

CITY OF BARNWELL MUNICIPAL COURT
BARNWELL, SOUTH CAROLINA

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

For the Year Ended September 30, 2021



May 27, 2022

The Honorable Susan W. Anderson, Associate Judge
Ms. Kim Marie Vargo, Clerk/Treasurer
City of Barnwell
Barnwell, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the City of Barnwell Municipal Court System as of and for the period October 1, 2020 through September 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

TABLE OF CONTENTS
CITY OF BARNWELL MUNICIPAL COURT
September 30, 2021

Independent Accountants' Report on Applying Agreed-Upon Procedures.....1

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

May 27, 2022

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

The Honorable Susan W. Anderson, Associate Judge
Ms. Kim Marie Vargo, Clerk/Treasurer
City of Barnwell
Barnwell, South Carolina

We have performed the procedures described below on the systems, processes, and behaviors related to financial activity of the City of Barnwell Municipal Court (the "City") for the period October 1, 2020 through September 30, 2021, in the areas addressed. The City 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 October 1, 2020 through September 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

Speeding

The Court fined one individual \$25.26 for speeding, less than ten 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;"

The Court fined one individual \$75.18 for speeding, in excess of ten miles an hour but less than fifteen miles an hour above the posted limit. Section 56-5-1520(G)(2) 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 ten miles an hour but less than fifteen miles an hour above the posted limit by a fine of not less than twenty-five dollars nor more than fifty dollars;"

Driving Under Suspension, License Suspended for DUI, First Offense

The Court fined one individual \$302.17 for driving under suspension, license suspended for DUI, first offense. Section 56-1-460(a) of the South Carolina Code of Laws, as amended, states, "Except as provided in item (2), a person who drives a motor vehicle on any public highway of this State when his license to drive is canceled, suspended, or revoked must, upon conviction be punished as follows:

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

Management Response: We use the State approved CMS system. This system allocates the money collected into the different categories. The three tickets in question were signed off by the Judge with an even dollar amount. Apparently, this caused CMS to overcalculate the fines in question by 6 cents, 17 cents, and 18 cents.

2. City 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 City's support.
- We inspected the City's support to confirm that the City properly classified fine, fee, assessment, and surcharge receipts.
- We inspected all State Treasurer's Revenue Remittance Forms ("STRRF") for the period October 1, 2020 through September 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 Forms and Payments

One of the twelve STRRF, along with amounts due to the State, was 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 City 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 October 2020 State Revenue Remittance form was submitted on November 17, 2020, two days late, due to the Clerk & Treasurer being out of the office due to COVID. Fine remittances are automatically paid to the State Treasurer's Office by ACH. The Clerk & Treasurer called the State Treasurer's Office when the money was not deducted from the bank account. These ACH transactions are done once a month. Marty Woods with the State Treasurer's Office said the ACH transaction was already done when the report was submitted so it would not be deducted until December.

3. **Victim Assistance**

- We made inquiries and confirmed that any funds retained by the City for victim assistance were deposited into a separate account.
- We haphazardly selected 5 expenditures to confirm that the City expended victim assistance funds in accordance with State law and the South Carolina Court Administration fee memoranda.
- We inspected the City's victim assistance account to confirm the Victim Assistance fund balance was retained as of October 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 City on its Uniform Schedule of Court Fines, Assessments and Surcharges, as reported in the annual financial statement audit, for the period October 1, 2020 through September 30, 2021, to the City's general ledger.
- We inspected the City'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 -- Annual Financial Statement Audit Report

The audit for the year ended September 30, 2021, included the Uniform Schedule of Fines, Assessments, and Surcharges (the "Schedule") but the independent auditor's report did not properly cover the Schedule. This is required by State law to be presented as other supplementary information covered by an "in relation to" opinion on the financial statements. Section 14-1-211 of the 1976 South Carolina Code of Laws, as amended, states that "The supplementary schedule must be included in the external auditor's report by an "in relation to" paragraph as required by generally accepted auditing standards when information accompanies the basic financial statements in auditor submitted documents."

Management Response: Our external auditors are McGregor & Company. We brought this to their attention and moving forward this will be included in their audit report.

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 City for the period October 1, 2020 through September 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 City 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 City of Barnwell Council, the Clerk of Court, City 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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