



State of South Carolina
Office of the Governor

NIKKI R. HALCY
GOVERNOR

**OFFICE OF EXECUTIVE
POLICY AND PROGRAMS**

May 12, 2015

Mayor Tim Grimsley
Town of Cottageville
PO Box 57
Cottageville, SC 29435

Dear Mayor Grimsley:

The State Office of Victims Assistance (SOVA) is sending this notice to inform you that we have completed the State 90 Day Follow-up Audit for Town of Cottageville's Municipal Court State Auditor's Report for the period of July 1, 2010 through June 30, 2013. Due to Proviso 117.55, SOVA is legislatively mandated to conduct an audit which shall include both a programmatic review and financial audit of any entity or non-profit organization receiving victim assistance funding based on the referrals from the State Auditor or complaints of a specific nature received by the State Office of Victim Assistance to ensure that crime victim funds are expended in accordance with the law.

Enclosed is a copy of our audit results. Please be advised that all SOVA audit reports are public information. You have 5 business days from the completion date stated on the front of this report to provide a written response. At the end of 5 business days, this report will be posted on the SOVA website at www.sova.sc.gov under the SOVA auditing tab.

Should you have any further questions or concerns, please feel free to contact me or Ms. Richelle A. Copeland at (803)734-1900.

Sincerely,


Larry Barker, Ph.D.
Director

cc: Chief Charles Long
Sandy Cox

VICTIMS' COMPENSATION • VICTIM/WITNESS ASSISTANCE • TRAINING • INFORMATION • REFERRALS

STATE OFFICE OF VICTIM ASSISTANCE
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**Office of the Governor
State Office of Victim Assistance**

June 30, 2013

**State Auditor's Office Town of
Cottageville Municipal Court
Audit**

May 12, 2015

90 Day Follow-up Audit

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Disclaimer: The recommendations included in this report were made by the State Auditor’s Office. The SOVA follow-up review was based on compliance with the State Auditor’s Office recommendations. In addition, all SOVA follow-up reviews (including this one) are conducted to ensure compliance with applicable laws and regulations. (See Appendix A of this report to review the Initial State Issued Audit Report.)

Acronyms:

FFA – Fines, Fees, and Assessment

SOVA – State Office of Victims Assistance

SCLEVA – South Carolina Law Enforcement Victim Advocate

Introduction and Laws

PREFACE

This 90 Day Programmatic Review and Financial Audit was initiated as a result of the SC State Auditor's Office. Their audit was completed on June 30, 2013. On August 2, 2014, the Director of SOVA issued a letter to the Town of Cottageville's Mayor and the Police Department informing them that SOVA will conduct a 90 Day Follow up Review in regards to the State Auditor's Office Report. The audit was conducted on February 27, 2015.

Governing Laws and Regulations

Proviso 117.55

General Provision 117.55. (GP: Assessment Audit/Crime Victim Funds)

If the State Auditor finds that any county treasurer, municipal treasurer, county clerk of court, magistrate, or municipal court has not properly allocated revenue generated from court fines, fines, and assessments to the crime victim funds or has not properly expended crime victim funds, pursuant to Sections 14-1-206(B)(D), 14-1-207(B)(D), 14-1-208(B)(D), and 14 1-211(B) of the 1976 Code, the State Auditor shall notify the State Office of Victim Assistance. The State Office of Victim Assistance is authorized to conduct an audit which shall include both a programmatic review and financial audit of any entity or non-profit organization receiving victim assistance funding based on the referrals from the State Auditor or complaints of a specific nature received by the State Office of Victim Assistance to ensure that crime victim funds are expended in accordance with the law. Guidelines for the expenditure of these funds shall be developed by the Victim Services Coordinating Council. The Victim Services Coordinating Council shall develop these guidelines to ensure any expenditure which meets the parameters of Article 15, Chapter 3, Title 16 is an allowable expenditure. Any local entity or non-profit organization that receives funding from revenue generated from crime victim funds is required to submit their budget for the expenditure of these funds to the State Office of Victim Assistance within thirty days of the budget's approval by the governing body of the entity or non-profit organization.

Proviso 117.55 (cont.)

Failure to comply with this provision shall cause the State Office of Victim Assistance to initiate a programmatic review and a financial audit of the entity's or non-profit organization's expenditures of victim assistance funds. Additionally, the State Office of Victim Assistance will place the name of the non-compliant entity or non-profit organization on their website where it shall remain until such time as they are in compliance with the terms of this proviso. Any entity or non-profit organization receiving victim assistance funding must cooperate and provide expenditure/program data requested by the State Office of Victim Assistance. If the State Office of Victim Assistance finds an error, the entity or non-profit organization has ninety days to rectify the error. An error constitutes an entity or non-profit organization spending victim assistance funding on unauthorized items as determined by the State Office of Victims Assistance. If the entity or non-profit organization fails to cooperate with the programmatic review and financial audit or to rectify the error within ninety days, the State Office of Victim Assistance shall assess and collect a penalty in the amount of the unauthorized expenditure plus \$1,500 against the entity or non-profit organization for improper expenditures. This penalty plus \$1,500 must be paid within thirty days of the notification by the State Office of Victim Assistance to the entity or non-profit organization that they are in non-compliance with the provisions of this proviso. All penalties received by the State Office of Victim Assistance shall be credited to the General Fund of the State. If the penalty is not received by the State Office of Victim Assistance within thirty days of the notification, the political subdivision will deduct the amount of the penalty from the entity or non-profit organization's subsequent fiscal year appropriation.

Proviso 97.9

97.9 (TREASURY: Penalties for Non-reporting)

If a municipality fails to submit the audited financial statements required under Section 14-1-208 of the 1976 Code to the State Treasurer within thirteen months of the end of their fiscal year, the State Treasurer must withhold all state payments to that municipality until the required audited financial statement is received.

Proviso 97.9 (cont.)

If the State Treasurer receives an audit report from either a county or municipality that contains a significant finding related to court fine reports or remittances to the Office of State Treasurer, the requirements of Proviso 117.55 shall be followed if an amount due is specified, otherwise the State Treasurer shall withhold twenty-five percent of all state payments to the county or municipality until the estimated deficiency has been satisfied.

If a county or municipality is more than ninety days delinquent in remitting a monthly court fines report, the State Treasurer shall withhold twenty-five percent of state funding for that county or municipality until all monthly reports are current.

After ninety days, any funds held by the Office of State Treasurer will be made available to the State Auditor to conduct an audit of the entity for the purpose of determining an amount due to the Office of State Treasurer, if any.

***SC Code of Law
Title 14***

Courts – General Provisions

Collection/Disbursement of Crime Victim Monies at the Municipal & County Levels: below is a brief synopsis of applicable sections.

- **Sec. 14-1-206, subsection(s) A, B & D:** A person who is convicted of, pleads guilty or nolo contendere to, or forfeits bond for an offense occurring after June 30, 2008, tried in general sessions court must pay an amount equal to 107.5 percent of the fine imposed as an assessment. The county treasurer must remit 35.35 % of the revenue generated by the assessment imposed in general sessions to the county to be used exclusively for the purpose of providing direct victim services and remit the balance of the assessment revenue to the State Treasurer on a monthly basis by the fifteenth day of each month.
- **Sec. 14-1-207 Subsection(s) A, B & D:** A person who is convicted of, pleads guilty or nolo contendere to, or forfeits bond for an offense occurring after June 30, 2008, tried in magistrate's court must pay an amount equal to 107.5 percent of the fine imposed as an assessment.

