



ALAN WILSON
ATTORNEY GENERAL

May 7, 2021

Mayor Charles Duberry
141 West Broad Street
Lincolnvile, SC 29484

Dear Mayor Duberry,

The Office of the Attorney General, Department of Crime Victim Compensation (DCVC), is sending this notice to inform you that we have completed the DCVC Programmatic Review and Financial Audit of the Victim Assistance Funds for the Town of Lincolnvile. 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. If errors are found, the agency has ninety days to rectify the error. A penalty will apply if this is not done within the specified time period.

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 the ten business days, this report will be posted on the DCVC website at www.sova.sc.gov under the DCVC auditing tab.

Should you have any further questions or concerns, please feel free to contact me or Mignon Lee-Thompson at 803-734-1048.

Sincerely,


Ethel Douglas Ford, CPM
Assistant Deputy Director

Department of Crime Victim Compensation

cc: Sophia James



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

December 2, 2020

**Follow-up Audit Review for the Town of Lincolnton
Municipal Court State Victim Assistance Fines, Fees,
and Assessment Fund**

May 7, 2021

**Follow-up Audit Review for the Town of Lincolnton
Municipal Court State Victim Assistance Fines, Fees,
and Assessment Fund**

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Acronyms:

VAFFA – Victim Assistance Fines, Fees, and Assessment
DCVC – Department of Crime Victim Compensation
SCLEVA – South Carolina Law Enforcement Victim Advocate
CVST – Department of Crime Victim Services Training, Provider Certification, and Statistical Analysis

Introduction and Laws

PREFACE

This Programmatic Review and Financial Audit was initiated in response to the Department of Crime Victim Compensation's (DCVC) concerns regarding the Victim Assistance Fines, Fees, and Assessment Fund. On September 15, 2020, the DCVC Assistant Deputy Director issued a letter to the Town of Lincolville informing them that DCVC will conduct a DCVC initial audit. Therefore, due to COVID-19, the DCVC Auditor conducted an electronic Programmatic Review and Financial Audit of the Town's Victim Assistance Fund on January 12, 2021.

Governing Legislation 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

Proviso 59.15 (cont.)

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 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.

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

Proviso 98.9 (cont.)

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
Title14 [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.
- **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.

SC Code of Law
Title 14 (excerpts cont.)

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 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:** (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 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 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.

Introduction

AUDIT OBJECTIVES

The South Carolina State Legislative ACT 96 (PART IV) mandates the Department of Crime Victim Compensation to conduct an audit which shall include both a programmatic review and financial audit of any entity or nonprofit organization receiving victim assistance funding to ensure that the crime victim funds are expended in accordance with the law.

Audit Objectives were;

- To determine if the Town of Lincolville is submitting State Treasurer Revenue Remittance Forms (STRRFs) by the 15th day of the month in accordance with State law.
 - To determine if the Town of Lincolville is keeping an accurate account of the Victim Assistance funds.
 - To determine if the Town of Lincolville is utilizing Victim Assistance funds in accordance with the Approved Guidelines.
-

RESULTS IN BRIEF

State Treasurer Revenue Remittance Forms

Did the Town submit copies of State Revenue Remittance Forms (STRRFs) for FY11-FY20 as requested by the DCVC Auditor?

No, the Town did not submit copies of STRRFs for FY11-FY20 as requested by the DCVC Auditor.

Revenue Review

Did the Town submit copies of the Town's Victim Assistance Bank Statements for FY11-FY20 as requested by the DCVC Auditor?

No, the Town did not submit copies of Victim Assistance Bank Statements for FY11-FY20 as requested by the DCVC Auditor.

Expenditure Review

Did the Town submit copies of the Victim Assistance Fines, Fees, and Assessment (VAFFA) Expenditure Reports for FY11-FY20 as requested by the DCVC Auditor?

No, the Town did not submit copies of Victim Assistance Fines Fees and Assessment (VAFFA) Expenditure Reports for FY11-FY20.

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

A. State Treasurer Revenue Remittance Forms

Objective Did the Town submit copies of State Treasurer Revenue Remittance Forms (STRRFs) for FY11-FY20 as requested by the DCVC Auditor?

Conclusion No, the Town did not submit copies of STRRFs for FY11-FY20 as requested by the DCVC Auditor.

Background State Auditor's Audit Report issued June 30, 2011
State Follow-up Audit Report December 2, 2020

Discussion This is a DCVC initial audit as a result of the Town of Lincolnville being non-compliant in the State Auditor's office follow-up audit dated December 2, 2020. (See Appendix A) The Town was mailed a letter dated September 15, 2020 notifying the Town that due to the pandemic, DCVC will initiate an electronic Programmatic Review and Financial Audit of the Victim Assistance Fund.

