



ALAN WILSON  
ATTORNEY GENERAL

November 13, 2019

Chief David King  
Town of Honea Path  
204 S Main Street  
Honea path, SC 29654-1523


Dear Chief King,

The Office of the Attorney General, Department of Crime Victim Compensation (DCVC), is sending this notice to inform you that we have completed the Follow-up Audit to the Town of Honea Path State Auditor's Report. A copy of the official report is attached for your review. This is in conformance with Act 96 [PART IV] which requires DCVC to conduct a programmatic review and financial audit on any governmental entity or non-profit organization receiving victim assistance funding to ensure that these crime victim funds are expended in accordance with the law.

Please be advised that all DCVC audits and follow-up reports are public information. I am requesting that you respond to the findings, in writing, within the next ten business days. Please note that, at the end of ten business days, this report will be posted on the DCVC website at [www.sova.sc.gov](http://www.sova.sc.gov) under the DCVC auditing tab.

Should you have any further questions or concerns, please feel free to contact me or Teresa Green, Auditor, at 803.734.1900.

Sincerely,

  
Ethel Douglas Ford, CPM  
Assistant Deputy Director

Department of Crime Victim Compensation

Cc: Mayor Earl L Meyers  
Beverly Crawford



**The Office of the Attorney General  
Department of Crime Victim  
Compensation**

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May 31, 2012

**Town of Honea Path Municipal  
Court State Auditor's Report**

May 31, 2016

**The Town of Honea Path  
Municipal Court Independent  
Accountant's Report on Applying  
Agreed-Upon Procedures**

November 13, 2019

**Follow-up Audit Review for the  
Town of Honea path Municipal  
Court Victim Assistance Fines,  
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**Disclaimer: The recommendations included in sections A thru D in this report were made by the State Auditor’s Office. The DCVC follow-up review was based on compliance with the State Auditor’s Office recommendations. In addition, all DCVC 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:**

FFA – Fines, Fees, and Assessment

DCVC – Department of Crime Victim Compensation

SCLEVA – South Carolina Law Enforcement Victim Advocate

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## **Introduction and Laws**

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### **PREFACE**

This Follow up Programmatic Review and Financial Audit was initiated as a result of the Town of Honea Path Municipal Court Audit completed by the SC State Auditor's Office May 31, 2012 and May 31, 2016. The Assistant Deputy Director of the Department of Crime Victim Compensation (DCVC) issued a letter dated May 16, 2019 to the Town of Honea Path's Police Department informing them that DCVC will conduct a follow up audit review in regards to the State Auditor's office report dated May 31, 2012 and the Town of Honea Path Municipal Court Independent Accountant's Report on Applying Agreed-Upon Procedures dated May 31, 2016. The follow up audit was conducted on July 11, 2019.

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### ***Governing Laws and Regulations***

#### **Act 96 [PART IV]**

SECTION 13. B. Chapter 1, Title 14 of the 1976 Code is amended by adding:

"Section 14-1-211.6. (A) 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) and (D), 14-1-207(B) and (D), 14-1-208(B) and (D), and 14-1-211(B), the State Auditor shall notify the Office of the Attorney General, South Carolina Crime Victim Services Division. The division is authorized to conduct an audit, which must 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 division to ensure that crime victim funds are expended in accordance with the law. Guidelines for the expenditure of these funds shall be developed in collaboration with the Victim Services Coordinating Council. The Victim Services Coordinating Council, in collaboration with the director of the division, shall develop these guidelines to ensure any expenditure that meets the parameters of Article 15, Chapter 3, Title 16 is an allowable expenditure.

*Act 96 (cont.)*

(B) 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 Office of the Attorney General, South Carolina Crime Victim Services Division within thirty days of the budget's approval by the governing body of the entity or nonprofit organization. Failure to comply with this provision shall cause the division to initiate a programmatic review and a financial audit of the entity's or nonprofit organization's expenditures of victim assistance funds. Additionally, the division will place the name of the noncompliant entity or nonprofit organization on its website, where it shall remain until such time as the noncompliant entity or nonprofit organization is in compliance with the terms of this section.

(C) Any entity or nonprofit organization receiving victim assistance funding must cooperate and provide expenditure and program data requested by the division. If the division 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 division. 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 division shall assess and collect a penalty in the amount of the unauthorized expenditure plus fifteen hundred dollars against the entity or nonprofit organization for improper expenditures. This penalty which includes the fifteen hundred dollars must be paid within thirty days of the notification by the division to the entity or nonprofit organization that the entity or nonprofit organization is in noncompliance with the provisions of this section. All penalties received by the division shall be credited to the general fund of the State. If the penalty is not received by the division within thirty days of the notification, the political subdivision must deduct the amount of the penalty from the entity's or nonprofit organization's subsequent fiscal year appropriation."

**Proviso 59.15**

**59.15. (AG: State Crime Victim Compensation)**

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 ten percent of funds collected in the prior fiscal year, whichever is higher. If a county or municipality does not spend at least ninety percent 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 Office of the Attorney General 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.

The State Crime Victim Compensation Department 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.

The State Crime Victim Compensation Department is authorized to transfer to the State Victim Assistance Program any state funds deemed available under Crime Victims Compensation authority to the State Victim Assistance Programs be placed in the competitive bid process.

The State Victim Assistance Program shall offer any funds remitted to it to nonprofit organizations that provide direct victim services on a competitive bid process. These funds may be used by the nonprofit for administrative costs and victim services.

*A county or municipality may be exempt from the remittance requirements of this proviso upon submission of a plan to the State Crime Victim Compensation Department that meets the statutory requirements for the use of funds. A county or municipality must submit the report within 60 days after the end of the fiscal year. The State Crime Victim Compensation Department will review the submitted plan and advise the county or municipality of plan compliance with statutory requirements.*

**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.

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.

**SC Code of Law  
Title 14 [excerpts]**

**Courts – General Provisions**

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

- **Section 14-1-206, subsection(s) A, B & D:** (A) 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. (B) The county treasurer must remit 35.35 percent of the revenue generated by the assessment imposed in the county to be used for the purposes set forth in subsection (D) and 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 manner prescribed by the State Treasurer. (D) All unused funds must be carried forward from year to year and used exclusively for the provision of services for 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.



SC Code of Law  
Title 14 (excerpts cont.)

- **Section 14-1-207 Subsection(s) A, B & D:** (A) 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. (B) The county to be used for the purposes set forth in subsection (D) and 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 manner prescribed by the State Treasurer. (D) All unused funds must be carried forward from year to year and used exclusively for the provision of services for 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.
  
- **Section 14-1-208 Subsection(s) A, B & D:** (A) 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. (B) 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 and make reports on a form and in a manner prescribed by the State Treasurer. (D) All unused funds must be carried forward from year to year and used exclusively for the provision of services for 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.
  
