

CITY OF GREENVILLE MUNICIPAL COURT
GREENVILLE, SOUTH CAROLINA

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

For The Year Ended June 30, 2017



June 11, 2018

The Honorable Pam Larson, Clerk of Court
City of Greenville Municipal Court
Greenville, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the City of Greenville Municipal Court System as of and for the year ended June 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

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

June 11, 2018

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

Pam Larson, Clerk of Court
City of Greenville Municipal Court
Greenville, South Carolina

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

Finding -- Adherence to Fine Guidelines

During our inspection of Municipal Court collections and remittances, we observed the following instances in which the Court did not fine the defendant in accordance with State law or local ordinance:

No State Driver's License

The Court fined one individual \$100.24 for no state driver's license. Section 56-1-440 of the 1976 South Carolina Code of Laws, as amended, states, "A person who drives a motor vehicle on a public highway of this State without a driver's license in violation of Section 56-1-20...must be fined not less than fifty dollars nor more than one hundred dollars...". Per discussion with the Clerk of Court, this error was corrected on July 1, 2017.

Speeding

The Court fined one individual \$25.06 for speeding in excess of the posted limit but not in excess of ten miles an hour. Section 56-5-1520(G) of the 1976 South Carolina Code of Laws, as amended, states, "A person violating the speed limits established by this section is guilty of a misdemeanor and, upon conviction for a first offense, must be fined or imprisoned as follows:

- (1) in excess of the above posted limit but not in excess of ten miles an hour by a fine of not less than fifteen dollars nor more than twenty-five dollars;"

Per discussion with the Clerk of Court, this error was corrected on July 1, 2017.

Management Response

In an effort to minimize the potential occurrence in financial mistakes pertaining to cash handling, it was our decision to round the amounts to avoid those assigned to handling money to make change with coins. We initially rounded the numbers up until we were advised otherwise. As soon as we were made aware that rounding the numbers down was the appropriate way to stay in compliance, the changes were made accordingly.

2. Municipal Treasurer

- We gained an understanding of the policies and procedures established by the Municipal treasurer to confirm 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 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 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 July 1, 2016 through June 30, 2017, to the Municipality's general ledger.

- We 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.

Finding -- Calculation Error on the Schedule of Court Fines, Assessments, and Surcharges

Our testing revealed that the calculation of the court assessments collected line item on the schedule of court fines, assessments, and surcharges did not include municipal discharge fees for May and June. This caused the Total Court Fines & Assessments Remitted to Treasurer line item to be underreported by \$235.64.

Management Response

In response to the finding stating the Municipal Condition Discharge fee amount (set at \$150.00, section 44-55-450(c)) was calculated in error, the difference occurred because of partial payments received under the Setoff Debt Program.

In May 2017, the Court received a payment of \$136.00 (receipt #232930) on ticket number 71768GI. In June 2017, the Court received a Setoff Debt payment of \$99.64 (receipt #233355) on ticket number 31346GC. The total of these two payments is \$235.64.

Since 2001, Greenville Municipal Court has been disbursing the amount of monies received with zero balance approach each month with the exception of our bond account. The Court disbursed and reported the above-mentioned payments as received. We do not hold onto monies waiting to receive the total amount in order to disburse.

Furthermore, in May 2016, the Court received a Setoff Debt payment for \$14.00 (receipt #227456) on ticket 71768GI. With the payment amount of \$14.00 in May 2016, and the payment of \$136.00 in May 2017, the State received the full \$150.00 Conditional Discharge Fee for this case.

In May 2016, the Court received a Setoff Debt payment for \$50.36 (receipt #227464) on ticket 31346GC. With the payment amount of \$50.36 in May 2016, and the payment of \$99.64 in June 2017, the State received the full \$150.00 Conditional Discharge Fee for this case.

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 randomly selected 5 expenditures to confirm that the Municipality expended victim assistance funds in accordance with State law and the 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 the 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.

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 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.

We found no exceptions as a result of the procedures.

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 City of Greenville Municipal Court. 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 Greenville City Council, the Clerk of Court, City 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

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