



ALAN WILSON  
ATTORNEY GENERAL

March 18, 2025

Bert O'Rear  
Town of Olar  
PO Box 183  
Olar, SC 29843-0183

Dear Bert O'Rear,

The Office of the Attorney General, Department of Crime Victim Compensation (DCVC), is sending this notice to inform you that we have completed the Follow-up Audit to the Town of Olar State Auditor's Report. A copy of the official report is attached for your review. This is in conformance with Act 96 [PART IV] which requires DCVC to conduct a programmatic review and financial audit on any governmental entity or non-profit organization receiving victim assistance funding to ensure that these crime victim funds are expended in accordance with the law.

Please be advised that all DCVC audits and follow-up reports are public information. I am requesting that you respond to the findings, in writing, within the next ten business days. Please note that, at the end of ten business days, this report will be posted on the DCVC website at <https://www.scag.gov/inside-the-office/crime-victim-services-division/crime-victim-compensation/auditing>.

Should you have any further questions or concerns, please feel free to contact me or Natoya Taylor, Auditor, at 803.734.1900.

Sincerely,

Debbie Curtis, Deputy Director  
Department of Crime Victim Compensation

cc: Walter O'Rear  
Michael O'Rear



**Office of the Attorney General  
Department of Crime Victim  
Compensation**

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June 30, 2014

**Town of Olar Municipal  
Court State Auditor's Report**

June 30, 2016

**Town of Olar Municipal  
Court State Auditor's Report**

April 30, 2019

**Town of Olar Municipal  
Court State Auditor's Report**

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# Contents

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<b>Introduction and Laws</b>	<b>Page</b>
Preface .....	4
Audit Objectives .....	11
Results in Brief .....	11-12
<b>Objective(s), Conclusion (s), Recommendation(s), and Comments</b>	
A. Internal Control Errors.....	14-18
Did the Town of Olar establish written policies and procedures to ensure that internal control errors in the manual ledger system are detected and corrected in a timely manner? Have policies and procedures been distributed to all relevant personnel?	
B. State Treasurer Revenue Remittance Forms.....	19-24
Did the Town of Olar establish written policies and procedures to ensure allocations of court fines, fees and assessments are accurate and reported correctly on the monthly State Revenue Remittance Form?	
C. Accurately classifies errors/adjustments .....	25-28
Did the Town of Olar establish written policies and procedures to ensure the town accurately classifies error(s) and make the necessary adjustment(s) to the town's accounting record? Have policies and procedures been distributed to all relevant personnel?	

D.	State and local ordinance .....	29-32
	Did the Town of Olar establish written policies and procedures to ensure the court adheres to state and local ordinance fine guidelines when sentencing individuals who are found guilty? Have policies and procedures been distributed to all relevant personnel?	
E.	Supplemental Schedule .....	33-36
	Did the Town of Olar establish written policies and procedures to ensure the written amounts reported on the supplemental schedule are accurately reported in accordance with state law? Have policies and procedures been distributed to all relevant personnel?	
F.	Conviction Surcharge .....	37-39
	Did the Town of Olar establish written policies and procedures to ensure conviction surcharge is adequately accessed and collected according to state law? Have policies and procedures been distributed to all relevant personnel?	
G.	Victim Assistance Revenue .....	40-44
	Did the Town of Olar establish written policies and procedures to ensure Victim Assistance revenue is accounted and deposited in a timely manner in accordance with state law? Have policies and procedures been distributed to all relevant personnel?	
H.	Reconciled to the General Ledger .....	45-51
	Did the Town of Olar establish written policies and procedures to ensure that the court docket, and cash receipt book periodically reconciled to the general ledger? Have policies and procedures been distributed to all relevant personnel?	
I.	Three Percent Fee Assessed .....	52-54

Did the Town of Olar implement policies and procedures to ensure the Municipal Court allocates the three percent fee assessed on installment payments in accordance with state law?

J.	Daily Cash Summary Report .....	55-59
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Did the Town of Olar establish written policies and procedures to ensure that monthly reconciliation receipts are summarized in a Daily Cash Summary Report? Have policies and procedures been distributed to all relevant personnel?

<b>Corrective Actions.....</b>	<b>60</b>
<b>Post-Audit Response and Appendix(s) .....</b>	<b>61-65</b>

**Disclaimer:** The recommendations included in sections A thru D in this report were made by the State Auditor's Office. The DCVC follow-up review was based on compliance with the State Auditor's Office recommendations. In addition, all DCVC 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

DCVC – Department of Crime Victim Compensation

SCLEVA – South Carolina Law Enforcement Victim Advocate

VAFFA Fund – Victim Assistance Fines, Fees and Assessment Fund

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## Introduction and Laws

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### PREFACE

This follow-up Programmatic Review and Financial Audit was initiated as a result of the Town of Olar Municipal Court audit completed by the SC State Auditor's Office June 30, 2014, SC State Auditor's Office report dated June 30, 2016, and SC State Auditor's Office April 30, 2019. On April 2, 2024, the Deputy Director of the Department of Crime Victim Compensation (DCVC) issued a letter to the Town of Olar informing them DCVC will conduct a Follow-up Audit Review in regards to the State Auditor's Office Reports dated June 30, 2014, June 30, 2016 and April 30, 2019. The audit was conducted on June 14, 2024.

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### *Governing Laws and Regulations*

#### Act 96 [PART IV]

SECTION 13. B. Chapter 1, Title 14 of the 1976 Code is amended by adding:

- "Section 14-1-211.6. (A) 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) and (D), 14-1-207(B) and (D), 14-1-208(B) and (D), and 14-1-211(B), the State Auditor shall notify the Office of the Attorney General, South Carolina Crime Victim Services Division. The division is authorized to conduct an audit, which must include both a programmatic review and financial audit of any entity or nonprofit organization receiving victim assistance funding, based on the referrals from the State Auditor or complaints of a specific nature received by the division to ensure that crime victim funds are expended in accordance with the law. Guidelines for the expenditure of these funds shall be developed in collaboration with the Victim Services Coordinating Council. The Victim Services Coordinating Council, in collaboration with the director of the division, shall develop these guidelines to ensure any expenditure that meets the parameters of Article 15, Chapter 3, Title 16 is an allowable expenditure.

*Act 96 (cont.)*

(B) Any local entity or nonprofit 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 Office of the Attorney General, South Carolina Crime Victim Services Division within thirty days of the budget's approval by the governing body of the entity or nonprofit organization. Failure to comply with this provision shall cause the division to initiate a programmatic review and a financial audit of the entity's or nonprofit organization's expenditures of victim assistance funds. Additionally, the division will place the name of the noncompliant entity or nonprofit organization on its website, where it shall remain until such time as the noncompliant entity or nonprofit organization is in compliance with the terms of this section.

(C) Any entity or nonprofit organization receiving victim assistance funding must cooperate and provide expenditure and program data requested by the division. If the division finds an error, the entity or nonprofit organization has ninety days to rectify the error. An error constitutes an entity or nonprofit organization spending victim assistance funding on unauthorized items as determined by the division. If the entity or nonprofit organization fails to cooperate with the programmatic review and financial audit or to rectify the error within ninety days, the division shall assess and collect a penalty in the amount of the unauthorized expenditure plus fifteen hundred dollars against the entity or nonprofit organization for improper expenditures. This penalty which includes the fifteen hundred dollars must be paid within thirty days of the notification by the division to the entity or nonprofit organization that the entity or nonprofit organization is in noncompliance with the provisions of this section. All penalties received by the division shall be credited to the general fund of the State. If the penalty is not received by the division within thirty days of the notification, the political subdivision must deduct the amount of the penalty from the entity's or nonprofit organization's subsequent fiscal year appropriation."

**Proviso 59.14**

**59.14. (AG: State Crime Victim Compensation)**

A county or municipality may retain carry forward funds that were collected pursuant to Sections 14 1 206 (B) and (D), 14 1 207 (B) and (D), 14 1 208 (B) and (D), and 14 1 211 (B) of the

1976 Code, but no more than \$25,000 or ten percent of funds collected in the prior fiscal year, whichever is higher. If a county or municipality does not spend at least ninety percent of the funds collected pursuant to Sections 14 1 206 (B) and (D), 14 1 207 (B) and (D), 14 1 208 (B) and (D), and 14 1 211 (B) on Article 16, Chapter 3, Title 16 first priority and/or second priority programs during the fiscal year that the funds are received then the county or municipality shall remit any unspent funds that are greater than the allowed carried forward funds, regardless of the year collected, to the State Victim Assistance Program (SVAP) with the Office of the Attorney General within 120 days after the end of the fiscal year. All funds must be accounted for in the annual audit for each county or municipality.

The State Crime Victim Compensation Department shall offer training and technical assistance to each municipality and county annually on acceptable use of both priority one and priority two funds and funds available for competitive bid.

The State Crime Victim Compensation Department is authorized to transfer to the State Victim Assistance Program any state funds deemed available under Crime Victims Compensation authority to the State Victim Assistance Programs be placed in the competitive bid process.

The State Victim Assistance Program shall offer any funds remitted to it to nonprofit organizations that provide direct victim services on a competitive bid process. These funds may be used by the nonprofit for administrative costs and victim services.

*A county or municipality may be exempt from the remittance requirements of this proviso upon submission of a plan to the State Crime Victim Compensation Department that meets the statutory requirements for the use of funds. A county or municipality must submit the report within 60 days after the end of the fiscal year. The State Crime Victim Compensation Department will review the submitted plan and advise the county or municipality of plan compliance with statutory requirements.*

#### **Proviso 98.9**

#### **98.9 (TREAs: 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.

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 117.51 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  
Title14 [excerpts]***

**Courts – General Provisions**

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

- **Section 14-1-206, subsection(s) A, B & D:** (A) 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. (B) The county treasurer must remit 35.35 percent of the revenue generated by the assessment imposed in the county to be used for the purposes set forth in subsection (D) and 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. (D) All unused funds must be carried forward from year to year and used exclusively for the provision of services for 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.

**SC Code of Law  
Title14 (excerpts cont.)**

- **Section 14-1-207 Subsection(s) A, B & D:** (A) 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. (B) The

county to be used for the purposes set forth in subsection (D) and 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. (D) All unused funds must be carried forward from year to year and used exclusively for the provision of services for 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.

- **Section 14-1-208 Subsection(s) A, B & D:** (A) 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. (B) 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 and make reports on a form and in a manner prescribed by the State Treasurer. (D) All unused funds must be carried forward from year to year and used exclusively for the provision of services for 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.
- **Section 14-1-206,207,208 Subsection(s) E:** To ensure that fines and assessments imposed are properly collected and remitted to the State Treasurer, the annual independent external audit required to be performed for each county and municipality must include a review of the accounting controls over the collection, reporting, and distribution of fines and assessments from the point of collection to the point of distribution and a Uniform Supplemental Schedule Form detailing all fines and assessments collected by the clerk of court for the court of general sessions, magistrate

SC Code of Law  
Title 14 (excerpts cont.)

court of the county and at the court level, the amount remitted to the county and municipal treasurers, and the amount remitted to the State Treasurer.

**Section 14-1-211 Subsection A, B, & D:** (A) 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 magistrates and municipal courts in this State. (B) The revenue collected must be retained by the jurisdiction which heard or processed the case and paid to the city or county treasurer,

- **Section 14-1-211 Subsection A, B, & D:** (B) 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 must be deposited into a separate account for the exclusive use for all activities related to the requirements contained in this provision. For the purpose of funds allocation and expenditure, these funds are a part of the general funds of the city or county. These funds must be appropriated for the exclusive purpose of providing victim services as required by Chapter 3, Article 15 of Title 16; specifically, those service requirements that are imposed on local law enforcement, local detention facilities, prosecutors, and the summary courts. First priority must be given to those victims' assistance programs which are required by Chapter 3, Article 15 of Title 16 and second priority must be given to programs which expand victims' services beyond those required by Chapter 3, Article 15 of Title 16. 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.

(D) (1) The supplementary schedule must include the following elements:

- (a) all surcharges collected by the clerk of court for the general sessions, magistrate's, 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.

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## **Introduction and Legislative**

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### **PRIOR AUDIT RESULTS**

The SC State Legislative Act 96 (Part IV) mandates the Department of Crime Victim Compensation to conduct a Follow-up Audit which shall include both a programmatic review and financial audit of any entity or nonprofit 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 Olar Municipal Court. Therefore, a DCVC follow-up audit was conducted on three State Auditor's Office reports. The first audit was dated June 30, 2014, the second audit was dated June 30, 2016, and finally the third audit was dated on April 30, 2019.

**This Follow-up Audit for the Town of Olar Municipal Court was based on the SC State Auditor's Office initial audit findings and recommendations. (Appendix A, B and C)**

**DCVC Audit Objective was;**

- To determine if all errors and recommendations issued by the SC State Auditor's Office reports dated June 30, 2014, June 30, 2016 and April 30, 2019 were adhered to as required by State laws and regulations.

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### **RESULTS IN BRIEF**

No, all recommendations as outlined in the Town of Olar Municipal Court Auditor's Office Report dated June 30, 2014, June 30, 2016, and April 30, 2019, were not adhered to as required by State law. The Town of Olar failed to remit all policies and procedures requested per the State Auditor's Audits.

According to the State Auditor's Office report dated June 30, 2016, The Town of Olar owed the Victim Assistance fund **\$17,321.13**. This amount represented the sum of the outstanding, undeposited amounts cumulatively through June 30, 2016. After reviewing the bank statements, the DCVC Auditor determined the town had already reimbursed **\$7,002.85** back to the victim assistance fund, which resulted in an outstanding balance of **\$10,318.28**.

On July 18, 2024, the DCVC auditor received a copy of the check via email from the town administrator as supporting documentation the town reimbursed \$10,318.28 to the victim assistance fund.

The DCVC Auditor reviewed bank statements and questioned the Town of Olar about two checks totaling **\$12,000**. The reason the town provided for spending the money was not an allowable expenditure and the town was informed they would need to reimburse the Victim Assistance account. On June 26, 2024, the DCVC Auditor received documentation showing the Victim Assistance fund was reimbursed \$12,000.

As a result of the reimbursement and failure to spend 90% of funds collected and retained, the DCVC Auditor also recommended the Town of Olar for FY16-17, FY17-18, and FY18-19 remit **\$9,630.71** to the State Victim Assistance Program (SVAP) as required per Proviso 59.14. The Town of Olar was notified on July 18, 2024, where to submit SVAP funds. To date the Town of Olar has not remitted payment to SVAP. After funds have been submitted to SVAP, the Town of Olar is required to submit a copy of the check as supporting documentation that funds have been remitted to SVAP.

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

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**A. Internal Control Errors****Objective**

Did the Town of Olar establish written policies and procedures to ensure that internal control errors in the manual ledger system are detected and corrected in a timely manner? Have policies and procedures been distributed to all relevant personnel?

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**Conclusion**

Yes, the Town of Olar established written policies and procedures to ensure that internal control errors in the manual ledger system are detected and corrected in a timely manner. Policies and procedures have been distributed to all relevant personnel.

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**Background**

Town of Olar Municipal Court State Auditor's Report Issued June 30, 2014

Town of Olar Municipal Court State Auditor's Report Issued April 30, 2019

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**Discussion**

The Department of Crime Victim (DCVC) Programmatic Review and Financial Audit is a follow-up audit to the Town of Olar Municipal Court audits issued by the State Auditor's Office dated June 30, 2014, (see Appendix A), June 30, 2016, (see Appendix B), and June 30, 2019 (see Appendix C). The town was mailed a letter dated April 2, 2024, notifying the town's officials of DCVC's intention to conduct a Programmatic Review and Financial Audit of the Victim Assistance Fund.

