



Department of Administration State Office of Victim Assistance

June 30, 2013

Town of Bonneau Municipal Court State Auditor's Report

June 7, 2017

90 Day Follow-up Audit

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Disclaimer: The recommendations included in this report were made by the State Auditor’s Office. The SOVA follow-up review was based on compliance with the State Auditor’s Office recommendations. In addition, all SOVA follow-up reviews (including this one) are conducted to ensure compliance with applicable laws and regulations. (See Appendix A of this report to review the Initial State Issued Audit Report.)

Acronyms:
VAFFA – Victim Assistance Fines, Fees and Assessments
FFA – Fines, Fees, and Assessment
SOVA – State Office of Victims Assistance
VA – Victim Advocate
STO – State Treasurer’s Office
STRRF – State Treasurer’s Revenue Remittance Form

Introduction and Laws

PREFACE

This 90 Day Programmatic Review and Financial Audit was initiated as a result of the SC State Auditor's Office. The audit was completed on June 30, 2013. On February 14, 2017, the Director of SOVA issued a letter to the Town of Bonneau and the Police Department informing them SOVA will conduct a 90 Day Follow-up Audit Review in regards to the State Auditor's Office Report. The audit was conducted on March 22, 2017.

Governing Laws and Regulations

Proviso 117.51

117.511 (GP: Assessment Audit / Crime Victim Funds)

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)(D), 14-1-207(B)(D), 14-1-208(B)(D), and 14 1-211(B) of the 1976 Code, the State Auditor shall notify the State Office of Victim Assistance. The State Office of Victim Assistance is authorized to conduct an audit which shall 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 State Office of Victim Assistance to ensure that crime victim funds are expended in accordance with the law. Guidelines for the expenditure of these funds shall be developed by the Victim Services Coordinating Council. The Victim Services Coordinating Council shall develop these guidelines to ensure any expenditure which meets the parameters of Article 15, Chapter 3, Title 16 is an allowable expenditure. 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 State Office of Victim Assistance within thirty days of the budget's approval by the governing body of the entity or nonprofit organization.

Proviso 117.55 (cont.)

Failure to comply with this provision shall cause the State Office of Victim Assistance to initiate a programmatic review and a financial audit of the entity's or nonprofit organization's expenditures of victim assistance funds. Additionally, the State Office of Victim Assistance will place the name of the noncompliant entity or nonprofit organization on their website where it shall remain until such time as they are in compliance with the terms of this proviso. Any entity or nonprofit organization receiving victim assistance funding must cooperate and provide expenditure/program data requested by the State Office of Victim Assistance. If the State Office of Victim Assistance 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 State Office of Victims Assistance. 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 State Office of Victim Assistance shall assess and collect a penalty in the amount of the unauthorized expenditure plus \$1,500 against the entity or nonprofit organization for improper expenditures. This penalty plus \$1,500 must be paid within thirty days of the notification by the State Office of Victim Assistance to the entity or nonprofit organization that they are in noncompliance with the provisions of this proviso. All penalties received by the State Office of Victim Assistance shall be credited to the General Fund of the State. If the penalty is not received by the State Office of Victim Assistance within thirty days of the notification, the political subdivision will deduct the amount of the penalty from the entity or nonprofit organization's subsequent fiscal year appropriation.

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.

Proviso 98.9 (cont.)

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.

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.

Proviso 93.35

93.35 (DOA: State Victim Assistance Program)

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 10% of funds collected in the prior fiscal year, whichever is higher. If a county or municipality does not spend at least 90% 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 Department of Public Safety, Office of Highway Safety and Justice Programs 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.

SOVA 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.

Proviso 93.35 (cont.)

SOVA is authorized to transfer to the State Victim Assistance Program housed in the Department of Public Safety any state funds deemed available under SOVA authority to 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.

***SC Code of Law
Title 14***

Courts – General Provisions

Collection/Disbursement of Crime Victim Monies at the Municipal & County Levels: below is a brief synopsis of applicable sections.

- **Sec. 14-1-206, subsection(s) A, B & D:** 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. The county treasurer must remit 35.35 % of the revenue generated by the assessment imposed in general sessions 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.

- **Sec. 14-1-207 Subsection(s) A, B & D:** 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.

