

**CLEMSON UNIVERSITY MUNICIPAL COURT  
CLEMSON, SOUTH CAROLINA**

**STATE AUDITOR'S REPORT**

**JUNE 30, 2012**

## CONTENTS

	<u>PAGE</u>
I. INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES	1
II. ACCOUNTANT'S COMMENTS	
VIOLATIONS OF STATE LAWS, RULES OR REGULATIONS	4
TIMELY SUBMISSION OF MUNICIPAL COURT MONTHLY REMITTANCE FORM	5
TIMELY SUBMISSION OF STATE TREASURER'S REVENUE REMITTANCE FORM	5
ACCOUNTING FOR VICTIM ASSISTANCE FUNDS	6
COURT'S RESPONSE	8

# 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 19, 2012

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

Mr. James F. Barker, President  
Clemson University  
Clemson, South Carolina 29634

The Honorable Deborah Culler, Municipal Judge  
Clemson University Municipal Court  
G01C Edgar Brown Union  
Clemson, South Carolina 29634

We have performed the procedures described below, which were agreed to by the Clemson University Municipal Court, solely to assist you in evaluating the performance of the Clemson University Municipal Court for the fiscal year ended June 30, 2012, in the areas addressed. Clemson University and the Clemson University 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 specified parties in this report. 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. **Municipal Court**

- We gained an understanding of the policies and procedures established by the Municipal Court to ensure proper accounting for all fines, fees, assessments, surcharges, forfeitures, escheatments, or other monetary penalties.
- We obtained certain judgmentally selected Disbursement Reports from the Municipal Judge. We randomly selected 25 cases from the reports 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 that 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  
Mr. James F. Barker, President  
The Honorable Deborah Culler, Municipal Judge  
Clemson University  
November 19, 2012

- We tested recorded court receipt transactions to determine that the receipts were remitted in a timely manner to Clemson University in accordance with State law.

Our finding as a result of these procedures is presented in Timely Submission of Municipal Court Monthly Remittance Form in the Accountant's Comments section of this report.

2. **Clemson University**

- We gained an understanding of the policies and procedures established by Clemson University 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 Clemson University for the fiscal year ended June 30, 2012. We agreed the line item amounts reported on the State Treasurer's Revenue Remittance Forms to the monthly Disbursement Report 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 Clemson University on its supplemental schedule of fines and assessments for the fiscal year ended June 30, 2012 agreed to the State Treasurer's Revenue Remittance Forms and to Clemson University's general ledger. We also determined if the supplemental schedule of fines and assessments contained all required elements in accordance with State law.

Our finding as a result of these procedures is presented in Timely Submission of State Treasurer's Revenue Remittance Form in the Accountant's Comments section of this report.

3. **Victim Assistance**

- We gained an understanding of the policies and procedures established by Clemson University to ensure proper accounting for victim assistance funds.
- We made inquiries and performed substantive procedures to determine that any funds retained by Clemson University for victim assistance were accounted for in a separate account.
- We tested judgmentally selected expenditures to ensure that Clemson University expended victim assistance funds in accordance with State law and South Carolina Court Administration Fee Memoranda, Attachment L.
- We determined if Clemson University reported victim assistance financial activity on the supplemental schedule of fines and assessments in accordance with State law.
- We inspected Clemson University's general ledger to determine if the Victim Assistance Fund balance was retained as of July 1 from the previous fiscal year in 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  
Mr. James F. Barker, President  
The Honorable Deborah Culler, Municipal Judge  
Clemson University  
November 19, 2012

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 twelve months ended June 30, 2012, 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. 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, Clemson University, Clemson University Municipal 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.

A handwritten signature in black ink, appearing to read "Richard H. Gilbert, Jr.", written in a cursive style.

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

**ACCOUNTANT'S COMMENTS**

## **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.

## **TIMELY SUBMISSION OF MUNICIPAL COURT MONTHLY REMITTANCE FORM**

During our testing of the Clemson University's State Treasurer's Revenue Remittance Forms (STRRF), we noted four instances where the Municipal Court did not submit the monthly remittance forms and supporting financial data to the University in accordance with State law.

Using the submission date documented on the STRRF by the Municipal Judge we determined that four STRRF forms were submitted from six to ten working days late. The Municipal Judge stated the late submissions were due to court accounting software issues and staffing shortages. The judge also stated the date on the STRRF form may not be the date that the STRRF form was submitted to the University.