According to the State Auditor's report dated June 30, 2014, the State Auditor reported fines that amounts were not input into the manual ledger system because docket pages were omitted from the manual ledger system. As a result, fines were not allocated and included on the State Treasurer Revenue Remittance Forms (STRRFs).

- *The Town Clerk/treasurer did not subtract the amount applicable to the surcharge from the total amount received before allocating total amount collected between the fine amount and the assessment amount.*

*This resulted in the surcharge being included with the fine and assessment allocation.*

- *The Town Clerk/treasurer used the “fine allocation” amount instead of the “assessment allocation” amount to calculate the amount to distribute to the State and the Victim Assistance. This resulted in under reporting the State and Victim Assistance share of the total collections.*
- *The manual ledger system totals and manual calculations were not reconciled to source documentation (e.g., cash receipt ledger).*
- *The cash receipt ledger totals did not agree with validated deposit slip totals. (See Reconciling Monthly Collections finding in Section B)*

According to the state audit report dated April 30, 2019, the State Auditor also noted that the STRRFs are prepared using a manual system to calculate the amount of money collected and a mathematical formula to calculate and allocate the fine, assessment and surcharge portions. The State Auditor noted the following errors and omissions in this system:

- *The totals obtained by calculation are not reconciled or verified as complete by comparison with actual amounts deposited or receipted. Also, the system does not calculate amounts to the nearest penny. Instead, amounts are rounded, in some instances incorrectly, which do not produce accurate, reconcilable numbers.*
- *The manual system has allocated a portion of every fine collected to the Criminal Justice Academy \$5 surcharge. This surcharge was discontinued on June 30, 2016.*

The State Auditor recommended that the Town of Olar implement written policies and procedures to ensure internal control errors in the manual ledger system are detected and corrected in a timely manner.

Prior to the site audit visit on June 14, 2024, the DCVC Auditor emailed the town clerk a list of pre-requested audit documents on April 30, 2024. The list included a request for written policies and procedures to ensure that internal control errors in the manual ledger system are detected and corrected in a timely manner. The deadline for submitting the policies and procedures was May 22, 2024. The DCVC Auditor did not receive them by the due date.



On June 14, 2024, during the audit site visit, the DCVC Auditor received policies and procedures from the town administrator. The DCVC Auditor asked the town administrator if the policies and procedures had been distributed to all relevant personnel, and the town administrator confirmed that they had. After reviewing the submitted policies and procedures the DCVC Auditor determined that the town had established policies and procedures.

The towns' policies and procedure state:

#### Elements of Internal Control

##### 1. *Policies and Procedures*

*Management is responsible for the design, development, implementation, and maintenance of an effective system of internal controls within their respective areas of responsibility. Critical processes should be identified and objectives established. Written policies and procedures should include documentation of how transactions and events are to be processed. All policies and procedures will be reviewed and approved by the Town Administrator.*

##### 2. *Control of Assets*

- A. *Access to assets whether monetary or physical should be restricted to personnel in accordance with management's authorization.*
- B. *The Town Administrator is responsible for managing and safeguarding all physical assets in the areas of land, buildings, machinery and equipment, and infrastructure. Acquisition and disposition procedures are outlined in the Capital Asset Policy of the Town.*

*Fixed assets, with the exception of land, buildings and infrastructure, valued at \$15,000 and above are recorded in the fixed asset software system. Land, buildings and infrastructure valued at \$25,000 and above are recorded.*

- C. *Periodically the Finance Department conducts an inventory of all fixed assets. Discrepancies are investigated and adjusted. The inventory serves two purposes; to ensure the accuracy of fixed asset information reported for the annual financial report and for insurance purposes.*

- D. *Critical software systems are protected by passwords. All users of the accounting software of the Town are given limited access rights by the Town Administrator. Rights are limited to areas needed to perform job duties.*
- E. *Daily backups are made of the critical operating systems by tape backup and SAN snapshots. In addition, an off-site, third party contractor records this information each night.*
- F. *The Town utilizes digital printing for disbursement checks. The check stock is completely blank. The digital printing places the check imprint and signatures on the check stock. Only authorized personnel are allowed to release disbursement checks and must be reviewed by at least two authorized personnel prior to release.*
- G. *Cash receipts received through the mail should be safeguarded to ensure all payments received in the mail have been properly recorded. The Finance Clerks are*

5. *Monitoring*

*Management should assess the effectiveness of its policies and procedures on a regular basis.*

6. *Control Deficiency*

*This condition exists when the internal control design does not allow management to detect or prevent misstatement on a timely basis. Such control deficiencies may be further classified as either "significant" or "material." A significant deficiency is a control deficiency that adversely affects the municipality's ability to initiate, authorize, record, process, or report financial data in accordance with GAAP.*

*A material weakness is a significant deficiency that results in the likelihood that a material misstatement of the financial statements will not be prevented or detected.*

*The difference between the control deficiency classes, significant deficiency and a material weakness is the likelihood and magnitude of the misstatement that could potentially occur.*

7. *Fraud*

*Deception intended to result in financial or personal gain can hinder and sometimes cripple an organization from meeting its objectives. Weak internal controls facilitate fraud by providing opportunity.*

*Financial stress, addiction, dissatisfaction with work environment, and pathologies are some factors that can motivate an employee to commit a fraudulent act against his employer. Fraud is not only costly monetarily but undermines confidence in the organization.*

The Town of Olar has established written policies and procedures to ensure internal control errors in the manual ledger system are detected and corrected in a timely manner. Policies and procedures have been distributed to all relevant personnel. As a result, the town is compliant with the State Auditor's recommendation.

### **Recommendations**

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#### **No Recommendations**

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

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**B. State Treasurer Revenue Remittance Forms****Objective**

Did the Town of Olar establish written policies and procedures to ensure allocations of court fines, fees and assessments are accurate and reported correctly on the monthly State Revenue Remittance Form?

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**Conclusion**

No, the Town of Olar has not established written policies and procedures to ensure that allocations of court fines, fees and assessments are accurate and reported correctly on the monthly State Revenue Treasurer Remittance Form. Policies and procedures have not been distributed to all relevant personnel.

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**Background**

South Carolina Code of Laws 14-1-208(A)

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

South Carolina Code of Laws 14-1-220

Town of Olar Municipal Court State Auditor's Report Issued  
June 30, 2014

Town of Olar Municipal Court State Auditor's Report Issued  
June 30, 2016

Town of Olar Municipal Court State Auditor's Report Issued  
April 30, 2019

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**Discussion**

The Department of Crime Victim (DCVC) Programmatic Review and Financial Audit is a follow-up audit to the Town of Olar Municipal Court audits issued by the State Auditor's Office dated June 30, 2014, (see Appendix A), June 30, 2016, (see Appendix B), and June 30, 2019 (see Appendix C). The town was mailed a letter dated April 2, 2024, notifying the town's officials of DCVC's intention to conduct a Programmatic Review and Financial Audit of the Victim Assistance Fund. In a State Auditor report dated June 30, 2014, the State Auditor reported:

*The Clerk of Court did not submit one of the twelve State Treasurer's Revenue Remittance Forms (STRRF) timely to the State Treasurer. The STRRF was submitted six days late.*

*Section 14-1-208(A) of the 1976 South Carolina Code of Laws, as amended, states "...This assessment must be paid to the municipal clerk of court and deposited with the city treasurer for remittance to the State Treasurer." 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.*

*The Town Clerk/treasurer stated that her workload priorities that month did not permit her to submit the STRRF timely in accordance with Section 14-1-208(B).*

*Based on the tests performed I determined that the underlying calculations used to prepare the monthly STRRF included systemic errors. As a result I performed an analysis of data to determine the cumulative amount underreported by the Town during the period July 1, 2013 through June 30, 2014 and determined the Town underreported the following amounts:*

STRRF LINE	DESCRIPTION	
K.	Municipal Law Enforcement Surcharge - \$25 per case	\$ 2,125.00
KA.	Municipal LE Surcharge - \$5	425.00
L.	Municipal Court -107.5%	<u>1,166.14</u>
M.	TOTAL REVENUE DUE TO STATE TREASURER	<u>3,716.14</u>
	RETAINED BY MUNI FOR VICTIM SERVICES	
N.	Assessments - Municipal	<u>114.69</u>
P.	TOTAL RETAINED FOR VICTIM SERVICES	<u>\$ 114.69</u>

The State Auditor stated under reporting on the State Treasurer's Revenue Remittance Forms in the June 30, 2016, audit:

*I noted that the State Treasurer's Revenue Remittance Forms [STRRF] are prepared using a manual system to tabulate the amount of money collected and a mathematical formula to calculate and allocate the fine, assessment and surcharge portions. I noted the following errors and omissions in this system:*

A. *The totals obtained by tabulation and calculation are not reconciled or verified that they are complete by comparison with actual amounts deposited or receipted. See Reconciling Monthly Collections finding in Section B below.*

- *The surcharge portion is calculated by manually summing the receipts for ticket collections and multiplying it by the surcharge amount. The sum is not compared or verified with a check figure, i.e. a list of the relevant receipt numbers, to determine completeness.*

- *The fine allocation percentage is used instead of the assessment allocation percentage to further allocate the remaining fine and assessment portion into the assessment portion, prior to allocating the assessment portion into the State's share and the Victim Assistance share of the assessment. This results in under reporting the State and Victim Assistance share of the total collections and over reporting the Town's fine portion.*

*Section 14-1-220 of the 1976 South Carolina Code of Laws, as amended, states, 'Each...municipal clerk of court or other person who receives monies from the cost of court assessments in criminal or traffic cases in the municipal courts shall transmit all these monies to the Office of the State Treasurer.' The STTRF instructions further provide that 100% of collections be reported in their respective line items. The Clerk/Treasurer stated this manual system is a legacy system and the Town appreciates any suggestions for improvement.*

*As reported in the finding Manual System Errors and Omissions, the Town erred in preparing the monthly STTRF to the State Treasurer. I tested the completeness and accuracy of STTRF for the period July 2014 through June 2016. Based on the tests performed, I determined the Town underreported the following amounts for that period:*

STTRF LINE	DESCRIPTION	
F.	Municipal DUS DPS Pullout - \$100	(100.00)
K.	Municipal Law Enforcement Surcharge - \$25 per case	425.00
KA.	Municipal LE Surcharge - \$5	140.00
L.	Municipal Court -107.5%	<u>8,570.50</u>
M.	TOTAL REVENUE DUE TO STATE TREASURER RETAINED BY MUNI FOR VICTIM SERVICES	<u>9,035.50</u>
N.	Assessments - Municipal	<u>1,062.66</u>
P.	TOTAL RETAINED FOR VICTIM SERVICES	\$ <u>1,062.66</u>

In a State Auditor report dated April 30, 2019, the State Auditor reported:

*The STRRF are prepared using a manual system to calculate the amount of money collected and a mathematical formula to calculate and allocate the fine, assessment and surcharge portions. I noted the following errors and omissions in this system:*

- *The totals obtained by calculation are not reconciled or verified as complete by comparison with actual amounts deposited or receipted. Also, the system does not calculate amounts to the nearest penny. Instead, amounts are rounded, in some instances incorrectly, which do not produce accurate, reconcilable numbers.*
- *The manual system has allocated a portion of every fine collected to the Criminal Justice Academy \$5 surcharge. This surcharge was discontinued on June 30, 2016.*
- *One STRRF was submitted nine days late.*
- *The Clerk underreported the STRRF Line L by \$60 for one month due to a miscalculation*

*The Town deposited Victims Assistance collections for the procedures period in one deposit at period end. The Department of Crime Victims Compensation recommends a minimum of quarterly deposits and suggests deposits be made monthly. The deposit was \$391.25 less than the sum of the undeposited STTRF amounts.*

### ***Calculation of Over/(Under) Reported Amounts***

- *I obtained copies of monthly State Treasurer Revenue Remittance Forms for the 36 month period ended April 30, 2019, which the Town prepared and submitted to the Office of the State Treasurer. I calculated the amount over/(under) reported by the Municipality by category. For this calculation, I did not correct rounding errors indicated in findings above and ignored Criminal Justice Academy assessments on pre July 1, 2016 ticket collections during the procedures period.*

STRRF LINE	DESCRIPTION	
F.	Municipal DUS DPS Pullout - \$100	(300.00)
KA.	Municipal CJA Surcharge - \$5	6,075.00
L.	Municipal Court -107.5%	<u>(2,856.05)</u>
M.	TOTAL REVENUE DUE TO MUNICIPALITY	<u>2,918.95</u>
	RETAINED BY MUNI FOR VICTIM SERVICES	
N.	Assessments - Municipal	<u>(742.49)</u>
P.	TOTAL RETAINED FOR VICTIM SERVICES	\$ <u>(742.49)</u>

Prior to the site audit visit on June 14, 2024, the DCVC Auditor emailed the town clerk a list of pre-requested audit documents on April 30, 2024. The list included a request for written policies and procedures to ensure amounts reported on the supplemental schedule are accurately reported in accordance with state law. The deadline for submitting the policies and procedures was May 22, 2024. The DCVC Auditor did not receive written policies and procedures by the stated due date.

On June 14, 2024, during the audit site visit, the DCVC Auditor asked the town administrator if the town had established written policies and procedures. The town administrator stated that the policies and procedures should be included in the policies documents received by the DCVC Auditor during the site visit. The DCVC Auditor asked the town administrator if policies and procedures had been distributed to all relevant personnel. The town administrator confirmed that policies and procedures have been distributed to all relevant personnel.

## **Recommendations**

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**The DCVC Auditor recommended that the Town of Olar establish written policies and procedures to ensure allocations of court fines, fees and assessments are accurate and reported correctly on the monthly State Revenue Treasurer Remittance Form.**



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

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**C. Accurately classifies errors/adjustments****Objective**

Did the Town of Olar establish written policies and procedures to ensure the town accurately classifies error(s) and make the necessary adjustment(s) to the town's accounting record? Have policies and procedures been distributed to all relevant personnel?

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**Conclusion**

Yes, the Town of Olar implemented written policies and procedures to internal control errors in the manual ledger system are detected and corrected timely. Policies and procedures have been distributed to all relevant personnel.

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**Background**

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

Town of Olar Municipal Court State Auditor's Report Issued  
June 30, 2014

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**Discussion**

The Department of Crime Victim (DCVC) Programmatic Review and Financial Audit is a follow-up audit to the Town of Olar Municipal Court audit issued by the State Auditor's Office dated June 30, 2014. During the audit the State Auditor selected twenty-five cases from the court docket. Based on the procedures performed the State Auditor determined that the Town Clerk/treasurer misclassified one offense, "False Information to Police" offense, as a traffic offense. As a result, the defendant was not assessed the conviction surcharge by the Town Clerk/treasurer and the fine and fee assessment allocation was incorrect. The Town Clerk/treasurer did not realize this offense was criminal and not traffic and therefore did not assess the defendant the criminal conviction surcharge.

- South Carolina Code of Laws Section 14-1-211(A)(1) states, "... a twenty-five dollar surcharge is imposed on all convictions obtained in ... municipal court ... . The surcharge must not be imposed on convictions for misdemeanor traffic offenses."

