

TOWN OF COWARD MUNICIPAL COURT  
COWARD, SOUTH CAROLINA

INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES

For the Year Ended December 31, 2019



May 26, 2021

The Honorable John Kirven, Chief Judge  
Ms. Melinda Thomas, Town Clerk/Treasurer  
Town of Coward Municipal Court  
Coward, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the Town of Coward Municipal Court System as of and for the period January 1, 2019 through December 31, 2019, 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/sag

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

May 26, 2021

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

The Honorable John Kirven, Chief Judge  
Ms. Melinda Thomas, Town Clerk/Treasurer  
Town of Coward Municipal Court  
Coward, South Carolina

We have performed the procedures described below on the systems, processes, and behaviors related to financial activity of the Town of Coward Municipal Court (the "Town") for the period January 1, 2019 through December 31, 2019, 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 January 1, 2019 through December 31, 2019. 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.

We found no exceptions as a result of the procedures.

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 January 1, 2019 through December 31, 2019 and agreed the amounts reported on the STRRF to the court remittance forms or equivalents.

We found no exceptions as a result of the procedures.

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 all (2) 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 January 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 Town on its Uniform Schedule of Court Fines, Assessments and Surcharges, as reported in the annual financial statement audit, for the period January 1, 2019 to December 31, 2019, 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 -- Differences in Amounts Reported**

The amounts reported in the annual financial statement audit, did not agree with the underlying records. The Town properly collected and remitted all amounts due to the South Carolina Office of the State Treasurer, however the Uniform Schedule of Court Fines, Assessments and Surcharges in the financial statement audit for the year ended December 31, 2019 under reported the total amounts remitted to the State Treasurer collected by \$159. The Town over reported total fines retained by the Town in the amount of \$1,597. The Town over reported total fines, assessments and surcharges collected by \$731. The Town under reported the ending victims fund balance due to excluding the amount of victim assistance funds retained for the month of December in the amount of \$73.47.

**Management Response:** These differences were caused by the wrong number being picked up and reported. The Town of Coward has spoken with our auditor and it has been agreed that more detailed reports will be requested by the auditor and going forward this error should not occur.

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

The audit presents court fines, assessments and surcharges in a footnote disclosure and not a supplemental schedule. Additionally, required elements including victim assistance expenditures and the balance carried forward from the previous year were not included in the table. Per Act No. 96 of the 1976 Code, effective July 1, 2019, and pursuant to the S.C. Code 14-1-208, the Uniform Supplemental Schedule Form “must include the following elements:

- (a) All fines collected by the clerk of court for the municipal court;
- (b) All assessments collected by the clerk of court for the municipal court;
- (c) The amount of fines retained by the Municipal treasurer;
- (d) The amount of assessments retained by the Municipal treasurer;
- (e) The amount of fines and assessments remitted to the State Treasurer pursuant to this section; and
- (f) The total funds, by source, allocated to victim service activities, how those funds were expended, and any balances carried forward.”

**Management Response:** It has been discussed and agreed between the Town of Coward and our auditor that an updated schedule should have been used and that this schedule will be used going forward.

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

- We inspected copies of monthly STRRF for the twelve-month period ended December 31, 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.

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 period January 1, 2019 through December 31, 2019. 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 Coward 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

*The Hobbs Group, P.A.*