- **Sec. 14-1-207 Subsection(s) A, B & D (cont):** The county treasurer must remit 11.16 % of the revenue generated by the assessment imposed in magistrate's court to the county to be used exclusively for the purpose of providing direct victim services and remit the balance of the assessment revenue to the State Treasurer on a monthly basis by the fifteenth day of each month.

- **Sec. 14-1-208 Subsection(s) A, B & D:** A person who is convicted of, pleads guilty or nolo contendere to, or forfeits bond for an offense occurring after June 30, 2008, tried in municipal's court must pay an amount equal to 107.5 percent of the fine imposed as an assessment. The county treasurer must remit 11.16 % of the revenue generated by the assessment imposed in municipal court to the county to be used exclusively for the purpose of providing direct victim services and remit the balance of the assessment revenue to the State Treasurer on a monthly basis by the fifteenth day of each month.

- **Sec. 14-1-211 Subsection A, B, & D:** A one hundred dollar surcharge is imposed on all convictions obtained in general sessions court and a twenty-five dollar surcharge is imposed on all convictions obtained in the magistrate's and municipal court must be retained by the jurisdiction which heard or processed the case and paid to the city or county treasurer. Any funds retained by the county or city treasurer must be deposited into a separate account for the exclusive use for all activities related to those service requirements that are imposed on local law enforcement, local detention facilities, prosecutors, and the summary courts. These funds must be used for, but are not limited to, salaries, equipment that includes computer equipment and internet access, or other expenditures necessary for providing services to crime victims. All unused funds must be carried forward from year to year and used exclusively for the provision of services to the victims of crime. All unused funds must be separately identified in the governmental entity's adopted budget as funds unused and carried forward from previous years.

- **Sec. 14-1-207 Subsection(s) A, B & D (cont):** To ensure that surcharges imposed pursuant to this section are properly collected and remitted to the city or county treasurer, the annual independent external audit required to be performed for each municipality and each county must include a review of the accounting controls over the collection, reporting, and distribution of surcharges from the point of collection to the point of distribution and a supplementary schedule detailing all surcharges collected at the court level, and the amount remitted to the municipality or county.

The supplementary schedule must include the following elements:

- (a) All surcharges collected by the clerk of court for the general sessions, magistrates, or municipal court;
- (b) The amount of surcharges retained by the city or county treasurer pursuant to this section;
- (c) The amount of funds allocated to victim services by fund source; and
- (d) How those funds were expended, and any carry forward balances.

The supplementary schedule must be included in the external auditor's report by an "in relation to" paragraph as required by generally accepted auditing standards when information accompanies the basic financial statements in auditor submitted documents.

Introduction and Legislative

PRIOR AUDIT RESULTS

The SC State Legislative Proviso 117.55 mandates the State Office of Victim Assistance to conduct 90 Day Follow-up reviews on any entity or non-profit organization receiving victim assistance funding with previously found errors to ensure necessary corrective action has taken place; thereby ensuring complying with all applicable state laws and regulations. As noted, the State Auditor's Office conducted an audit of the Town of Cottageville Municipal Court. The State Auditor's Report dated June 30, 2013 was received by SOVA on February 18, 2014.

This 90 Day Follow-up Audit for the Town of Cottageville's Victim Assistance Funds was based on the SC State Auditor's Office initial audit findings and recommendations. (Appendix A and B)

SOVA Audit Objective was;

- To determine if all errors and recommendations issued by the SC State Auditor's Office were adhered to as required by state laws and regulations.

RESULTS IN BRIEF

No, all recommendations as outlined in the Town of Cottageville's Municipal Court State Auditor's Office Report were not adhered to as required by State law. The town did not remit court-generated revenue due to the State in the amount of \$288,324.47 in accordance with State Auditor's Office Report Attachment 1 (Appendix B). It is noted in this report that when the State Auditor's report was completed, the Town of Cottageville was already delinquent \$845,180.69 in the State Funds remittance to the State Treasurer's Office. However, the town had already entered into a repayment agreement with the State Treasurer's Office in 2009 to ensure that these funds were paid. As the audit by SOVA was conducted, the auditor was concerned because since 2009, Town Mayor, Chief and or Town Clerk/Court Clerk failed to initiate contact with the State Treasurer's Office in an effort to gain a full understanding and comprehension of the repayment arrangement of the delinquent funds. Therefore, it is recommended the Town Mayor, Chief and or Town Clerk/Court Clerk initiate and maintain regular contact with the State Treasurer's Office in an effort to gain a full understanding of paying the state delinquent funds in full.

Objective(s), Conclusion(s), Recommendation(s), and Comments

A. Adhere to Fine Guidelines

Objective

Did the Municipal Court develop and implement procedures to ensure that fines levied by the court adhere to applicable State law?

Conclusion

Yes, the Municipal Court developed and implemented procedures to ensure that fines levied by the court adhere to applicable State law. It is noted that the newly appointed Municipal Judge has now started ensuring that a copy of the SC Court of Administration Roadside Bonds list is provided to all Police Officers and Municipal Administration. In addition, the judge will continue to ensure an accurate Roadside Bonds list is distributed to all applicable personnel if there are any changes.

Background

Section 56-5-6540 (A) of the 1976 South Carolina Code of Laws

Section 56-5-1520(G) of the 1976 South Carolina Code of Laws

Discussion

During the initial 90 Day State Audit, the State Auditor noted two instances in which the judge assessed fines above the maximum set by State law. The Town Clerk/Court Clerk stated it was due to an oversight of the former clerk misunderstanding the fine. The State Auditor recommended the Municipal Court develop and implement procedures to ensure that fines levied by the court adhere to applicable State law.

During the SOVA 90 Day Follow up site visit, the Town Clerk/Court Clerk was asked to submit written procedures on the corrective actions taken after the State audit. The Town Clerk/Court Clerk and Judge stated they did not have written procedures; however, the newly appointed Municipal Judge implemented a process to ensure a copy of the SC Court of Administration Roadside Bonds list was provided to all Police Officers and Municipal Administration.

Discussion Cont.

In addition, the judge will continue to ensure that an accurate Roadside Bonds list is distributed to all applicable personnel if there are any changes.

Written procedures were submitted to the auditor from the Town Clerk on March 3, 2015 which stated, "The judge will make sure the officers and clerk of court maintain an updated fine sheet that is received from the South Carolina Court Administration's Office. The fine sheet has the minimum fine noted along with the assessment and the maximum fine with the assessment outlined."

Recommendation(s)
and Comments

There are no additional recommendations.

Objective(s), Conclusion(s), Recommendation(s), and Comments

B. CONVICTION SURCHARGE**Objective**

Did the Municipal Court implement procedures to ensure the conviction surcharge is properly assessed and collected in accordance with State law?

Conclusion

Yes, the Municipal Court implemented procedures to ensure the conviction surcharge is properly assessed and collected in accordance with State law. As stated by the Town Clerk/Court Clerk previously in the initial report from the State Auditor's Office, it notates this charge should have been automatically added but was not. However, the Town Clerk is now reviewing the assessment report printed monthly from the LawTrak system. If an error is found on the printout sheet, the LawTrak Software Company is notified immediately to correct the error.