Prior to the site audit visit on June 14, 2024, the DCVC Auditor emailed the town clerk a list of pre-requested audit documents on April 30, 2024. The list included a request for written policies and procedures to ensure that the town accurately classifies error(s) and make the necessary adjustment(s) to the town's accounting record. The deadline for submitting the policies and procedures was May 22, 2024. The DCVC Auditor did not receive them by the due date.

On June 14, 2024, during the audit site visit, the DCVC Auditor received policies and procedures from the town administrator. The DCVC Auditor asked the town administrator if the policies and procedures had been distributed to all relevant personnel, and the town administrator confirmed that they had. After reviewing the submitted policies and procedures the DCVC Auditor determined that the town had established policies and procedures.

The towns' policies and procedure state:

*A. Transaction Documentation and Authorization*

- A. Transactions are recorded as necessary to maintain accountability for Town assets and to permit the preparation of financial statements in conformity with generally accepted accounting principles.*
- B. All transactions must be supported by appropriate documentation. The documentation must be complete, accurate and provide for tracing a transaction or event from the source documents, while it is in process, through its completion. The documentation should be readily available for examination.*

*B. Receipts*

- A. A computer generated receipt should be issued for all revenue transactions with the below exceptions for hand-written receipts. These receipts will be issued from a pre-numbered receipt book assigned by the Finance Department.*
- 1) Revenue collected outside the normal business hours and/or office by the Parks and Recreation Department. These include Program revenues, entrance fees, etc. which could be collected after hours and/or at another site. The process is documented and maintained with the Parks and Recreation Policies.*
- 2) Revenue collected at night and on weekends by Municipal Court personnel. This process is documented and maintained with the Municipal Court Policies.*
- B. All funds' cash accounts and receivables are reconciled monthly.*
- C. All voids or adjustments must be approved by the Town Administrator.*
- D. Bank Statements should be reconciled monthly by personnel who generally have no responsibility for handling cash to validate cash balances and reconciliations approved by the Town Administrator. General ledger accounts should be reviewed and/or reconciled monthly as well. The Finance Department will provide budget to actual reports on a monthly basis to management and Town Council. Management should review the reports for discrepancies.*
- E. Investment accounts will be reconciled monthly by the Accounting Supervisor and the reconciliations will be approved by the Town Administrator. The Town Administrator has authority to wire funds into and out of the Town's cash and investments accounts.*

The Town of Olar has established written policies and procedures to ensure accurately classifies error(s) and make the necessary adjustment(s) to the town's accounting record Policies and procedures have been distributed to all relevant personnel. As a result, the town is compliant with the State Auditor's recommendation.

## **Recommendations**

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**No Recommendations**

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

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**D. State and local ordinance fine guidelines****Objective**

Did the Town of Olar establish written policies and procedures to ensure the court adheres to state and local ordinance fine guidelines when sentencing individuals who are found guilty? Have policies and procedures been distributed to all relevant personnel?

**Conclusion**

No, the Town of Olar has not implemented written policies and procedures to ensure the court adheres to state and local ordinance fine guidelines when sentencing individuals who are found guilty.

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**Background**

South Carolina code of laws 56-5-1520(G)

South Carolina code of laws 56-5-2930(A)

South Carolina code of laws 56-1-20

Town of Olar Municipal Court State Auditor's Report Issued June 30, 2014

Town of Olar Municipal Court State Auditor's Report Issued June 30, 2016

Town of Olar Municipal Court State Auditor's Report Issued April 30, 2019

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**Discussion**

The Department of Crime Victim (DCVC) Programmatic Review and Financial Audit is a follow-up audit to the Town of Olar Municipal Court audits issued by the State Auditor's Office dated June 30, 2014, (see Appendix A), June 30, 2016, (see Appendix B), and June 30, 2019 (see Appendix C). The town was mailed a letter dated April 2, 2024, notifying the town's officials of DCVC's intention to conduct a Programmatic Review and Financial Audit of the Victim Assistance Fund.

According to the State Auditor's report dated June 30, 2014:

*During my test of Municipal Court collections and remittances, I noted the following instances in which the Court did not fine the defendant in accordance with State law:*

- *The Court fined nine individuals between \$43.38 and \$81.93 for speeding in excess of the above posted limit but not in excess of ten miles an hour.*
- *The Court fined one individual \$81.93 for speeding in excess of fifteen miles an hour but less than twenty-five miles an hour above the posted limit.*
- *The Court fined one individual \$24.58 for violation of a local traffic ordinance.*

*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; . . .*

*(3) in excess of fifteen miles an hour but less than twenty-five miles an hour above the posted limit by a fine of not less than fifty dollars nor more than seventy-five dollars; . . . ." The Town's local ordinance states "Any person found guilty of violating this ordinance shall be fined not less than fifty dollars and not more than five hundred dollars."*

*The Clerk stated the Court uses the roadside bond amount listed on the ticket, which is based on the local ordinance, instead of using the State fine guidelines. Therefore, when the defendant is charged with a State violation he/she will not be fined in accordance with the applicable State statute. The Clerk could not explain why the fine for the local traffic ordinance violation was not correct.*

During the audit dated June 30, 2016, the state auditor reported:

*During my test of Municipal Court collections and remittances, I noted the following instances in which the Court did not fine the defendant in accordance with State law or local ordinance: The Court fined one individual \$57.83 for speeding in excess of the above posted limit but not in excess of ten miles an hour.*

*Also, the Court fine three individuals \$45.78 for a violation of a local traffic ordinance. 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 local ordinance states “Any person found guilty of violating this ordinance shall be fined not less than fifty dollars and not more than five hundred dollars.” The Clerk stated the Court was lenient and reduced these fines. However, they were reduced below the minimum fine in accordance with State law and local ordinance.*

Lastly, the state auditor reported in the audit on April 30, 2019:

*The Court fined one defendant \$28.91 for speeding in excess of the above posted limit but not in excess of ten miles an hour and also fined three defendants amounts ranging from \$77.10 to \$93.97 for speeding in excess of 15 mph but not in excess of 25 mph over the posted limit. Section 56-5-1520(G) of the 1976 South Carolina Code of Laws, as amended, sets the maximum fines at \$25 and \$75, respectively.*

*The Clerk stated that the judge had changed the fine during sentencing for two of the fines and the other two fines were incorrect due to rounding errors.*

*The Court fined one defendant \$299.75 for Driving Under Suspension [DUS]. Section 56-5-2930(A) of the 1976 South Carolina Code of Laws, as amended, states, “A person who violates the provisions of this section... must be punished as follows: (1) ... for a first offense, by a fine of three hundred dollars... ”.*

*The Clerk stated that the fine was incorrect due to a rounding error. The Court fine one defendant \$36.14 for No Driver's License in Possession. Section 56-1-20 of the 1976 South Carolina Code of Laws, as amended, sets the fine range at \$50 - \$100. The Clerk stated that the judge had reduced the fine during sentencing.*

Prior to the site audit visit on June 14, 2024, the DCVC Auditor emailed the town clerk a list of pre-requested audit documents on April 30, 2024. The list included a request for written policies and procedures to ensure the court adheres to state and local ordinance fine guidelines when sentencing individuals who are found guilty. The deadline for submitting the policies and procedures was May 22, 2024. The DCVC Auditor did not receive written policies and procedures by the stated due date.

On June 14, 2024, during the audit site visit, the DCVC Auditor asked the town administrator if the town had established written policies and procedures to ensure the court adheres to state and local ordinance fine guidelines when sentencing individuals who are found guilty? The town administrator stated that the policies and procedures should be included in the policies documents received by the DCVC Auditor during the site visit. The DCVC Auditor asked the town administrator if policies and procedures had been distributed to all relevant personnel. The town administrator confirmed that policies and procedures have been distributed to all relevant personnel.

After reviewing the submitted policies and procedures the DCVC Auditor determined that Victim Assistance policies and procedures were not included. The DCVC Auditor sent the town administrator and the town clerk sample policies and procedures on August 15, 2024, and requested the required documents be submitted on or before August 22, 2024. DCVC Auditor did not receive the requested documents by the due date.

## **Recommendations**

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**The DCVC Auditor recommended that the Town of Olar establish written policies and procedures to ensure the court adheres to state and local ordinance fine guidelines when sentencing individuals who are found guilty.**



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

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**E. Supplemental Schedule****Objective**

Did the Town of Olar establish written policies and procedures to ensure the written amounts reported on the supplemental schedule are accurately reported in accordance with state law? Have policies and procedures been distributed to all relevant personnel?

**Conclusion**

No, the Town of Olar has not established written policies and procedures to ensure that the written amounts reported on the supplemental schedule are accurately reported per state law. Policies and procedures have not been distributed to all relevant personnel.

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**Background**

South Carolina code of laws 14-1-208(E)

South Carolina code of laws Section 14-1-211(D)(2)

Town of Olar Municipal Court State Auditor's Report Issued June 30, 2014

Town of Olar Municipal Court State Auditor's Report Issued June 30, 2016

Town of Olar Municipal Court State Auditor's Report Issued April 30, 2019

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**Discussion** The Department of Crime Victim (DCVC) Programmatic Review and Financial Audit is a follow-up audit to the Town of Olar Municipal Court audits issued by the State Auditor's Office dated June 30, 2014, (see Appendix A), June 30, 2016, (see Appendix B), and June 30, 2019 (see Appendix C). The town was mailed a letter dated April 2, 2024, notifying the town's officials of DCVC's intention to conduct a Programmatic Review and Financial Audit of the Victim Assistance Fund.

According to the State Auditor's report dated June 30, 2014, the State Auditor reported the following:

*I was provided a copy of the Town's financial statements for the year ended April 30, 2013 which contained a schedule of court fines, assessments and surcharges. The Town could not provide documentation supporting the amounts reported on the supplementary schedule. The independent auditor expressed a disclaimer of opinion on the Town's financial statement because of completeness concerns therefore the auditor's report did not include an in-relation-to opinion on the schedule of fines, assessments and surcharges.*

*In addition, the supplementary schedule did not include information regarding Victim Assistance funds.*

*Section 14-1-208( E ) of the 1976 South Carolina Code of Laws, as amended, states, "(1) To the extent that records are made available in the format determined pursuant to subsection (E)(4), the supplementary schedule must include the following elements: . . . ." The Clerk/treasurer stated that the auditor had prepared the schedule and had not left a reconciliation with the Town to show how the numbers included on the supplementary schedule reconciled to the revenue remittances or the general ledger.*

*The Clerk further stated she was unaware of any aggregate accounting for Victim Assistance funds.*

In a state auditor report dated June 30, 2016, the State Auditor reported the following:

*I was provided the Town's financial statements for the year ended April 30, 2015 which contained a schedule of court fines, assessments and surcharges. The Town could not provide support for any of the information contained in the schedule. The Town received a disclaimer of opinion on its financial statement because of completeness concerns therefore there was no in-relation-to opinion on the schedule of fines, assessments and surcharges. The schedule did not include any information regarding Victim Assistance funds.*

*Section 14-1-208( E ) of the 1976 South Carolina Code of Laws, as amended, states, "(1) To the extent that records are made available in the format determined pursuant to subsection (E)(4), the supplementary schedule must include the following elements: . . . ." and (E)(2) also states*

*"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.."*

*The Clerk/treasurer stated that the auditor had prepared the schedule and had not provided a reconciliation to the Town to show how the numbers reconciled to the revenue remittances or the general ledger. The Clerk further stated she was unaware of any aggregate accounting for Victim Assistance funds. I recommend the Town implement procedures to ensure that amounts reported on the supplementary schedule are accurately reported in accordance with State law, the auditor is informed regarding the required opinion and that an aggregate accounting for Victim Assistance funds be developed.*

Per the state auditor's audit dated April 30, 2019:

*I was provided the Town's financial statements for the year ended April 30, 2017, the latest available audited statement, which contained a schedule of court fines, assessments and surcharges. The Town received a disclaimer of opinion on its financial statement because of completeness concerns; therefore, there was no in-relation-to opinion on the schedule of fines, assessments and surcharges as required by Section 14-1-211(D)(2) of the 1976 South Carolina Code of Laws, as amended.*

Prior to the site audit visit on June 14, 2024, the DCVC Auditor emailed the town clerk a list of pre-requested audit documents on April 30, 2024. The list included a request for written policies and procedures to ensure amounts reported on the supplemental schedule are accurately reported in accordance with state law. The deadline for submitting the policies and procedures was May 22, 2024. The DCVC Auditor did not receive written policies and procedures by the stated due date.

On June 14, 2024, during the audit site visit, the DCVC Auditor asked the town administrator if the town had established written policies and procedures to ensure written amounts reported on the supplemental schedule are accurately reported in accordance with state law. The town administrator stated that the policies and procedures should be included in the policies documents received by the DCVC Auditor during the site visit.

The DCVC Auditor asked the town administrator if policies and procedures had been distributed to all relevant personnel. The town administrator confirmed that policies and procedures have been distributed to all relevant personnel.

After reviewing the submitted policies and procedures, the DCVC Auditor determined that policies and procedures to ensure amounts reported on the supplemental schedule are accurately reported were not included. The DCVC Auditor sent the town administrator and the town clerk sample policies and procedures on August 15, 2024, and requested the required documents be submitted on or before August 22, 2024. DCVC Auditor did not receive the requested documents by the due date.

### **Recommendations**

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**The DCVC Auditor recommended that the Town of Olar establish written policies and procedures to ensure amounts reported on the supplementary schedule are accurately reported in accordance with State law.**

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

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**F. Conviction Surcharge****Objective**

Did the Town of Olar establish written policies and procedures to ensure conviction surcharge is adequately assessed and collected according to state law? Have policies and procedures been distributed to all relevant personnel?

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**Conclusion**

No, the Town of Olar has not implemented written policies and procedures to ensure the conviction surcharge is adequately assessed and collected according to state law.

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**Background**

South Carolina code of laws 14-1-211(A)(1)

Town of Olar Municipal Court State Auditor's Report Issued  
June 30, 2014

Town of Olar Municipal Court State Auditor's Report Issued  
June 30, 2016

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**Discussion**

The Department of Crime Victim (DCVC) Programmatic Review and Financial Audit is a follow-up audit to the Town of Olar Municipal Court audits issued by the State Auditor's Office dated June 30, 2014, (see Appendix A), June 30, 2016, (see Appendix B), and June 30, 2019 (see Appendix C). The town was mailed a letter dated April 2, 2024, notifying the town's officials of DCVC's intention to conduct a Programmatic Review and Financial Audit of the Victim Assistance Fund.

The state auditor reported the following in the audit dated June 30, 2014:

*I selected twenty-five cases from the court docket. Based on the procedures performed I determined that the Town Clerk/treasurer misclassified one offense, "False Information to Police" offense, as a traffic offense.*

*As a result, the defendant was not assessed the conviction surcharge by the Town Clerk/treasurer and the fine and fee assessment allocation was incorrect. South Carolina Code of Laws Section 14-1-211(A)(1) states, "... a twenty-five dollar surcharge is imposed on all convictions obtained in ... municipal court ... . The surcharge must not be imposed on convictions for misdemeanor traffic offenses." The Town Clerk/treasurer did not realize this offense was criminal and not traffic and therefore did not assess the defendant the criminal conviction surcharge.*

The state auditor also reported in the June 30, 2016, audit:

- *The surcharge portion is calculated by manually summing the receipts for ticket collections and multiplying it by the surcharge amount. The sum is not compared or verified with a check figure, i.e. a list of the relevant receipt numbers, to determine completeness.*
- *The fine allocation percentage is used instead of the assessment allocation percentage to further allocate the remaining fine and assessment portion into the assessment portion, prior to allocating the assessment portion into the State's share and the Victim Assistance share of the assessment. This results in under reporting the State and Victim Assistance share of the total collections and over reporting the Town's fine portion.*

Prior to the site audit visit on June 14, 2024, the DCVC Auditor emailed the town clerk a list of pre-requested audit documents on April 30, 2024. The list included a request for written policies and procedures to ensure the conviction surcharge is adequately assessed and collected according to state law. The deadline for submitting the policies and procedures was May 22, 2024. The DCVC Auditor did not receive written policies and procedures by the stated due date.

