

**TOWN OF PORT ROYAL MUNICIPAL COURT  
PORT ROYAL, SOUTH CAROLINA**

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



**TOWN OF PORT ROYAL MUNICIPAL COURT  
PORT ROYAL, SOUTH CAROLINA**

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# State of South Carolina



## Office of the State Auditor

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October 10, 2007

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

The Honorable Kim Van Deusen, Clerk of Court  
Town of Port Royal  
Port Royal, South Carolina

This report resulting from the application of certain agreed-upon procedures to certain accounting records of the Town of Port Royal 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

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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 Port Royal 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. Kim Van Deusen, Clerk of Court for the Town of Port Royal 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 30, 2007 to determine if the Clerk of Court submitted the reports to the municipal treasurer in accordance with the law.

Our finding is reported under "TIMELY REPORTING BY THE CLERK OF COURT" in the Accountants' Comments section of this report.

## **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 finding is 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 on page 27 of the audited financial statement and to the beginning fund balance as adjusted in that fund for fiscal year 2007.
- We verified the Victim Assistance Fund reimbursable 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 on page 27 of the year ended June 30, 2006 report related to fines and assessments revenues reporting 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 Port Royal Town Council, Town clerk of court, Town treasurer, State Treasurer, State Office of Victim Assistance, 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.



June 18, 2007

**ACCOUNTANTS' COMMENTS**



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**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.

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**TIMELY REPORTING BY THE CLERK OF COURT**

TIMELY FILING

**CONDITION:** One of the twelve Clerk Remittance forms for the State Treasurer's Remittance Reports, for the procedures period April 30, 2006 through March 31, 2007, was not timely filed with the Town Treasurer. Two more may have been submitted late. The Town Clerk and Treasurer have no procedure in place or policy to document timeliness.

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

**CAUSE:** The Town Clerk and Treasurer have no procedure in place or policy to document timeliness.

**EFFECT:** Because there is no procedure to document timeliness, vesting responsibility for timely filing is difficult.

**AUDITORS' RECOMMENDATION:** The Town should develop and implement a policy whereby they comply with State law and document the compliance.

**TIMELY ACCURATE RECORDING AND REPORTING BY THE TOWN**

INSTALLMENT PAYMENT COLLECTION FEE

**CONDITION:** The Town does not consistently assess the 3% collection fee on fines paid in installments.

**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 Clerk of Court understood the Judge had to inform each defendant of the 3% assessment. If the Judge did not inform a defendant about the 3% collection fee, the Clerk of Court did not assess it.

**EFFECT:** The Town is not complying with Section 14-17-725 when they do not assess the 3% collection fee.

**AUDITORS' RECOMMENDATION:** We recommend the Town comply with the law related to installment payments and collect the 3% fee as required by law on every fine.

**TIMELY ACCURATE REPORTING TO THE STATE TREASURER**

TIMELY FILING

**CONDITION:** Three 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 4-14 days late.

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

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**CAUSE:** The Town has no procedure to document timeliness. Vesting responsibility for timely filing is difficult. The Town Treasurer was late in filing the report twice without a determining cause apart from the Treasurer's own tardiness.

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

**AUDITORS' RECOMMENDATION:** The Town should develop and implement a policy whereby they comply with State law.

SCHEDULE OF FINES AND ASSESSMENTS

**CONDITION:** The Supplementary Schedule of Fines and Assessments, which was prepared by an independent external auditor and submitted to the State, did not include all information that is required by law to be in the schedule. It did not list fines and assessments separately. It also did not list victim assistance revenues by source or victim assistance expenses.

**CRITERIA:** South Carolina Code of Laws Section 14-1-208(E)(1) states "the supplementary schedule must include the following elements:

- (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;
- (c) the amount of fines retained by the municipal treasurer;
- (d) the amount of assessments retained by the municipal treasurer;
- (e) the amount of fines and assessments remitted to the State Treasurer pursuant to this section;
- and
- (f) the total funds, by source, allocated to victim services activities, how those funds were expended, and any balances carried forward."

**CAUSE:** The City was not aware of the specific requirements in the law for the proper presentation of the data for the schedule.

**EFFECT:** The City has not complied with each of the requirements in the law related to data disclosure in the schedule of fines and assessments.

**AUDITORS' RECOMMENDATION:** The City should prepare a schedule that includes all of the data elements required by the law in the schedule to be included in their financial statement.

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**CORRECTIVE ACTION PLAN**

Management has elected not to respond.