
Town of Wagener Municipal Court

Wagener, South Carolina

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



SOUTH CAROLINA OFFICE OF THE STATE AUDITOR
1401 Main Street, Suite 1200 • Columbia, SC 29201

June 25, 2018

The Honorable Mike Miller, Mayor
Town of Wagener Municipal Court
Wagener, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the Town of Wagener 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

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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

Mr. Mike Miller, Mayor
Town of Wagener
Wagener, South Carolina

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

We found no exceptions as a result of the procedures.

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 inspected the Municipality's support to confirm that the Municipality properly classified fine, fee, assessment, and surcharge receipts.

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



- We agreed that amounts reported on the monthly remittance forms or equivalents to the Municipality's support.
- 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, for the period July 1, 2016 through June 30, 2017, 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.

We found the following findings as a result of the procedures.

Findings:

- A. The Town has not timely submitted the monthly STRRF 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."

Based upon information received from the South Carolina State Treasurer regarding amounts submitted, the associated calendar month being reported, and the date received by the State Treasurer's Office, it has been determined that ten of the twelve monthly reports were not timely submitted, and for five of these no fines or fees were submitted. See Finding for procedure #4.
- B. We were not provided the "Cash Receipts" reports for the months of April thru June 2017 which details by ticket the totals by line item the fines and fees collected for the month on the associated STRRFs.
- C. The Town of Wagener has not provided us with a copy of the financial statement audit for the fiscal year ended June 30, 2017 therefore we were not able to trace the activity reported in the STRRFs to the supplemental schedule of the June 30, 2017 audit.

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.

We found the following findings as a result of the procedures.

Finding:

- A. The Town of Wagener has not provided us with a copy of the financial statement audit for the fiscal year ended June 30, 2017 therefore we were not able to trace the activity reported in the STRRFs to the supplemental schedule of the June 30, 2017 audit.
- B. The Town of Wagener has provided us with printouts of general ledger activity and bank statements detailing activity within the Victims Assistance account which showed:

Bank balance June 30, 2016	\$ 301.68
January 20, 2017 transfer from general fund	15,000.00
February 2, 2017 transfer to general fund	(10,000.00)
March 23, 2017 transfer to general fund	(5,000.00)
Interest various dates	1.10
Bank balance June 30, 2017	\$ 302.78

Information from other sources detailed Victims Assistance Activity as follows:

Funds Available, Beginning of Year, per Supplemental Schedule to the June 30, 2016 financial statement audit	\$ 21,915
+ Assessments Collected for the fiscal year ended June 30, 2017 per the monthly State Treasurer Revenue Remittance Forms	3,661
- Victim Assistance Expenditures	0
= Funds Available, End of Year	\$ 25,576

The general ledger tracks Victims Assistance accounts, but the Town has used the funds to support Town operations.

Management Response – See Attachment A

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 for submission to the South Carolina Office of the State Treasurer. We calculated the amount over/(under) reported by the Municipality by category.

Findings

The Town has not submitted any fines or fees for the period February 2017 thru June 2017. The amounts due to the State Treasurer for this period by line item of the STRRF are as follows:

DUI/DUS/BUI-Assessments/Surcharges/Pullout		
E	Boating Under The Influence (BUI)	-
F	Municipal DUS DPS Pullout - \$100	754.01
G	Municipal DUI Assessment - \$12 Per Case	12.00
H	Municipal DUI Surcharge - \$100 Per Case	200.00
I	Municipal DUI DPS Pullout - \$100	-
IA	DUI/DUAC Breathalyzer Test Conviction Fee - SLED - \$25	25.00
Surcharges		
J	Municipal Drug Surcharge - \$150 Per Case	1,200.00
K	Municipal Law Enforcement Surcharge - \$25 Per Case	6,663.51
KA	MunicipalCriminal Justice Academy Surcharge - \$5 Per Case	5.00
Other Assessments - State Share		
L	Municipal - 107.5%	16,875.06
LA	Municipal Traffic Education Program \$140 Application Fee	-
M	Total Revenue Due to State Treasurer	25,734.58

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 Town of Wagener Council, Town of Wagener Clerk of Court, Town of Wagener 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 25, 2018

Attachment A



Town of Wagener

111 Railroad Ave., W • PO Box 400 • Wagener, SC 29164
(803) 564-3412 Fax: (803) 564-3507

Mayor
Michael Miller

June 25, 2018

To whom it may concern:

We have reviewed the comments provided herein and do not take exception to any of the comments.

The Town of Wagener has experienced financial distress over the past 18 months and is finding it difficult to meet all of the financial obligations and reporting requirements of the Town. We will however do our best to get current on financial obligations and reporting.

We are always receptive to positive constructive criticism in our effort to improve upon financial reporting.

Sincerely yours,

A handwritten signature in cursive script that reads "Lina Dally". The signature is written in black ink and is positioned above the printed name and title.

Clerk / Treasurer