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*Town of Gifford Municipal Court*

Gifford, South Carolina

Independent Accountant's Report on Applying Agreed-Upon  
Procedures for the year ended June 30, 2021



January 6, 2022

Mr. Horney D. Mitchell, Mayor  
Town of Gifford  
Gifford, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the Town of Gifford Municipal Court System as of and for the period July 1, 2020 through June 30, 2021, was issued by Brown CPA, LLC 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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# BROWN CPA, LLC

## Independent Accountant's Report on Applying Agreed-Upon Procedures

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

Mr. Horney D. Mitchell, Mayor  
Town of Gifford  
Gifford, South Carolina

We have performed the procedures described below on the systems, processes, and behaviors related to financial activity of the Town of Gifford Municipal Court for the period July 1, 2020 through June 30, 2021, in the areas addressed. The Town of Gifford Municipal Court (the "Municipality") 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, 2020 through June 30, 2021. 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, user 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 twenty-five 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 twenty-five court receipt transactions to confirm that the fee, fine, 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. **Municipal 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 amounts reported on the monthly remittance forms or equivalents to the Municipality's support.

- We inspected the Municipality’s support to confirm that the Municipality properly classified fine, fee, assessment, and surcharge receipts.
- We inspected all State Treasurer’s Revenue Remittance Forms (“STRRF”) for the period July 1, 2020 through June 30, 2021 and agreed the amounts reported on the STRRF to the court remittance forms or equivalents.

**Finding:**

1. Twelve of the twelve monthly STRRF, along with the amounts due to the State, have not been submitted to the 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 city 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”. Amounts due to the State per the associated STRRF total \$156,270.08 for the period July 1, 2020 through June 30, 2021; see procedure #5 below for detail of amounts due.

**Management Response** – See Attachment A.

**3. Victim Assistance**

- We made inquiries and confirmed that any funds retained by the Municipality for victim assistance were deposited into a separate account.
- We randomly selected twenty-five expenditures to confirm that the Municipality expended victim assistance funds in accordance with State law and South Carolina Court Administration fee memoranda.
- We 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:**

1. The Municipality is not timely depositing amounts collected for Victim Assistance into a separate bank account or adequately tracking such amounts collected in a separate general ledger account. The Municipality appears to be making periodic minimal deposits, inconsistent with amounts due to the fund, of approximately \$400 (two deposits totaling \$800 were made) to cover operating expenses. We were unable to trace monthly STRRF amounts for the months of July 2020 thru January 2021 and June 2021 due to the fund to underlying general ledger or banking activity. Amounts for those periods total \$8,840.67.
2. We were unable to determine that the Victim Assistance fund balance was retained as of July 1 from the previous fiscal year in accordance with State law as the bookkeeping for this account appears incomplete and inaccurate and a financial statement audit has not been issued since June 30, 2015.

**Management Response** – See Attachment A.

**4. Uniform Schedule of Court Fines, Assessments and Surcharges**

- We agreed amounts reported by the Municipality on its Uniform Schedule of Court Fines, Assessments and Surcharges (“Uniform Schedule”), as reported in the annual financial statement audit, for the period July 1, 2020 through June 30, 2021, to the Municipality’s general ledger.
- We inspected the Municipality’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 South Carolina Code of Laws Section 14-1-206.

**Finding:**

1. The Municipality has not had a financial statement audit since the year ended June 30, 2015, as such certain procedures could not be performed. Section 14-1-208 of the 1976 Code of Laws, as amended, requires the Municipality to produce an annual audit report and to submit such report to the State Treasurer within thirteen months if its year-end.

**Management Response** – See Attachment A.

**5. Calculation of Under Reported Amounts**

- We inspected copies of monthly State Treasurer Revenue Remittance Forms for the twelve-month period ended June 30, 2021, which the Municipality prepared and submitted to the South Carolina Office of the State Treasurer. We calculated the amount under reported by the Municipality by category.

**Finding:**

1. The Municipality has not remitted any of the monthly STRRF or any of the amounts due to the State for the period July 1, 2020 through June 30, 2021. The amounts due to the State per the associated underlying STRRF for the 12-month period by line item is as follows:

STRRF Line	Description	
F	Municipal DUS DPS Pullout - \$100	\$ 881.42
K	Municipal Law Enforcement Surcharge - \$25 Per Case	40,380.74
KA	Municipal Criminal Justice Academy Surcharge - \$5 Per Case	15.00
L	Municipal Court - 107.5%	<u>114,992.92</u>
M	Total Revenue Due to State Treasurer	<u>\$ 156,270.08</u>

**Management Response** — See Attachment A.

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 Municipality for the period July 1, 2020 through June 30, 2021. 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 Municipality 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, Chairman of the House Ways and Means Committee, Senate Finance Committee, House Judiciary Committee, Senate Judiciary Committee, Mayor Town of Gifford, members of Town of Gifford Council, Town of Gifford Clerk of Court, Town of Gifford Treasurer, State Treasurer, the 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.

BROWN CPA, L.L.C.

Irmo, South Carolina  
January 6, 2022

## Attachment A





**Town of Gifford**

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Phone 803-625-2712 • Fax 803-625-2913

Mayor  
Horney D. Mitchell

Town Council Members  
Henry Williams Jr.  
Nora Moreland  
Victoria Williams  
Edgar Williams Jr

January 6, 2022

To whom it may concern:

We have reviewed the comments provided herein and are in agreement with the comments and will remediate the findings as follows.

We will work with State officials to reach mutually satisfactory resolution with respect to 1) past due amounts due to the State Treasurers Office and 2) unfunded amounts due to the Victim Assistance Account. Further, we will make efforts to get our annual financial statement audits current.

We understand that State Law requires 1) STRRF to be submitted monthly and 2) the audit report to be submitted within thirteen months of the end of the fiscal year to the State Treasurer.

We have numerous regulatory reporting requirements, and it is our intent to comply with all reporting deadlines. We have limited staffing and of course this past year has been very challenging with the COVID-19 pandemic. Further we have had significant turnover in our office resulting in clerical errors and missed deadlines. We will review the policies and procedures related to reporting this information and remitting amounts due by the State Treasurer's Office deadline with the goal of improving upon the completion of this task in a timelier manner.

We are always receptive to positive constructive criticism in our effort to improve upon compliance and financial reporting.

Sincerely yours,

Mr. Horney D. Mitchell  
Mayor