Section 14-25-85 of the 1976 South Carolina Code of Laws, as amended, states, "All fines and penalties collected by the municipal court shall be forthwith turned over by the clerk to the treasurer of the municipality for which such court is held." We determined forthwith to mean no more than five business days from the first working day of the month after collection.

We recommend the Municipal Court implement procedures to ensure the monthly remittance forms are submitted to Clemson University in compliance with State law. We also recommend the Municipal Court implement procedures to document the date of submission.

## **TIMELY SUBMISSION OF STATE TREASURER'S REVENUE REMITTANCE FORM**

During our testing of Clemson University's State Treasurer's Revenue Remittance Forms (STRRF), we noted ten out of twelve STRRF were not submitted to the State Treasurer by the fifteenth day of the month as required by State law. We determined the forms were submitted from four to eighteen days late.

The Municipal Judge attributed the late submissions to the fact that the Court did not submit the monthly STRRF to Clemson University in a timely manner because of staff shortages.

Section 14-1-208(B) of the 1976 South Carolina Code of Laws, as amended, requires Clemson University 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 Clemson University implement procedures to ensure the STRRF are submitted by the fifteenth day of each month in compliance with State law.

### **ACCOUNTING FOR VICTIM ASSISTANCE FUNDS**

During our testing of victim assistance expenditures, we noted Clemson University charged \$50 to Randy's Towing, LLC for towing a victim's stolen golf cart. Based on our understanding of Section 14-1-208(D) of the South Carolina Code of Laws, as amended, and Court Administration Memorandum, Attachment L, we determined the expenditure to be unallowable.

The University's Victim Advocate stated he was unaware this was an unallowable expenditure.

Section 14-1-208(D) of the 1976 South Carolina Code of Laws, as amended, states, "The revenue retained by the county 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; specifically, those service requirements that are imposed on local law enforcement, local detention facilities, prosecutors, and the summary courts." In addition, the South Carolina Court Administration Memorandum, Attachment L, dated June 30, 2011, and the South Carolina Victim Service Coordinating Council, Approved Guide for Expenditures of Monies Collected for Crime Victim Service in Municipalities and Counties, effective January 2010, set forth guidelines for expenditures of monies collected for crime victim services.

We recommend Clemson University reimburse the victim assistance funds for the unallowable expenditure. We also recommend Clemson University establish and implement policies and procedures to ensure victim assistance revenue is used only for allowable expenditures.

**COURT'S RESPONSE**

January 14, 2013

Richard H. Gilbert, Jr., CPA  
Deputy State Auditor  
Office of the State Auditor  
1401 Main Street, Suite 1200  
Columbia, SC 29201

Re: Clemson University Municipal Court Audit

Dear Mr. Gilbert,

After sharing the preliminary draft copy of the audit report issued by your office with administrative personnel here at the University we would like to submit the following comments in response to your recommendations:

**Municipal Court**

Clemson University  
G01-C Edgar Brown Union  
Clemson, SC  
29634-4016

P 864-656-5258  
F 864-656-7116

1. **TIMELY SUBMISSION OF MUNICIPAL COURT MONTHLY REMITTANCE FORM:** We recommend the Municipal Court implement procedures to ensure the monthly remittance forms are submitted to Clemson University in compliance with State law. We also recommend the Municipal Court implement procedures to document the date of submission. The Court will implement procedures to document the date of submission and to help ensure forms are submitted timely.
2. **TIMELY SUBMISSION OF STATE TREASURER'S REVENUE REMITTANCE FORM:** We recommend Clemson University implement procedures to ensure the STRRF are submitted by the fifteenth day of each month in compliance with State law. The Court will implement procedures to help ensure the forms are submitted timely, however, please be advised that we are still learning the statewide case management system (CMS) and trying to hire permanent clerk staff positions which were vacated immediately after going live with CMS in July 2012.
3. **ACCOUNTING FOR VICTIM ASSISTANCE FUNDS:** We recommend Clemson University reimburse the victim assistance funds for the unallowable expenditure. We also recommend Clemson University establish and implement policies and procedures to ensure victim assistance revenue is used only for allowable expenditures. The victim assistance fund will be reimbursed for the unallowable expenditure. Clemson University will exercise greater caution in expending of these funds to help ensure the purpose is allowable.

Thank you for the opportunity to respond.

Sincerely,



Deborah R. Culler  
Municipal Judge

5 copies of this document were published at an estimated printing cost of \$1.37 each, and a total printing cost of \$6.85. Section 1-11-125 of the South Carolina Code of Laws, as amended requires this information on printing costs be added to the document.