- **Section 14-1-206,207,208 Subsection(s) E:** To ensure that fines and assessments imposed are properly collected and remitted to the State Treasurer, the annual independent external audit required to be performed for each county and municipality 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 Uniform Supplemental Schedule Form detailing all fines and assessments collected by the clerk of court for the court of general sessions, magistrate

SC Code of Law  
Title 14 (excerpts cont.)

court of the county and at the court level, the amount remitted to the county and municipal treasurers, and the amount remitted to the State Treasurer.

**Section 14-1-211 Subsection A, B, &D:** (A) 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 magistrates and municipal courts in this State. (B) The revenue collected must be retained by the jurisdiction which heard or processed the case and paid to the city or county treasurer,

- **Section 14-1-211 Subsection A, B, &D:** (B) for the purpose of providing services for the victims of crime, including those required by law. 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 the requirements contained in this provision. For the purpose of funds allocation and expenditure, these funds are a part of the general funds of the city or county. These funds must be appropriated for the exclusive purpose of providing victim services as required by Chapter 3, Article 15 of Title 16; specifically, those service requirements that are imposed on local law enforcement, local detention facilities, prosecutors, and the summary courts. First priority must be given to those victims' assistance programs which are required by Chapter 3, Article 15 of Title 16 and second priority must be given to programs which expand victims' services beyond those required by Chapter 3, Article 15 of Title 16. 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.

(D) (1) The supplementary schedule must include the following elements:

- (a) all surcharges collected by the clerk of court for the general sessions, magistrate's, 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.

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## **Introduction and Legislative**

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### **PRIOR AUDIT RESULTS**

The SC State Legislative Act 96 (Part IV) mandates the Department of Crime Victim Compensation to conduct a Follow up Audit which shall include both a programmatic review and financial audit of any entity or nonprofit organization receiving victim assistance funding with previously found errors to ensure necessary corrective action has taken place; thereby ensuring compliance with all applicable state laws and regulations. As previously noted, the State Auditor's Office conducted an audit of the Town of Honea Path Municipal Court. The reports were dated May 31, 2012 and May 31, 2016. The reports were received by DCVC on August 27, 2013 and May 19, 2017 respectively.

**This Follow-up Audit for the Town of Honea Path was based on the SC State Auditor's Office initial audit findings and recommendations in their audits dated May 31, 2012 and the Town of Honea Path Municipal Court Independent Accountant's Report on Applying Agreed-Upon Procedures dated May 31, 2016 (Appendix A and B)**

**DCVC's Audit Objective was:**

- To determine if all errors and recommendations issued by the SC State Auditor's Office Reports dated May 31, 2012 and May 31, 2016 were adhered to as required by State law and regulations.

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### **RESULTS IN BRIEF**

No, all errors and recommendations issued by the SC State Auditor's Office Reports dated May 31, 2012 and May 31, 2016 were not adhered to as required by State law and regulations.

The Town of Honea Path developed and implemented procedures to ensure that fines levied by the court adhere to applicable law. In addition, the Town of Honea Path has implemented procedures to ensure State Treasurer Revenue Remittance Forms (STRRFs) are submitted by the fifteenth of each month in compliance with State law.

In addition, the Town of Honea Path implemented procedures to ensure the conviction surcharge is properly assessed and collected in accordance with State law.

They also established and implemented policies and procedures to ensure victim assistance revenue is accounted for in accordance with State law.

However, the Town of Honea Path did not implement procedures to ensure amounts recorded on the Supplementary Schedule are accurately reported in accordance with State law.

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

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**A. Adherence to Fine Guidelines**

**Town of Honea Path Municipal Court State Auditor's Report dated May 31, 2012**

**Objective**

Did the Town of Honea Path develop and implement procedures to ensure fines levied by the court adhere to applicable State law?

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**Conclusion**

Yes, the Town of Honea Path developed and implemented procedures to ensure fines levied by the court adhere to applicable State law.

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**Background**

Town of Honea Path Court Clerk

Town of Honea Path Judge

Town of Honea Path Municipal Court State Auditor's Report issued May 31, 2012

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**Discussion**

During the Town of Honea Path Municipal Court State Auditor's Report dated May 31, 2012, the State Auditor recommended the Municipal Court develop and implement procedures to ensure fines levied by the court adhere to applicable State law. According to the report, there was an instance where an individual was charged \$30.00 for a seat belt violation. Section 56-5-6540(A) of the 1976 South Carolina code of Laws as amended states, "A person who is adjudicated to be in violation of the provision of this article must be fined not more than twenty five dollars, no part of which may be suspended." At that time, the Municipal Court stated the error was due to an oversight.

On May 29, 2019 as part of the pre audit requested documents, the DCVC Auditor requested a copy of procedures to ensure fines levied by the court adhere to applicable State law. However, they were not received prior to the audit site visit on July 11, 2019. Therefore during the site visit, the auditor interviewed the Court Clerk and Town Judge to determine if procedures were developed and implemented to ensure fines levied by the court adhered to applicable State law and if they were in written format.

The Judge stated that he regularly checks the State Treasurer's website to see if there have been any changes in fine amounts. The DCVC Auditor further inquired if the town uses a court software system. The Judge stated the town uses the Court Management System (CMS). The Court Clerk stated she sends the fine amounts to officers regularly. However, the Court Clerk stated that these procedures were not in written format. She stated however, she would put them in writing and forward to the auditor by July 17, 2019. The procedures were received via mail on August 12, 2019. Therefore, the Town of Honea Path is compliant and there are no other matters regarding this objective.

**Recommendation(s)**  
**and Comments**

No further recommendations

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

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**B. Timely Submission of State Treasurer's Revenue Remittance Forms  
Town of Honea Path Municipal Court State Auditor's Report dated May 31, 2012**

**Objective** Did the Town of Honea Path implement procedures to ensure the State Treasurer's Revenue Remittance Forms (STRRFs) are submitted by the fifteenth of each month in compliance with State law?

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**Conclusion** Yes, the Town of Honea Path implemented procedures to ensure the STRRFs are submitted by the fifteenth of each month in compliance with State law.

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**Background** Town of Honea Path Court Clerk  
  
Town of Honea Path Municipal Court State Auditor's Report issued May 31, 2012  
  
Section 14-1-208 (B) of the 1976 South Carolina Code of Laws

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**Discussion** During the Town of Honea Path Municipal Court State Auditor's Report issued May 31, 2012, the auditor tested the Town's State Treasurer's Revenue Remittance Forms (STRRFs) and noted that six of the twelve were not submitted by the fifteenth of the month as required by State law. At the time, the Town Clerk stated that the late submissions were related to issues in processing accounts payable. In the DCVC follow up pre requested audit documents, the auditor requested the town submit STRRFs for FY 11 through FY 18. The town supplied the yearly STRRFs for the requested years for the auditor's review. The DCVC Auditor reviewed the documents prior to the site visit on July 11, 2019 and noted the forms submitted were all dated June 11, 2019. It was also noted that the forms submitted were printed and system dated accordingly. During the site visit, the DCVC Auditor advised the Court Clerk that the submitted forms were not sufficient because they do not show the actual submission dates.



