

BONNEAU MUNICIPAL COURT

BONNEAU, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2016

CONTENTS

	<u>PAGE</u>
I. STATE AUDITOR'S OFFICE TRANSMITTAL LETTER	1
II. INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES	2-9



February 19, 2019

Ms. Elizabeth Wrenn, Clerk of Court
Bonneau Municipal Court
Bonneau, South Carolina

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

George L. Kennedy, III, CPA
State Auditor

GLKIII/sag

STEVEN L. BLAKE, CPA

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

February 19, 2019

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

Elizabeth Wrenn, Clerk of Court
Bonneau Municipal Court
Bonneau, 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 Bonneau, on the systems, processes, and behaviors related to court fines and fees of the Town of Bonneau for the period July 1, 2015 through June 30, 2016, in the areas addressed. The Town of Bonneau and the Bonneau 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 Bonneau and the Bonneau Municipal Court. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which the 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 docket 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.
- 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.

Mr. George L. Kennedy, III, CPA, State Auditor
and
Elizabeth Wrenn, Clerk of Court
Bonneau Municipal Court
February 19, 2019

Findings

Manual Calculation of Remittances

- The Town continues to use a manual system to calculate amounts reported on the State Treasurer's Revenue Remittance Forms (STRRF) which resulted in the following:
 - 1) Court receipts are manually summarized in receipt number order by cash, money order, check and credit card payment sources on handwritten "Bond Receipt" summaries. These summaries are used to prepare deposit slips for depositing collections into the court bank account for bonds and fines collections. I was unable to trace summaries to bank deposits due to classification and calculation errors.
 - 2) These "Bond Receipt" summaries are not deposited timely. Some summaries are deposited from several days up to two weeks late. Multiple summaries are deposited on the same day. I was unable to compare monthly collections, deposits and STRRF revenue reports due to a lack of consistent cutoff.
 - 3) The Bond Receipt summaries are input into the court docket management software for installment payment tracking and ticket status monitoring but not for STRRF reporting purposes. This docket software produces a report at month end showing ticket status and payments made on those tickets. Not all tickets have a disposition on this ticket report by disposition date therefore I was unable to determine from the report what the disposition of every ticket is. Also, it appears not all receipted payments are entered so I was unable to trace installment payment status or bonds pending status. A manual calculator tape is run on the payment's column of this report and that amount is transferred to a manual allocation worksheet for STRRF reporting purposes. I noted \$216,875.85 of payments, deposited in the bonds and fines account, that appeared not to be entered in the court docket management software and therefore not included in the allocation worksheet for STRRF reporting purposes.
 - 4) Because these collections were not input into the court docket management software and not all tickets have dispositions or payments, I was unable to reconcile collections with bonds pending, bond refunds, tickets by ticket number and installment payments. Credit card deposits are also not reconciled with credit card collections. The installment

Mr. George L. Kennedy, III, CPA, State Auditor
and
Elizabeth Wrenn, Clerk of Court
Bonneau Municipal Court
February 19, 2019

payments that are entered and therefore tracked are each transferred to the allocation worksheet. This causes double assessments as the installment payments are not segregated on the worksheet and prorated. They are counted as if they were full payments each assessment period.

- 5) The manual calculator tape has human errors and is not reconciled to total collections. The court docket software does not provide a total for the collections on the report that is printed for allocation purposes. In one instance I noted a double counting of \$6,752 in collections.
- 6) The manual allocation worksheet has a calculation for criminal violations which, if properly used, would provide the correct amount for criminal surcharges to be allocated to the victims' fund. However, neither the software nor the individual manually assessing the current period collections correctly determines which tickets are assessed the criminal surcharge, so the manual allocation spreadsheet process does not properly calculate and assess the victims' surcharge.

This is a repeat finding. See "Status of Prior Findings" below.

Adherence to Fine Guidelines

- The Court sentenced three defendants \$25.06 for Speeding less than 10 MPH over the limit. The required maximum fine is \$25. The Court sentenced three defendants \$50.12, \$50.60 and \$84.33 respectively for Speeding 10 – 15 MPH over the limit. The Clerk stated that the first two of the fine amounts were rounded causing the excess; the third fine was assessed using the wrong offense level. It was the fine for 15-25 MPH over the limit.
- The Court did not sentence one defendant in accordance with local ordinance for Simple Possession of Marijuana. The judge fined the defendant \$550.84 rather than the required \$500 maximum fine. The Clerk stated the roadside bond amount listed was used and was not correct.
- The Court sentenced one defendant \$514.69 for Driver's License Required, a local ordinance. The maximum fine is \$500. The Clerk stated that this ticket had an incorrect roadside bond listed when it came before the judge.
- The Court sentenced two defendants to \$299.75 each for Driving Under Suspension not DUI 1ST offense. The required fine is \$300. The Clerk stated that the fine amounts were rounded.

Mr. George L. Kennedy, III, CPA, State Auditor
and
Elizabeth Wrenn, Clerk of Court
Bonneau Municipal Court
February 19, 2019

- The Court sentenced two defendants for Driving Under the Influence Per Se \$413.49 and \$500.24 respectively. The Clerk stated one fine was rounded and the other was an incorrect amount used as a roadside bond on the ticket presented to the Court.

This is a repeat finding. See “Status of Prior Findings” below.

Driving Under the Influence Per Se

The personnel using the manual allocation worksheet do not know how to identify and assess DUI Per Se. Therefore, all DUI Per Se are incorrectly assessed.

Installment Fee

The Court appears to include the mandated 3% Installment Fee on Scheduled Time Payments when fines are paid in one installment.

