

July 15, 2015

Mayor Marilyn McCormick
Town of Springfield
1505 Georgia Street
Springfield, SC, 29146


Dear Mayor McCormick:

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 Town of Springfield'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 under the SOVA auditing tab.

Should you have any further questions or concerns, please feel free to contact me or Mr. Andrew Walsh at (803)734-7108.

Sincerely,


Larry Barker, Ph.D.
Director

cc: Chief Terry Logan
Susie Dyches





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

July 15, 2015

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

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Acronyms:
FFA – Fines, Fees, and Assessment
SOVA – State Office of Victim Assistance
STRRF – State Treasurer’s Revenue Remittance Form
VSP – Victim Service Provider

Introduction and Laws

PREFACE

This programmatic review and financial audit was initiated in response to an anonymous complaint regarding expenditures for the Town of Springfield's Victim Assistance Fines, Fees and Assessment Fund. After the complaint investigation, it was decided that a programmatic review and financial audit was warranted. On March 11, 2015, the Director of SOVA issued a letter to the Mayor and Police Chief to inform them of the Town of Springfield's Victim Assistance Fund audit. The audit was conducted on April 15, 2015.

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 noncompliant 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 noncompliance 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,

Proviso 98.9 (cont.)

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.

- **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.

AUDIT OBJECTIVES

The SC State Legislative Proviso 117.51 mandates the State Office Victim Assistance 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.

Audit Objectives were;

- To determine if the Town of Springfield maintained accountability of revenue and expenditures for the Victim Assistance fund in accordance with State laws and regulations.
- To determine if services were provided by the Town of Springfield to crime victims in accordance with State laws and regulations.
- To determine if the Town of Springfield fulfilled the reporting requirements for the Victim Assistance fund as they relate to State laws and regulations

RESULTS IN BRIEF

Victim Assistance Program Revenue & Expenses

Did the Town maintain accountability of revenue and expenditures for the Victim Assistance fund in accordance with State laws and regulations?

No, the Town did not maintain accountability of revenue and expenditures for the Victim Assistance fund in accordance with State laws and regulations. The Town has made multiple unallowable expenditures over a period of five years and currently is required to reimburse \$29,876.73 to the fund for these unallowable expenditures.

Victim Assistance Program Operation

Did the Town provide services to crime victims in accordance with State laws and regulations?

Yes, the Town did provide services to crime victims in accordance with State laws and regulations. During the preparation of the audit report, the Chief became a certified victim service provider after attending Victim's Rights Week in April, 2015. Also during the preparation of this audit report, the Town provided written policies and procedures for the victim assistance program and a written job description for the victim advocate position. These documents were distributed to all relevant personnel. Therefore, this objective has been satisfied.

Victim Assistance Program Reporting

Did the Town fulfill the reporting requirements for the Victim Assistance fund as they relate to State laws and regulations?

No, the Town did not fulfill the reporting requirements for the Victim Assistance fund as they relate to State laws and regulations. The Town has not submitted the required monthly State Treasurer's Revenue Remittance Forms since August 2012. In addition the Town does not have a system in place to track victim services provided by the Town.

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

A. Town of Springfield Victim Assistance Program Revenue and Expenses

Objective Did the Town maintain accountability of revenue and expenditures for the Victim Assistance fund in accordance with State laws and regulations?

Conclusion No, the Town did not maintain accountability of revenue and expenditures for the Victim Assistance fund in accordance with State laws and regulations. The Town has made multiple unallowable expenditures over a period of five years and currently is required to reimburse \$29,876.73 to the fund for these unallowable expenditures.

Background SC Code of Law Title 14, Chapter 1, Section 208 (D)

South Carolina Victim Service Coordinating Council Approved Guidelines for Expenditures of Monies Collected for Crime Victim Service in Municipalities and Counties.

Discussion Based on results of an anonymous complaint received by SOVA and after inspecting the documents requested and received, it was determined that there were sufficient grounds for SOVA to initiate a programmatic review and financial audit of the Town of Springfield's Victim Assistance Program.

Prior to the audit site visit, SOVA requested the following documents regarding the Town of Springfield's Victim Assistance Program revenue and expenditures:

1. Victim Assistance fund Bank Statements for January 2010 through March 2015
2. Victim Assistance fund Expenditure Reports for January 2010 through March 2015
3. Victim Assistance fund Check Register for January 2010 through March 2015
4. Written procedures for requesting funds from the Victim Assistance Account
5. Written internal controls for Victim Assistance Account

Discussion Cont.