The auditor advised that the submission dates are needed to confirm the compliance with the law regarding the fifteenth of the month. The auditor requested a sample of the original STRRF submitted to the State Treasurer to verify the date they were actually submitted. The Court Clerk advised she would forward copies of original forms by July 17, 2019. However, the Court Clerk supplied copies of the original forms during the site visit on July 11, 2019.

During the site visit on July 11, 2019, the DCVC Auditor asked what procedures were developed and implemented to ensure that STRRFs are submitted in a timely manner. The Court Clerk stated that completing the forms is a part of their monthly procedures. In addition, the monthly procedures have been adjusted so that forms are completed by the 10th of each month to ensure timely submission by the 15th of the month. The auditor asked if the procedures were in writing. The Court Clerk stated the procedures were not in writing; however, she would produce the written procedures and distribute to all relevant parties. The auditor recommended she set a reminder on her calendar to complete the form and add to the written procedures. The Court Clerk agreed and stated she would forward the written procedures by July 17, 2019. The procedures were received via mail on August 12, 2019. Therefore, the Town of Honea Path is in compliance and there are no further matters regarding this objective.

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**Recommendation(s) 0**  
**and Comments**

No further recommendations

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

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**C. Conviction Surcharge****Town of Honea Path Municipal Court State Auditor's Report dated May 31, 2012**

**Objective** Did the Town of Honea Path implement procedures to ensure the conviction surcharge is properly assessed and collected in accordance with State law?

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**Conclusion** Yes, the Town of Honea Path implemented procedures to ensure the conviction surcharge is properly assessed and collected in accordance with State law. However, the Town of Honea Path did not submit these procedures in written format.

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**Background** Town of Honea Path Court Clerk

Town of Honea Path Municipal Court State Auditor's Report issued May 31, 2012

Section 14-1-211 (A) (1) of the South Carolina Code of Laws

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**Discussion** Section 14-1-211 (A) (1) of the 1976 South Carolina Code of Laws states "In addition to all other assessments and surcharges, 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 magistrates and municipal courts in this State. The surcharge may not be imposed on convictions for misdemeanor traffic offenses including, but not limited to, violations of Sections 56-3-1970, 56-5-2510, and 56-5-2530, or another state law, municipal ordinance, or county ordinance restricting parking in a prohibited zone or in a parking place clearly designated for handicapped persons. However, the surcharge applies to all violations of Section 56-5-2930 and Section 56-5-2933. No portion of the surcharge may be waived, reduced, or suspended".

According to the Town of Honea Path Municipal Court State Auditor's Report issued May 31, 2012, the auditor tested the Municipal Court collections and remittances.

The auditor noted six instances where the court did not access and collect the \$25 conviction surcharge as required by State law. At the time, the Municipal Clerk stated she was not aware of the requirement. As a result, the auditor recommended the town implement procedures to ensure the conviction surcharge is properly assessed and collected in accordance with State law.

For the follow up audit pre requested documents, the DCVC Auditor requested a copy of the procedures implemented to ensure the conviction surcharge is properly assessed and collected in accordance with State law. However, they were not received prior to the site visit. Therefore, during the site visit, the auditor inquired about what steps were taken to ensure the conviction surcharge is properly assessed and collected in accordance with State law. The Court Clerk advised they are aware of the charge and the surcharge is properly assessed and collected. The auditor further inquired if there were written policies and procedures in place. The Court Clerk advised that the policies and procedures are not in written format; however, she would develop written procedures and forward to the auditor by July 17, 2019. Please note, the written procedures were not received by the auditor. Therefore, it is recommended that the Court Clerk develop and forward written procedures to the auditor prior to the 90 day follow up audit.

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**Recommendation(s)**  
**and Comments**

It is recommended that the Town of Honea Path develop and submit written procedures to the auditor to ensure the conviction surcharge is properly assessed and collected in accordance with State law prior to the 90 day follow up DCVC audit.

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

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**D. Accounting for Victim Assistance Funds**

Town of Honea Path Municipal Court State Auditor's Report dated May 31, 2012

**Objective** Did the Town of Honea Path establish and implement policies and procedures to ensure victim assistance revenue is accounted for in accordance with State law?

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**Conclusion** Yes, the Town of Honea Path did establish and implement policies and procedures to ensure victim assistance revenue is accounted for in accordance with State law.

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**Background** Town of Honea Path Town Clerk/Treasurer  
Town of Honea Path Consultant  
Section 14-1-211 (B) of the 1976 South Carolina Code of Laws

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**Discussion** According to the Town of Honea Path Municipal Court State Auditor's Report dated May 31, 2012, there was one instance where the Town recorded victim assistance revenue to the Police/Fine General Ledger instead of the victim assistance bank account. At that time, the Town Clerk/Treasurer stated the comingling of the victim assistance funds was an oversight.

As part of the pre requested audit documents, the auditor requested the following:

- Supplementary Schedules for FY11 through FY18
- State Treasurer's Revenue Remittance Forms for FY11 through FY18
- Victim Assistance Ledger for FY11 through FY18
- Victim Assistance Expenditure Reports for FY11 through FY18

These items along with bank account statements were received by DCVC on June 25, 2019.

Upon review, the auditor observed the following:

- The victim assistance funds were maintained in a separate account
- The year-end Supplementary Schedules were in agreement with the bank statements
- The bank statements included a monthly deposit each month

Please note the following regarding the victim assistance revenue and expenditures:

### **Victim Assistance Revenue**

During the follow up audit site visit, the auditor inquired about the steps taken to ensure victim assistance revenue is accounted for in accordance with State law. The Clerk/Treasurer advised that the victim assistance funds are deposited into a separate account and an entry is made to credit the amount deposited into the victim assistance account ledger. During the audit, it was determined by the auditor that the town has proper policies and procedures to ensure victim assistance revenue is accounted for accordingly. This was accomplished by comparing the amount deposited in the victim assistance account to the amount recorded on the ledger. These monthly amounts were then compared to the yearly STRRFs. Although the revenue was accounted for correctly, there were reporting issues on the Supplementary Schedules. This is discussed in the next section of the audit report. However, the town officials advised that the policies and procedures were not in written format. The auditor and town officials agreed to develop written procedures and forward to the auditor by July 17, 2019. These procedures were received via mail on August 12, 2019.

