

**BONNEAU MUNICIPAL COURT
BONNEAU, SOUTH CAROLINA**

**STATE AUDITOR'S REPORT
JUNE 30, 2017**

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March 19, 2022

The Honorable Whilden V. Baggett, Chief Judge
Town of Bonneau Municipal Court
Ms. Elizabeth Wrenn, Clerk/Treasurer
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 period July 1, 2016 through June 30, 2017, 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/trb

STEVEN L. BLAKE, CPA

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

March 19, 2022

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

The Honorable Whilden V. Baggett, Chief Judge
Town of Bonneau Municipal Court
Ms. Elizabeth Wrenn, Clerk/Treasurer
Bonneau, South Carolina

I have performed the procedures described below on the systems, processes, and behaviors related to financial activity of the Town of Bonneau (the Town) and the Bonneau Municipal Court (the Court) for the period July 1, 2016 through June 30, 2017, in the areas addressed. The Town of Bonneau and the Bonneau Municipal Court are responsible for the systems, processes, and behaviors related to financial activity.

The South Carolina Office of the State Auditor has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the systems, processes and behaviors related to financial activity for the period July 1, 2016 through June 30, 2017. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. **Clerk of Court**

- I obtained the court dockets or equivalents from the Clerk of Court. I judgmentally 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.

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- 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

Adherence to Fine Guidelines

- **Driving Under Suspension First Offense**

The Court fined two defendants \$299.75 for Driving Under Suspension, first offense. Section 56-01-460 (A)(1) of the South Carolina Code of Laws states, "A person who drives a motor vehicle on a public highway of this State when the person's license to drive is canceled, suspended, or revoked must, upon conviction, be punished as follows: ... (a) for a first offense, fined three hundred dollars ...".

Town of Bonneau Response: The judge fined the defendants the amount listed by the officer on the ticket for the bond amount which was rounded down fifty cents.

- The Court fined one defendant \$62.16 for Driving Under Suspension, first offense. Section 56-01-460 (A)(1) of the South Carolina Code of Laws states, "A person who drives a motor vehicle on a public highway of this State when the person's license to drive is canceled, suspended, or revoked must, upon conviction, be punished as follows: ... (a) for a first offense, fined three hundred dollars ...".

Town of Bonneau Response: The Town had no response.

- The Court fined one defendant \$300.24 for Driving Under Suspension, first offense. Section 56-01-460 (A)(1) of the South Carolina Code of Laws states, "A person who drives a motor vehicle on a public highway of this State when the person's license to drive is canceled, suspended, or revoked must, upon conviction, be punished as follows: ... (a) for a first offense, fined three hundred dollars ...".

Town of Bonneau Response: The Town incorrectly rounded the fine up fifty cents.

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- **Local Ordinance Violations**

The Court fined two defendants \$553.25 and one defendant \$550.84 for various drug related local ordinance violations. Section 5-07-30 (A)(1) of the South Carolina Code of Laws states, "...The municipal governing body may fix fines and penalties for the violation of municipal ordinances and regulations not exceeding five hundred dollars or imprisonment not exceeding thirty days, or both...".

Town of Bonneau Response: The Town was unaware of this requirement and the judge incorrectly fined these defendants as a result.

- **Speeding**

The Court fined one defendant \$25.06 for speeding in excess of ten miles an hour but less than fifteen miles an hour above the posted limit. Section 56-5-1520(G) of the South Carolina Code of Laws 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:

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;"

Town of Bonneau Response: The Court incorrectly rounded the total fine up.

Installment Fee

The Court did not assess and collect the three percent installment fee from several defendants who paid in installments. Also, the Court on occasion assessed the three percent on single payments made late. Section 14-17-725 of the South Carolina Code of Laws 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...".

Town of Bonneau Response: The Court was unaware of the specifics of the law related to late payments and assesses the three percent on an individual basis for installment payments.