The Victim Assistance fund bank statements, expenditure reports and check register from above list were received prior to the audit site visit. However, written procedures for requesting funds from the Victim Assistance account and written internal controls for the Victim Assistance account were received while preparing this audit report.

**Victim Assistance Program
Revenue**

The Town did have a separate bank account for the Victim Assistance fund, but did not have a separate budget for the Victim Assistance program. The SOVA Auditor informed the Town Mayor, Chief and Clerk/Treasurer that the Town is required to have a distinct budget for the victim assistance program even if it is very basic. In addition, technical assistance was provided on Proviso 117.51 to include a detailed explanation of what the Victim Assistance budget should include: the Carryforward Amount from the previous year, Expected Revenue, Training Expenses, Victim Notification Form Expenses (These are currently the only allowable expenditures from the fund because there was not a Certified Victim Service Provider (VSP) for the Town from December, 2011 through April, 2015) and the budgeted Victim Assistance fund ending balance.

Also during the audit interviews, the SOVA Auditor provided technical assistance to the Chief, Clerk/Treasurer and Mayor regarding the Victim Services Contract and Donation Form. The Auditor discussed a possible contract between the Town and the County. This was explained to the Chief and Mayor and that the Town could make its own terms for the contract and monitor effectiveness on an ongoing basis through monthly, quarterly and yearly reports which are required to be provided by the County. The Town is required to re-evaluate the contract annually to determine whether to extend an additional year, change any current terms or cancel the contract. At first the Chief was reluctant to enter into a contract between the Town and the County. However, by the end of the site visit interview, the Chief favored entering into a contract with the County as soon as possible.

The SOVA Auditor explained the Town could not enter into a contract with the County until the Victim Assistance fund was brought into compliance with State laws and regulations.

*Victim Assistance Program
Revenue Cont.*

The Chief was asked if he was aware of the current balance of the Victim Assistance fund. He stated that he received the reports each month at the Council Meeting; however, he did not pay close attention to the fund and its ongoing balance on a daily basis.

**Victim Assistance Program
Expenditures:**

During the onsite interviews conducted April 15, 2015 with the Chief, Clerk/Treasurer and Mayor, they were asked to explain the procedures for requesting funds from the Victim Assistance account. They all agreed that the procedures used by the Town were as outlined below:

- The Chief acting in the capacity of Victim Advocate presents a written request to the Mayor
- The Mayor gives the request to the Clerk/Treasurer
- The Clerk/Treasurer prints the check
- The Mayor and the Clerk/Treasurer both sign the check

However, these procedures were not in writing at the time of the site visit. Therefore, the Auditor requested the Police Chief and Clerk/Treasurer create written policies and procedures for requesting funds and distributing them to all relevant personnel. Technical assistance was given and the Town was referred to the Approved Guidelines to ascertain if an expense was allowable. The written policies & procedures were received by the Auditor from the Clerk/Treasurer during the course of preparing this audit report.

During the onsite interview, the Chief discussed a project of renovating a house in Springfield and converting it into a shelter using victim assistance funds. The Auditor explained to the Chief and the Mayor that it would be an unallowable expenditure and no victim assistance funds should be allocated to the project because it would be a better option to provide a donation to an existing shelter. Also, they would be required to have a Shelter Coordinator on staff and neither of them would be able to perform this duty. It appears from reviewing all documents, no victim assistance funds have been expended to date on this project.

*Victim Assistance Program
Expenditures Cont.*

The Chief, Clerk/Treasurer and Mayor were each asked during their interviews if they thought the expenditures made by the Town were in compliance with the South Carolina Victim Service Coordinating Council Approved Guidelines. All agreed that at least some of the expenditures were not in compliance.

Therefore, technical assistance was provided and a detailed overview was given on the South Carolina Victim Service Coordinating Council Approved Guidelines for Expenditures of Monies Collected for Crime Victim Service in Municipalities and Counties. Following the in depth review, the Auditor went through the Victim Assistance fund check register of expenditures for the period of January 2010 through March 2015 with the Chief, Clerk/Treasurer and Mayor.

After examining the documents, answers to questions asked during the onsite interviews and discussions with the SOVA audit team and management, it was established that the majority of the these expenditures did not comply with SC Code of Law Title 14, Chapter 1, Section 208 (D) and were therefore unallowable.

