



ALAN WILSON
ATTORNEY GENERAL

February 26, 2019

Chief Randy Clark
Town of Branchville
P O Box 85
Branchville, South Carolina 29432

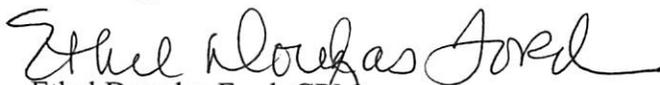
Dear Chief Clark,

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 Branchville 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.

Enclosed is a copy of our audit results. I am pleased to advise you that the Town of Branchville has complied with all of the audit recommendations as outlined in this report. Please note that all DCVC audits and follow-up reports are public information and will be posted on our website at www.sova.sc.gov under the auditing tab.

Should you have any further questions or concerns, please feel free to contact me or Teresa Green at 803-734-7108

Sincerely,


Ethel Douglas Ford, CFM
Assistant Deputy Director

cc: Mayor Glenn Miller
Faye Connelly



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

June 30, 2014

**Town of Branchville
State Auditor's Office
Municipal Court
Audit Report**

February 26, 2019

**Follow-up Audit
Review for the Town of
Branchville Victim Assistance
Fines, Fees, and Assessment
Fund**

(Pursuant to Act 96 of 2017, Section C)

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Disclaimer: The recommendations included in sections A thru __ of this report were developed by the Office of the Attorney General, Department of Crime Victim Compensation (DCVC). The DCVC Follow-up Audit was conducted to determine if the entity is in compliance with recommendations as outlined in the Initial Audit Report. In addition, all DCVC follow-up reviews (including this one) are conducted to ensure compliance with applicable laws and regulations.

Acronyms:

- VAFFA – Victim Assistance Fines, Fees, and Assessment
- DCVC – Department of Crime Victim Compensation
- SCLEVA – South Carolina Law Enforcement Victim Advocate
- CVST - Department of Crime Victim Services Training, Provider Certification, and Statistical Analysis

Introduction and Laws

PREFACE

The enclosed programmatic review and financial audit were initiated in response to the Department of Crime Victim Compensation's (DCVC) concerns regarding The Town of Branchville's handling of Victim Assistance Fines, Fees and Assessments. On August 20, 2018, the Assistant Deputy Director of the DCVC issued a letter to the County Administrator's Office and the Branchville Police Chief informing them of the Victim Assistance Fund audit for the Town of Branchville. The audit was conducted on October 2, 2018.

Governing Legislation 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.

(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 59.15

59.15. (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.

Proviso 59.15 (cont.)

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 non profit organizations that provide direct victim services on a competitive bid process. These funds may be used by the non profit for administrative costs and victim services.

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.

Proviso 98.9 (cont.)

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

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

SC Code of Law
Title 14 [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.

- **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 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.

Introduction

AUDIT OBJECTIVES

The South Carolina State Legislative Act 96 (PART IV) mandates the Department of Crime Victim Compensation to conduct an audit which shall include both a programmatic review and financial audit of any entity or nonprofit organization receiving victim assistance funding to ensure that the crime victim funds are expended in accordance with the law.

Audit Objectives were:

- To determine if all findings of error and recommendations issued by the South Carolina State Auditor's Office were adhered to as required by State laws and regulations.

RESULTS IN BRIEF

Yes, all recommendations as outlined in the Town of Branchville's Municipal Court State Auditor's Report were adhered to as required by State law. The Town of Branchville adhered to all recommendations by doing the following:

- Implementing procedures to ensure remittances are deposited timely in accordance with State law. According to the current Town Clerk, the Town has implemented procedures that includes receipts when payments are received. Therefore ensuring daily balancing is provided on all payments while depositing funds in a timely manner.
- Implementing procedures to ensure fines levied by the court adhere to applicable State law. During the Follow up Audit Site Visit, the Chief of Police stated the town previously issued handwritten tickets. However, the town is now using electronic tickets which mandates the amount charged for an offense. In addition, the Town uses LawTrak which will issue a refund for any payment amount not adhered to by State law.