Background

Section 14-1-211 (A)(1) of the 1976 South Carolina Code of Laws

Discussion

During the initial audit review conducted by the State Auditor's Office, the auditor noted one instance where the court did not assess and collect the \$25 conviction surcharge as required by State law. The Town Clerk/Court Clerk stated she was unsure as to why the court's accounting system (LawTrak) did not assess the conviction surcharge. It was recommended by the State Auditor's Office that the Municipal Court implement procedures to ensure the conviction surcharge is properly assessed and collected in accordance with State law.

While conducting the 90 Day Follow up review, the Town Clerk was asked to submit written implemented procedures for ensuring conviction surcharges are properly assessed and collected. As stated in the initial report from the State Auditor's Office, written procedures notated the conviction surcharge is charged automatically by the computer system.

Discussion Cont.

However, the Town Clerk is reviewing the assessment report printed monthly and if an error is found on the printout sheet, the LawTrak Software Company is notified immediately to correct the error. In addition, the Town Clerk also stated that the LawTrak system is updated on a regular basis to ensure assessments and surcharges are in accordance with changes in State laws.

Recommendation(s)
and Comments

There are no further recommendations.

Objective(s), Conclusion(s), Recommendation(s), and Comments

C. INSTALLMENT FEE**Objective**

Did the Municipal Court implement procedures to ensure the installment fee is assessed and collected in accordance with State law?

Conclusion

Yes, the Municipal Court did implement procedures to ensure the installment fee is assessed and collected in accordance with State law. The Town Clerk/Clerk of Court stated the previous Municipal Judge failed to inform the defendant of the installment fee during court proceedings as required. According to the information submitted by the town upon hiring the new Municipal Judge, if an installment plan is approved, the judge will at that time advise the defendant of a three percent charge added to the fine. The Clerk of Court must: follow steps to ensure three percent is added to each installment, make sure the fine section is filled out and the add/remove Standard Time Payment Plan (STP) button in the computer system is clicked. At that time, the three percent will automatically be added to the fine.

Background

Section 14-7-725 of the 1976 South Carolina Code of Laws,

Discussion

During the initial state audit, the auditor tested the municipal collections and remittances and noted one instance where the court did not assess and collect the three percent installment fee from an individual who paid in installments. The Town Clerk/Clerk of Court stated this was due to an oversight.

During the 90 Day Follow-up Review, the Town Clerk/Clerk of Court stated the previous Municipal Judge failed to inform the defendant of the installment fee during court proceedings as required. In addition, the lack of computer access available in the courtroom contributed to a delay in updating the computer database. According to the Mayor, the town is currently in the process of upgrading the computer networking capabilities in the courtroom.

Discussion Cont.

Additionally, per the information submitted by the town upon hiring the new judge, if an installment plan is approved, the judge will advise the person of a three percent charge added to their fine during court proceedings. The Clerk of Court must then: follow steps to ensure three percent is added to each installment, make sure the fine section is filled out and the Add/Remove STP button in the computer system is clicked. At that time, the three percent will automatically be added to the fine.

Recommendation(s)
and Comments

There are no further recommendations.

Objective(s), Conclusion(s), Recommendation(s), and Comments

D. STATE TREASURER'S REVENUE REMITTANCE FORM**Objective**

Did the town implement procedures to ensure the STRRF is submitted by the fifteenth day of each month in compliance with State law and have been reconciled to court accounting records and reviewed for accuracy? Did the town remit court-generated revenue due to the State in the amount of \$288,324.47 in accordance with State Auditor's Office Report Attachment 1 (Appendix B)?

Conclusion

Yes, the town implemented procedures to ensure the STRRF is submitted by the fifteenth day of each month in compliance with State law and has been reconciled to court accounting records and reviewed for accuracy. The SOVA auditor requested, received and reviewed multiple documents as outlined in this section to ensure proper accountability and reconciliation of the funds. In addition, the State Treasurer's Office confirmed the Town of Cottageville is current in submitting the court-generated revenue on a monthly basis by the fifteenth day.

No, the town did not remit court-generated revenue due to the State in the amount of \$288,324.47 in accordance with the State Auditor's Office Report Attachment 1 (Appendix B). However, these funds were not remitted because at the time of completing the State Auditor's Report, the Town of Cottageville was already delinquent \$845,180.69 in State funds remittance. Also, the Town of Cottageville had already entered into a repayment agreement with the State Treasurer's Office in 2009. However, SOVA is still concerned with the lack of knowledge shown by Town Mayor, Chief and Town Clerk/Court Clerk regarding the current repayment agreement. During the audit site visit, the Town Mayor, Chief and Town Clerk/Court Clerk were asked to contact the State Treasurer's Office and request information as to the status of the 2009 agreement. Also, they are to find out if the amount reported is owed to the State and if it was included in the original agreement amount.

Discussion Cont.

However, while completing this report, the Town Mayor, Chief and or Town Clerk/Court Clerk failed to submit any updated information or documentation regarding the repayment agreement to the auditor. Therefore, the SOVA auditor contacted the State Treasurer's Office for updated information regarding the Town of Cottageville's repayment agreement. Per the email submitted by the State Treasurer's Office on March 23, 2015, please note: "We (State Treasurer's Office) have not been contacted by any representative from the Town of Cottageville regarding any of these matters."

Also, the State Treasurer's Office confirmed the town's total delinquent amount owed to the State of South Carolina as of February 30, 2015 was \$845,180.69 which included the \$288,324.47 as recommended in the State Auditor's Office Report dated June 2013. The State Treasurer's Office confirmed this information and the withholding of a total of \$61,783.40 from the town's quarterly funding. Also, the current delinquent amount as of January 31, 2015 has decreased to \$740,189.69. It is recommended that the Town Mayor, Chief and or Town Clerk/Court Clerk initiate and maintain regular contact with the State Treasurer's Office in an effort to gain a full understanding and comprehension of the payoff amount of the delinquent funds. In addition, the Town of Cottageville is required to request and maintain proper documentation from the State Treasurer's Office outlining the repayment status updates on an annual basis until paid in full.

Background

Section 14-1-208(B) of the 1976 South Carolina Code of Laws

Proviso 97.9 of the FY15 Appropriations Act

Discussion

During the initial audit, the State Auditor's Office noted that the Town of Cottageville failed to remit seventeen out of thirty-six State Treasurer's Revenue Remittance Forms (STRRF) by the fifteenth day of the month as required by State law. The forms were previously submitted from three days to approximately fifteen months late. In addition, the report stated "town personnel' could not provide any State Treasurer's Receipts to document the STRRF having been submitted or received. Also, the November 2011 STRRF did not agree with the Town's court accounting records.

Discussion Cont.

Furthermore, based on a State Auditor's Office Report Attachment 1 (Appendix B), it was determined the Town of Cottageville underreported \$288,324.47 to the State from July 2010 – June 2013. The Town Clerk stated the town used the non-submitted court-generated revenue to pay the town's operational expenses. It was recommended by the State Auditor's Office that the Town of Cottageville implement procedures to ensure the STRRF are submitted by the fifteenth day of each month in compliance with State law. Also, that the Town STRRF's have been reconciled to court accounting records and reviewed for accuracy. Also, the State Auditor recommended the town remit the court-generated revenue due to the State.

During the SOVA 90 Day Follow-up Review, the Town was contacted and asked to submit the following documentation from July 2013 thru December 2014:

- All State Treasurer's Revenue Remittance Forms (STRRF)
- State Treasurer's Receipts
- Reconciliation Summaries for the Victim Assistance Funds
- Victim Assistance Fund Bank Statements

After reviewing the submitted information, the SOVA Auditor noted the Town of Cottageville improved the revenue remittance process to ensure the funds are submitted by the fifteenth of each month. It was noted out of the twelve months reviewed, eleven of the twelve months were submitted in accordance with State law. However, the missing month could not be verified because the Town Clerk/Court Clerk failed to provide a copy of the payment transaction report and State Treasurer's Office receipt. However, after contacting the State Treasurer's Office, they confirmed the Town of Cottageville is now current in submitting the court-generated revenue on a monthly basis by the fifteenth day.

