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September 2, 2015

Mayor Eric Boughman  
City of Liberty  
206 W Front Street  
Liberty, SC 29657-1010


Dear Mayor Boughman:

The State Office of Victims Assistance (SOVA) is sending this notice to inform you that we have completed the Programmatic Review and Financial Audit of the City of Liberty's Victim Assistance Program and a copy of official report is attached for your review. Due to Proviso 117.51, SOVA is legislatively mandated to conduct programmatic reviews and financial audits on any entity or non-profit organization receiving victim assistance funding to ensure that the crime victim funds are expended in accordance with the law.

Once again enclosed is a copy of our audit results. Please be advised that all SOVA audits and follow-up reports are public information. You will have 5 business days from the completion date stated on the front of this report to provide me with a written response. At the end of 5 business days, this report will be posted on the SOVA website at [www.sova.sc.gov](http://www.sova.sc.gov) under the SOVA auditing tab.

Should you have any further questions or concerns, please feel free to contact me or Ms. Robin Eaddy at (803)734-1048.

Sincerely,

  
Larry Barker, Ph.D.  
Director

cc: Chief Adam C. Gilstrap  
Erin Lewis





**Department of Administration  
State Office of Victim Assistance**

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September 2, 2015

**Programmatic Review and  
Financial Audit of the  
City of Liberty  
Victim Assistance FFA Fund**

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Acronyms:

VAFFA -Victim Assistance Fines, Fees, and Assessment

SOVA - State Office of Victims Assistance

VAF - Victim Assistance Fund

VSCC- Victim Service Coordinating Council

T & A - Time and Activity

BB&T- Branch Banking And Trust

KBB - Kelly Blue Book

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# Introduction and Laws

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## PREFACE

This Programmatic Review and Financial Audit was initiated in response to incomplete recommendations as outlined in the South Carolina State Auditor's report for the City of Liberty Municipal Court dated June 30, 2011. On January 8, 2015, the Director of SOVA issued a letter to the City of Liberty Administrative Office and the Police Department to inform them of the City of Liberty's Victim Assistance Fund audit. The audit was conducted on February 25, 2015.

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### *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 crime victim funds or has not properly expended crime victim funds, pursuant to Sections 14-1-206(B)(D), 14-1-207(B)(D), 14-1-208(B)(D), and 14 1-211(B) of the 1976 Code, the State Auditor shall notify the State Office of Victim Assistance. The State Office of Victim Assistance is authorized to conduct an audit which shall 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 State Office of Victim Assistance to ensure that crime victim funds are expended in accordance with the law. Guidelines for the expenditure of these funds shall be developed by the Victim Services Coordinating Council. The Victim Services Coordinating Council shall develop these guidelines to ensure any expenditure which meets the parameters of Article 15, Chapter 3, Title 16 is an allowable expenditure.

*Proviso 117.51 (cont.)*

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 State Office of Victim Assistance 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 State Office of Victim Assistance to initiate a programmatic review and a financial audit of the entity's or nonprofit organization's expenditures of victim assistance funds. Additionally, the State Office of Victim Assistance will place the name of the non-compliant entity or nonprofit 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 nonprofit 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 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 State Office of Victims Assistance. 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 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 nonprofit 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 nonprofit 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 nonprofit organization's subsequent fiscal year 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.

If the State Treasurer receives an audit report from either a county or municipality that contains a significant finding related to court fine reports or remittances to the Office of State Treasurer, the requirements of Proviso 117.51 shall be followed if an amount due is specified, otherwise the State Treasurer shall withhold twenty-five percent of all state payments to the county or municipality until the estimated deficiency has been satisfied.

If a county or municipality is more than ninety days delinquent in remitting a monthly court fines report, the State Treasurer shall withhold twenty-five percent of state funding for that county or municipality until all monthly reports are current.

After ninety days, any funds held by the Office of State Treasurer will be made available to the State Auditor to conduct an audit of the entity for the purpose of determining an amount due to the Office of State Treasurer, if any.

**SC Code of Law  
Title 14**

Courts – General Provisions

Collection/Disbursement of Crime Victim Monies at the Municipal & County Levels: below is a brief synopsis of applicable sections.

- **Sec. 14-1-206, subsection(s) A, B & D:** A person who is convicted of, pleads guilty or nolo contendere to, or forfeits bond for an offense occurring after June 30, 2008, tried in general sessions court must pay an amount equal to 107.5 percent of the fine imposed as an assessment. The county treasurer must remit 35.35 % of the revenue generated by the assessment imposed in general sessions 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.

SC Code of Law  
Title 14 (cont.)

