CITY OF ROCK HILL MUNICIPAL COURT
ROCK HILL, SOUTH CAROLINA

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

For the Year Ended June 30, 2020

SOUTH CAROLINA OFFICE OF THE STATE AUDITOR
1401 Main Street, Suite 1200 • Columbia, SC 29201

May 20, 2021

The Honorable Jane P. Modla, Municipal Judge
Ms. Shelley Channell, Associate Judge/Clerk of Court
City of Rock Hill Municipal Court
Rock Hill, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the City of Rock Hill Municipal Court System as of and for the period July 1, 2019 through June 30, 2020, was issued by The Hobbs Group, P.A., 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/trb

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

May 20, 2021

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

The Honorable Jane P. Modla, Municipal Judge
Ms. Shelley Channell, Associate Judge/Clerk of Court
City of Rock Hill Municipal Court
Rock Hill, South Carolina

We have performed the procedures described below on the systems, processes, and behaviors related to financial activity of the City of Rock Hill Municipal Court (the "*City*") for the period July 1, 2019 through June 30, 2020, in the areas addressed. The City is responsible for the systems, processes and behaviors related to financial activity.

The South Carolina Office of the State Auditor has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the systems, processes, and behaviors related to financial activity for the period July 1, 2019 through June 30, 2020. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. **Clerk of Court**
   - We obtained the court dockets or equivalents from the Clerk of Court. We randomly selected 25 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 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 City Court collections and remittances, we observed the following instances in which the City did not fine the defendant in accordance with State law:

Possession of more than 28 grams or one ounce of marijuana or ten grams or less of hashish – 1st offense
The Court fined three individuals $224.09 for possession of 28 grams or one ounce of marijuana, 1st offense. Section 44-53-0370(D)(4) of the 1976 South Carolina Code of Laws, as amended, states, "A person who violates this subsection is guilty of a misdemeanor and, upon conviction for a first offense, must be punished as follows:

(1) imprisoned not more than thirty days or fined not less than one hundred dollars nor more than two hundred dollars;"

See Attachment A for management response.

2. **City Treasurer**
    - 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.
    - 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 ("STRRF") for the period July 1, 2019 through June 30, 2020 and agreed the amounts reported on the STRRF to the court remittance forms or equivalents.

Finding -- Timely Remittance of State Treasurer's Revenue Remittance Forms

The May 2020 STRRF was submitted one day late to the South Carolina State Treasurer's Office. 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 municipal treasurer for remittance to the State Treasurer". Section 14-1-208(B) of the 1976 South Carolina Code of Laws, as amended, requires the City 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.

See Attachment A for management response.

3. **Victim Assistance**
    - We made inquiries and confirmed that any funds retained by the City for victim assistance were deposited into a separate account.
    - We 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 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. **Uniform Schedule of Court Fines, Assessments and Surcharges**
    - We agreed amounts reported by the City on its Uniform Schedule of Court Fines, Assessments and Surcharges, as reported in the annual financial statement audit, for the period July 1, 2019 to June 30, 2020, to the City's general ledger.
    - We inspected the City's Uniform Schedule of Court Fines, Assessments and Surcharges, as reported in the annual financial statement audit, to confirm that it contained all the elements required by the South Carolina Code of Laws Section 14-1-208.

We found no exceptions as a result of the procedures.

5. **Calculation of Over/(Under) Reported Amounts**
    - We inspected copies of monthly STRRF for the twelve month period ended June 30, 2020, 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.

We found no exceptions as a result of the procedures.

We were engaged by the South Carolina Office of the State Auditor to perform this agreed-upon procedures engagement and conducted our engagement 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 engagement, 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 City for the period July 1, 2019 through June 30, 2020. 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.