The DCVC Auditor emailed the mayor a list of pre requested audit documents on October 26, 2020. The pre-requested documents included a request for State Revenue Remittance Forms (STRRFs) for FY11-FY20. However, the STRRFs were not received by November 9, 2020 as requested. After speaking with the mayor on December 1, 2020, he advised the DCVC Auditor that he was not able to get the STRRFs from the State Treasurer's office as recommended in the State follow-up audit dated October 30, 2020. The mayor requested additional time to submit the requested documents. Therefore, the DCVC Auditor allowed an additional two weeks for the submission of documents to be submitted for review.

On January 4, 2021, the DCVC Auditor called the mayor to follow-up on the status of the STRRFs. The mayor advised the DCVC Auditor that he contacted the State Treasurer's office regarding receiving copies of the STRRFs and was still unable to receive them as requested. The DCVC Auditor recommended the mayor request the STRRFs in writing from the State Treasurer's office.

After the DCVC Auditor spoke with the mayor on January 4, 2021, in an effort to assist the Town with getting the STRRFs, the DCVC Auditor contacted the State Treasurer's office. The State Treasurer's office advised the DCVC Auditor that they were willing to assist the Town with getting the STRRFs, but they could only go back two years. This would be for FY18-FY20. The State Treasurer's Office also advised the DCVC Auditor that they are currently withholding \$568,000 of the Town's funds due to the Town not submitting an annual audit since the fiscal year 2015.

The State Treasurer's Office Proviso 98.9 noted below states:

"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."

The DCVC Auditor spoke with the mayor on January 12, 2021, and followed up with an email informing him that the Town would be non-compliant due to their failure to submit requested documents. Therefore, the DCVC Auditor could not verify the Victim Assistance bank account.

The DCVC Auditor also advised the mayor in the email dated January 12, 2021 that the State Treasurer's office informed the DCVC Auditor they are withholding \$568,000 of the Town's funds due to the Town not submitting an annual audit since the fiscal year 2015. Also, the mayor was informed of the DCVC Auditor's conversation with the State Treasurer's office that they could assist the Town with getting the STRRFs for FY18-FY20. While this is not all of the STRRFs needed, it may be helpful to the Town.

In the email to the mayor dated January 12, 2021, the DCVC Auditor also requested the mayor contact the auditor who completed the Town's annual audits for FY11-FY15 or provide the contact information to the DCVC Auditor. The Victim Assistance Schedule from the annual audits would help determine what was collected, expenditures, if any, from the account, and the amount carried forward for those years for the Victim Assistance account as noted above.

If the Town continues to be non-compliant, the Town will be penalized as stated in excerpts of Act 96 [PART IV] as noted below.

“(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.”

As a result of being non-compliant, this recommendation will be carried forth in the DCVC 90 day audit.

Recommendation(s)

It is recommended the Town of Lincolnville contact the Auditor that completed the Town's annual audit for FY11-FY15 and request the Victim Assistance Schedule as requested by the DCVC Auditor. They may also choose to contact the State Treasurer's office to receive copies of the STRRFs for FY18-FY20. However, the Auditor that completed the Town's annual audit would have all information needed and requested. This will allow DCVC to determine what was collected, expenditures, if any, from the account and the amount carried forward for those years for the Victim Assistance account.

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

B. Revenue Review**Objective**

Did the Town submit copies of the Victim Assistance bank statements for FY11-FY20 as requested by the DCVC Auditor?

Conclusion

No, the Town did not submit copies of Victim Assistance bank statements for FY11-FY20 as requested by the DCVC Auditor.

Background

State Auditor's Audit Report issued June 30, 2011

State Follow-up Audit Report issued December 2, 2020

Discussion

This is a DCVC initial audit as a result of the Town of Lincolnville being non-compliant in the State Auditor's office follow-up audit dated December 2, 2020. The Town was mailed a letter dated September 15, 2020 notifying the Town that due to the pandemic, DCVC will initiate an electronic Programmatic Review and Financial Audit of the Victim Assistance Fund.

The DCVC Auditor emailed the mayor a list of pre-requested audit documents on October 26, 2020. The pre-requested audit documents included a request for copies of the Victim Assistance bank statements for FY11-FY20 to determine if the Town has accurately accounted for the funds. However, the bank statements were not received by the November 9, 2020 deadline as requested. After speaking with the mayor on December 1, 2020, he advised the DCVC Auditor that the Town switched banks in 2014 and he had no way of getting the bank statements prior to 2014. The DCVC Auditor informed the mayor the bank statements for 2014 through 2020 would be sufficient to determine if the Town accurately accounted for the funds.