- **Sec. 14-1-207 Subsection(s) A, B & D:** 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.
- **Sec. 14-1-207 Subsection(s) A, B & D (cont.):** The county treasurer must remit 11.16 % of the revenue generated by the assessment imposed in magistrate's 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.
- **Sec. 14-1-208 Subsection(s) A, B & D:** 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. 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.
- **Sec. 14-1-211 Subsection A, B, &D:** 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 the magistrate's and municipal court must be retained by the jurisdiction which heard or processed the case and paid to the city or county treasurer. Any funds retained by the county or city treasurer must be deposited into a separate account for the exclusive use for all activities related to those service requirements that are imposed on local law enforcement, local detention facilities, prosecutors, and the summary courts.

These funds must be used for, but are not limited to, salaries, equipment that includes computer equipment and internet access, or other expenditures necessary for providing services to crime victims. All unused funds must be carried forward from year to year and used exclusively for the provision of services to the victims of crime. All unused funds must be separately identified in the governmental entity's adopted budget as funds unused and carried forward from previous years.

- **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 auditor's report by an "in relation to" paragraph as required by generally accepted auditing standards when information accompanies the basic financial statements in auditor submitted documents.

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## AUDIT OBJECTIVES

The SC State Legislative Proviso 117.51 mandates the State Office Victim Assistance to conduct programmatic reviews on 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 City of Liberty has maintained proper accountability of the Victim Assistance Fines, Fees and Assessment (VAFFA) Fund.
  - To determine if purchasing a vehicle using the Victim Assistance Fines, Fees and Assessment (VAFFA) Fund was justifiable, and if the vehicle is being used to provide direct victim services.
  - To determine if the Victim Assistance Fines, Fees, and Assessment (VAFFA) Fund expended in accordance with State law.
-

## RESULTS IN BRIEF

### *Accountability*

Is the City of Liberty's Victim Assistance Fines, Fees and Assessment (VAFFA) Fund properly accounted for and maintained?

Yes, the City has taken steps to maintain proper accountability of the victim assistance funds by ensuring procedures are in place as it relates to the disbursement of funds. In addition, procedures were implemented to ensure victim assistance revenue was used only for allowable expenditures in accordance with State law.

### *Victim Advocate Vehicle*

Was purchasing a vehicle using the Victim Assistance Fines, Fees and Assessment (VAFFA) Fund justifiable, and was the vehicle being used to provide direct victim services?

No, there was no justification for the City to purchase a vehicle using the VAFFA Fund because of the minimal number of victims assisted by the Victim Advocate each year. The police statistical reports filed December 2011 through December 2014 had a total of 2,438 victims, of which 340 criminal cases were identified as possibly needing direct victim assistance. In addition, there was no justification for having an on-call Victim Advocate. Therefore, 100% of vehicle expenses should not have been charged to the Victim Assistance Fund except when the vehicle was used to provide direct victim services and travel to approved victim service provider training.

### *Victim Service Expenditures*

Was the Victim Assistance Fines, Fees, and Assessment funds expended in accordance with State law?

No, the Victim Assistance Fund for the City of Liberty was not expended in accordance with State law. Therefore, the City of Liberty must reimburse the Fund and submit reimbursement documentation in the amount of **\$3,433.26**. There was **\$220.37** for Visa Debit card purchases improperly charged and/ or not adequately supported by source documentation and **\$266.55** for unallowable Debit card expenses (no receipts) for purchases improperly charged and/ or not adequately supported by source documentation. Also, there were **\$323.56** for Debit card purchases not adequately supported by source documentation and **\$2,622.78** for Debit card gas purchases improperly charged.

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

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**A. Accountability for Victim Assistance Funds (VAF)****Objective**

Is the City of Liberty's Victim Assistance Fines, Fees and Assessment (VAFFA) Fund properly accounted for and maintained?

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**Conclusion**

Yes, the City has taken steps to maintain proper accountability of the victim assistance funds by ensuring procedures are in place as it relates to the disbursement of funds. In addition, procedures have been implemented to ensure victim assistance revenue is used only for allowable expenditures in accordance with State law.

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**Background**

State Treasurer Revenue Remittance Forms for FY 11-15

Copy of prior audits for FY12, 13, 14

Bank Statements from January 1, 2011- January 30, 2015

Section 14-1-211(B) of the 1976 South Carolina Code of Laws.

Victim Assistance Procedural Manual: a copy of the manual can be found at [www.sova.sc.gov](http://www.sova.sc.gov) (under SOVA auditing tab)

South Carolina Victim Service Coordinating Council (VSCC) Approved Guide for Expenditures of Monies Collected for Crime Victim Service in Municipalities and Counties.

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**Discussion**

Prior to the February 25, 2015 site visit, the auditor requested and reviewed copies of July 2011 – January 2015 State Treasurer's Revenue Remittance Forms, FY11-14 Supplemental Schedule, and 2011-2015 bank statements.

*Discussion Cont.*

After reviewing the above mentioned documents, it was determined the funds collected for the victim assistance program were deposited into a separate account. Also, noted is the fact that the City's revenue and bank statements appear to be consistent with what was reported to the State Treasurer's office. In addition, the Supplemental Schedules accurately reflects the above information.