### **Victim Assistance Expenditures**

According to the DCVC audit log, the Town of Honea Path does not have a victim advocate. As of November 2018, the town has contracted with Anderson County for victim services.

The current contract states the following:

- The Anderson County Sheriff's Department will provide the Town of Honea Path with victim advocate services for incidents involving crimes against persons.

- The total monies collected by the Town of Honea Path for the purpose of providing services for victims of crimes will be placed in the Anderson County Sheriff's Office Victim Services Account.
- The Anderson County Sheriff's Office will provide the Town of Honea Path with monthly, quarterly, and yearly reports regarding the number of victims, types of victims and services provided to victims on behalf of the Town of Honea Path.

The first payment for the contract was submitted on December 5, 2018 to Anderson County. In addition, the auditor was given a copy of the victim assistance report provided to the Town of Honea Path from Anderson County.

During the site visit on July 10, 2019, the auditor inquired how the town continued to accumulate funds and build a balance of \$72,775 in their victim assistance account as of FY18. At that time, the auditor was unaware the current contract was a new contract and not a renewal contract. The auditor provided technical assistance by reviewing with officials Proviso 59.15. Upon returning to the office, the auditor further reviewed the audit department file and determined the town did not have a victim advocate or a contract for victim services for at least the past five years from FY 13 to FY 18, or any allowable expenditures from the victim assistance fund. As a result, the auditor advised the Town's Clerk/Treasurer, Judge, and Court Clerk they were only allowed to expend funds to pay via their contract which started November 2018.

Since the town did not have an advocate or any allowable expenditures from FY 13 to FY 18, they failed to meet the 90% expenditure requirement per Proviso 59.15 as of FY18. This means the town is required to submit \$47,775 to the State Victim Assistance Program (SVAP) for failure to spend the 90% of funds collected. According to Proviso 59.15, "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 ten percent of funds collected in the prior fiscal year, whichever is higher. If a county or municipality does not spend at least ninety percent 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 Office of the Attorney General 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”.

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**Recommendation(s)**  
**and Comments**

It is recommended that the Town of Honea Path remit **\$47,775** to SVAP before the 90 day follow up audit for failure to meet the spending requirement per proviso 59.15. They are required to send a copy of the check as supporting documentation of the SVAP submission prior to the DCVC 90 day follow up audit to the DCVC Auditor.

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

---

**E. Supplementary Schedules**

**Town of Honea Path Municipal Court State Auditor's Report dated May 31, 2012  
Town of Honea Path Municipal Court Independent Accountant's Report on Applying  
Agreed-Upon Procedures dated May 31, 2016**

**Objective**

Did the Town of Honea Path implement procedures to ensure amounts recorded on the Supplementary Schedule are accurately reported in accordance with State law?

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**Conclusion**

No, the Town of Honea Path did not implement procedures to ensure amounts recorded on the Supplementary Schedule are accurately reported in accordance with State law?

---

**Background**

Town of Honea Path Clerk/Treasurer

Town of Honea Path Consultant

Section 14-1-208 (E) (1) of the 1976 South Carolina Code

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**Discussion**

According to the Town of Honea Path Municipal Court State Auditor's Report dated May 31, 2012, the auditor noted amounts reported for victim services expenditures and funds available for carryforward did not agree with the town's general ledger. Therefore, the auditor recommended the town implement procedures to ensure amounts reported on the Supplementary Schedule are accurately reported in accordance with State law.

Please note below the pre audit documents requested prior to the audit July 11, 2019:

- Supplementary Schedules for FY11 through FY18
- State Treasurer Revenue Remittance Forms for FY11 through FY18
- Victim Assistance Ledger for FY11 through FY18
- Victim Assistance Expenditure Reports for FY11 through FY18



These items along with bank account statements were received on June 25, 2019 via mail.

Upon review, the auditor observed the following:

- The victim assistance funds were maintained in a separate account
- The year-end Supplementary Schedule for FY12 was not in agreement with the bank statements

According to the Supplementary Schedule dated May 31, 2012, no funds were available for carryforward. However, the bank statement as of May 31, 2012, the balance was \$22,650.45. At that time, the Town Clerk/Treasurer stated the reporting errors were due to an oversight in the reconciliation between the general ledger and the final schedule. Upon further review, the DCVC Auditor determined the FY13 Supplementary Schedule had the correct carryforward beginning balance of \$22,650. During the site visit, the auditor inquired why there was a discrepancy in the Supplementary Schedules. The town officials advised they were not sure and directed the auditor to the town's auditor. Upon return to the office, the DCVC Auditor called and spoke with the town's auditor. The town's auditor advised during the time of the FY12 Financial Audit preparation that the town was in the process of separating the victim assistance funds into a separate account and this is what caused the comingling of the victim assistance funds with general funds. However, this error was corrected in FY13.

According to the Town of Honea Path Municipal Court Independent Accountant's Report on Applying Agreed Upon Procedures for the year ended May 31, 2016 (Appendix B), the Town of Honea Path's Supplementary Schedules were still non compliant. The report noted the following:

- In the financial reconciliations of the victim services account balance for the year ended May 31, 2016, there was a deduction from the account titled "Reconciliation" where a \$650 deduction was entered to arrive at the final ending account balance for the year.
- In the financial reconciliation of the victim services account balance for the year ended May 31, 2015, there was an addition to the account titled "Prior Period Reconciliations" wherein a \$1,998 increase was entered to arrive at the final ending account balance for the year.

The report further states the terms “Reconciliation” and “Prior Year Reconciliation” should not be used within financial statement audit Supplemental Schedule of fines, assessments, and surcharges of the victim services account without explanation.

During the site visit on July 11, 2019, the auditor inquired with town officials what steps were taken to ensure the information reported on the Supplementary Schedules were correct. The town officials directed the auditor to the town’s auditor who prepares the Supplementary Schedule. Upon return to the office, the auditor spoke with the town’s auditor. The town’s auditor wasn’t sure why the adjustments were made to the Supplementary Schedule. Through further review, the auditor determined the amounts shown on the Supplementary Schedule and the amount reported by the STRRF did not match. However, the final amount on the Supplementary Schedule was in agreement with the amount on the town’s bank account. Therefore, the DCVC Auditor advised the town’s auditor the use of terms such as “Reconciliation” and “Prior Period Reconciliation” within the financial statement of the Supplementary Schedule without an explanation as to what these amounts represent was not allowed. In addition, the auditor advised the town’s auditor that in the future the Uniform Supplementary Schedule is required to be used per law and should have been used since 2017. The DCVC Auditor advised the town’s auditor that the form could be found on the DCVC website and also emailed the form after the audit. Upon further review of the town’s documents, the auditor found that the May 31, 2017 Supplementary Schedule contained the “Reconciliation” term. Therefore it is recommended the town submit a revised Supplementary Schedule for May 31, 2017 using the Uniform Supplementary Schedule as required by law.

