

TOWN OF HOLLY HILL MUNICIPAL COURT
HOLLY HILL, SOUTH CAROLINA

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

For the Year Ended August 31, 2021



June 30, 2023

The Honorable Chastity S. Avinger, Chief Judge
Ms. Pamela H. Hyman, Municipal Clerk
Town of Holly Hill
Holly Hill, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the Town of Holly Hill Municipal Court System as of and for the period September 1, 2020 through August 31, 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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TABLE OF CONTENTS
TOWN OF HOLLY HILL MUNICIPAL COURT
August 31, 2021

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

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

June 30, 2023

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

The Honorable Chastity S. Avinger, Chief Judge
Ms. Pamela H. Hyman, Municipal Clerk
Town of Holly Hill
Holly Hill, South Carolina

We have performed the procedures described below on the systems, processes, and behaviors related to financial activity of the Town of Holly Hill Municipal Court (the "Town") for the period September 1, 2020 through August 31, 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 September 1, 2020 through August 31, 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 -- Installment Payments

There was one instance in which the Town 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..."

Additionally, there was one instance in which the Town did not properly allocate the installment payment in accordance with State law at the time a payment is made. Section 14-1-209(C) of the 1976 South Carolina Code of Laws, as amended, provides guidance when the fine and assessment are paid in installments: "if a payment for a fine and assessment levied in the municipal court is made in installments, the municipal court judge must treat 40% of each installment as payment for an assessment and distribute it pursuant to Section 14-1-208." The South Carolina Court Administration fee memorandum dated July 8, 2019, states "The intent of Section 14-1-209(C) is that each installment payment be allocated on a pro rata basis to each applicable fine, assessment, and surcharge."

Finding -- Adherence to Fine Guidelines:

Driving Under Suspension, First Offense

The Town fined an individual \$100 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, "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 punished as follows:

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

Management Responses: We will review the ticket software to ensure amounts are properly assessed and charged to individuals.

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 September 1, 2020 through August 31, 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 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 September 1 from the previous fiscal year in accordance with State law.

Finding – Audited Supplementary Schedule

There was one exception in which the Town did not remit any of its carryforward funds from the prior fiscal year to the Office of the Attorney General. Per Proviso 59.15 of the fiscal year 2020 Appropriations Act, effective July 1, 2019, “a municipality may retain carryforward funds that were collected pursuant to sections 14-1-206(B) and (D)... but no more than \$25,000 or ten percent of funds collected in the prior fiscal year, whichever is higher. If a municipality does not spend at least ninety percent of the funds collected pursuant to these sections, then the municipality shall remit any unspent funds that were greater than the allowed or carried forward funds, regardless of the year collected, to the State Victim Assistance Program with the Office of the Attorney General within 120 days after the end of the fiscal year.” The Town exceeded the allowable amount of carryforward funds per the audited schedule. Additionally, the Town did not spend at least ninety percent of the funds collected during the year.

Management Response: The Town will forward all 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 September 1, 2020 through August 31, 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, for the period September 1, 2020 through August 31, 2021, 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 Town should have reported amounts reported in Victim Service Contracts as operating expenditures in the amount of \$179.66. 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 service funds and must include the following elements:....(f) the total funds, by source, allocated to victim services activities, how those funds were expenses, and any balances carried forward.”

The Town deducted \$1,000 for audit fees from total assessments collected and withheld that amount from the State Treasurer, however the amount paid is not reflected on the Supplemental Schedule. 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 service funds and must include the following elements:....(f) the total funds, by source, allocated to victim services activities, how those funds were expenses, and any balances carried forward.”

Management Responses: We will forward concerns relating to the supplementary audited schedule to our external auditor to ensure amounts are properly reported and classified 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 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 September 1, 2020 through August 31, 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 Holly Hill 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.

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Columbia, South Carolina