



ALAN WILSON
ATTORNEY GENERAL

July 11, 2022

Mayor Enoch Dickerson III
Town of Lincolnton
PO Box 536
Summerville, SC 29484-0536

Dear Mayor Dickerson,

The Office of the Attorney General, Department of Crime Victim Compensation (DCVC), is sending this notice to inform you that we have completed the Follow-up Audit to the Town of Lincolnton DCVC Initial Auditor's Report.

A copy of the official report is attached for your review. This is conformance with Act 96 [PART IV] which requires DCVC to conduct a programmatic review and financial audit of any

governmental entity or non-profit organization receiving victim assistance funding to ensure that these crime victim funds are expended in accordance with the law.

Please be advised that all DCVC audits and follow-up reports are public information. I request that you respond to the findings in writing within the next ten business days. Please note that this report will be posted on the DCVC website at the end of 10 business days.

<https://www.scag.gov/inside-the-office/crime-victim-services-division/crime-victim-compensation/auditing/>

If you have any further questions, please contact the DCVC at (803) 733-7333.



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Disclaimer: The recommendations included in sections A thru C of this report were developed by the Office of the Attorney General, Department of Crime Victim Compensation (DCVC). The DCVC 90 Day Follow-up Audit was conducted to determine if the entity is in compliance with recommendations as outline in the Initial Audit Report. In addition, all DCVC follow-up reviews (including this one) are conducted to ensure compliance with applicable laws and regulations.

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 were initiated in response to the Department of Crime Victim Compensation's (DCVC) concerns regarding the Victim Assistance Fines, Fees, and Assessment fund. On August 23, 2021, the Assistant Deputy Director of the DCVC issued a letter to the town of Lincolnton informing them that DCVC will conduct a DCVC follow-up audit site visit of the Victim Assistance Fines, Fees, and Assessment fund. The audit was conducted on September 11, 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

required to submit their...

Proviso 59.15

59.15. (AG: State Crime Victim Compensation)

A county or municipality may retain carry forward funds that were collected pursuant to Sections 14 1 206 (B) and (D), 14 1 207 (B) and (D), 14 1 208 (B) and (D), and 14 1 211 (B) of

the 1976 Code, but no more than \$25,000 or ten percent of funds collected in the prior fiscal year, whichever is higher.

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

funds are received then the county or municipality shall remit

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

State Treasurer, the requirements of Proviso 117.51 shall be followed if an amount due is specified, otherwise the State

4. All unused funds must be separately identified in the

governmental entity's adopted budget as funds unused

- Section 14-1-207 Subsection (c) A R & D: (4) 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

- **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

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

These funds must be used for, but are not limited to,

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

Call page 1

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 Lincolnton submitted copies of the town's Victim Assistance (VA) bank statements FY14-FY21 as requested by the

Auditor.

• To determine if the town of Lincolnton submitted

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

A. Programmatic Review

Objective

Did the Town of Lincolnville submit copies of the town's
Victim Assistance (VA) bank statements FY14-FY21 to

(DCVC) Auditor?

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-

During the budget phase in 2011, the clerk stated that all the funds in the account were not VA funds (noted in the budget file). The clerk was advised at that time that the VA funds should not be co-mingled with other funds. During the audit site visit on September 11, 2021, the clerk also stated that all the funds in the VA account were not VA funds. The town has continued to co-mingle funds in the VA account since 2011 after being advised by DCVC Auditing Department that the funds should be in separate accounts

The DCVC Auditor advised the mayor and the clerk that the

VA funds should not be co-mingled in the account with other funds. The DCVC Auditor advised the mayor and the clerk that

Recommendation(s)
and Comments

A-1

It is recommended that the Town of Lincolnville contact the county to inquire about entering into a contract for the county to provide victim services for the town.

A-2

It is recommended that the Town of Lincolnville do not commingle VA funds and the town's funds as requested by the DCVC Auditor.

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

B. Revenue Review

Objective

Did the town submit copies of the annual DCVC

Schedule from the annual independent audit for FY11-FY15 as requested by the Department of Crime Victim Compensation (DCVC) Auditor?

