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Court Engagements

AGREED UPON PROCEDURES



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Topics



- Why we do the engagements
- Remitting court fines
- Financial statement audit
- How we do the engagements

Appropriations Act Proviso 105.4. (SFAA-AUD: Annual Audit of Court Fees and Fines Reports)



The State Auditor shall conduct a minimum of fifteen audits annually of county treasurers, municipal treasurers, county clerks of court, magistrates and/or municipal courts as required by Section 14-1-240 of the 1976 Code and allowed by Section 14-1-240; however, the State Auditor shall not be required to spend more than the annual amount of \$250,000, received from the State Treasurer to conduct the said audits pursuant to Section 14-1-210 of the 1976 Code. The State Auditor may contract with one or more CPA/accounting firms to conduct the required audits. The State Auditor shall consult with the State Treasurer to determine the jurisdictions to be audited in the current fiscal year. Jurisdictions may be selected randomly or based on an instance in the current or previous fiscal year of failing to report, incorrectly reporting or under remitting amounts owed. The funds transferred to the State Auditor by the State Treasurer shall not be used for any purpose other than to conduct the Described audits and report whether or not the assessments, surcharges, fees, fines, forfeitures, escheatments, or other monetary penalties imposed and/or mandated are properly collected and remitted to the State. Any unexpended balance on June thirtieth of the prior fiscal year shall be carried forward and must be expended for the same purpose during the current fiscal year. The State Auditor shall annually report by October first, its findings of the jurisdictions audited to the Senate Finance Committee and the House Ways and Means Committee.

Proviso



- 15 Reports per fiscal year (minimum)
- Funding provided
- Jurisdictions selected by consult with STO or randomly
- Contract with CPA firms
- Summary report of all engagements to Senate and House



Law

Relevant sections of law



- 14-1-208 Remittance
- 14-1-210 (A) and (B) SC Office of the State Auditor
- 14-1-210 (C) Annual audit to STO
- 5-7-240 Requires annual audit

State Treasurer's Revenue Remittance Form (STRRF)



- Remit monthly
- Remit timely
- Maintain all documentation
- If software has problems, ensure accuracy prior to submitting

STRRF

Financial Statement Audit



- Have an annual audit
- Use a reputable firm
- Be sure the audit includes the supplementary schedule of fines and assessments/Uniform Supplemental Schedule Form (FY 2019 new name)
- Be sure the auditors have the "in relation to" Uniform Supplemental Schedule in the auditor's report

OSA



Agreed Upon Procedures Engagement



OSA Notification Letter



Procedures



1. Clerk of Court



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

2. Town Treasurer



- We gained an understanding of the policies and procedures established by the Town treasurer to confirm timely reporting by the Town.
- We inspected all monthly court remittance forms or equivalents to confirm that the forms were completed in accordance with instructions and submitted timely in accordance with State law.
- We agreed the amounts reported on the monthly remittance forms or equivalents to the Town's support.
- We inspected the Town's support to confirm that the Town properly classified fine, fee, assessment, and surcharge receipts.

2. Town Treasurer (Continued)



- We inspected all State Treasurer’s Revenue Remittance Forms for the period July 1, 20XX through June 30, 20XX and agreed the amounts reported on the State Treasurer’s Revenue Remittance Forms to the court remittance forms or equivalents.
- We agreed the amounts reported by the Town on its supplemental schedule of fines and assessments, as reported in the annual financial statement audit, for the period July 1, 20XX through June 30, 20XX, to the Towns general ledger.
- We inspected the Town’s supplemental schedule of fines and assessments, as reported in the annual financial statement audit, to confirm that it contained all the elements required by State law.

3. Victim Assistance



- We gained an understanding of the policies and procedures established by the Town to confirm proper accounting for victim assistance funds.
- We made inquiries and confirmed that any funds retained by the Town for victim assistance were deposited into a separate account.
- We selected _____ expenditures to confirm that the Town expended victim assistance funds in accordance with State law and the South Carolina Court administration fee memoranda.

3. Victim Assistance (Continued)



- We inspected the Town’s victim assistance financial activity on the supplemental schedule of fines and assessments, as reported in the annual financial statement audit, and confirmed that it was in compliance with applicable State law.
- We agreed the amounts reported by the Town on its supplemental schedule of fines and assessments, as reported in the annual financial statement audit for the year ended June 30, 20XX, applicable to the Victim Assistance Fund, to the Town’s general ledger or subsidiary ledgers.
- We inspected the Town’s victim assistance account to confirm the Victim Assistance fund balance was retained as of July 1 from the previous fiscal year in accordance with State law.

How to prepare



- Maintain all documentation
- Follow policies and procedures – transitioning staff have a difficult time with auditors if standard procedures aren't documented and followed
- Complete the financial statement audit
- Communication – auditors will send a request list
 - Talk with the auditors
 - Talk with me

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