



**South Carolina
Office of the State Auditor**

**George L. Kennedy, III, CPA
State Auditor**

September 27, 2016

The Honorable Hugh K. Leatherman, Sr., Chairman
Senate Finance Committee
and
The Honorable W. Brian White, Chairman
House Ways and Means Committee

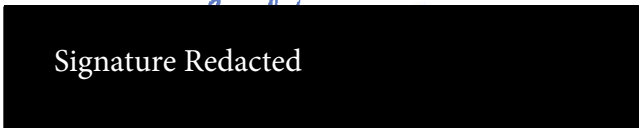
Dear Sen. Leatherman and Rep. White:

In accordance with Section 105.4 of the Fiscal Year 2016–17 Appropriation Act, we enclose our annual report findings of the jurisdictions audited to the Senate Finance Committee and House Ways and Means Committee. When reports are completed and issued, notification is provided to the chairmen of the House Ways and Means Committee, Senate Finance Committee, House Judiciary Committee, Senate Judiciary Committee, the Governor, members and management of the local government, the State Treasurer, the Chief Justice, and State Office of Victim Assistance in accordance with Section 14-1-210(A) of the South Carolina Code of Laws, as amended. The attachment provides summary of the Courts and findings. The full reports can be found on our website at: <http://osa.sc.gov/Reports/courtengagements/Pages/FiscalYear2016CourtEngagements.aspx>.

The Office of the State Auditor contracted with two certified public accounting (CPA) firms to conduct the court engagements. Sixteen reports were issued during the period July 1, 2015 through June 30, 2016.

Should you have any questions, please contact me at (803) 832-8929.

Sincerely,


Signature Redacted

George L. Kennedy, III, CPA
State Auditor

Attachment

cc: Nikki R. Haley
Curtis M. Loftis
F. Gregory Delleney, Jr.
Larry Martin
Costa M. Pleicones
Larry Barker, PhD

Attachment

1. Hampton County Circuit, Probate and Family Court Systems, June 30, 2014

Findings

A. Timely, Accurate Reporting by the Clerk of Court

1. Purchase of Service Reimbursement Request Omission – Failure to collect proper fee
2. Imposition of Installment Fee Charge – Failure to remove 3% installment fee on fine not paid by installment
3. Public Defender Application Fee – Failure to collect proper fee

B. Timely, Accurate Reporting by the Probate Judge

Over Reported Fees – Errors resulted in County over reporting fees

C. Other Weakness

Date Stamping Procedures – Failure to date stamp to document timely processing

2. Town of McColl Municipal Court, June 30, 2014

Findings

A. Timely, Accurate Reporting by the Clerk of Court

1. Adherence to Fine Guidelines – Fines levied not in adherence with State law
2. Conviction Surcharges – Failure to assess conviction surcharge
3. DUI Assessments and Surcharges – Failure to charge DUI assessments and surcharges
4. Breathalyzer Fee – Failure to collect test fee
5. Local Ordinances – Fines levied not in adherence with State law or local ordinance
6. Payment Omissions – Failure to enter fines in the court software system
7. Timely Reporting – One of twelve Form STRRF not filed timely

B. Timely, Accurate Recording and Reporting by the Town Treasurer

1. Supplementary Schedule – Failure to demonstrate schedule reconciles to Town's records
2. Under Reported Amounts – Amounts under reported by \$635

3. Town of Atlantic Beach Municipal Court, June 30, 2014

Findings

A. Timely, Accurate Reporting by the Clerk of Court

1. Timely Submission – Nine of twelve Form STRRF not filed timely
2. Adherence to Fine Guidelines – Fines levied not in adherence with State law
3. Installment Fee – Failure to assess and collect 3% installment fee
4. Clerical Error – Form STRRF information entered on incorrect line

- B. **Timely, Accurate Recording and Reporting by the Town Treasurer**
Supplementary Schedule – Failure to maintain adequate documentation
- C. **Other Weakness**
Municipal Court Bank Account – Source of bank account balance not known