The following 16 unallowable expenditures were recorded on the Victim Assistance fund check register:

LawTrak System

Expenditure 1: The Town signed a contract with Nicholson Business Systems to pay a down payment of **\$4,500.00** and 36 monthly payments of **\$416.67** for the system. The total cost of the **LawTrak System** was established by the Clerk/Treasurer as **\$15,000** after contacting Nicholson Business Systems. On October 6, 2010, the Town paid the first payment of **\$4,916.67**. The SOVA Auditor contacted Nicholson Business Systems on April 30, 2015 and established that the Victim Assistance module would cost 15% of the total. Therefore, **\$2,250.00** (15,000 x 0.15) would be the only allowable portion of this expenditure. The remaining **\$2,666.67** must be reimbursed to the Victim Assistance fund.

Laptop Computer

Expenditure 2: It was established that **\$3,915.34** for the **Laptop Computer** purchased was for a 'Toughbook' laptop which was still being used by police officers in a patrol car on the date of the audit site visit.

Laptop Computer Cont.

This laptop has never been used exclusively by the victim advocate. Therefore it is not an allowable expense and **\$3,915.34** must be reimbursed to the Victim Assistance fund.

Automobile Purchases

Car #1

Expenditure 3: A **2006 Ford Crown Victoria** was purchased for the Victim Advocate for **\$3,470.00**. It was established to be an unallowable expense because there was no justification for the purchase of a car for the victim advocate due to the small number of victims that the Town serves (an average of 4-5 victims per year according to the Chief). The car continues to be used by the Town as the Chief's patrol car. Therefore, it was determined by the Auditor, after discussion with management that the Town would be required to reimburse the Victim Assistance fund for the current fair market value of the car. According to Kelly Blue Book, the fair market value was found to be **\$1,700**.

Expenditures 4 & 5: The **\$134.46** paid for insurance and the **\$795.70** for new tires were determined to be a part of the purchase price of the car. However, due to the fact that Time & Activity sheets were not completed by the Town and that there was no documentation maintained to determine the actual percentage of time that the car was used for victim services, it was deemed that 50% of these expenditures would be allowable. Therefore, **\$465.08** (**\$67.23** + **\$397.85**) would be the allowable cost. The remaining balance of **\$465.08** would be required to be reimbursed to the Victim Assistance fund.

Car# 2

Expenditure 6: The **\$2,735** expended to upgrade the Victim advocate vehicle from the **2006 Ford Crown Victoria** to a **2007 Chevrolet Impala** was determined to be an unallowable expenditure. It was established during the interviews that the car was sold by the Town for **\$2,700.00** in February, 2015. Therefore, the amount of this sale would be required to be reimbursed to the Victim Assistance fund.

Expenditures 7 & 8: The **\$55.89** for insurance and the **\$110.16** for a new tire for the Chevrolet Impala were determined to be a part of the purchase price of the car.

Automobile Purchases Cont.

Car #2

However, due to the fact that Time & Activity sheets were not completed by the Town and there was no documentation maintained to determine the actual percentage of time the car was used for victim services, it was deemed that 50% of these expenditures would be allowable. Therefore, **\$27.95** ($55.89 \div 2$) and **\$55.08** ($110.16 \div 2$) of the expenditures were allowable. The remaining balance of **\$83.02** is required to be reimbursed to the Victim Assistance fund.

Car# 3

Expenditure 9: The **\$2,630** used to replace the **2007 Chevrolet Impala** with a **2003 Ford Crown Victoria** was not an allowable expenditure. The 2003 Crown Victoria continues to be used by the Town as a police patrol car. Therefore, it was determined by the SOVA Auditor after discussion with management that the Town would be required to reimburse the Victim Assistance fund for the current fair market value of the car. According to Kelly Blue Book, the fair market value was found to be **\$2,600**.

Police Accessories
Purchased for
Automobiles

Expenditures 10, 11 & 12: The **\$2,297.29** for a radar system, **\$2,904.27** to install police lights and the **\$265.70** to install a camera on the **2006 Ford Crown Victoria** were not allowable expenditures and are required to be reimbursed to the fund.

Expenditure 13: The **\$2,308.54** to install police lights on the **2007 Chevrolet Impala** was not an allowable expenditure and is required to be reimbursed to the fund.