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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, and the daily totals are posted to the general ledger. I was unable to agree these totals to the collections recorded in the Court software on a month-by-month basis. For example, deposits for July 2016 in the bank and general ledger totaled \$46,984.61. The "Bond Receipt" summary sheet based on the calculator tape totaled \$38,702.56 and the court docket software receipts recalculated totaled \$39,220.55
- 2) Partial payments are not accounted for in accordance with State law in this manual process. In some cases, partial payments generate duplicate assessments in multiple months. In some cases, I was unable to determine if all partial payments were included in the STRRF (see point 1 above).
- 3) The total collected is derived manually using a calculator and the tape of the calculation is maintained. The total is then recorded on the STRRF calculations worksheet for the month. The manual calculator tape has human errors and is not reconciled to total collections posted to the general ledger. The court docket software does not provide a total for the collections on the report that is printed for allocation purposes.

This is a repeat finding from the prior report. The Court has obtained a more accurate manual STRRF calculation sheet which has decreased errors but has not fully eliminated the errors. See **Status of Prior Findings**.

Town of Bonneau Response: The Town has purchased a software package that will replace the manual system. It is expected to resolve this finding.

2. Town Treasurer

- 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.

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- I compared and agreed the amounts reported on the monthly remittance forms or equivalents to the Town's support.
- I inspected the Town's support to confirm that the Town properly classified fine, fee, assessment, and surcharge receipts.
- I inspected all STRRF for the period July 1, 2016 through June 30, 2017 and agreed the amounts reported on the STRRF to the court remittance forms or equivalents.

Finding: Timely Filing of State Treasurer's Revenue Remittance Form

Five STRRF were prepared during the procedures period and were submitted to the State Treasurer between 6 to 297 days late. 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**.

Town of Bonneau Response:

The Town's finances have not allowed for timely submission and payment of assessments and surcharges.

3. Victim Assistance

- I made inquiries and confirmed that any funds retained by the Town for victim assistance were deposited into a separate account.
- I selected all expenditures to confirm that the Town expended victim assistance funds in accordance with State law and the South Carolina Court Administration fee memoranda, Attachment L.
- I inspected the Town's Victim Assistance account to confirm the Victim Assistance fund balance was retained as of July 1 in the next fiscal year in accordance with State law.

Findings

Victim Assistance Fund Balance

The South Carolina Department of Crime Victim Compensation (DCVC) completed an audit dated June 16, 2017, which resulted in the Town establishing a segregated bank account with a deposit of \$103,214.21 for the Victims'

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Assistance thus creating a beginning fund balance as of June 30, 2015. Until this date, within the procedures period, there was no separate Victims' Assistance Fund.

Proviso 93.35

A Department of Crime Victim Compensation (DCVC) audit resulted in an amount owed the victims' assistance fund of \$13,858.17 for fiscal year 2016 and \$10,016.34 for fiscal year 2017, the two fiscal years following June 30, 2015. These results were based on STRRF submitted that were not calculated in accordance with State law. Amounts determined by recalculation in accordance with State law during this engagement are \$13,406.23 and \$8,966.77 respectively resulting in a difference of \$1,501.51. When combined with the beginning fund balance of \$103,214.21, the amount owed DCVC to comply with the proviso as of June 30, 2017, is \$100,587.21. See table below.

Fiscal Year Information	Amount
June 30, 2015 Beginning Fund Balance	\$ 103,214.21
June 30, 2016 as adjusted Victim Assistance Revenues	13,406.23
June 30, 2017 as adjusted Victim Assistance Revenues	8,966.77
June 30, 2017 Proviso Carryforward Amount	<u>(25,000.00)</u>
Cumulative Balance Owed DCVC as of June 30, 2017	<u>100,587.21</u>

Proviso 93.35 of the 2016-2017 Appropriation Act states "A ... municipality may retain carry forward funds that were collected pursuant to Sections ... 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."

4. Uniform Schedule of Court Fines, Assessments and Surcharges

- I agreed the amounts reported by the Town on its Uniform Schedule of Court Fines, Assessments and Surcharges (Uniform Schedule), as reported in

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the annual financial statement audit, for the period July 1, 2016 through June 30, 2017, to the Town's general ledger.

