

TOWN OF CHERAW MUNICIPAL COURT
CHERAW, SOUTH CAROLINA

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

For the Year Ended June 30, 2021



June 8, 2022

The Honorable James A. Graves, Chief Judge
Ms. Clementine Ellis, Town Clerk/Treasurer
Town of Cheraw
Cheraw, South Carolina

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

June 8, 2022

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

The Honorable James A. Graves, Chief Judge
Ms. Clementine Ellis, Town Clerk/Treasurer
Town of Cheraw
Cheraw, South Carolina

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

Driving Under Suspension – First Offense

The Town fined one individual \$299.76 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, “Except as provided in item (2), a person who drives a motor vehicle on a public highway of this State when the person’s license to drive is cancelled, suspended, or revoked must, upon conviction, be fined as follows:

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

Management Response: The Town Clerk will contact LawTrak in regard to the exception noted above to ensure the Town’s software is allocating and charging correct fine amounts for all tickets entered into the system. Judge Grave used his discretion to accept this amount of payment for the fine.

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 5 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, 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 of Court Fines, Assessments and Surcharges

The Uniform Schedule did not properly describe the expenditures for victim services. The Town should have separated the Victims Advocate salary and benefits amounts from operating expenditures under expenditures for Victim Service Program. Section 14-1-208(B)(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."

Management Response: The Town has submitted this finding to our auditors regarding separating operating expenditures and Victim's salary and benefits out on the Uniform Schedule of Court Fines, Assessments and Surcharges. This was overlooked when the uniform schedule was prepared for the fiscal year end June 30, 2021. Going forward, operating expenditures and salary and benefits will be broken out on the uniform schedule.

The amounts reported in the Uniform Schedule of Court Fines, Assessments and Surcharges did not agree with the underlying records. The Town properly collected and remitted all amounts due to the South Carolina Office of the State Treasurer, however, the Uniform Schedule of Court Fines, Assessments and Surcharges over reported the total amount remitted to the State Treasurer by \$2,634.14, over reported the total court fines and assessments collected by \$5,850.02, under reported the amount of victims funds assessed and retained by the Town by \$1,913.16 and over reported the amount of conviction surcharges retained by the Town by \$4,511.63.

Management Response: The Town remitted all funds appropriately to the State and retained appropriate funds for the Town according to State Code of Law, however, during our yearly financial audit, the auditor did not reconcile the Uniform Schedule of Court Fines, Assessments and Surcharges correctly. We have brought the finding to the attention of our external auditors to avoid this error in the future.

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 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 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 Cheraw Council, the Clerk of Court, Town 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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