On June 14, 2024, during the audit site visit, the DCVC Auditor asked the town administrator if the town had established written policies and procedures to ensure conviction surcharge is adequately assessed and collected according to state law. The town administrator stated that the policies and procedures should be included in the policies documents received by the DCVC Auditor during the site visit. The DCVC Auditor asked the town administrator if policies and procedures had been distributed to all relevant personnel.

The town administrator confirmed that policies and procedures had not been distributed to all relevant personnel.

After reviewing the submitted policies and procedures, the DCVC Auditor determined that conviction surcharge policies and procedures were not included. The DCVC Auditor sent the town administrator and the town clerk sample policies and procedures on August 15, 2024, and requested the required documents be submitted on or before August 22, 2024. DCVC Auditor did not receive the requested documents by the due date.

### **Recommendations**

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**The DCVC Auditor recommended that the Town of Olar establish written policies and procedures to ensure conviction surcharge is adequately assessed and collected according to state law.**

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

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**G. Victim Assistance Revenue****Objective**

Did the Town of Olar establish written policies and procedures to ensure Victim Assistance revenue is accounted and deposited in a timely manner in accordance with state law? Have policies and procedures been distributed to all relevant personnel?

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**Conclusion**

No, the Town of Olar has not established written policies and procedures to ensure Victim Assistance revenue is accounted and deposited in a timely manner in accordance with state law?

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**Background**

South Carolina code of laws 14-1-211(B)

South Carolina code of laws 14-1-208(D)

Town of Olar Municipal Court State Auditor's Report Issued  
June 30, 2014

Town of Olar Municipal Court State Auditor's Report Issued  
June 30, 2016

Town of Olar Municipal Court State Auditor's Report Issued  
April 30, 2019

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**Discussion**

The Department of Crime Victim (DCVC) Programmatic Review and Financial Audit is a follow-up audit to the Town of Olar Municipal Court audits issued by the State Auditor's Office dated June 30, 2014, (see Appendix A), June 30, 2016, (see Appendix B), and June 30, 2019 (see Appendix C). The town was mailed a letter dated April 2, 2024, notifying the town's officials of DCVC's intention to conduct a Programmatic Review and Financial Audit of the Victim Assistance Fund.

In a state auditor report dated June 30, 2014, and June 30, 2016, the State Auditor reported the following:



- *The Town has established a separate bank account for Victim Assistance funds as required by State law however, there is no aggregate accounting for the cumulative fund balance. In addition, the Town Clerk/treasurer could not provide information that is required to be presented on the schedule of fines, assessments and surcharges nor could she provide the aggregate victim assistance fund balance.*
- *The supplementary schedule of court fines, fees and assessments, reported in the Town's April 30, 2013 audited financial statements did not report Victim Assistance revenues or expense.*
- *The Town does not deposit receipts related to Victim Assistance funds monthly.*
- *The Town's last deposit made to the Victim Assistance bank account was December 2012. Based on the procedures performed I determined that the Town owes the Victim Assistance account \$9,015.97 representing allocations from fines, fees and assessments from January 2013 through June 2014.*

*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." Also Section 14-1-208(D) states "All unused funds must be carried forward from year to year."*

*The Clerk/treasurer stated the Town's cash flow prevented them from depositing the amounts due to Victim Assistance timely.*

In the state auditor report dated June 30, 2016 audit, also reported:

- *Information regarding Victim Assistance revenues or expense was not contained in the schedule of fines, assessments and surcharges.*
- *The Town does not deposit Victim Assistance funds monthly.*
- *The Town's last deposit allocable to Victim Assistance in the Victim Assistance bank account was cumulative through December 2012 with additional sporadic deposits thereafter.*

*The Town owes Victim Assistance \$17,321.13 representing the sum of the outstanding, undeposited amounts cumulatively through June 30, 2016.*

*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." Also Section 14-1-208(D) states "All unused funds must be carried forward from year to year."*

In a state auditor report dated June 30, 2019, the State Auditor reported the following:

*The Town deposited Victims Assistance collections for the procedures period in one deposit at period end. The Department of Crime Victims Compensation recommends a minimum of quarterly deposits and suggests deposits be made monthly. The deposit was \$391.25 less than the sum of the undeposited STTRF amounts.*

Prior to the site audit visit on June 14, 2024, the DCVC Auditor emailed the town clerk a list of pre-requested audit documents on April 30, 2024. The list included a request for written policies and procedures to ensure Victim Assistance revenue is accounted for and deposited in a timely manner in accordance with state law. The deadline for submitting the policies and procedures was May 22, 2024. On June 6, 2024, the DCVC Auditor received some Revenue Remittance forms and bank statements. The DCVC Auditor did not receive written policies and procedures by the stated due date.

On June 14, 2024, during the audit site visit, the DCVC Auditor asked the town administrator if the town had established written policies and procedures to ensure Victim Assistance revenue is accounted for and deposited in a timely manner in accordance with state law. The town administrator stated that the policies and procedures should be included in the policies documents received by the DCVC Auditor during the site visit.

The DCVC Auditor asked the town administrator if policies and procedures had been distributed to all relevant personnel. The town administrator confirmed that policies and procedures have been distributed to all relevant personnel.

During the site visit, the DCVC Auditor questioned the town administrator about two checks that had been issued from the victim assistance account, totaling \$12,000. After receiving the explanation regarding the checks, the DCVC Auditor informed the town administrator the expenditure was unallowable and that the town was required to reimburse the victim assistance fund \$12,000.

On June 26, 2024, the DCVC Auditor received a copy of a check showing that the Town of Olar had reimbursed the victim assistance fund for \$12,000. The DCVC Auditor then inquired about an additional reimbursement of \$17,321.13 that was notated in the State Auditor's audit on June 30, 2016. After reviewing the bank statements, the DCVC Auditor determined the town had already reimbursed \$7,002.85 back to the victim assistance fund. The DCVC Auditor informed the town administrator that the reimbursement amount was \$10,318.28. The town administrator stated he would need to inform the town council.

On July 8, 2024, the DCVC Auditor received a call from the town administrator stating the town council agreed to reimburse the victim assistance fund. On July 8, 2024, the DCVC Auditor called and notified the town administrator that, in accordance with Proviso 59.14, the town is required to remit \$9,630.71 to the State Victim Assistance Program (SVAP). A follow-up email was also sent to the town and the town administrator.

On July 18, 2024, the DCVC auditor received a copy of the check via email from the town administrator as supporting documentation the town reimbursed \$10,318.28 to the victim assistance fund.

The DCVC Auditor also received an email on July 18, 2024, from the town administrator inquiring about where to remit SVAP funds. The DCVC Auditor emailed the contact information to the town administrator.

On September 9, 2024, the DCVC Auditor contacted the town clerk to discuss policies and procedures.

The town clerk directed the DCVC Auditor to the town administrator for further information regarding policies.

The clerk also asked where the SVAP funds should be remitted. The DCVC Auditor referred the clerk to the email sent on July 8, 2024. The town clerk acknowledged that he must have missed that email.

After reviewing the submitted policies and procedures, the DCVC Auditor determined that Victim Assistance policies and procedures were not included. The DCVC Auditor sent the town administrator and the town clerk samples of policies and procedures on August 15, 2024, and requested the required documents be submitted on or before August 22, 2024. DCVC Auditor did not receive the requested documents by the due date or supporting documentation showing a repayment to SVAP.

### **Recommendations**

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**The DCVC Auditor recommended that the Town of Olar establish written policies and procedures to ensure Victim Assistance revenue is accounted for and deposited in a timely manner in accordance with State law and distribute them to all relevant personnel.**

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

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**H. Reconciled to the General Ledger****Objective**

Did the Town of Olar establish written policies and procedures to ensure that the court docket, and cash receipt book are periodically reconciled to the general ledger? Have policies and procedures been distributed to all relevant personnel?

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**Conclusion**

Yes, the Town of Olar has established written policies and procedures to ensure that the court docket and cash receipt book are regularly reconciled with the general ledger. Policies and procedures have been distributed to all relevant personnel.

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**Background**

Town of Olar Municipal Court State Auditor's Report Issued June 30, 2014

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**Discussion**

The Department of Crime Victim (DCVC) Programmatic Review and Financial Audit is a follow-up audit to the Town of Olar Municipal Court audits issued by the State Auditor's Office dated June 30, 2014, (see Appendix A), June 30, 2016, (see Appendix B), and June 30, 2019 (see Appendix C). The town was mailed a letter dated April 2, 2024, notifying the town's officials of DCVC's intention to conduct a Programmatic Review and Financial Audit of the Victim Assistance Fund.

In a State Audit report dated June 30, 2014, the State Auditor noted that the police department keeps separate records for tickets, dispositions, and fine payments. According to the documentation provided by the police department, the town collected \$142,612.75 from July 1, 2013, through June 30, 2014.

In the documentation provided to the State Auditor by the town's clerk/treasurer, it was revealed that the town deposited \$127,154.75 into the court bank account, resulting in a difference of \$15,458.00.

The town uses a receipt book to record court fines, fees, and assessments, and the clerk/treasurer also maintains a manual ledger to record fine receipts, which is used as the source document for preparing the monthly STRRF. However, the State Auditor found that the clerk/treasurer does not reconcile the court docket to the cash receipts book or the manual ledger periodically to ensure that all fines listed on the court docket have been recorded in the receipt book and manual ledger. Additionally, it was noted that the clerk/treasurer does not perform procedures to ensure that the amounts recorded in the general ledger, receipt book, and manual ledger have been deposited in the bank

*Supreme Court Justice Toal issued a court order to county magistrates, dated March 13, 2007. Section II, item C. states, "At the end of each day, all receipts issued shall be totaled, and the total indicated on the Daily Cash Summary Report." Also, Section VI, item F states, "Each month the magistrate court shall reconcile the bank statement to the dockets by adding the total of the disposed traffic docket, the total of the disposed criminal docket, the total pending civil docket, the total of the outstanding bond list, and other monies on deposit. The total of these items should equal the total of the bank account or bank accounts."*

*The Clerk/Treasurer stated this manual system is a legacy system and the Town appreciates any suggestions for improvement.*

The State Auditor recommended that the Town of Olar implement written policies and procedures to ensure that the court docket and cash receipt book are regularly reconciled with the general ledger.

Prior to the site audit visit on June 14, 2024, the DCVC Auditor emailed the town clerk a list of pre-requested audit documents on April 30, 2024. The list included a request for written policies and procedures to ensure that the court docket and cash receipt book are regularly reconciled with the general ledger. The deadline for submitting the policies and procedures was May 22, 2024. The DCVC Auditor did not receive the written policies and procedures by the stated due date.

On June 14, 2024, during the audit site visit, the DCVC Auditor received policies and procedures from the town administrator. The DCVC Auditor asked the town administrator if policies and procedures had been distributed to all relevant personnel, and the administrator confirmed that they had. However, after reviewing the documents, the DCVC Auditor determined that they did not include the policies and procedures necessary to ensure that the court docket and cash receipt book are reconciled with the general ledger. The town administrator was notified, and the updated policies and procedures were received on July 18, 2024.

The towns' policies and procedure state:

1. *Revenues for the Town of Olar are collected from various sources and in multiple locations throughout the Town. Those locations are in the Finance Department, Utility Finance Division, Permitting and Licensing, Planning, Research & Development, Town*

*Court, Police Department, and Recreation facilities. This procedure provides, by location, the means of revenue collection and the process for the received funds to be properly posted to the general ledger and deposited into the bank.*

2. *Receipting of payments in any form exposes the Town to the risk of loss unless the receipting process is well controlled. The following are absolute requirements for receiving payments of any form:*

- a) *Any person making payment to a Town employee must, upon payment, be presented a receipt generated by an automated system of the Town or from an approved pre- numbered receipt book that contains "under-copy" duplicates.*

- b) *If a receipt is given by a Town employee from an approved pre-numbered receipt book that contains "under-copy" duplicates to anyone making payment to the Town, such receipt must be entered as soon as possible into the Town' s automated receipt system but within no more than one business day from the date of the written receipt, unless properly documented and approved by a supervisor.*

*A printed copy of the receipt from the automated system should be provided to the person making payment when possible. Otherwise, the receipt from the automated system should be maintained in the same file with the approved pre-numbered receipt book.*

*Check numbers must be recorded in the receipting software and on the approved pre- numbered receipt from a receipt book, when used.*

- d) The amount of the receipt must agree with the amount of the payment.*
- e) Cash and checks must be held only in a Town provided lockable cash till box or Town provided bank bag in a locked and secure area.*
- t) Two employees must verify that the amount of cash, checks, and credit/debit card payments agree to the total receipts taken, and both employees must initial the cash deposit ticket and seal the deposit ticket and cash in a sealable deposit bag.*
- g) The Finance Department will collect the sealed deposit bag(s), checks, and receipt documentation from departments that do not have their deposit delivered to the Town's bank by a police officer so that a police officer can pick up these various deposits at a central location and deliver the deposits to the bank.*
- h) When the regularly assigned custodian of a cash till box changes and a different employee is assigned as the regular custodian of a cash till, the Finance Department Administrator will send the Finance Director a report of the reconciliation of the cash till, accounting for the total amount assigned to the cash till and the name of the custodian receiving the till box.*

*A. Finance Department Revenue Collection*

*Finance Department Personnel receipt payments for a variety of revenues. These payments may be made by cash, check or money order.*



*The payments are entered by Finance Department Personnel into a QuickBooks Accounting System Batch allowing Finance Department Personnel to specify the Account Code/General Ledger account at the time of entry, and a receipt can be generated for the payee. At the end of the day the user prints, balances, and reconciles to the QuickBooks Accounting System Settlement Report. Once balanced and reconciled, the QuickBooks Accounting System Batch Report is released and printed. The cash is counted by two Finance Department Personnel, recorded on a duplicate deposit slip initialed by both employees, and the cash along with the signed deposit slip is placed into a sealable plastic bank bag for bank deposit. Prior to sealing, the bank bag number is recorded on the deposit slip. The sealed deposit bag is given to one of three designated Finance Department Personnel along with the QuickBooks Accounting System Batch Report. Finance Department Personnel check the deposit bag amount against the report to verify that all amounts agree. The deposit amount is recorded on a Deposit Tracking Form by Finance Department Personnel and placed in a locked cash box in their desk drawer. Finance Department Personnel verify that the check total amount agrees with the QuickBooks Accounting System Batch Report.*

*The checks are scanned and transmitted to the bank through a check scanner for immediate deposit. The debit/credit card settlement report is checked by Finance Department Personnel verifying that the settlement matches the QuickBooks Accounting System Batch Report. The QuickBooks Accounting System Batch is posted to a QuickBooks Accounting System Journal by Finance Personnel which creates the final journal posting to the General Ledger.*

**B. Town Court Revenue Collections**

*Court Personnel receive court fines and fees from the public. These payments may be made by cash, cashier's check, money order or debit/credit card. Payments are entered into the Law Enforcement Computerized Receipting System, and a receipt can be generated for the payee. At the end of each day the Law Enforcement Report and payments are balanced and reconciled by Court Personnel. The payments are entered by Court Personnel into the QuickBooks Accounting System through a batch allowing Court Personnel to specify the Account Code/General Ledger account at the time of entry.*

*The user prints, balances, and reconciles to the QuickBooks Accounting Settlement Report. Once balanced and reconciled, the QuickBooks Accounting System Batch Report is released and printed. The cash is counted by two Court Personnel, recorded on a duplicate deposit slip, initialed by both employees and the cash along with the signed deposit slip is placed into a sealable plastic bank bag for bank deposit. Prior to sealing, the bank bag number is recorded on the deposit slip. The sealed deposit bag is brought to the Finance Department along with the QuickBooks Accounting System Batch Report.*

*Finance Department Personnel check the deposit bag amount against the report verifying that all amounts agree. The deposit amount is recorded on a Deposit Tracking Form by Finance Department Personnel and placed in a locked cash box in their desk drawer. Finance Department Personnel verify that the check total amount agrees with the QuickBooks Accounting System Batch Report.*

*The checks are scanned and transmitted to the bank through a check scanner for immediate deposit. The debit/credit card settlement report is checked by Finance Department Personnel verifying that the settlement matches the QuickBooks Accounting System Batch Report. The QuickBooks Accounting System Batch is posted to a QuickBooks Accounting System Journal by Finance Personnel which creates the final journal posting to the General Ledger.*

The Town of Olar established written policies and procedures to ensure that the court docket and cash receipt book are regularly reconciled with the general ledger. Policies and procedures have been distributed to all relevant personnel. As a result, the town is compliant with the State Auditor's recommendation.