- Coordinating with Municipal court to implement procedures to ensure the installment fee is charged and collected in accordance with State law. According to the Town Clerk, the court was unaware of the installment fee charge. As a result, the Town currently has one offender on an installment plan with no fee. However, the town will charge the 3% fee on all installment plans going forward. The Town has developed and distributed written procedures and contacted LawTrak to inquire about how these transactions should be handled.
- Implementing procedures to ensure the STRRF are submitted by the fifteenth of each month in accordance with State law. It was noted the former Town Clerk stated the previous workload prevented her from submitting the reports on time. However, the current Town Clerk has implemented procedures including an electronic reminder to submit these reports by the fifteenth of each month.
- Implementing procedures to ensure amounts reported on the Supplementary Schedule are accurately reported. They also informed the Town's Auditor of the requirement to provide an "in relation to" opinion on its Supplementary Schedule in accordance with State law. The Town's Supplementary Schedules have been reviewed for accuracy by the DCVC auditor and the Town Clerk. In addition, the Town Clerk sent an email to the Town's Auditor advising her of the previous errors on the Supplementary Schedule and the requirement to provide an "in relation to" opinion on the Supplementary Schedule.
- Implementing procedures to ensure victim assistance revenue is accounted for and deposited timely in accordance with State law. The Town currently makes monthly deposits to the victim assistance bank account. In addition, the Town has reimbursed the fund **\$32,058.95** for a deficit in the Victim Assistance Fund on December 31, 2017.

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

A. Timely Processing By the Clerk of Court**Objective**

Did the Town of Branchville implement procedures to ensure remittances are deposited timely in accordance with State law?

Conclusion

Yes, the Municipal Court implemented procedures to ensure remittances are deposited timely in accordance with State law. According to the current Town Clerk, the Town has implemented procedures that include notating receipt of payments when received and a daily balancing process to ensure all payments are deposited timely.

Background

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

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

Discussion

As part of the Town of Branchville Municipal Court State Auditor's Report issued June 30, 2014, the State Auditor recommended the Town of Branchville implement procedures to ensure remittances are deposited timely in accordance with State law. According to the audit report above, a former clerk did not deposit ten defendant's remittances. The current clerk found the remittances and subsequently deposited them. However, due to the timeframe between the payment and deposit date, they were uncollectable. When asked, the current Town Clerk could not state why the remittances were not deposited.

During the Follow up Audit Site Visit on October 2, 2018, the auditor interviewed the Town Clerk to determine if new procedures were developed in writing and implemented to ensure all remittances were deposited timely in accordance with State law.

The clerk stated the Town now has procedures that included notating receipt of payment and daily balancing to ensure all remittances received are deposited. The clerk stated although there is not a daily deposit at the close of business, there is a report generated through LawTrak. The frequency of deposits may vary depending on the amount received daily. However, this report includes all receipts for the day and is compared with receipts previously deposited. Therefore, the report keeps a running total of all funds not deposited. This ensures all funds are deposited in a timely manner. The auditor recommended the Town Clerk prepare and record these procedures and distribute them to all relevant parties. The Town Clerk provided written procedures to the DCVC Auditor via email on October 10, 2018.

Recommendation(s)
and Comments

No further recommendations

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

B. Adherence to Fine Guidelines**Objective**

Did the municipal court implement procedures to ensure fines levied by the court adhere to applicable State law?

Conclusion

Yes, the Town of Branchville implemented procedures to ensure fines levied by the court adhere to applicable State law. During the Follow up Audit Site Visit, the Chief of Police stated the Town previously issued handwritten tickets. However, the town is now using electronic tickets which sets the amount charged for an offense. In addition, the Town uses LawTrak which will notify the clerk to issue a refund for any payment amount not adhering to applicable State law.

Background

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

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

Section 56-3-1970(C) of the 1976 South Carolina Code of Laws

Section 14-17-725 of the 1976 South Carolina Code of Laws

Discussion

According to the Town of Branchville Municipal Court State Auditor's Report dated June 30, 2014, the State Auditor noted the following during the testing of Municipal Court collections and remittances:

- *There were seven instances where the Court fined individuals either \$25.06 or 28.43 for 10 mph or less over the speed limit and one instance where the individual was fined \$71.33 for speeding 10 mph to 15 mph over the speed limit.*
- *There was one instance where an individual was fined \$100 for a handicap parking violation.*

- *There were three instances where defendants were fined differing amounts for unlawful operating a motor vehicle than the local code mandated*
- *There was one instance where an individual was charged \$82 for a seat belt violation*

The Town Clerk stated it appeared the judge used the amounts listed on the ticket instead of the amounts stipulated by the sentencing guidelines. As a result, the auditor recommended the municipal court implement procedures to ensure fines levied by the court adhere to applicable state law.

During the Follow-up Audit Site Visit on October 2, 2018, the auditor interviewed the Town Clerk to determine steps taken to ensure all fines levied by the court adhere to applicable State law. The clerk stated that tickets were previously handwritten, however; tickets are now written electronically using LawTrak. LawTrak will not allow the ticket to be written for more than the State law allows. If the judge charges more than State law allows, LawTrak rejects the fine when it is entered and the Town Clerk issues a refund to the defendant. The auditor asked if the procedures were in writing and distributed to all relevant parties. The clerk stated they were not. However, she stated she would put them in writing and forward to DCVC as well as distribute to all relevant parties.

On October 10, 2018, the auditor received an email with written procedures to ensure fines levied are in accordance with State law.