- **Sec. 14-1-207 Subsection(s) A, B & D (cont):** The county treasurer must remit 11.16 % of the revenue generated by the assessment imposed in magistrate's 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.

- **Sec. 14-1-208 Subsection(s) A, B & D:** 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. 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.

- **Sec. 14-1-211 Subsection A, B, & D:** 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 the magistrate's and municipal court must be retained by the jurisdiction which heard or processed the case and paid to the city or county treasurer. 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 those service requirements that are imposed on local law enforcement, local detention facilities, prosecutors, and the summary courts. 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.

- **Sec. 14-1-207 Subsection(s) A, B & D (cont):** To ensure that surcharges imposed pursuant to this section are properly collected and remitted to the city or county treasurer, the annual independent external audit required to be performed for each municipality and each county must include a review of the accounting controls over the collection, reporting, and distribution of surcharges from the point of collection to the point of distribution and a supplementary schedule detailing all surcharges collected at the court level, and the amount remitted to the municipality or county.

SC Code of Law
Title 14 (cont)

The supplementary schedule must include the following elements:

- (a) All surcharges collected by the clerk of court for the general sessions, magistrates, 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.

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.

Introduction and Legislative

PRIOR AUDIT RESULTS

The SC State Legislative Proviso 117.51 mandates the State Office Victim Assistance to conduct 90 Day Follow-up reviews on any entity or non-profit organization receiving victim assistance funding with previously found errors to ensure necessary corrective action has taken place; thereby ensuring complying with all applicable state laws and regulations. As noted, the State Auditor's Office conducted an audit of the Town of Bonneau Municipal Court. The State Auditor's Report dated June 30, 2013 was received by SOVA on March 19, 2015.

This 90 Day Follow-Up Audit for the Town of Bonneau's Victim Assistance Fund was based on the SC State Auditor's Office initial audit findings and recommendations. (Appendix A and B)

SOVA Audit Objective was:

- To determine if all errors and recommendations issued by the SC State Auditor's Office were adhered to as required by state laws and regulations.

RESULTS IN BRIEF

No, all recommendations as outlined in the Town of Bonneau Municipal Court State Auditor's Office Report were not adhered to as required by State law. However, the Town of Bonneau did implement procedures to ensure fines are properly levied and assessed by the court and adhered to applicable State law. The Town also submitted written procedures, as recommended, for the timely submission of the State Treasurer's Revenue Remittance Form (STRRF) by the fifteenth day of the month. However, the Town failed to submit an amended STRRF to report an underpayment to the State Treasurer's Office in the amount of **\$38,916.11** as recommended, and the Town did not reimburse the outstanding **\$8,215.36** to the Victim Assistance Fund as outlined in attachment 1 of the State Auditor's Report issued on June 30, 2013. The Town also did not establish and implement policies and procedures to properly account for the Victim Assistance Funds to ensure the funds are used in accordance with State law.

Finally, the Town did not ensure that its financial statements were prepared and included all required schedules and independently audited in accordance with State law.

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

A. 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 Bonneau did implement procedures to ensure fines levied by the court adhere to applicable State law as recommended in the State Auditor's Report issued on June 30, 2013.

The Judge stated a current copy of the fine guidelines is maintained on the bench at all times and is reviewed and accessible to court and law enforcement personnel. The Judge also implemented an alternative electronic method for verifying fine guidelines and is also notified electronically by Court Administration if there are any changes or updates to the existing fine guidelines. Therefore, the Town of Bonneau is considered to be in compliance.

Background

SC Code of Laws Section 5-7-30, 56-1-460(A)(1) & 56-5-1520(G)

SC Code of Law Title 16; Article 15

Discussion

According to the State Auditor's Report issued on June 30, 2013, the auditor noted during the testing of Municipal Court collections and remittances, there were instances in which the judge did not fine the defendant in accordance with State law which resulted in over or under assessed fines. As a result, the auditor recommended that the Municipal Court implement procedures to ensure fines levied by the court adhere to applicable State law.

Discussion Cont.