## **Recommendations**

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### **No Recommendations**

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

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**I. Three percent fee assessed****Objective**

Did the Town of Olar implement policies and procedures to ensure the Municipal Court allocates the three percent fee assessed on installment payments in accordance with state law?

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**Conclusion**

No, the Town of Olar has not implemented written policies and procedures to ensure the Municipal Court allocates the three percent fee assessed on installment payments in accordance with state law Policies and procedures have not been distributed to all relevant personnel.

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**Background**

South Carolina code of laws 14-1-209

South Carolina code of laws 14-1-209(C)

South Carolina code of laws 14-17-725

Town of Olar Municipal Court State Auditor's Report Issued  
June 30, 2016

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**Discussion**

The Department of Crime Victim (DCVC) Programmatic Review and Financial Audit is a follow-up audit to the Town of Olar Municipal Court audits issued by the State Auditor's Office dated June 30, 2014, (see Appendix A), June 30, 2016, (see Appendix B), and June 30, 2019 (see Appendix C). The town was mailed a letter dated April 2, 2024, notifying the town's officials of DCVC's intention to conduct a Programmatic Review and Financial Audit of the Victim Assistance Fund.

According to the State Auditor's report dated June 30, 2016, the state auditor noted,

*I noted the Court received installment payments. The manual system does not allocate installment payments on a pro rata basis.*

*The three percent fee was not assessed. 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.*

*The Court Administration Fee Memorandum dated July 7, 2015, states, "The intent of Section 14-1-209(C) is that each installment payment be allocated on a pro rata basis to each applicable fine, assessment, and surcharge." and Section 14-17-725 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's manual calculations do not allocate and the Clerk stated it is Town policy not to charge the three percent.*

The State Auditor recommended that the Municipal Court implement procedures to ensure that installment payments are allocated, and the three percent fee is assessed in accordance with State law.

Prior to the site audit visit on June 14, 2024, the DCVC Auditor emailed the town clerk a list of pre-requested audit documents on April 30, 2024. The list included a request for written policies and procedures to ensure conviction surcharge is adequately assessed and collected according to state law. The deadline for submitting the policies and procedures was May 22, 2024. The DCVC Auditor did not receive them by the due date.

On June 14, 2024, during the audit site visit, the DCVC Auditor asked the town administrator if the town had established written policies and procedures. The town administrator stated that the policies and procedures should be included in the policies documents received by the DCVC Auditor during the site visit. The DCVC Auditor asked the town administrator if policies and procedures had been distributed to all relevant personnel. The town administrator confirmed that policies and procedures have been distributed to all relevant personnel.

After reviewing the submitted policies and procedures the DCVC Auditor determined that three percent fee assessed on installment payments policies and procedures were not included.

The DCVC Auditor sent the town administrator and the town clerk sample policies and procedures on August 15, 2024, and requested the required documents be submitted on or before August 22, 2024. DCVC Auditor did not receive the requested documents by the due date.

### **Recommendations**

**The DCVC Auditor recommended that the Town of Olar establish written policies and procedures to ensure the Municipal Court allocates the three percent fee assessed on installment payments in accordance with state law.**

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

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**J. Daily Cash Summary Report****Objective**

Did the Town of Olar establish written policies and procedures to ensure that monthly reconciliation receipts are summarized in a Daily Cash Summary Report? Have policies and procedures been distributed to all relevant personnel?

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**Conclusion**

Yes, the Town of Olar has established written policies and procedures to ensure that monthly reconciliation receipts are summarized in a Daily Cash Summary Report. Policies and procedures have been distributed to all relevant personnel.

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**Background**

South Carolina code of laws 14-1-220

Town of Olar Municipal Court State Auditor's Report Issued June 30, 2016

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**Discussion**

The Department of Crime Victim (DCVC) Programmatic Review and Financial Audit is a follow-up audit to the Town of Olar Municipal Court audits issued by the State Auditor's Office on June 30, 2014 (see Appendix A), June 30, 2016 (see Appendix B), and June 30, 2019 (see Appendix C). The town received a letter dated April 2, 2024, informing the town's officials of DCVC's intention to conduct a Programmatic Review and Financial Audit of the Victim Assistance Fund.

In a state audit report dated June 30, 2016, the State Auditor noted that the town does not reconcile monthly receipts for collecting fine payments with the payments listed on the docket or with deposits to the court bank account. The total payments collected, allocated, and reported were \$164,747.75, while the amount of ticket collections deposited in the Court bank account was \$168,699.75, resulting in a discrepancy of \$3,952.00 for the procedures period.

The list included a request for written policies and procedures to ensure that monthly reconciliation receipts are summarized into a Daily Cash Summary Report. The deadline for submitting the policies and procedures was May 22, 2024. The DCVC Auditor did not receive them by the due date.

On June 14, 2024, during the audit site visit, the DCVC Auditor received policies and procedures from the town administrator. The DCVC Auditor asked the town administrator if the policies and procedures had been distributed to all relevant personnel, and the town administrator confirmed that they had. However, upon reviewing the documents, the auditor determined that they did not include the policies and procedures necessary to ensure the monthly reconciliation of receipts and the summarization into a Daily Cash Summary Report. The town administrator was notified, and the updated policies and procedures were received on July 18, 2024.

The towns' policies and procedure state:

*Finance Department Personnel receipt payments for a variety of revenues. These payments may be made by cash, check or money order. The payments are entered by Finance Department Personnel into a QuickBooks Accounting System Batch allowing Finance Department Personnel to specify the Account Code/General Ledger account at the time of entry, and a receipt can be generated for the payee. At the end of the day the user prints, balances, and reconciles to the QuickBooks Accounting System Settlement Report. Once balanced and reconciled, the QuickBooks Accounting System Batch Report is released and printed. The cash is counted by two Finance Department Personnel, recorded on a duplicate deposit slip, initialed by both employees, and the cash along with the signed deposit slip is placed into a sealable plastic bank bag for bank deposit. Prior to sealing, the bank bag number is recorded on the deposit slip. The sealed deposit bag is given to one of three designated Finance Department Personnel along with the QuickBooks Accounting System Batch Report. Finance Department Personnel check the deposit bag amount against the report to verify that all amounts agree.*

*The deposit amount is recorded on a Deposit Tracking Form by Finance Department Personnel and placed in a locked cash box in their desk drawer. Finance Department Personnel verify that the check total amount agrees with the QuickBooks Accounting System Batch Report.*

*The checks are scanned and transmitted to the bank through a check scanner for immediate deposit. The debit/credit card settlement report is checked by Finance Department Personnel verifying that the settlement matches the QuickBooks Accounting System Batch Report. The QuickBooks Accounting System Batch is posted to a QuickBooks Accounting System Journal by Finance Personnel which creates the final journal posting to the General Ledger. Court Personnel receive court fines and fees from the public. These payments may be made by cash, cashier's check, money order or debit/credit card. Payments are entered into the Law Enforcement Computerized*

*Receipting System, and a receipt can be generated for the payee. At the end of each day the Law Enforcement Report and payments are balanced and reconciled by Court Personnel. The payments are entered by Court Personnel into the QuickBooks Accounting System through a batch allowing Court Personnel to specify the Account Code/General Ledger account at the time of entry. The user prints, balances, and reconciles to the QuickBooks Accounting Settlement Report. Once balanced and reconciled, the QuickBooks Accounting System Batch Report is released and printed. The cash is counted by two Court Personnel, recorded on a duplicate deposit slip, initialed by both employees and the cash along with the signed deposit slip is placed into a sealable plastic bank bag for bank deposit. Prior to sealing, the bank bag number is recorded on the deposit slip. The sealed deposit bag is brought to the Finance Department along with the QuickBooks Accounting System Batch Report. Finance Department Personnel check the deposit bag amount against the report verifying that all amounts agree. The deposit amount is recorded on a Deposit Tracking Form by Finance Department Personnel and placed in a locked cash box in their desk drawer. Finance Department Personnel verify that the check total amount agrees with the QuickBooks Accounting System Batch Report. The checks are scanned and transmitted to the bank through a check scanner for immediate deposit. The debit/credit card settlement report is checked by Finance Department Personnel verifying that the settlement matches the QuickBooks Accounting System Batch Report. The QuickBooks Accounting System Batch is posted to a QuickBooks Accounting System Journal by Finance Personnel which creates the final journal posting to the General Ledger.*



The Town of Olar has established written policies and procedures to ensure that monthly reconciliation receipts are summarized into a Daily Cash Summary Report. Policies and procedures have been distributed to all relevant personnel. As a result, the town is compliant with the State Auditor's recommendation.

### **Recommendations**

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#### **No Recommendations**

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## Corrective Action

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*Act 96 [Part IV] (C) states:*

*"Any entity or nonprofit organization receiving victim assistance funding must cooperate and provide expenditure and program data requested by the division. If the division finds an error, the entity or nonprofit organization has ninety days to rectify the error. An error constitutes an entity or nonprofit organization spending victim assistance funding on unauthorized items as determined by the division. If the entity or nonprofit organization fails to cooperate with the programmatic review and financial audit or to rectify the error within ninety days, the division shall assess and collect a penalty in the amount of the unauthorized expenditure plus fifteen hundred dollars against the entity or nonprofit organization for improper expenditures. This penalty which includes the fifteen hundred dollars must be paid within thirty days of the notification by the division to the entity or nonprofit organization that the entity or nonprofit organization is in noncompliance with the provisions of this section. All penalties received by the division shall be credited to the general fund of the State. If the penalty is not received by the division within thirty days of the notification, the political subdivision must deduct the amount of the penalty from the entity's or nonprofit organization's subsequent fiscal year appropriation."*

**The Department of Crime Victim Compensation Auditing Department conducted a follow-up audit site visit regarding the State Auditor's reports dated June 30, 2014, June 30, 2016, and April 30, 2019, on June 14, 2024 the site visit was conducted. This follow-up audit report was issued on March 18, 2025.**

**All errors were not corrected; therefore, the DCVC Auditor will be conducting a DCVC follow-up audit to confirm that the policies and procedures have been established and issued to pertinent employees. The DCVC Auditor will also follow up on the town remitting \$9,630.71 to SVAP.**

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## **Appendix(s)**

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**Appendix A – Town of Olar Municipal Court State Auditor’s Report Issued  
June 30, 2014**

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

**STATE AUDITOR'S REPORT  
JUNE 30, 2014**

## **CONTENTS**

	<b><u>PAGE</u></b>
I. OFFICE OF THE STATE AUDITOR TRANSMITTAL LETTER	1
II. INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES	2-4
III. ACCOUNTANT'S COMMENTS	5
<b>SECTION A – VIOLATIONS OF STATE LAWS, RULES OR REGULATIONS</b>	6
TIMELY, ACCURATE REPORTING BY THE CLERK OF COURT	7
Timely Submission	7
Improper Classifications of Offenses	7
Adherence to Fine Guidelines	7
Manual System Errors and Omissions	8
State Treasurer's Revenue Remittance Form Support	9
TIMELY, ACCURATE RECORDING AND REPORTING BY THE TOWN TREASURER	10
Supplementary Schedule	10
VICTIM ASSISTANCE FUNDS	11
UNDER REPORTED AMOUNTS	12
<b>SECTION B – OTHER WEAKNESSES</b>	13
RECONCILING MONTHLY COLLECTIONS	14
SEGREGATION OF DUTIES AND CROSS-TRAINING	15
<b>MUNICIPALITY'S RESPONSE</b>	16



*State of South Carolina*  
*Office of the State Auditor*

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**GEORGE L. KENNEDY, III, CPA**  
**STATE AUDITOR**

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

November 23, 2015

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

The Honorable Edward Freeman, Chief Judge  
Ms. Charlene Morris, Town Clerk/Treasurer  
Town of Olar  
Olar, South Carolina

This report resulting from the application of certain agreed-upon procedures to certain accounting records of the Olar Municipal Court System as of and for the year ended June 30, 2014, was issued by Steven L. Blake, CPA, under contract with the South Carolina Office of the State Auditor.

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

Respectfully submitted,

George L. Kennedy, III, CPA  
State Auditor

GLKIII/cwc

# STEVEN L. BLAKE, CPA

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

November 23, 2015

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

The Honorable Edward Freeman, Chief Judge  
Town of Olar Municipal Court  
Olar, South Carolina

Ms. Charlene Morris, Town Clerk/Treasurer  
Town of Olar  
Olar, South Carolina

I have performed the procedures described below, which were agreed to by the Town of Olar Municipal Court, solely to assist you in evaluating the performance of the Town of Olar Municipal Court for the period July 1, 2013 through June 30, 2014, in the areas addressed. The Town of Olar Municipal Court is responsible for its financial records, internal controls and compliance with State laws and regulations. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Office of the State Auditor and the Town of Olar Municipal Court. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

1. Clerk of Court

- I gained an understanding of the policies and procedures established by the Clerk of Court to determine timely reporting by the Clerk of Court's Office.
- I obtained the court dockets from the Clerk of Court. I randomly selected twenty-five cases from the court dockets and recalculated the fine, fee, assessment and surcharge calculation to determine that the fine, fee, assessment or surcharge was properly allocated in accordance with applicable State law and the South Carolina Court Administration fee memoranda.
- I tested twenty-five randomly selected recorded court receipt transactions to determine that the fine, fee, and/or assessment charge adheres to State law and the South Carolina Court Administration fee memoranda.
- I tested twenty-five randomly selected recorded court receipt transactions to determine that the receipts were allocated in accordance with applicable State law.