Loans to Town from
Victim Assistance Fund

Expenditures 14 & 15: The **\$8,500** and the **\$6,970.82** transferred from the Victim Assistance fund to the Town's General fund were not allowable expenditures and are required to be reimbursed to the fund. The Mayor and Clerk/Treasurer were informed and an in depth explanation provided as to why this is not a best practice and that it is not an acceptable practice to use the Victim Assistance fund to make loans to the Town. However, the **\$8,500** was reimbursed to the fund on February 26, 2015 prior to the SOVA audit site visit. The Mayor and the Clerk/Treasurer were advised not to continue this practice regarding the future Victim Assistance funds.

Victims of House Fire

Expenditure 16: The \$1,000 expenditure which was for a check written to a local family that lost everything in a house fire was established to be an unallowable expenditure. The family's loss while tragic does not constitute an allowable expenditure as: a) there was no crime involved; b) even if there was a crime and the victims were involved, it is still unallowable to give money from the fund to the victims of a crime.

Summary of Unallowable Expenditures

	Item	Allowable Amount	Unallowable Amount
1	LawTrak Software	\$2,250.00	\$2,666.67
2	Laptop Computer		\$3,915.34
3	2006 Ford Crown Victoria		\$1,700.00
4	Insurance for 2006 Ford Crown Victoria	\$67.23	\$67.23
5	New Tires for 2006 Ford Crown Victoria	\$397.85	\$397.85
6	2007 Chevrolet Impala		\$2,700.00
7	Insurance for 2007 Chevrolet Impala	\$27.95	\$27.94
8	New Tire for 2007 Chevrolet Impala	\$55.08	\$55.08
9	2003 Ford Crown Victoria		\$2,600.00
10	Police Lights for 2006 Ford Crown Victoria		\$2,904.27
11	Police Camera for 2006 Ford Crown Victoria		\$265.70
12	Police Radar Unit for 2006 Ford Crown Victoria		\$2,297.29
13	Police Lights for 2007 Chevrolet Impala		\$2,308.54
14	Town took loan from VA fund		\$8,500.00
15	Town took loan from VA fund		\$6,970.82
16	Given to family who lost all in house fire		\$1,000.00
		\$ 2,798.11	\$38,376.73

Victims of House Fire Cont.

As the above unallowable expenditures were reviewed and discussed during the onsite interviews, the Chief took full responsibility for advising the Mayor to make all of the unallowable expenditures concerning the computer and cars for the Victim Assistance Program from the fund. It appears the expenditures were all made with good intentions; however, with a lack of knowledge. The Chief was advised that should a questionable expenditure arise in the future, he should contact the SOVA auditing team for assistance. He agreed to do so after receiving technical assistance from the Auditor.

After evaluating all allowable and unallowable expenditures outlined above and subtracting the **\$8,500** that was reimbursed to the fund in February, 2015, the total amount the Town must reimburse to the Victim Assistance fund is calculated as **\$29,876.73**. The Town of Springfield was advised to formulate and implement a plan of action to reimburse the total of **\$29,876.73** for unallowable expenditures into the Victim Assistance fund within 90 days of the date of issuance of the audit report.

(Please refer to Recommendation A-1 below)

Recommendation(s)
and Comments

A-1

The State Office of Victim Assistance recommends that the Town of Springfield formulate and implement a plan of action to reimburse the total of **\$29,876.73** for unallowable expenditures into the Victim Assistance fund within 90 days of the date of issuance of the audit report.

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

B. Town of Springfield Victim Assistance Program Operation

Objective Did the Town of Springfield provide services to crime victims in accordance with State laws and regulations?

Conclusion Yes, the Town of Springfield did provide services to crime victims in accordance with State laws and regulations. During the preparation of the audit report, the Chief did attend Victim's Rights Week in April, 2015 and became a Certified Victim Service Provider (VSP). In addition, the Town provided copies of written policies and procedures for the victim assistance program, a written job description of the Victim Advocate's position and confirmation that this information has been distributed to all relevant personnel.

Background SC Code of Law Title 16, Chapter 3; Section 1620 (D)

Discussion Based on results of an anonymous complaint received by SOVA and after inspecting the documents requested and received it was determined that there were sufficient grounds for SOVA to initiate a programmatic review and financial audit of the Town's Victim Assistance Program.