Conclusion

Yes, the town did submit a copy of the annual DCVC

During the DCVC Initial Audit issued on May 7, 2021, the DCVC Auditor recommended that the mayor contact the person or company that completed the town's annual audit for FY11-FY15 and request the Supplemental Schedule from the town's annual audit. As requested, Supplemental Schedule [REDACTED]

[REDACTED]

were not received by the September 13, 2021, deadline.

The DCVC Auditor spoke with the mayor on September 15, 2021, informing him the town would be penalized if the Supplemental Schedules

[REDACTED]

because the documents were not received. The mayor was also informed that if the town continues to be non-compliant, the town will be penalized, as stated in Act 96 [PART IV] as stated below. However, the mayor did submit the Supplemental Schedules FY11-FY15 during the audit site visit on September 21, 2021.

(C) Any entity or nonprofit organization receiving victim assistance funding

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

C. Technical Assistance

Documentation Provided

During the site audit visit, technical assistance and support were provided, and the following documents were reviewed and explained in detail. Also, copies were provided to appropriate officials and agency representatives.

1. Legislation - Act 96 (Part IV)

2. Proviso 98.9

4. Sample Budget

6. Sample Time and Activity Report

7. Sample Expenditure Report

8. Victim Advocate Procedural Manual

Official Post-Audit Response

The Government of South Carolina

front of this report to provide a written response to the
DCVC Deputy Director:

Debbie Curtis
1205 Pendleton St., Room 401
Columbia, SC 29201

Appendix(s)

Appendix A- Follow-up Audit Review for the Town of Lincolnville Municipal Court Syst-

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

Appendix(s)

Appendix A: [Redacted]

Appendix B: [Redacted]

Appendix C: [Redacted]

Appendix D: [Redacted]

Appendix E: [Redacted]

Appendix F: [Redacted]

Appendix G: [Redacted]

Appendix H: [Redacted]

Appendix I: [Redacted]

Appendix J: [Redacted]

Appendix K: [Redacted]

Appendix L: [Redacted]

Appendix M: [Redacted]

Appendix N: [Redacted]

Appendix O: [Redacted]

Appendix P: [Redacted]

Appendix Q: [Redacted]

Appendix R: [Redacted]

Appendix S: [Redacted]

Appendix T: [Redacted]

Appendix U: [Redacted]

Appendix V: [Redacted]

Appendix W: [Redacted]

Appendix X: [Redacted]

Appendix Y: [Redacted]

Appendix Z: [Redacted]

Appendix AA: [Redacted]

Appendix AB: [Redacted]

Appendix AC: [Redacted]

Appendix AD: [Redacted]

Appendix AE: [Redacted]

Appendix AF: [Redacted]

Appendix AG: [Redacted]

Appendix AH: [Redacted]



The Office of the Attorney General
Department of Crime Victims

[REDACTED]

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Did [REDACTED] the Town submit copies of State Revenue Remittance Forms (STRRFs) for FY11-FY20 as requested by the Department of Crime Victim Compensation (DCVC)?

B. Bank Statements	14-15
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Did the Town submit copies of its Victim Assistance Bank Statements for FY11-FY20

as requested by the DCVC Auditor?

C. Expenditure Review.....	16-17
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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?

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 advised the

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 Audit was postponed.

electronic Programmatic Review and Financial Audit of the Town's Victim Assistance Fund on January 12, 2021.

Governing Legislation and Regulations

ACT 96 (cont.)

(B) Any local entity or nonprofit organization that receives funding from revenue generated from crime victim funds is required

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

Proviso 59.15 (cont.)

priority and/or second priority programs during the fiscal year that
the funds are received than the county or municipality in

Proviso 98.9 (cont.)

is specified, otherwise the State Treasurer shall withhold twenty-five percent of all state payments to it.

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

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

[REDACTED]

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 that receives funding from the Department.

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 FY 2011 audit.

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

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

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

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 any bank statements.

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 Follow-up Audit Report issued December 2, 2020

Discussion

This is a DCVC initial audit as a result of the Town of Lincoln...

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-

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“(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

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.



ATTORNEY GENERAL

This Programmatic Review and Financial Audit was completed by:

