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Contents

Introduction and Table of Contents

Audit Objectives	9
Results in Brief	9

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

A. State Treasurer Revenue Remittance Forms (STRRFs).....	10-13
--	-------

Did the Town submit copies of State Revenue

FY20 as requested by the Department of
Crime Victim Compensation (DCVC)
Auditor?

B. Bank Statements	14-15
--------------------	-------

14-15

Introduction and Laws

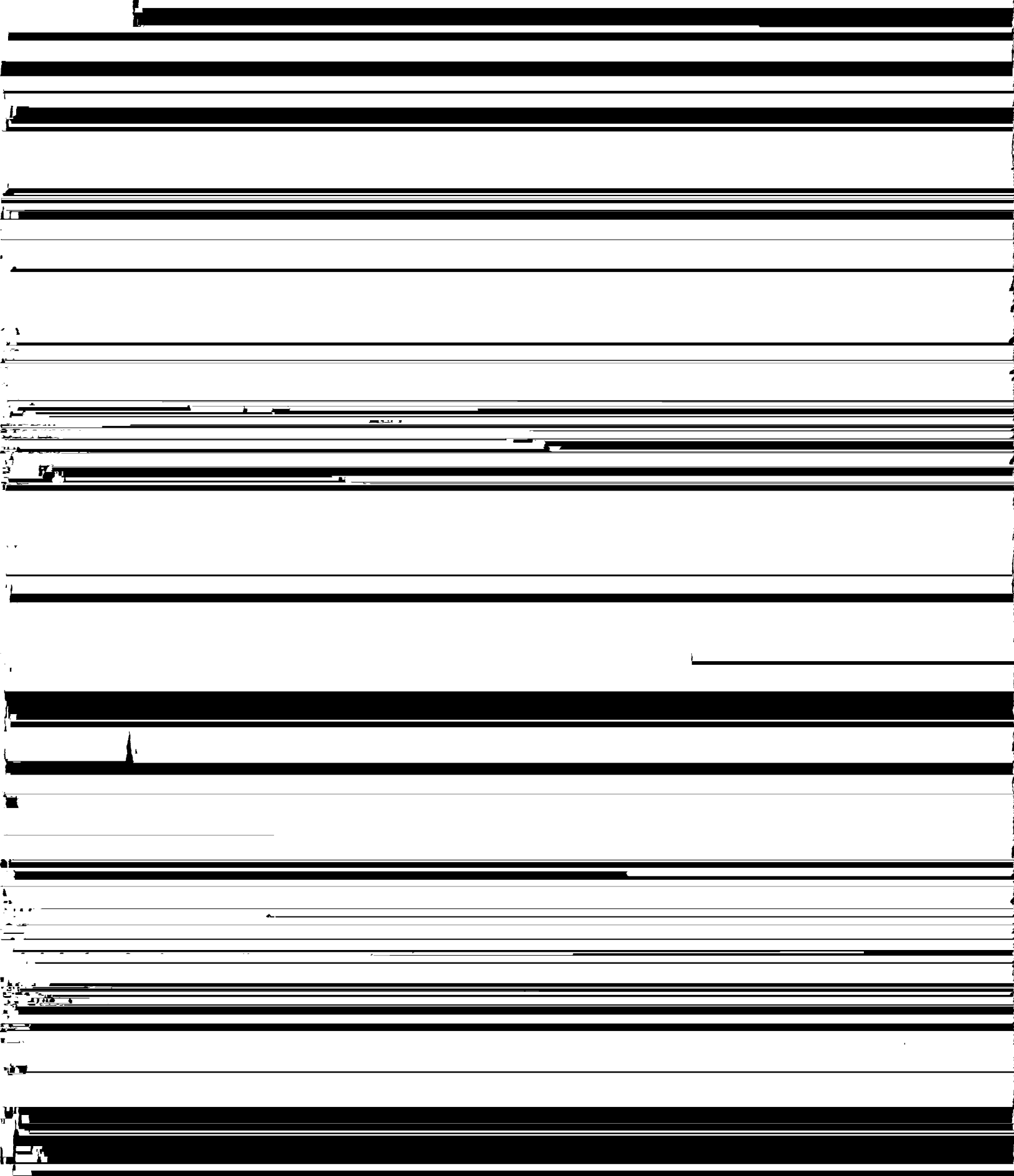
PREFACE

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 Lincolnton informing them that DCVC will conduct a DCVC initial audit. Therefore, due to COVID-19 the DCVC Auditor conducted an