During the State 90 Day Follow-up Audit site visit on March 22, 2017, the auditor interviewed the Judge to determine what procedures had been implemented to ensure fines levied by the court adhere to applicable State law. According to the Judge, a physical copy of the fine guidelines are kept on the court bench at all times and readily available to all court and law enforcement personnel. In addition, the Judge stated an electronic copy is maintained via her mobile phone to ensure fine guidelines are reviewed during court proceedings. The Judge also stated an electronic notification of updates and or changes to the existing fine guidelines is sent via email from Court Administration on an as needed basis. The Judge provided a copy of the fine guidelines currently used by the Town dated June 8, 2016.

During the site visit, the Judge stated there were no written procedures in place as it relates to the review of fine guidelines during court proceedings. However, the procedures of the court are preset and outlined in the Summary Court Judges' Bench Book. The auditor advised the Judge to establish internal written procedures as it relates to the review of fine guidelines during court proceedings to ensure adherence to State law.

On March 24, 2016, the auditor sent a follow up email to the Judge requesting written procedures for review of the fine guidelines during court proceedings to be submitted to SOVA by March 31, 2017 and distributed to all relevant personnel.

On March 29, 2017, the auditor received written procedures for the review of fine guidelines during court proceedings via email along with email confirmation of distribution to relevant personnel. The written procedures detailed what was discussed during the site visit including adherence to minimum and maximum fines and confirming accessibility to the most current guidelines to all court and law enforcement personnel. Therefore, the Town of Bonneau is considered to be in compliance of this recommendation.

Recommendation(s)
and Comments

No Further Recommendations

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

B. Calculation and Remittance of Assessments, Surcharges and Fees

Objective

Did the Municipal Court properly calculate and remit fine assessments, surcharges and fees in accordance with State law?

Conclusion

No, the Town of Bonneau did not complete all of the recommendations as it relates to properly calculating and remitting fines, assessments, surcharges and fees in accordance with State law. The Town implemented procedures to ensure fees are properly assessed in accordance with State law. They also made adjustments to ensure the missing assessments, surcharges and fees were added to the revised calculation formula sheet developed by their office. However, the Town did not submit an amended State Treasurer's Revenue Remittance Form (STRRF) to the State Treasurer's Office (STO) in accordance with State law, nor did the Town reimburse the outstanding Victim Assistance Funds as outlined in attachment 1 of the State Auditor's Report issued on June 30, 2013. (Appendix A)

Background

SC Code of Laws Section 14-14-208 (A), 14-1-211 (A) (1), 56-5-2950, 56-5-2930 (F) & 56-5-2933 (F)

SC Code of Law Title 16; Article 15

Discussion

There were various recommendations provided by the State Auditor's Report as it relates to this objective. Those individual recommendations were addressed as follows:

Objective 1 Did the Town properly calculate assessments, surcharges and fees in accordance with State law?

Objective 2 Did the Town implement procedures to ensure fees are properly assessed and collected in accordance with State law?

Objective 3 Did the Town revise and submit an amended STRRF to include \$38,916.11 due to the State and \$8,215.36 respectively due to the Victim Assistance Fund?

Prior to the 90 Day Follow-up Audit site visit on March 22, 2017, the SOVA auditor requested the following information from the Town of Bonneau:

1. Bank statements from July 2013 – January 2017
2. VA Fund account ledger from July 2013 – January 2017
3. VA Fund expenditure report from July 2013 – January 2017
4. Statistical reports from July 2013 – January 2017
5. State Treasurer’s Revenue Remittance Forms from July 2013 – January 2017
6. Written copy of procedures used to ensure fine guidelines are reviewed prior to sentencing
7. Copy of minimum fine guidelines currently used
8. Written copy of procedures on hand to ensure the calculation formula is accurate and that the Municipal Court properly calculated and remitted fine assessments, surcharges and fees in accordance with State law.
9. Copy of the revised State Treasures’ Revenue Remittance Form to include proof of payment to the State in the amount of \$38,916.11
10. Proof of reimbursement in the amount of \$8,215.36 into the Victim Assistance Fund
11. Written copy of procedures for the submission of the State Treasurer’s Revenue Remittance Forms

Objective 1

Did the Town properly calculate assessments, surcharges and fees in accordance with State law?

According to the State Auditor's Report issued on June 30, 2013, the auditor noted the Town of Bonneau was manually calculating assessments, surcharges and fees in the preparation of State Treasure's Revenue Remittance Forms (STRRF). During the testing of Municipal Court collections and remittances, the auditor reported a number of instances where the town did not properly calculate assessments, surcharges and fees in accordance with State law. As a result, fine amounts were under assessed. Therefore, the auditor recommended the Town implement procedures to ensure fees are properly assessed in accordance with State law.