4. Town of Calhoun Falls Municipal Court, June 30, 2014

Findings

- A. **Timely, Accurate Reporting by the Clerk of Court**
 - 1. Timely Submission of Reports – None of the twelve Form STRRF submitted timely
 - 2. Adherence to Find Guidelines – Fines levied not in adherence with state law
 - 3. Court Jurisdiction Limits – Court tried cases with fines in excess of its limit
 - 4. Court Records Retention – Failure to maintain adequate documentation
 - 5. Allocation Spreadsheet Errors – Failure to assess proper fees due to spreadsheet error
 - 6. Adherence to Uniform Traffic Ticket Laws – Citation revisions not documented
- B. **Timely, Accurate Recording and Reporting by the Town Treasurer**
 - 1. Timely Submission of Reports – None of the twelve Form STRRF submitted timely
 - 2. STRRF Supporting Documents and Errors – Failure to maintain adequate documentation
 - 3. Supplementary Schedule – Failure to demonstrate schedule reconciles to Town's records
- C. **Victim Assistance Funds** – Failure to maintain adequate documentation
- D. **(Over) Under Reported Amounts** – Additional \$3,289 due to State because of errors
- E. **Other Weaknesses**
 - 1. Court Cash Receipt Procedures – Failure to maintain adequate documentation
 - 2. Monthly Reconciliations – Failure to reconcile court docket to bank deposits
 - 3. Court Software – Town uses an inadequate and obsolete software system

5. Town of Rowesville Municipal Court, June 30, 2014

Findings

- A. **Timely, Accurate Reporting by the Clerk of Court**
 - 1. Timely Submission of Reports – Five of twelve Form STRRF not submitted timely
 - 2. Adherence to Fine Guidelines – Fines levied not in adherence with State law
 - 3. Allocation Spreadsheet Errors – Failure to assess proper fees due to spreadsheet errors

- B. **Timely, Accurate Recording and Reporting by the Town Treasurer**
 - 1. Timely Submission of Reports - Five of twelve Form STRRF not submitted timely
 - 2. STRRF Supporting Documents and Errors – Failure to maintain adequate documentation
 - 3. Supplementary Schedule – Failure to demonstrate schedule reconciles to Town’s records
- C. **Victim Assistance Funds** – Failure to maintain adequate documentation
- D. **(Over) Under Reported Amounts** – Errors resulted in Town over-remitting to State
- E. **Other Weaknesses**
 - 1. Court Cash Receipts Procedures – Failure to maintain adequate documentation
 - 2. Monthly Reconciliations – Failure to reconcile court docket to bank deposits

6. Town of Norway Municipal Court, June 30, 2014

Findings

- A. **Timely, Accurate Reporting by the Clerk of Court**
 - 1. Timely Submission of Reports - Five of twelve Form STRRF not submitted timely
 - 2. Manual Errors and Omissions – Failure to verify amounts collected
 - 3. Adherence to Fine Guidelines – Fines levied not in adherence with State law
 - 4. Software System Errors and Omissions – Software limitations creating errors
- B. **Timely, Accurate Recording and Reporting by the Town Treasurer**
General Ledger – Failure to maintain adequate documentation
- C. **Victim Assistance Funds** – Failure to maintain adequate documentation
- D. **Other Weaknesses**
 - 1. Deposits Reconciled to Daily Receipts – Failure to reconcile court docket to bank deposits
 - 2. Segregation of Duties and Cross-Training – Failure to optimize internal control

7. Town of Olar Municipal Court, June 30, 2014

Findings

- A. **Timely, Accurate Reporting by the Clerk of Court**
 - 1. Timely Submission of Reports - One of twelve Form STRRF not filed timely
 - 2. Improper Classifications of Offenses – Failure to classify offense and collect proper fine
 - 3. Adherence to Fine Guidelines – Fines levied not in adherence with State law
 - 4. Manual System Errors and Omissions – Failure to review and reconcile information

5. **State Treasurer's Revenue Remittance Form Support** – Failure to maintain adequate documentation

B. **Timely, Accurate Recording and Reporting by the Town Treasurer**
Supplementary Schedule – Failure to maintain adequate documentation

C. **Victim Assistance Funds** – Failure to maintain adequate documentation

D. **Under Reported Amounts** – Amounts under reported by \$3,716

E. **Other Weaknesses**

1. **Reconciling Monthly Collections** – Failure to reconcile court docket to bank statements

2. **Segregation of Duties and Cross-Training** – Failure to optimize internal control