Recommendation(s) and Comments

No further recommendations.

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

C. Installment Fee Not Collected**Objective**

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

Conclusion

Yes, the Municipal Court implemented procedures to ensure the installment fees are charged and collected in accordance with State law. According to the Town Clerk, the court was unaware of the installment fee charge. As a result, the Town currently has one offender on an installment plan with no fee. However, the Town will charge the 3% fee on all installment plans going forward. The Town has developed and distributed written procedures and contacted LawTrak to inquire how to handle these transactions.

Background

Section 14-17-725 of the 1976 South Carolina Code of Laws

Discussion

In the Town of Branchville Municipal Court State Auditor's Report issued June 30, 2014, the auditor completed a testing of Municipal Court collections and remittances. Out of the twenty five tickets tested, one ticket was not assessed the 3% installment fee from the individual. The previous Clerk of Court stated at that time she was unaware of this requirement. As a result, the auditor recommended the Municipal Court implement procedures to ensure the installment fee is charged and collected in accordance with State law.

During the Follow up Audit Site Visit, the auditor asked the current clerk what steps were taken to ensure the installment fee is charged and collected in accordance with State law. The clerk stated she wasn't aware of this requirement and inquired about information regarding the fee. The auditor provided technical assistance in reference to the fee and referred the clerk to Section 14-17-725 of the 1976 Code of laws. The clerk asked how to enter the 3% fee transaction in LawTrak, and was referred by the DCVC Auditor to her LawTrak representative for this information.

The clerk advised that the court only allows this type of transaction on criminal tickets and the Town only had one defendant on a payment plan. Additionally, the Town could not go back and charge the fee on that transaction. However, they were advised to call their LawTrak representative to get further instructions on how to handle the installment agreements.

On October 10, 2018, the auditor received via email the written job procedures implemented to ensure the installment fee is charged and collected in accordance with State law.

Recommendation(s)
and Comments

No further recommendations.

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

D. Timely Submission of State Treasurer's Revenue remittance Forms**Objective**

Did the Town of Branchville implement procedures to ensure the STRRFs are submitted by the fifteenth of each month in compliance with State law?

Conclusion

Yes, the Town of Branchville implemented procedures to ensure the STRRFs are submitted by the fifteenth of each month in accordance with State law. The former Town Clerk stated in the State Auditor's office audit that the workload prevented her from submitting the reports on time. However, the current Town Clerk has implemented procedures including an electronic reminder to submit these reports by the fifteenth of each month.

Background

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

Discussion

During the Town of Branchville Municipal Court State Auditor's Report issued June 30, 2014, the auditor tested the Town's STRRFs and noted that ten of the twelve submitted forms were not submitted by the fifteenth of the month as required by State law. At that time, the Town Clerk stated her work load did not always allow for timely filing.

The DCVC Auditor prior to the follow up site visit requested the Town submit STRRFs for FY 13-17. These documents were on the pre requested document list and received by the auditor on September 5, 2018. The auditor reviewed the documents prior to the site visit on October 2, 2018. During the review process, the auditor noted the forms submitted were all dated August 29, 2018. To ensure deposits were submitted timely by the fifteenth of each month, the DCVC Auditor requested and received paper receipts. The submission dates were verified and the STRRFs were determined to be submitted in a timely manner.

On October 10, 2018, the auditor received via email the written job procedures implemented to ensure the STRRFs are submitted by the fifteenth of each month in compliance with State law.

Recommendation(s)
and Comments

No further recommendations.

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

E. Supplementary Schedule**Objective**

Did the Town of Branchville implement procedures to ensure amounts reported on the Supplementary Schedule are accurate; and informed their auditor of the requirement to provide an “in relation to” opinion on its Supplementary Schedule in accordance with State law?

Conclusion

Yes, the Town of Branchville implemented procedures to ensure amounts reported on the Supplementary Schedule are accurate, and informed their auditor of the requirement to provide an “in relation to” opinion on its Supplementary Schedule in accordance with State law. The Town’s Supplementary Schedules have been reviewed for accuracy. In addition, the Town Clerk emailed the Town’s Auditor and advised of the previous errors on the Supplementary Schedule and the requirement to provide an “in relation to” opinion on its Supplementary Schedule.

Background

Section 14-1-208 (E)(2) of the 1976 South Carolina Code of Laws

Section 14-1-211(D)(2) of the 1976 South Carolina Code of Laws

Discussion

While reviewing the Town of Branchville Municipal Court State Auditor's Report issued June 30, 2014, the State Auditor tested the schedule of court fines, assessments, and surcharges included in the Town’s financial statements for the year ended December 31, 2012. The State Auditor found the Town’s Auditor did not give an “in relation to” opinion on the Supplementary Schedule. According to the report, *there was in fact no form of assurance given on the Supplementary Schedule and the Town had a modified opinion.*

In addition, the State Auditor found amounts reported for the Town's Court Assessments and Court Surcharges collected and remitted to the State Treasurer that did not agree with the amounts recorded in the Town's accounting records.