On March 17, 2017, the auditor received a number of the requested documents and examined and reviewed the submitted documentation prior to the State 90 Day Follow-up Audit site visit.

During the State 90 Day Follow-up Audit site visit on March 22, 2017, the auditor interviewed the Clerk to determine what procedures had been implemented to ensure fees are properly assessed and collected in accordance with State law. According to the Clerk, the Town of Bonneau continues to manually calculate assessments, surcharges and fees. However, with the assistance of the state auditor, the Town updated their existing calculation formula in 2013 and has continued to use the same formula since that time. The Clerk provided the auditor with a copy of the developed calculation worksheet. Therefore, the Town of Bonneau is considered to be in compliance of this recommendation. However, when asked, the Clerk stated the current calculation worksheet has not been reviewed for updates in the last 3 years. The auditor explained the importance of ensuring the calculation updates are reviewed annually as a precaution to avoid improper calculations in the future. In addition, written procedures are required to be developed and established outlining steps taken for verifying calculation changes and or updates.

It is recommended the Town of Bonneau develop a written policy outlining the steps the Town will take on an annual basis to ensure the formula calculation for assessments, surcharges, and fees are accurate and properly assessed in accordance with State law. This recommendation will be further addressed in the SOVA Initial Audit.

Objective 2

Did the Town implement procedures to ensure fees are properly assessed and collected in accordance with State law?

According to the State Auditor's Report, the auditor noted during the testing of Municipal Court collections and remittances, that there were several assessments, surcharges and fees not assessed nor collected such as: the conviction surcharge, breathalyzer fee, 107.5 percent assessment, and the DUI pullout. Therefore, the auditor recommended the Town implement procedures to ensure fees are properly assessed and collected in accordance with State law.

On March 17, 2017, the auditor received a number of the requested documents; however, documentation was not received as it relates to this objective.

During the State 90 Day Follow-up Audit site visit on March 22, 2017, the auditor interviewed the Clerk to determine what procedures may have been implemented to ensure fees are properly assessed and collected in accordance with State law. According to the Clerk, the missing assessments, surcharges and fees were added to the calculation formula sheet that was developed with the assistance of the State auditor. The Clerk provided the auditor with a copy of the developed calculation formula sheet. The Town also use the revenue remittance form as a reference to ensure they are maintaining the most current updates for assessment, surcharges and fees. The Clerk provided a copy of the current STRRF version used by the Town dated April 30, 2015. Additionally, the Clerk advised the auditor that the Town receives an email notification from Court Administration if there are any updates as it relates to the revenue remittance form. Therefore, the Town of Bonneau is considered to be in compliance of this recommendation.

However, it is noted, the procedures were not in written format. Therefore, the auditor recommends the Town of Bonneau establish written procedures and identify responsible personnel to ensure the Town maintains the most current information regarding assessments, surcharges and fees. This recommendation will be further addressed in the SOVA Initial Audit.

Objective 3

Did the Town revise and submit an amended STRRF to include **\$38,916.11** due to the State and **\$8,215.36** respectively due to the Victim Assistance Fund?

Due to the errors outlined above related to the calculation and remittance of assessments, surcharges and fees, the State auditor prepared a schedule of court fines and fees to determine if the Court over or underreported amounts to the State Treasurer's Office. As a result of the prepared schedule, it was determined the Town of Bonneau underreported **\$38,916.11** to the State Treasurer's Office and **\$8,215.36** due to the Victim Assistance Fund. Therefore, the auditor recommends the Town revise and submit an amended STRRF in accordance with State law.

As of March 17, 2017, no pre-requested documentation was received relating to this objective.

During the State 90 Day Follow-up Audit site visit on March 22, 2017, the auditor interviewed the Clerk to determine if the revised STRRF had been submitted to the State Treasurer's Office. The Clerk stated the funds had not been submitted to the State due to the Town's financial challenges. The state appropriated funds were being withheld due to non-compliance with submitting the Town's Annual Financial Audits as required by State law. According to the Clerk, once the Town is in compliance with submitting the annual financial audit, the state appropriated funds will be released back to the Town which would be used to assist in complying with this recommendation.

