u>TIMELY ACCURATE REPORTING TO THE STATE TREASURER</u>	6-7
<i>Timely Reporting</i>	
<i>Schedule of Fines and Assessments</i>	
APPENDIX	
CORRECTIVE ACTION PLAN	

State of South Carolina



Office of the State Auditor

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DEPUTY STATE AUDITOR

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October 10, 2007

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

The Honorable Ashley Sweatt, Clerk of Court
Town of Lyman
Lyman, South Carolina

This report resulting from the application of certain agreed-upon procedures to certain accounting records of the Town of Lyman Municipal Court System for the period April 1, 2006 through March 31, 2007, 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,

A handwritten signature in black ink, appearing to read "Richard H. Gilbert Jr.", written in a cursive style.

Richard H. Gilbert, Jr., CPA
Deputy State Auditor

RHGjr/trb

Independent Accountants' Report on Applying Agreed-Upon Procedures

Richard H. Gilbert, Jr., CPA
Deputy 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 Town of Lyman Municipal Court System and to assist the South Carolina Office of the State Auditor in complying with the 2006 - 2007 General Appropriations Act (H. 4810) Section 72.80. Ashley Sweatt, Clerk of Court for the Town of Lyman, is responsible for compliance with the requirements for the Municipal Court reporting and the South Carolina Office of the State Auditor is responsible for compliance with the requirements of the 2006 - 2007 General Appropriations Act (H. 4810) Section 72.80. 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. TIMELY REPORTING BY THE CLERK OF COURT

- We researched South Carolina Code of Laws Section 14-25-85 to determine the definition of timely reporting with respect to the Clerk of Court's responsibility for reporting fines, fees and assessments to the Municipal Treasurer.
- We inquired of the South Carolina Judicial Department to determine their requirements for both the manner in which partial pay fines and fees are to be allocated and the timing of the report and remittance submissions by the Clerk and the Treasurer.
- We inquired of the Clerk of Court and Municipal Treasurer to gain an understanding of their policy for ensuring timely reporting and to determine how the treasurer specifically documents timeliness.
- We inspected documentation, including the Clerk of Court Remittance Forms or equivalents for the months of April 1, 2006 to March 31, 2007 to determine if the Clerk of Court submitted the reports to the municipal treasurer in accordance with the law.

We found no exceptions as a result of the procedures.

2. TIMELY ACCURATE RECORDING AND REPORTING BY THE TOWN

- We traced each month's reporting by the Clerk of Court to the Municipal Treasurer's Office and to the Town's general ledger accounts for the assessments (Sections 14-1-208(A), (B) and (D)) and victim assistance surcharge (Section 14-1-211) for the period April 1, 2006 – March 31, 2007.
- We compared the amounts reported on the Clerk of Court Remittance Forms or equivalents 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 2006 – 2007 and with South Carolina Judicial Department training instructions and interpretations.
- 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 minimum and maximum range.

Our findings are reported under "TIMELY ACCURATE RECORDING AND REPORTING BY THE TOWN" in the Accountants' Comments section of this report.

3. PROPER VICTIM ASSISTANCE FUNDS ACCOUNTING

- We inquired as to the format determined by Town council and local policy for record keeping as it relates to fines and assessments in accordance with Section 14-1-208(E)(4).
- We compared the fiscal year-ended June 30, 2006 audited Victim Assistance Fund fund balance with all adjustments to the fund balance shown in the Schedule of Fines, Assessments and Surcharges of the audited financial statement on page 35 and to the beginning fund balance as adjusted in that fund for fiscal year 2007.
- We judgmentally selected a sample of Victim Assistance Fund reimbursable expenditures and verified that these expenditures were in compliance with Section 14-1-208(E) and Section 14-1-211(B).

We found no exceptions as a result of the procedures.

4. TIMELY ACCURATE REPORTING TO THE STATE TREASURER

- We vouched the amounts reported in the South Carolina State Treasurer's Revenue Remittance Forms to Clerk of Court Remittance Forms or equivalents for the period April 1, 2006 to March 31, 2007.
- We scanned the South Carolina State Treasurer's Revenue Remittance Forms for timely filing in accordance with Section 14-1-208(B).
- We traced amounts recorded in the Town's financial statement Schedule of Fines, Assessments and Surcharges of the year ended June 30, 2006 report related to fines and assessments revenues reporting on page 35 in accordance with Section 14-1-208(E) to supporting schedules used in the audit to comply with Section 14-1-208(E).
- We traced and agreed amounts in the supporting schedules to the Clerk of Court Remittance Forms or South Carolina State Treasurer's Revenue Remittance Forms.