Victim Assistance Fund on January 12, 2021.

ACT 96 (cont.)

(B) Any local entity or nonprofit organization that receives



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

Proviso 98.9 (cont.)

is specified, otherwise the State Treasurer shall withhold twenty-

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 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 (A) and (B) (1)

convicted of, pleads guilty or nolo contendere to, or forfeits bond for an offense occurring after June 30, 2009, tried in municipal

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

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 fund.~~

Introduction

AUDIT OBJECTIVES

The South Carolina State Troop 101 (SCT 101) is a

the Department of Crime Victim Compensation to conduct an audit

which shall include both a programmatic review and financial

[Redacted]

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[Redacted]

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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

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

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

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

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 Fall 2011 Audit Report - DCVC - 11/15/11

Discussion

This is DCVC's first time auditing the Town's revenue.

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

documents not being received as requested. The mayor was also

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

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

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 to 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

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.

Appendix(s)

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



The Office of the Attorney General
Department of Crime Victims

1

Contents

Introduction and Laws

Page

Preface	4
Audit Objectives	11
Results in Brief	11

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

A. Procedures for Court Assessments.....	13-14
--	-------

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

B. Procedures for Conviction Surcharges.....	15-16
--	-------

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

Did the Town implement policies and procedures to

ensure law enforcement funding surcharge is

E. Installment Fee..... 21-22

Did the Town implement policies and procedures to ensure the installment fee is accurate?

F. State Treasurer Revenue Remittance Forms (STRRFs)..... 23-25

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?

G. Victim Assistance Fund..... 26-28

Introduction and Laws

PREFACE

This Programmatic Review and Financial Audit was

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,

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.