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**Recommendation(s)**  
**and Comments**

It is recommended that the Town of Honea Path submit a revised Supplementary Schedule for May 31, 2017 using the Uniform Supplementary Schedule as required by State law. They are to provide the auditor a copy of the revised Supplementary Schedule prior to the 90 day follow up audit.

---

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

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**F. Technical Assistance****Documentation Provided**

During the site visit, technical assistance was provided and the following documents were explained in detail and provided to appropriate officials and agency representatives:

1. Copy of the Act 96
2. Copy of the Legislative Proviso 59.15
3. Copy of the Legislative Proviso 98.9
4. Uniformed Supplementary Schedule
5. Copy of 2019 Approved Guidelines
6. Additional Approved Guidelines
7. Technical Assistance Provided

**Other Matters**

There are no other matters.

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## Corrective Action

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Act 96 [Part IV] (C) states:

*“Any entity or nonprofit organization receiving victim assistance funding must cooperate and provide expenditure and program data requested by the division. If the division 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 division. 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 division shall assess and collect a penalty in the amount of the unauthorized expenditure plus fifteen hundred dollars against the entity or nonprofit organization for improper expenditures. This penalty which includes the fifteen hundred dollars must be paid within thirty days of the notification by the division to the entity or nonprofit organization that the entity or nonprofit organization is in noncompliance with the provisions of this section. All penalties received by the division shall be credited to the general fund of the State. If the penalty is not received by the division within thirty days of the notification, the political subdivision must deduct the amount of the penalty from the entity's or nonprofit organization's subsequent fiscal year appropriation.”*

**The Department of Crime Victim Compensation Auditing Department conducted a follow-up audit site visit on July 11, 2019 regarding the State Auditor’s reports dated May 31, 2012 and May 31, 2016. This follow-up audit report was issued on November 13, 2019.**

**All errors were not corrected for the State Auditor’s Office reports dated May 31, 2012 and May 31, 2016. Therefore, per this follow up audit which serves as the DCVC initial audit as well, the DCVC Auditor will be conducting a 90 day DCVC follow-up audit to confirm that the errors noted in this report have been corrected to include the \$47,775.00 remittance to SVAP.**

---

## Corrective Action

---

*Act 96 [Part IV] (C) states:*

*“Any entity or nonprofit organization receiving victim assistance funding must cooperate and provide expenditure and program data requested by the division. If the division 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 division. 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 division shall assess and collect a penalty in the amount of the unauthorized expenditure plus fifteen hundred dollars against the entity or nonprofit organization for improper expenditures. This penalty which includes the fifteen hundred dollars must be paid within thirty days of the notification by the division to the entity or nonprofit organization that the entity or nonprofit organization is in noncompliance with the provisions of this section. All penalties received by the division shall be credited to the general fund of the State. If the penalty is not received by the division within thirty days of the notification, the political subdivision must deduct the amount of the penalty from the entity's or nonprofit organization's subsequent fiscal year appropriation.”*

**The Department of Crime Victim Compensation Auditing Department conducted a follow-up audit site visit on July 11, 2019 regarding the State Auditor’s reports dated May 31, 2012 and May 31, 2016. This follow-up audit report was issued on November 8, 2019.**

**All errors were not corrected for the State Auditor’s Office reports dated May 31, 2012 and May 31, 2016. Therefore, per this follow up audit which serves as the DCVC initial audit as well, the DCVC Auditor will be conducting a 90 day DCVC follow-up audit to confirm that the errors noted in this report have been corrected to include the \$47,775.00 remittance to SVAP.**

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## **Appendix(s)**

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**Appendix A – The Town of Honea Path Municipal Court State Auditor’s Report May  
31, 2012**

**TOWN OF HONEA PATH MUNICIPAL COURT  
HONEA PATH, SOUTH CAROLINA**

**STATE AUDITOR'S REPORT**

**MAY 31, 2012**

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# State of South Carolina



## Office of the State Auditor

1401 MAIN STREET, SUITE 1200  
COLUMBIA, S.C. 29201

RICHARD H. GILBERT, JR., CPA  
DEPUTY STATE AUDITOR

(803) 253-4160  
FAX (803) 343-0723

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

April 26, 2013

The Honorable Nikki R. Haley, Governor  
State of South Carolina  
Columbia, South Carolina

The Honorable Donnie W. Cannon, Municipal Judge  
Honea Path Municipal Court  
Honea Path, South Carolina

Ms. Beverly Crawford, Town Clerk/Treasurer  
Town of Honea Path  
Honea Path, South Carolina

We have performed the procedures described below, which were agreed to by the Town of Honea Path and the Town of Honea Path Municipal Court, solely to assist you in evaluating the performance of the Town of Honea Path Municipal Court for the fiscal year ended May 31, 2012, in the areas addressed. The Town of Honea Path and the Town of Honea Path Municipal Court are responsible for its financial records, internal controls and compliance with State laws and regulations. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Town of Honea Path and the Town of Honea Path Municipal Court. 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 the associated findings are as follows:

#### 1. Clerk of Court

- We gained an understanding of the policies and procedures established by the Clerk of Court to ensure proper accounting for all fines, fees, assessments, surcharges, forfeitures, escheatments, or other monetary penalties.
- We obtained certain judgmentally selected final court dockets from the Municipal Clerk. We randomly selected twenty-five cases from the final court dockets and recalculated the fine, fee, assessment and surcharge calculation to ensure that the fine, fee, assessment or surcharge was properly allocated in accordance with applicable State law. We also determined whether the fine, fee, assessment and/or surcharge adhered to State law and to the South Carolina Court Administration fee memoranda.

The Honorable Nikki R. Haley, Governor  
and  
The Honorable Donnie W. Cannon, Municipal Judge  
Ms. Beverly Crawford, Town Clerk/Treasurer  
Town of Honea Path  
April 26, 2013

Our findings as a result of these procedures are presented in Adherence to Fine Guidelines and Conviction Surcharge in the Accountant's Comments section of this report.

**2. Town Treasurer**

- We gained an understanding of the policies and procedures established by the Town to ensure proper accounting for court fines, fees, assessments, surcharges, forfeitures, escheatments, or other monetary penalties.
- We obtained copies of all State Treasurer's Revenue Remittance Forms submitted by the Town for the fiscal year ended May 31, 2012. We agreed the line item amounts reported on the State Treasurer's Revenue Remittance Forms to the monthly court remittance reports and to the State Treasurer's receipts. We also agreed the total revenue due to the State Treasurer to the general ledger.
- We determined if the State Treasurer's Revenue Remittance Forms were submitted in a timely manner to the State Treasurer in accordance with State law.
- We verified that the amounts reported by the Town on its supplemental schedule of fines and assessments for the fiscal year ended May 31, 2012, agreed to the Town's general ledger. We also determined if the supplemental schedule of fines and assessments contained all required elements in accordance with State law.

