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Department of Administration
State Office of Victim Assistance

July 15, 2015

Programmatic Review and Financial Audit of the Town of Springfield Victim Assistance FFA Fund

November 28, 2016

90 Day Follow-up Programmatic Review and Financial Audit of the Town of Springfield Victim Assistance FFA Fund

Acronyms
SOVA State Office of Victims Assistance
STRRF

PREFACE

This 90-Day Programmatic Review and Financial Audit was initiated in response to recommendations in the State Office of Victim Assistance Initial Audit review completed on July 15, 2015. On January 11, 2016, the Director of SOVA issued a letter to the Mayor and the Police Chief informing them that SOVA will conduct a 90 Day Follow-up Audit review in regards to the SOVA Initial Audit report. This audit was conducted on March 1, 2016.

Governing Laws and Regulations

Proviso 117.51 General Provision 117.51. (GP: Assessment Audit/Crime Victim Funds)

If the State Auditor finds that any county treasurer, municipal treasurer, county clerk of court, magistrate, or municipal court has not properly allocated revenue generated from court fines, fines, and assessments to the

Proviso 117.51 (cont.)

Failure to comply with this provision shall cause the State Office of Victim Assistance to initiate a programmatic review and financial audit of the non-profit Victim Assistance funds.

Additionally, the State Office of Victim Assistance will place the name of the non-compliant entity or non-profit organization on their website where it shall remain until such time as they are in compliance with the terms of this proviso. Any entity or non-profit organization receiving Victim Assistance funding must cooperate and provide expenditure/program data requested by the State Office of Victim Assistance. If the State Office of Victim Assistance finds an error, the entity or non-profit organization has ninety days to rectify the error. An error constitutes an entity or non-profit organization spending Victim Assistance funding on unauthorized items as determined by the State Office of Victims Assistance. If the entity or non-profit organization fails to cooperate with the programmatic review and financial audit or to rectify the error within ninety days, the State Office of Victim Assistance shall assess and collect a penalty in the amount of the unauthorized expenditure plus $1,500 against the entity or non-profit organization for improper expenditures. This penalty plus $1,500 must be paid within thirty days of the notification by the State Office of Victim Assistance to the entity or non-profit organization that they are in non-compliance with the provisions of this proviso. All penalties received by the State Office of Victim Assistance shall be credited to the General Fund of the State. If the penalty is not received by the State Office of Victim Assistance within thirty days of the notification, the political subdivision will deduct the amount of the penalty from the entity or non-profit's next appropriation.

Proviso 98.9

98.9 (TREASURY: Penalties for Non-reporting)

If a municipality fails to submit the audited financial statements required under Section 14-1-208 of the 1976 Code to the State Treasurer within thirteen months of the end of their fiscal year, the State Treasurer must withhold all state payments to that municipality until the required audited financial statement is received.

Proviso 98.9 (cont.)

If the State Treasurer receives an audit report from either a county or municipality that contains a significant finding related to court fine reports or remittances to the Office of State Treasurer, the requirements of Proviso 117.115 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

SC Code of Law
Title14 (cont)

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

  The supplementary schedule must include the following elements:

  (a) All surcharges collected by the clerk of court for the general sessions, magistrates, or municipal court;
  (b) The amount of surcharges retained by the city or county treasurer pursuant to this section;
  (c) The amount of funds allocated to victim services by fund source; and
  (d) How those funds were expended, and any carry forward balances.

  The supplementary schedule must be included in the external
  as required by generally accepted auditing standards when information accompanies the basic financial statements in auditor submitted documents.

AUDIT OBJECTIVES

The State Legislative Provision 117.51 mandates the State Office of Victim Assistance (SOVA) to conduct programmatic reviews and financial audits of any entity or non-profit organization receiving Victim Assistance funding to ensure crime victim funds are expended in accordance with the law.

Audit Objectives were;

To determine if the Town of Springfield formulated and implemented a plan of action to reimburse the total of $29,876.73 for unallowable expenditures into the Victim Assistance fund within 90 days of the issued SOVA Initial Audit report dated July 15, 2015.

To determine if the Town of Springfield formulated and implemented a plan of action to submit the Revenue Remittance Forms and outstanding monthly amounts owed totaling $74,619.14 as of the SOVA Initial Audit site visit on April 15, 2015

To determine if the Town of Springfield formulated and implemented a plan of action to deposit the outstanding monthly retained amounts from the State e Remittance Forms totaling $8,423.78 as of the SOVA Initial Audit site visit into

months of the date of the issued SOVA Initial Audit

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RESULTS IN BRIEF Cont.

