

**NICHOLS MUNICIPAL COURT
NICHOLS, SOUTH CAROLINA**

**STATE AUDITOR'S REPORT
JUNE 30, 2021**

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January 6, 2022

The Honorable Danny O. Barker, II, Chief Judge
Ms. Sandee S. Rogers, Clerk/Treasurer
Town of Nichols Municipal Court
Nichols, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the Town of Nichols Municipal Court System as of and for the period July 1, 2020 through June 30, 2021, was issued by Steven L. Blake, CPA 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

STEVEN L. BLAKE, CPA

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

January 6, 2022

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

The Honorable Danny O. Barker, II, Chief Judge
Ms. Sandee S. Rogers, Clerk/Treasurer
Town of Nichols Municipal Court
Nichols, South Carolina

I have performed the procedures described below on the systems, processes, and behaviors related to financial activity of the Town of Nichols and the Nichols Municipal Court (the Municipality) for the period July 1, 2020 through June 30, 2021, in the areas addressed. The Town of Nichols and the Nichols Municipal Court (the Municipality) are 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, 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**

- I obtained the court dockets or equivalents from the Clerk of Court. I judgmentally selected 1 case out of 3 adjudicated during the year 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.

Mr. George L. Kennedy, III, CPA, State Auditor
And

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January 6, 2022

- I inspected the court receipt transactions for the above cases to confirm that the fine, fee, assessment and surcharges assessed adhered to State law and the South Carolina Court Administration fee memoranda and that the receipts were allocated in accordance with applicable State law.

I found no exceptions as a result of these procedures.

2. Municipal Treasurer

- I 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.
 - I compared and agreed the amounts reported on the monthly remittance forms or equivalents to the Municipality's support.
 - I inspected the Municipality's support to confirm that the Municipality properly classified fine, fee, assessment, and surcharge receipts.
 - I 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

Timely Submission of STRRF

Two of the twelve STRRF were not timely submitted to the State Treasurer's Office. One was 34 and the other 36 days late. Section 14-1-208(A) of the South Carolina Code of Laws 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 South Carolina Code of Laws 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.

Nichol's Response: The Town has experienced several economic setbacks which have disrupted operations. The Town will endeavor to be timely in the future.

3. Victim Assistance

Mr. George L. Kennedy, III, CPA, State Auditor
And

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Town of Nichols Municipal Court
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January 6, 2022

- I made inquiries and confirmed that any funds retained by the Municipality for victim assistance were deposited into a separate account.
- I selected all expenditures to confirm that the Municipality expended victim assistance funds in accordance with State law and the South Carolina Court Administration fee memoranda, Attachment L.
- I inspected the Municipality's Victim Assistance account to confirm the Victim Assistance fund balance was retained as of July 1 in the next fiscal year in accordance with State law.

Finding

The Town did not deposit the required amounts from the STRRF that were submitted during the procedures period into the Victims' Fund bank account. In addition, the Town partially paid \$23.88 to Marion County for services per the Victims' Assistance agreement from the court fines account instead of the Victims' Fund account. The Town still owes the county \$23.94.

Nichol's Response: The Town confirmed this deposit was not made during the procedures period. The Town's policy, because the monthly amounts were not constant and were small amounts, is to deposit and submit these funds on a semiannual basis.

4. Uniform Schedule of Court Fines, Assessments and Surcharges

- I agreed the 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.
- I inspected the Municipality's Uniform Schedule, as reported in the annual financial statement audit, to confirm that it contained all the elements required by South Carolina Code of Laws Section 14-1-208.

Audit Report Uniform Schedule

The Municipality was unable to provide me with an audit report for the year ended June 30, 2021. The most recent financial statement audit was for the year ended June 30, 2017, as such, certain procedures could not be performed.

Mr. George L. Kennedy, III, CPA, State Auditor
And

The Honorable Danny O. Barker, II, Chief Judge
Ms. Sandee S. Rogers, Clerk/Treasurer
Town of Nichols Municipal Court
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Section 14- 1-208 of the South Carolina Code of Laws requires the Municipality to produce an annual audit report and to submit such report to the State Treasurer within thirteen months of its year-end.

Nichol's Response: The Town has experienced several economic setbacks which have disrupted operations. The Town will endeavor to be timely in the future.

I was engaged by the South Carolina Office of the State Auditor to perform this agreed-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. I was not engaged to and did not conduct an examination or review, the objective of which would be an opinion or conclusion, respectively, on the systems, processes, and behaviors related to financial activity of the Town of Nichols Municipal Court for the period July 1, 2020 through June 30, 2021. Accordingly, I do not express an opinion or conclusion. Had I performed additional procedures other matters might have come to my attention that would have been reported to you.

I am required to be independent of the Town of Nichols Municipal Court and to meet my ethical responsibilities in accordance with the relevant ethical requirements related to my 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 Nichols Municipal Council, Nichols Municipal Court, Nichols Municipal Treasurer, State Treasurer, 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.

Steven L. Blake, CPA