The auditor asked the Clerk if any contact had been made with the State Treasurer's Office concerning possible arrangements or steps to rectify the issues submitting **\$38,916.11** for underreported funds. The Clerk stated no contact had been made as of March 22, 2017.

Therefore, the auditor recommended the Town of Bonneau, make contact with the State Treasurer's Office to verify steps needed to rectify issues concerning submitting revised revenue remittance forms and inquire about installment payment options.

In addition to paying funds owed to the state, the Clerk was asked whether the **\$8,215.36** owed to the Town's VA Fund had been reimbursed. The Clerk stated she was not sure but would check her documentation and follow up with SOVA.

On March 24, 2017, the auditor sent a follow up email requesting reimbursement documentation regarding the Victim Assistance Fund be submitted to SOVA by March 31, 2017.

On March 31, 2017, the auditor received a call from the Clerk requesting additional time for submitting the outstanding documents including documentation for reimbursement and showing contact made with the State Treasurer's Office due to the Town's administration office having limited working hours. The auditor provided an extension to April 7, 2017.

On April 7, 2017 the Auditor received a letter from the Clerk stating **\$8,215.36** had not been reimbursed into the Victim Assistance Fund.

Therefore, it is recommended the Town of Bonneau, contact the State Treasurer's Office to verify the steps warranted to rectify the outstanding reimbursement of **\$38,916.11** and to submit written documentation of correspondence to SOVA outlining details regarding payment arrangements. It is also recommended **\$8,215.36** is reimbursed into the Victim Assistance Fund and documentation submitted showing reimbursement. These recommendations will be further addressed in the SOVA Initial Audit.

Recommendation(s)
and Comments

B-1

It is recommended the Town of Bonneau develop a written policy outlining the steps the Town will implement on an annual basis to ensure the calculation formula's assessments, surcharges, and fees are accurate and properly assessed in accordance with State law. This recommendation will be further addressed in the SOVA Initial Audit.

B-2

It is recommended the Town of Bonneau establish written procedures and identify responsible personnel to ensure the Town maintains the most current information regarding assessments, surcharges and fees. This recommendation will be further addressed in the SOVA Initial Audit.

B-3

It is recommended the Town of Bonneau, contact the State Treasurer's Office to verify the steps warranted to rectify the outstanding reimbursement of **\$38,916.11** and to submit written documentation of correspondence to SOVA outlining the details regarding payment arrangements. This recommendation will be further addressed in the SOVA Initial Audit.

B-4

It is recommended **\$8,215.36** is reimbursed into the Victim Assistance Fund. This recommendation will be further addressed in the SOVA Initial Audit.

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

C. State Treasurer's Revenue Remittance Form (STRRF)**Objective**

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

Conclusion

No, the Town did not implement procedures to ensure the STRRFs are submitted by the fifteenth day of each month in compliance with State law. During the preparation of this audit report, the Town of Bonneau submitted written procedures as it relates to the timely submission of the STRRFs by the fifteenth day of each month as outlined in the State Auditor Report issued on June 30, 2013. However, the procedures have not been fully implemented because the Town continues to have difficulty submitting the STRRFs by the 15th of the month as required by State law.

Background

SC Code of Laws Section 14-1-208 (B)

SC Code of Law Title 16; Article 15

Discussion

According to the State Auditor's Report issued on June 30, 2013, during the testing of the Town's State Treasurer Revenue Remittance Forms (STRRF), the auditor noted a number of STRRF that were not submitted to the State Treasurer by the fifteenth day of the month as required by State law. Section 14-1-208(B) of the 1976 South Carolina Code of Laws, as amended, requires that the Town 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 timely manner prescribed by the State Treasurer. Therefore, the auditor recommended the Town implement procedures to ensure the STRRFs are submitted by the fifteenth day of each month in compliance with State law.

On March 17, 2017, the auditor received the Town of Bonneau State Treasurer's Revenue Remittance Forms for July 2013 – January 2017.