State Delinquent Funds

The Town Mayor, Chief and Town Clerk/Court Clerk were asked to submit documentation from the State Treasurer's Office outlining the repayment of the delinquent court-generated revenue to the state. The Mayor and Town Clerk/Court Clerk confirmed there was a current repayment agreement in place.

Discussion Cont.

However, the agreement was enacted prior to the completion of the State Auditor's report and they did not think the amount outlined in the report was included in the original agreement. But, during the audit site visit, the Mayor, Chief and Town Clerk/Court Clerk was asked to contact the State Treasurer's Office and request information as to the status of the 2009 agreement and the delinquent amount reported owed to the State.

The SOVA Auditor explained to the Town Mayor, Chief and Town Clerk/Court Clerk that the requested information should include the total amount owed to the State, how much has been remitted at this time and the details where the repayment funds are generated and submitted. However, while completing this report, the Town Mayor, Chief and or Town Clerk/Court Clerk failed to submit updated information or documentation regarding the repayment agreement. Therefore, the SOVA Auditor contacted the State Treasurer's Office for updated information on the Town of Cottageville's repayment agreement. Per an email submitted by the State Treasurer's Office on March 23, 2015, "We (State Treasurer's Office) have not been contacted by any representative from the Town of Cottageville regarding any of these matters."

Upon receipt of the email, the auditor requested the State Treasurer's Office provide additional information regarding the repayment agreement for delinquent fines and fees for the Town of Cottageville. According to information submitted from the State Treasurer's Office, the Town of Cottageville currently has a repayment plan in place which includes \$5,000 being withheld from each state quarterly funding distribution which is then applied towards the debt in accordance with the 2009 repayment agreement between the Town of Cottageville's former Mayor and the State Treasurer's Office. In addition, 25% of all State funding is currently withheld from the Town of Cottageville in accordance with Proviso 97.9 of the FY15 Appropriations Act due to the fact that Cottageville is delinquent in remitting court fines. In accordance with this proviso as of February 1, 2015, the State Treasurer's Office confirmed withholding a total of \$61,783.40 from the town. These funds will be released to the town once all delinquent court fines are paid.

Discussion Cont.

The State Treasurer's Office also reported the town's total delinquent amount owed to the State is \$845,180.69 which includes the \$288,324.47 as recommended in the State Auditor's Office report dated June 2013. As of February 1, 2015, the Town of Cottageville has repaid \$104,991.00 of the original debt. The current delinquent amount has decreased to \$740,189.69 since the inception of the agreement in 2009. However, the SOVA Auditor continues to have concerns regarding the lack of knowledge the town has regarding the payment plan. Also, concerns for the Town Mayor, Chief and or Town Clerk/Court Clerk regarding the lack of initiative to gain a clear understanding of the payment plan.

Therefore, it is recommended the Town Mayor, Chief and or Town Clerk/Court Clerk initiate and maintain regular contact with the State Treasurer's Office in an effort to gain a full understanding and comprehension regarding the delinquent funds being paid in full. Also, the Town of Cottageville's Town Mayor, Chief and or Town Clerk/Court Clerk is required to request and maintain proper documentation from the State Treasurer's Office outlining the repayment status updates on an annual basis.

Recommendation(s)
and Comments

D-1

It is recommended that the Town Mayor, Chief and or Town Clerk/Court Clerk initiate and maintain regular contact with the State Treasurer's Office in an effort to gain knowledge, full understanding and comprehension of the repayment plan regarding the delinquent funds being paid in full. Therefore, the Town Mayor, Chief and or Town Clerk/Court Clerk is required to request and maintain proper documentation from the State Treasurer's Office outlining the repayment status updates on an annual basis. They must also show documentation where they have notated and contacted the State Treasurer's Office. This recommendation will be incorporated into the SOVA Initial Audit.

Objective(s), Conclusion(s), Recommendation(s), and Comments

E. SUPPLEMENTARY SCHEDULE**Objective**

Did the Town implement procedures to ensure the amounts reported on the supplementary schedule are accurately reported in accordance with State law?

Conclusion

Yes, the town has implemented procedures to ensure the amounts reported on the supplementary schedule are accurate. However, it appears the town's auditor did not provide detailed reporting information on the Schedule of Fines, Assessments, and Surcharges. But, as noted prior to the completion of this audit report, the town's auditor submitted the Schedule of Fines, Assessments, and Surcharges for year ending June 30, 2014. In the supplemental schedule submitted, the town's auditor corrected the report concerns by ensuring the accuracy of the victim advocate's assessments, surcharges, and expenditures as well as the carryforward amounts for FY13-14 on the Town of Cottageville's Annual Financial Audit are reported as required by State law.

Background

Section 14-1-208(B) of the 1976 South Carolina Code of Laws

Discussion

During the initial State Auditor's Office Review, the amounts reported for court fines, assessments, and surcharges collected, retained and remitted did not coincide with the town's STRRF and or the town's general ledger. In addition, the victim advocate's court assessments, surcharges, expenditures, funds available for carryforward, and funds actually carried forward from prior year did not coincide with the town's general ledger. The State Auditor noted that once this issue was documented, an attempt to contact the town's auditor who prepares the town's financial statements was made to determine why certain amounts reported on the schedule did not coincide with the town's STRRF or its general ledger.

Discussion Cont.

However, due to no response from the town's auditor regarding the discrepancies prior to the State's report having been submitted, it was recommended by the State Auditor's Office that the town implement procedures to ensure the amounts reported on the supplemental schedule are accurately reported in accordance with State law.

During the 90 Day site visit, the Town Clerk submitted a copy of the amended supplemental schedule reviewed by the State Auditor. Also, the Town Clerk explained the amounts were reported in error by the town's auditor. Therefore, after notification from the State Auditor's Office, the audit report was corrected and immediately amended and submitted to the Town of Cottageville.

The SOVA Auditor requested and reviewed the Town's Financial Audits for FY12 and FY13. In comparing two years of reporting, it appeared the Town's Auditor continues to now provide detailed information on the Schedule of Fines, Assessments, and Surcharges. There were no amounts reported in the FY13 report for expenditures, funds available for carryforward, and funds actually carried forward from prior year. This did not accurately reflect the town's general ledger as required by State law. Although, the town's auditor did not report the information on the Town's Financial Statement Audits, the SOVA Auditor reviewed the Town of Cottageville Victim Advocate's General Ledger, monthly reconciliation detail reports and bank statements. As a result of the review, it appears the Town put procedures in place to ensure they are maintaining accurate information to be reported.

While preparing this audit report, the SOVA Auditor contacted the town's financial auditor and explained concerns with the reporting practices for the Victim Assistance Fines, Fees, and Assessments Funds. The SOVA Auditor asked why the information was not reported as required by State law. The town's auditor replied at the time of the initial audit they did not realize it was a requirement. The SOVA Auditor then directed the town's auditor to review the SC Code of Laws, Section 14-1-208 (B).

Discussion Cont.

