

**OLAR MUNICIPAL COURT
OLAR, SOUTH CAROLINA**

STATE AUDITOR'S REPORT

APRIL 30, 2019

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December 10, 2019

The Honorable Edward Freeman, Chief Judge
Ms. Michelle Martin, Town Clerk/Treasurer
Town of Olar
Olar, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the Town of Olar Municipal Court System as of and for the period May 1, 2018 through April 30, 2019, 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/cmw

STEVEN L. BLAKE, CPA

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

December 10, 2019

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

The Honorable Edward Freeman, Chief Judge
Ms. Michelle Martin, Town Clerk/Treasurer
Town of Olar
Olar, South Carolina

I have performed the procedures described below, which were agreed to by the South Carolina Office of the State Auditor and the Town of Olar, on the systems, processes, and behaviors related to court fines and fees of the Olar Municipal Court for the period May 1, 2018 through April 30, 2019, in the areas addressed. The Town of Olar and the Olar 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 Town of Olar and the Olar 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

Ticket Filing

One of the twenty-five tickets selected for testing could not be located. The ticket was from a timeframe before the procedures period but was paid during the procedures period. I was unable to confirm if this ticket's fine and allocations adhered to State law.

Adherence to Fine Guidelines

- The Court fined one defendant \$28.91 for speeding in excess of the above posted limit but not in excess of ten miles an hour and also fined three defendants amounts ranging from \$77.10 to \$93.97 for speeding in excess of 15 mph but not in excess of 25 mph over the posted limit. Section 56-5-1520(G) of the 1976 South Carolina Code of Laws, as amended, sets the maximum fines at \$25 and \$75, respectively.

The Clerk stated that the judge had changed the fine during sentencing for two of the fines and the other two fines were incorrect due to rounding errors.

- The Court fined one defendant \$299.75 for Driving Under Suspension [DUS]. 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 three hundred dollars...".

The Clerk stated that the fine was incorrect due to a rounding error.

- The Court fine one defendant \$36.14 for No Driver's License in Possession. Section 56-1-20 of the 1976 South Carolina Code of Laws, as amended, sets the fine range at \$50 - \$100.

The Clerk stated that the judge had reduced the fine during sentencing.

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Driving Under Suspension [DUS] Pullout

The Court sentenced three individuals for Driving Under Suspension [DUS]. However, the manual system used to calculate amounts due for the State Treasurer's Revenue Remittance Form [STRRF] did not allocate any amount to the DUS Fine Pullout. See Procedure 4 below.

Manual System Errors and Omissions

The STRRF are prepared using a manual system to calculate the amount of money collected and a mathematical formula to calculate and allocate the fine, assessment and surcharge portions. I noted the following errors and omissions in this system:

- The totals obtained by calculation are not reconciled or verified as complete by comparison with actual amounts deposited or receipted. Also, the system does not calculate amounts to the nearest penny. Instead, amounts are rounded, in some instances incorrectly, which do not produce accurate, reconcilable numbers.
- The manual system has allocated a portion of every fine collected to the Criminal Justice Academy \$5 surcharge. This surcharge was discontinued on June 30, 2016. See Procedure 4 below.

Timely, Accurate Filing

- One STRRF was submitted nine days late.
- The Clerk underreported the STRRF Line L by \$60 for one month due to a miscalculation. See Procedure 4 below.

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 for the State Treasurer's Revenue Remittance Forms [STRRF] for the period May 1, 2018 through April 30, 2019.
- I inspected the Municipality's support to confirm that the Municipality properly classified fine, fee, assessment, and surcharge receipts.

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- I inspected all STRRF for the period May 1, 2018 through April 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 May 1, 2016 through April 30, 2017, 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.

Findings

Supplementary Schedule

I was provided the Town's financial statements for the year ended April 30, 2017, the latest available audited statement, which contained a schedule of court fines, assessments and surcharges. The Town received a disclaimer of opinion on its financial statement because of completeness concerns; therefore, there was no in-relation-to opinion on the schedule of fines, assessments and surcharges as required by Section 14-1-211(D)(2) of the 1976 South Carolina Code of Laws, as amended.

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.

- I inspected the Municipality's victim assistance financial activity on the Supplemental Schedule, as reported in the annual financial statement audit, for the period May 1, 2016 through April 30, 2017, 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

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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.

Findings

Victim Assistance Deposits

The Town deposited Victims Assistance collections for the procedures period in one deposit at period end. The Department of Crime Victims Compensation recommends a minimum of quarterly deposits and suggests deposits be made monthly. The deposit was \$391.25 less than the sum of the undeposited STTRF amounts.

4. Calculation of Over/(Under) Reported Amounts

- I obtained copies of monthly State Treasurer Revenue Remittance Forms for the 36 month period ended April 30, 2019, which the Town prepared and submitted to the Office of the State Treasurer. I calculated the amount over/(under) reported by the Municipality by category. For this calculation, I did not correct rounding errors indicated in findings above and ignored Criminal Justice Academy assessments on pre July 1, 2016 ticket collections during the procedures period.

STTRF LINE	DESCRIPTION	
F.	Municipal DUS DPS Pullout - \$100	(300.00)
KA.	Municipal CJA Surcharge - \$5	6,075.00
L.	Municipal Court -107.5%	<u>(2,856.05)</u>
M.	TOTAL REVENUE DUE TO MUNICIPALITY	<u>2,918.95</u>
	RETAINED BY MUNI FOR VICTIM SERVICES	
N.	Assessments - Municipal	<u>(742.49)</u>
P.	TOTAL RETAINED FOR VICTIM SERVICES	\$ <u>(742.49)</u>

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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 Olar 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 Olar Municipal Council, Olar Municipal Clerk of Court, Olar 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