During the State 90 Day Follow-up Audit site visit on March 22, 2017, the auditor interviewed the Clerk to determine if the Town had implemented procedures to ensure the STRRFs are submitted by the fifteenth day of each month. The Clerk stated the forms are filled out in a timely manner each month; however, they are not always submitted on time due to the Town's inability to cover the amount due. Upon review of a sample of ten STRRFs received prior to the site visit, only four of the ten STRRFs were submitted to the State Treasurer's Office according to the submission date listed on the forms. As it relates to the four submitted, none were submitted by the fifteenth day of the month in accordance with State law. The remaining six STRRFs were not submitted either according to the date listed on the forms.

On March 24, 2017, the auditor sent a follow up email requesting written procedures for submitting the STRRFs by the fifteenth by March 31, 2017.

On March 31, 2017, the auditor received a call from the Clerk requesting additional time to compile the requested information. The auditor provided an extension to April 7, 2017.

On April 7, 2017, the auditor received the Municipal Treasurer's Instructions for Filling in State Treasurer's Court Revenue Remittance Form along with a written memo stating it is the policy of the Town to follow the guidelines established by the above document. The document notes that reports are due no later than 5:00 pm on the 15th of each month following collection. Therefore, the Town of Bonneau is considered to be non-compliant for this recommendation.

Recommendation(s)
and Comments

No Further Recommendations

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

D. Victim Assistance Funds**Objective**

Did the Town establish and implement policies and procedures to properly account for the Victim Assistance Funds and ensure the funds are used in accordance with State law?

Conclusion

No, the Town did not establish and implement policies and procedures to properly account for the Victim Assistance Funds and ensure the funds are used in accordance with State law. It appears the VA Funds are comingled with the Town's general operating funds and the Town is using the VA Funds to assist with general operating expenses.

Background

SC Code of Laws Section 14-14-208 (B), 14-1-211 (B)

SC Code of Law Title 16; Article 15

South Carolina Victim Service Coordinating Council Approved Guidelines for Expenditures of Monies Collected for Crime Victim Service in Municipalities and Counties.

Discussion

According to the State Auditor's Report issued on June 30, 2013, the auditor was unable to obtain a victim assistance general ledger to trace receipts or to determine if the Victim Assistance Fund balance was properly carried forward. The auditor also noted the Town did not maintain a separate bank account; therefore, the funds could not be properly accounted for. As a result, the auditor recommended the Town properly account for the funds in its general ledger and establish and implement policies and procedures to ensure victim assistance revenue is used in accordance with State law.

To assess this recommendation, the auditor reviewed the following pre-requested documentation submitted on March 17, 2017.

1. Bank statements from July 2013 – January 2017

2. VA Fund ledger

During the State 90 Day Follow-up Audit site visit on March 22, 2017, the auditor interviewed the Clerk to determine if victim assistance funds were properly accounted for and to confirm if the Town had implemented procedures to ensure victim assistance revenue is used in accordance with State law. The Clerk confirmed during the site visit the Town still was not maintaining a separate bank account and the Victim Assistance Funds continued to be co-mingled as noted in the State Auditor's Report. The auditor determined there was a separate revenue ledger maintained for the VA fund however; expenditures were not allocated separately between the victim assistance and general fund. The auditor provided technical assistance and strongly recommended the funds be placed in a separate bank account to maintain proper accountability. The Clerk advised the auditor the Town has a separate savings account that can be designated for the Victim Assistance Funds.

According to the STRRFs submitted to SOVA and the Town's VA Fund ledger as of June 30, 2015, it appeared the Victim Assistance Fund should have a balance of **\$103,214.21**. Please note: FY15-16 VA Fund ledger was requested with the pre-audit documents but was never received. The auditor informed the Clerk during the site visit, based on the information received and reviewed, at minimum; this amount should be transferred immediately into a designated Victim Assistance account. The Clerk informed the auditor those funds could not be transferred at this time because it would create a hardship for the Town; thereby, preventing them from meeting payroll.

As of June 30, 2015, as noted above, the VA Fund should have a balance of **\$103,214.21**. According to the submitted bank statements as of June 30, 2015 there was a balance of **\$127,651.52** in the Town's General Fund. The auditor also examined the preceding 6 months bank statements from July 2015 through December 2015 to verify whether the Town continued to maintain proper accountability of the VA funds. Again, as noted above, the VA funds were comingled with the general fund.

Upon review of the bank statements, the auditor determined during 4 of the 6 months sampled, the account balance decreased significantly below the known ending VA fund balance of **\$103,214.21**. Therefore, the auditor concluded based upon submitted bank statements and the VA Fund ledger, the Town was utilizing the Victim Assistance Funds to pay the general operating expenses for the Town which is unallowable.