During the audit site visit, the auditor discussed with the City Treasurer, Assistant Clerk of Court and the Victim Advocate their procedures of maintaining proper accountability of the victim assistance funds. These steps included utilizing the auditing toolkit and the (VSCC) Approved Guide for Expenditures of Monies Collected for Crime Victim Service in Municipalities and Counties. Also, the Victim Advocate must maintain a copy of this document for her file and ensure the toolkit is used as a resource. They were also referred to the SOVA website for further information as needed.

Because the City did not have any written policies in place at the conclusion of the SOVA site visit for ensuring accurate accountability of the funds, the Chief of Police and Assistant Clerk of Court were immediately asked to develop written policies and procedures as it relates to ensuring the fund is accounted for accurately.

While conducting this SOVA initial audit, the auditor also conducted a State 90 day follow-up audit. As the State 90 day audit was being prepared, the City Treasurer/Clerk and Chief of Police submitted the written procedures to ensure victim assistance revenue and the allocation of expenditures in cases providing direct victim services are accounted for in accordance with State law.

A letter dated March 4, 2015 from the City of Liberty Clerk/Treasurer outlines that additional procedures have been implemented to ensure the Victim Assistance Fund expenditures are in compliance with State laws but not limited to the outline below:

*Discussion Cont.*

- The City of Liberty now uses the Victim Service Coordinating Council (VSCC) Approved Guide for Expenditures of Monies Collected for Crime Victim Service in Municipalities and Counties and the Victim Advocate maintains a copy on file for her records.
- The auditor reviewed the auditing toolkit with the Clerk/ Treasurer and Assistant Clerk. They assured the auditor they would continue to review these documents as needed for vital information.
- The Victim Assistance Fines, Fees and Assessment (VAFFA) Fund Frequently Asked Questions booklet was also reviewed with the Clerk/ Treasurer and Assistant Clerk by the auditor.
- Both the Clerk/ Treasurer and Assistant Clerk are now aware of the website [www.sova.sc.gov](http://www.sova.sc.gov), and will refer to it with any questions or concerns and or follow up with a SOVA call as warranted.

Also, the City submitted documentation March 3, 2015 listing the following corrective actions to ensure that in the future, expenditures from the Victim Assistance Fund are spent according to State Law:

- The City no longer has an active Debit Card associated with the Victim Assistance Account (which is unallowable).
- The 2001 Dodge Avenger vehicle expenses will no longer come from the Victim Assistance Account but from the City's General Fund account.
- Any travel expenditures associated with the Victim Assistance Account will be handled through a City-wide Visa card held by the Clerk/Treasurer or a reimbursement of expenses with receipts associated with the training will be issued to the Victim Advocate.
- Expenditures charged to the Victim Assistance Fund will have two signatures of approval and copies of those expenditures will remain on file with the Victim Advocate.

*Discussion Cont.*

- When the Assistant Clerk reconcile the Victim Assistance bank account each month, the Assistant Clerk will reference the (VSCC) Approved Guide for Expenditures of Monies Collected for Crime Victim Service in Municipalities and Counties and or call SOVA for any questions or concerns.

Therefore, the City of Liberty has complied with this objective and was advised to distribute the procedures to all necessary parties involved in the process immediately.

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**Recommendation(s)**  
**And Comments**

**A-1**

**No further recommendations**

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

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**B. Victim Advocate Vehicle Accountability****Objective**

Was purchasing a vehicle using the Victim Assistance Fines, Fees and Assessment (VAFFA) Fund justifiable, and was the vehicle being used to provide direct victim services?

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**Conclusion**

No, there was no justification for the City to purchase a vehicle using the VAFFA fund because of the minimal number of victims assisted by the Victim Advocate each year.

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**Background**

South Carolina Victim Service Coordinating Council (VSCC) Approved Guide for Expenditures of Monies Collected for Crime Victim Service in Municipalities and Counties ([www.sova.sc.gov](http://www.sova.sc.gov))

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**Discussion**

Prior to conducting the site visit, the auditor reviewed copies of the City of Liberty's Victim Assistance Account Ledger from July 2011 through January 2015 and the 2011-2015 bank statements to determine if funds were spent in accordance with the (VSCC) Approved Guide for Expenditures of Monies Collected for Crime Victim Service in Municipalities and Counties. Upon the review of the expenditure reports and bank statements, it was discovered by the SOVA auditor that the City of Liberty made yearly payments for a vehicle from the Victim Assistance Funds. Further review into the expenditures noted the City purchased a vehicle for the Victim Advocate in 2011 for \$15,860.00.

Prior to this audit, the City failed to disclose the purchase of a vehicle when their yearly budget was submitted, or anytime when technical assistant was provided to them. The SOVA auditor requested documentation regarding the vehicle purchase and received a Chrysler Group LLC purchase invoice dated January 14, 2011 in the amount of \$15,860.00 for a 2011 Dodge Avenger.

