TOWN OF BONNEAU MUNICIPAL COURT
BONNEAU, SOUTH CAROLINA

State Auditor's Report on Applying
Agreed-Upon Procedures
March 31, 2007

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BONNEAU, SOUTH CAROLINA

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State of South Carolina

Office of the State Auditor

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October 10, 2007

The Honorable Mark Sanford, Governor
State of South Carolina
Columbia, South Carolina

The Honorable Elizabeth Wren, Clerk of Court
Town of Bonneau
Bonneau, South Carolina

This report resulting from the application of certain agreed-upon procedures to certain accounting records of the Town of Bonneau Municipal Court System for the period April 1, 2006 through March 31, 2007, was issued by Cline Brandt Kochenower & Co., P.A., Certified Public Accountants, 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,

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

RHGjr/trb

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We have performed the procedures described below which were agreed to by the South Carolina Office of the State Auditor solely to assist these users in evaluating the performance of the Town of Bonneau Municipal Court System and to assist the South Carolina Office of the State Auditor in complying with the 2006 - 2007 General Appropriations Act (H. 4810) Section 72.80. Elizabeth Wrenn, Clerk of Court for the Town of Bonneau, is responsible for compliance with the requirements for the Municipal Court reporting and the South Carolina Office of the State Auditor is responsible for compliance with the requirements of the 2006 - 2007 General Appropriations Act (H. 4810) Section 72.80. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we 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 associated findings are as follows:

1. TIMELY REPORTING BY THE CLERK OF COURT

- We researched South Carolina Code of Laws Section 14-25-85 to determine the definition of timely reporting with respect to the Clerk of Court's responsibility for reporting fines, fees and assessments to the Municipal Treasurer.

- We inquired of the South Carolina Judicial Department to determine their requirements for both the manner in which partial pay fines and fees are to be allocated and the timing of the report and remittance submissions by the Clerk and the Treasurer.

- We inquired of the Clerk of Court and Municipal Treasurer to gain an understanding of their policy for ensuring timely reporting and to determine how the treasurer specifically documents timeliness.

- We inspected documentation, including the Clerk of Court Remittance Forms or equivalents for the months of April 1, 2006 to March 31, 2007 to determine if the Clerk of Court submitted the reports to the municipal treasurer in accordance with the law.

We found no exceptions as a result of the procedures.

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2. TIMELY ACCURATE RECORDING AND REPORTING BY THE TOWN

- We traced each month's reporting by the Clerk of Court to the Municipal Treasurer's Office and to the Town's general ledger accounts for the assessments (Sections 14-1-208(A), (B) and (D)) and victim assistance surcharge (Section 14-1-211) for the period April 1, 2006 – March 31, 2007.

- We compared the amounts reported on the Clerk of Court Remittance Forms or equivalents to the Clerk of Court's software system-generated report summaries for three judgmentally determined test months. We tested the system-generated reports for compliance with various laws including Section 35.11 of the General Appropriations Act for the fiscal year 2006 – 2007 and with South Carolina Judicial Department training instructions and interpretations.

- We judgmentally selected and compared individual fine and assessment amounts recorded in the Clerk of Court's software system-generated detail reports to the Judicial Department guidelines range for the offense code to see if the fine and assessment were within the minimum and maximum range.

Our finding is reported under "TIMELY ACCURATE RECORDING AND REPORTING BY THE TOWN" in the Accountants' Comments section of this report.

3. PROPER VICTIM ASSISTANCE FUNDS ACCOUNTING

- We inquired as to the format determined by Town council and local policy for record keeping as it relates to fines and assessments in accordance with Section 14-1-208(E)(4).

- We compared the fiscal year-ended June 30, 2006 audited Victim Assistance Fund fund balance with all adjustments to the fund balance shown in the Schedule of Fines, Assessments and Surcharges of the audited financial statement to the beginning fund balance as adjusted in that fund for fiscal year 2007.

- We judgmentally selected a sample of Victim Assistance Fund reimbursable expenditures and verified that these expenditures were in compliance with Section 14-1-208(E) and Section 14-1-211(B).

We found no exceptions as a result of the procedures.

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4. TIMELY ACCURATE REPORTING TO THE STATE TREASURER

- We vouched the amounts reported in the South Carolina State Treasurer's Revenue Remittance Forms to Clerk of Court Remittance Forms or equivalents for the period April 1, 2006 to March 31, 2007.

- We scanned the South Carolina State Treasurer's Revenue Remittance Forms for timely filing in accordance with Section 14-1-208(B).