To further assess accountability of the VA fund, both the Clerk and Chief was asked to explain the process for requesting expenditures as it relates to the Victim Assistance Fund. Both informed the auditor that expenditure requests were made verbally to the Clerk. An invoice is presented to the Clerk if necessary and the Clerk would approve or disapprove the expenditure and issue the check. Both the Clerk and Chief informed the auditor that there were no Victim Assistance Fund expenditures during the scope of this audit. The auditor then asked if the procedures were in written format. Both the Clerk and Chief stated they were not. Therefore, the auditor recommended the Town develop written process and procedures for requesting and approving Victim Assistance Fund expenditures.

In addition, the auditor requested the Clerk submit the FY15-16 VA Fund ledger to SOVA to ensure the auditor could determine the most current and accurate account total for the Victim Assistance Fund.

However, no additional documentation was received prior to completing this State 90 Day Follow-up Audit. Therefore, the above recommendation will be further discussed in the SOVA Initial Audit.

Recommendation(s)
and Comments

D-1

It is recommended a separate account be established for the Victim Assistance Fund with a minimum of **\$103,214.21** transferred into the Victim Assistance Account once established. This recommendation will be further addressed in the SOVA Initial Audit.

D-2

It is recommended the Town develop written policies and procedures for requesting and approving Victim Assistance Fund expenditures. This recommendation will be further addressed in the SOVA Initial Audit.

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

E. Independent Audit**Objective**

Did the Town receive an independent audit in accordance with State law and ensure its financial statements are prepared and included in all required schedules?

Conclusion

No, the Town did not receive an independent audit in accordance with State law and did not ensure its financial statements are prepared and included all required schedules. The auditor did not receive a copy of completed independent audits as requested because all audits were not completed.

Background

SC Code of Laws Section 14-14-208 (E)

SC Code of Law Title 16; Article 15

Discussion

According to South Carolina Code of Laws Section 14-1-208 (E) an annual independent external audit is required to be performed for each municipality to ensure that fines and assessments are properly collected and remitted to the State Treasurer. Additionally, it 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 supplementary schedule detailing all fines and assessments collected at the court level, the amount remitted to the municipal treasurer, and the amount remitted to the State Treasurer. As noted in the State Auditor's Report issued on June 30, 2013, the Town did not provide an independent audited financial statement as required and failed to provide information regarding why the financial audit was not available. Therefore, the State Auditor's Office recommended the Town ensure its financial statements are prepared and include all required schedules and must be independently audited in accordance with State law.

According to the South Carolina State Treasurer's Delinquent Audit List for Municipalities dated March 29, 2017, the Town of Bonneau is currently non-compliant for FY13, FY14 and FY15. During the State 90 Day Follow-up Audit site visit on March 22, 2017, the auditor interviewed the Clerk to determine the status of the outstanding audits. According to the Clerk, the Town obtained an independent auditor two years prior that was still working on the outstanding audits. However, the Clerk stated that the outstanding audit reports would be available soon.

On April 5, 2017, the SOVA auditor contacted the independent auditor to inquire when the audit report would be available. The independent auditor confirmed that the reports were mailed out to the Town of Bonneau on Monday April 3, 2017 for both FY13 and FY14.

As of the date of this report, the Town failed to submit the requested financial audit reports for FY13, FY14 or FY15. Therefore, the auditor recommends the Town of Bonneau complete and submit a copy of the completed independent audit(s) for FY13, FY14 and FY15 to SOVA. This recommendation will be further addressed in the SOVA Initial Audit.

Recommendation(s) and Comments

E-1

It is recommended that the Town of Bonneau complete and submit a copy of all completed independent audit(s) for FY13, FY14 and FY15 to SOVA. This recommendation will be further addressed in the SOVA Initial Audit.

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

F. Technical Assistance**Documentation Provided**

During our site visit we explained and provided the following documents:

1. Copy of the Legislative Proviso 117.51
2. Copy of the Legislative Proviso 97.9
3. Copy of the Legislative Proviso 93.35
4. Copy of a Sample Budget
5. Sample Staff Hired Report
6. Sample Time and Activity Report
7. Sample Expenditure Report
8. Victim Advocate Procedural Manual
9. Copy of 2013 Approved Guidelines
10. Technical Assistance Provided

Other Matters

There are no other matters.

