

**SWANSEA MUNICIPAL COURT
SWANSEA, SOUTH CAROLINA**

**STATE AUDITOR'S REPORT
JUNE 30, 2022**

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March 10, 2023

The Honorable Arthur L. Myers, Chief Judge
Town of Swansea Municipal Court
Ms. Margaret Harvey, Clerk/Treasurer
Swansea, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the Town of Swansea Municipal Court System as of and for the period July 1, 2021 through June 30, 2022, was issued by Steven L. Blake, CPA, 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/sag

STEVEN L. BLAKE, CPA

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

March 10, 2023

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

and

The Honorable Arthur L. Myers, Chief Judge
Town of Swansea Municipal Court
Ms. Margaret Harvey, Clerk/Treasurer
Swansea, South Carolina

I have performed the procedures described below on the systems, processes, and behaviors related to financial activity of the Town of Swansea and the Swansea Municipal Court for the period July 1, 2021 through June 30, 2022, in the areas addressed. The Town of Swansea (the Town) and the Swansea Municipal Court (the Court) are 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, 2021 through June 30, 2022. 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

- I obtained the court dockets or equivalents from the Clerk of Court. I judgmentally 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.

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- I inspected the court receipt transactions for the above cases to confirm that the fine, fee, assessment and surcharges assessed 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

Criminal Domestic Violence [CDV] – 3rd Degree

The Court fined one defendant \$216.87 for CDV -3rd Degree. Section 16-25-0020 (d) of the 1976 South Carolina Code of Laws states, “A person who violates this subsection is guilty of a misdemeanor and, upon conviction, must be fined not less than one thousand dollars nor more than two thousand five hundred dollars ...”.

Town of Swansea Response: The Town agrees with the finding. The Town has taken internal steps to since the discovery of the errors to correct any mistakes to the extent possible and to improve upon Town’s organizational structure and employee responsibilities, Town procedures and education.

Littering

The Court fined one defendant \$24.10 for Littering. Section 16-11-700 (c) of the 1976 South Carolina Code of Laws states “(C) A person who violates the provisions of this section ... is guilty of a misdemeanor and, upon conviction, must be fined not less than twenty-five dollars and not more than one hundred dollars”.

Town of Swansea Response: The Town agrees with the finding. The Town has taken internal steps to since the discovery of the errors to correct any mistakes to the extent possible and to improve upon Town’s organizational structure and employee responsibilities, Town procedures and education.

Installment Fee

In three of the cases I selected for testing the Court collected the three percent installment fee when the fine was paid in one payment. Section 14-17-725 of the 1976 South Carolina Code of Laws, as amended, states, “...where

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criminal fines, assessments, or restitution payments are paid through installments, a collection cost charge of three percent of the payment also must be collected ...". This procedure is not in accordance with State law.

Town of Swansea Response: The Town agrees with the finding. The Town has taken internal steps to since the discovery of the errors to correct any mistakes to the extent possible and to improve upon Town's organizational structure and employee responsibilities, Town procedures and education.

2. Town Treasurer

- I 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.
 - I compared and agreed the amounts reported on the monthly remittance forms or equivalents to the Town's support.
 - I inspected the Town's support to confirm that the Town properly classified fine, fee, assessment, and surcharge receipts.
 - I inspected all State Treasurer's Revenue Remittance Forms [STRRF] for the period July 1, 2021 through June 30, 2022 and agreed the amounts reported on the STRRF to the court remittance forms or equivalents.

Finding: Timely Filing of State Treasurer's Revenue Remittance Form

Three of the twelve STRRF were submitted late during the procedures period. I also noted that April 2022 was never submitted; however, June 2022 was submitted twice. The late STRRF were submitted between 17 and 36 days late. See more information at procedure #5.

Town of Swansea Response: The Town agrees with the finding. The Town has taken internal steps to since the discovery of the errors to correct any mistakes to the extent possible and to improve upon Town's organizational structure and employee responsibilities, Town procedures and education.

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3. Victim Assistance

- I made inquiries and confirmed that any funds retained by the Town for victim assistance were deposited into a separate account.
- I selected all expenditures to confirm that the Town expended victim assistance funds in accordance with State law and the South Carolina Court Administration fee memoranda, Attachment L.
- I inspected the Town's Victim Assistance account to confirm the Victim Assistance fund balance was retained as of July 1 in the next fiscal year in accordance with State law.

There were no findings as a result of these procedures.

4. Uniform Schedule of Court Fines, Assessments and Surcharges

- I agreed the 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.
- I 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 South Carolina Code of Laws Section 14-1-208.

Finding: Financial Statement Audit

The Town's most recent financial statement audit was for the year ended June 30, 2021, but a disclaimer of opinion was issued by the independent auditor because of insufficient accounting records; as such, certain procedures could not be performed.

Town of Swansea Response: The Town agrees with this finding and gives reference to the Town's 2020-2021 audit which echoes and elaborates on this finding.

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Finding: Uniform Schedule

The financial statement provided contained a Schedule; however, it was not properly titled, was not in the prescribed format, and had no in-relation-to opinion as mandated by State law. It also stated that the Town had an “Assigned Fund Balance – as of June 30, 2021” of \$90,140. I did not observe any fund balance reported in the general ledger as the Town routinely transmitted their money to the County victims assistance fund via check monthly.

5. Under Reported Amounts

I inspected copies of all STRRF for the procedures period and traced amounts to reports generated by court accounting software and to STO receipts. I recalculated and confirmed amounts that should have been reported as STRRF amounts. I have reported the recalculated amounts underreported by STRRF line item in the table below as a result of these errors:

STRRF LINE	DESCRIPTION		
F.	Municipal DUS DPS Pullout - \$100.00	\$	65.23
G.	Municipal DUI Assessment - \$12		-0-
H.	Municipal DUI Surcharge - \$100		-0-
I.	Municipal DUI DPS Pullout - \$100		-0-
IA.	DUI/DUAC Breathalyzer Test Convection Fee SLED \$25		-0-
J.	Municipal Drug Surcharge \$150		43.30
K.	Municipal Law Enforcement Surcharge - \$25 per case		101.02
KA.	Municipal Criminal Justice Academy - \$5		-0-
L.	Municipal Court -107.5%		<u>235.10</u>
M.	TOTAL REVENUE DUE TO STATE TREASURER		<u><u>444.65</u></u>
N.	Assessments – Municipal		-0-
O.	Surcharges - Municipal		<u>-0-</u>
P.	Total Retained for Victim Services	\$	<u><u>-0-</u></u>

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I was engaged by the South Carolina Office of the State Auditor to perform this agreed-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. I was not engaged to and did not conduct an examination or review, the objective of which would be an opinion or conclusion, respectively, on the systems, processes, and behaviors related to financial activity of the Town of Swansea Municipal Court for the period July 1, 2021 through June 30, 2022. Accordingly, I do not express an opinion or conclusion.

Had I performed additional procedures other matters might have come to my attention that would have been reported to you.

I am required to be independent of the Town of Swansea Municipal Court and to meet my ethical responsibilities in accordance with the relevant ethical requirements related to my 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 Swansea Municipal Council, Swansea Municipal Court, Swansea Municipal Treasurer, State Treasurer, 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.

Steven L. Blake, CPA