Our findings as a result of these procedures are presented in Timely Submission of State Treasurer's Revenue Remittance Form and Supplementary Schedule in the Accountant's Comments section of this report.

**3. Victim Assistance**

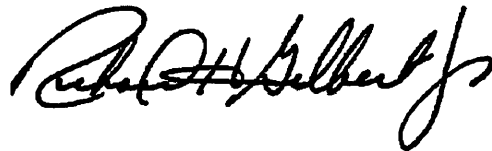
- We gained an understanding of the policies and procedures established by the Town to ensure proper accounting for victim assistance funds.
- We made inquiries and performed substantive procedures to determine that any funds retained by the Town for victim assistance were accounted for in a separate account.
- We tested the sole victim assistance expenditure to ensure that the Town expended victim assistance funds in accordance with State law and South Carolina Court Administration Fee Memoranda, Attachment L.
- We determined if the Town reported victim assistance financial activity on the supplemental schedule of fines and assessments in accordance with State law.
- We inspected the Town's general ledger to determine if the Victim Assistance Fund balance was retained as of June 1 from the previous fiscal year in accordance with State law.

Our finding as a result of these procedures is presented in Accounting for Victim Assistance Funds in the Accountant's Comments section of this report.

The Honorable Nikki R. Haley, Governor  
and  
The Honorable Donnie W. Cannon, Municipal Judge  
Ms. Beverly Crawford, Town Clerk/Treasurer  
Town of Honea Path  
April 26, 2013

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 May 31, 2012, and, furthermore, we were not engaged to express an opinion on the effectiveness of internal controls over compliance with the laws, rules and regulations described in paragraph one and the procedures of this report. Accordingly, we do not express such an opinion. 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, Chairman of the House Ways and Means Committee, Chairman of the Senate Finance Committee, Chairman of the House Judiciary Committee, Chairman of the Senate Judiciary Committee, members of the Town of Honea Path Town Council, Town of Honea Path Municipal Judge, Town of Honea Path Clerk/Treasurer, State Treasurer, State Office of Victim Assistance, and the Chief Justice and is not intended to be and should not be used by anyone other than these specified parties.



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

**ACCOUNTANT'S COMMENTS**

## **SECTION A – 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 governing court collections and remittances. 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.

## **ADHERENCE TO FINE GUIDELINES**

We selected twenty-five cases from the final court dockets to ensure that the fine, fee, assessment and/or surcharge levied by the Municipal Court adhered to State law. Based on the tests performed, we noted one instance where an individual was fined \$30 for a seatbelt violation. The \$30 fine levied by the Court exceeded the maximum fine allowed by State law.

Section 56-5-6540(A) of the 1976 South Carolina Code of Laws, as amended, states, "A person who is adjudicated to be in violation of the provisions of this article must be fined not more than twenty-five dollars, no part of which may be suspended."

The Municipal Clerk stated the error was due to oversight.

We recommend the Municipal Court develop and implement procedures to ensure that fines levied by the court adhere to applicable State law.

## **TIMELY SUBMISSION OF STATE TREASURER'S REVENUE REMITTANCE FORM**

During our testing of the Town's State Treasurer's Revenue Remittance Forms (STRRF), we noted six out of twelve STRRF were not submitted to the State Treasurer by the fifteenth day of the month as required by State law. The STRRF were submitted from one to four days late.

The Town Clerk/Treasurer stated the late submissions were related to timing issues in processing accounts payable. The Town Clerk/Treasurer processes invoices once a week; therefore, if an invoice or other source documentation is not received prior to the weekly cutoff for processing accounts payables, the invoices will not be paid until the next week.

Section 14-1-208(B) of the 1976 South Carolina Code of Laws, as amended, requires the Town to 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 manner prescribed by the State Treasurer.

We recommend the Town implement procedures to ensure the STRRF are submitted by the fifteenth day of each month in compliance with State law.

### **CONVICTION SURCHARGE**

During our test of Municipal Court collections and remittances, we noted six instances where the Court did not assess and collect the \$25 conviction surcharge as required by State law.

Section 14-1-211 (A)(1) of the 1976 South Carolina Code of Laws, as amended, states, "In addition to all other assessments and surcharges...a twenty-five dollar surcharge is imposed on all convictions obtained in magistrates and municipal courts in this State. No portion of the surcharge may be waived, reduced, or suspended." This section does not apply to misdemeanor traffic offenses or parking violations.

The Municipal Clerk stated she was unaware of this requirement.

We recommend the Town implement procedures to ensure the conviction surcharge is properly assessed and collected in accordance with State law.

### **ACCOUNTING FOR VICTIM ASSISTANCE FUNDS**

During our testing of the Town's State Treasurer's Revenue Remittance Forms (STRRF), we noted the Town recorded victim assistance revenue for the month of June 2011 to the "Police Fine" general ledger account instead of the "Victim Assistance" account. As a result, the Town did not deposit cash receipts totaling \$625 in the "Victim Assistance" bank account.

The Town Clerk/Treasurer stated the commingling of victim assistance revenue with general operating funds was an oversight.

Section 14-1-211(B) of the 1976 South Carolina Code of Laws, as amended, states, "The revenue collected pursuant to subsection (A)(1) must be retained by the jurisdiction which heard or processed the case and paid to the city or county treasurer, for the purpose of providing services for the victims of crime, including those required by law. Any funds retained by the county or city treasurer pursuant to subsection (A)(1) must be deposited into a separate account for the exclusive use for all activities related to the requirements contained in this provision."

We recommend the Town establish and implement policies and procedures to ensure victim assistance revenue is accounted for in accordance with State law.

### **SUPPLEMENTARY SCHEDULE**

During our testing of the schedule of court fines, assessments and surcharges included in the Town's financial statements for the year ended May 31, 2012, we noted amounts reported for victim services expenditures, funds available for carryforward, beginning, and funds available for carryforward, ending did not agree to the Town's general ledger.

Section 14-1-208(E)(1) of the 1976 South Carolina Code of Laws, as amended, states, "The supplementary schedule must include the following elements: (a) all fines collected by the clerk of court for the municipal court, (b) all assessments collected by the clerk of court for the municipal court, (c) the amount of fines retained by the municipal treasurer, (d) the amount of assessments retained by the municipal treasurer, (e) the amount of fines and assessments remitted to the State Treasurer pursuant to this section, and (f) the total funds, by source, allocated to victim services activities, how those funds were expended, and any balances carried forward."