*Discussion Cont.*

It appears the City entered into a lease agreement to finance the Dodge Avenger with Branch Banking and Trust Company Financing (BB&T) with an amortization payment schedule dated June 30, 2012 which showed starting in 2013 and ending in 2015 yearly payments were to be made for the vehicle.

After the auditor reviewed the account ledger, it appears that money was taken out of the Victim Assistance account on 3 occasions to make the annual payments.

- 1.) On February 22, 2012 a check in the amount of \$4,250.46 to BB&T was made.
- 2.) On February 28, 2013, a check in the amount of \$4,250.46 to BB&T was made.
- 3.) On March 20, 2014 a check in the amount of \$4,250.46 to BB & T was made.

It appears that as of December 2014, the total vehicle payment of \$12,751.38 was taken from the Victim Assistance Fund. This was a questionable expenditure because the City did not maintain adequate victim statistical reports to justify the need to purchase and maintain a vehicle for the Victim Advocate.

Since there was no supporting documentation on hand, the City of Liberty is required to provide receipts for each of the vehicle payments. Also, the City is required to provide documentation showing if any funds have been reimbursed back into the Victim Assistance account for this unallowable expense.

On March 3, 2015 while preparing the State 90 Day follow up report, the SOVA auditor received an email from the City of Liberty Clerk/Treasurer stating the Dodge Avenger vehicle expenses will no longer come out of the Victim Assistance account, but will be taken out of the City's General Fund account.



*Discussion Cont.*

However, based on the reports reviewed, the City has paid \$12,751.38 of the original purchase price for the vehicle (\$15,860.00) out of the Victim Assistance fund without proper justification. However, there is \$4,250.46 remaining that is required to be reimbursed back to the fund for the vehicle.

On June 4, 2015, the auditor called the Chief and Victim Advocate for current vehicle mileage information and to discuss when the final payment for the vehicle would be made. The Victim Advocate stated she was not sure if the final payment for the vehicle was made, but noted the vehicle mileage was 34,019. The auditor requested the information on the final payment; however, has yet to receive an answer from the Chief or Clerk/Treasurer regarding if the final vehicle payment was made.

Therefore, it is recommended the City submit documentation showing funds allocated towards the final payment of \$4,250.46 for the vehicle. Based on the Time and Activity percentage calculation, the City can allocate 9.4% of the original cost from the Victim Assistance fund. This means the City would be allowed to pay \$1,490.84 ( $\$15,860.00 \times 9.4\%$ ) towards the vehicle final payment from the Victim Assistance Fund.

Furthermore, if the City of Liberty purchased the vehicle out of the fund at 100% (\$15,860.00) which is unallowable and did not utilize the 9.4% (\$1,490.84), they are required to reimburse the Victim Assistance fund the unallowable amount of \$14,369.16.

While preparing for this audit, the SOVA auditor reviewed the SOVA budget file which notes that the Victim Advocate from Liberty had several discussions with the SOVA auditing staff and management concerning the appropriate way to complete Time and Activity forms. Also, that the victim advocate was informed of the required documents needed for percentage calculations instead of submitting gas mileage logs for the vehicle usage.

*Discussion Cont.*

The following is an overview of those conversations noted in the Budget file:

On June 30, 2011 it appears as a review of the State audit during the City of Liberty's Municipal Court State Auditor's report completed June 30, 2011, the State Auditor contacted the SOVA Deputy Director and asked if the Victim Advocate could use the city vehicle to commute from home to work if she is on duty 24 hours a day, 7 days a week. During that conversation, the SOVA Deputy Director explained in detail the process and proper documentation required to be submitted to SOVA which is Time and Activity reports showing direct victim services provided since the victim advocate was not full time and was part time. Following that conversation, SOVA auditors contacted the City and inquired as to how the Victim Advocate was paid and if victim services provided justified purchasing a vehicle. This continued to be an in-depth conversation.

On September 21, 2012 the part time Victim Advocate called SOVA and inquired about how the Victim Assistance fund could be used. This was explained to the Victim Advocate in detail by the auditor regarding the importance of the reports showing direct victim services being performed.

On January 10, 2013 a letter was sent to SOVA from the City's Treasurer confirming the Victim Advocate's salary was paid from the General Fund.

Following the January 10, 2013 letter, SOVA received on January 15, 2013 a vehicle mileage log report for June 2012 - August 2012. However, the reports did not show the Victim Advocate providing direct victim services to victims during the commute times noted.

The Victim Advocate informed SOVA that although she was part time, she does not keep Time and Activity (T & A) reports, and that she takes the City's vehicle home nightly because she is an on-call advocate 24 hours a day 7 days a week.

