

**COTTAGEVILLE MUNICIPAL COURT
COTTAGEVILLE, SOUTH CAROLINA**

STATE AUDITOR'S REPORT

JUNE 30, 2023

CONTENTS

	<u>PAGE</u>
I. STATE AUDITOR'S OFFICE TRANSMITTAL LETTER	1
II. INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES	2 - 7



February 29, 2024

The Honorable Franklin Thompson, Jr., Chief Judge
Ms. Lisa Galloway, Municipal Clerk/Treasurer
Town of Cottageville Municipal Court
Cottageville, South Carolina

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

STEVEN L. BLAKE, CPA

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

February 29, 2024

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

The Honorable Franklin Thompson, Jr., Chief Judge
Ms. Lisa Galloway, Municipal Clerk/Treasurer
Town of Cottageville Municipal Court

I have performed the procedures described below on the systems, processes, and behaviors related to financial activity of the Town of Cottageville and the Cottageville Municipal Court for the period July 1, 2022 through June 30, 2023, in the areas addressed. The Town of Cottageville (the Town) and the Cottageville 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 of the municipal court for the period July 1, 2022 through June 30, 2023. 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' for the procedures period 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 – Systemic Issues

The Court has used a schedule for roadside bonds from prior to 2016 when the Criminal Justice Academy surcharge was eliminated. Fines were consistently over the maximum allowed by law because this eliminated amount was included.

In addition, the Court has set up a few fines in the software system which are clearly traffic violations as criminal which then causes the \$25 Victims' Surcharge to be added to the assessment. This is not in accordance with the law.

Town of Cottageville Response: The Clerk of Court was informed of this and the latest roadside bond amounts were obtained and the Court's list of fines was updated. The specific traffic violations set up as criminal have also been changed in the system so the surcharge is not longer assessed.

Speeding >15 but < 25 mph over the limit

The Court fined one defendant \$77.11 for Speeding. Section 56-05-1520(g3) states that the maximum fine is \$75 for Speeding >15 <25.

Town of Cottageville Response: The fine amount was incorrectly rounded up to the nearest \$5. This practice of rounding fines up has been eliminated.

Simple Possession

The Court fined one defendant \$27.95 for Simple Possession of Marijuana. The minimum fine under the law is \$100.

Town of Cottageville Response: The judge suspended the fine below the minimum. The judge has been informed of this error.

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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, 2022 through June 30, 2023 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

The Town had not submitted the STRRF for the month of May and only partially submitted June. See more information at procedure 5.

Town of Cottageville Response: The Town has experienced personnel turnover and the current personnel do not know what caused this.

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 confirmed that the Town had no expenditures to evaluate for the procedures period to determine if they 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.

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Finding: Bank Transfer.

The Town's recorded an ACH transfer on July 15, 2022 of \$20,000. Upon inquiry, I was told this transfer was in error, it should have been another bank account withdrawal and that this did not represent any victims' expenditures.

Finding: Undeposited Funds

The Town has not deposited anything for the procedures period. See procedure 5 for more information.

Town of Cottageville Response: The Town Clerk of Court stated that when the Town obtains the proceeds from an auction sale of excess capital items, both the transfer error and the period's deposits will be made.

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, 2021 through June 30, 2022, 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: Uniform Schedule

While the auditor issued an "in-relation-to" opinion as required by statute, the Uniform Schedule was not included in the audited financial statements.

Mr. George L. Kennedy, III, CPA
 State Auditor
 and
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Town of Cottageville Response: The Town has experienced personnel turnover and the current personnel do not know what caused this..

5. Under Reported Amounts

I inspected copies of all STRRF for the procedures and determined the month of June 2023 had not been submitted. I have reported the recalculated amounts underreported by STRRF line item in the table below for the month of June 2023:

STRRF LINE	DESCRIPTION	
F.	Municipal DUS DPS Pullout - \$100.00	\$ 500.00
K.	Municipal Law Enforcement Surcharge - \$25 per case	5,228.25
KA.	Municipal Criminal Justice Academy - \$5	5.00
L.	Municipal Court -107.5%	<u>19,668.56</u>
M.	TOTAL REVENUE DUE TO STATE TREASURER	<u>25,401.81</u>
N.	Assessments – Municipal	26,032.99
O.	Surcharges - Municipal	<u>1615.27</u>
P.	Total Retained for Victim Services	<u>\$ 27,648.26</u>

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6. Status of Prior Findings

I inquired of management of the Town about the status of findings reported in the Accountant's Comments section of the State Auditor's Report on the Town resulting from an engagement for the period ended June 30, 2020, to confirm that the Town had taken adequate corrective action. All of that report's findings repeated: Adherence to Fine Guidelines, Timely Submission, Undeposited Funds and Uniform Schedule.

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 Cottageville Municipal Court for the period July 1, 2022 through June 30, 2023. 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 Cottageville 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 Cottageville Municipal Council, Cottageville Municipal Court, Cottageville 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