

TOWN OF IVA MUNICIPAL COURT
IVA, SOUTH CAROLINA

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

For the Year Ended June 30, 2021



May 18, 2022

The Honorable Dennis C. Bannister Jr., Chief Judge
Mr. Tim Taylor, Town Clerk/Treasurer
Town of Iva
Iva, South Carolina

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

GLKIII/trb

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

May 18, 2022

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

The Honorable Dennis C. Bannister Jr., Chief Judge
Mr. Tim Taylor, Town Clerk/Treasurer
Town of Iva
Iva, South Carolina

We have performed the procedures described below on the systems, processes, and behaviors related to financial activity of the Town of Iva 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.

Findings -- Installment Payments

There was one instance in which the Town did not assess and collect the three percent installment fee from an individual who paid in installments. Section 14-17-725 of the 1976 South Carolina Code of Laws, as amended, states, "Where criminal fines, assessments, or restitution payments are paid through installments, a collection cost charge of three percent of the payment also must be collected by the clerk of court, magistrate, or municipal court from the defendant...".

Additionally, the Town did not properly allocate the installment payments in accordance with State law at the time a payment is made. The Town does not allocate the fine, assessment, and surcharge until the final payment is made. Section 14-1-209(C) of the 1976 South Carolina Code of Laws, as amended, provides guidance when the fine and assessment are paid in installments: "if a payment for a fine and assessment levied in the municipal court is made in installments, the municipal court judge must treat 40% of each installment as payment for an assessment and distribute it pursuant to Section 14-1-208." The South Carolina Court Administration fee memorandum dated July 8, 2019, states "The intent of Section 14-1-209(C) is that each installment payment be allocated on a pro rata basis to each applicable fine, assessment, and surcharge."

Management Response: We will review the ticket software to determine installment fees are being properly paid and allocated in accordance with State law.

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.

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

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 haphazardly selected five 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.

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

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, 2020 through June 30, 2021, 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

The Town 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, 2018, and as such certain procedures could not be performed. Section 14-1-208 of the South Carolina Code of Laws requires the Town to produce an annual audit report and to submit such report to the State Treasurer within thirteen months of its year-end.

Management Response: We understand that State law requires the audit report to be submitted within thirteen months of the end of the fiscal year to the State Treasurer. We are currently in the process of getting past year audit reports completed to submit to the State Treasurer.

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 Iva Municipal 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

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