8. Town of Estill Municipal Court, June 30, 2015

Findings

A. **Adherence to Fine Guidelines** – Fines levied not in adherence with State law

B. **Installment Fee** – Failure to remove 3% installment fee on fine not paid by installment

C. **Supplementary Schedule** – Schedule not in adherence with State law

D. **Victim Assistance Funds** – Failure to maintain adequate documentation

E. **Under Reported Amounts** – Failure to transfer Victim Assistance Funds

F. **Other Weakness**

Uniform Traffic Tickets – Inconsistencies in violation description, code section and charge recorded

9. Town of Irmo Municipal Court, June 30, 2015

Findings

A. **Adherence to Fine Guidelines** – Fines levied not in adherence with State law

B. **Installment Fee** – Failure to remove 3% installment fee on fine not paid by installment

C. **Traffic Education and Conditional Discharge Fees** - Failure to assess fees

D. **Timely Submission of Reports** - Two of twelve Form STRRF not submitted timely

E. **Victim Assistance Funds** – Failure to account for funds in accordance with State law

F. **Incorrectly Reported Amounts** – Fees incorrectly reported

G. **Other Weaknesses**

1. Court Cash Receipt Procedures – Software limitations attributing to errors
2. General Ledger Accounting – Failure to reconcile accounts monthly
3. Court Software – Software limitations attributing to errors

10. Town of Blackville Municipal Court, June 30, 2015

No Findings

11. Town of Clio Municipal Court, June 30, 2015

Findings

- A. **Adherence to Fine Guidelines** – Fines levied not in adherence with State law
- B. **Court Software System Setup Error** – Software did not properly calculate fine
- C. **Timely Submission of Reports** - None of the twelve Form STRRF were filed timely
- D. **Supplementary Schedule** – Failure to obtain annual financial audits
- E. **Victim Assistance Funds** – Failure to account for funds in accordance with State law
- F. **Under Reported Amounts** – Amounts under reported by \$73,373
- G. **Other Weakness**
Court Cash Receipt Procedures – Failure to properly document cash receipts

12. Town of Springfield Municipal Court, June 30, 2015

Findings

- A. **Timely, Accurate Reporting by the Clerk of Court**
 1. Timely Reporting by the Clerk of Court – Eight of twelve Form STRRF not filed timely
 2. Adherence to Fine Guidelines – Fines levied not in adherence with State law
 3. Installment Fee – Failure to assess and collect 3% installment fee
- B. **Timely, Accurate Recording and Reporting by the Town Treasurer**
Timely Submission of Reports – Eight of twelve Form STRRF not filed timely
- C. **Victim Assistance Funds** – Failure to account for funds in accordance with State law
- D. **Under Reported Amounts** – Amounts under reported by \$77,538
- E. **Other Weakness**
Deposit Slip – Failure to maintain records on-site for verification

13. City of Walhalla Municipal Court, June 30, 2015

Findings

Timely Submission of Reports - One of twelve Form STRRF not filed timely

14. Town of St. George Municipal Court, June 30, 2015

Findings

A. **Adherence to Fine Guidelines** – Fines levied not in adherence with State law

B. **Installment Fee** – Failure to remove 3% installment fee on fine not paid by installment

C. **Timely Submission of Reports** - Two of twelve Form STRRF not filed timely

D. **Victim Assistance Funds** – Failure to maintain adequate documentation

E. **Other Weaknesses**

1. Court Cash Account Reconciliation – Failure to regularly reconcile cash account

2. General Ledger Accounting – Failure to regularly reconcile accounts

15. Town of Ridgeland Municipal Court, June 30, 2015

Findings

A. **Adherence to Fine Guidelines** – Fines levied not in adherence with State law

B. **Installment Fee** – Failure to assess and collect 3% installment fee

C. **Timely Submission of Reports** - Three of twelve Form STRRF not filed timely

D. **State Treasurer's Revenue Remittance Form Completeness** – Payments missing from Form STRRF

E. **Victim Assistance Funds** – Failure to maintain records to adequately support victim assistance expenditures

16. City of Columbia Municipal Court, June 30, 2015

Findings

A. **Timely Submission of Reports** - One of twelve Form STRRF not submitted timely

B. **Other Weakness**

Supplemental Schedule – Failure to reconcile general ledger to supplemental schedule of fines and assessments