The bank statements for July 31, 2019 through April 30, 2020 were received via fax on June 16, 2020. At that time, the Victim Assistance account had a balance of \$30,793.21.

On January 4, 2021, the DCVC Auditor called the mayor to follow-up on the status of the bank statements. The mayor advised the DCVC Auditor he had not had an opportunity to request the bank statements. The DCVC Auditor gave the mayor an additional two weeks to submit the requested documents.

The DCVC Auditor later spoke with the mayor on January 12, 2021 informing him the Town would be non-compliant as a result of the documents not being received as requested. The mayor was also informed at that time, if the Town continues to be non-compliant, the Town will be penalized as stated in Act 96 [PART IV] as noted below.

“(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.”

The DCVC Auditor did not receive the bank statements as requested. Therefore, the Town is non-compliant. As a result of being non-compliant, this recommendation will be carried forth in the DCVC 90 day audit. If the Town continues to be non-compliant, they will be penalized.

Recommendation(s)

It is recommended that the Town of Lincolnville contact the bank and request copies of the Victim Assistance bank statements for FY14-FY21 as requested by the DCVC Auditor. This will allow DCVC to verify the Victim Assistance bank account balance.

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

C. Expenditure Review

Objective Did the Town submit copies of the Victim Assistance Fines, Fees, and Assessment (VAFFA) Expenditure Reports from FY11-FY20 as requested by the DCVC Auditor?

Conclusion No, the Town did not submit copies of Victim Assistance Fines Fees and Assessment (VAFFA) Expenditure Reports from FY11-FY20.

Background State Auditor's Report issued June 30, 2011

State Follow-up Audit Report issued December 2, 2020

Discussion This is a DCVC initial audit as a result of the Town of Lincolnville being non-compliant in the State Auditor's office follow-up audit dated December 2, 2020. The Town was mailed a letter dated September 15, 2020 notifying the Town that due to the pandemic, DCVC will initiate an electronic Programmatic Review and Financial Audit of the Victim Assistance Fund.

The DCVC Auditor emailed the mayor a list of pre-requested audit documents on October 26, 2020. The pre-requested documents included a request for copies of the VAFFA Expenditure Reports for FY11-FY20 to determine if the funds are being utilized as outlined in the Approved Guidelines. The VAFFA expenditures were not received by November 9, 2020 as requested.

The DCVC Auditor spoke with the mayor on December 1, 2020. He advised the DCVC Auditor that there were no expenditure reports because the Town does not utilize the funds. The DCVC Auditor advised the mayor that if the Town does not have expenditure reports, he would need to submit bank statements for FY14-FY20 so the DCVC Auditor could verify that the Victim Assistance funds are not being utilized. However, the Town did not submit the bank statements for FY14-FY20 as requested by the DCVC Auditor.

The DCVC Auditor spoke with the mayor on January 12, 2021 informing him the Town would be non-compliant as a result of the failure to submit requested documents. Therefore, the DCVC Auditor could not verify the bank account balance. The mayor was also informed at that time if the Town continues to be non-compliant, the Town will be penalized as stated in excerpts from Act 96 [PART IV] as noted below.

“(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.”

The DCVC Auditor did not receive the VAFFA expenditures or bank statements for FY14-FY20 as requested and could not verify the bank account balance. Therefore, the Town is non-compliant. As a result of being non-compliant, this recommendation will be carried forth in the DCVC 90 day audit. If the Town continues to be non-compliant, they will be penalized.

Recommendation(s)

It is recommended that the Town of Lincolnville contact the bank and request copies of the Victim Assistance bank statements for FY14-FY21 as requested by the DCVC Auditor. This will allow DCVC to verify the Victim Assistance bank account balance.

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

D. Technical Assistance**Documentation Provided**

During the audit process, technical assistance and support was provided and the following documents were online for review.

1. Legislation - Act 96 (PART IV)
2. Proviso 98.9
3. Proviso 59.15
4. Sample Budget
5. Sample Staff Hired Report
6. Sample Time and Activity Report
7. Sample Expenditure Report
8. Victim Advocate Procedural Manual
9. Approved Guidelines

Other Matters

There are no other matters.

Corrective Action

Act 96 (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 Town of Lincolnville was informed at the conclusion of the electronic Programmatic Review and Financial Audit that there appeared to have been some errors as noted in this report. The findings were discussed with the mayor. The mayor was advised that this Financial and Programmatic Audit Review will warrant the need for further discussion with management. Unless otherwise noted, the 90 day window to correct all errors will begin ten business days following the completion date noted on this report.