Our findings are reported under "TIMELY ACCURATE REPORTING TO THE STATE TREASURER" in the Accountants' Comments section of this report.

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, 2007 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 Governor, Chairmen of the House Ways and Means Committee, Senate Finance Committee, House Judiciary Committee, Senate Judiciary Committee, members of the Lyman Town Council, Town clerk of court, Town treasurer, State Treasurer, Chief Justice and the Office of the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.



April 19, 2007

ACCOUNTANTS' COMMENTS

**TOWN OF LYMAN MUNICIPAL COURT
LYMAN, SOUTH CAROLINA**
State Auditor's Report
March 31, 2007

VIOLATIONS OF STATE LAWS, RULES OR REGULATIONS

Management of the entity is responsible for establishing and maintaining internal controls to ensure compliance with State Laws, Rules or Regulations. The procedures agreed to by the entity require that we plan and perform the engagement to determine whether any violations of State Laws, Rules or Regulations occurred.

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

TOWN OF LYMAN MUNICIPAL COURT
LYMAN, SOUTH CAROLINA
State Auditor's Report, Continued
March 31, 2007

TIMELY ACCURATE RECORDING AND REPORTING BY THE TOWN

ASSESSMENT OF THE 3% COLLECTION COST CHARGE ON INSTALLMENT PAYMENTS

CONDITION: The Town does not assess the 3% collection fee on fines paid on an installment basis.

CRITERIA: South Carolina Code of Laws Section 14-17-725 states, "Where criminal fines, assessments, or restitution payments are paid through installments, a collection cost charge of three percent of the payment also must be collected by the clerk of court.... "

CAUSE: The Town did not know they were required to charge the 3% collection fee on payments received on installment.

EFFECT: The Town is not complying with Section 14-17-725 by not assessing the 3% collection fee on partial payments.

AUDITORS' RECOMMENDATION: We recommend the Clerk of Court comply with the law related to installment payments and collect the 3% fee as required by law.

ADHERENCE TO JUDICIAL DEPARTMENT FINE GUIDELINES

CONDITION: The Municipal Court Judge did not adhere to the Judicial Department minimum fine guidelines.

CRITERIA: Judicial Department Guidelines for Fines – Minimums and Maximums. These guidelines are obtained from the minimum and maximum fines recorded in the respective legislations.

CAUSE: The Judge did not use the current Judicial Department fine guidelines.

EFFECT: By not assessing the minimum fines as required in the legislation, the Town is violating the law.

AUDITORS' RECOMMENDATION: We recommend that the Town judge comply with the law and use the current guidelines when assessing fines.

CHARGING COURT COSTS

CONDITION: The Town adds twenty dollars to every fine as a court cost.

CRITERIA: Attorney General Opinion dated May 8, 1984, states, "the recovery and allowance of cost rests entirely on statutory provisions...no right to or liability for cost exists in the absence of statutory authorization."

CAUSE: The Town was unaware of the Attorney General's Opinion.

EFFECT: The Town has assessed and retained an additional assessment to offset the cost of holding court on each traffic ticket.

AUDITORS' RECOMMENDATION: The Town should comply with Attorney General's Opinion and cease charging additional fees.

TOWN OF LYMAN MUNICIPAL COURT
LYMAN, SOUTH CAROLINA
State Auditor's Report, Continued
March 31, 2007

TIMELY ACCURATE REPORTING TO THE STATE TREASURER

TIMELY REPORTING

CONDITION: Nine of the twelve State Treasurer's Remittance Reports for the procedures period April 30, 2006 through March 31, 2007 were not timely filed. The delays ranged from 3 to 77 days.

CRITERIA: South Carolina Code of Laws Sections 14-1-208 (B) states "The city treasurer must remit...on a monthly basis by the fifteenth day of each month...."

CAUSE: The reports for two months were not date stamped by the clerk of court so responsibility for late filing could not be determined. The Treasurer filed the other seven reports late.

EFFECT: The Town did not comply with the timely filing law.

AUDITORS' RECOMMENDATION: The Town should develop and implement a policy to ensure the Town complies with State law. They should consider date stamping the remittance forms to document timeliness and compliance with the law.