As a result of the discussion and technical assistance provided by the SOVA Auditor, prior to the completion of this audit report, the town's auditor submitted the Schedule of Fines, Assessments, and Surcharges for year ending June 30, 2014. Upon the review of the submitted schedule, it appears the town's auditor corrected the concerns in the report and ensured the victim assistance assessments, surcharges, expenditures, and carryforward amounts were reported in the FY13-14 Town of Cottageville's Annual Financial Audit.

**Recommendation(s)
and Comments**

There are no further recommendations.

Objective(s), Conclusion(s), Recommendation(s), and Comments

F. ACCOUNTING FOR VICTIM ASSISTANCE FUNDS**Objective**

Did the town establish and implement policies and procedures to ensure victim assistance revenue is used only for victim assistance related expenditures in accordance with State law? Did the Town reimburse the Victim Assistance Funds **\$4,148.30** in accordance with the State Auditor's Office Report Attachment 1 (Appendix B) for the expenditures that were not adequately supported by documentation?

Conclusion

Yes, the Town did establish and implement policies and procedures to ensure the victim assistance revenue is used only for victim assistance related expenditures in accordance with State laws. Also, the town did reimburse the Victim Assistance Fund **\$4,148.30** in accordance with State Auditor's Office Report Attachment 1 (Appendix B) for the expenditures that were not adequately supported by documentation. The town incorporated procedures that ensured multiple layers of approval prior to expenditures out of the fund. At the time of the audit site visit, the SOVA auditor provided an extensive overview of the Approved Guidelines for Expenditures from the Victim Assistance Funds with the Town Clerk, Police Chief, Mayor and newly appointed Municipal Judge.

Each individual was provided the opportunity to ask additional questions as needed to ensure they had a firm understanding of how the funds can and cannot be utilized. By providing an in depth one on one overview and technical assistance and support of the approved guidelines, it ensures that from this point forward all of the above town officials have a good understanding and will be held accountable and responsible regarding future expenditures. Also, they understand the approved guidelines must be adhered to in accordance to State law.

Background

Section 14-1-211(B) of the 1976 South Carolina Code of Laws

Background Cont.

Section 14-1-208(D) of the 1976 South Carolina Code of Laws

Approved Guidelines for Expenditures of Monies Collected for Crime Victim Service in Municipalities and Counties (Effective December / 2013).

Discussion

The State Auditor's Office reviewed the Town of Cottageville's general ledger and noted three cash transfers totaling \$4,165.38 from the victim assistance account to the town's general funds for salaries and benefits for employees that are not providing direct services to victims. These cash transfers are not allowable expenditures. The Town Clerk could not provide statistical data or time and activity reports as required by SOVA to support these charges from the Victim Assistance Fund. The State Auditor recommended the Town establish and implement policies and procedures to ensure victim assistance revenue is used only for victim assistance related expenditures in accordance with State law. Also, it was recommended the Town reimburse the Victim Assistance Funds \$4,148.30 for expenditures that were not adequately supported by documentation.

During the 90 Day Review, the Town of Cottageville was asked to submit a written copy of the policies and procedures developed and implemented to ensure the victim assistance revenue is only used in accordance with State laws. However, at the time, the Town Clerk did not submit any written procedures for review to SOVA. The Town Clerk stated there were no victim advocates currently employed; therefore, no funds were expended out of the Victim Assistance fund. However, the Town did submit in writing the Town Clerk's responsibilities as it relates to purchase authorizations for spending the Victim Assistance Fines, Fees, and Assessment Funds. The written responsibilities outlines prior to paying expenditures, a printed copy of the unpaid expenditure/bills report is submitted to the Town's Mayor for approval. However, the approved guidelines were not used for review. The Town Clerk was informed that the approved guidelines are required to be considered for review and should be added into the responsibilities prior to expense approval.

Discussion Cont.

In addition, the Town has incorporated procedures that would ensure multiple layers of approval prior to any expenditures from the fund.

During the audit, the SOVA Auditor provided an extensive overview of the Approved Guidelines for Expenditures from the Victim Assistance Funds with the Town Clerk, Police Chief, Mayor and newly appointed Municipal Judge. Each individual was provided the opportunity to ask additional questions as needed to ensure they had a firm understanding of how the funds can and cannot be utilized.

By providing an in depth one on one overview and technical assistance and support of the approved guidelines, it ensures that from this point forward all of the above town officials are aware of the accountability involved and have a good understanding as it relates to future expenditures. They also understand they must adhere to the Approved Guidelines for Expenditures of Monies Collected for Crime Victim Service in Municipalities and Counties (Effective December / 2013).

Additionally, at the time of the 90 Day site visit, the Town Clerk stated the **\$4,148.30** had not been reimbursed back into the victim assistance account. However, while preparing this audit, the SOVA Auditor received a copy of the bank register for the Town of Cottageville's Victim Advocate's Account showing the town transferred \$4,165.38 into the account on March 3, 2015.

Recommendation(s)
and Comments

F-1

It is recommended the approved guidelines be reviewed and incorporated into the approval procedures outlining what municipal personal will be responsible for reviewing regarding expenditures to ensure they are all allowable. As an alternative, this same designated staff will be responsible for contacting SOVA for additional assistance with questions regarding expenditures prior to final expense approval by the Town, if warranted. This recommendation will be incorporated into the SOVA Initial Audit as well.

Objective(s), Conclusion(s), Recommendation(s), and Comments

G. Technical Assistance**Documentation Provided**

During our site visit we explained and provided the following documents:

1. Copy of the Legislative Proviso 117.55
2. Copy of the Legislative Proviso 97.9
3. Copy of a Sample Budget
4. Sample Staff Hired Report
5. Sample Time and Activity Report
6. Sample Expenditure Report
7. Victim Advocate Procedural Manual
8. Copy of 2013 Approved Guidelines
9. Technical Assistance and Support

Other Matters

There are no other matters.

Corrective Action

Proviso 117.55 states:

“If the State Office of Victim Assistance finds an error, the entity or non-profit organization has ninety days to rectify the error. An error constitutes an entity or non-profit organization spending victim assistance funding on unauthorized items as determined by the State Office of Victims Assistance. If the entity or non-profit organization fails to cooperate with the programmatic review and financial audit or to rectify the error within ninety days, the State Office of Victim Assistance shall assess and collect a penalty in the amount of the unauthorized expenditure plus \$1,500 against the entity or non-profit organization for improper expenditures. This penalty plus \$1,500 must be paid within thirty days of the notification by the State Office of Victim Assistance to the entity or non-profit organization that they are in non-compliance with the provisions of this proviso. All penalties received by the State Office of Victim Assistance shall be credited to the General Fund of the State. If the penalty is not received by the State Office of Victim Assistance within thirty days of the notification, the political subdivision will deduct the amount of the penalty from the entity or non-profit organization’s subsequent fiscal year appropriation.”

The SOVA Auditor conducted the 90 Day Follow-up Review site visit on February 27, 2015.

All errors were not rectified within the timeframe specified of 90 Days as required for this Follow-up Audit. For an overview of the results, please refer to the “Results in Brief” section of this report.

Therefore, all errors noted in this report will be incorporated into the SOVA Initial Audit conducted also on February 27, 2015.