*Discussion Cont.*

The auditor again explained that part time Victim Advocates must maintain and submit Time and Activity reports with direct services for victims instead of the mileage log information because car expenses are being paid at 100% from the Victim Assistance Fund. However the car is not utilized for direct services for crime victims at 100%. The Victim Advocate was informed this is done even if the Victim Advocate's salary is paid out of the General Fund but the Victim Advocate is part time.

Below are additional conversations with the Victim Advocate and Chief of Police.

On November 20, 2014, SOVA requested the Time and Activity report; however the Victim Advocate stated her logs will not show direct victim services performed. The auditor discussed with the advocate the importance of the reports showing direct victim services performed due to car expenses coming from the Victim Assistance Fund and the importance of maintaining documentation when she provides direct victim services.

On December 2, 2014, the auditor spoke with the Chief of Police in detail about concerns with the advocate taking the car home and the fact there are no Time and Activity reports. During that time, SOVA requested the statistical reports with the number of victims served since 2011 to verify if the City gas expenses were warranted.

The auditor explained again to the Victim Advocate concerns with her driving the car home daily and that documentation regarding the vehicle mileage and tracking detailed services when providing direct victim services according to the Victim Service Coordinating Council (VSCC) Guidelines.

Therefore, due to the concerns surrounding the vehicle purchase and the continued issues encountered previously in getting accurate information, the SOVA auditor requested and received from the Chief of Police the City of Liberty's Victim Report for all police cases filed December 2011 through December 2014. Upon review of the reports, it appears the City of Liberty had a total of 2,438 victims during this time frame, of which 340 criminal cases were identified as possibly needing direct victim assistance.

*Discussion Cont.*

Although the Victim Advocate has maintained a daily mileage log for the vehicle use, documentation providing direct victim services for the 340 crime victims identified were not maintained. There is no way to identify direct services the Victim Advocate performed.

Therefore, the statistical reports reflect that during the past four years, the majority of the vehicle mileage was not used for providing direct victim services but for the Victim Advocate to commute back and forth from home to work and to yearly training events.

During the site visit on February 26, 2015, the City Treasurer, Chief of Police and Clerk of Court/Victim Advocate was provided technical assistance again on the proper usage of funds. The Victim Advocate is also required to maintain detailed Time and Activity forms to document the times she was called out to provide direct victim services. This was explained again by the auditor.

The City Treasurer, Police Chief and Clerk of Court /Victim Advocate were again informed by the auditor that the Victim Advocate should not drive the vehicle from work to home daily and that this was unallowable. The Victim Advocate was once again asked to complete the required 90 days of Time and Activity to be submitted on March 5, 2015. As a result of previous conversations, the auditor received a Time and Activity report beginning December 1, 2014 – February 28, 2015 on March 9, 2015 and determined the allowable percentage to be 9.4%.

Upon review of the Time and Activity report submitted by the Victim Advocate, it appears the Victim Advocate worked 48.8 hours providing direct services to crime victims from December 1, 2014 - February 28, 2015 timeframe. The Time and Activity report also showed that the vehicle beginning mileage was 31,005 and the ending mileage was 31,955. Therefore, the Victim Advocate drove the vehicle 950 miles in thirteen weeks. But the Time and Activity form shows that only approximately 25 miles was used for providing direct victim services.

*Discussion Cont.*

Therefore, based on this review, it was determined that effective December 1, 2014, the Victim Advocate's Time and Activity allowable percentage to be used for salary and any purchases related to the program is 9.4% per the 90 Day Time and Activity Percentage Calculation Worksheet completed by the auditor.

Although the Victim Advocate has maintained a daily mileage log for the vehicle usage, documentation providing direct victim services was not maintained to justify all vehicle gas expenses charged to the Victim Assistance Fund. Gasoline should have only been charged based on the Time and Activity percentage and when the vehicle was used by the Victim Advocate to provide direct victim services and travel to Victim Service Providers' approved training. Therefore, the City of Liberty is required to reimburse the Victim Assistance Fund \$2,622.78 for all unallowable gasoline purchases allocated to the fund from FY11-15.

Further details about the reimbursement will be provided in section C of this report. Also, noted is the fact that the gas purchased for the vehicle in the amount of \$431.78 associated with attending approved training conferences during the above timeframes was allowed at 100%.

Therefore, during the site visit, the auditor provided the City of Liberty with 4 options (outlined below) as it relates to corrective action regarding this matter.

According to the Official Kelley Blue Book (KBB) Pricing Report on June.4, 2015, the suggested fair market value price for a used 2011 Dodge Avenger sedan in good condition with mileage of 34,019 is \$12,185. The KBB price refers to the amount the City can expect to pay if they choose to purchase the vehicle and place the funds into the Victim Assistance Account.

The City's corrective options are:

1. The vehicle must remain parked on the grounds of the City's police department and used only when the victim advocate is providing direct victim services.