Victim Service Monthly Retained Amounts Cont.

Therefore, the Town of Springfield is considered to be non-compliant as it relates to the requirements of this recommendation. Because the Town of Springfield failed to rectify the error within 90 days, all reimbursement funds for expenditures in the amount of $3,251.74 are to be remitted to SOVA as required per Provision 17.151 and credited to the General Fund of the State

Please note, there will be a one-time $1,500 penalty assessed since one or more uncorrected recommendations regarding improper expenditures are noted in this report in Objectives A and C. Therefore, for this objective, $3,251.74 is the amount owed due to the penalty assessed in conjunction with the reimbursement total as outlined in Objective A of this report. The total penalty amount will be outlined in the Other Matters Section.

Annual Financial Audit Supplemental Schedule Review

Did the Clerk/Treasurer and Mayor contact the Auditor to advise the auditor of the errors noted in the issued SOVA Initial Audit

RESULTS IN BRIEF Cont.

Statistical Report

Did the Town of Springfield Chief of Police provide a statistical report for the Town of Springfield Victim Assistance program for the period of January 2010 through January 2016?

Yes, by the conclusion of the SOVA 90 Day Follow-up Audit site visit, the Town of Springfield Chief of Police provided the requested statistical report for the period of January 2010 through February 2016.

Discussion Cont.

After much research, the auditor found a total of $29,876.73 was owed by the town to the Victim Assistance account for unallowable expenditures. When the SOVA Initial Audit report was issued July 15, 2015, a recommendation was made for the town to formulate and implement a plan to reimburse the Victim Assistance fund for the above amount by the date of the SOVA

Discussion Cont.

During the 90 Day Follow-up Audit site visit, the auditor reviewed with the new administration the list of unallowable expenditures identified during the initial audit and explained why the expenditures were unallowable and are required to be reimbursed into the Victim Assistant account

Discussion Cont.

On March 22, 2016, the Mayor emailed the auditor and stated that the town was working on the document list and hoped to get the information to SOVA the week of March 28, 2016. Again, as of April 1, 2016, no further documents or information were received.

On April 1, 2016, the auditor sent a final request for the documents and information and provided another final deadline date of April 6, 2016. The final request stated that if SOVA did not receive these documents and information, the town would be considered non-compliant and a penalty as previously explained and according to Proviso 117.51 would be assessed. However, at the conclusion of this audit report, no further documents have been received by SOVA regarding these matters.

Again, prior to the 90 Day Follow-up Audit report, the auditor contacted the Town Mayor, Chief and Clerk to explain and inform them of the penalty and process if the town failed to comply with the recommendations. At the conclusion of the 90 Day Follow-up Audit site visit, the auditor emphasized the importance of complying with the original recommendations. An effort was made by the auditor once again to explain recommendations resulting from the 90 Day Follow-up Audit report. The Mayor, Chief and Clerk all stated they understood these implications.

Since the Town of Springfield did not formulate and implement a written plan of action to reimburse the Victim Assistance fund $29,876.73 for unallowable expenditures, the town is considered non-compliant and subject to a penalty as noted in Proviso 117.51 and as previously outlined. Per the Proviso, all funds collected in pursuant to SC Code of Law Title 14, Chapter 1; Section 208 to remain in the Victim Assistance account. Therefore, since there is not a certified victim advocate on staff, no expenditures should be made from the fund. Details of the penalty process will be outlined in the Other Matters Section of this report.

B. State Treasurerôs Revenue Remittance Forms

Objective

Did the Town of Springfield formulate and implement a

Office the outstanding monthly amount owed totaling $74,619.14 as of the SOVA Initial Audit site visit on April 15, 2015?

Conclusion

No, the Town of Springfield did not formulate and implement a plan of action to submit the outstanding State s Revenue Remittance Forms and pay the State

totaling $74,619.14 as of the date of the SOVA Initial Audit site visit on April 15, 2015. Therefore, the Town of Springfield is considered to be non-compliant as it relates to the requirements of this recommendation.

Background

SC Code of Law Title 14, Chapter 1; Section 208 (B) Proviso 98.9

Discussion

Following an anonymous complaint on January 23, 2015 regarding unallowable expenditures from the Town of ictim Assistance fund, SOVA investigated and found grounds to initiate a programmatic and financial Victim Assistance program.

