

**NORWAY MUNICIPAL COURT
NORWAY, SOUTH CAROLINA**

STATE AUDITOR'S REPORT

JUNE 30, 2018

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May 23, 2019

Ms. Dee Gore, Municipal Treasurer and Clerk of Court
The Honorable Janek C. Kazmierski, Municipal Judge
Town of Norway Municipal Court
Norway, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the Town of Norway Municipal Court System as of and for the year ended June 30, 2018, was issued by Steven L. Blake, CPA, 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

GLKIII/sag

STEVEN L. BLAKE, CPA

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

May 23, 2019

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

Ms. Dee Gore, Municipal Treasurer and Clerk of Court
The Honorable Janek C. Kazmierski, Municipal Judge
Town of Norway Municipal Court
Norway, South Carolina

I have performed the procedures described below, which were agreed to by the South Carolina Office of the State Auditor and Town of Norway, on the systems, processes, and behaviors related to court fines and fees of the Town of Norway Municipal Court for the period July 1, 2017 through June 30, 2018, in the areas addressed. The Town of Norway and the Norway Municipal Court 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, Town of Norway, and the Norway Municipal Court. Consequently, I 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:

1. **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 court dockets or equivalents from the 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.

Mr. George L. Kennedy, III, CPA, State Auditor
And
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Findings

Adherence to Fine Guidelines

- The Court fined one defendant \$100 for Failure to Signal. Section 56-5-2150(E) of the 1976 South Carolina Code of Laws, as amended, states, "A person who violates the provisions of this section must be fined twenty-five dollars, all or part of which may not be suspended."

- The Court fined four defendants ranging from \$502.41 to \$526.51 for local ordinances. Section 5-7-30 of the 1976 South Carolina Code of Laws, as amended, states, "...The municipal governing body may fix fines and penalties for the violation of municipal ordinances and regulations not exceeding five hundred dollars or imprisonment not exceeding thirty days, or both...."

- The Court fined one defendant \$284.34 for Driving Under Suspension **[DUS]** not Suspended for DUI – 1st Offense. Section 56-1-460(A)(2) of the 1976 South Carolina Code of Laws, as amended, states, "A person...be punished as follows: (a) for a first offense, fined three hundred dollars or imprisoned for up to thirty days or both."

- The Court fined one individual \$250.58 and two individuals \$224.10 for possession of 28g (1 oz) or less of marijuana or 10g or less of hash or cocaine, 1st offense. Section 44-53-370(d)(4) of the 1976 South Carolina Code of Laws, as amended, states, "A person who violates this subsection ... is guilty of a misdemeanor and, upon conviction, must be imprisoned not more than thirty days or fined not less than one hundred dollars nor more than two hundred dollars."

Installment Payments

The Town's software does not allocate installment payments in accordance with State law. Section 14-1-209 of the 1976 South Carolina Code of Laws, as amended, provides guidance when the fine and assessment are paid in installments. In addition, the South Carolina Court Administration fee memorandum dated June 28, 2017 states, "The intent of Section 14-1-209(B) is that each installment payment be allocated on a pro rata basis to each applicable fine, assessment, and surcharge."

Installment Fee

The Court did not assess and collect the three percent installment fee from an individual who paid in installments. Section 14-17-725 of the 1976

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South Carolina Code of Laws, as amended, 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, magistrate, or municipal court from the defendant...".

Law Enforcement Surcharge

The Town's software does not allocate total fine payments to the law enforcement surcharge in accordance with State law. Section 14-1-212 (A) of the 1976 South Carolina Code of Laws, as amended, states, "... a twenty-five dollar surcharge is imposed on all fines, ... imposed in ... municipal court for misdemeanor traffic offenses or for nontraffic violations. " When the software fails to properly allocate to all required elements, fines can be overallocated.

Drug Surcharge

The Town's software does not allocate total fine payments to the drug surcharge in accordance with State law. Section 14-1-213 (A) of the 1976 South Carolina Code of Laws, as amended, states, "... a one hundred fifty-dollar surcharge is also levied on all fines, ... imposed in ... municipal court for misdemeanor or felony drug offenses. No portion of the surcharge may be waived, reduced, or suspended." When the software fails to properly allocate to all required elements, fines can be overallocated.

Conviction Surcharge

The Town's software does not allocate total fine payments to the conviction surcharge in accordance with State law. Section 14-1-211 (A)(1) 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 convictions obtained in magistrates and municipal courts in this State. The surcharge may not be imposed on convictions for misdemeanor traffic offenses No portion of the surcharge may be waived, reduced, or suspended." When the software fails to properly allocate to all required elements, fines can be overallocated.

2. Municipal Treasurer

- I gained an understanding of the policies and procedures established by the Municipal Treasurer to confirm timely reporting by the Municipality.
- I 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.
- I compared and agreed the amounts reported on the monthly remittance forms or equivalents to the Municipality's support.

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- I inspected the Municipality's support to confirm that the Municipality properly classified fine, fee, assessment, and surcharge receipts.
- I inspected all State Treasurer's Revenue Remittance Forms [STRRF] 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.
- I agreed the amounts reported by the Municipality on its supplemental schedule of fines and assessments, as reported in the latest annual financial statement audit.
- I inspected the Municipality's supplemental schedule of fines and assessments, as reported in the latest annual financial statement audit, to confirm that it contained all the elements required by State law.

Findings

State Treasurer's Revenue Remittance Form

The Town's software does not produce reliable, compliant STRRF numbers due to programming flaws.

Supplemental Schedule

The opinion was a disclaimer on the entire report including the supplemental schedule. No general ledger was available for testing.

3. Victim Assistance

- I gained an understanding of the policies and procedures established by the Municipality to confirm proper accounting for victim assistance funds.
- I made inquiries and confirmed that any funds retained by the Municipality for victim assistance were deposited into a separate account.
- I selected all expenditures to confirm that the Municipality expended victim assistance funds in accordance with State law and the South Carolina Court Administration fee memoranda.
- I inspected the Municipality's victim assistance financial activity on the supplemental schedule of fines and assessments, as reported in the latest annual financial statement audit, and confirmed that it adhered to and included items required by State law.
- I agreed the amounts reported by the Municipality on its supplemental schedule of fines and assessments, as reported in the latest annual financial statement audit applicable to the Victim Assistance Fund, to the Municipality's general ledger or subsidiary ledgers or equivalent support.

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- I 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.

Findings

State Treasurer's Revenue Remittance Forms Differences

The Town's software does not produce reliable, compliant Victims' Assistance numbers due to the serious programming flaws.

Supplemental Schedule

The Town's audited financial statements for the most recent fiscal years were not completed.

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 Town of Norway Municipal Court. 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, Chairmen of the House Ways and Means Committee, Senate Finance Committee, House Judiciary Committee, Senate Judiciary Committee, members of the Norway Municipal Council, Norway Municipal Clerk of Court, Norway Municipal Treasurer, State Treasurer, 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.

Steven L. Blake, CPA