

TOWN OF COTTAGEVILLE MUNICIPAL COURT
COTTAGEVILLE, SOUTH CAROLINA

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

For the Year Ended June 30, 2020



June 11, 2021

The Honorable Loretta B. Beckett, Chief Judge
Ms. Sandy Nettles, Town Clerk/Treasurer
Town of Cottageville Municipal Court
Cottageville, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the Town of Cottageville 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

TABLE OF CONTENTS
TOWN OF COTTAGEVILLE MUNICIPAL COURT
June 30, 2020

Independent Accountants' Report on Applying Agreed-Upon Procedures.....1

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

June 11, 2021

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

The Honorable Loretta B. Beckett, Chief Judge
Ms. Sandy Nettles, Town Clerk/Treasurer
Town of Cottageville Municipal Court
Cottageville, South Carolina

We have performed the procedures described below on the systems, processes, and behaviors related to financial activity of the Town of Cottageville Municipal Court (the "Town") for the period July 1, 2019 through June 30, 2020, in the areas addressed. The Town 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 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 two individuals \$27.41 for speeding, less than 10 miles per hour over the speed limit. Section 56-5-1520(G)(1) of the 1976 South Carolina Code of Laws, as amended, states, "A person violating the speed limits established by this section is 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;"

The Court fined two individuals \$77.51 for speeding, in excess of ten miles an hour but less than fifteen miles an hour above the posted limit. Section 56-5-1520(G)(2) of the 1976 South Carolina Code of Laws, as amended, states, "A person violating the speed limits established by this section is 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 by a fine of not less than twenty-five dollars nor more than fifty dollars;"

The Court fined two individuals \$202.41 for speeding, in excess of fifteen miles an hour but less than twenty-five miles an hour above the posted limit. Section 56-5-1520(G)(3) of the 1976 South Carolina Code of Laws, as amended, states, "A person violating the speed limits established by this section is guilty of a misdemeanor and, upon conviction for a first offense, must be fined or imprisoned as follows:

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

Seatbelt

The Court fined one individual \$30 for not wearing a safety belt. Section 56-5-6540(A) of the 1976 South Carolina Code of Laws, as amended, states "A person violating the provisions of this article, upon conviction, for a first offense, must be fined as follows:

- (1) The total fine assessed against a driver for any one incident must not be more than twenty-five dollars;"

Open Container

The Court fined one individual \$102.41 for driving with an open container of beer or wine in the motor vehicle. Section 61-04-0110 of the 1976 South Carolina Code of Laws, as amended, states, "A person who violates the provisions of this section is guilty of a misdemeanor and, upon conviction, must be fined as follows:

- (1) Not more than one hundred dollars or imprisoned not more than thirty days;"

Improper Turn Signal

The Court fined two individuals \$2.41 for failing to give or giving an improper turning signal. Section 56-05-2150 (E) of the 1976 South Carolina Code of Laws, as amended, states, "A person who violates the provisions of this section, must be fined as follows:

- (1) Twenty-five dollars, all or part of which may not be suspended. In addition no court costs, assessments, surcharges, or points may be assessed against the person or his driving record;"

Failure to Return Driver's License After Notice of Suspension

The Court fined one individual \$4.82 for failing to return a driver's license after notice of suspension. Section 56-01-0350 of the 1976 South Carolina Code of Laws, as amended, states, "Any person failing to return his license as required by this section may, on conviction thereof, be fined as follows:

- (1) One-hundred dollars or imprisoned thirty days;"

Management Response: The Town Clerk will contact LawTrak in regards to the exceptions noted above for the State fines to ensure the Town's software is allocating and charging the correct fine amounts for all tickets entered into the system.

2. Town 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 Town's support.
- We inspected the Town's support to confirm that the Town 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

Two of the twelve STRRF were submitted late to the South Carolina State Treasurer's Office. Nine of the twelve STRRF payments were submitted between 12 to 57 days 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 Town to remit both the form and 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: The Town Clerk will ensure the payment due to the State Treasurer is made by the fifteenth of each month.

3. Victim Assistance

- We made inquiries and confirmed that any funds retained by the Town for victim assistance were deposited into a separate account.
- We selected 5 expenditures to confirm that the Town expended victim assistance funds in accordance with State law and the South Carolina Court Administration fee memoranda.
- We inspected the Town'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.

Finding -- Audited Supplementary Schedule

There was one exception in which the Town did not remit any of its carryforward funds from the prior fiscal year to the Office of the Attorney General. Per Proviso 59.15 of the fiscal year 2020 Appropriations Act, effective July 1, 2019, “a municipality may retain carryforward funds that were collected pursuant to sections 14-1-206(B) and (D)... but no more than \$25,000 or ten percent of funds collected in the prior fiscal year, whichever is higher. If a municipality does not spend at least ninety percent of the funds collected pursuant to these sections, then the municipality shall remit any unspent funds that are greater than the allowed or carried forward funds, regardless of the year collected, to the State Victim Assistance Program with the Office of the Attorney General within 120 days after the end of the fiscal year.” The Town exceeded the allowable amount of carryforward funds per the audited schedule. Additionally, the Town did not spend at least ninety percent of the funds collected during the year.

Management Response: The Town was not aware of the new proviso mentioned above that was effective beginning July 1, 2019. Going forward, we will ensure to either spend 90% of the funds in fiscal year 2021 or we will remit unspent funds greater than the allowed carry forward funds, to the State Victim Assistance Program with the Office of the Attorney general.

Finding -- Transfer of Funds to Victims Advocate Fund

The Town deposited victim’s assistance collections for the period October 2019 through June 2020 on July 1, 2020. The Department of Crime Victims Compensation recommends a minimum of quarterly deposits and suggests deposits be made monthly.

Management Response: The Town will begin making monthly deposits for Victim’s Assistance collections.

4. Uniform Schedule of Court Fines, Assessments and Surcharges

- We agreed amounts reported by the Town on its Uniform Schedule of Court Fines, Assessments and Surcharges, as reported in the annual financial statement audit, for the period July 1, 2019 through June 30, 2020, to the Town’s general ledger.
- We inspected the Town’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.

Finding -- Uniform Schedule of Court Fines, Assessments and Surcharges

The Town did not properly separate victim service contract expenses paid to Colleton County in the amount of \$10,000 from operating expenditures in the Uniform Schedule of Court Fines, Assessments and Surcharges. The South Carolina Code of Laws Section 14-1-206 (E)(1), as amended states, “To the extent that records are made available in the format determined pursuant to subsection (E)(4), the Uniform Supplemental Schedule Form developed by the Office of the Attorney General, South Carolina Crime Victim Services Division, must be used by all counties and municipalities and must include the following elements:...(f) the total funds, by source, allocated to victim services activities, how those funds were expended, and any balances carried forward.”

Management Response: The Town has spoken with our auditor to make these corrections in future audits.

5. **Calculation of Over/(Under) Reported Amounts**

- We inspected copies of monthly STRRF for the twelve-month period ended June 30, 2020, 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.

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 Town for the 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 Town 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 Town of Cottageville 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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