Official Post-Audit Response

The County/ Municipality have 5 business days from the date listed on the front of this report to provide a written response to the SOVA Director:

**Larry Barker, Ph.D.
1205 Pendleton St., Room 401
Columbia, SC 29201**

At the end of the five day response period, this report and all post-audit responses (located in the Appendix) will become public information on the State Office of Victim Assistance (SOVA) website:

www.sova.sc.gov

Appendix(s)

**Appendix A Town of Cottageville Municipal Court State Auditor’s Report
for the Period July 1, 2010 through June 30, 2013**

Appendix B State Auditor’s Office Report Attachment 1
[Town of Cottageville Municipal Court Schedule of Court Fines and
Fees Over/ (Under) Reported for the 36 months ending June 30,
2013]

APPENDIX A

**TOWN OF COTTAGEVILLE MUNICIPAL COURT
COTTAGEVILLE, SOUTH CAROLINA**

**STATE AUDITOR'S REPORT
FOR THE PERIOD JULY 1, 2010
THROUGH JUNE 30, 2013**

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State of South Carolina



Office of the State Auditor

1401 MAIN STREET, SUITE 1200
COLUMBIA, S.C. 29201

RICHARD H. GILBERT, JR., CPA
DEPUTY STATE AUDITOR

(803) 253-4160
FAX (803) 343-0723

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

November 26, 2013

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

The Honorable Peter A. Constantine, Municipal Judge
Cottageville Municipal Court
Cottageville, South Carolina

Ms. Sandy Cox, Town Clerk/Clerk of Court
Town of Cottageville
Cottageville, South Carolina

We have performed the procedures described below, which were agreed to by the Town of Cottageville and the Town of Cottageville Municipal Court, solely to assist you in evaluating the performance of the Town of Cottageville Municipal Court for the period July 1, 2010 through June 30, 2013, in the areas addressed. The Town of Cottageville and the Town of Cottageville Municipal Court are 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 Town of Cottageville and the Town of Cottageville Municipal Court. Consequently, we 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**

- We gained an understanding of the policies and procedures established by the Clerk of Court to ensure proper accounting for all fines, fees, assessments, surcharges, forfeitures, escheatments, or other monetary penalties.
- We obtained certain judgmentally selected final court dockets from the Municipal Clerk. We randomly selected twenty-five cases from the final court dockets and recalculated the fine, fee, assessment and surcharge calculation to ensure that the fine, fee, assessment or surcharge was properly allocated in accordance with applicable State law. We also determined whether the fine, fee, assessment and/or surcharge adhered to State law and to the South Carolina Court Administration fee memoranda.

The Honorable Nikki R. Haley, Governor
and
The Honorable Peter A. Constantine, Municipal Judge
Ms. Sandy Cox, Town Clerk/Clerk of Court
Town of Cottageville
November 26, 2013

Our findings as a result of these procedures are presented in Adherence to Fine Guidelines, Conviction Surcharge and Installment Fee in the Accountant's Comments section of this report.

2. **Town Clerk**

- We gained an understanding of the policies and procedures established by the Town to ensure proper accounting for court fines, fees, assessments, surcharges, forfeitures, escheatments, or other monetary penalties.
- We obtained copies of all State Treasurer's Revenue Remittance Forms submitted by the Town for the period July 1, 2010 through June 30, 2013. We agreed the line item amounts reported on the State Treasurer's Revenue Remittance Forms to the monthly court remittance reports and to the State Treasurer's receipts. We also agreed the total revenue due to the State Treasurer to the general ledger.
- We determined if the State Treasurer's Revenue Remittance Forms were submitted in a timely manner to the State Treasurer in accordance with State law.
- We verified that the amounts reported by the Town on its supplemental schedule of fines and assessments for the fiscal years ended June 30, 2011 and June 30, 2012, agreed to the State Treasurer's Revenue Remittance Forms and to the Town's general ledger. We also determined if the supplemental schedule of fines and assessments contained all required elements in accordance with State law.

Our findings as a result of these procedures are presented in State Treasurer's Revenue Remittance Form and Supplementary Schedule in the Accountant's Comments section of this report.

3. **Victim Assistance**

- We gained an understanding of the policies and procedures established by the Town to ensure proper accounting for victim assistance funds.
- We made inquiries and performed substantive procedures to determine that any funds retained by the Town for victim assistance were accounted for in a separate account.
- We tested all victim assistance expenditures to ensure that the Town expended victim assistance funds in accordance with State law and South Carolina Court Administration Fee Memoranda, Attachment L.
- We determined if the Town reported victim assistance financial activity on the supplemental schedule of fines and assessments in accordance with State law.
- We inspected the Town's general ledger to determine if the Victim Assistance Fund balance was retained as of June 1 from the previous fiscal year in accordance with State law.

Our finding as a result of these procedures is presented in Accounting for Victim Assistance Funds in the Accountant's Comments section of this report.

The Honorable Nikki R. Haley, Governor
and
The Honorable Peter A. Constantine, Municipal Judge
Ms. Sandy Cox, Town Clerk/Clerk of Court
Town of Cottageville
November 26, 2013

4. **Status of Prior Findings**

- We inquired about the status of findings reported in the Accountant's Comments section of the State Auditor's Report for the period July 1, 2008 through June 30, 2010, and dated September 30, 2010, to determine if the Town had taken adequate corrective action.

Our findings as a result of these procedures are presented in Adherence to Fine Guidelines, Conviction Surcharge, State Treasurer's Revenue Remittance Form, Supplementary Schedule and Accounting for Victim Assistance Funds in the Accountant's Comments section of this report.

We were 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 period July 1, 2010 through June 30, 2013, and, furthermore, we were not engaged to express an opinion on the effectiveness of internal controls over compliance with the laws, rules and regulations described in paragraph one and the procedures of this report. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Governor, Chairman of the House Ways and Means Committee, Chairman of the Senate Finance Committee, Chairman of the House Judiciary Committee, Chairman of the Senate Judiciary Committee, members of the Town of Cottageville Town Council, Town of Cottageville Municipal Judge, Town of Cottageville Clerk/Clerk of Court, State Treasurer, State Office of Victim Assistance, and the Chief Justice and is not intended to be and should not be used by anyone other than these specified parties.



Richard H. Gilbert, Jr., CPA
Deputy State Auditor

ACCOUNTANT'S COMMENTS

SECTION A – VIOLATIONS OF STATE LAWS, RULES OR REGULATIONS

Management of the entity is responsible for establishing and maintaining internal controls to ensure compliance with State Laws, Rules or Regulations governing court collections and remittances. The procedures agreed to by the entity require that we plan and perform the engagement to determine whether any violations of State Laws, Rules or Regulations occurred.

The conditions described in this section have been identified as violations of State Laws, Rules or Regulations.

ADHERENCE TO FINE GUIDELINES

We selected twenty-five cases from the final court dockets to ensure that the fine, fee, assessment and/or surcharge levied by the Municipal Court adhered to State law. Based on the tests performed, we noted the following instances in which the judge assessed fines above the maximum set by State law:

1. An individual was fined \$30.00 for a seatbelt violation. Section 56-5-6540 (A) of the 1976 South Carolina Code of Laws, as amended, states, "A person who is adjudicated to be in violation of the provisions of this article must be fined not more than twenty-five dollars, no part of which may be suspended."
2. An individual was fined \$25.06 for speeding 10 mph or less over the speed limit. Section 56-5-1520(G) of the 1976 South Carolina Code of Laws, as amended, states, "A person violating the speed limits established by this section is guilty of a misdemeanor and, upon conviction for a first offense, must be fined or imprisoned as follows: (1) in excess of the above posted limit but not in excess of ten miles an hour by a fine of not less than fifteen dollars nor more than twenty-five dollars."

The Town Clerk/Clerk of Court stated the first instance was due to the former clerk and judge misunderstanding the fine, and the second instance was due to oversight.