The Town Clerk/Treasurer stated the reporting errors were due to an oversight in the reconciliation between the general ledger and the final schedule.

We recommend the Town implement procedures to ensure amounts reported on the supplementary schedule are accurately reported in accordance with State law.

**TOWN'S RESPONSE**



Town of  
**Honea Path**

204 South Main Street  
Honea Path, South Carolina 29654

Phone : 864-369-2466  
Fax : 864-369-2325

August 19, 2013

Mayor  
Earl L. Meyers

Council Member

Ward 1  
J.P. "Sonny" Davis

Ward 2  
Fredda Gilmer

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

Ward 3  
Brad Haynes

Office of the State Auditor  
1401 Main Street, Suite 1200

Ward 4  
Jeff Taylor

Columbia, SC 29201

Ward 5  
Dorothy "Dot" Evans

Re: Town of Honea Path Municipal Court Report

Ward 6  
Ellis Lark

Dear Mr. Gilbert:

Clerk-Treas.  
Beverly Crawford

Economic Dev.  
Rusty W. Burns

Town Attorney  
Jimmy R. King

Administrator  
William S. Hall

Police Chief  
David King

Fire Chief  
James A. Smith

Public Utility Dir.  
Matt McCullough

Recreation Dir.  
Jason Rhodes

Please accept this letter as official indication that the Town of Honea Path has reviewed the preliminary draft copy of the report resulting from your performance of agreed-upon procedures to the accounting records of the Town of Honea Path for fiscal year ending May 31, 2012. The Town of Honea Path authorizes the release of the report, and does not have any additional responses or comments to offer at this time.

Should you have any questions, or need further information, please feel free to contact me at (864)369-2466.

Sincerely,



Beverly K. Crawford  
Clerk/Treasurer

5 copies of this document were published at an estimated printing cost of \$1.43 each, and a total printing cost of \$7.15. Section 1-11-125 of the South Carolina Code of Laws, as amended requires this information on printing costs be added to the document.

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## **Appendix(s)**

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**Appendix B – The Town of Honea Path Independent Accountant’s Report on Applying Agreed-Upon Procedures for the year ended May 31, 2016**

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*Town of Honea Path Municipal Court*

Honea Path, South Carolina

Independent Accountant's Report on Applying Agreed-Upon  
Procedures for the year ended May 31, 2016



**South Carolina  
Office of the State Auditor**

**George L. Kennedy, III, CPA  
State Auditor**

May 4, 2017

The Honorable Henry McMaster, Governor  
State of South Carolina  
Columbia, South Carolina

The Honorable Dennis C. Bannister, Jr., Chief Judge  
Ms. Beverly Crawford, Municipal Court Clerk  
Town of Honea Path Municipal Court  
Honea Path, South Carolina

This report resulting from the application of certain agreed-upon procedures to certain accounting records of the Town of Honea Path Municipal Court System as of and for the year ended May 31, 2016, was issued by Brown, 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,

A handwritten signature in black ink that reads "George L. Kennedy, III".

George L. Kennedy, III, CPA  
State Auditor

GLKIII/sag

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Section B – Other Weaknesses Comments .....	5
Municipality's Response .....	Attachment A



# **BROWN CPA, LLC**

## Independent Accountant's Report on Applying Agreed-Upon Procedures

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

The Honorable Dennis C. Bannister, Jr., Chief Judge  
Town of Honea Path Municipal Court  
Honea Path, South Carolina

Ms. Beverly Crawford, Municipal Court Clerk  
Town of Honea Path Municipal Court  
Honea Path, South Carolina

We have performed the procedures described below, which were agreed to by the South Carolina Office of State Auditor and Town of Honea Path Municipal Court, solely to assist you in evaluating the performance of the Town of Honea Path Municipal Court for the period June 1, 2015 through May 31, 2016, in the areas addressed. The Town of Honea Path Municipal Court's management is responsible for its financial records, internal controls and compliance with State laws and regulations. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Office of the State Auditor and the Town of Honea Path Municipal Court. 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 the associated findings are as follows:

### **1. Clerk of Court**

- We gained an understanding of the policies and procedures established by the Clerk of Court to determine timely reporting by the Clerk of Court's Office.
- We obtained the court dockets from the Clerk of Court. We judgmentally selected twenty-five cases from the court dockets and recalculated the fine, fee, assessment and surcharge calculation to determine that the fine, fee, assessment or surcharge was properly allocated in accordance with applicable State law and the South Carolina Court Administration fee memoranda.
- We tested twenty-five judgmentally selected court receipt transactions to determine that the fee, fine, and/or assessment charge adheres to State law and the South Carolina Court Administration fee memoranda.
- We tested twenty-five judgmentally selected court receipt transactions to determine that the receipts were allocated in accordance with applicable State law.

We found no exceptions as a result of the procedures.

[www.browncpallc.com](http://www.browncpallc.com)

## **2. Municipal Treasurer**

- We gained an understanding of the policies and procedures established by the municipal treasurer to determine timely reporting by the municipality.
- We obtained copies of all court remittance forms or equivalents and tested each monthly remittance form to determine that the forms were completed in accordance with instructions and submitted timely in accordance with State law.
- We verified that amounts reported on the monthly court remittance forms or equivalents agreed to the municipality's support.
- We scanned the municipality's support to determine if the municipality had misclassified fine, fee, assessment, and surcharge receipts.
- We obtained copies of all State Treasurer's Revenue Remittance Forms for the period June 1, 2015 through May 31, 2016. We vouched the amounts reported on the State Treasurer's Revenue Remittance Forms to the court remittance forms or equivalents.
- We verified that 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 June 1, 2015 through May 31, 2016, agreed to the municipality's general ledger.
- We determined that the Town's supplementary schedule of fines and assessments, as reported in the annual financial statement audit, contained all the required elements in accordance with State law.

Our findings as a result of these procedures are presented in the Accountant's Comments section of this report.

## **3. Victim Assistance**

- We gained an understanding of the policies and procedures established by the municipality to determine proper accounting for victim assistance funds.
- We made inquiries and performed substantive procedures to determine that any funds retained by the municipality for victim assistance were deposited into a separate account.
- We tested selected expenditures to determine that the municipality expended victim assistance funds in accordance with State law and South Carolina Court administration Fee Memoranda.
- We determined that the municipality reported victim assistance financial activity on the supplemental schedule of fines and assessments, as reported in the annual financial statement audit, in accordance with applicable State law.
- We verified that the amounts reported by the municipality on its supplemental schedule of fines and assessments, as reported in the annual financial statement audit, applicable to Victim Assistance fund agreed to the Municipality's general ledger or subsidiary ledgers.
- We inspected the Municipality's victim assistance account to determine if the Victim Assistance fund balance was retained as of June 1 from the previous fiscal year in accordance with State law.