In the pre requested audit site visit documents, the DCVC Auditor requested and received copies of the Town's financial audits with Supplementary Schedules and the State Treasurer's Revenue Remittance Forms for FY 13 through FY 17. The DCVC Auditor reconciled these items and noted the amounts on the Supplementary Schedule for FY 14 did not match the amounts reported on the STRRF.

During the site visit on October 2, 2018, the DCVC Auditor inquired with the Town Clerk regarding steps taken to ensure the amounts reported on the Supplemental Schedule are accurate. The clerk stated the Town has not made any corrections regarding ensuring accuracy of the Supplementary Schedule. The DCVC Auditor further inquired if the Town Auditor was informed of the requirement to provide an "in relation to opinion" on its Supplementary Schedule in accordance with State law. The Town Clerk stated she was unaware of this requirement. However, she was aware of the discrepancy in the FY 14 Supplementary Schedule. The Town Clerk advised the DCVC Auditor she would forward an email to the Town's Auditor informing her of the requirement to have an "in relation to opinion" and the error in the reporting of the amounts on the Supplementary Schedule. The DCVC Auditor and Town Clerk agreed that the Town Clerk would complete the notice by October 9, 2018. On October 8, 2018, the DCVC Auditor received a copy of an email addressed to the Town Auditor explaining the above information.

Recommendation(s)
and Comments

No further recommendations

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

F. Victim Assistance Funds**Objective**

Did the Town of Branchville implement procedures to ensure Victim Assistance Revenue is accounted for and deposited timely in accordance with State law?

Conclusion

Yes, the Town implemented procedures to ensure victim assistance revenue is accounted for and deposited timely in accordance with State law. The Town currently makes monthly deposits to the Victim Assistance bank account. As a result of the new procedures, the Town reimbursed the Victim Assistance fund \$32,058.95.

Background

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

Discussion

According to the Town of Branchville Municipal Court State Auditor's Report issued June 30, 2014, the State Auditor noted the following in their audit report:

- *The Town has established a separate bank account for the Victim Assistance funds. However, no deposits were made into this account from July 1, 2011 and January 2014. Instead the Town has co-mingled the money in the general fund bank account.*
- *The Town's Victim Assistance bank account balance at December 31, 2012 did not agree with the Schedule of Fines and Assessments carryforward balance for victim assistance. The balance is \$34,412 below the required amount.*

- *By co-mingling the money in the general fund account, not having a Victim Advocate funded position and failure to have the carryforward balance available in cash in the Victims Assistance account, the Town has by default spent victim assistance funds on unallowable expenditures.*
- *The Town did not make deposits since the December 31, 2012 carryforward balance was calculated. The January 2013 through June 2013 balance due Victim Assistance fund is \$2,328.87.*
- *Also the Town did not make deposits for July 2013 through November 2013 during the procedures period. The balance due to the Victim Assistance for this period is \$1,600.74.*

The current Town Clerk stated it was the previous administration's policy not to make separate deposits and instead to co-mingle funds. As a result, the State Auditor recommended the Town establish and implement policies and procedures to ensure victim assistance revenue is accounted for accurately and deposited timely in accordance with State law.

The following was requested as part of the pre requested audit site visit documents:

- Town's financial audit reports for FY13 through FY17
- Bank account statements for FY13 through FY17
- State Treasurer's Revenue Remittance Forms (STRRF) for FY13 through FY17.

On September 5, 2018, the auditor received the requested documents with the exception of the bank statements for FY 13. After reviewing the documents, the DCVC Auditor found that the town makes monthly deposits into the Victim Assistance account. However, in comparing the carryforward balance on the Supplementary Schedule and the ending balance on the Victim Assistance bank statement, there remains a deficit in the account as outlined in the chart below:

Deficit Chart	
Supplementary Schedule (12/31/17)	\$58,971.00
Bank Statement (12/31/17)	\$26,912.05
Deficit as of 12/31/17	\$32,058.95

During the Follow up Audit Site Visit on October 2, 2018, the auditor inquired about the current administration's policy regarding making deposits and co-mingling funds. The Town Clerk stated the funds are no longer co-mingled. In addition, the STRRF is now completed monthly. Also, funds are deposited on a monthly basis. The auditor asked if the procedures were in writing and distributed to all relevant parties. The Town Clerk stated "no". However, she will prepare written procedures and forward them to the DCVC Auditor. The Town Clerk stated Town officials were aware of the funds owed to the Victim Assistance fund. The auditor inquired about the Town's intentions to reimburse the Victim Assistance fund. The Town Clerk stated she would have to present the information to the Town Council and notify the auditor of the final decision afterwards. The next Town Council meeting was scheduled for October 8, 2018. Afterwards, the Town Clerk agreed to follow up with the auditor regarding the Town's intentions of reimbursing the Victim Assistance fund for the deficit on October 9, 2018.