We recommend the Municipal Court develop and implement procedures to ensure that fines levied by the court adhere to applicable State law.

CONVICTION SURCHARGE

During our test of Municipal Court collections and remittances, we noted one instance where the Court did not assess and collect the \$25 conviction surcharge as required by State law.

Section 14-1-211 (A)(1) of the 1976 South Carolina Code of Laws, as amended, states, "In addition to all other assessments and surcharges...a twenty-five dollar surcharge is imposed on all convictions obtained in...municipal courts in this State. No portion of the surcharge may be waived, reduced, or suspended." This section does not apply to misdemeanor traffic or parking violations.

The Town Clerk/Clerk of Court stated she was unsure as to why the Court's accounting system (LawTrak) did not assess the conviction charge.

We recommend the Municipal Court implement procedures to ensure the conviction surcharge is properly assessed and collected in accordance with State law.

INSTALLMENT FEE

During our test of Municipal Court collections and remittances, we noted one instance where the Court did not assess and collect the three percent installment fee from an individual who paid in installments.

Section 14-7-725 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...".

The Town Clerk/Clerk of Court stated this was due to oversight.

We recommend the Municipal Court implement procedures to ensure the installment fee is assessed and collected in accordance with State law.

STATE TREASURER'S REVENUE REMITTANCE FORM

During our testing of the Town's State Treasurer's Revenue Remittance Forms (STRRF), we noted seventeen out of thirty-six STRRF were not submitted to the State Treasurer by the fifteenth day of each month as required by State law. The forms were submitted from three days to approximately fifteen months late. The remaining nineteen STRRF were completed by Town personnel; however, the Town could not provide us with the State Treasurer's Receipt to document the STRRF had been submitted or received. We also noted during our testing that the amounts reported on the Town's November 2011 STRRF did not agree to the Town's court accounting records.

To determine the amount that the Town underreported to the State, we prepared a Schedule of Court Fines and Fees for the 36 months ended June 30, 2013. See Schedule at Attachment 1.

The Town Clerk/Clerk of Court stated that the Town did not consistently submit its STRRF and associated court-generated revenue to the State Treasurer because the revenue was used to pay Town operating expenses. The Town Clerk/Clerk of Court also stated she did not know why the amounts reported on the November 2011 STRRF did not agree to the LawTrak monthly report.

Section 14-1-208(B) of the 1976 South Carolina Code of Laws, as amended, requires the Town to remit 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.

We recommend the Town implement procedures to ensure the STRRF are submitted by the fifteenth day of each month in compliance with State law and have been reconciled to court accounting records and reviewed for accuracy. We also recommend the Town remit court-generated revenue due to the State in accordance with Attachment 1.

SUPPLEMENTARY SCHEDULE

During our testing of the schedule of court fines, assessments and surcharges included in the Town's financial statements for the years ended June 30, 2012 and June 30, 2011, we noted amounts reported for court fines, assessments, and surcharges collected, retained and remitted did not agree to the Town's State Treasurer's Revenue Remittance Forms and/or the Town's general ledger. Additionally, victim advocate court assessments and surcharges, expenditures, funds available to carry forward, and funds carried forward from prior year did not agree to the Town's general ledger.

We did not receive a response from the independent auditors who prepared the Town's financial statements as to why certain amounts reported on the schedule did not agree to the Town's STRRF or to its general ledger.

Section 14-1-208 (E)(1), of the 1976 South Carolina Code of Laws, as amended, states, "The supplementary schedule must include the following elements: (a) all fines collected by the clerk of court for the municipal court; (b) all assessments collected by the clerk of court for the municipal court; (c) the amount of fines retained by the municipal treasurer; (d) the amount of assessments retained by the municipal treasurer; (e) the amount of fines and assessments remitted to the State Treasurer pursuant to this section; and (f) the total funds, by source, allocated to victim services activities, how those funds were expended, and any balances carried forward."

We recommend the Town implement procedures to ensure the amounts reported on the supplementary schedule are accurately reported in accordance with State law.

ACCOUNTING FOR VICTIM ASSISTANCE FUNDS

During our review of the Town's general ledger, we noted three cash transfers totaling \$4,165.38 from the victim assistance account to the Town's general fund for salaries and benefits for certain employees. The Town Clerk/Clerk of Court could not provide statistical data or time and activity reports, as required by the State Office of Victim Assistance, to support these charges to the victim assistance fund; therefore, we deem the victim assistance expenditures to be unallowable.

Section 14-1-211(B) of the 1976 South Carolina Code of Laws, as amended, states, "The revenue collected pursuant to subsection (A)(1) must be retained by the jurisdiction which heard or processed the case and paid to the city or county treasurer, for the purpose of

providing services for the victims of crime, including those required by law. Any funds retained by the county or city treasurer pursuant to subsection (A)(1) must be deposited into a separate account for the exclusive use for all activities related to the requirements contained in this provision.” In addition, Section 14-1-208(D) of the 1976 South Carolina Code of Laws, as amended, states, “The revenue retained by the municipality under subsection (B) must be used for the provision of services for the victims of crime including those required by law. These funds must be appropriated for the exclusive purpose of providing victim services as required by Article 15 of Title 16.”

Due to the Town’s improper accounting of victim assistance funds, we prepared a Schedule of Court Fines and Fees for the 36 months ended June 30, 2013, to determine the amount the Town should reimburse its victim assistance funds. See Schedule at Attachment 1.

We recommend the Town establish and implement policies and procedures to ensure victim assistance revenue is used only for victim assistance related expenditures in accordance with State law. We also recommend the Town reimburse the victim assistance funds in accordance with Attachment 1 for the expenditures that were not adequately supported by documentation.

SECTION B – STATUS OF PRIOR FINDINGS

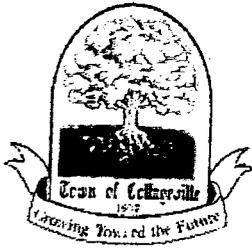
During the current engagement, we reviewed the status of corrective action taken on each of the findings reported in the Accountant's Comments section of the Report on Agreed Upon Procedures of the Town of Cottageville Municipal Court for the period July 1, 2008 through June 30, 2010, and dated September 30, 2010. We determined that the deficiencies titled Adherence to Fine Guidelines, Assessment and Collection of Surcharges and Fees – Victim Fund Surcharge, and Timely Submission of State Treasurer's Revenue Remittance Form still exist; consequently, we have reported similar findings in Section A of the report. For the deficiencies titled Accounting for Victim Assistance Funds and Supplementary Schedule, we determined the Town has taken adequate corrective action. However, we noted additional deficiencies during our testwork which will be reported in similar findings in Section A of the report. We also determined for the deficiency titled Assessment and Collection of Surcharges and Fees – Breathalyzer Fee the Town has taken adequate corrective action. The finding titled Timely Submission of Clerk of Court's Monthly Remittance Form is no longer applicable and therefore will not be repeated.

