



ALAN WILSON
ATTORNEY GENERAL

August 25, 2003

Mayor Daniel Shaffer

Attorney General, Department of Crime Victim Compensation (DCVC), is
to inform you that we have completed the audit of the Town of
State Auditor's Report.

The Office of the
Washington
Varnville
A copy of
IV

The official
which is
DCVC
governmental entity
is that

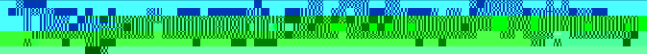
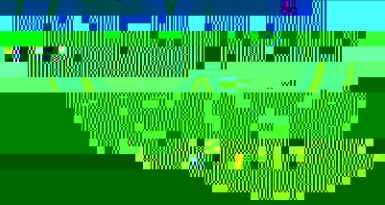
Very truly yours,

Alan Wilson

Attorney General



The Office of the Attorney General



1800 100th Street, NW, Washington, DC 20004

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Did the town implement written policies and

Disclaimer: The recommendations included in sections A thru C 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

Audit was completed on May 18, 2021.

The Assistant Deputy Director of the Department of Crime Victim Compensation issued a letter to the Toronto Police on

from June 30, 2020. As a result of the measures implemented by the COVID-19 pandemic, the

Ontario, 2021. The Auditor

Case Law

Case Law

Case Law

Case Law

Case Law

ensuring that crime victim funds are expended in accordance

with the law

Case Law

Case Law

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

entity or nonprofit organization. Failure to comply with

this provision shall cause the division to initiate a

systematic review and a financial audit of the entity's

A county or municipality may retain carry forward funds that were collected pursuant to Sections 14-1-206 (B) and (D), 14-1-207 (B) and (D), 14-1-208 (B) and (D), and 14-1-211 (B) of the 1976 Code, but no more than \$25,000 or ten percent of funds collected in the prior fiscal year, whichever is higher.

If a county or municipality does not spend at least ninety percent of the funds collected pursuant to Sections 14-1-206 (B) and (D), 14-1-207 (B) and (D), 14-1-208 (B) and (D), and 14-1-211 (B) on Article 16, Chapter 3, Title 16 first priority and/or second priority programs during the fiscal

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.

county or municipality that contains a significant finding
led to report for reports or remittances to the Office of

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

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

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 professional, mediators, or municipal

Introduction and Legislative

PRIOR AUDIT RESULTS

The South Carolina State Legislative Act 96 (Part IV)

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 approximately four years to ensure compliance

The town of Varnville implemented policies and procedures to ensure the Victim Assistance revenue is accounted for and reconciliations are done in accordance with State law as recommended in the State Auditor's Report on June 30, 2020. All procedures have been distributed to all relevant personnel. After a review of all financial requested audit documents, it appears that all Victim Assistance revenue is accounted for

The Office of the Attorney General and The Department of Crime Victim Compensation has worked with the Town of Varnville to remit **\$31,750** to SVAP.

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

A. Fines Levied by Court

Question

Did the town implement written policies and procedures to

ensure fines levied by the Court adhere to applicable state law? Are the procedures in writing? Have procedures been distributed to all relevant personnel?

Conclusion

Yes, the Town of Yonerville implemented written policies

and procedures to ensure fines levied by the court adhere

Management Response:

The ticket referenced above was written in error by the police officer. The ticket should have been written for

\$76.50, with a fine that would not have exceeded \$25. The ticket was overlooked by the court due to the defendant paying the ticket online. The defendant will be reimbursed as of February 2021.

The State Auditor recommended that the Town of Varnville implement written policies and procedures to ensure that all

Prior to the zoom audit meeting on August 19, 2022, the DCVC Auditor emailed the chief, mayor, town's accountant, and clerk a list of pre-requested audit

documents on June 14, 2022. The pre-requested audit documents list included a request for written policies and procedures to ensure fines levied by the court adhere to State law. The DCVC Auditor also requested supporting

documentation confirming that the individual was reimbursed for the overpayment of the speeding ticket as of February 1, 2021, as stated in the management response in the State Audit report dated June 30, 2020.

On June 21, 2022, the DCVC Auditor received policies and

If an individual is guilty, the judge, in some cases, has the

The judge, in some cases, has the latitude within the law to sentence a person to time served. In a case where time served is the sentence and it is in accordance with the law, there is no fine. When there is no fine, there can be no assessment because the assessment is based on a

no minimum fine set by law the judge can suspend the fine.