Our findings as a result of these procedures are presented in the Accountant's Comments section of this report.

We were not engaged to and did not conduct an examination or a review of the subject matter, the objective of which would be the expression of an opinion or a disclaimer of an opinion on the subject matter. Accordingly, we do not express such an opinion. 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 Town of Honea Path Council, Town of Honea Path Clerk of Court, Town of Honea Path Treasurer, State Office of Victim Assistance, the Chief Justice, and the South Carolina Office of the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

*BROWN CPA, L.L.C.*

Irmo, South Carolina  
May 4, 2017

## Accountant's Comments

Management of Town of Honea Path is responsible for establishing and maintaining internal controls to ensure compliance with State Laws, Rules or Regulations governing court collections and remittances. The procedures agreed to by the Town of Honea Path require that we plan and perform the engagement to determine whether any violations of State Laws, Rules or Regulations occurred.

### SECTION A - VIOLATIONS OF STATE LAWS, RULES OR REGULATIONS

The conditions described in this section have been identified as violations of State Laws, Rules or Regulations.

*Comment* – The Town did not properly report within the financial statement audit the financial activity for the year for Victim Services fine assessments and surcharges as detailed on the supplemental schedule within the audit. We noted the following deficiencies:

1. In the financial reconciliation of the Victim Services account balance for the year ended May 31, 2016 there was a deduction from the account titled "Reconciliation" wherein a \$650 deduction was entered to arrive at the final ending account balance for the year.
2. In the financial reconciliation of the Victim Services account balance for the year ended May 31, 2015 there was an addition to the account titled "Prior Period Reconciliations" wherein a \$1,998 increase was entered to arrive at the final ending account balance for the year.

The usage of terms such as "Reconciliation" and "Prior Period Reconciliations" within the financial statement audit supplemental schedule of fines, assessments, and surcharges of the Victim Services account without explanation as to what these amounts represent to arrive a final account balance should not be used. State regulations require that local municipalities that collect and retain Victim Service amounts maintain accurate financial records as to beginning account balance, amounts collected, and amounts disbursed during the fiscal year. Further the State of South Carolina Office of Victim Assistance has guidelines related to the expenditure of Victim Services funds and such guidelines do not allow for nebulous terms such as "Reconciliation" and "Prior Period Reconciliations" to support a deductions from or increases to the account balance.

Based upon our review of the amounts collected and banking activity it appears that the following revisions to the Supplemental Schedule of Fines, Assessments, and Surcharges should be made.

For the Year Ended May 31, 2016	As Presented in		
	Audit Report	Difference	As Revised
Amount Available / Bank Balance Beginning of Year	\$ 46,552.00	\$ (0.02)	\$ 46,551.98
Outstanding Deposit due to Victims Services Account	-	567.06	567.06
Amount Available Beginning of Year	46,552.00	567.04	47,119.04
Amounts Allocated to Victim Services Account	6,916.00	0.73	6,916.73
Reconciliation	(650.00)	650.00	-
Amount Available End of Year	<u>\$ 52,818.00</u>	<u>\$ 1,217.77</u>	<u>\$ 54,035.77</u>
Bank Balance End of Year			\$ 52,817.73
Outstanding Deposit due to Victims Services Account		1,218.04	1,218.04
Amount Available End of Year	<u>\$ 52,818.00</u>	<u>\$ 1,217.77</u>	<u>\$ 54,035.77</u>

*Recommendation* – We recommend that the Town take greater care to accurately report the financial activity of the Victim Services account.

### **SECTION B - OTHER WEAKNESSES**

The conditions described in this section have been identified while performing the agreed-upon procedures but they are not considered violations of State Laws, Rules or Regulations.

*Comment* –It was noted that on the Supplemental Schedule of Fines, Assessments, and Surcharges within the financial statement audit that:

1. The Town presented “Court Assessment / Pullout Remitted to the State Treasurer” totaling \$50,277.  
The schedule further detailed this total by showing the total remitted to the State Treasurer was \$44,826 and the Town retained \$5,451.
2. The Town presented “Court Surcharges Remitted to the State Treasurer” totaling \$23,457.  
The schedule further detailed this total by showing the total remitted to the State Treasurer was \$21,992 and the Town retained \$1,465.

*Recommendation* – The Town should consider revising the presentation of the Schedule of Fines, Assessments, and Surcharges including within the financial statement audit to better reflect actual financial activity.

**Attachment A**

**Town of Honea Path  
204 South Main Street  
Honea Path, SC 29654  
864-369-2466**

May 15, 2017

Mr. Matt Brown, CPA  
Brown CPA, LLC  
P.O. Box 3288  
Irmo, SC 29063

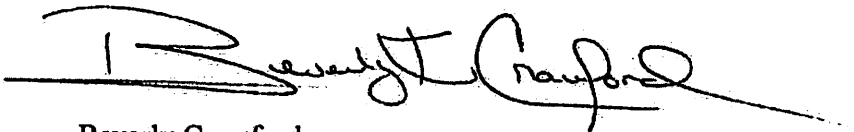
Dear Mr. Brown:

The Town of Honea Path has reviewed the comments and recommendations provided herein related to the preparation of the municipal court Schedule of Fines, Assessments, and Surcharges included within our annual financial statement audit. We are in agreement with the comments and recommendations provided.

During our next financial statement audit we will place additional emphasis in accurately balancing and reporting the financial activity of the municipal court and the Victim Services account and reporting that activity on the Schedule of Fines, Assessments, and Surcharges included within the audit report.

We are always receptive to positive constructive criticism in our effort to improve upon financial reporting.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Beverly Crawford", written over a horizontal line.

Beverly Crawford

Clerk / Treasurer

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# Official Post-Audit Response

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**The County/City has 10 business days from the date listed on the front of this report to provide a written response to the DCVC Assistant Deputy Director:**

**Ethel Douglas Ford, CPM  
1205 Pendleton St., Room 401  
Columbia, SC 29201**

**At the end of the ten day response period, this report and all post-audit responses (located in the Appendix) will become public information on the Department of Crime Victim Compensation (DCVC) website:**

**[www.sova.sc.gov](http://www.sova.sc.gov)**





ALAN WILSON  
ATTORNEY GENERAL

Programmatic Review Completed by:

*Teresa Green*

Teresa Green, Auditor

11/12/19

Date

Reviewed by:

*Dexter L. Boyd*

Dexter L. Boyd, Sr. Auditor

11/12/19

Date

*Ethel Douglas Ford*

Ethel Douglas Ford, CPM, Assistant Deputy Director

11/12/19

Date

*Scott Beard*

Scott Beard, DCVC Deputy Director

11/12/19

Date