The Honorable Nikki R. Haley, Governor  
and  
The Honorable Edward Freeman, Chief Judge  
Ms. Charlene Morris, Town Clerk/Treasurer  
Town of Olar  
November 23, 2015

## 2. Municipal Treasurer

- I gained an understanding of the policies and procedures established by the municipal treasurer to determine timely reporting by the municipality.
- I obtained copies of all court remittance forms or equivalents and tested each monthly remittance form to determine that the forms were completed in accordance with instructions and submitted timely in accordance with State law.
- I verified that amounts reported on the monthly court remittance forms or equivalents agreed to the municipality's support.
- I scanned the municipality's support to determine if the municipality had misclassified fine, fee, assessment, and surcharge receipts.
- I obtained copies of all State Treasurer's Revenue Remittance Forms for the period July 1, 2013 through June 30, 2014. I vouched the amounts reported on the State Treasurer's Revenue Remittance Forms to the court remittance forms or equivalents.
- I verified that the amounts reported by the municipality on its supplemental schedule of fines and assessments agreed to the municipality's general ledger.
- I determined that the Town's supplementary schedule of fines and assessments contained all the required elements in accordance with State law.

My findings as a result of these procedures are presented in Timely, Accurate Recording and Reporting by the Town Treasurer in the Accountant's Comments section of this report.

## 3. Victim Assistance

- I gained an understanding of the policies and procedures established by the municipality to determine proper accounting for victim assistance funds.
- I made inquiries and performed substantive procedures to determine that any funds retained by the municipality for victim assistance were deposited into a separate account.
- I tested selected expenditures to determine that the municipality expended victim assistance funds in accordance with State law and South Carolina Court Administration Fee Memoranda, Attachment L.
- I determined that the municipality reported victim assistance financial activity on the supplemental schedule of fines and assessments in accordance with applicable State law.



The Honorable Nikki R. Haley, Governor  
and  
The Honorable Edward Freeman, Chief Judge  
Ms. Charlene Morris, Town Clerk/Treasurer  
Town of Olar  
November 23, 2015

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

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

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

- I obtained copies of monthly State Treasurer Revenue Remittance Forms and the support for the procedures period ended June 30, 2014 and performed an analysis of the data. I summarized the amounts under reported by the Municipality by category.

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

I was not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on compliance with the collection and distribution of court generated revenue at any level of court for the twelve months ended June 30, 2014 and, furthermore, I was 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, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

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 Olar Council, Town of Olar Clerk of Court, Town of Olar Treasurer, State Treasurer, State Office of Victim Assistance, the Chief Justice, and the Office of the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

*Steven L. Blake, CPA*

**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 determine compliance with State Laws, Rules or Regulations governing court collections and remittances. The procedures agreed to by the entity require that I 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, ACCURATE REPORTING BY THE CLERK OF COURT**

### **Timely Submission**

The Clerk of Court did not submit one of the twelve State Treasurer's Revenue Remittance Forms (STRRF) timely to the State Treasurer. The STRRF was submitted six days late.

Section 14-1-208(A) of the 1976 South Carolina Code of Laws, as amended, states "...This assessment must be paid to the municipal clerk of court and deposited with the city treasurer for remittance to the State Treasurer." 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.

The Town Clerk/treasurer stated that her workload priorities that month did not permit her to submit the STRRF timely in accordance with Section 14-1-208(B).

I recommend the Town implement procedures to ensure STRRF are prepared timely and submitted to the State Treasurer in accordance with State law.

### **Improper Classifications of Offenses**

I selected twenty-five cases from the court docket. Based on the procedures performed I determined that the Town Clerk/treasurer misclassified one offense, "False Information to Police" offense, as a traffic offense. As a result, the defendant was not assessed the conviction surcharge by the Town Clerk/treasurer and the fine and fee assessment allocation was incorrect.

South Carolina Code of Laws Section 14-1-211(A)(1) states, "... a twenty-five dollar surcharge is imposed on all convictions obtained in ... municipal court ... . The surcharge must not be imposed on convictions for misdemeanor traffic offenses."

The Town Clerk/treasurer did not realize this offense was criminal and not traffic and therefore did not assess the defendant the criminal conviction surcharge.

I recommend the Town correct the classification error(s) and make the necessary adjustment(s) to the Town's accounting records, (e.g., Victim Assistance).

### **Adherence to Fine Guidelines**

During my test of Municipal Court collections and remittances, I noted the following instances in which the Court did not fine the defendant in accordance with State law:

- The Court fined nine individuals between \$43.38 and \$81.93 for speeding in excess of the above posted limit but not in excess of ten miles an hour.
- The Court fined one individual \$81.93 for speeding in excess of fifteen miles an hour but less than twenty-five miles an hour above the posted limit.
- The Court fined one individual \$24.58 for violation of a local traffic ordinance.

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; . . .

(3) in excess of fifteen miles an hour but less than twenty-five miles an hour above the posted limit by a fine of not less than fifty dollars nor more than seventy-five dollars; . . . .”

The Town’s local ordinance states “Any person found guilty of violating this ordinance shall be fined not less than fifty dollars and not more than five hundred dollars.”

The Clerk stated the Court uses the roadside bond amount listed on the ticket, which is based on the local ordinance, instead of using the State fine guidelines. Therefore, when the defendant is charged with a State violation he/she will not be fined in accordance with the applicable State statute. The Clerk could not explain why the fine for the local traffic ordinance violation was not correct.

I recommend the Court implement procedures to ensure the Court adheres to State and local ordinance fine guidelines when sentencing individuals who are found guilty.

### **Manual System Errors and Omissions**

The Town Clerk/treasurer prepares the STRRF using a manual ledger system to tabulate the amount of money collected and to manually calculate and allocate the fine, assessment and surcharge portions. I noted the following errors and omissions when testing this manual ledger system:

- Fine amounts were not input into the manual ledger system because docket pages were omitted from the manual ledger system. As a result, fines were not allocated and included on the STRRF.

- The Town Clerk/treasurer did not subtract the amount applicable to the surcharge from the total amount received before allocating total amount collected between the fine amount and the assessment amount. This resulted in the surcharge being included with the fine and assessment allocation.
- The Town Clerk/treasurer used the “fine allocation” amount instead of the “assessment allocation” amount to calculate the amount to distribute to the State and the Victim Assistance. This resulted in under reporting the State and Victim Assistance share of the total collections.
- The manual ledger system totals and manual calculations were not reconciled to source documentation (e.g., cash receipt ledger).
- The cash receipt ledger totals did not agree with validated deposit slip totals. (See Reconciling Monthly Collections finding in Section B)

Section 14-1-220 of the 1976 South Carolina Code of Laws, as amended, states, ‘Each...municipal clerk of court or other person who receives monies from the cost of court assessments in criminal or traffic cases in the municipal courts shall transmit all these monies to the Office of the State Treasurer.’ The STRRF instructions further provide that 100% of collections be reported in their respective line items.

The Clerk/Treasurer stated this manual system is a legacy system and the Town appreciates any suggestions for improvement.

I recommend the Town develop and implement internal controls to ensure that errors in their manual ledger system are detected and corrected timely. In addition I recommend that the Town develop and implement internal controls to ensure that allocations of court fines, fees and assessments are accurate and reported correctly on the monthly STRRF.

### **State Treasurer’s Revenue Remittance Form Support**

I noted several STRRF submitted during the procedures period included an annotation titled “Late”. The Town Clerk/treasurer explained that the term “Late” was annotated on the STRRF to designate a correction related to a prior month’s submission. However, the Town Clerk/treasurer could not provide documentation linking the receipt with the violation. Therefore, I was unable to determine if the receipt and allocation was properly classified and correctly calculated.

Section 14-1-220 of the 1976 South Carolina Code of Laws, as amended, states, 'Each...municipal clerk of court or other person who receives monies from the cost of court assessments in criminal or traffic cases in the municipal courts shall transmit all these monies to the Office of the State Treasurer.' The STRRF instructions further provide that 100% of collections be reported in their respective line items.

The Clerk stated she forgot to include copies of the information used to prepare the STRRF for support.

I recommend the Town Clerk/treasurer retain and attach copies of all documentation supporting amounts reported on the STRRF. If the supporting documentation is not derived directly from the Town's general ledger the STRRF support documentation should include a reconciliation between the Town's general ledger and the support documentation.

### **TIMELY, ACCURATE RECORDING AND REPORTING BY THE TOWN TREASURER**

#### **Supplementary Schedule**

I was provided a copy of the Town's financial statements for the year ended April 30, 2013 which contained a schedule of court fines, assessments and surcharges. The Town could not provide documentation supporting the amounts reported on the supplementary schedule. The independent auditor expressed a disclaimer of opinion on the Town's financial statement because of completeness concerns therefore the auditor's report did not include an in-relation-to opinion on the schedule of fines, assessments and surcharges. In addition, the supplementary schedule did not include information regarding Victim Assistance funds.

Section 14-1-208( E ) of the 1976 South Carolina Code of Laws, as amended, states, "(1) To the extent that records are made available in the format determined pursuant to subsection (E)(4), the supplementary schedule must include the following elements: . . ."

The Clerk/treasurer stated that the auditor had prepared the schedule and had not left a reconciliation with the Town to show how the numbers included on the supplementary schedule reconciled to the revenue remittances or the general ledger. The Clerk further stated she was unaware of any aggregate accounting for Victim Assistance funds.

I recommend the Town implement procedures to ensure that amounts reported on the supplementary schedule are accurately reported in accordance with State law and that an aggregate accounting for Victim Assistance funds be developed.

### **VICTIM ASSISTANCE FUNDS**

During my tests of Court collections and remittances I noted the following:

- The Town has established a separate bank account for Victim Assistance funds as required by State law however, there is no aggregate accounting for the cumulative fund balance. In addition, the Town Clerk/treasurer could not provide information that is required to be presented on the schedule of fines, assessments and surcharges nor could she provide the aggregate victim assistance fund balance.
- The supplementary schedule of court fines, fees and assessments, reported in the Town's April 30, 2013 audited financial statements did not report Victim Assistance revenues or expense.
- The Town does not deposit receipts related to Victim Assistance funds monthly.
- The Town's last deposit made to the Victim Assistance bank account was December 2012. Based on the procedures performed I determined that the Town owes the Victim Assistance account \$9,015.97 representing allocations from fines, fees and assessments from January 2013 through June 2014.

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." Also Section 14-1-208(D) states "All unused funds must be carried forward from year to year."

The Clerk/treasurer stated the Town's cash flow prevented them from depositing the amounts due to Victim Assistance timely.

I recommend the Town establish and implement policies and procedures to ensure Victim Assistance revenue is accounted for and deposited timely in accordance with State law. The Town should also determine the aggregate fund balance for Victim Assistance.



### **UNDER REPORTED AMOUNTS**

Based on the tests performed I determined that the underlying calculations used to prepare the monthly STRRF included systemic errors. As a result I performed an analysis of data to determine the cumulative amount underreported by the Town during the period July 1, 2013 through June 30, 2014 and determined the Town underreported the following amounts:

<b>STRRF LINE</b>	<b>DESCRIPTION</b>	
K.	Municipal Law Enforcement Surcharge - \$25 per case	\$ 2,125.00
KA.	Municipal LE Surcharge - \$5	425.00
L.	Municipal Court -107.5%	<u>1,166.14</u>
M.	TOTAL REVENUE DUE TO STATE TREASURER	<u>3,716.14</u>
	<b>RETAINED BY MUNI FOR VICTIM SERVICES</b>	
N.	Assessments - Municipal	<u>114.69</u>
P.	TOTAL RETAINED FOR VICTIM SERVICES	\$ <u>114.69</u>

I recommend the Town develop and implement procedures to ensure amounts reported on the STRRF are complete, supported by source documentation and the allocation calculations are accurate and in accordance with applicable State law. In addition, I recommend the Town submit an amended STRRF and remit to the State Treasurer amounts due the State as soon as possible.

## **SECTION B – OTHER WEAKNESSES**

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

## **RECONCILING MONTHLY COLLECTIONS**

The Police Department separately tracks tickets, dispositions and fine payments. Based on the documentation provided by the Police Department the Town collected \$142,612.75 during the period July 1, 2013 through June 30, 2014. However, documentation (court fines recorded in the Town general ledger) provided by the Town Clerk/treasurer documented that the Town deposited \$127,154.75 in its Court bank account; a difference of \$15,458.00. The Town uses a receipt book to record the receipt of court fines, fees and assessments. The Town Clerk/treasurer also maintains a manual ledger book to record fine receipts which it uses as the source document for preparing the monthly STRRF. While applying the engagement procedures I determined that the Town Clerk/treasurer does not reconcile the court docket to cash receipts book or the manual ledger on a periodic basis (e.g., weekly, monthly, etc.) to ensure that all fines listed on the court docket have been recorded in the receipt book and manual ledger. In addition, I determined that the Town Clerk/treasurer does not perform procedures to ensure that amounts recorded in the general ledger, receipt book and/or manual ledger have been deposited in the bank (e.g., compare batched receipts to the validated deposit slip, reconcile monthly receipts to month-end bank statement, etc.).

Supreme Court Justice Toal issued a court order to county magistrates, dated March 13, 2007. Section II, item C. states, "At the end of each day, all receipts issued shall be totaled, and the total indicated on the Daily Cash Summary Report." Also, Section VI, item F states, "Each month the magistrate court shall reconcile the bank statement to the dockets by adding the total of the disposed traffic docket, the total of the disposed criminal docket, the total pending civil docket, the total of the outstanding bond list, and other monies on deposit. The total of these items should equal the total of the bank account or bank accounts."

The Clerk/Treasurer stated this manual system is a legacy system and the Town appreciates any suggestions for improvement.

I recommend the Town develop and implement procedures to ensure that the court docket, cash receipt book are periodically reconciled to the general ledger. I also recommend that the Town Treasurer/clerk perform monthly reconciliations between the general ledger, cash receipts book and bank statement. The reconciliations should be documented and independently reviewed to ensure that they are complete and accurate.

## **SEGREGATION OF DUTIES AND CROSS-TRAINING**

The Town Treasurer also functions as the Clerk of Court and in this capacity maintains all court finance and court records, issues most court receipts and reconciles court bank accounts.

Section II, item F of Supreme Court Justice Toal's March 13, 2007 court order to county magistrates states, "Unless a magistrate court has only one employee, receiving of funds shall be done by a person not responsible for maintaining and reconciling financial records". Section VII, item A. states, "All magistrates and their staff shall be cross-trained so as to ensure that proper procedures are followed in the absence of a staff member or a magistrate." This order is directed to county magistrate courts, but it could also be applied to municipal courts to improve overall internal control over financial activity.

The Town Clerk/treasurer stated that the Town has more than one employee but limited funds do not allow for excess time to cross-train or allow for additional time to complete tasks together.

I recommend the Town consider if it is using its resources efficiently to provide the optimum internal control opportunities.

## MUNICIPALITY'S RESPONSE

# TOWN OF OLAR

MAYOR,  
WALTER G. O'REAR  
Municipal Clerk  
CHARLENE MORRIS

POST OFFICE BOX 183  
14978 Low Country Highway  
OLAR, SOUTH CAROLINA 29843

PHONE: (803) 368-5055  
FAX: (803) 368-5055  
[TOWNOFOLAR@FRONTIER.COM](mailto:TOWNOFOLAR@FRONTIER.COM)

December 3, 2015

State Auditor  
P O Box 11778  
Columbia, SC 29211

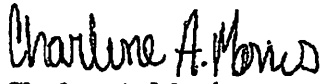
To Whom It May Concern:

In correspondence to the Municipality's Response on Audit Period June 1, 2013-June 30, 2014 ; the Town of Olar Finds the following:

1. The Town is in agreement with the amount due to the State Treasurer Office of \$3,716.14. Please see the following two attachments. Payment for this amount due was mailed of today.
2. The town has since implemented a more accurate account of the journal and all court fines are now receipted. The monthly Revenue Remittance forms are now calculated with the journal and all receipts up until submission date.