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

B. Installment Fees**Objective**

Did the Town of Varnville implement written policies and procedures to ensure the installment fees are accurately assessed and collected in accordance with State law? Are the procedures in writing? Have procedures been distributed to all relevant personnel?

Conclusion

Yes, the Town of Varnville implemented written policies and procedures to ensure installment fees are accurately

recommended in the State Auditor's Report dated June 30, 2020. All procedures have been distributed to all relevant personnel.

Background

SC Code of Law Section 14-1-209

Discussion

The Department of Crime Victim (DCVC) Programmatic Review and Financial Audit is a follow-up audit to the Town of Varnville Municipal Court audit issued by the State Auditor's Office dated June 30, 2020. During the State Audit dated June 30, 2020, the State Auditor noted that the town did not assess a 3% installment fee for an individual's payment agreement in accordance with State

Management Response:

The above referenced finding was an error on the behalf of the court. The individual should have been charged 3% fee

paid in full.

The State Auditor recommended that the Town of Varnville implement policies and procedures to ensure the

Those charges must be collected separately and not included in the percentage splits explained above. Funds collected as installments should not be held until full payment is received but must be remitted each month to the

*the division of the final installment payment should be adjusted so that the portion collected as the assessment does not exceed the amount originally imposed. | 1
When an individual pays the fine, assessment or restitution through installments, the municipal court must collect an additional 3 percent of the installment payment as a*

collection cost charge. The collection cost is transmitted to the municipal treasurer for deposit into the municipal general fund (S.C. Code Ann. § 14-17-725).

During the virtual site visit on August 19, 2022, the DCVC

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

C. Victim Assistance Fund

Objective

Did the town implement written policies and procedures to

reconciliations are done timely in accordance with State law? Are the procedures in writing? Have procedures been distributed to all relevant personnel?

Conclusion

Yes, the Town of Varnville implemented written policies and procedures to ensure the Victim Assistance revenue is accounted for and reconciliations are done in accordance with State law as recommended in the State Auditor's Report dated June 30, 2020. All procedures have been distributed to all relevant personnel.

Background

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

Discussion

The Department of Crime Victim (DCVC) Programmatic Review and Financial Audit is a follow-up audit to the Town of Varnville Municipal Court audit issued by the State Auditor's Office dated June 30, 2020. During the

The State Auditor recommended that the Town of Varnville implement written policies procedures to ensure that victim

State law.

Prior to the virtual site visit on August 19, 2022, the DCVC Auditor emailed the chief, mayor, town's accountant, and clerk a list of pre-requested audit documents on June 14, 2022. The pre-requested audit documents list included a request for written policies and procedures to ensure that victim assistance revenue is accounted for in accordance with State law.

On June 21, 2022, the DCVC Auditor received policies and

procedure state:

general ledger fund. A special revenue fund type would fit this recommendation. It is not necessary to keep these monies in a separate bank account. Pooling the cash could provide benefits of a higher investment return or lower bank fees. As previously noted, each revenue source, the conviction surcharge, application fee and the victim service share of the assessment should be tracked separately.

Accounting records should reflect the receipt of the

the state may be credited to a generic —Due to the State] ledger liability account. Victim service revenues should be credited to the various revenue accounts in the victim service fund, and the revenue due the city from the fines can be credited to a generic —bonds and fines revenue account in the general ledger. The debit is to the cash

1-1.

*A person convicted of, or pleads guilty or —nolo
contenderell to, or forfeits bond for an offense tried in
municipal court must pay an amount equal to 107.5
percent of the fine imposed as an assessment This*

assessment must be paid to the municipal clerk of court

*and deposited with the city treasurer for remittance to the
State Treasurer. The assessment is based upon that portion
of the fine that is not suspended. Assessments must not be
waived, reduced or suspended.*

A §25 surcharge is imposed on all criminal convictions in

by fund source, how those funds were expended and carry forward balances. The municipality is allowed to use \$1,000 of the funds to offset the audit's cost.

The municipality must use the revenue it retained to

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

D. State Victim Assistance Program (SVAP)

Objective Did the Town of Varnville remit \$31,750 to State Victim Assistance Program (SVAP) as recommended by the DCVC Auditor?

Conclusion The Office of the Attorney General and The Department of Crime Victim Compensation worked with the Town of Varnville to remit \$31,750 to SVAP.