DCVC completed the electronic Programmatic Review and Financial Audit on January 12, 2021 and issued the final report to the Town of Lincolnville on May 7, 2021.

In August 2021, the Department of Crime Victim Compensation will schedule to meet with applicable departments in the Town of Lincolnville for the 90 day follow-up audit review of errors found and noted in this report.

Official Post-Audit Response

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

Appendix(s)

**Appendix A – State Follow-Up Review for the Town of Lincolnville Municipal Court
State Victim Assistance Fines, Fees, and Assessment
Issued December 2, 2020**



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

June 30, 2011

**State Auditor's Office Town of Lincolville
Municipal Court Audit Report**

December 2, 2020

**Follow-up Audit Review for the Town of
Lincolville Municipal Court State Victim
Assistance Fines, Fees, and Assessment Fund**

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Disclaimer: The recommendations included in sections A thru J 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

Introduction and Laws

PREFACE

This Programmatic Review and Financial Audit was initiated as a result of the SC State Auditor's Office. The State Audit was completed on June 30, 2011. On March 4, 2020, the Assistant Deputy Director of Department of Crime Victim Compensation (DCVC) issued a letter to the Town of Lincolnton informing them DCVC will conduct a Follow-up audit review regarding the State Auditor's Office report from 2011. Therefore, due to COVID-19, the DCVC Auditor conducted an electronic and phone Programmatic Review and Financial Audit on July 22, 2020.

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

Proviso 59.15 (Cont.)

(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 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.

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

SC Code of Law
Title 14 (excerpts cont.)

- 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 14-1-207 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.

SC Code of Law
Title 14 (excerpts cont.)

- **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 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.

SC Code of Law
Title 14 (excerpts cont.)

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.

Introduction and Legislative

PRIOR AUDIT RESULTS

The South Carolina 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 complying with all applicable state laws and regulations. As noted, the State Auditor's Office conducted an audit of the Town of Lincolville Municipal Court Fines, Fees, and Assessment (FFA) Fund. The State Auditor's Report dated June 30, 2011 was received by DCVC on January 10, 2013.

This Follow-up Audit for the Town of Lincolville was based on the South Carolina State Auditor's Office initial audit findings and recommendations. (See Appendix A)

DCVC Audit Objective was

- To determine if all errors and recommendations issued by the South Carolina State Auditor's Office reports dated June 30, 2011 were adhered to as required by State laws and regulations.

RESULTS IN BRIEF

No, all recommendations as outlined in the Town of Lincolville Municipal Court Auditor's Office Report dated June 30, 2011 were not adhered to as required by State law.

The Town of Lincolville implemented policies and procedures to ensure that State Treasurer Revenue Remittance Forms (STRRFs) are submitted by the 15th day of the month in accordance with State law. However, the Town did not submit STRRFs for FY11-FY20 as requested by the DCVC Auditor for review to ensure the STRRFs were submitted by the 15th day of the month.

In addition, the Town implemented policies and procedures to ensure victim assistance revenue is accounted for in accordance with State law. However, bank statements and expenditures for FY11-FY20 were not submitted. Therefore, the DCVC Auditor could not determine if victim assistance revenue were accounted for and properly used in accordance with State law.

The DCVC Auditor spoke with the Mayor on June 12, 2020 and followed-up with an email informing him the Town would be non-compliant as a result of the documents not being received by June 17, 2020. As a result of being non-compliant, the Mayor was also informed DCVC will initiate a Department of Crime Victim Compensation initial audit. He was also informed at that time if the Town continues to be non-compliant, the Town will be penalized as stated in Act 96 of 2017 [PART IV]. At the conclusion of this audit, the DCVC Auditor had not received STRRFs, bank statements, or expenditures for FY11-FY20 as requested for the victim assistance account.

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

A. Procedures for Court Assessments**Objective**

Did the Town implement policies and procedures to ensure the court assessments are accurately assessed and collected in accordance with State law?

Conclusion

Yes, the Town of Lincolnton did implement policies and 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, 2011.

Background

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

Discussion

This is a follow-up audit to the Town of Lincolnton Municipal Court audit issued by the State Auditor's Office dated June 30, 2011. During the State Audit dated June 30, 2011, the State Auditor noted two instances where the court did not assess and collect the 107.5 percent assessment on fines as required by State law. According to South Carolina law noted below:

- Section 14-1-208 (A) of the 1976 South Carolina Code of Laws, as amended, states, "A person who is convicted of, or pleads guilty or nolo contendere to, or forfeits bond for an offense occurring after June 30, 2008, tried in municipal court must pay an amount equal to 107.5 percent of the fine imposed as an assessment. The assessment is based upon that portion of the fine that is not suspended, and assessments must not be waived, reduced, or suspended."

