

TOWN OF WARE SHOALS MUNICIPAL COURT
WARE SHOALS, SOUTH CAROLINA

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

For the Year Ended June 30, 2018



June 18, 2019

Ms. Heather H. Fields, Town Clerk/Treasurer
Town of Ware Shoals
Ware Shoals, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the Town of Ware Shoals 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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TABLE OF CONTENTS
TOWN OF WARE SHOALS MUNICIPAL COURT
June 30, 2018

Independent Accountants' Report on Applying Agreed-Upon Procedures.....1

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

June 18, 2019

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

Ms. Heather H. Fields, Town Clerk/Treasurer
Town of Ware Shoals
Ware Shoals, South Carolina

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

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 confirm timely reporting by the Town.
- 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 Town's support.
- We inspected the Town's support to confirm that the Town 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 Town 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 Town's general ledger.
- We inspected the Town'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 -- Submission of Revenue Remittance Form

We observed one instance where the monthly court remittance form for the month of August was not submitted timely in accordance with State law. August's remittance form was submitted on September 18, 2017. State laws requires each revenue remittance form to be submitted by the fifteenth of the following month.

Management Response:

In response to the finding noted above, the due date fell on a Friday in which the Town was extremely busy. Because of the size of the Town and budget constraints, we only have two employees, one full time Clerk and one full-time receptionist to divide the responsibilities of accepting payments, answering the phone, and completing paperwork for the court process. Before, budget cuts, the Town had four employees helping with court paperwork and documentation.

We are expected to keep detailed reports of our daily deposits, reconcile credit card payments daily and then submit monthly reports, all of which take a significant amount of time to complete. Because of everything else we had going on, we forgot to submit the remittance form on its proper due today, however we did submit it first thing the following Monday morning, as evidenced on the August remittance form submission date. In the future we will make a better effort to ensure that all remittance forms are submitted to the State Treasurer by the fifteenth of each month following the reporting month.

3. **Victim Assistance**

- We gained an understanding of the policies and procedures established by the Town to confirm proper accounting for victim assistance funds.

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

Total expenses reported in the supplemental schedule of fines and assessments did not agree to the total amount expended per the general ledger. The expenditures for victim services per the supplemental schedule of fines and assessments was \$5,982 and the expenditures per the general ledger was \$5,826, which resulted in a difference of \$156.

Management Response:

We have a victims assistance agreement with both Greenwood and Abbeville County where they provide the Town with Victim Assistance as mandated by South Carolina Law. Each month we remit a check to Greenwood and Abbeville County for monthly victims assistance funds collected, 50% of the total amount collected goes to Greenwood County and the other 50% goes to Abbeville County. One check of the total amount due in June 2018, \$311.86, was written to Abbeville County in the amount of \$155.93, however the second check was never remitted to Greenwood County in the amount of \$155.93. Therefore, the general ledger shows \$156 less than the amount collected and reported on the State Treasurer's Revenue Remittance Form.

This was brought to our attention during the agreed upon procedures engagement and we have since corrected the issue. We also changed software systems during June 2018 which explains part of the reason the funds never got transferred in.

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 Town of Ware Shoals 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 Town of Ware Shoals Council, the Clerk of Court, Town 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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