During the SOVA Initial Audit conducted April 15, 2015, the SOVA Auditor determined the town failed to submit the

the corresponding revenue in compliance of SC Code of Law Title 14, Chapter 1; Section 208 (B) since August

Discussion

Discussion Cont.

They also were not aware of any written action plans formulated and implemented for the town to submit the outstanding STRRFs and pay the amount owed to the The auditor provided extensive technical assistance to the Mayor, Chief and Clerk on laws and compliance standards regarding victim funds. In addition, a detailed overview of the outstanding STRRFs was provided

Please note, the outstanding amount owed to the State Treasurer has increased since the Initial Audit report due to failure to remit funds collected for the period of March 2015 through February 2016 which was not included in the initial amount. The auditor tasked the Mayor and Clerk with

aware of the outstanding STRRFs and corresponding amounts owed. The Mayor and/or Clerk were also asked to obtain documentation of any outstanding STRRFs and

since the SOVA Initial Audit site visit on April 15, 2015. Also, the new Mayor and Clerk were to formulate a written plan of action and implement it for submitting the outstanding STRRFs and corresponding amounts owed to . They were to provide copies of all STRRFs submitted and paid since the SOVA Initial Audit site visit, any additional unpaid STRRFs and documentation of correspondence between the town and the However, the town failed to submit copies of the Victim Assistance reimbursement plan of action, documentation of and STRRFs.

The Mayor stated the town has not held court since the new administration took office in January 2016; however, the Chief stated he has entered outstanding fines that were paid since they took office. The Mayor and Clerk confirmed the town had not submitted any STRRFs since taking office. However, the Chief stated he understood the town was required to submit a STRRF every month regardless of whether court was held or any fines paid. The auditor asked if the Mayor or Clerk were aware of any written 9698(of)l-3(c)4( )s

Discussion Cont.

Therefore, the auditor provided the Mayor and Clerk copies

by the t Initial Audit process. The Clerk was tasked with ensuring they were distributed to all relevant personnel.

As stated above, e
their risk of being considered non-compliant. There were multiple deadlines extensions and documents not received. The town has failed to follow through with various tasks and recommendations prior to and during the course of the 90 Day Follow-up Audit process.

Please note the following request timeline:

The auditor sent a courtesy wrap up reminder email to the Mayor, Chief and Clerk upon returning to the office after the audit on March 2, 2016 with the same information discussed at the conclusion of the site visit. Although the Clerk sent copies of requested bank statements, no other documents were received by the March 4, 2016 deadline.

On March 14, 2016, the auditor re-submitted a list of documents and information still required for the audit and gave a new deadline of March 28, 2016. However, no additional documents or information was received.

On March 22, 2016, the Mayor emailed the auditor and stated the town was working on the document list and hoped to get the requested information to SOVA by the week of March 28, 2016. However, as of April 1, 2016, no further documents were received.

On April 1, 2016, the auditor sent a final request for the documents and information by April 6, 2016. The request stated if not received by the deadline date, the town would be considered non-compliant according to Proviso 117.51. As of the issued SOVA Audit report, the town has failed to comply and no further documents have been received by SOVA.

Discussion Cont.

Since the Town of Springfield failed to formulate and implement a plan of action to submit the outstanding State (STRRF) pay the

owed totaling $74,619.14, and send documentation to SOVA showing t
the town is considered non-compliant regarding this recommendation. The town still owes the amount noted above

C. Victim Assistance Monthly Retained Amounts

Objective

Did the Town of Springfield formulate and implement a plan of action to deposit the outstanding monthly retained amount totaling $8,423.78 as of the SOVA Initial Audit site vis

months of the date of this issued SOVA Initial Audit? Also, did the town submit to SOVA deposit slips showing each monthly deposit into the Victim Assistance account during the 12 month period (July 2015 July 2016) as they were made?