The Town Clerk called on October 9, 2018 to inform the auditor that the Town Council approved a \$300.00 monthly payment to the Victim Assistance fund until the FY 19 budget process started on October 22, 2018. The auditor informed the Town Clerk she would discuss this with management and provide follow up. The Town Clerk requested a response by email from the auditor. After discussing with management the issue of the Victim Assistance fund, it was determined that the above payment plan was unacceptable. Therefore, the DCVC Auditor emailed the Town Clerk outlining a payment plan that would reimburse the outstanding funds within 12 months. This plan included a payment of \$2,671.58 per month for 12 months.

On October 23, 2018 the Town Clerk notified the DCVC Auditor via email that the Town Council approved a payment of \$675.00 for 48 months to reimburse the Victim Assistance fund.

After meeting with management again to discuss this payment plan, the DCVC Auditor responded back to the Town Clerk via email the following information:

DCVC management and auditing team determined that in the best interest of the Town and being good stewards of the Victim Assistance fund, the Town of Branchville is required to do the following:

- Pursue a contract with Orangeburg County for Victim Services
- Submit all Victim Assistance funds to Orangeburg County via contract
- Submit all monthly Victim Assistance Fines, Fees, and Assessments to Orangeburg County plus \$675.00 monthly for the reimbursement of the deficit.
- Submit to DCVC a copy of the contract prior to signing to ensure all relevant information is covered and accurate.

On October 30, 2018, the DCVC Auditor received via email a copy of a deposit receipt showing the reimbursement to the Victim Assistance fund in the full amount of **\$32,068.95**.

Upon receipt of the reimbursement and deposit information, the DCVC Auditor informed the Town that because they had reimbursed the Victim Assistance fund, they were now free to enter a contract with Orangeburg County for victim services should they choose to do so based upon their needs and conditions. The DCVC Auditor also informed the Town that if they decided not to enter a contract with Orangeburg County, they would be responsible for providing victim services for crime victims within the Town's jurisdiction. Also, after discussing the matter with Town officials extensively, the DCVC Auditor found that the Town is not large enough to justify an advocate of their own due to a very low number of crime victims requiring direct victim services. It is noted that the Victim Assistance funds can only be used in accordance with Approved Guidelines or as a donation to a non-profit agency to provide direct victim assistance.

The DCVC Auditor advised the Town to notify DCVC of their intentions by November 7, 2018 regarding a contract. On November 6, 2018, the DCVC Auditor received an email from the Town Clerk inquiring about the guidelines for contracting for victim services and disbursing all Victim Assistance funds to Orangeburg County. As a result, the DCVC Auditor responded via email on November 9, 2018 advising the Town Clerk of the following:

If the Town of Branchville decides to coordinate a contract with Orangeburg County, the Town would be responsible to do the following:

1. Submit a copy of the contract to DCVC before it is signed and executed for review to ensure it covers all specific details pertaining to the Town's situation.
2. Complete the Town's monthly State Treasurer's Revenue Remittance Forms and submit a check to Orangeburg County's Finance Department for the Victim Assistance Program.
3. Review and renew the signed contract annually
4. Submit the renewed contract annually for review during DCVC's budget phase since the Town will not have a budget.
5. Receive and monitor monthly, quarterly, and annual reports from Orangeburg County's Victim Assistance Program regarding victim assistance for the town.

On November 14, 2018, the Town Clerk notified the DCVC Auditor that the Town Council decided not to enter into a contract with Orangeburg County for victim services. The DCVC Auditor thanked the Town for notifying DCVC of their intent moving forward and advised the Town via email of the following:

- That DCVC is still waiting for the monthly, quarterly, and yearly reports for their donation given in January 2018 to a non-profit. The Town was informed to forward this information to the auditor via email by noon on Friday, November 30, 2018.

- The Town of Branchville was advised until the above issue is resolved they cannot donate any other funds, unless they adhere to the donation policy and procedures.
- For all future donations, the Town is required to adhere to the donation policy and procedures as outlined on the donation form. A donation form was sent to the Clerk.

On November 29, 2018, the Town Clerk sent via email, the reports received from the non profit agency. Therefore, the above mentioned issue was resolved.

The Town Clerk was also encouraged to call the DCVC Auditor if they had any questions in the future when donating Act 141 funds.