*Discussion Cont.*

At the end of each month Time and Activity reports with mileage attached must be submitted to SOVA and kept on file to support no other vehicle usage. If this option is chosen, the Victim Advocate allowable percentage is 9.4% (\$1,490.84). Therefore, the reimbursement amount of **\$14,369.16** (\$15,860.00 minus \$1,490.84) is required to be placed back into the Victim Assistance Account.

2. The City can purchase the 2011 Dodge Avenger at the fair market value of \$12,185 and reimburse the Victim Assistance Fund. This would allow the vehicle to then be used for departmental purposes other than providing direct victim services.
3. The City can auction the vehicle and provide documentation of who purchased the vehicle, the purchase amount, and that the funds were placed into the Victim Assistance Account. If the vehicle is auctioned, the City is encouraged to sale the vehicle as close to the fair market value of \$12,185 as they possible can.
4. The City can donate the vehicle to the Pickens County Victim Assistance program for providing direct victim services for the City of Liberty.

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**Recommendation(s)**  
**and comments**

**B-1**

**SOVA recommends the City choose and implement one of the corrective action options outlined above for the Victim Advocate vehicle. The options are to:**

- 1. The vehicle must remain parked on the grounds of the City's police department and used only when the victim advocate is providing direct victim services. At the end of each month Time and Activity reports with mileage attached must be submitted to SOVA and kept on file to support no other vehicle usage.**

Recommendation(s)  
and Comments Cont.

If this option is chosen, the Victim Advocate allowable percentage is 9.4% (\$1,490.84). Therefore, the reimbursement amount of \$14,369.16 (\$15,860.00 minus \$1,490.84) is required to be placed back into the Victim Assistance Account.

2. The City can purchase the 2011 Dodge Avenger at the fair market value of \$12,185 and reimburse the Victim Assistance Fund. This will allow the vehicle to then be used for departmental purposes other than providing direct victim services.
3. The City can auction the vehicle and provide documentation of who purchased the vehicle, the purchase amount, and that the funds were placed into the Victim Assistance Account. If the vehicle is auctioned, the City is encouraged to sale the vehicle as close to the fair market value of \$12,185 as they possible can.
4. The City can donate the vehicle to the Pickens County Victim Assistance program for providing direct victim services for the City of Liberty.

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

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**C. Victim Assistance Fund Expenditures****Objective**

Was the Victim Assistance Fines, Fees, and Assessment funds expended in accordance with State law?

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**Conclusion**

No, the Victim Assistance funds for the City of Liberty were not expended in accordance with State law.

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**Background**

City of Liberty Expenditure Ledger from July 01, 2011 to January 31, 2015

City of Liberty bank statements from January 1, 2011 to January 30, 2015

Section 14-1-208 (B) of the 1976 South Carolina Code of Laws.

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**Discussion**

Prior to conducting the February 25, 2015 site visit, the SOVA auditor requested copies of the City of Liberty's Victim Assistance Account ledger from July 01, 2011 through January 31, 2015, and 2011-2015 bank statements. These documents were reviewed and analyzed to ensure funds were expended in accordance with the State laws and regulations. Based on the auditor's review of the bank statements, it was found that the City has a separate bank account for the Victim Assistance Fund and uses a separate ledger account for the Victim Assistance Program expenditures. This is a good practice to maintain separate revenue and expenditure documentation in accordance with State laws and regulations.

After reviewing the expenditure reports and bank statements further, it was noted by the SOVA auditor that weekly gas purchases and multiple purchases using a bank debit card were charged to the Victim Assistance Fund which initiated additional questions about the advocate expenditures.



*Discussion Cont.*

Further questioning revealed the advocate possessed a bank debit card that was linked directly to the Victim Advocate bank account which is unallowable because it could open up the potential risk of encountering improper purchasing habits and lacked proper fund accountability. Also, this is not considered a best practice.

The auditor noted after a full review of the submitted documents there were multiple purchases that appeared to be questionable as outlined below related to debit card transactions, vehicle purchase and gas purchases.

**Debit Card**

During the review of the City of Liberty's expenditure report for FY11–FY15 and 2011-2015 bank statements, the auditor noted that the Victim Advocate had in her possession since May 7, 2007 a Visa debit card that she used for the Victim Assistance Fund (VAF) expenditures. However, after further review during the audit interview, it was noted that the City Treasurer was unaware of the Victim Advocate having the card. The auditor continued during the site visit to once again review all noted concerns associated with this process and lack of accountability.

After verifying the debit card transactions with the Victim Advocate, Chief of Police, City Treasurer and Mayor, the auditor discussed the negative implications of allowing the Victim Advocate to possess a debit visa card which was noted as not being a best practice because of the lack of accountability issues and the fact this was an unacceptable practice. Also, the debit card can give the appearance of possible fraud because there are no checks and balances in place for expenditure purchases.

