

TOWN OF AYNOR MUNICIPAL COURT
AYNOR, SOUTH CAROLINA

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

For the Year Ended June 30, 2022



June 28, 2023

The Honorable James Sam Ward, Chief Judge
Ms. Laurie Smith, Municipal Clerk
Town of Aynor
Aynor, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the Town of Aynor Municipal Court System as of and for the period July 1, 2021 through June 30, 2022, 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 28, 2023

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

The Honorable James Sam Ward, Chief Judge
Ms. Laurie Smith, Municipal Clerk
Town of Aynor
Aynor, South Carolina

We have performed the procedures described below on the systems, processes, and behaviors related to financial activity of the Town of Aynor Municipal Court (the "Town") for the period July 1, 2021 through June 30, 2022, 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, 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

- 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

During our inspection of the Town court collections and remittances, we observed the following instance in which the Town did not fine the defendant in accordance with State law:

Endangering Emergency Services Personnel

The Town fined one individual \$228.92 for endangering emergency service personnel. Section 56-5-1538 of the 1976 South Carolina Code of Laws, as amended, states, “A person violating the provisions of this section is guilty of a misdemeanor of endangering emergency services personnel and, upon conviction, must be fined not less than \$300, nor more than \$500.”

Management Response: For the fines incorrectly assessed, we will provide a copy of the report to our Judge and ask he strictly adhere to State minimum and maximum amounts.

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, 2021 through June 30, 2022 and agreed the amounts reported on the STRRF to the court remittance forms or equivalents.

Finding -- Timely Remittance of State Treasurer’s Revenue Remittance Forms

One of the twelve STRRF, along with the 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 Town 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: We had some turnover in our office during the year and did not get all the STRRF timely submitted. We will prioritize timely submission moving forward.

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.

Finding -- Carryforward Victims Assistance Fund Balance

The Town did not remit any of its carryforward victims assistance fund balance to the State Victim Assistance Program. Per section 59.15 of the General Appropriations Act, as amended, effective, July 1, 2019, a municipality can only retain carry forward funds that were collected, but no more than \$25,000 or 10% of funds collected in the prior fiscal year, whichever is higher. If a municipality does not spend at least 90% of the funds collected, then the municipality has to remit any unspent funds that are greater than the allowed carryforward funds, regardless of the year collected, to the State Victim Assistance Program. As of the date of this report, the Town has not remitted any of their total carryforward balance of \$116,023.

Management Response: The Town will gladly forward monies due according to the State statute.

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, 2021 through June 30, 2022, 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, for the period July 1, 2021 through June 30, 2022, to confirm that it contained all the elements required by the South Carolina Code of Laws Section 14-1-208.

Findings -- Uniform Schedule

The amounts reported on the annual financial statement audit 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 in the financial statement audit for the year ended June 30, 2022 under reported total amounts of Victim Service Assessments retained by the Town in the amount of \$531.57. This was due to only calculating amounts retained by the Town for Victims Funds from July 2021 to May 2022 and excluding amounts retained by the Town in June 2022.

The Uniform Schedule of Court Fines, Assessments and Surcharges does not properly disclose the amount of interest income earned during the fiscal year of \$147.22 in the Victims Rights Bank account.

The Uniform Schedule of Court Fines, Assessments and Surcharges did not agree to the Town’s general ledger detail for amounts paid by the general fund on behalf of the Victims Advocate fund. The amount transferred during the year was the amount budgeted by the Town rather than the total of actual expenditures made during the year for the Victims Advocate. There is a difference between the amount reported and the actual expenditures of the Victims Advocate of \$13.84.

Management Response: Concerns regarding the calculations within the annual audit will be forwarded to our auditor, Love Bailey & Associates. The difference of the \$13.84 was due to the budgeted amount being transferred rather than actual. This is noted and should not happen again.

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 review, 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, 2021 through June 30, 2022. 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 Aynor 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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