The State Auditor recommended the Town of Lincolnton implement policies and procedures to ensure court assessments are accurately assessed and collected in accordance with State law.

The DCVC Auditor emailed the Mayor a list of pre requested audit documents on April 2, 2020. The pre-requested audit list included policies and procedures to ensure court assessments are accurately assessed and collected in accordance with State law.

On June 17, 2020, the DCVC Auditor received policies and procedures via fax from the Mayor. The Town of Lincolnville has policies and procedures in writing to ensure court assessments are accurately assessed and collected in accordance with State law. Therefore, the Town is compliant with the State Auditor's recommendation.

Recommendation(s)
and Comments

No further recommendation.

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

B. Procedures for Conviction Surcharges**Objective**

Did the Town implement policies and procedures to ensure the conviction surcharge is accurately assessed and collected in accordance with State law?

Conclusion

Yes, the Town of Lincolnton did implement policies and procedures to ensure the conviction surcharge is accurately assessed and collected in accordance with State law?

Background

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

Discussion

During the State Audit dated June 30, 2011, the State Auditor noted two instances where the court did not assess and collect the required \$25 conviction surcharge. According to the South Carolina law noted below:

- 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."

The State Auditor recommended the Town of Lincolnton implement policies and procedures to ensure the conviction surcharge is accurately assessed and collected in accordance with State law.

The DCVC Auditor requested policies and procedures in writing on April 2, 2020. The pre-requested list included policies and procedures to ensure the conviction surcharge is accurately assessed and collected in accordance with State law.

The Mayor submitted policies and procedures in writing to the DCVC Auditor on June 17, 2020. The Town of Lincolnville has policies and procedures in writing to ensure the conviction surcharge is accurately assessed and collected in accordance with State law. Therefore, the Town is compliant with the State Auditor's recommendation.

Recommendation(s)
and Comments

No further recommendation.

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

C. Law Enforcement Funding**Objective**

Did the Town implement policies and procedures to ensure law enforcement funding surcharge is accurately assessed and collected in accordance with State law?

Conclusion

Yes, since the 2011 State Audit, the Town of Lincolnton has implemented policies and procedures to ensure law enforcement funding surcharge is accurately assessed and collected in accordance with State law.

Background

South Carolina Code of Laws Section 14-1-212 (A)

Discussion

During the State Audit dated June 30, 2011, the State Auditor noted three instances where the court did not assess and collect the required \$25 law enforcement funding surcharge. According to the South Carolina law noted below:

- Section 14-1-212 (A) 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 fines, forfeitures, escheatment's, or other monetary penalties imposed in the general sessions court or in magistrates or municipal court for misdemeanor traffic offenses or for nontraffic violations."

The State Auditor recommended the Town of Lincolnton implement policies and procedures to ensure the law enforcement surcharge is accurately assessed and collected in accordance with State law.

The DCVC Auditor requested policies and procedures in writing on April 2, 2020. The pre-requested list included policies and procedures to ensure the law enforcement surcharge is accurately assessed and collected in accordance with State law.

The Mayor submitted policies and procedures in writing to the DCVC Auditor on June 17, 2020. The Town of Lincolnville has policies and procedures in writing to ensure the law enforcement surcharged is accurately assessed and collected in accordance with State law. Therefore, the Town is compliant with the State Auditor's recommendation.

Recommendation(s)
and Comments

No further recommendation.

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

D. Criminal Justice Academy Surcharge

Objective Did the Town implement policies and procedures to ensure the criminal justice academy surcharge is accurately assessed and collected in accordance with State law?

Conclusion Yes, since the 2011 State Audit, the Town of Lincolnton has implemented policies and procedures to ensure the criminal justice academy surcharge is accurately assessed and collected in accordance with State law.

Background Proviso 90.5 of the 2010-2011 Appropriations Act

Discussion During the State Audit dated June 30, 2011, the State Auditor noted seventeen instances where the court did not assess and collect the required \$5 criminal justice academy surcharge. According to Proviso 90.5 noted below:

- Proviso 90.5 of the 2010-2011 Appropriations Act, states, "In addition to all other assessments and surcharges, during the current fiscal year, a five dollar surcharge to fund training at the South Carolina Criminal Justice Academy is also levied on all fines, forfeitures, escheatment's, or other monetary penalties imposed in the... municipal court for misdemeanor traffic offenses or for nontraffic violations. No portion of the surcharge may be waived, reduced, or suspended."

The State Auditor recommended the Town of Lincolnton implement policies and procedures to ensure the criminal justice academy surcharge is accurately assessed and collected in accordance with State law.