The DCVC Auditor noted that although the Town of Branchville chose not to enter into a contract with Orangeburg County, the county will continue to assist with providing victim assistance services for the Town. In addition, the DCVC Auditor provided technical assistance by advising the Town Clerk of Proviso 59.15 and the requirement to spend 90% of the Victim Assistance funds collected each fiscal year or carryforward \$25,000 or 10% whichever is greater.

Recommendation(s)
and Comments

No further recommendations

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

E. Technical Assistance**Documentation Provided**

During the site visit, technical assistance and support was provided and the following documents were reviewed and explained in detail. Also, copies were provided to appropriate officials and agency representatives:

1. Legislation - Act 96 (Part IV)
2. Proviso 98.9
3. Proviso 59.15
4. Sample Budget
5. Sample Staff Hired Report
6. Sample Time and Activity Report
7. Sample Expenditure Report
8. Victim Advocate Procedural Manuel
9. 2018 Approved Guidelines

Other Matters

There are no other matters.

Corrective Action

Act 96 (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 Town of Branchville was informed at the conclusion of the Follow up Audit Site Visit that the noted errors in the State Auditor’s Municipal Court Audit Report have been corrected. The findings were reviewed with the Mayor, Chief, and Clerk. However, they were advised that the Programmatic Review will warrant further review by management.

The Follow-up Audit Site Visit was conducted on October 2, 2018, and the report was issued on February 26, 2019 after review with management.

Since all errors and recommendations have been corrected and complied with, the Town of Branchville is compliant, and there are no further recommendations.

Official Post-Audit Response

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

**Ethel Douglas Ford, CPM
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:

www.sova.sc.gov

Appendix(s)

Appendix A-Town of Branchville Municipal Court State Auditor's Report Issued June 30, 2014.

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

STATE AUDITOR'S REPORT

JUNE 30, 2014

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State of South Carolina



Office of the State Auditor

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

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

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

May 8, 2015

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

The Honorable John F. Quattlebaum, Chief Judge
Ms. Jenny Elliott, Town Treasurer
Town of Branchville
Branchville, South Carolina

This report resulting from the application of certain agreed-upon procedures to certain accounting records of the Town of Branchville 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,

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

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

RHGjr/trb

STEVEN L. BLAKE, CPA

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

May 8, 2015

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

The Honorable John F. Quattlebaum, Chief Judge
Town of Branchville Municipal Court
Branchville, South Carolina

Ms. Jenny Elliott, Town Clerk/Treasurer
Town of Branchville
Branchville, South Carolina

I have performed the procedures described below, which were agreed to by the Town of Branchville Municipal Court, solely to assist you in evaluating the performance of the Town of Branchville Municipal Court for the period July 1, 2013 through June 30, 2014, in the areas addressed. The Town of Branchville 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 Branchville 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 ensure timely reporting by the Clerk of Court's Office.
- I obtained the court dockets 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 ensure 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 judgmentally 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 judgmentally 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 John F. Quattlebaum, Chief Judge
Ms. Jenny Elliott, Town Clerk/Treasurer
Town of Branchville
May 8, 2015

My findings as a result of these procedures are presented in Timely Processing by the Clerk of Court, Adherence to Fine Guidelines and Installment Fee not Collected 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 ensure timely reporting by the municipality.
- I obtained copies of all court remittance forms or equivalents and tested each monthly remittance form to ensure 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 support.
- I agreed amounts reported on the municipality's supplemental schedule of fines and assessments to the municipality's support.

My findings as a result of these procedures are presented in Timely Submission of State Treasurer's Revenue Remittance Form and Supplementary Schedule 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 ensure 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 ensure 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 John F. Quattlebaum, Chief Judge
Ms. Jenny Elliott, Town Clerk/Treasurer
Town of Branchville
May 8, 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 bank account.
- 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 Under Reported Amounts

- I obtained the information related to the ten remittances that were deposited late. I determined that these remittances had not yet been allocated for submission to the State Treasurer. I recalculated the fine, assessments and surcharges related to the original amounts of these ten remittances. I summarized these amounts by State Treasurer's Revenue Remittance Form line items.

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 Branchville Council, Town of Branchville Clerk of Court, Town of Branchville 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

VIOLATIONS OF STATE LAWS, RULES OR REGULATIONS

Management of the entity is responsible for establishing and maintaining internal controls to ensure compliance with State Laws, Rules or Regulations governing court collections and remittances. The procedures agreed to by the entity require that 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 PROCESSING BY THE CLERK OF COURT

A former Clerk of Court did not deposit ten defendant remittances. The current Clerk of Court found the old remittances upon assuming office and subsequently deposited the fines. Due to time passage between payment date and deposit date, some payments were either not collectable (e.g., payee bank account was closed) or service charges were incurred thereby reducing the payment amount to a lesser amount at the time of deposit.

