

CITY OF LAURENS MUNICIPAL COURT
LAURENS, SOUTH CAROLINA

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

For the Year Ended June 30, 2021



June 13, 2022

The Honorable Jackie E. Williams, Chief Judge
Ms. Leslie Mattison, City Clerk
City of Laurens
Laurens, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the City of Laurens 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

June 13, 2022

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

The Honorable Jackie E. Williams, Chief Judge
Ms. Leslie Mattison, City Clerk
City of Laurens
Laurens, South Carolina

We have performed the procedures described below on the systems, processes, and behaviors related to financial activity of the City of Laurens Municipal Court (the "City") for the period July 1, 2020 through June 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 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 -- Adherence to Fine Guidelines

Hit and Run Property Damage

The City fined one individual \$60.63 for hit and run with property damage. Section 56-5-1220 of the 1976 South Carolina Code of Laws, as amended, states, "A person who fails to stop or comply with the requirements of this subsection is guilty of a misdemeanor and, upon conviction, must be imprisoned not more than one year or fined not less than one hundred dollars nor more than five thousand dollars, or both."

Driving Under Suspension, License Suspended for DUI, First Offense

The City fined four individuals \$299.76 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;"

Driving Under the Influence, First Offense

The City fined two individuals \$399.01 for driving under the influence of alcohol or drugs, first offense. Section 56-5-2930(A) of the South Carolina Code of Laws, as amended, states, "A person who violates the provisions of this section is guilty of the offense of driving under the influence and, upon conviction, entry of a plea of guilty or of nolo contendere, or forfeiture of bail must be punished as follows:

- (1) for a first offense, by a fine of four hundred dollars or imprisonment not less than forty-eight hours nor more than thirty days."

Management Response: We are looking into these errors with Lawtrack to ensure these matters are fixed going forward.

Finding -- Installment Payments

There were eight instances in which the City 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...".

Management Response: We are looking into these errors with Lawtrack to ensure these matters are fixed going forward.

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 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 Payments

One of the twelve STRRF payments was submitted 126 days 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: This payment was late since the State Treasurer's PO Box closed. The address we had on file was incorrect, but the payment did not come back to us, so we were unaware. It was an oversight on our part because we didn't notice the change of address on the form. The Accounting Technician was notified later that the payment had not been received. She stopped payment and issued a new check. Also, this may have been in the timeframe when the Accounting Technician was out with open heart surgery, and the City Clerk was filling in for her. The City Clerk made several mistakes during that time. This will not be an issue going forward.

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 selected all (1) 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 July 1 from the previous fiscal year in accordance with State law.

Finding -- Victim Assistance Recordkeeping

The City is not depositing amounts collected for victim assistance into a separate bank account or adequately tracking such amounts collected in a separate general ledger account. Section 14-1-211(B) of the 1976 South Carolina Code of Laws, as amended, states, “Any funds retained by the county or city treasurer pursuant to subsection (A)(1) must be deposited into a separate account for the exclusive use for all activities related to the requirements contained in this provision.”

Management Response: The City is new at maintaining its own victim services department. We were unaware of the cost of running this department and chose to use the police department budget. As of July 1, 2022, a new budget has been created that will track separate revenue and expenditures for victim assistance.

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 July 1, 2020 through June 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.

Findings -- Uniform Schedule

The Uniform Schedule did not properly describe the expenditures for victim services. The City incorrectly reported Operating Expenditures of \$13,756 when this amount should have been for Victim Service Contract expenditures with Laurens County. Section 14-1-208(E)(1) of the 1976 South Carolina Code of Laws, as amended, states, "...the Uniform Supplemental Schedule Form developed by the Office of the Attorney General, South Carolina Crime Victim Services Division, must be used by all counties and municipalities to report their crime victim services funds and must include the following elements:...(f) the total funds, by source, allocated to victim services activities, how those funds were expended, and any balances carried forward."

Additionally, the Uniform Schedule mistakenly transposed Victim Service Assessments Retained by City Treasurer and Victim Service Surcharges Retained by City Treasurer. Victim Service Assessments should be reported as \$10,191 instead of \$4,471 and Victim Service Surcharges should be reported as \$4,471 instead of \$10,191.

Management Response: We will notify our auditors about the Uniform Schedule and make them aware on how to properly report these figures and describe the expenditures for victim services.

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 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 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 Laurens 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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