- We traced amounts recorded in the Town's financial statement Schedule of Fines, Assessments and Surcharges of the year ended June 30, 2006 report related to fines and assessments revenues reporting in accordance with Section 14-1-208(E) to supporting schedules used in the audit to comply with Section 14-1-208(E).

- We traced and agreed amounts in the supporting schedules to the Clerk of Court Remittance Forms or South Carolina State Treasurer's Revenue Remittance Forms.

Our finding is reported under "TIMELY ACCURATE REPORTING TO THE STATE TREASURER" in the Accountants' Comments section of this report.

We were 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 March 31, 2007 and, furthermore, we were not engaged to express an opinion on the effectiveness of the internal controls over compliance with the laws, rules and regulations described in paragraph one and the procedures of this report. Had we performed additional procedures other matters might have come to our 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 Bonneau Town Council, town clerk of court, town treasurer, State Treasurer, 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.

May 25, 2007

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ACCOUNTANTS' COMMENTS

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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. The procedures agreed to by the entity require that we 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.

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TIMELY ACCURATE RECORDING AND REPORTING BY THE TOWN

REMITTANCE OF PARTIAL PAYMENTS

CONDITION: The Town collects partial payments but does not allocate and remit them in the month they are collected. Instead, it allocates and remits them when the fine is fully paid.

CRITERIA: South Carolina Code of Law Section 14-1-208(B) states "Assessments paid in installments must be remitted as received."

CAUSE: The Town manually allocates the fines and was unsure of how to correctly distribute partial payments.

EFFECT: The Town is not complying with Section 14-1-208(B) by not remitting assessments paid in installments as they were received.

AUDITORS' RECOMMENDATION: The Town should allocate payments as discussed in the Court Memorandum from Robert McCurdy dated June 20, 2006 section VI.A.11 and remit payments as received.

ADHERENCE TO JUDICIAL DEPARTMENT FINE GUIDELINES

CONDITION: The Municipal Court Judge was not adhering to the Judicial Department minimum fine guidelines included in legislation.

CRITERIA: Judicial Department Guidelines for Fines – Minimums and Maximums. These guidelines are obtained from the minimum and maximum fines recorded in the respective legislations.

CAUSE: The Judge did not use the current Judicial Department's fine guidelines.

EFFECT: By not assessing the minimum/maximum fines as required in the legislation, the Town Judge is violating the law.

AUDITORS' RECOMMENDATION: We recommend the Town judge comply with the law and use the current fine guidelines when assessing fines.

TIMELY ACCURATE REPORTING TO THE STATE TREASURER

TIMELY FILING

CONDITION: Ten of the twelve State Treasurer's Revenue Remittance Reports for the procedures period April 30, 2006 through March 31, 2007 were not timely filed.

CRITERIA: South Carolina Code of Laws Sections 14-1-208 (A) states "…This assessment must be paid to the municipal clerk of court and deposited with the city treasurer for remittance to the State Treasurer…." Section 14-1-208(B) states further "The Town treasurer must remit … on a monthly basis by the fifteenth day of each month…."

CAUSE: The Clerk of Court uses a manual system to calculate fines and assessments. She has multiple other duties and filing timely is not the highest priority. The Clerk of Court called court administration and received verbal permission to send in multiple reports, quarterly rather than monthly.

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EFFECT: The Town did not comply with the timely filing requirement.

AUDITORS' RECOMMENDATION: The Town should develop and implement a policy to ensure compliance with State law.

REQUIRED SUPPLEMENTAL SCHEDULE OF FINES AND ASSESSMENTS

CONDITION: The required supplemental schedule of fines and assessments was not available for testing.

CRITERIA: South Carolina Code of Laws Section 14-1-208(E) states "To ensure that fines and assessments imposed pursuant to this section and Section 14-1-209(A) are properly collected … the annual independent external audit … must include …a supplementary schedule detailing all fines and assessments collected …."

CAUSE: The Town uses a bookkeeping service to prepare their financial statements every two years. The last one prepared was for fiscal year July 2004 through June 2005. There has been no audit of the financial statements and the Town has not prepared or submitted the supplemental schedule of fines and assessments as required by State law.

EFFECT: The Town has not complied with the law.

AUDITORS' RECOMMENDATION: We recommend the Town prepare a schedule that meets the requirements of Section 14-1-208(E) (a) through (f) and have it audited annually in accordance with the requirement.

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CORRECTIVE ACTION PLAN

Management has elected not to respond.

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