The auditor then requested that the debit card be cancelled within 3 business days of the site visit. However, during the February 26, 2015 site visit, the Victim Advocate requested the auditor take possession of the card.

The auditor explained that this was not the proper process for canceling the card and that SOVA could not cancel or take possession of the card, but she would have to cancel it and follow up with SOVA afterwards with supporting documentation.

*Discussion Cont.*

The Victim Advocate cancelled the card and submitted documentation to SOVA on February 27, 2015 notating the cancellation.

On March 5, 2015 after reconciling the account ledger to the bank statements, an email was sent to the Victim Advocate and Chief of Police for additional supporting documentation on other questionable purchases.

Most of the requested documents were received, however on March 23, 2015, the City Clerk/ Treasurer stated the funds for the following transactions was transferred into the Victim Assistance Fund but documentation to support the transfer of the items were not received during the preparation of this audit. Therefore, these funds will be required to be reimbursed back into the Victim Assistant account since there is no supporting documentation.

- Funds for the April 18, 2014 purchase for a Walmart cell phone for a victim in the amount of **\$53.87**.
- Funds for the June 11, 2014 miscellaneous purchase from 7638 Beach Cove Resort, Myrtle Beach, SC in the amount of **\$166.50**.

The City Clerk/Treasurer also stated there were 2 receipts or back-up documentation that she was unable to locate:

- On March 13, 2012 a purchase in the amount of **\$66.55**.
- On August 17, 2012 a purchase in the amount of **\$200.00**.

The City Clerk/Treasurer stated that she could not locate the required information because she was not the Treasurer at that time and receipts from those years were packed away and stored off site from City Hall. Subsequently, the additional documentation stored offsite was never submitted to SOVA during the preparation of this audit.

*Discussion Cont.*

The City Treasurer was advised by telephone that the City will be required to reimburse the Victim Assistance Fund for expenditures that were improperly charged and /or not adequately supported by supporting source documentation.

Regarding the debit card issue, the unallowable debit card expenditures are to be reimbursed to the Victim Assistance Fund due to lack of supporting documentation in the amount of **\$323.56** and are outlined below:

- On October 19, 2011, **\$246.29** was transferred from the Victim Assistance Fund (VAF) to the General Fund (GF) but the City Clerk was unable to locate receipts or justification for the transfer.
- On March 14, 2013, the City was reimbursed **\$47.84** for gas purchased for a 2004 Canyon vehicle on January 16, 2013. The Victim Advocate stated that she had to drive the City's vehicle because of repairs made to her vehicle. The SOVA auditor requested the car repair bill for documentation but did not receive this document during the preparation of the audit.
- On March 14, 2013, the City was reimbursed **\$29.43** for gas purchased for a 2004 Trailblazer vehicle on January 29, 2013.

The Victim Advocate stated that she had to drive the City's vehicle because of repairs made to her vehicle. This is also a second vehicle the Victim Advocate has noted she had to drive due to her Victim Advocate vehicle being repaired. The SOVA auditor requested the car repair bill for documentation but did not receive this document during the preparation of the audit.

The SOVA auditor made several phone calls to the City Clerk/ Treasurer while preparing this report inquiring if additional supporting documentation was located for the unallowable debit card purchases. However, the City Clerk/ Treasurer did not return the calls.

*Discussion Cont.*

On April 16, 2015, the Chief of Police was contacted by the auditor and was informed that if the missing supporting documentation was not provided, the Victim Assistance fund would be required to be reimbursed **\$323.56** for these purchases. Therefore, if the City fails to submit the supporting documents, the City is required to reimburse the Victim Assistance fund as outlined in this report.

**Gas Purchases**

Although the Victim Advocate has maintained a daily mileage log for the vehicle usage, documentation providing direct victim services was not maintained to justify having 100 % of gas expenses charged to the Victim Assistance Fund.

Prior to the site visit and during the initial site visit, the SOVA auditor provided technical assistance to the Police Chief and Victim Advocate on the approved guidelines for allowable expenditures to ensure they are aware of the proper usage of funds. This included but was not limited to a detailed review of the use of the Time and Activity reports with mileage log documentation for the vehicle usage provided by the Victim Advocate/Clerk of Court. The Time and Activity reports were initially completed incorrectly.

The SOVA auditor requested that the City of Liberty revise and resubmit 90 days of Victim Advocate Time and Activity forms from December 1, 2014 through February 28, 2015 to use in determining the percentage of time the Victim Advocate provided direct victim services.

Again, SOVA recommended numerous times as noted in this audit report and budget file that the Victim Advocate only drive the vehicle when providing direct victim services and not drive the vehicle back and forth from work to home daily. However, per the mileage logs, it appears that since 2011 the Victim Advocate continued to drive approximately 22 miles from home to work round trip daily after having been instructed not to do so.

