

TOWN OF VARNVILLE MUNICIPAL COURT
VARNVILLE, SOUTH CAROLINA

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

For the Year Ended June 30, 2020



May 20, 2021

The Honorable Walder H. Sanders, Jr., Chief Judge
Ms. Seneinka Jones, Clerk/Treasurer
Town of Varnville Municipal Court
Varnville, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the Town of Varnville Municipal Court System as of and for the period July 1, 2019 through June 30, 2020, was issued by The Hobbs Group, P.A., under contract with the South Carolina Office of the State Auditor.

If you have any questions regarding this report, please let us know.

Respectfully submitted,

George L. Kennedy, III, CPA
State Auditor

GLKIII/trb

TABLE OF CONTENTS
TOWN OF VARNVILLE MUNICIPAL COURT
JUNE 30, 2020

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

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

May 20, 2021

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

The Honorable Walder H. Sanders, Jr., Chief Judge
Ms. Seneinka Jones, Clerk/Treasurer
Town of Varnville Municipal Court
Varnville, South Carolina

We have performed the procedures described below on the systems, processes, and behaviors related to financial activity of the Town of Varnville Municipal Court (the "Town") for the period July 1, 2019 through June 30, 2020, in the areas addressed. The Town is responsible for the systems, processes and behaviors related to financial activity.

The South Carolina Office of the State Auditor has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the systems, processes, and behaviors related to financial activity for the period July 1, 2019 through June 30, 2020. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. Clerk of Court

- We obtained the court dockets or equivalents from the Clerk of Court. We randomly selected 25 cases from the court dockets and recalculated the fine, fee, assessment and surcharge calculation to confirm that the fine, fee, assessment and surcharge were properly allocated in accordance with applicable State law and the South Carolina Court Administration fee memoranda.
- We randomly selected 25 court receipt transactions to confirm that the fine, fee, assessment and surcharge adhered to State law and the South Carolina Court Administration fee memoranda and that the receipts were allocated in accordance with applicable State law.

Findings -- Adherence to Fine Guidelines

During our inspection of Town Court collections and remittances, we observed the following instances in which the Town did not fine the defendant in accordance with State law:

Speeding

The Court fined one individual \$50.00 for speeding less than 10 miles per hour over the speed limit. Section 56-05-1520(G)(1) 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; "

Management Response:

The ticket referenced above was written in error by the police officer. The ticket should have been written for \$76.50, with a fine that would not have exceeded \$25. The ticket was overlooked by the court due to the defendant paying the ticket online. The defendant will be reimbursed as of February 2021.

Installment Payments

The Town did not assess a 3% installment fee for an individual's time payment agreement in accordance with State law. Section 14-1-209 of the 1976 South Carolina Code of Laws, as amended, provides guidance when the fine and assessment are paid in installments. In addition, the South Carolina Court Administration fee memorandum dated July 8, 2019, states, "The intent of Section 14-1-209(B) is that each installment payment be allocated on a pro rata basis to each applicable fine, assessment, and surcharge."

Management Response:

The above referenced finding was an error on behalf of the court. The individual should have been charged the 3% fee over the time payment agreement until the balance was paid in full.

2. Town Treasurer

- We inspected all monthly court remittance forms or equivalents to confirm that the forms were completed in accordance with instructions and submitted timely in accordance with State law.
- We agreed the amounts reported on the monthly remittance forms or equivalents to the Town's support.
- We inspected the Town's support to confirm that the Town properly classified fine, fee, assessment, and surcharge receipts.
- We inspected all State Treasurer's Revenue Remittance Forms ("STRRF") for the period July 1, 2019 through June 30, 2020 and agreed the amounts reported on the STRRF to the court remittance forms or equivalents.

We found no exceptions as a result of the procedures.

3. **Victim Assistance**

- We made inquiries and confirmed that any funds retained by the Town for victim assistance were deposited into a separate account.
- We selected all (4) expenditures to confirm that the Town expended victim assistance funds in accordance with State law and the South Carolina Court Administration fee memoranda.
- We inspected the Town's victim assistance account to confirm the Victim Assistance fund balance was retained as of July 1 from the previous fiscal year in accordance with State law.

Findings -- Prior Year Expenses Recorded in the Current Year

We noted one exception in which funds were transferred out of the Victim Assistance Fund to the General Fund during the current fiscal year that was for expenses incurred in prior years. The transfer amount referenced above is \$3,159.30 which is made up of four prior year expenses. This amount was recorded as a current year expense in the Uniform Schedule of Court Fines, Assessments, and Surcharges.

Management Response:

The transfer, \$3,806 that was made in the current fiscal year from the Victims Fund Account to the Town's General fund account, was paid out of the general fund in prior fiscal years. These items were expensed as victim funds in the years incurred, but the Victim Funds had not repaid the general fund.

4. **Uniform Schedule of Court Fines, Assessments and Surcharges**

- We agreed amounts reported by the Town on its Uniform Schedule of Court Fines, Assessments and Surcharges, as reported in the annual financial statement audit, for the period July 1, 2019 through June 30, 2020, to the Town's general ledger.
- We inspected the Town's Uniform Schedule of Court Fines, Assessments and Surcharges, as reported in the annual financial statement audit, to confirm that it contained all the elements required by South Carolina Code of Laws Section 14-1-208.

We found no exceptions as a result of these procedures.

5. **Calculation of Over/(Under) Reported Amounts**

- We inspected copies of monthly State Treasurer Revenue Remittance Forms for the twelve month period ended June 30, 2020, which the Town prepared and submitted to the South Carolina Office of the State Treasurer. We calculated the amount over/(under) reported by the Town by category.

We found no exceptions as a result of these procedures.

We were engaged by the South Carolina Office of the State Auditor to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or a review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the systems, processes, and behaviors related to financial activity of the Town for the period July 1, 2019 through June 30, 2020. Accordingly, we do not express

such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Town and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Governor, Chairmen of the House Ways and Means Committee, Senate Finance Committee, House Judiciary Committee, Senate Judiciary Committee, members of the Town of Varnville Municipal Council, the Clerk of Court, Town Treasurer, State Treasurer, the South Carolina Department of Crime Victim Compensation, and the Chief Justice and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

The Hobbs Group, P.A.
Columbia, South Carolina

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