

TOWN OF EHRHARDT MUNICIPAL COURT
EHRHARDT, SOUTH CAROLINA

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

For the Year Ended June 30, 2021



May 12, 2022

The Honorable Joseph T. Coleman, Chief Judge
Ms. Teresa A. Smith, Town Clerk/Treasurer
Town of Ehrhardt
Ehrhardt, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the Town of Ehrhardt Municipal Court System as of and for the period July 1, 2020 through June 30, 2021, 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

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

May 12, 2022

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

The Honorable Joseph T. Coleman, Chief Judge
Ms. Teresa A. Smith, Town Clerk/Treasurer
Town of Ehrhardt
Ehrhardt, South Carolina

We have performed the procedures described below on the systems, processes, and behaviors related to financial activity of the Town of Ehrhardt Municipal Court (the "Town") for the period July 1, 2020 through June 30, 2021, 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, 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

- We obtained the court dockets or equivalents from the Clerk of Court. We haphazardly 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 haphazardly 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 the 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 Town fined two individuals \$36.14 and one individual \$60.24, 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;"

Drug Possession, First Offense

The Town fined one individual \$55.42 and another individual \$0 for possession of 28 grams or less of marijuana for their first offense. Section 44-53-0370(D)(4) of the 1976 South Carolina Code of Laws, as amended, states "A person who violates this subsection with respect to twenty-eight grams or one ounce or less of marijuana or ten grams or less of hashish is guilty of a misdemeanor and, upon conviction, must be imprisoned not more than thirty days or fined not less than one hundred dollars nor more than two hundred dollars."

Driving Under Suspension, First Offense

The Town fined one individual \$142.17 and another individual \$228.92 for driving under suspension, license not suspended with a DUI, first offense. Section 56-01-0460(A)(1)(a) of the 1976 South Carolina Code of Laws, as amended, states, "A person who drives a motor vehicle on a public highway of this State when the person's license to drive is canceled, suspended, or revoked must, upon conviction, be punished as follows:

- (a) for a first offense, fined three hundred dollars or imprisoned for up to thirty days, or both;"

Thoughtless Operation

The Town fined four individuals \$33.73 for thoughtless operation of a motor vehicle. Ordinance No. 2008-01 Section 3, an ordinance of the Town of Ehrhardt, South Carolina states, "Any person found guilty of violating this ordinance shall be fined not less than fifty dollars (\$50.00) and not more than five hundred dollars (\$500.00), or imprisoned for a period of not more than thirty (30) 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.

Finding -- Installment Payments

There was one instance in which the Town did not charge an installment fee for a partial payment made on a ticket in accordance with State law. Section 14-1-209 of the 1976 South Carolina Code of Laws, as amended, provides guidance when the fine and assessment are paid in installments. In addition, the South Carolina Court Administration fee memorandum dated July 8, 2019 states, "The intent of Section 14-1-209(B) is that each installment payment be allocated on a pro rata bases to each applicable fine, assessment and surcharge."

Management Response: The Town Clerk will contact LawTrak in regards to the exception noted above to ensure the Town’s software is charging the installment fee to all partial payments.

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, 2020 through June 30, 2021 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

Twelve of the twelve STRRF, along with the amounts due to the State, were submitted 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.
- There were no 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 -- Transfer of Funds to Victims Advocate Fund

The Town did not transfer victim’s assistance collections for the period July 2020 through June 2021 nor did it track such amounts collected in a separate general ledger account. The sum of each month’s collections was \$2,871. 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 (“Uniform Schedule”), 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.

We found no exceptions as a result of the procedures performed.

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, 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 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 Ehrhardt Council, the Clerk of Court, Town Clerk/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