Conclusion

No, the Town of Springfield did not formulate and implement a plan of action to deposit the outstanding monthly retained amounts into the Victim Assistance fund. However, the town did make some payments towards the amount owed to the Victim Assistance fund for the

(STRRF). As of the SOVA 90 Day Follow-up Audit site visit conducted on March 1, 2016, the town had reimbursed $5,172.04 of the total amount owed leaving a balance of $3,251.74 to be paid to the fund by the deadline of July 15, 2016. Also, the town provided SOVA documentation showing each of these monthly transactions having taken place. However, there was no additional documentation submitted showing payment of the outstanding amount of $3,251.74

Therefore, the Town of Springfield is considered to be non compliant as it relates to the requirements of this recommendation. Because the Town of Springfield failed to rectify the error within 90 days, all reimbursement funds for expenditures in the amount $3,251.74 are to be remitted to SOVA as required per Proviso 117.51 and credited to the General Fund of the State

Please note, there will be a one time $1,500 penalty assessed since one or more uncorrected recommendations regarding improper expenditures are noted in this report in Objectives A and C. Therefore for this objective, $3,251.74 is the amount owed due to the penalty being assessed in conjunction with the reimbursement total as outlined in

Discussion Cont.

On March 1, 2016, the auditor explained the objectives and recommendations to the new Mayor, Chief and Clerk and asked if the town had complied with the recommendations. The Mayor and Clerk stated they were unaware of the town making any payments to the Victim Assistance fund regarding this matter

The auditor then tasked the Mayor and Clerk with formulating a written plan of action including a payment plan to ensure the town completes repayment of the $8,423.78 owed to the victim assistance fund as of April 15, 2015. This includes any additional monthly retained amounts that were not deposited into the Victim Assistance account during the period of April 2015 through February 2016. The auditor provided technical assistance on laws regarding this matter and reviewed

Discussion Cont.

It has been noted that the town has not held court since November 2015; however, the town is still required to

the required funds in accordance with State law because the funds were still being collected from prior court proceedings. Therefore, if the Town of Springfield failed to report and or deposit the retained Victim Assistance Fines, Fees, and Assessments, the monthly retained amounts of these funds paid to the town must be added to the total outstanding funds owed to the Victim Assistance fund noted below.

The table below outlines the retained amounts only still owed to the Victim Assistance fund.

Please note:

1. The auditor did not review STRRFs for April 2015 through June 2016 during the initial audit because these months would have been compec0s for Apren

Discussion Cont.

2. Also, no court has been held since November 2015

Discussion Cont.

As noted, the town will have 30 days after receiving the SOVA penalty notification letter to submit the above funds to SOVA. If the reimbursement and penalty is not received by the State Office of Victim Assistance within 30 days of the penalty notification letter, the political subdivision (State

penalty from the entity (Town of Springfield) or non-profit organization's subsequent fiscal year appropriation per Proviso 117.51.

Recommendation(s) and Comments

All reimbursement funds for expenditures in the amount of $3,251.74 are to be remitted to SOVA as required per Proviso 117.51. Also, please note there will be a one-time $1,500 penalty assessed since one or more uncorrected recommendations regarding improper expenditures are noted in this report in Objectives A and C.

The reimbursement and penalty assessed is outlined in detail under the **ñOther Mattersò** Section of this report. Once the town has received the penalty notification letter issued with this 90 Day Follow-up Audit report, the penalty and reimbursement is required to be forwarded to SOVA within 30 days to be credited to the General Fund of the State.

If the reimbursement and penalty is not received by the State Office of Victim Assistance within 30 days of the penalty notification letter, the political subdivision **(State Treasurerôs Office) will deduct the amount of the** penalty from the entity (Town of Springfield) or non-profit organization's subsequent fiscal year appropriation per Proviso 117.51

Discussion Cont. On April 1, 2016, the auditor sent a final request to submit the S

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

E. Statistical Report

Objective

statistical report for the town Victim Assistance program for the period of January 2010 through January 2016?

Conclusion

Yes, by the conclusion of the SOVA 90 Day Follow-up Audit site visit
provided the requested statistical report for the period of January 2010 through February 2016

Discussion

Following an anonymous complaint on January 23, 2015 concerning
Victim Assistance Fines, Fees and Assessment Fund (VAFFA), SOVA investigated and found grounds to

Victim Assistance program.

During the SOVA Initial Audit which was conducted on April 15, 2015, the SOVA Auditor discovered the Town of Springfield did not have a system in place to properly track direct victim services. However, the auditor was informed the Chief or the attending officer would start the process of maintaining files on each individual that direct victim services were provided to on an ongoing basis. The auditor provided technical assistance to the Chief on the SOVA sample statistical report and its importance. At the conclusion of the SOVA Initial Audit site visit, the auditor requested the Chief provide a statistical report for the Springfield Victim Assistance program for the period of January 2010 through April 2015 which is the scope of the audit. The Chief stated he would work with the LawTrak system to produce the requested five year statistical report. While preparing the SOVA Initial Audit, the Chief did send a report for review, however, it did not contain all the necessary information and provided names and other personal identifying information on victims which the auditor did not require. As a result, the SOVA Auditor returned the report to the Chief and requested he revise the report and resubmit to SOVA during the SOVA 90 Day Follow-up Audit process. The Chief did resubmit the report to SOVA correctly.