SCHEDULE OF FINES AND ASSESSMENTS

CONDITION 1: The Supplementary Schedule of Fines and Assessments, prepared by and submitted to the State by an independent external accountant, did not include all information that is required by law to be in the schedule. The schedule of fines and fees did not list fines and assessments separately.

CRITERIA: South Carolina Code of Laws Section 14-1-208(E) requires that the municipality have an audited supplementary schedule indicating all fines and assessments collected by the municipal court, the amount of the fines and assessments retained by the Town Treasurer and the amount of fines and assessments remitted to the State Treasurer, and the total funds, by source, allocated to victim services activities, how those funds were expended, and any balances carried forward.

CAUSE: The Town relied on the independent auditor to include all required information on the schedule.

EFFECT: The Town's Supplementary Schedule of Fines and Assessments did not comply with South Carolina Code of Laws Section 14-1-208(E)(1)(a, b, c & d).

AUDITORS' RECOMMENDATION: We recommend the Town review the schedule before submission to ensure that it complies with State law.

CONDITION 2: The Schedule of Fines and Assessments for the fiscal year ended June 30, 2006 presented on page 35 of the audited financial statement did not agree with the general ledger or to the support that was provided by the Town and their auditor.

CRITERIA: South Carolina Code of Laws Section 14-1-208(E)(4) states "The Clerk of Court shall keep records of fines and assessments required to be reviewed pursuant to this subsection in the format determined by the municipality and make those records available for review."

CAUSE: An independent external auditor prepared the Supplementary Schedule of Fines and Assessments. The Treasurer did not review the schedule to ensure that it reconciled to the Town's accounting records.

TOWN OF LYMAN MUNICIPAL COURT
LYMAN, SOUTH CAROLINA
State Auditor's Report, Continued
March 31, 2007

EFFECT: South Carolina Code of Laws Section 14-1-208(E)(4) was violated.

RECOMMENDATION: The Town should comply with the law and maintain accurate records.

Robert N. Fogel
Mayor

81 Groce Road
Lyman, SC 29365

www.lymansc.gov

(864) 439-3453
(864) 439-9050 FAX



Council:

Rodney Turner
Mayor Pro Tem

Tony Wyatt
Terry Stokes
Judy H. Cramer
Dennis Lindey
Daisy F. Carter

Mary Jane Bridwell
Clerk

Dennis P. Drozdak
Treasurer

October 7, 2007

Cline, Brandt, Kochenower & Co., P.A.
Post Office Box 848
Gaffney, SC 2934

REF – State Audit Report on Lyman Municipal Court

Dear Sir:

I am in receipt of the State Auditor's Report on the Lyman Municipal Court dated March of 2007. The Town of Lyman is devoted to the proper financial accounting of public funds and to the accurate and timely reporting of financial activity to the State's oversight entities. The Town of Lyman desires periodic reviews of its financial activity, statements and reports to facilitate accurate and open fiscal accountability to the citizens we serve.

In that regard and after a review of the Court Audit Report I have directed the responsible personnel to set forth necessary changes to our present procedures and protocols to ensure future compliance in all areas of State regulation. Therefore, I submit the following response and the Town of Lyman's proposed Corrective Action Plan:

TIMELY ACCURATE RECORDING AND REPORTING BY THE TOWN

ASSESSMENT OF THE 3% COLLECTION COST CHARGE ON INSTALLMENT PAYMENTS

CONDITION: The Town does not assess the 3% collection fee on fines paid on an installment basis.

CRITERIA: South Carolina Code of Laws Section 14-17-725 states, "Where criminal fines, assessments, or restitution payments are paid through installments, a collection cost charge of three percent of the payment also must be collected by the clerk of court...."

CAUSE: The Town did not know they were required to charge the 3% collection fee on payments received on installment.

EFFECT: The Town is not complying with Section 14-17-725 by not assessing the 3% collection fee on partial payments.

AUDITORS' RECOMMENDATION: We recommend the Clerk of Court comply with the law related to installment payments and collect the 3% fee as required by law.

CORRECTIVE ACTION: **The Town implemented the collection of the 3% fee effective immediately.**

ADHERENCE TO JUDICIAL DEPARTMENT FINE GUIDELINES

CONDITION: The Municipal Court Judge did not adhere to the Judicial Department minimum fine guidelines.

CRITERIA: Judicial Department Guidelines for Fines – Minimums and Maximums. These guidelines are obtained from the minimum and maximum fines recorded in the respective legislations.