We are required to be independent of the City and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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 City of Rock Hill Municipal Council, the 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

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Management response:

1. Clerk of Court
    a. It was brought to my attention during the audit process that several cases that were pulled had the incorrect fine amount collected in the system. I began my investigation into why this may be true. I pulled one of the case that was in question, the individual was charged with simple possession of marijuana. When I pulled up the fees and the fine that were associated with the case, I discovered that the fine amount showing in the system was $224.09 and the fees were $390.91. I reviewed the offense code maintence in Incode to see what the fine amount was set as. The fine amount was showing $224.09 in the system. I did discover that in 2010 the prosecution coordination fee was increased from $100 to $150.00 by the state. I reached out to Tyler Technologies to ask for help in determining what happened to make the fee and fine be different in the system. The Tyler Technology support service representive assisted with running a report to determine when the fee changed. I started with running a report from the beginning of the records in the system, 1/1/1900. During review of the report, it was discovered that the fee was updated correctly in 2010. I then ran the report from 2010 until present. I determined that the fees were correct in the system until 7/2016 when the PCC fee was changed to $100.00(which was what the fee was prior to 2010). Tyler Technology representative remoted into the system and pulled the default fee table to see what the amount was set at. When we looked at the Table Code 4 (drug assessment fees) it was showing the amount of $150.00 for date beginning on 7/01/2010. There was a new one that had been added into the system showing Table code 4 (drug assessments fees) with a start date of 7/1/2016. Tyler Technologies then created a new fee table with the corret amount of $150.00 for the PCC fee. They then went into the offense code maintence and updated the fine amount to show $200.00. After it was all completed they sent me a response with what all they took care of while they were remoted into the system.

    After Tyler Technologies adjusted the fee table and corrected the fine, a report was run to show the activity log for users for that period. I looked at the activity log that was produced from the report, but I was unable to determine who or when the modification to the fee code may have happened. The system showed that the new

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fee began on 7/1/2016. Since this date, I have gone through all the marijuana charges with this fee code that was incorrect and updated the records to show the correct amount that we should be collecting. This would only be for the open cases that have not gone in front of the Judge for a hearing or cases where no money has been collected as of this date. I have gone through all of the marijuana cases that were filed between July 1, 2016 and March 19, 2021 and are closed or are set up on a payment plan and have determined the amount that would need to be submitted to the State Treasures office. I have compiled a report to show the amount of money for these cases during that time ($20,952.52). The City of Rock Hill has submitted the amount to the Treasures office. I spoke with a Tyler Technologies representative on 5/7/2021 to find out if there was anything that can be done by them or by the court to make sure that we are collecting all of the correct fines and fees when we take in payments for court fines. They advised that I could run a report of all the offenses in the system and compare the fee codes that are in the system against what the State says we should be collecting. She walked me through how to run the offense report, looking at the default table and using this to check the fees. Tyler Technologies responsed as to how fees are inputed into the system. She said that Tyler is responsible for updating new fees and changes to old fee codes and fine, but they are not able to audit the system yearly to make sure that the fees and fines are correct. The court would be responsible for maintaining those records.

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City Treasure Management Response

b. On June 15, 2020 the State Treasure's Revenue Remittance was due to be submitted. The form was a day late with being submitted online. The form is submitted by the Clerk of Court each month. The court's response is, it was late due to our court reopening for the very first time since the Covid-19 shutdown. We were conducting the first day of bench court after three months (no court hearings since March 16, 2020). The day was spent making sure that all city staff involved in court operations and all private citizens were following Covid-19 protocols that were put in place by Rock Hill City Management and SC Court Adminitration to make sure that everyone that attended their court appearance was safe. The day was very busy as we had a full docket beginning at 9:00 am and ran through the afternoon. During this time our lobby doors were reopened for business during normal hours. I was assisting with the needs of the court during this time and neglected to submit the report through the online portal. I did submit them on 6/16/2020 as soon as I realized that I had missed the previous day deadline for the submission. This has been the only time that the report has been late being submitted and I believe if this was not the same day of a big event for the court, the report would not have been late.

Shelley V. Channell

Shelley V. Channell
Clerk of Court
Municipal Court
City of Rock Hill