The Auditor requested the following documents regarding the operation of the Town of Springfield's Victim Assistance Program prior to the audit site visit:

1. Copy of Victim Assistance Brochures
2. Written Policies and Procedures for Victim Assistance Program
3. Written Job Description for the Victim Advocate position

During site visit interviews, the Chief stated that the Town does not have its own brochures. He explained that Springfield works with other agencies in the County and uses their brochures, as there are such a small number of victims served each year and for any major issues he would coordinate with the County Victim Advocates.

Discussion Cont.

As stated in this report, since 2010 there has been no victims who have filed for crime victim's compensation in the Town. Copies of these brochures were provided to the Auditor and reviewed. Also, the SOVA auditor provided technical assistance to the Chief, Clerk/Treasurer and Mayor, on the importance of written policies and procedures for the victim services program and having a detailed job description for the Victim Advocate's position on file. The Chief was tasked at the end of the interview process with creating written policies and procedures for the Victim Assistance Program and a written job description for the Victim Advocate position. He was further tasked with distributing these documents to all relevant personnel. Copies of these documents were provided to the SOVA auditor and reviewed while preparing this audit report.

It appears the Chief has provided all victim services for the Town from December 2011 to the date of issue on this audit report. During this time, he has provided services to include but not limited to: informing victims of their rights, ensuring they receive a victim impact statement, explaining the victim notification form, conducting follow up with victims, notifying victims of bond hearings or court proceedings, accompanying or representing victims in court, and informing victims of the crime victims' compensation process. However, the Chief does not recall any victim having to complete any compensation claims since he began working at the Town in 2010.

It was also established during the site interviews that the salary for the Victim Advocate position has never been paid from the Victim Assistance account. The Mayor, Chief and Clerk/Treasurer stated that as far back as they could remember, any salary for the Victim Advocate position has always been paid out of the Town's General Fund. The Auditor provided technical assistance to the Chief, Clerk/Treasurer and Mayor on the Time and Activity sheet process which could allow a portion of the victim advocate salary to be paid from the victim assistance fund. The Auditor stressed the Chief could only complete this process once he became a Certified Victim Service Provider (VSP), and also explained that given the small number of victims that the Town serves, the percentage that could be paid out of the Victim Assistance fund would most likely be small.

Discussion Cont.

Therefore, it may not be productive for him to go through the 90 day Time and Activity process. The Chief stated in the interview that the Town only has on average 4 to 5 crime victims per year. While preparing for the audit site visit, the SOVA auditor recommended to the Chief that he register for the Victim's Rights Week Conference to complete his Victim Service Provider's initial certification.

At the time of the site visit, the Town did not have a Certified Victim Advocate. However, the Chief of Police did function as Victim Advocate and provided victim services as needed. Nevertheless, he was not a Certified Victim Service Provider. The Chief stated that he was in contact with other agencies' and their victim service providers; however, none had stressed to him the necessity of becoming certified as a Victim Service Provider, both from a legal standpoint and from the services perspective. The Auditor provided technical assistance to the Chief, Clerk/Treasurer and Mayor on SC Code of Law Title 16, Chapter 3; Section 1620 (D) and the VSP certification memo issued to service providers July 29, 2013. The Auditor emphasized the importance of the Chief as a victim Advocate, becoming and remaining a Certified Victim Service Provider.

The Mayor inquired during the site visit interviews if another officer could be trained to be the Victim Advocate. The Auditor explained that while the Chief was the Victim Advocate and had been through VSP training, there was no justification for any other officer to be trained as a second Victim Advocate since the numbers of crime victims per year are so minimal.

Recommendation(s)
and Comments

There are no further recommendations.

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

C. Town of Springfield Victim Assistance Program Reporting

Objective Did the Town of Springfield fulfill the reporting requirements for the Victim Assistance fund as they relate to State laws and regulations?

Conclusion No, the Town of Springfield did not fulfill the reporting requirements for the Victim Assistance fund as they relate to State laws and regulations. The Town has not submitted the required monthly State Treasurer’s Revenue Remittance Forms (STRRF) since August 2012. In addition the Town does not have a system in place to track victim services provided by the Town.

Background SC Code of Law Title 14, Chapter 1; Section 208 (B)
SC Code of Law Title 14, Chapter 1; Section 208 (E)

Discussion Based on results of an anonymous complaint received by SOVA and after inspecting the documents requested and received, it was determined that there were sufficient grounds for SOVA to initiate a programmatic review and financial audit of the Town’s Victim Assistance Program.