The DCVC Auditor emailed the Mayor a list of pre-requested audit documents on April 2, 2020. The pre-requested documents included policies and procedures to ensure the criminal justice academy surcharge is accurately assessed and collected in accordance with State law.

On June 17, 2020, the DCVC Auditor received policies and procedures from the Mayor. The Town of Lincolnville has policies and procedures in writing to ensure the criminal justice academy surcharge is accurately assessed and collected in accordance with State law. Therefore, the Town is compliant with the State Auditor's recommendation.

**Recommendation(s)
and Comments**

No further recommendation.

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

E. Installment Fees

Objective Did the Town implement policies and procedures to ensure the installment fee is accurately assessed and collected in accordance with State law?

Conclusion Yes, since the 2011 State Audit, the Town of Lincolville has implemented policies and procedures to ensure the installment fees are accurately assessed and collected in accordance with State law.

Background South Carolina Code of Laws Section 14-17-725

Discussion During the State Audit dated June 30, 2011, the State Auditor noted two out of twenty-five instances where the court assessed and collected the three percent installment fee from individuals who paid the total amount due in one payment after the plea date. In addition, the State Auditor noted two out of twenty-five instances where the court did not assess and collect the three percent installment fee from individuals who paid in installments. According to the South Carolina law noted below:

- Section 14-17-725 of the 1976 South Carolina Code of Laws, as amended, states, "Where criminal fines, assessments, or restitution payments are paid through installments, a collection cost charge of three percent of the payment also must be collected by the clerk of court, magistrate, or municipal court from the defendant..."

The State Auditor recommended that the Town of Lincolville implement policies and procedures to ensure the installment fee is accurately assessed and collected in accordance with State law.

The DCVC Auditor emailed the Mayor a list of pre-requested audit documents on April 2, 2020. The pre-requested documents included policies and procedures to ensure the installment fee is accurately assessed and collected in accordance with State law.

On June 17, 2020, the DCVC Auditor received policies and procedures from the Mayor. The Town of Lincolnville has policies and procedures in writing to ensure the installment fee is accurately assessed and collected in accordance with State law. Therefore, the Town is compliant with the State Auditor's recommendation.

Recommendation(s)
and Comments

No further recommendation.

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

F. State Treasurer Revenue Remittance Forms (STRRFs)**Objective**

Did the Town implement policies and procedures to ensure State Treasurer Revenue Remittance Forms (STRRFs) are submitted by the 15th day of the month in accordance with State law?

Conclusion

Yes, since the 2011 State Audit report, the Town of Lincolnville has implemented policies and procedures to ensure the STRRFs are submitted by the 15th day of the month in accordance with State law.

Background

South Carolina Code of Laws Section 14-1-208 (B)

Discussion

During the State Audit dated June 30, 2011, the State Auditor noted four out of twelve STRRFs were not submitted to the State Treasurer by the 15th day of the month as required by State law. The forms were submitted one to thirty-five days late. The State Auditor also noted three STRRFs were not submitted. Out of the three STRRFs, one had been prepared by the Town; however, neither the Town nor the State Treasurer could provide the State Auditor with the State Treasurer's receipt to document the STRRFs had been submitted or received. The Town did not provide the other two STRRFs. Based upon the review of the Town's general ledger conducted by the State Auditor, the Town recorded court fees for one of the months and did not record court revenue during the other months.

According to the South Carolina law noted below:

- 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. In addition, the STRRF states, this form "is required by law and must be filed monthly, on or before the 15th, by the municipal or county treasurer, even if there are no collections."

The State Auditor recommended the Town of Lincolnton implement policies and procedures to ensure the STRRFs are submitted by the fifteenth day of each month in compliance with State law.

The DCVC Auditor emailed the Mayor a list of pre-requested audit documents on April 2, 2020. The pre-requested documents included policies and procedures to ensure the STRRFs are submitted by the fifteenth day of each month in compliance with State law. The DCVC Auditor also requested STRRFs for FY11-FY20.

On June 17, 2020, the DCVC Auditor received policies and procedures from the Mayor. The Town of Lincolnton has policies and procedures in writing to ensure the STRRFs are submitted by the fifteenth day of each month in compliance with State law. Therefore, the Town is compliant with the State Auditor's recommendation. However, the Town did not submit the STRRFs for FY11-FY20. As a result, the DCVC Auditor was not able to determine if the STRRFs were submitted by the 15th day of the month. The DCVC Auditor spoke with the Mayor on June 12, 2020 and followed-up with an email informing him the Town would be non-compliant as a result of the documents not being received. As a result of being non-compliant the Mayor was also informed that DCVC will initiate a Department of Crime Victim Compensation initial audit. He was also informed at that time if the Town continues to be non-compliant, the Town will be penalized as stated in Act 96 of 2017 [PART IV] and as noted below:

(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."