Please contact the current number if you need additional information. The Office is currently closed on Fridays.

Sincerely,



Charlene A. Morris  
Town Clerk

Attachments

C: Steven L. Blake, CPA

### **UNDER REPORTED AMOUNTS**

Based on the tests performed I determined that the underlying calculations used to prepare the monthly STRRF included systemic errors. As a result I performed an analysis of data to determine the cumulative amount underreported by the Town during the period July 1, 2013 through June 30, 2014 and determined the Town underreported the following amounts:

<b>STRRF LINE</b>	<b>DESCRIPTION</b>	
K.	Municipal Law Enforcement Surcharge - \$25 per case	\$ 2,125.00
KA.	Municipal LE Surcharge - \$5	425.00
L.	Municipal Court -107.5%	<u>1,166.14</u>
M.	TOTAL REVENUE DUE TO STATE TREASURER	<u>3,716.14</u>
	<b>RETAINED BY MUNI FOR VICTIM SERVICES</b>	
N.	Assessments - Municipal	<u>114.69</u>
P.	TOTAL RETAINED FOR VICTIM SERVICES	<u>\$ 114.69</u>

I recommend the Town develop and implement procedures to ensure amounts reported on the STRRF are complete, supported by source documentation and the allocation calculations are accurate and in accordance with applicable State law. In addition, I recommend the Town submit an amended STRRF and remit to the State Treasurer amounts due the State as soon as possible.

Curtis M. Loftis, Jr. State Treasurer  
Post Office Box 11778  
Columbia, SC 29211 - 1778  
Phone (803) 734 - 2657 Fax (803) 734 - 2161

Revised 08/05/2011

**SOUTH CAROLINA STATE TREASURER'S REVENUE REMITTANCE FORM**

Municipal Name OLHR Medical Court Municipal Code 2174 Date Submitted 1-23-15  
Collection for the Period from (Month/Year) April 6-30-14 to (Month/Year) April 6-30-14

PLEASE FILL IN THE AMOUNTS DUE TO THE STATE TREASURER IN THE TABLE BELOW:

LINE	FINES, FEES AND FILING FEE/ASSESSMENT	%	CODE	DUE STATE TREASURER	LINE
A	Public Defender Application Fee - \$40 Per Application	100%	17-3-30		A
B	Body Piercing	100%	44-32-120		B
C	Marriage License Fee - Additional \$ 20 Per License	100%	20-1-3 75		C
D	Bond Estreatment	25%	17-15-260		D
DA	Municipal Conditional Discharge Fee-\$150 (Effective 06-02-2010)	100%	44-53-450(C)		DA
	<b>DUI/DUS/BUI - ASSESSMENTS/SURCHARGES/ PULLOUT</b>				
E	Beating Under the Influence (BUI)	100%	50-21-114		E
F	Municipal DUS DPS Pullout -\$100	100%	56-1-460		F
G	Municipal DUI Assessment- \$12 Per Case	100%	56-5-2993		G
H	Municipal DUI Surcharge - \$100 Per Case	100%	14-1-211		H
I	Municipal DUI DPS Pullout- \$100	100%	56-5 -2940		I
IA	DUI/DUAC Breathalyzer Test Conviction Fee -SLED \$25	100%	56-5-2950(E)		IA
	<b>SURCHARGES</b>				
J	Municipal Drug Surcharge -\$150 Per Case (Effective 06-02-2010) -\$100 Per Case (Before 06-02-2010)	100%	14-1-213(A)		J
K	Municipal Law Enforcement Surcharge - \$25 Per Case	100%	14-1-212(A)	2185.00	K
KA	Municipal Criminal Justice Academy \$5 Surcharge	100%	FY12 PROVISIO 90.5	425.00	KA
	<b>OTHER ASSESSMENTS - STATE SHARE</b>				
L	Municipal- 107.5%	88.84%	14-1-208	1,106.14	L
LA	Municipal Traffic Education Program \$140 Application Fee	90.83%	17-22-350(C)		LA
M	<b>TOTAL REVENUE DUE TO STATE TREASURER</b>			3,116.14	M

PLEASE FILL IN THE AMOUNTS RETAINED BY YOUR OFFICE IN THE TABLE BELOW. THIS SECTION IS FOR REPORTING PURPOSES ONLY. DO NOT REMIT THESE AMOUNTS TO THE STATE TREASURER.

LINE	RETAINED BY MUNI FOR VICTIM SERVICES	%	CODE	RETAINED BY MUNICIPALITY	LINE
N	Assessments-Municipal	11.16%	14-1-208	114.69	N
O	Surcharges-Municipal	100%	14-1-211		O
OA	Other Assessments-Municipal	9.17%	17-22-350(C)		OA
P	<b>TOTAL RETAINED FOR VICTIM SERVICES</b>				P

Comments:

Contact Person: Charlene Morris Telephone: 803-368-5555 Fax: same  
Unalene Morris

, Municipal Treasurer, certify that the foregoing information is true and accurate.

\*Note: This report is required by law and must be filed monthly, on or before the 15th, by the MUNICIPAL TREASURER, even if there are no Collections. Please explain significant fluctuations in revenue in the "comments" section.

Mail or Fax: this form to the Office of State Treasurer and retain a copy for your records: Fax # 803.734.2161



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## **Appendix(s)**

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**Appendix B – Town of Olar Municipal Court State Auditor's Report Issued  
June 30, 2016**

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

**STATE AUDITOR'S REPORT**

**JUNE 30, 2016**

## CONTENTS

	<u>PAGE</u>
I. OFFICE OF THE STATE AUDITOR TRANSMITTAL LETTER	1
II. INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES	2-4
III. ACCOUNTANT'S COMMENTS	5
<b>SECTION A – VIOLATIONS OF STATE LAWS, RULES OR REGULATIONS</b>	6
TIMELY, ACCURATE REPORTING BY THE CLERK OF COURT	7
Adherence to Fine Guidelines	7
Manual System Errors and Omissions	7
Installment Payments	8
TIMELY, ACCURATE RECORDING AND REPORTING BY THE TOWN TREASURER	8
Supplementary Schedule	8
VICTIM ASSISTANCE FUNDS	9
UNDER REPORTED AMOUNTS	10
<b>SECTION B – OTHER WEAKNESSES</b>	11
RECONCILING MONTHLY COLLECTIONS	12
SEGREGATION OF DUTIES AND CROSS-TRAINING	12
<b>MUNICIPALITY'S RESPONSE</b>	14



**South Carolina  
Office of the State Auditor**

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

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April 25, 2017

The Honorable Henry McMaster, Governor  
State of South Carolina  
Columbia, South Carolina

The Honorable Edward Freeman, Chief Judge  
Ms. Charlene Morris, Town Clerk/Treasurer  
Town of Olar  
Olar, South Carolina

This report resulting from the application of certain agreed-upon procedures to certain accounting records of the Olar Municipal Court System as of and for the year ended June 30, 2016, was issued by Steven L. Blake, CPA, under contract with the South Carolina Office of the State Auditor.

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

Respectfully submitted,

A handwritten signature in black ink that reads "George L. Kennedy, III". The signature is written in a cursive, flowing style.

George L. Kennedy, III, CPA  
State Auditor

GLKIII/cwc

# STEVEN L. BLAKE, CPA

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

April 25, 2017

The Honorable Edward Freeman, Chief Judge  
Town of Olar Municipal Court  
Olar, South Carolina

Ms. Charlene Morris, Town Clerk/Treasurer  
Town of Olar  
Olar, South Carolina

I have performed the procedures described below, which were agreed to by the Town of Olar Municipal Court, solely to assist you in evaluating the performance of the Town of Olar Municipal Court for the period July 1, 2015 through June 30, 2016, in the areas addressed. The Town of Olar Municipal Court is responsible for its financial records, internal controls and compliance with State laws and regulations. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Office of the State Auditor and the Town of Olar Municipal Court. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

### 1. Clerk of Court

- I gained an understanding of the policies and procedures established by the Clerk of Court to determine timely reporting by the Clerk of Court's Office.
- I obtained the court dockets or equivalent from the Clerk of Court. I judgmentally selected twenty-five cases from the court dockets and recalculated the fine, fee, assessment and surcharge calculation to determine that the fine, fee, assessment or surcharge was properly adjudicated in accordance with applicable State law and the South Carolina Court Administration Fee Memoranda.
- I tested twenty-five judgmentally selected recorded court receipt transactions to determine that the fine, fee, assessment and/or surcharge adheres to State law and the South Carolina Court Administration Fee Memoranda.
- I tested twenty-five judgmentally selected recorded court receipt transactions to determine that the receipts were allocated and apportioned in accordance with applicable State law.

My findings as a result of these procedures are presented in Timely, Accurate Reporting by the Clerk of Court in the Accountant's Comments section of this report.

### 2. Municipal Treasurer

- I gained an understanding of the policies and procedures established by the municipal treasurer to determine timely reporting by the municipality.
- I obtained copies of all court remittance forms or equivalents and tested each monthly remittance form to determine that the forms were completed and submitted timely in accordance with State law.
- I verified that amounts reported on the monthly court remittance forms or equivalents agreed to the municipality's support.
- I scanned the municipality's support to determine if the municipality had misclassified fine, fee, assessment, and surcharge receipts.
- I obtained copies of all State Treasurer's Revenue Remittance Forms for the period July 1, 2015 through June 30, 2016. I vouched the amounts reported on the State Treasurer's Revenue Remittance Forms to the court remittance forms or equivalents.
- I verified that the amounts reported by the municipality on its supplemental schedule of fines and assessments agreed to the municipality's support.
- I determined that the Town's supplementary schedule of fines and assessments contained all the required elements in accordance with State law.

My findings as a result of these procedures are presented in Timely, Accurate Recording and Reporting by the Town Treasurer in the Accountant's Comments section of this report.

### 3. Victim Assistance

- I gained an understanding of the policies and procedures established by the municipality to determine proper accounting for victim assistance funds.
- I made inquiries and performed substantive procedures to determine that any funds retained by the municipality for victim assistance were deposited into a separate account.
- I tested selected expenditures to determine that the municipality expended victim assistance funds in accordance with State law and South Carolina Court Administration Fee Memoranda, Attachment L.
- I determined that the municipality reported victim assistance financial activity on the supplemental schedule of fines and assessments in accordance with applicable State law.
- I verified that the amounts reported by the municipality on its supplemental schedule of fines and assessments applicable to the Victim Assistance fund agreed to the Municipality's general ledger or subsidiary ledgers.
- I inspected the Municipality's victim assistance bank account to determine if the Victim Assistance fund balance was retained as of July 1 from the previous fiscal year in accordance with State law.

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

4. Calculation of Over/(Under) Reported Amounts

- I obtained copies of monthly State Treasurer Revenue Remittance Forms for the 24 month period ended June 30, 2016, which the Town prepared and submitted to the Office of the State Treasurer. I calculated the amount under reported by the Municipality by category.

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

I was not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on compliance with the collection and distribution of court generated revenue at any level of court for the twelve months ended June 30, 2016 and, furthermore, I was 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, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

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

*Steven L. Blake, CPA*

## **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 determine compliance with State Laws, Rules or Regulations governing court collections and remittances. The procedures agreed to by the entity require that I 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, ACCURATE REPORTING BY THE CLERK OF COURT**

### **Adherence to Fine Guidelines**

During my test of Municipal Court collections and remittances, I noted the following instances in which the Court did not fine the defendant in accordance with State law or local ordinance:

The Court fined one individual \$57.83 for speeding in excess of the above posted limit but not in excess of ten miles an hour.

Also, the Court fine three individuals \$45.78 for a violation of a local traffic ordinance.

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 local ordinance states “Any person found guilty of violating this ordinance shall be fined not less than fifty dollars and not more than five hundred dollars.”

The Clerk stated the Court was lenient and reduced these fines. However, they were reduced below the minimum fine in accordance with State law and local ordinance.

I recommend the Court implement procedures to ensure the fines are in accordance with State law and local ordinance.

### **Manual System Errors and Omissions**

I noted that the State Treasurer's Revenue Remittance Forms [STRRF] are prepared using a manual system to tabulate the amount of money collected and a mathematical formula to calculate and allocate the fine, assessment and surcharge portions. I noted the following errors and omissions in this system:

- The totals obtained by tabulation and calculation are not reconciled or verified that they are complete by comparison with actual amounts deposited or receipted. See Reconciling Monthly Collections finding in Section B below.
- The surcharge portion is calculated by manually summing the receipts for ticket collections and multiplying it by the surcharge amount. The sum is not compared or verified with a check figure, i.e. a list of the relevant receipt numbers, to determine completeness.
- The fine allocation percentage is used instead of the assessment allocation percentage to further allocate the remaining fine and assessment portion into the

assessment portion, prior to allocating the assessment portion into the State's share and the Victim Assistance share of the assessment. This results in under reporting the State and Victim Assistance share of the total collections and over reporting the Town's fine portion.

Section 14-1-220 of the 1976 South Carolina Code of Laws, as amended, states, 'Each...municipal clerk of court or other person who receives monies from the cost of court assessments in criminal or traffic cases in the municipal courts shall transmit all these monies to the Office of the State Treasurer.' The STRRF instructions further provide that 100% of collections be reported in their respective line items.

The Clerk/Treasurer stated this manual system is a legacy system and the Town appreciates any suggestions for improvement.

I recommend the Town submit STRRF which contain complete and accurate information.

### **Installment Payments**

I noted the Court received installment payments. The manual system does not allocate installment payments on a pro rata basis. The three percent fee was not assessed.

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. The Court Administration Fee Memorandum dated July 7, 2015, states, "The intent of Section 14-1-209(C) is that each installment payment be allocated on a pro rata basis to each applicable fine, assessment, and surcharge." and Section 14-17-725 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's manual calculations do not allocate and the Clerk stated it is Town policy not to charge the three percent.

I recommend the Municipal Court implement procedures to ensure that installment payments are allocated and the three percent fee is assessed in accordance with State law.

### **TIMELY, ACCURATE RECORDING AND REPORTING BY THE TOWN TREASURER**

### **Supplementary Schedule**

I was provided the Town's financial statements for the year ended April 30, 2015 which contained a schedule of court fines, assessments and surcharges. The Town could not provide

support for any of the information contained in the schedule. The Town received a disclaimer of opinion on its financial statement because of completeness concerns therefore there was no in-relation-to opinion on the schedule of fines, assessments and surcharges. The schedule did not include any information regarding Victim Assistance funds.

Section 14-1-208( E ) of the 1976 South Carolina Code of Laws, as amended, states, "(1) To the extent that records are made available in the format determined pursuant to subsection (E)(4), the supplementary schedule must include the following elements: . . . ." and (E)(2) also states "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.."

The Clerk/treasurer stated that the auditor had prepared the schedule and had not provided a reconciliation to the Town to show how the numbers reconciled to the revenue remittances or the general ledger. The Clerk further stated she was unaware of any aggregate accounting for Victim Assistance funds.

I recommend the Town implement procedures to ensure that amounts reported on the supplementary schedule are accurately reported in accordance with State law, the auditor is informed regarding the required opinion and that an aggregate accounting for Victim Assistance funds be developed.