- I inspected the Town's Uniform Schedule of Court Fines, Assessments and Surcharges, as reported in the annual financial statement audit, to confirm that it contained all the elements required by South Carolina Code of Laws Section 14-1-208.

Finding: Financial Statement Audit

The Town was unable to provide me with an audit report for the year ended June 30, 2017. The most recent financial statement audit was for the year ended June 30, 2014; as such, certain procedures could not be performed.

Town of Bonneau Response:

The Town has contracted with an independent Certified Public Accountant who is currently performing the June 30, 2015 audit which is soon to be released. The Town has been informed that the remaining years' audits will soon be released as well.

5. Under/(over) Reported Amounts

I inspected copies of STRRF for the procedures period and traced amounts to reports generated by court accounting software and to STO receipts. I recalculated and confirmed amounts that should have been reported and also noted differences in court reports and STRRF amounts as reported. I have reported the recalculated amounts underreported by STRRF line item in the table below as a result of these errors:

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STRRF LINE	DESCRIPTION		
F.	Municipal DUS DPS Pullout - \$100.00	\$	102.13
G.	Municipal DUI Assessment - \$12		10.35
H.	Municipal DUI Surcharge - \$100		86.21
I.	Municipal DUI DPS Pullout - \$100		86.21
IA.	DUI/DUAC Breathalyzer Test Convection Fee SLED \$25		14.84
J.	Municipal Drug Surcharge \$150		668.45
K.	Municipal Law Enforcement Surcharge - \$25 per case		16,150.35
KA.	Municipal Criminal Justice Academy - \$5		-
L.	Municipal Court -107.5%		<u>65,914.94</u>
M.	TOTAL REVENUE DUE TO STATE TREASURER		<u>83,033.47</u>
N.	Assessments – Municipal		8,281.33
O.	Surcharges - Municipal		<u>685.44</u>
P.	Total Retained for Victim Services	\$	<u><u>8,966.77</u></u>

6. Status of Prior Findings

I inquired of management of the Town about the status of findings reported in the Accountant's Comments section of the State Auditor's Report on the Town resulting from an engagement for the period ended June 30, 2016, to confirm that the Town had taken adequate corrective action. All the Town's findings will be repeated: **Adherence to Fine Guidelines, Installment Fee, Manual Calculation of Remittances, Timely Filing of State Treasurer's Revenue Remittance Form, Victims Assistance Fund Balance and Supplemental Schedule/Uniform Schedule of Court Fines, Assessments and Surcharges.** It is to be noted that the items in the **Adherence to Fine Guidelines** and **Manual Calculation of Remittances** are less in number and less in severity when compared to prior findings.

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Further, one finding/issue that is unresolved from the prior report is related to the \$216,875.85 of deposits recorded in the Bonds and Fines bank account/revenue but never assessed or allocated in accordance with State law. The Town was going to confirm my finding and determine its validity; however as of the current date I have not been given any confirmation or denial of the finding, so the finding has been repeated at **Manual Calculation of Remittances**. In this finding \$46,984.61 was recorded in the general ledger Bonds and Fines revenue account and only \$38,702.56 was originally assessed; a difference of \$8,282.05 for the month of July 2016.

Town of Bonneau Response:

The Town admits there are differences. The Town has determined these differences may be caused by errors related to posting of daily deposits in the general ledger. For instance, in months where property tax deposits should be higher than fines revenues, fines revenue show a substantial increase while tax revenues remain flat. The Town used the assistance of an accounting professional in prior years. However, this professional is no longer available and these errors have gone undetected and uncorrected. The Town has decided to investigate the differences further and anticipates this to be completed by June 30, 2022.

I was engaged by the South Carolina Office of the State Auditor to perform this agreed-upon procedures engagement and conducted my engagement 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 financial activity of the Town of Bonneau Municipal Court for the period July 1, 2016 through June 30, 2017. 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.

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I am required to be independent of the Town of Bonneau Municipal Court and to meet my ethical responsibilities in accordance with the relevant ethical requirements related to my agreed-upon procedures engagement.

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 Bonneau Municipal Council, Bonneau Municipal 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