

**TOWN OF GIFFORD MUNICIPAL COURT**

**GIFFORD, SOUTH CAROLINA**

**STATE AUDITOR'S REPORT**

**JUNE 30, 2015**



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South Carolina  
Office of the State Auditor

George L. Kennedy, III, CPA  
State Auditor

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January 24, 2017

The Honorable Nikki R. Haley, Governor  
State of South Carolina  
Columbia, South Carolina

The Honorable Brenda C. Jamison, Chief Judge  
Town of Gifford Municipal Court  
Gifford, South Carolina

This report resulting from the application of certain agreed upon procedures to certain accounting records of the Town of Gifford Municipal Court System as of and for the year ended June 30, 2015, 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,

A handwritten signature in blue ink that reads "George L. Kennedy III".

George L. Kennedy, III, CPA  
State Auditor

GLKIII/ cwc

# STEVEN L. BLAKE, CPA

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

January 24, 2017

The Honorable Nikki R. Haley, Governor  
State of South Carolina  
Columbia, South Carolina

The Honorable Brenda C. Jamison, Chief Judge  
Ms. Patricia McTeer, Clerk of Court  
Town of Gifford Municipal Court  
Gifford, South Carolina

I have performed the procedures described below, which were agreed to by the Town of Gifford Municipal Court, solely to assist you in evaluating the performance of the Town of Gifford Municipal Court for the period July 1, 2014 through June 30, 2015, in the areas addressed. The Town of Gifford Municipal Court is responsible for its financial records, internal controls and compliance with State laws and regulations. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Office of the State Auditor and the Town of Gifford Municipal Court. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

1. Clerk of Court

- x I gained an understanding of the policies and procedures established by the Clerk of Court to ensure timely reporting by the Clerk of Court's Office.
- x I obtained the court dockets from the Clerk of Court. I judgmentally selected twenty-five cases from the court dockets and recalculated the fine, fee, assessment and surcharge calculation to ensure that the fine, fee, assessment or surcharge was properly adjudicated in accordance with applicable State law and the South Carolina Court Administration Fee Memoranda.
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The Honorable Nikki R. Haley, Governor  
and  
The Honorable Robert A. Stanton, Jr., Chief Judge  
Town of Gifford Municipal Court  
January 24, 2017

- x I verified that the amounts reported by the municipality on its supplemental schedule of fines and assessments applicable to the Victim Assistance fund agreed to the municipality's general ledger or subsidiary ledgers.
- x I inspected the municipality's victim assistance fund to determine if the Victim Assistance fund balance was retained as of July 1 from the previous fiscal year in accordance with State law.

My findings as a result of these procedures are presented in Victim Assistance Funds in the Accountant's Comments section of this report.

#### 4. Calculation of Over/(Under) Reported Amounts

- x I obtained copies of monthly State Treasurer Revenue Remittance Forms for the twelve-month period ended June 30, 2015, which the Town prepared but did not submit to the Office of the State Treasurer and determined they could not be relied upon. I requested and obtained an analysis of court deposits since court began in 2013. I calculated the amount under reported by the municipality by category for the period based on this analysis. I had the municipal clerk review and concur with the calculation.

The results of my procedures disclosed that the municipality under reported amounts due to the State and Victim Assistance Fund. My finding as a result of these procedures is presented in Under Reported Amounts in the Accountant's Comments section of this report.

I was not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on compliance with the collection and distribution of court generated revenue at any level of court for the twelve months ended June 30, 2015 and, furthermore, I was



**ACCOUNTANT'S COMMENTS**





trace any court activity through the Town's general ledger including payments made to the State Treasurer, if any.

Section 14-1-208 (E)(4) of the 1976 South Carolina Code of Laws, as amended, states, "The clerk of court and municipal treasurer shall keep records of fines and assessments

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they were unobtainable. This created a scope limitation as to my procedures applying to the entire period.

- x The Town does not track Victim Assistance deposits, disbursements or cash balances manually or electronically other than with the bank statement activity. No revenues, expenses or fund balance exist in the general ledger.
  - x The June 30, 2013 schedule of fines and assessments reported no Victim Assistance carry forward balance; I was unable to verify this as no bank statement was provided to verify the cash account for Victims Assistance.
  - x There were withdrawals of \$2996.62 made from this bank account to pay Town operating costs during t
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<b>STRRF LINE</b>	<b>DESCRIPTION</b>	
<b>K.</b>	Municipal Law Enforcement Surcharge - \$25 per case	99,842.24
<b>KA.</b>	Municipal Criminal Justice Surcharge - \$5	19,968.45
<b>L.</b>	Municipal Court -107.5%	<u>95,369.31</u>
<b>M.</b>	TOTAL REVENUE DUE TO STATE TREASURER	<u>215,180.00</u>
	<b>MUNICIPAL VICTIM FUND</b>	
<b>N.</b>	Assessments - Municipal -107.5%	11,981.07
<b>O.</b>	Surcharges -Municipal	<u>-0-</u>
<b>P.</b>	TOTAL RETAINED FOR VICTIM SERVICES	\$ <u>11,981.07</u>

I recommend the Town implement a process to ensure timely filing and payment of amounts due the State Treasurer.

## **SECTION B – OTHER WEAKNESSES**

The conditions described in this section have been identified while performing agreed-upon procedures but are not considered violations of State Laws, Rules or Regulations.

## **COURT CASH RECEIPT PROCEDURES**

I was unable to trace defendant ticket payments from manual court receipts to the Town's bank deposit. The Clerk of Court/treasurer did not include a detailed list (i.e., name of payee, ticket/docket reference, amount paid, etc.) that comprises the remittance package when she deposited amounts collected

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records were partially processed using the system. In short, court record keeping was inadequate and disorganized for the procedures period.

South Carolina Court Administration's retention schedule requires disposed criminal and traffic dockets be permanently retained. Also, sound internal controls provide for the maintenance and retention of records that are readily available for review.

I recommend the Town establish and implement policies and procedures to ensure all records are properly maintained and retained in accordance with Court Administration's retention schedule and sound internal controls.

## MUNICIPALITY'S RESPONSE

The management of the Town of Gifford has been provided a copy of the findings identified in the Accountant's Comments Section of this report and has elected not to provide a written response to the findings.