

**GAFFNEY MUNICIPAL COURT
GAFFNEY, SOUTH CAROLINA**

STATE AUDITOR'S REPORT

JUNE 30, 2019

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October 10, 2019

Ms. Ginny Wallace, Finance Director
Ms. Christine Guest, Clerk of Court
Gaffney Municipal Court
Gaffney, South Carolina

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

October 10, 2019

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

Ms. Ginny Wallace, Finance Director
Ms. Christine Guest, Clerk of Court
Gaffney Municipal Court
Gaffney, South Carolina

I have performed the procedures described below, which were agreed to by the South Carolina Office of the State Auditor and the City of Gaffney, on the systems, processes, and behaviors related to court fines and fees of the Gaffney Municipal Court for the period July 1, 2018 through June 30, 2019, in the areas addressed. The City of Gaffney and the Gaffney 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 and the City of Gaffney and the Gaffney Municipal Court. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this 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**

- 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.

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- 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.

Findings

Adherence to Fine Guidelines

The Court fined one defendant \$250.00 for Driving Under the Influence [DUI] 1st Offense greater than .1 less than 0.16. Section 56-5-2930(A) of the 1976 South Carolina Code of Laws, as amended, states, "A person who violates the provisions of this section... must be punished as follows: (1) ... for a first offense, by a fine of five hundred dollars...". The Clerk stated that the judge had reduced the fine during sentencing.

Breathalyzer Fee

One DUI defendant was charged a breathalyzer fee but there was no evidence on the ticket of an analyzer being used to determine a blood/alcohol level because the "BA Level" on the ticket was blank.

Installment Payments

The City'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 July 3, 2018 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 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...".

Driving Under the Influence [DUI] Pullout

The City's software does not properly allocate part of the fine to the mandated \$100 DUI Fine Pullout. This allocation has to be done manually and according to

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the Clerk, no staff has been trained on this process. See “Under/(over) Reported Amounts” finding below for further information.

2. Finance Director

- 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 for the State Treasurer’s Revenue Remittance Forms [STRRF] for the period July 1, 2018 through June 30, 2019.
- I inspected the Municipality’s support to confirm that the Municipality properly classified fine, fee, assessment, and surcharge receipts.
- I inspected all STRRF for the period July 1, 2018 through June 30, 2019 and agreed the amounts reported on the STRRF to the court remittance forms or equivalents.
- I compared and agreed the amounts reported by the Municipality on its Supplemental Schedule, as reported in the latest annual financial statement audit, for the period July 1, 2017 through June 30, 2018, to the Municipality’s general ledger or equivalent support. I inspected the Municipality’s Supplemental Schedule, as reported in the annual financial statement audit, to confirm that it contained all the elements required by State law.

I found no exceptions as a result of the procedures.

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, Attachment L.

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- I inspected the Municipality’s victim assistance financial activity on the Supplemental Schedule, as reported in the annual financial statement audit, for
 - the period July 1, 2017 through June 30, 2018 and confirmed that it adhered to and included items required by State law.
 - I compared and agreed the amounts reported by the Municipality on its Supplemental Schedule, as reported in latest the annual financial statement audit applicable to the Victim Assistance Fund, to the Municipality’s general ledger or equivalent support.
 - 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.

I found no exceptions as a result of the procedures.

4. Under/(over) Reported Amounts

I inspected copies of State Treasurer's Revenue Remittance Forms for the previous 24 months and the procedures period and confirmed the fine collections for DUI violations which did not have the DUI Pullout properly allocated. I calculated the amounts, by STRRF line item, and reported the amount underreported by STRRF line item in the table below:

STRRF LINE	DESCRIPTION	
I.	Municipal DUI DPS Pullout - \$100	<u>4,968.54</u>
M.	TOTAL REVENUE TO REMIT TO STATE TREASURER	<u><u>4,968.54</u></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 Gaffney 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.

Mr. George L. Kennedy, III, CPA, State Auditor
and
Ms. Ginny Wallace, Finance Director
Ms. Christine Guest, Clerk of Court
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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 Gaffney Municipal Council, Gaffney Municipal Clerk of Court, Gaffney 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