F. Technical Assistance

Other Matters Cont.

Also, the town failed to deposit the outstanding Victim Assistance Fines, Fees, and Assessment funds collected but not retained totaling $3,251.74. Thereby, making the

Corrective Action ï Penalty Assessed

Proviso 117.51 states:

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

The 90-Day Follow-up Audit r

Corrective Action Cont.

Please note that the South Carolina
will be notified of the penalty that has been assessed to the Town of Springfield When SOVA receives the total reimbursement and assessed penalty within 30 days from the date of this audit report and penalty notification letter, SOVA will apply all received funds to the General Fund of the State. In addition, a received penalty conformation letter will be prepared and provided to the Town of Springfield and a copy forwarded to the South Carolina with no further action required

However, if the reimbursement and assessed penalty is not received by the State Office of Victim Assistance within 30 days from the date of this audit report and penalty notification letter, the South Carolina State Treasurer Office will be notified that the Town of Springfield failed to submit the reimbursement and assessed penalty within 30 days of the notification A letter will be submitted to the South Carolina
outstanding portions of the $34,628.47 which is inclusive of the penalty to be deducted from the Town of subsequent fiscal year appropriation and credited to the General Fund of the State

Also, the town is still required to pay $74,619.14 owed to the South Carolina -
submit
identified and outlined in the SOVA Initial Audit report issued July 15, 2015 and the 90 Day Follow-up Audit report dated November 28, 2016 However, since this matter is outside the scope of the Auditing Proviso 117.51, SOVA is unable to apply a penalty to this objecti

The SOVA auditor as requested a written plan of action at least 6 times (4/11/15 initial site visit, 7/15/15 initial audit, 3/1/16 follow up site visit, 3/2/16 email, 3/14/16 email and 4/1/16 email) from April 15, 2015 April 6, 2016.

Between December 1, 2015 and March 1, 2016, there was a complete turnover of the Town Administration to include a new Mayor, Chief and Town Clerk. Extensive technical assistance was provided to both

Assessment fund and program.

4. The Mayor failed to provide an audit supplemental schedule showing sment funds. However, it appears there were several expenditures made out of the fund.

The supplemental schedules completed for FY11, FY12 and FY13 did not include any notation of expenditures made from the Victim Assistance fund during each financial yea expenditure reports clearly showed that there were expenditures noted each year.

Because expenditures were not reported in the audit report, the fund rollover total reported on the audit supplemental schedule did not match the total amount reported on the Assessment

Please Note:

ice:	$74,619.14
and Assessment fund for unallowable expenditures:	$29,876.73
Total owed to for outstanding funds collected but not and Assessment fund:	$3,251.74
Total owed to the Victim's Assistance Fines, Fees, and Assessment Fund Account plus $1,500 Penalty Assessed (submit to SOVA then SOVA will credit to the General Fund of the State)	$34,628.47
Total owed to the State Treasurer's Office	$74,619.14
Grand Total Owed	$ 109,248.21

As a result of failure to comply, the Town of Springfield is considered non-compliant The Town of Springfield is thereby penalized a one-time fee of $1,500 as required by Proviso 117.51 because they failed to deposit the outstanding Victim Assistance Fines, Fees, and Assessment funds collected but not retained totaling $3,251.74 plus all collected Victim Assistance funds following the initial audit Assistance account (Recommendation 3). Also, the town failed to reimburse the Victim Assistance account $29,876.73 owed for unallowable expenditures; thereby, making the total amount of unallowable expenditures $34,628.47 ($33,128.47 for improper expenditures plus $1,500) relating to the Victim Assistance Fines, Fees, and Assessment fund.

Also, the town is still required to pay $74,619.14 owed to the South Carolina State

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identified and outlined in the SOVA Initial Audit report issued July 15, 2015. Since this matter is outside the scope of Proviso 117.51, SOVA is unable to apply a penalty to this objective. However, -compliance regarding the objective is noted in this audit report.

admin
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Date