Town of Cottageville Municipal Court
 Schedule of Court Fines and Fees Over/(Under) Reported
 For the 36 months ended June 30, 2013

Attachment 1

	<u>Allocation in Accordance with State Law</u>																		
	Total Court Collections	Public Defender Application Fee - \$40	Body Piercing	Marriage License Fee	Bond Estreatment	Boating Under the Influence (BUI)	DUS DPS Pullout - \$100	DUI Assessment - \$12	DUI Surcharge	DUI DPS Pullout - \$100	DUI/DUAC Breathalyzer Test Conviction Fee - \$25	Drug Surcharge - \$100 per case	Law Enforc. Surcharge - \$25 Per Case	Criminal Justice Academy Surcharge - \$5 Per Case	Municipal - State Assessment	Municipal Education Program \$140 Application Fee	Municipal - Victim Services Assessment	Municipal - Victim Services Surcharge	Municipal - Other Victim Services Assessments
Total FYE June 2011	212,207.86	-	-	-	-	-	1,655.83	51.12	410.99	410.99	45.80	3,852.36	39,544.57	7,746.51	139,986.49		17,605.36	897.84	
Total FYE June 2012	185,056.21	-	-	-	-	-	1,212.28	(12.00)	(100.00)	(100.00)		3,524.06	42,577.24	8,395.38	113,933.41		14,327.42	1,298.42	
Total FYE June 2013	171,101.26	-	-	-	-	-	905.72	3.90	32.53	32.53		2,353.14	37,721.61	7,492.24	108,233.94		13,605.59	720.06	
Total Court Collections per Cash Receipt Records	568,365.33	-	-	-	-	-	3,773.83	43.02	343.52	343.52	45.80	9,729.56	119,843.42	23,634.13	362,153.84	-	45,538.37	2,916.32	-
Remittances per State Treasurer's Revenue Remittance Forms	231,586.17	-	-	-	-	-	1,575.10	36.99	308.16	308.16	13.23	4,099.07	52,688.20	10,429.57	162,127.69				
Total Retained for Victim Assistance	<u>40,389.25</u>																37,756.43	2,632.82	-
	<u>296,389.91</u>																		
Balance Due From/(Due to) State	(288,324.47)	-	-	-	-	-	(2,198.73)	(6.03)	(35.36)	(35.36)	(32.57)	(5,630.49)	(67,155.22)	(13,204.56)	(200,026.15)	-			
Balance Due From/(Due to) Victim Assistance	(8,065.44)																(7,781.94)	(283.50)	-
Additional Amounts Due to Victim Assistance:																			
1) Transfer from victim assistance account to town general fund account not used for Victim's Assitance	(4,165.38)																		
2) Amount forgiven by SOVA for July 2010 through November 2010 based on SOVA's 90 day follow-up.	8,082.52																		
Total Due From/(Due to) Victim Assistance	(4,148.30)																		
State Treasurer Revenue Remittance Form Line		Line A	Line B	Line C	Line D	Line E	Line F	Line G	Line H	Line I	Line IA	Line J	Line K	Line KA	Line L	Line LA	Line N	Line O	Line OA

TOWN'S RESPONSE



Town of Cottageville
PO Box 57
10913 Cottageville Hwy. Cottageville S.C. 29435
Office 843.835.8655

February 6, 2014

RE: MD&A Letter

The town is still in a poor financial condition and needs to develop more ways to generate revenue. Several things are being done to increase revenue.

Traffic control is a major issue for the town due to its geographic location on a major highway. There are also a number of businesses located within the town which includes one bank. Therefore, it is crucial for the Town to maintain a Police Department.

As the Town no longer has property taxes, it is difficult for it to obtain revenue from the citizens it serves. It is difficult to find new funding other than trying to obtain grants.

The STO has worked with the town toward paying the delinquent assessments it owes. The Victim's Advocate funds are all current. All required reports are current with the STO.

Although the town is in better financial condition than it was a year ago, it will still take quite some time to reach the point of being financially solvent.

I will continue to work with the Financial Advisory Committee toward this goal.

Sincerely,

A handwritten signature in black ink, appearing to read 'Timothy Grimsely', written over a horizontal line.

Timothy Grimsely
Mayor

5 copies of this document were published at an estimated printing cost of \$1.52 each, and a total printing cost of \$7.60. Section 1-11-125 of the South Carolina Code of Laws, as amended requires this information on printing costs be added to the document.

APPENDIX B

Town of Cottageville Municipal Court
 Schedule of Court Fines and Fees Over/(Under) Reported
 For the 36 months ended June 30, 2013

Attachment 1

	<u>Allocation in Accordance with State Law</u>																		
	Total Court Collections	Public Defender Application Fee - \$40	Body Piercing	Marriage License Fee	Bond Estreatment	Boating Under the Influence (BUI)	DUS DPS Pullout - \$100	DUI Assessment - \$12	DUI Surcharge	DUI DPS Pullout - \$100	DUI/DUAC Breathalyzer Test Conviction Fee - \$25	Drug Surcharge - \$100 per case	Law Enforc. - \$25 Per Case	Criminal Justice Academy Surcharge - \$5 Per Case	Municipal - State Assessment	Municipal Education Program \$140 Application Fee	Municipal - Victim Services Assessment	Municipal - Victim Services Surcharge	Municipal - Other Victim Services Assessments
Total FYE June 2011	212,207.86	-	-	-	-	-	1,655.83	51.12	410.99	410.99	45.80	3,852.36	39,544.57	7,746.51	139,986.49		17,605.36	897.84	
Total FYE June 2012	185,056.21	-	-	-	-	-	1,212.28	(12.00)	(100.00)	(100.00)		3,524.06	42,577.24	8,395.38	113,933.41		14,327.42	1,298.42	
Total FYE June 2013	171,101.26	-	-	-	-	-	905.72	3.90	32.53	32.53		2,353.14	37,721.61	7,492.24	108,233.94		13,605.59	720.06	
Total Court Collections per Cash Receipt Records	568,365.33	-	-	-	-	-	3,773.83	43.02	343.52	343.52	45.80	9,729.56	119,843.42	23,634.13	362,153.84	-	45,538.37	2,916.32	-
Remittances per State Treasurer's Revenue Remittance Forms	231,586.17	-	-	-	-	-	1,575.10	36.99	308.16	308.16	13.23	4,099.07	52,688.20	10,429.57	162,127.69				
Total Retained for Victim Assistance	<u>40,389.25</u>																37,756.43	2,632.82	-
	<u>296,389.91</u>																		
Balance Due From/(Due to) State	(288,324.47)	-	-	-	-	-	(2,198.73)	(6.03)	(35.36)	(35.36)	(32.57)	(5,630.49)	(67,155.22)	(13,204.56)	(200,026.15)	-			
Balance Due From/(Due to) Victim Assistance	(8,065.44)																(7,781.94)	(283.50)	-
Additional Amounts Due to Victim Assistance:																			
1) Transfer from victim assistance account to town general fund account not used for Victim's Assitance	(4,165.38)																		
2) Amount forgiven by SOVA for July 2010 through November 2010 based on SOVA's 90 day follow-up.	8,082.52																		
Total Due From/(Due to) Victim Assistance	(4,148.30)																		
State Treasurer Revenue Remittance Form Line		Line A	Line B	Line C	Line D	Line E	Line F	Line G	Line H	Line I	Line IA	Line J	Line K	Line KA	Line L	Line LA	Line N	Line O	Line OA



State of South Carolina

Office of the Governor

NIKKI R. HALEY
GOVERNOR

OFFICE OF EXECUTIVE
POLICY AND PROGRAMS

Programmatic Review Completed by:

Richelle A. Copeland
Richelle A. Copeland, CGAP, Sr. Auditor

5/12/15
Date

Reviewed by:

Ethel Douglas Ford
Ethel Douglas Ford, CPM, Deputy Director

5/12/15
Date

Larry Barker
Larry Barker, Ph.D. Director

5/12/15
Date