As a part of the Complaint and Audit Review process SOVA evaluated the Town’s financial and programmatic reporting requirements as required by State laws and regulations. Additionally, SOVA requested the following documents regarding the Town of Springfield’s Victim Assistance Program reporting requirements and on the pre-requested audit document list prior to the audit site visit:

1. Written Policies & Procedures for the State Treasurer’s Revenue Remittance Form Submission
2. State Treasurer’s Revenue Remittance Forms January 2010 to March 2015
3. State Treasurer’s Court Fines Payment Receipts January 2014 to March 2015

Discussion Cont.

4. Last Five SOVA Budget Submissions
5. Supplemental Schedules from Annual Town Audits FY10 through FY14
6. Victim Services Statistical Report January 2010 to March 2015

Prior to the audit site visit, SOVA received the FY10 to FY13 State Treasurer's Revenue Remittance Forms and the Supplemental Schedules from the annual Town audits, and the Town's last five SOVA budget submissions. The annual audit for FY14 has not been completed as of June 16, 2015 according to Clerk/Treasurer and Mayor.

State Treasurer's Revenue Remittance Forms

During the onsite interviews, it was established that the Town had not submitted the State Treasurer's Revenue Remittance Forms and the corresponding revenue in compliance of SC Code of Law Title 14, Chapter 1; Section 208 (B) since August 2012. The Clerk/Treasurer and Mayor were asked to explain why there were no records of deposits in the Victim Assistance account of retained funds from the State Treasurer's Revenue Remittance Forms from February 2013 to current. The Clerk/Treasurer and Mayor stated that the Town had not deposited funds since February 2013, or submitted the State Treasurer's Revenue Remittance Forms since August 2012 due to the Town's cash flow concerns and inability to collect enough funds to cover the operating expense of the Town. The Mayor explained that funds were needed to cover the monthly operating cost and subsequently all available funds collected were utilized for this purpose. The Town did not generally have funds available after paying monthly operating expenditures, but paid the STRRF's when funds were available. The Mayor added that one contributing cause for the cash flow concern was that the Municipal Judge was not following State laws and court administration guidelines as it related to court rulings and fines. The Auditor explained via technical assistance that utilizing these funds in this manner was not allowed and not considered a best practice.

The SOVA Auditor was informed by the Clerk/Treasurer and Mayor that because the Town is behind in remittance, the State Treasurer's Office was withholding 25% of the Town's State Allocations as required by Proviso 98.9.

*State Treasurer's Revenue
Remittance Forms Cont.*

At the conclusion of the site visit, the Clerk/Treasurer was tasked with finding the total amount of funds the Town owed to the State Treasurer's Office, and the corresponding amount owed by the Town to the Victim Assistance fund. This task was completed during the preparation of this audit report. The Town reported owing the State Treasurer's Office **\$74,619.14** from overdue STRRF's as of March 2015. The SOVA Auditor recommended that the Mayor contact the State Treasurer's Office to inquire about available options for paying the outstanding amount owed from the un-submitted STRRFs. Additionally, it appears the total owed to the Victim Assistance fund for the un-deposited monthly retained amounts from February 2013 to present was **\$8,423.78** as of March 2015.

The SOVA Auditor requested the Town Mayor formulate and implement a plan of action to submit the outstanding STRRF's and pay the **\$74,619.14** owed to the State Treasurer's Office. The Auditor further requested that the Town formulate and implement a plan of action to reimburse the Victim Assistance fund for the **\$8,423.78** owed for the retained amounts of the outstanding STRRFs from February 2013 to present, within 12 months of the date of issue of the audit report.

The Clerk/Treasurer stated during site interview that the Town's policies and procedures for submitting the STRRFs were not currently in written form. Therefore, the Auditor recommended the Clerk/Treasurer formulate the policies in writing and distribute to all relevant personnel. The Clerk/Treasurer supplied copies of the policies while preparing this audit report, but they did not contain all required information. Therefore, the Auditor requested that they be revised to include timeframes and be reformatted. The revised copies were received while preparing the audit report and appear to have incorporated all the changes.

(Please refer to Recommendation C-1 & C-2 below)

Annual Financial Audit

It was established that the Town had submitted annual audits to the State Treasurer's Office each year per SC Code of Law Title 14, Chapter 1; Section 208 (E).

