

CITY OF ISLE OF PALMS MUNICIPAL COURT
ISLE OF PALMS, SOUTH CAROLINA

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

For the Year Ended June 30, 2018



June 19, 2019

Amy Wilkerson Lee, Clerk of Court
City of Isle of Palms Municipal Court
Isle of Palms, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the City of Isle of Palms Municipal Court System as of and for the year ended June 30, 2018, 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 19, 2019

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

Amy Wilkerson Lee, Clerk of Court
City of Isle of Palms Municipal Court
Isle of Palms, 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 Isle of Palms Municipal Court (the "City"), on the systems, processes, and behaviors related to court fines and fees of the City for the period July 1, 2017 through June 30, 2018, 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 instance in which the City did not fine the defendant in accordance with State law:

Driving Under Suspension, First Offense

The City fined one individual \$287.94 for driving under a suspended license. Section 56-1-460(A)(a) 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 when the person's license has been suspended or revoked pursuant to the provisions of Section 56-5-2990 or 56-5-2945 must, upon conviction, be punished as follows: (a) for a first offense, fined three hundred dollars...". Additionally, there was no DUS pullout assessed on these two tickets. Section 56-1-460(C) of the 1976 South Carolina Code of Laws, as amended, states, "One hundred dollars of each fine imposed pursuant to this section must be placed by the Comptroller General into a special restricted account to be used by the Department of Public Safety for the Highway Patrol." The Law Enforcement Surcharge was assessed at \$50 for this individual. Section 14-1-212(A) of the 1976 South Carolina Code of Laws, as amended, states, "In addition to all other assessments and surcharges, a twenty-five dollar surcharge is imposed on all fines...".

Management Response: The error identified by the auditors may be related to a software issue or a user error. The JEMS court software duplicated the disbursements for assessments, law enforcement surcharge and victims fund and also did not pull out the correct disbursements for the DUS statue. We have contacted JEMS and are working with them to understand what happened and what, if any, software adjustments need to be made. In order to ensure the issue is not widespread, we will review all 2019 DUS citations for correct treatment.

2. Municipal Treasurer

- We gained an understanding of the policies and procedures established by the Municipal treasurer to confirm timely reporting by the City.
- 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 City's support.
- We inspected the City's support to confirm that the City properly classified fine, fee, assessment, and surcharge receipts.
- We inspected all State Treasurer's Revenue Remittance Forms for the period July 1, 2017 through June 30, 2018 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 City on its supplemental schedule of fines and assessments, as reported in the annual financial statement audit, for the period July 1, 2017 through June 30, 2018, to the City's general ledger.
- We inspected the City'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.

We found no exceptions as a result of the procedures.

3. **Victim Assistance**

- We gained an understanding of the policies and procedures established by the City to confirm proper accounting for victim assistance funds.
- We made inquiries and confirmed that any funds retained by the City for victim assistance were deposited into a separate account.
- We randomly selected 5 expenditures to confirm that the City expended victim assistance funds in accordance with State law and the South Carolina Court administration fee memoranda.
- We inspected the City'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 City on its supplemental schedule of fines and assessments, as reported in the annual financial statement audit, applicable to the Victim Assistance Fund, to the City's general ledger or subsidiary ledgers.
- We inspected the City'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.

Finding -- Victim Expense

During the year, the City transferred \$14,000 of Victim Service Funds to the General Fund to pay for the Officer's salary based on the time spent being a Victim Advocate. After review of the weekly Victim Assistance Time and Activity sheets for the year, we calculated the percentage of the officer's salary attributable to Victim Assistance to be \$1,079.

Management Response: The City's FY18 Budget included a transfer of \$14,000 from the Victim Service Fund to the General Fund to cover a portion of the part-time victim's advocate position salary and fringe. Actual timesheets submitted by the part-time Victims Advocate indicated that the transfer should have been \$1,049. The City will reduce the FY19 transfer from the victim Service Fund to the General Fund by the \$12,951 difference.

Going forward the City will transfer only the amount of salary and fringe expense indicated by the Victim's Advocate timesheets, regardless of the budget amount. The City's new Police Chief has already been in contact with the DCVC and will submit 90 days of Victim's Advocate timesheets so the DCVC can calculate and pre-authorize the correct amount to transfer.

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 Isle of Palms 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, Chairmen of the House Ways and Means Committee, Senate Finance Committee, House Judiciary Committee, Senate Judiciary Committee, members of the Isle of Palms City Council, the Clerk of Court, City Treasurer, State Treasurer, South Carolina Department of Crime Victim Compensation, 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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