Recommendation(s)
and Comments

It is recommended the Town of Lincolnville contact the State Treasurer's office and request the STRRFs for FY11-FY20 and submit to DCVC as requested by the DCVC Auditor.

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

G. Victim Assistance Fund**Objective**

Did the Town implement policies and procedures to ensure victim assistance revenue is accounted for in accordance with State law?

Conclusion

Yes, since the 2011 State Audit, the Town of Lincolnville has implemented policies and procedures to ensure victim assistance revenue is accounted for in accordance with State law.

Background

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

Discussion

During the State Audit dated June 30, 2011, the State Auditor noted four out of twelve STRRFs were not submitted to the State Treasurer by the 15th day of the month as required by State law. The forms submitted were one to thirty-five days late. The State Auditor also noted three STRRFs that were not submitted. Out of the three STRRFs not submitted, one had been prepared by the Town; however, neither the Town nor the State Treasurer could provide the State Auditor with the State Treasurer's receipt to document the STRRFs had been submitted or received. The Town did not provide the other two STRRFs. Based upon the State Auditor's review of the Town's general ledger the Town recorded court fees for one of the months and did not record court revenue during the other months. According to the South Carolina law noted below:

- 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."

The State Auditor recommended the Town of Lincolnville implement policies and procedures to ensure victim assistance revenue is accounted for in accordance with State law. The State Auditor also recommended the Town establish a separate account for victim assistance activities and transfer the victim assistance funds from the traffic court account to the victim assistance account.

The DCVC Auditor emailed the Mayor a list of pre-requested audit documents on April 2, 2020. The pre-requested documents included policies and procedures to ensure victim assistance revenue is accounted for in accordance with State law. The DCVC Auditor also requested bank statements for the victim assistance account, as well as expenditure reports for FY11-FY20 to ensure victim assistance funds are properly accounted for and in a separate bank account.

On June 17, 2020, the DCVC Auditor received policies and procedures from the Mayor. The Town of Lincolnville has policies and procedures in writing to ensure victim assistance revenue is accounted for in accordance with State law. The Town also established a separate bank account for the victim assistance funds. The Mayor also submitted bank statements July 2019 through April 2020. However, the Town did not submit bank statements for FY-11-FY18 or expenditures for FY11-FY20. As stated previously, the Mayor was informed via email and telephone that if the documents were not received by June 17, 2020, the Town would be non-compliant. The DCVC Auditor was not able to determine if victim assistance funds have been utilized solely for victim services. Therefore, the Town is non-compliant.

Recommendation(s)
and Comments

It is recommended the Town of Lincolnville contact the bank and request all bank statements for FY11-FY20 and submit to DCVC as requested by the DCVC Auditor.

It is recommended the Town of Lincolnville submit all expenditures for FY11-FY20 as requested by the DCVC Auditor.

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

H. Supporting Documentation**Objective**

Did the Town implement policies and procedures to ensure court accounting records are maintained and readily available for review?

Conclusion

Yes, since the 2011 State Audit, the Town of Lincolnton has implemented policies and procedures to ensure court accounting records are maintained and readily available for review. The Town has also implemented policies and procedures to ensure that all court collections reported and remitted to the State Treasurer be reconciled to accounting records and reviewed for accuracy.

Background

South Carolina Code of Laws Section 14-1-208 (E) (4)

Discussion

During the State Audit dated June 30, 2011, the State Auditor noted amounts reported on the July 2010, August 2010 and October 2010 STRRFs did not agree with the Town's general ledger. Town personnel could not explain the differences, nor could they provide any additional documentation to support the amounts reported on the STRRFs. The State Auditor also noted Municipal Court collections and remittances did not agree seven out of twenty-five cash receipts with the Town's court accounting records nor was the DCVC Auditor able to determine if the receipts were reported on the applicable STRRFs. In addition, the Town could not provide supporting documents to support the amounts collected for these seven receipts and if they were accurately assessed and allocated in accordance with State law. According to the South Carolina law noted below:

- Section 14-1-208 (E)(4) of the 1976 South Carolina Code of Laws, as amended, states, "The clerk of court and municipal treasurer shall keep records of fines and assessments required to be reviewed pursuant to this subsection in the format determined by the municipal governing body and make those records available for review."

The State Auditor recommended the Town of Lincolnville implement policies and procedures to ensure court accounting records are maintained and readily available for review. The State Auditor also recommended that all court collections reported and remitted to the State Treasurer be reconciled to accounting records and reviewed for accuracy.

