

TOWN OF FAIRFAX MUNICIPAL COURT
FAIRFAX, SOUTH CAROLINA

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

For the Year Ended September 30, 2019



June 16, 2020

The Honorable Walter H. Sanders, Jr., Municipal Judge
Ms. Erica Wiley, Municipal Court Clerk
Town of Fairfax Municipal Court
Fairfax, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the Town of Fairfax Municipal Court System as of and for the period October 1, 2018 through September 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

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

June 16, 2020

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

The Honorable Walter H. Sanders, Jr., Municipal Judge
Ms. Erica Wiley, Municipal Court Clerk
Town of Fairfax Municipal Court
Fairfax, South Carolina

We have performed the procedures enumerated below, which were agreed to by the South Carolina Office of the State Auditor and the Town of Fairfax Municipal Court (the "*Town*"), on the systems, processes, and behaviors related to court fines and fees of the Town for the period October 1, 2018 through September 30, 2019, in the areas addressed. The Town 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 Town. 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, 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 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.

Finding -- Adherence to Fine Guidelines

During our inspection of Town Court collections and remittances, we observed the following instances in which the Town did not fine the defendant in accordance with State law:

Speeding

The Court fined one individual \$74.70 for speeding, more than ten miles per hour but less than fifteen miles per hour. Section 56-5-1520(G) of the 1976 South Carolina Code of Laws, as amended, states, "A person violating the speed limits established by this section guilty of a misdemeanor and, upon conviction for a first offense, must be fined or imprisoned as follows:

- (1) in excess of ten miles an hour but less than fifteen miles an hour above the posted limit by a fine of not less than twenty-five dollars nor more than fifty dollars;"

The Court fined one individual \$25.06 for speeding, not more than ten miles over the speed limit. Section 56-5-1520(G) of the 1976 South Carolina Code of Laws, as amended, states, "A person violating the speed limits established by this section guilty of a misdemeanor and, upon conviction for a first offense, must be fined or imprisoned as follows:

- (1) in excess of the above posted limit but not in excess of ten miles an hour, by a fine of not less than fifteen dollars nor more than twenty-five dollars;"

Management Response: Management elected not to respond.

2. Town Treasurer

- We gained an understanding of the policies and procedures established by the Town Treasurer to confirm timely reporting by the Town.
- 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 Town's support for the State Treasurer's Revenue Remittance Forms (STRRF).
- We inspected the Town's support to confirm that the Town properly classified fine, fee, assessment, and surcharge receipts.
- We inspected all STRRF for the period October 1, 2018 through September 30, 2019 and agreed the amounts reported on the STRRF to the court remittance forms or equivalents.
- We agreed the amounts reported by the Town on its Uniform Schedule of Court Fines, Assessments and Surcharges (per Act 96), as reported in the annual financial statement audit, for the period October 1, 2018 through September 30, 2019, to the Town's general ledger or equivalent support.
- We inspected the Town's Uniform Schedule of Court Fines, Assessments and Surcharges (per Act 96), as reported in the annual financial statement audit, to confirm that it contained all the elements required by State law.

Finding -- Timely remittance to the State Treasurer

Three of twelve State Treasurer’s Revenue Remittance Forms (STRRF) were not timely remitted to the South Carolina State Treasurer’s Office. As a result, the South Carolina State Treasurer’s Office did not have the information needed to determine the amount of the bank draft from the Town’s bank account for the fines and fees collected and due to the State for those months. Section 14-1-208(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 town 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: Management elected not to respond.

Finding – Timely transmittal of monies received

Eight of the twelve payments remitted to the State Treasurer were not submitted on or before the fifteenth of the subsequent month. Amounts due to the State Treasurer from February 2019 to August 2019 were not remitted to the State until October 2019. Amounts due to the State Treasurer for October 2018 were not remitted to the State Treasurer until December 2018. South Carolina Code of Laws Section 14-1-220 requires the Town Clerk of Court to transmit all monies received no less frequently than once each month, completed on or before the fifteenth day of the month following the month being reported.

Management Response: Management elected not to respond.

3. Victim Assistance

- We gained an understanding of the policies and procedures established by the Town to confirm proper accounting for victim assistance funds.
- We made inquiries and confirmed that any funds retained by the Town for victim assistance were deposited into a separate account.
- We inspected the Town’s victim assistance financial activity on the Uniform Schedule of Court Fines, Assessments and Surcharges (per Act 96), 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 Town on its Uniform Schedule of Court Fines, Assessments and Surcharges (per Act 96), as reported in the annual financial statement audit, applicable to the Victim Assistance Fund, to the Town’s general ledger or subsidiary ledgers.
- We inspected the Town’s victim assistance account to confirm the Victim Assistance fund balance was retained as of October 1 from the previous fiscal year in accordance with State law.

Finding – Victim Assistance Deposits

Victim Assistance funds collected for the months of February 2019 through September 2019 were not transferred to a separate fund and deposited into a separate bank account until November 2019. The

Department of Crime Victims Compensation recommends a minimum of quarterly deposits and suggests deposits be made monthly.

Management Response: Management elected not to respond.

Finding -- Victims Service Funds Carryforward Balance

The Town did not remit any of its carryforward victims assistance fund balance to the State Victim Assistance Program. Per Section 59.15 of the 2019-2020 General Appropriations Act, as amended, effective July 1, 2019, a municipality can only retain carry forward funds that were collected, but no more than \$25,000 or 10% of funds collected in the prior fiscal year, whichever is higher. If a municipality does not spend at least 90% of the funds collected, then the municipality has to remit any unspent funds that are greater than the allowed carryforward funds, regardless of the year collected, to the State Victim Assistance Program. As of the date of this report, the Town has not remitted any amount of their total carryforward balance of \$44,047.

Management Response: Management elected not to respond.

4. Calculation of Over/(Under) Reported Amounts

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

We found no exceptions as a result of the procedures.

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 the expression of an opinion or conclusion, respectively, on the systems, processes, and behaviors related to court fines and fees of the Town of Fairfax 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 Fairfax Municipal Council, the Clerk of Court, Town 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

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