Corrective Action

Proviso 117.51 states:

“If the State Office of Victim Assistance finds an error, the entity or non-profit organization has ninety days to rectify the error. An error constitutes an entity or non-profit organization spending victim assistance funding on unauthorized items as determined by the State Office of Victims Assistance. If the entity or non-profit organization fails to cooperate with the programmatic review and financial audit or to rectify the error within ninety days, the State Office of Victim Assistance shall assess and collect a penalty in the amount of the unauthorized expenditure plus \$1,500 against the entity or non-profit organization for improper expenditures. This penalty plus \$1,500 must be paid within thirty days of the notification by the State Office of Victim Assistance to the entity or non-profit organization that they are in non-compliance with the provisions of this proviso. All penalties received by the State Office of Victim Assistance shall be credited to the General Fund of the State. If the penalty is not received by the State Office of Victim Assistance within thirty days of the notification, the political subdivision will deduct the amount of the penalty from the entity or non-profit organization’s subsequent fiscal year appropriation.”

SOVA completed the 90-Day Follow-up Audit Review on March 22, 2017.

All errors noted in the State Auditor’s Report were not rectified within the specified 90-days as required for this follow-up audit.

All additional recommendations will be further addressed in the SOVA Initial Audit Report.

The SOVA Initial Audit Report was conducted on (insert date) and will address recommendations of this report.

Official Post-Audit Response

The County/City has 5 business days from the date listed on the front of this report to provide a written response to the SOVA Director:

**Larry Barker, Ph.D.
1205 Pendleton St., Room 401
Columbia, SC 29201**

At the end of the five day response period, this report and all post-audit responses (located in the Appendix) will become public information on the State Office of Victim Assistance (SOVA) website:

www.sova.sc.gov

Appendix(s)

Appendix A – Town of Bonneau Municipal Court State Auditor’s Report
Issued June 30, 2013

Appendix B – Attachment 1 – Schedule of Court Fines and Fees Over/Under Reported
For the Months Ended June 30, 2013

Appendix A

Town of Bonneau Municipal Court State Auditor's Report
Issued June 30, 2013

Appendix B

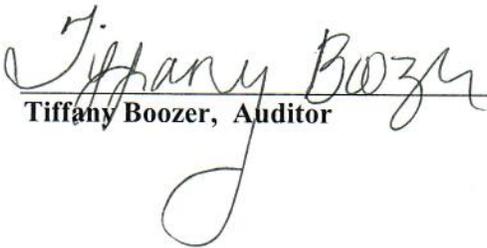
Attachment 1

Schedule of Court Fines and Fees Over/Under Reported For the Months Ended June 30, 2013

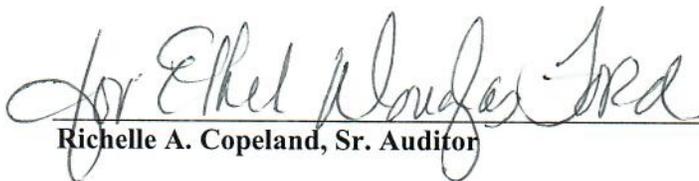
STATE OFFICE of VICTIM
ASSISTANCE

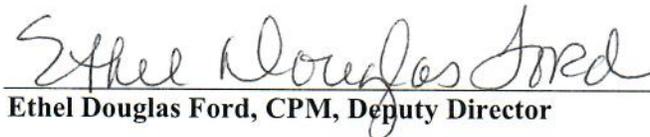
Larry Barker, Ph.D., Director
1205 Pendleton Street, Suite 401
Columbia, SC 29201
803.734.1900
803.734.1708 Fax

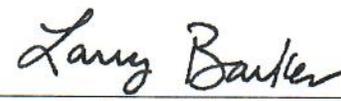
Programmatic Review Completed by:


Tiffany Boozer, Auditor 6-7-17
Date

Reviewed by:


Richelle A. Copeland, Sr. Auditor 6/7/17
Date


Ethel Douglas Ford, CPM, Deputy Director 6/7/17
Date


Larry Barker, Ph.D. Director 6/7/17
Date