CAUSE: The Judge did not use the current Judicial Department fine guidelines.

EFFECT: By not assessing the minimum fines as required in the legislation, the Town is violating the law.

AUDITORS' RECOMMENDATION: We recommend that the Town judge comply with the law and use the current guidelines when assessing fines.

CORRECTIVE ACTION: **The Town Judge will adhere to all minimum and maximum fines as set forth by law.**

CHARGING COURT COSTS

CONDITION: The Town adds twenty dollars to every fine as a court cost.

CRITERIA: Attorney General Opinion dated May 8, 1984, states, "the recovery and allowance of cost rests entirely on statutory provisions...no right to or liability for cost exists in the absence of statutory authorization."

CAUSE: The Town was unaware of the Attorney General's Opinion.

EFFECT: The Town has assessed and retained an additional assessment to offset the cost of holding court on each traffic ticket.

AUDITORS' RECOMMENDATION: The Town should comply with Attorney General's Opinion and cease charging additional fees.

CORRECTIVE ACTION: **Effective July 1, 2007 the Town no longer collects a court fee.**

TIMELY ACCURATE REPORTING TO THE STATE TREASURER

TIMELY REPORTING

CONDITION: Nine of the twelve State Treasurer's Remittance Reports for the procedures period April 30, 2006 through March 31, 2007 were not timely filed. The delays ranged from 3 to 77 days.

CRITERIA: South Carolina Code of Laws Sections 14-1-208 (B) states "The city treasurer must remit...on a monthly basis by the fifteenth day of each month...."

CAUSE: The reports for two months were not date stamped by the clerk of court so responsibility for late filing could not be determined. The Treasurer filed the other seven reports late.

EFFECT: The Town did not comply with the timely filing law.

AUDITORS' RECOMMENDATION: The Town should develop and implement a policy to ensure the Town complies with State law. They should consider date stamping the remittance forms to document timeliness and compliance with the law.

CORRECTIVE ACTION: **The clerk of court will date stamp all remittance forms before submitting them to the Town treasurer to ensure timely remittance, effective immediately.**

SCHEDULE OF FINES AND ASSESSMENTS

CONDITION 1: The Supplementary Schedule of Fines and Assessments, prepared by and submitted to the State by an independent external accountant, did not include all information that is required by law to be in the schedule. The schedule of fines and fees did not list fines and assessments separately.

CRITERIA: South Carolina Code of Laws Section 14-1-208(E) requires that the municipality have an audited supplementary schedule indicating all fines and assessments collected by the municipal court, the amount of the fines and assessments retained by the Town Treasurer and the amount of fines and assessments remitted to the State Treasurer, and the total funds, by source, allocated to victim services activities, how those funds were expended, and any balances carried forward.

CAUSE: The Town relied on the independent auditor to include all required information on the schedule.

EFFECT: The Town's Supplementary Schedule of Fines and Assessments did not comply with South Carolina Code of Laws Section 14-1-208(E)(1)(a, b, c & d).

AUDITORS' RECOMMENDATION: We recommend the Town review the schedule before submission to ensure that it complies with State law.

CORRECTIVE ACTION: **The Town Treasurer will make any necessary changes to ensure that proper procedures are followed according to the requirements of the law.**

CONDITION 2: The Schedule of Fines and Assessments for the fiscal year ended June 30, 2006 presented on page 35 of the audited financial statement did not agree with the general ledger or to the support that was provided by the Town and their auditor.

CRITERIA: South Carolina Code of Laws Section 14-1-208(E)(4) states "The Clerk of Court shall keep records of fines and assessments required to be reviewed pursuant to this subsection in the format determined by the municipality and make those records available for review."

CAUSE: An independent external auditor prepared the Supplementary Schedule of Fines and Assessments. The Treasurer did not review the schedule to ensure that it reconciled to the Town's accounting records.

EFFECT: South Carolina Code of Laws Section 14-1-208(E)(4) was violated.

RECOMMENDATION: The Town should comply with the law and maintain accurate records.

CORRECTIVE ACTION: The Town will review policy and make any changes necessary to ensure that the fine schedule reconciles with the Town's general ledger.

Sincerely,

A handwritten signature in blue ink, appearing to read "Robert N. Fogel". The signature is fluid and cursive, with a large initial "R" and "F".

Robert N. Fogel
Mayor