

CITY OF CONWAY MUNICIPAL COURT
CONWAY, SOUTH CAROLINA

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

For the Year Ended June 30, 2019



February 24, 2020

The Honorable Andy E. Hendrick, Municipal Judge
Ms. Jane Mackey, Associate Judge/Clerk of Court
City of Conway Municipal Court
Conway, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the City of Conway Municipal Court System as of and for the period July 1, 2018 through June 30, 2019, 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

GLKIII/cmw

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June 30, 2019

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

February 24, 2020

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

The Honorable Andy E. Hendrick, Municipal Judge
Ms. Jane Mackey, Associate Judge/Clerk of Court
City of Conway Municipal Court
Conway, South Carolina

We have performed the procedures enumerated below, which were agreed to by the South Carolina Office of the State Auditor and the City of Conway Municipal Court (the "City"), on the systems, processes, and behaviors related to court fines and fees of the City for the period July 1, 2018 through June 30, 2019, 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 enumerated below either for the purpose for which this 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 confirmed the fine assessed adhered to State law, and recalculated the fine, fee, assessment and surcharge 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. City Treasurer

- We gained an understanding of the policies and procedures established by the City 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 for the State Treasurer's Revenue Remittance Forms (STRRF).
- 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, 2018 through June 30, 2019 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, 2018 through June 30, 2019, to the City's general ledger or equivalent support.
- 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.

Finding -- Adherence to Amounts Reported on Remittance Forms

Certain amounts reported in the February 2019 STRRF did not agree to supporting documentation. The State Treasurer's Revenue Remittance Form reported \$0 for both Assessments and Surcharges retained by the City for Victim Services. The amount per supporting documentation for these line items states amounts of \$1,759.59 for Victim Assessments and \$1,519.89 for Victim Surcharges should have been reported. We noted that the correct amounts were properly recorded in the general ledger, transferred to the Victim Services bank account, and reported in the schedule of fines, assessments, and surcharges per the audit. State law requires all municipal assessments and surcharges to be properly reported and classified. See the finding under procedure 4 for amounts over/under reported in the STRRF.

Management Response: See Attachment A.

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 adhered to and included items required by 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.

We found no exceptions as a result of the procedures.

4. Calculation of Over/(Under) Reported Amounts

- We inspected copies of monthly State Treasurer Revenue Remittance Forms for the year ended June 30, 2019, which the City prepared and submitted to the South Carolina Office of the State Treasurer. We calculated the amount over/(under) reported by the City by category.

Finding -- Differences in Amounts Reported per State Revenue Remittance Form

The amounts over/(under) reported, by STRRF line item is listed in the schedule below:

STRRF Line	Description	Amount
N.	Assessments - Municipal	(1,759.59)
O.	Surcharges - Municipal	<u>(1,519.89)</u>
P.	TOTAL RETAINED FOR VICTIM SERVICES	<u><u>(3,279.48)</u></u>

Management Response: See Attachment A.

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 Conway Municipal Court. Accordingly, we do not express such 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 Conway Municipal Council, the Associate Judge/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

The Hobbs Group, P.A.

Attachment A

MAYOR
Barbara Blain-Bellamy

MAYOR PRO TEM
Shane Hubbard



COUNCIL MEMBERS
William M. Goldfinch IV
B. Alex Hyman
Justin D. Jordan
Jean M. Timbes
Larry A. White

February 21, 2020

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

Re: Response to City of Conway Municipal Court Audit

In February 2019, an amount was inadvertently omitted from the State Treasurer's Revenue Remittance Form. Although the amounts were omitted, it was properly recorded in all other aspects. Staff will be more diligent in the future to ensure forms are filled out correctly.

If you require any further information, please do not hesitate to contact our office at (843) 248-1780.

A handwritten signature in cursive script that reads "Allison D Williams".

Allison D Williams
Finance Director
City of Conway