

CHESTER COUNTY MAGISTRATE COURT

CHESTER, SOUTH CAROLINA

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

FOR THE YEAR ENDED JUNE 30, 2017

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August 28, 2018

The Honorable Barbara H. Cameron, Chief Magistrate
Chester County Magistrate Court System
Chester, South Carolina

The Honorable Thomas E. Darby, Treasurer
Chester County
Chester, South Carolina

This report resulting from the application of certain agreed-upon procedures to the financial activity of the Chester County Magistrate Court Systems as of and for the year ended June 30, 2017, was issued by Steven L. Blake, CPA, 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

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

August 28, 2018

The Honorable Barbara H. Cameron, Chief Magistrate
Chester County Magistrate Court System
Chester, South Carolina

The Honorable Thomas E. Darby, Treasurer
Chester County
Chester, South Carolina

I have performed the procedures described below, which were agreed to by the South Carolina Office of the State Auditor, County of Chester and the Chester County Magistrate Courts, on the systems, processes, and behaviors related to court fines and fees of the Chester County Magistrate Court Systems for the period July 1, 2016 through June 30, 2017, in the areas addressed. The County of Chester and the Chester County Magistrate Courts are 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 Chester County Magistrate Court Systems. Consequently, I 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 the associated findings are as follows:

1. Chester County Magistrate Clerk of Court

- I 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.
- I obtained the criminal court dockets or equivalents from the Magistrate Clerk of Court. I judgmentally selected 25 cases from the court dockets and I confirmed the fine assessed adhered to State law. I also recalculated the fine, fee, assessment and surcharge calculation to confirm that the fine, fee, assessment and surcharge were properly calculated and allocated in accordance with applicable State law and the South Carolina Court administration fee memoranda.
- I inspected the court receipt transactions for the above cases to confirm that the fine, fee, assessment and surcharges assessed adhered to State law and the South Carolina Court administration fee memoranda and that the receipts were allocated in accordance with applicable State law.

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- I obtained the population of case numbers for all new cases filed in Magistrates' Civil court during the period under review from the Chester County Magistrate Clerk of Court. I judgmentally selected eleven case numbers to determine that filing fees adhered to State law and the South Carolina Judicial Department memo, attachment K.
- I inspected the 36 judgmentally selected, recorded court receipt transactions in the magistrate court to determine that the receipts were remitted in a timely manner to the County Treasurer and in accordance with State law.
- I agreed all amounts reported on the monthly court transmittal reports to the Court's summary cash receipt report or equivalent.

I found the following findings as a result of these procedures:

- ◇ In May of 2016 the Chester County Magistrates Courts were consolidated into one office and converted from manual systems to the State Judicial Department Court Management System [CMS]. Because of manual systems and a lack of oversight in the past, these consolidated magistrate offices had unreported cases and collections as well as bank account cash balances representing the unreported collections. None of this had been reconciled or properly accounted for in the past. All open cases are being entered into CMS. As receipts are matched to adjudicated cases, dispositions, most of which are years in the past, are entered into CMS. Depending on the date of the case, the timing of the payment entry and the disposition dates, CMS has assessed these cases accordingly. This assessment process has caused cases to be assessed in prior periods that have already been processed through the county and State Treasurers' offices. In some cases these entries in CMS were not properly dated and were not assessed but monies were transmitted as they were collected creating overages. In some cases the entries were assessed later than monies were transmitted creating shortages. The County Treasurer has attempted to reconcile transmittals of cash with CMS transmittals and when there are questions, a process is initiated to correct any discrepancies. However, this process has not resulted in all State Treasurers Revenue Remittance Forms being submitted timely and all transmitted monies adequately reconciled. See "Under/(Over) Reported Amounts" finding below.

Management Response

The Magistrates office has responded to this issue by obtaining online access to bank account information which will allow a timelier reconciling process. By initiating

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Management Response (Continued)

the reconciliation earlier, the Magistrate's Clerk hopes to be able to identify reconciling issues in time to clear them so as to allow a timely submission to the County Treasurer. The Magistrate has also begun a process with the CMS programmers to determine why disbursement dates are needing to be changed to properly disburse funds. This current process would require a resubmission of previous reports as information is updated when dates and payment information change. This has been directly responsible for the reconciling items mentioned in the finding.