*Discussion Cont.*

SOVA received Time and Activity forms on March 9, 2015 and upon review of the submitted documents, the Victim Advocate Time and Activity allowable percentage to be used effective December 1, 2014 for salaries and any purchases related to the program but not exclusively used to provide direct services to crime victims is 9.4%. As a result, the City is allowed 9.4% of the gas purchases charged and the difference is required to be reimbursed into the Victim Assistance Fund.

However, any gas purchases with sufficient documentation showing direct service to crime victims was allowed and any approved training attended can also be paid from the fund at 100%. Therefore, gas purchased for attending the approved training conferences in the amount of \$431.78 will be allowed at 100%. The total approved amount of gas purchased and charged to the Victim Assistance Fund was \$2,894.90.

Therefore, based on the 9.4% Victim Advocate's allowed percentage for purchases, \$272.12 is allowable and **\$2,622.78** is required to be reimbursed into the Victim Assistance Fund for unallowable gas purchases.

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**Recommendation(s)**  
**and Comments**

**The City of Liberty is required to submit the following documentation as outlined below:**

**C-1** It is recommended the City submit reimbursement documentation in the amount of **\$220.37** for purchases improperly charged to the Victim Assistance account. If it is not submitted, **\$220.37** is required to be reimbursed into the Victim Assistance account.

**C-2** It is recommended the City submit reimbursement documentation in the amount of **\$266.55** for purchases improperly charged and/ or not adequately supported by source documentation to the Victim Assistance account. If it is not submitted, the City is required to reimburse **\$266.55** to the Victim Assistance account.

Recommendation(s)  
and Comments Cont.

**C-3**

**It is recommended the City submit reimbursement documentation for \$323.56 for purchases improperly charged and/ or not adequately supported by source documentation. If it is not submitted, \$323.56 is required to be reimbursed into the Victim Assistance account.**

**C-4**

**It is recommended the City reimburse the Victim Assistance account in the amount of \$2,622.78 for debit card/gas purchases and must submit reimbursement documentation for the unallowable victim assistance expenditures.**

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

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**D. Technical Assistance****Documentation Provided**

During the site visit the auditor explained and provided copies of the following documents and procedures as well as provided technical assistance and support:

1. Copy of the Legislative Proviso 117.51
2. Copy of the Legislative Proviso 98.9
3. Copy of a Sample Budget
4. Sample Staff Hired Report
5. Sample Time and Activity Report
6. Sample Expenditure Report
7. Victim Advocate Procedural Manual
8. Copy of 2013 Approved Guidelines
9. Job Descriptions Update
10. SOVA Toolkit
11. Victim Service Contract
12. Technical Assistance

**Other Matters**

There are no other matters.

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## Corrective Action

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*Proviso 117.51 states:*

*“If the State Office of Victim Assistance 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 State Office of Victims Assistance. 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 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 nonprofit 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 nonprofit 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 nonprofit organization’s subsequent fiscal year appropriation.”*

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**The City of Liberty was informed at the site visit conclusion that there appeared to have been some errors as noted in this report. The findings were reviewed with the City Mayor, City Clerk/Victim Advocate and Chief of Police. They were advised that this Programmatic Review will warrant the need for further discussion with management and unless otherwise noted, the 90 day window to correct all errors will begin 5 business days following the completion date noted on this final report.**

**The SOVA initial site visit was completed on February 25, 2015 and issued on September 2, 2015.**

**In November 2015, the auditor will schedule to meet with applicable departments in the City of Liberty for the SOVA 90 day Follow-up Review of errors found in this report.**



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# Official Post-Audit Response

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**The County/City has 5 business days from the date listed on the front of this report to provide a written response to the SOVA Director:**

**Larry Barker, Ph.D.  
1205 Pendleton St., Room 401  
Columbia, SC 29201**

**At the end of the five day response period, this report and all post-audit responses (located in the Appendix) will become public information on the State Office of Victim Assistance (SOVA) website:**

**[www.sova.sc.gov](http://www.sova.sc.gov)**



THE SOUTH CAROLINA  
DEPARTMENT of ADMINISTRATION

Nikki R. Haley, Governor  
Marcia S. Adams, Executive Director

STATE OFFICE of VICTIM  
ASSISTANCE

Larry Barker, Ph.D., Director  
State Office of Victim Assistance  
1205 Pendleton Street, Suite 401  
Columbia, SC 29201  
803.734.1900  
803.734.1708 fax

Programmatic Review Completed by:

Robin Eddy  
Robin Eddy, SOVA Auditor

9/2/2015  
Date

Reviewed by:

Richelle A. Copeland  
Richelle A. Copeland (CGAF), Sr. Auditor

9/2/2015  
Date

Ethel Douglas Ford  
Ethel Douglas Ford, CPM, SOVA Deputy Director

9/2/15  
Date

Larry Barker  
Larry Barker, Ph.D. SOVA Director

9/2/15  
Date