Background Proviso 59.15. (AG: State Crime Victim Compensation)

Discussion In May 2021, the Assistant Deputy Director of DCVC was

the town's clerk no longer wanted to be the Victim Advocate. The chief informed the Assistant Deputy Director that the town was interested in contracting with Hampton County to cover the town's victim services. The Assistant Deputy Director informed the chief before the

After reviewing the Schedule of Court Fines, Fees, Assessments and Surcharges, bank statements, STRRFs, Town's Profit and Loss statement and the State Auditor's report dated June 30, 2010, the DCVC Auditor determined

requirement per Proviso 59.15 stated below:

59.15. (AG: State Crime Victim Compensation) A county or municipality may retain carry forward funds that were collected pursuant to Sections 14-1-206 (B) and (D), 14-1-207 (B) and (D), 14-1-208 (B) and (D), and 14-1-211 (B) of the 1976 Code, but no more than \$25,000 or ten percent of funds collected in the prior fiscal year, whichever is higher. If a county or municipality does not spend at least ninety percent of the funds collected pursuant to Sections 14-1-206 (B) and (D), 14-1-207 (B) and (D), 14-1-208 (B) and (D), and 14-1-211 (B) on Article 16, Chapter 3, Title 16 first priority and/or second priority programs during the

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

and advise the county or municipality of plan compliance with statutory requirements

victim services FY20, therefore they did meet the 90% spending requirement for that year. However, the Town should not have made donations prior to remitting funds to SVAP, because they failed to meet the 90% spending requirements for FY18 and FY19.

The town failed to remit funds to SVAP for FY18 in the amount of ~~€29,444~~ and €2,206 FY19. The total amount

required to be remitted to SVAP is \$31,750 per Proviso 59.15.

Since the zoom audit meeting on August 19, 2022, The Office of the Attorney General and The Department of Crime Victim Compensation worked with the Town of Yarrville to remit \$31,750 to SVAP

Recommendation(s)
and Comments

No Further Recommendation

E. 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 Used Report

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

shall assess and collect a penalty in the amount of the

June 30, 2020

TOWN OF VARNVILLE MUNICIPAL COURT

VARNVILLE, SOUTH CAROLINA

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

PERIOD ENDING 12/31/2000

under contract with the South Carolina Office of

the State Auditor.

Please let us know

If you have any questions regarding this report, please

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TOWN OF VARNVILLE MUNICIPAL COURT
JUNE 30, 2020

Independent Accountants' Report on Applying Agreed-Upon Procedures.....1

The Honorable Walden H. Sanders, Jr., Chief Judge
Municipal Court
Town of Vainville Municipal Court
Vainville, South Carolina

...related
Municipal Court (the "Town") from the period from 12/31/14

...the systems used
to financial

...responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the

...assessment and
surcharge calculation to confirm that the time fee, assessment and surcharge
properly allocated in accordance with applicable State law and the South Carolina
Act.

...we randomly selected 25 court transactions to review

Findings -- Adherence to Fine Guidelines

During our inspection of Town Court collections and remittances, we observed the following instances in which the Town did not fine the defendant in accordance with State law:

Speeding

The Court fined one individual \$50.00 for speeding less than 10 miles per hour over the speed limit.

Section 56-05-1520(G)(1) of the 1976 South Carolina Code of Laws, as amended, states, "A person violating the speed limits established by this section is guilty of a misdemeanor and upon conviction for

a first offense, must be fined or imprisoned as follows:

- (1) in excess of the above posted limit but not in excess of ten miles an hour by a fine of not less than ~~five~~ ~~dollars~~ ~~or~~ ~~more~~ ~~than~~ ~~twenty~~ ~~five~~ ~~dollars.~~ "

The ticket referenced above was written in error by the police officer. The ticket should have been written for \$76.50, with a fine that would not have exceeded \$25. The ticket was overlooked by the court due to the defendant paying the ticket online. The defendant will be reimbursed as of February 2021.

Installment Payments

3. **Victim Assistance**

- We made inquiries and confirmed that any funds retained by the Town for victim assistance were deposited into a separate account.

We selected all (A) expenditures to confirm that the Town expended victim assistance

funds in accordance with State law and the South Carolina Court Administration fee memoranda.

- We inspected the Town's victim assistance account to confirm the Victim Assistance fund balance was retained as of July 1 from the previous fiscal year in accordance with

State law.

such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Town and to meet our ethical responsibilities in accordance

with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Governor, Chairmen of the House Ways

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 Deputy Director:

**Debbie Curtis
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:

<http://www.sccsc.gov/inside-the-office/crime-victim-services>



[Signature]

[Signature]

[Signature]
Magnon Lee Phommavong, Senior Auditor

[Signature]

Date

Reviewed by:

[Signature]
Dexter B...

Date

[Signature]

[Signature]

[Signature]

Date