Handicapped and Child Restraint

In the summary of cases for the manual allocation worksheet, handicapped collections are not treated as nonassessed in accordance with State law but Child Restraint cases are treated as nonassessed which is not in accordance with State law.

Seat Belt Violations

I noted in some instances Seat Belt violators are assessed \$50. State law mandates a maximum fine of \$25 for a Seat Belt violation.

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 the Municipality’s support to confirm that the Municipality properly classified fine, fee, assessment, and surcharge receipts.
- I inspected all STRRF for the period July 1, 2015 through June 30, 2016 and agreed the amounts reported on the STRRF to the court remittance forms or equivalents.
- I agreed the amounts reported by the Municipality on its Supplemental Schedule of fines and assessments, as reported in the annual financial statement audit, for the period July 1, 2015 through June 30, 2016, to the Municipality’s general ledger. The June 30, 2014 annual financial statement audit was the latest available audit.
- I inspected the Municipality’s Supplemental Schedule of fines and assessments, as reported in the annual financial statement audit, to confirm that it

Mr. George L. Kennedy, III, CPA, State Auditor
and
Elizabeth Wrenn, Clerk of Court
Bonneau Municipal Court
February 19, 2019

contained all the elements required by State law. The June 30, 2014 annual financial statement audit was the latest available audit.

Findings

Timely Filing of State Treasurer's Revenue Remittance Form

Of the five STRRF submitted during the procedures period, they were submitted between 125 to 278 days late by the Town Treasurer. The remaining STRRF have not been submitted. The Clerk stated that STRRF are submitted as Town finances allow.

This is a repeat finding. See "Status of Prior Findings" below.

Supplemental Schedule

The auditor's opinion did not include an "in-relation-to" opinion on the Supplemental Schedule as mandated by State law. No reconciliation of amounts in the schedule was available.

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.
- I inspected the Municipality'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 adhered to and included items required by State law. The June 30, 2014 annual financial statement audit was the latest available audit.
- I agreed the amounts reported by the Municipality on its Supplemental Schedule of fines and assessments, as reported in the annual financial statement audit, applicable to the Victim Assistance Fund, to the Municipality's general ledger or subsidiary ledgers or equivalent. The June 30, 2014 annual financial statement audit was the latest available audit.
- 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

Mr. George L. Kennedy, III, CPA, State Auditor
and
Elizabeth Wrenn, Clerk of Court
Bonneau Municipal Court
February 19, 2019

Victim Assistance Fund Balance

The fund balance for the procedures period was not accounted for in the general ledger and the latest available audited financial statement Supplemental Schedule was for the period ended June 30, 2014. The Department of Crime Victim Compensation completed an audit which resulted in the Town establishing a segregated bank account for the agreed to Victims' Assistance fund balance as of June 16, 2017.

4. Status of Prior Findings

- I inquired of Bonneau's management about the status of findings reported in the Accountant's Comments section of the Independent Accountant's Report on the Municipality resulting from an engagement for the period ended June 30, 2013, to confirm that the Municipality had taken adequate corrective action.

Findings

All the Town's findings repeated; Adherence to Fine Guidelines, Manual Calculation and Assessment of Surcharges and Fees, Allocation of Installment Payments, Timely Filing, Installment Fee, Victims Assistance and Supplemental Schedule findings. It is to be noted that the items in the Adherence to Fine Guidelines and Manual Calculation and Assessment of Surcharges and Fees are less in number and less in severity when compared to prior findings.

Mr. George L. Kennedy, III, CPA, State Auditor
and
Elizabeth Wrenn, Clerk of Court
Bonneau Municipal Court
February 19, 2019

5. Calculation of (Over)/Under Reported Amounts

• I obtained court transmittal forms for the twenty-four-month period ended June 30, 2016. I recalculated assessment amounts to determine (over)/under reported assessments by the Clerk of Court for the period related to the findings above. However, I did not assess the \$216,875.85 as the Town wishes to confirm my finding amount to determine its validity. The results of the reassessment for the other findings amounts, including not filing the seven STRRF from the **Timely Filing of State Treasurer’s Revenue Remittance Form** June 30, 2016 finding above and the six STRRF not filed for the twelve months ended June 30, 2015, are as follows:

STRRF LINE	DESCRIPTION	AMOUNT
F.	Municipal DUS DPS Pullout - \$100	\$ (533.55)
G.	Municipal DUI Assessment - \$12 per case	90.45
H.	Municipal DUI Surcharge - \$100 per case	753.81
I.	Municipal DUI DPS Pullout - \$100	753.81
IA.	DUI/DUAC Breathalyzer Fee \$25	124.77
J.	Municipal Drug Surcharge - \$150 per case	(539.58)
K.	Municipal Law Enforcement Surcharge \$25	36,060.48
KA.	Municipal Criminal Justice Academy \$5 Surcharge	8,567.10
L.	Municipal – 107.5%	<u>126,572.57</u>
M.	TOTAL REVENUE DUE TO STATE TREASURER	\$ <u>171,849.86</u>
RETAINED BY MUNI FOR VICTIM SERVICES		
N.	Assessments - Municipal	15,899.84
O.	Surcharges - Municipal	<u>1,323.48</u>
P.	TOTAL RETAINED FOR VICTIM SERVICES	\$ <u><u>17,223.32</u></u>

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 Town of Bonneau. Accordingly, I do not express an opinion or conclusion. Had I performed additional

Mr. George L. Kennedy, III, CPA, State Auditor
and
Elizabeth Wrenn, Clerk of Court
Bonneau Municipal Court
February 19, 2019

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, Chairman of the House Ways and Means Committee, Senate Finance Committee, House Judiciary Committee, Senate Judiciary Committee, members of the Bonneau Municipal Council, Bonneau Municipal Clerk of Court, Bonneau 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