2. County Treasurer

- I gained an understanding of the policies and procedures established by the County Treasurer to confirm timely reporting by the County.
- I obtained copies of all State Treasurer's Revenue Remittance Forms [STRRF] submitted by the County which reported court generated monies for the period July 1, 2016 through June 30, 2017. I agreed the line item amounts reported on the State Treasurer's Revenue Remittance Forms to the monthly court remittance reports, general ledger, and to the State Treasurer's receipts.
- I confirmed that the State Treasurer's Revenue Remittance Forms were submitted in a timely manner to the State Treasurer in accordance with State law.
- I inspected the amounts reported by the County on its supplementary schedule of fines and assessments in the County's annual audit report for the period July 1, 2016 through June 30, 2017 to confirm they agreed or reconciled to the County support and that the supplementary schedule contained all the elements required by State law.

I found the following findings as a result of these procedures:

- ◊ The supplementary schedule did not include Victim Services carry forward fund balance or expenditure information as required by State law.

3. Victim Assistance

- I gained an understanding of the policies and procedures established by the County to confirm proper accounting for victim assistance funds.
- I made inquiries and confirmed that funds retained by the County for victim assistance were accounted for in a separate account.

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- I inspected five judgmentally selected expenditures to confirm that the County expended victim assistance funds in accordance with State law and South Carolina Court Administration Fee Memoranda, Attachment L.
- I inspected the supplementary schedule to confirm the County reported victim assistance financial activity on the supplemental schedule of fines and assessments in accordance with State law and to confirm expenses in the County's annual audit report for the period July 1, 2016 through June 30, 2017 agreed or reconciled to the County support.
- I inspected the County's general ledger to confirm the Victim Assistance Fund balance was retained as of July 1 from the previous fiscal year in accordance with State law.

I found the following findings as a result of these procedures:

- ◊ The supplementary schedule did not include Victim Services carry forward fund balance or expenditure information as required by State law.

4. Under/(Over) Reported Amounts

- I inspected copies of the State Treasurer's Revenue Remittance Forms for the period July 1, 2016 through June 30, 2017 that were printed contemporaneously and compared those to STRRF for the same period printed during fieldwork. I compared the amounts, by STRRF line item, and confirmed that old cases, entered after the original report was processed, had changed amounts. Based on my analysis, the following amounts were under/(over) reported by line item:

STRRF LINE	DESCRIPTION	AMOUNT
N.	Summary DUS DPS Pullout - \$100	\$ 89.02
P.	Summary DUI Assessment - \$12 per case	15.75
R.	Summary DUI Surcharge - \$100 per case	189.79
T.	Summary DUI DPS Pullout - \$100	65.17
X.	Summary Drug Surcharge - \$150 per case	37.83
VA.	DUI Breathalyzer Test Conviction Fee - \$25	51.83
Z.	Summary Law Enforcement Surcharge - \$25	113.98
ZB.	Magistrate Criminal Justice Academy Surcharge - \$5	72.85

BB.	Summary – 107.5%	<u>135.16</u>
CC.	TOTAL REVENUE DUE TO STATE TREASURER	<u>771.38</u>
EE.	Summary Victim Assessment	(99.75)
GG.	Summary Victim Surcharge	<u>197.41</u>
HH.	TOTAL RETAINED FOR VICTIM SERVICES	\$ <u>97.66</u>

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. I was 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 Chester County Magistrate Courts. Accordingly, I do not express an opinion or conclusion. Had I performed additional procedures, other matters might have come to my 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, Chairman of the Senate Finance Committee, Chairman of the House Judiciary Committee, Chairman of the Senate Judiciary Committee, members of the Chester County Council, Chester County Treasurer, Chester County Magistrate Courts, State Treasurer, Department of Crime Victim Compensation, South Carolina Commission on Indigent Defense, 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.

Steven L. Blake, CPA