

**LANCASTER MUNICIPAL COURT  
LANCASTER, SOUTH CAROLINA**

**INDEPENDENT ACCOUNTANT'S REPORT**

**JUNE 30, 2019**

## CONTENTS

	<u>PAGE</u>
I. STATE AUDITOR'S OFFICE TRANSMITTAL LETTER	1
II. INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES	2 – 6
iii. MUNICIPAL RESPONSE	7



July 10, 2020

Dana D. Pinkert, Finance Director  
The Honorable Robert W. Davis, Chief Judge  
The Honorable Cammie M. Heath, Court Administrator & Associate Judge  
City of Lancaster Municipal Court  
Lancaster, South Carolina

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

# STEVEN L. BLAKE, CPA

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

July 10, 2020

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

Dana D. Pinkert, Finance Director  
The Honorable Robert W. Davis, Chief Judge  
The Honorable Cammie M. Heath, Court Administrator & Associate Judge  
City of Lancaster Municipal Court  
Lancaster, South Carolina

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

Mr. George L. Kennedy, III, CPA, State Auditor  
And  
Dana D. Pinkert, Finance Director  
The Honorable Robert W. Davis, Chief Judge  
The Honorable Cammie Heath, Court Administrator, Associate Judge  
City of Lancaster Municipal Court  
July 10, 2020

- 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**

### **Installment Fee**

- The Court assessed and collected the three percent installment fee from an individual who paid the total amount due in one payment after the court date.
- The Court improperly assessed the three percent installment fee on the full fine rather than the reduced fine the judge imposed at sentencing.
- The Court imposed an installment fee in excess of three percent on one 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...".

The Court Administrator stated that corrections would be made and refunds would be issued.

### **Data Entry Error**

The City's software improperly allocated a fine due to a data entry error.

The Court Administrator stated that the error was corrected during the procedures performance and the fine was properly allocated. I observed the correction.

## **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

Mr. George L. Kennedy, III, CPA, State Auditor  
And  
Dana D. Pinkert, Finance Director  
The Honorable Robert W. Davis, Chief Judge  
The Honorable Cammie Heath, Court Administrator, Associate Judge  
City of Lancaster Municipal Court  
July 10, 2020

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 Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96), prescribed form, as reported in the latest annual financial statement audit, for the period July 1, 2018 through June 30, 2019, to the Municipality's general ledger or equivalent support. I inspected the Municipality's Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96), prescribed form, as reported in the annual financial statement audit, to confirm that it contained all the elements required by State law.

## **Findings**

### **Supplemental Schedule**

The City's Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96) was not in the form prescribed by the Department of Crime Victims' Compensation [**DCVC**] per ACT 96. The Act was effective for fiscal years beginning on or after July 1, 2017.

### **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 Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96), prescribed form, as reported in the annual financial statement audit, for the

Mr. George L. Kennedy, III, CPA, State Auditor  
And  
Dana D. Pinkert, Finance Director  
The Honorable Robert W. Davis, Chief Judge  
The Honorable Cammie Heath, Court Administrator, Associate Judge  
City of Lancaster Municipal Court  
July 10, 2020

period July 1, 2018 through June 30, 2019 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 Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96), prescribed form, 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.

## **Findings**

### **Supplemental Schedule**

- . The Supplemental Schedule lacked the additional information required by Attachment S.
- The Victim Assistance amounts were provided on another schedule, and no Victim Assistance activity was included on the Supplemental Schedule.

### **Victims' Advocate Salary**

The Victims' Advocate salary is prorated between the general fund and the Victim Assistance account. DCVC policy requires a study be conducted on time spent on Victim Assistance activity. Upon submission of this study, DCVC's approval is in the form of an agreement stating the percentage approved and the timeframe this percentage may be used prior to renewal. The City could not provide me with this approval.

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 City of Lancaster 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

Dana D. Pinkert, Finance Director

The Honorable Robert W. Davis, Chief Judge

The Honorable Cammie Heath, Court Administrator, Associate Judge

City of Lancaster Municipal Court

July 10, 2020

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 Lancaster Municipal Council, Lancaster Municipal Clerk of Court, Lancaster 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*



Department of Finance  
PO Box 1149, Lancaster, SC 29721-1149  
Tel. (803) 283 2489  
[dpinkert@lancastercitysc.com](mailto:dpinkert@lancastercitysc.com)

---

Date: July 22, 2020

To: Steven L. Blake CPA, CFE, CICA, CGMA

Cc: The Honorable Robert W. Davis, Chief Judge  
The Honorable Cammie M. Heath, Court Administrator & Associate Judge  
Scott Grant Police Chief  
Steven Hutfles, City Administrator

From: Dana Pinkert, Finance Director

Re: Lancaster Municipal Court Independent Audit Corrective Action

---

With respect to the "Supplemental Schedule" findings in Section 2. Municipal Treasurer and Section 3. Victim Assistance of the City of Lancaster Municipal Court Independent Audit:

Going forward the City will use the form prescribed by the Department of Crime Victims' Compensation as required by Act 96.