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 Town 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 current Town Clerk did not know why the remittances were not deposited timely.

I recommend the Town implement procedures to ensure remittances are timely deposited in accordance with State law.

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:

Speeding

The Court fined seven individuals either \$25.06 or \$28.43 for speeding, 10 mph or less over the speed limit.

Section 56-5-1520(G) of the 1976 South Carolina Code of Laws, as amended, states " A person violating the speed limits established by this section is guilty of a misdemeanor and, upon conviction for a first offense, must be fined or imprisoned as follows: (1) in excess of the above posted limit but not in excess of ten miles an hour by a fine of not less than fifteen dollars nor more than twenty-five dollars;

In addition, the Court fined one individual \$71.33 for speeding, 10 mph to 15mph over the speed limit.

Section 56-5-1520(G) of the 1976 South Carolina Code of Laws, as amended, states " A person violating the speed limits established by this section is guilty of a misdemeanor and, upon conviction for a first offense, must be fined or imprisoned as follows: (2) in excess of ten miles an hour but less than fifteen miles an hour above the posted limit by a fine of not less than twenty-five dollars nor more than fifty dollars;

Seatbelt

I noted one instance where an individual was fined \$82 for a seatbelt violation.

Section 56-5-6540(A) of the 1976 South Carolina Code of Laws, as amended, states, "A person who is adjudicated to be in violation of the provisions of this article must be fined not more than twenty-five dollars, no part of which may be suspended."

Handicapped Parking

I noted one instance where an individual was fined \$100 for a handicapped parking violation.

Section 56-3-1970 (C) states "A person violating the provisions of this section ... must be fined not less than five hundred dollars nor more than one thousand dollars"

Local Ordinance Violations

I noted three instances where defendants were fined differing amounts for unlawful operation of a motor vehicle than the local code mandated.

The Town Clerk stated it appeared to her the Judge had used the amounts listed on the ticket instead of the amounts stipulated by the sentencing guidelines. In some cases the amounts on the ticket were rounded.

I recommend the Municipal Court implement procedures to ensure fines levied by the court adhere to applicable State law.

INSTALLMENT FEE NOT COLLECTED

In my test of Municipal Court collections and remittances, one of twenty-five tickets selected was paid on installment. Based on my tests I determined the Court did not assess and collect the three percent installment fee from the individual.

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 Clerk of Court stated he was unaware of this requirement.

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

TIMELY SUBMISSION OF STATE TREASURER'S REVENUE REMITTANCE FORM

I obtained copies of all State Treasurer Revenue Remittance Forms (STRRF) prepared during the procedures period. I determined that ten out of twelve STRRF were not submitted

to the State Treasurer by the fifteenth day of the month as required by State law. The Town Treasurer submitted the forms from four to seventeen days late.

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 Treasurer stated her predecessor stated her work load did not always allow for timely filing.

I recommend the Town implement procedures to ensure the STRRF are submitted by the fifteenth day of each month in compliance with State law.

SUPPLEMENTARY SCHEDULE

During my testing of the schedule of court fines, assessments and surcharges included in the Town's financial statements for the year ended December 31, 2012, the latest available audit, I noted the auditors' opinion was not an "in-relation-to" opinion. In fact, no form of assurance was given on the supplementary schedule and the Town had a modified opinion.

Section 14-1-208(E)(2) and 14-1-211(D)(2) of the 1976 South Carolina Code of Laws, as amended, 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.."

I also noted amounts reported for the Town's court assessments and court surcharges collected and remitted to the State Treasurer did not agree to amounts recorded in the Town's accounting records.

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

The Town Treasurer stated the schedule appeared to treat seatbelt fines as surcharges and did not know why assessments were not reconciled. The Treasurer was aware that the Town had received a modified opinion

I recommend the Town implement procedures to ensure amounts reported on the supplementary schedule are accurately reported and inform their auditor of the requirement to provide an "in-relation-to" opinion on its supplementary schedule in accordance with State law.

VICTIM ASSISTANCE FUNDS

During my tests of Municipal 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, no deposits were made into this account from July 1, 2011 until January 2014. Instead, the Town has comingled the money in the general fund bank account.
- The Town's Victim Assistance bank account balance at December 31, 2012 did not agree with the schedule of fines and assessments fund balance carry forward for Victim Assistance. The balance was \$34,412 below the required amount.
- By comingling the money in the general fund account, not having a Victims' Advocate funded position and not having the required carry forward fund balance available in cash in the Victim Assistance account, the Town has by default spent Victim Assistance money on unallowable, undocumented expenses of the general fund.
- The Town did not make deposits since the December 31, 2012 carry forward balance was calculated. The January 2013 through June 2013 balance due Victim Assistance is \$2,328.87
- The Town also did not make deposits for July 2013 through November 2013 during the procedures period. The balance due Victim Assistance for this period is \$1,600.74.

