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*Town of Gaston Municipal Court*

Gaston, South Carolina

Independent Accountant's Report on Applying Agreed-Upon  
Procedures for the year ended June 30, 2018



March 6, 2020

The Honorable Scott D. Whittle, Chief Judge  
The Honorable Troy Bivens, Mayor  
Town of Gaston  
Gaston, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the Town of Gaston Municipal Court System as of and for the period July 1, 2017 through June 30, 2018, was issued by Brown CPA, LLC, 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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## Independent Accountant's Report on Applying Agreed-Upon Procedures

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

The Honorable Troy Bivens, Mayor  
Town of Gaston  
Gaston, South Carolina

The Honorable Scott D. Whittle, Chief Judge  
Town of Gaston  
Gaston, South Carolina

We have performed the procedures described below, which were agreed to by the South Carolina Office of State Auditor and the Town of Gaston Municipal Court, on the systems, processes, and behaviors related to court fines and fees of the Town of Gaston Municipal Court for the period July 1, 2017 through June 30, 2018, in the areas addressed. The Town of Gaston and the Town of Gaston Municipal Court (the "Municipality") 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 Gaston and the Town of Gaston Municipal Court. 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 determine timely reporting by the Clerk of Court's Office.
- We obtained the court dockets or equivalents from the Clerk of Court. We randomly selected twenty-five 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 twenty-five court receipt transactions to confirm that the fee, fine, 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 determine timely reporting by the Municipality.
- 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 amounts reported on the monthly remittance forms or equivalents to the Municipality's support.
- We inspected the Municipality's support to confirm that the Municipality properly classified fine, fee, assessment, and surcharge receipts.
- We 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.
- We agreed amounts reported by the Municipality 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 Municipality's general ledger.
- We inspected the Municipality'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.

### **Findings:**

1. Audit Report "in relation to" opinion on supplementary information — The financial statement audit report for the year ended June 30, 2018 did not properly report on the schedule of court fines, fees, and assessments. This is required by professional standards and state law to be presented as supplementary information covered by an "in relation to" opinion on the financial statements. Section 14-1-211 of the 1976 South Carolina Code of Laws, as amended, states that "The supplementary schedule must be included in the external auditor's report by an "in relation to" paragraph as required by generally accepted auditing standards when information accompanies the basic financial statements in auditor submitted documents".
2. Audit Report Supplementary Schedule Presentation of South Carolina Mandated Information — The financial statement audit report for the year ended June 30, 2018 did not properly present supplementary information required by the State of South Carolina for Court Fines, Assessments, and Surcharges. Act 96 Part III Section 12 of the 1976 code of laws, as amended, requires that municipalities present court fines fees and surcharges using a *Uniform Supplemental Schedule* developed by the Office of the Attorney General. The Town's audit report supplemental schedule was a) not presented using the *Uniform Supplemental Schedule* and b) omitted certain information such as amounts collected for victim services and the amounts spent / transferred to another entity (the Town of Gaston transfers all victim services amounts to Lexington County).

3. Timely Submission of STRRF – The September 2017, November 2017, January 2018, and May 2018 State Treasurer’s Revenue Remittance Forms were not timely submitted to the State Treasurer’s Office. The State Treasurer’s Office receipts were dated between 32 and 35 days past the due date. Section 14-1-2018(A) of the 1976 South Carolina Code of Laws, as amended, states “... this assessment must be paid to the municipal clerk of court and deposited with the city treasurer for remittance to the State Treasurer.” Section 14-1-208(b) of the 1976 South Carolina Code of Laws, as amended, requires the Town to remit the balance of the assessment revenue to the State Treasurer on a monthly basis by the fifteenth day of each month and make reports on a form and in a manner prescribed by the State Treasurer.

**Management Response** – See Attachment A.

### 3. **Victim Assistance**

- We gained an understanding of the policies and procedures established by the Municipality to confirm proper accounting for victim assistance funds.
- We made inquiries and confirmed that any funds retained by the Municipality for victim assistance were deposited into a separate account.
- We selected twenty five expenditures to confirm that the Municipality expended victim assistance funds in accordance with State law and South Carolina Court administration fee memoranda.
- We inspected the Municipality’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 Municipality on its supplemental schedule of fines and assessments, as reported in the annual financial statement audit, applicable to Victim Assistance Fund, to the Municipality’s general ledger or subsidiary ledgers.
- We 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**

1. See findings 1 & 2 above related to a) Auditor’s Report not having an “in relation to” opinion and b) the Audit Report not presenting supplementary information using the *Uniform Supplemental Schedule*.

**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 a review, the objective of which would be the expression of an opinion or conclusion, respectively, on the systems, processes, and behaviors related to financial activity of the 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 Town of Gaston Council, Town of Gaston Clerk of Court, Town of Gaston Finance Director, State Treasurer, Office of Attorney General Department of Crime Victims Compensation, the Chief Justice, and the South Carolina Office of the State Auditor, 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.

BROWN CPA, L.L.C.

Irmo, South Carolina  
March 6, 2020

## Attachment A



Troy R. Bivens  
Mayor  
  
Chief Mohundro  
Gaston Police Dept.

Town of Gaston  
131 North Carlisle St.  
P.O. Box 429  
Gaston, SC 29053  
PH: (803) 796-7725 Fax: (803) 739-5793

COUNCIL MEMBERS  
Mike Cook  
Carol McCombs  
Jimmy Cox  
Charles Sharpe  
  
Steve Martin  
Building Official

Jennifer Hoyt  
Town Clerk

March 6, 2020

To whom it may concern:

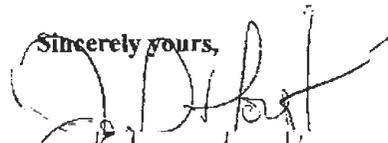
We have reviewed the comments provided herein and are in agreement with the comments and will remediate these items as follows.

With respect to the presentation and reporting on the schedule of fines, fees, and assessments within our annual financial statements we will provide our outside auditor with a copy of this report and request that they review the comments and to correct the presentation and reporting deficiencies identified.

As to the comment provided herein related to timely submission of the State Treasurer's Revenue Remittance Forms, we are aware of the requirement to submit this information by the fifteenth day of each month. We have limited staffing and numerous administrative / compliance reporting requirements. However, we will place greater emphasis on submitting this information by the due date.

We are always receptive to positive constructive criticism in our effort to improve upon compliance and financial reporting.

Sincerely yours,



Ms. Jennifer Hoyt, Town Clerk  
Town of Gaston