The DCVC Auditor emailed the Mayor a list of pre-requested audit documents on April 2, 2020. The pre-requested documents included policies and procedures to ensure court accounting records are maintained and readily available for review as well as policies and procedures to ensure that all court collections reported and remitted to the State Treasurer be reconciled to accounting records and reviewed for accuracy.

On June 17, 2020, the DCVC Auditor received policies and procedures from the Mayor. The Town of Lincolnville has policies and procedures in writing to ensure court accounting records are maintained and readily available for review and all court collections reported and remitted to the State Treasurer be reconciled to accounting records and reviewed for accuracy. Therefore, the town is compliant with the State Auditor's recommendation.

Recommendation(s)
and Comments

No further recommendation.

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

I. Retention Schedule**Objective**

Did the Town implement policies and procedures to ensure all court records are properly maintained and retained in accordance with Court Administration's retention schedule and sound internal controls?

Conclusion

Yes, since the 2011, State Audit, the Town of Lincolville has implemented policies and procedures to ensure all records are properly maintained and retained in accordance with Court Administration's retention schedule and sound internal controls.

Background

South Carolina Court Administration's retention schedule

Discussion

During the State Audit dated June 30, 2011, the State Auditor noted the Town was unable to provide November 2010 court dockets. Therefore, the State Auditor did not have a complete population from which to test court collections and remittances. The Town's personnel could not state why there were no court dockets for November 2010 or if court was held that month.

South Carolina Court Administration's retention schedule requires disposed criminal and traffic dockets be permanently retained. Also, sound internal controls provide for the maintenance and retention of records that are readily available for review.

The State Auditor recommended the Town establish and implement policies and procedures to ensure all records are properly maintained and retained in accordance with Court Administration's retention schedule and sound internal controls.

The DCVC Auditor emailed the Mayor a list of pre-requested audit documents on April 2, 2020. The DCVC Auditor requested policies and procedures to ensure all records are properly maintained and retained in accordance with Court Administration's retention schedule and sound internal controls.

On June 17, 2020, the DCVC Auditor received policies and procedures from the Mayor. The Town of Lincolnville has policies and procedures in writing to ensure all records are properly maintained and retained in accordance with Court Administration's retention schedule and sound internal controls. Therefore, the Town is compliant with the State Auditor's recommendation.

**Recommendation(s)
and Comments**

No further recommendation.

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

J. Technical Assistance**Documentation Provided**

During the audit process, technical assistance and support was provided and the following documents were online for review.

1. Legislation - Act 96 (Part IV)
2. Proviso 98.9
3. Proviso 59.15
4. Sample Budget
5. Sample Staff Hired Report
6. Sample Time and Activity Report
7. Sample Expenditure Report
8. Victim Advocate Procedural Manual
9. Approved Guidelines

Other Matters

There are no other matters.

Corrective Action

Act 96 [Part IV] states:

(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."

The Department of Crime Victim Compensation Auditing Department conducted a follow-up electronic audit review regarding the State Auditor's report dated June 30, 2011.

All errors were not corrected for the State Auditor's Office report dated June 30, 2011. Therefore, DCVC will initiate a DCVC initial audit. During the DCVC initial audit, the DCVC Auditor will follow-up with all recommendations and errors as noted in the State follow-up audit report dated June 30, 2011. Town officials were informed of the errors and the DCVC initial audit.

For an overview of the follow-up audit results please refer to the "Results in Brief" section of this report. This audit was distributed December 2, 2020.

Official Post-Audit Response

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**

Due to complications related to Covid-19 and our office teleworking, typed names will serve as signatures for the purpose of this report and correspondence letter(s).

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



ALAN WILSON
ATTORNEY GENERAL

Programmatic Review Completed by:

Mignon Lee-Thompson December 1, 2020
Mignon Lee-Thompson, Lead Auditor Date

Reviewed by:

Dexter Boyd December 1, 2020
Dexter Boyd, Sr. Auditor Date

Ethel Douglas Ford December 1, 2020
Ethel Douglas Ford, CPM, Assistant Deputy Director Date

D. Scott Beard December 1, 2020
D. Scott Beard, Deputy Director Date



ALAN WILSON
ATTORNEY GENERAL

This Programmatic Review and Financial Audit was completed by:

Mignon Lee Thompson 5/10/2020
Mignon Lee Thompson, Lead Auditor Date

Reviewed by:

Dexter L. Boyd 5/6/2021
Dexter Boyd, Sr. Auditor Date

Ethel Douglas Ford 5/6/2020
Ethel Douglas Ford, CPM, Assistant Deputy Director Date

D. Scott Beard 5/6/2021
D. Scott Beard, DCVC Deputy Director Date