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 Town 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 Town 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."

The current Town Clerk stated it was previous administration policy not to make separate deposits but to comingle monies.

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.

UNDER REPORTED AMOUNTS

As reported in the finding Timely Processing by the Clerk of Court, the former Clerk of Court did not deposit ten defendant remittances. These old remittances were subsequently found and deposited late. Based on the tests performed, I determined the Town had not properly allocated the fines, fees and/or assessments collected and that the Town had under reported the amounts on the STRRF.

STRRF LINE	DESCRIPTION	
K.	Municipal Law Enforcement Surcharge - \$25 per case	\$ 250.00
KA.	Municipal CJA Surcharge - \$5	50.00
L.	Municipal Court -107.5%	<u>375.57</u>
M.	TOTAL REVENUE DUE TO STATE TREASURER COUNTY VICTIM FUND	<u>\$ 675.57</u>
N.	Assessments - Municipal -107.5%	<u>47.18</u>
P.	TOTAL REVENUE DUE TO VICTIM ASSISTANCE	\$ <u><u>47.18</u></u>

MUNICIPALITY'S RESPONSE

Glenn Miller
Mayor

Tom Jennings
Mayor Pro Tem

Aldermen

Chris Ott
Amy Bryant
Sam Whisenhunt
Michael Blankenship
Gregory Oliver



Town of Branchville
Oldest Railroad Junction in the World

Frank Quattlebaum
Judge

Randy Clark
Chief of Police

Lee Hendren
Clerk of Court

Jenny Elliott
Clerk and Treasurer

RESPONSES BY THE CLERK OF COURT AND THE CLERK/TREASURER

Recommendation #1: Implement procedures to ensure remittances are timely deposited.

Action taken: The State Auditor's Report reflects conditions that existed prior to the hiring of the current Clerk/Treasurer and the current Clerk of Court. New procedures were implemented and are being followed and will be included in the procedure manuals for the clerks.

Recommendation #2: Implement procedures to ensure fines levied by the court adhere to applicable State law.

Action taken: The Clerk of Court collects fines in the amounts ordered by the Municipal Judge. The \$82 fine for a seat belt violation was a one-time error resulting from a plea agreement that was requested by an attorney and agreed to by all parties.

Recommendation #3: Implement procedures to ensure the installment fee is charged and collected in accordance with State law.

Action taken: The Clerk of Court learned of this fee in late December 2014 from Steve Blake. It is being applied to all installment payment plans approved after Jan. 1, 2015, and will be included in the procedure manual for the Clerk of Court.

The Clerk of Court notes this fee does create accounting problems. A real example: A defendant is fined \$155 in court and pays with a \$133 money order and \$22 cash. If it is entered into the computer as one money order payment and one cash payment, auditors will see two partial payments and will object that the installment fee has not been paid. If it is entered as one payment, it must be designated as either a money order payment or a cash payment, and auditors will protest that the computerized bank deposit sheet does not match the deposit slip for cash vs. non-cash receipts.

Recommendation #4: Implement procedures to ensure the State Treasurer's Revenue Remittance Form (STRRF) is submitted by the 15th day of each month.

Action taken: The State Auditor's Report reflects conditions that existed prior to the hiring of the current Clerk/Treasurer and the current Clerk of Court. New procedures were implemented and are being followed and will be included in the procedure manuals for the clerks.

Recommendation #5: Supplementary schedule

Action taken: The State Auditor's Report reflects conditions that existed prior to the hiring of the current Clerk/Treasurer and the current Clerk of Court. New procedures were implemented and are being followed and will be included in the procedure manuals for the clerks. The Clerk/Treasurer has informed the external auditor of the recommendations in the State Auditor's Report.

Recommendation #6: Implement procedures to ensure that Victim Assistance revenue is accounted for and deposited timely in accordance with State law.

Action taken: The State Auditor's Report reflects a previous employee's activities and her training of her successor. New procedures were implemented and are being followed and will be included in the procedure manuals for the clerks.

Signed at Branchville, South Carolina, this 8th day of May, 2015.



Lee Hendren
Clerk of Court



Jenny Elliott
Town Clerk/Treasurer



ALAN WILSON
ATTORNEY GENERAL

This Programmatic Review and Financial Audit was completed by:

Teresa Green
Teresa Green, Auditor

2/26/19
Date

Reviewed by:

Dexter Boyd
Dexter Boyd, Sr. Auditor

2/26/19
Date

Ethel Douglas Ford
Ethel Douglas Ford, CPM, Assistant Deputy Director

2/26/19
Date

Scott Beard
Scott Beard, DCVC Deputy Director

2/21/19
Date