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

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

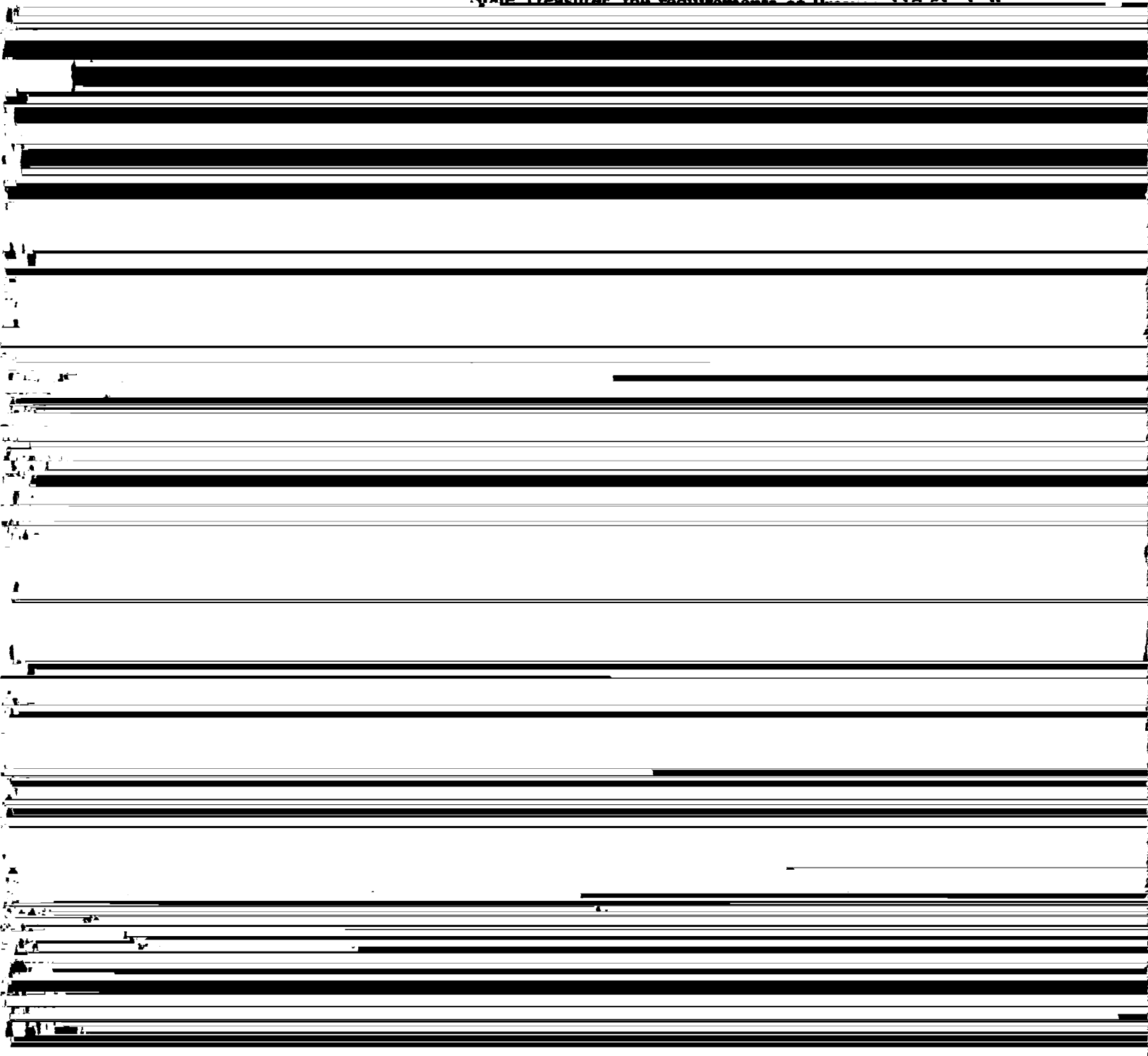
Program any state funds deemed available under Crime Victims Compensation authority to the State Victim Assistance Program.

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 Division 117.51 shall



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 on an assessment.

SC Code of Law
Title 14 (excerpts cont.)

- Section 14-1-206 207 208 Subsection (e) F: 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

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,

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

must be carried forward from year to year and used

of crime. All unused funds must be separately

Introduction and Legislation

PSYCHOPHARMACOLOGY

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 per the Department of Crime

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

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

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 that

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 Lincolnville did implement 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

[REDACTED]

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.

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.

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 Lincolnvile 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

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

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 Lincolnton 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

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

addition the STRRR states this form is required

(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

entity or nonprofit organization providing data must be

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 Lincolville 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 STRRF's

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 DCYF Auditor emailed the Memo on 11/16/11

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 Lincolnville has implemented policies and procedures to ensure court accounting records are maintained and readily available for review. The Town has also implemented policies and

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:

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.

Objective(s) Conclusion(s) Recommendation(s) and C

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 Lincolnvill

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.

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 Hiring 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 victims

Official Post-Audit Response

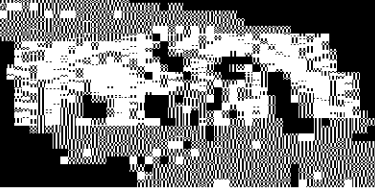
The County/City has 10 business days from the date listed on the front of this report to provide a written response to the DCVC Assistant Deputy Director:

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

Due to complications related to Covid-19 and our office teleworking.



THE ATTORNEY



Dexter Boyd, Sr. Auditor

Date

Edwin A. Boyd, Sr. Auditor

5/10/20