*Annual Financial
Audit Cont.*

However, it was noted by the SOVA Auditor after examination of documents prior to the site visit that the supplemental schedules received were completed incorrectly by the Town's accountants. The supplemental schedules completed for FY11, FY12 and FY13 did not include any notation of expenditures made from the Victim Assistance fund during each financial year. However, the Town's expenditure reports clearly showed that there were expenditures noted each year.

The SOVA Auditor requested the Clerk/Treasurer and Mayor contact the Town's Auditors to advise them of the errors noted in this report, to ensure that the FY14 Supplemental Schedule for the Town's Annual Financial Audit (audit not completed as of June 16, 2015) is completed correctly and that they submit the FY14 Supplemental Schedule to SOVA during the 90 Day Follow-up audit.

(Please refer to Recommendation C-3 below)

Victim Statistical Report

The Town did not have a system in place to properly track direct victim support services. However, the Chief or attending officer did start the process of maintaining files on each individual victim that the Town's program serves. The Auditor provided technical assistance to the Chief on the SOVA sample statistical report and its importance.

The Auditor requested that the Chief produce a statistical report for the Springfield Victim Assistance Program for the period of January 2010 through to present. The Chief stated that he would work with LawTrak to produce the requested five year statistical report. The Chief did send a report, but it did not contain all the necessary information. Therefore, the SOVA Auditor asked the Chief to revise the report and resubmit to SOVA during the SOVA 90 Day Follow-up audit.

The Town has consistently submitted the documents requested annually by SOVA and all documents requested during the complaint and audit process. However, some of the information submitted was requested again in more detail or with proper documentation.

(Please refer to Recommendation C-4 below)

Recommendation(s) and Comments

- C-1 The State Office of Victim Assistance recommends that the Town of Springfield formulate and implement a plan of action to submit the outstanding State Treasurer's Revenue Remittance Forms and to pay the State Treasurer's Office the outstanding monthly amounts owed totaling **\$74,619.14** as of the date of the audit site visit.
- C-2 The State Office of Victim Assistance recommends that the Town of Springfield formulate and implement a plan of action to deposit the outstanding monthly retained amounts, totaling **\$8,423.78**, as of the date of the audit site visit from the State Treasurer's Revenue Remittance Forms, into the Town's Victim Assistance fund within 12 months of the date of issue of the audit report. The Town will be required to submit deposit slips showing each monthly deposit into the Victim Assistance account to SOVA during this 12 month period for each reimbursement so the Auditor can track the total reimbursed. Failure to do so could result in a penalty of **\$1,500** per Proviso 117.51. The first payment to the Victim Assistance account is due August 14, 2015, with the supporting documentation being submitted to SOVA by August 21, 2015.
- C-3 The State Office of Victim Assistance recommends that the Clerk/Treasurer and Mayor contact the Town's Auditors to advise them of the errors noted in this report to ensure that the FY14 Supplemental Schedule for the Town's Annual Financial Audit (not yet completed for FY14 as of June 16, 2015) is completed correctly. SOVA also recommends the Clerk/Treasurer submit the FY14 Supplemental Schedule to SOVA during the 90 Day Follow-up audit.
- C-4 The State Office of Victim Assistance recommends that the Chief produce a statistical report for the Springfield Victim Assistance Program for the period of January 2010 through present. This report is to be submitted to SOVA during the 90 Day Follow-up audit.
-

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

D. Technical Assistance

Documentation Provided

During our site visit we explained and provided the following documents:

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

Other Matters

There are no other matters.

Corrective Action

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 noncompliance 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.”

The Town of Springfield 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 Chief, Mayor and Clerk/Treasurer. They were advised that this Programmatic Review will warrant the need for further review by 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.

This audit was completed on April 15, 2015.

The Auditor issued the final report to the Town of Springfield on July 15, 2015.

In October, 2015, The State Office of Victim Assistance will schedule to meet with applicable officials of the Town of Springfield for the 90 Day Follow-up Review of errors found in this report.

Official Post-Audit Response

The Town 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

Programmatic Review Completed by:



Andrew Walsh, Auditor

7/15/15

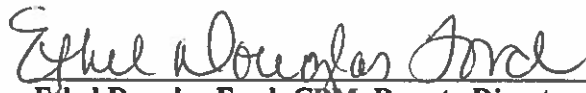
Date

Reviewed by:


Richelle A. Copeland, CGAP, Sr. Auditor


7/15/15

Date


Ethel Douglas Ford, CPM, Deputy Director

7-15-15

Date


Larry Barker, Ph.D. Director

7-15-15

Date