### **VICTIM ASSISTANCE FUNDS**

During my tests of Court collections and remittances I noted the following:

- The Town has established a separate bank account for Victim Assistance funds as required by State law. However, there is neither an aggregate accounting in the general ledger nor information available in the schedule of fines, assessments and surcharges for cumulative fund balance.
- Information regarding Victim Assistance revenues or expense was not contained in the schedule of fines, assessments and surcharges.
- The Town does not deposit Victim Assistance funds monthly.
- The Town's last deposit allocable to Victim Assistance in the Victim Assistance bank account was cumulative through December 2012 with additional sporadic deposits thereafter. The Town owes Victim Assistance \$17,321.13 representing the sum of the outstanding, undeposited amounts cumulatively through June 30, 2016.

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." Also Section 14-1-208(D) states "All unused funds must be carried forward from year to year."

The Clerk/treasurer stated the Town's cash flow did not allow for timely deposits of Victim Assistance revenue.

I recommend the Town establish and implement policies and procedures to ensure Victim Assistance revenue is accounted for and deposited timely in accordance with State law. The Town should also determine the aggregate fund balance for Victim Assistance.

### **UNDER REPORTED AMOUNTS**

As reported in the finding Manual System Errors and Omissions, the Town erred in preparing the monthly STTRF to the State Treasurer. I tested the completeness and accuracy of STTRF for the period July 2014 through June 2016. Based on the tests performed, I determined the Town underreported the following amounts for that period:

STTRF LINE	DESCRIPTION	
F.	Municipal DUS DPS Pullout - \$100	(100.00)
K.	Municipal Law Enforcement Surcharge - \$25 per case	425.00
KA.	Municipal LE Surcharge - \$5	140.00
L.	Municipal Court -107.5%	<u>8,570.50</u>
M.	TOTAL REVENUE DUE TO STATE TREASURER	<u>9,035.50</u>
	<b>RETAINED BY MUNI FOR VICTIM SERVICES</b>	
N.	Assessments - Municipal	<u>1,062.66</u>
P.	TOTAL RETAINED FOR VICTIM SERVICES	\$ <u>1,062.66</u>

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

## **SECTION B – OTHER WEAKNESSES**

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

## **RECONCILING MONTHLY COLLECTIONS**

During my tracing of fine payments I noted the Town does not reconcile monthly receipts for collecting fine payments with the payments listed on the docket or with deposits to the court bank account. The total payments collected, allocated and reported was \$164,747.75 and the amount of ticket collections deposited in the Court bank account was \$168,699.75; a discrepancy of \$3,952.00 for the procedures period.

Supreme Court Justice Toal issued a court order to county magistrates, dated March 13, 2007. Section II, item C. states, "At the end of each day, all receipts issued shall be totaled, and the total indicated on the Daily Cash Summary Report." Also, Section VI, item F states, "Each month the magistrate court shall reconcile the bank statement to the dockets by adding the total of the disposed traffic docket, the total of the disposed criminal docket, the total pending civil docket, the total of the outstanding bond list, and other monies on deposit. The total of these items should equal the total of the bank account or bank accounts."

The Clerk/Treasurer stated its manual system is a legacy system and the Town appreciates any suggestions for improvement. Also, due to system improvements from the prior report, the timing of reporting is mid-month to mid-month while the bank statements are end of month. This timing difference could account for the variation.

I recommend the Town perform a monthly reconciliation of receipts, summarizing them into a Daily Cash Summary Report for deposit purposes, comparing them with the docket activity for dispositions and the beginning and ending cash balance for bonds pending as soon as possible.

## **SEGREGATION OF DUTIES AND CROSS-TRAINING**

The Treasurer also functions as the Clerk of Court and in this capacity maintains all court finance and court records, issues most court receipts and reconciles court bank accounts.

Section II, item F of Supreme Court Justice Toal's March 13, 2007 court order to county magistrates states, "Unless a magistrate court has only one employee, receiving of funds shall be done by a person not responsible for maintaining and reconciling financial records". Section VII, item A. states, "All magistrates and their staff shall be cross-trained so as to ensure that proper procedures are followed in the absence of a staff member or a magistrate." This order is directed to county magistrate courts, but it could also be applied to municipal courts to improve overall internal control over financial activity.

The Clerk/Treasurer stated that the Town has more than one employee but limited funds do not allow for excess time to cross-train or allow for additional time to complete tasks together.

I recommend the Town consider if it is using its resources efficiently to provide the optimum internal control opportunities.



## MUNICIPALITY'S RESPONSE

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

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## **Appendix(s)**

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**Appendix C – Town of Olar Municipal Court State Auditor’s Report Issued  
April 30, 2019**

**OLAR MUNICIPAL COURT  
OLAR, SOUTH CAROLINA**

**STATE AUDITOR'S REPORT**

**APRIL 30, 2019**

## **CONTENTS**

	<b><u>PAGE</u></b>
I. STATE AUDITOR'S OFFICE TRANSMITTAL LETTER	1
II. INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES	2 - 7

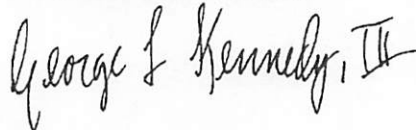
December 10, 2019

The Honorable Edward Freeman, Chief Judge  
Ms. Michelle Martin, Town Clerk/Treasurer  
Town of Olar  
Olar, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the Town of Olar Municipal Court System as of and for the period May 1, 2018 through April 30, 2019, was issued by Steven L. Blake, CPA, under contract with the South Carolina Office of the State Auditor.

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

Respectfully submitted,



George L. Kennedy, III, CPA  
State Auditor

GLKIII/cmw

# STEVEN L. BLAKE, CPA

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

December 10, 2019

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

The Honorable Edward Freeman, Chief Judge  
Ms. Michelle Martin, Town Clerk/Treasurer  
Town of Olar  
Olar, South Carolina

I have performed the procedures described below, which were agreed to by the South Carolina Office of the State Auditor and the Town of Olar, on the systems, processes, and behaviors related to court fines and fees of the Olar Municipal Court for the period May 1, 2018 through April 30, 2019, in the areas addressed. The Town of Olar and the Olar Municipal Court are responsible for the systems, processes, and behaviors related to court fines and fees. The sufficiency of these procedures is solely the responsibility of the South Carolina Office of the State Auditor and the Town of Olar and the Olar Municipal Court. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this agreed-upon procedures report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

### **1. Clerk of Court**

- I gained an understanding of the policies and procedures established by the Clerk of Court to confirm timely reporting by the Clerk of Court's Office.

I obtained the court dockets or equivalents from the Clerk of Court. I judgmentally selected 25 cases from the court dockets, and I confirmed the fine assessed adhered to State law. I also recalculated the fine, fee, assessment and surcharge calculation to confirm that the fine, fee, assessment and surcharge were properly calculated and allocated in accordance with applicable State law and the South Carolina Court Administration fee memoranda.

Mr. George L. Kennedy, III, CPA, State Auditor  
and  
The Honorable Edward Freeman, Chief Judge  
Ms. Michelle Martin, Town Clerk/Treasurer  
Town of Olar  
Olar, South Carolina  
December 10, 2019

- I inspected the court receipt transactions for the above cases to confirm that the fine, fee, assessment and surcharges assessed 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**

#### **Ticket Filing**

One of the twenty-five tickets selected for testing could not be located. The ticket was from a timeframe before the procedures period but was paid during the procedures period. I was unable to confirm if this ticket's fine and allocations adhered to State law.

#### **Adherence to Fine Guidelines**

- The Court fined one defendant \$28.91 for speeding in excess of the above posted limit but not in excess of ten miles an hour and also fined three defendants amounts ranging from \$77.10 to \$93.97 for speeding in excess of 15 mph but not in excess of 25 mph over the posted limit. Section 56-5-1520(G) of the 1976 South Carolina Code of Laws, as amended, sets the maximum fines at \$25 and \$75, respectively.

The Clerk stated that the judge had changed the fine during sentencing for two of the fines and the other two fines were incorrect due to rounding errors.

- The Court fined one defendant \$299.75 for Driving Under Suspension [DUS]. Section 56-5-2930(A) of the 1976 South Carolina Code of Laws, as amended, states, "A person who violates the provisions of this section... must be punished as follows: (1) ... for a first offense, by a fine of three hundred dollars...".

The Clerk stated that the fine was incorrect due to a rounding error.

- The Court fine one defendant \$36.14 for No Driver's License in Possession. Section 56-1-20 of the 1976 South Carolina Code of Laws, as amended, sets the fine range at \$50 - \$100.

The Clerk stated that the judge had reduced the fine during sentencing.

Mr. George L. Kennedy, III, CPA, State Auditor  
and  
The Honorable Edward Freeman, Chief Judge  
Ms. Michelle Martin, Town Clerk/Treasurer  
Town of Olar  
Olar, South Carolina  
December 10, 2019

### **Driving Under Suspension [DUS] Pullout**

The Court sentenced three individuals for Driving Under Suspension [DUS]. However, the manual system used to calculate amounts due for the State Treasurer's Revenue Remittance Form [STRRF] did not allocate any amount to the DUS Fine Pullout. See Procedure 4 below.

### **Manual System Errors and Omissions**

The STRRF are prepared using a manual system to calculate the amount of money collected and a mathematical formula to calculate and allocate the fine, assessment and surcharge portions. I noted the following errors and omissions in this system:

- The totals obtained by calculation are not reconciled or verified as complete by comparison with actual amounts deposited or receipted. Also, the system does not calculate amounts to the nearest penny. Instead, amounts are rounded, in some instances incorrectly, which do not produce accurate, reconcilable numbers.
- The manual system has allocated a portion of every fine collected to the Criminal Justice Academy \$5 surcharge. This surcharge was discontinued on June 30, 2016. See Procedure 4 below.

### **Timely, Accurate Filing**

- One STRRF was submitted nine days late.
- The Clerk underreported the STRRF Line L by \$60 for one month due to a miscalculation. See Procedure 4 below.

## **2. Municipal Treasurer**

- I gained an understanding of the policies and procedures established by the Municipal Treasurer to confirm timely reporting by the Municipality.
- I 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.
- I compared and agreed the amounts reported on the monthly remittance forms or equivalents to the Municipality's support for the State Treasurer's Revenue Remittance Forms [STRRF] for the period May 1, 2018 through April 30, 2019.
- I inspected the Municipality's support to confirm that the Municipality properly classified fine, fee, assessment, and surcharge receipts.



Mr. George L. Kennedy, III, CPA, State Auditor  
and  
The Honorable Edward Freeman, Chief Judge  
Ms. Michelle Martin, Town Clerk/Treasurer  
Town of Olar  
Olar, South Carolina  
December 10, 2019

- I inspected all STRRF for the period May 1, 2018 through April 30, 2019 and agreed the amounts reported on the STRRF to the court remittance forms or equivalents.
- I compared and agreed the amounts reported by the Municipality on its Supplemental Schedule, as reported in the latest annual financial statement audit, for the period May 1, 2016 through April 30, 2017, to the Municipality's general ledger or equivalent support. I inspected the Municipality's Supplemental Schedule, as reported in the annual financial statement audit, to confirm that it contained all the elements required by State law.

## **Findings**

### **Supplementary Schedule**

I was provided the Town's financial statements for the year ended April 30, 2017, the latest available audited statement, which contained a schedule of court fines, assessments and surcharges. The Town received a disclaimer of opinion on its financial statement because of completeness concerns; therefore, there was no in-relation-to opinion on the schedule of fines, assessments and surcharges as required by Section 14-1-211(D)(2) of the 1976 South Carolina Code of Laws, as amended.

### **3. Victim Assistance**

- I gained an understanding of the policies and procedures established by the Municipality to confirm proper accounting for victim assistance funds.
- I made inquiries and confirmed that any funds retained by the Municipality for victim assistance were deposited into a separate account.
- I selected all expenditures to confirm that the Municipality expended victim assistance funds in accordance with State law and the South Carolina Court Administration fee memoranda, Attachment L.
- I inspected the Municipality's victim assistance financial activity on the Supplemental Schedule, as reported in the annual financial statement audit, for the period May 1, 2016 through April 30, 2017, and confirmed that it adhered to and included items required by State law.
- I compared and agreed the amounts reported by the Municipality on its Supplemental Schedule, as reported in latest the annual financial statement audit

Mr. George L. Kennedy, III, CPA, State Auditor  
and  
The Honorable Edward Freeman, Chief Judge  
Ms. Michelle Martin, Town Clerk/Treasurer  
Town of Olar  
Olar, South Carolina  
December 10, 2019

applicable to the Victim Assistance Fund, to the Municipality's general ledger or equivalent support.

- I inspected the Municipality'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**

### **Victim Assistance Deposits**

The Town deposited Victims Assistance collections for the procedures period in one deposit at period end. The Department of Crime Victims Compensation recommends a minimum of quarterly deposits and suggests deposits be made monthly. The deposit was \$391.25 less than the sum of the undeposited STTRF amounts.

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

- I obtained copies of monthly State Treasurer Revenue Remittance Forms for the 36 month period ended April 30, 2019, which the Town prepared and submitted to the Office of the State Treasurer. I calculated the amount over/(under) reported by the Municipality by category. For this calculation, I did not correct rounding errors indicated in findings above and ignored Criminal Justice Academy assessments on pre July 1, 2016 ticket collections during the procedures period.

<b>STTRF LINE</b>	<b>DESCRIPTION</b>	
F.	Municipal DUS DPS Pullout - \$100	(300.00)
KA.	Municipal CJA Surcharge - \$5	6,075.00
L.	Municipal Court -107.5%	<u>(2,856.05)</u>
M.	TOTAL REVENUE DUE TO MUNICIPALITY	<u>2,918.95</u>
	<b>RETAINED BY MUNI FOR VICTIM SERVICES</b>	
N.	Assessments - Municipal	<u>(742.49)</u>
P.	TOTAL RETAINED FOR VICTIM SERVICES	\$ <u><u>(742.49)</u></u>

Mr. George L. Kennedy, III, CPA, State Auditor  
and  
The Honorable Edward Freeman, Chief Judge  
Ms. Michelle Martin, Town Clerk/Treasurer  
Town of Olar  
Olar, South Carolina  
December 10, 2019

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. I was not engaged to and did not conduct an examination or review, the objective of which would be an opinion or conclusion, respectively, on the systems, processes, and behaviors related to court fines and fees of the Olar Municipal Court. Accordingly, I do not express an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

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 Olar Municipal Council, Olar Municipal Clerk of Court, Olar Municipal Treasurer, State Treasurer, 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.

*Steven L. Blake, CPA*

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# Official Post-Audit Response

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**The County/City has 10 business days from the date listed on the front of this report to provide a written response to the DCVC Deputy Director:**

**Debbie Depra Curtis  
1205 Pendleton St., Room 401  
Columbia, SC 29201**

**At the end of the ten day response period, this report and all post-audit responses (located in the Appendix) will become public information on the Department of Crime Victim Compensation (DCVC) website:**

**<https://www.scag.gov/inside-the-office/crime-victim-services-division/crime-victim-compensation/auditing/>**



ALAN WILSON  
ATTORNEY GENERAL

Programmatic Review Completed by:

*Natoya Taylor*

Natoya Taylor, Professional Auditor

*3-17-2025*

Date

Reviewed by:

*Mignon Lee Thompson*

Mignon Lee Thompson, Senior Auditor

*3/17/2025*

Date

*Dexter L. Boyd*

Dexter Boyd, Manager

*3/17/2025*

Date

*Debbie Debra Curtis*

Debbie Debra Curtis, Deputy Director

*3.17.2025*

Date