

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

September 18, 2015

Mayor William R. Johnson  
Town of Holly Hill  
8423 Old State Road, Suite 1  
Holly Hill, SC 29059-8880

Dear Mayor Johnson:

The State Office of Victims Assistance (SOVA) is sending this notice to inform you that we have completed the SOVA 90 Day Follow-up review for the Town of Holly Hill Victim Assistance Program and a copy of the 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 Mr. Andrew Walsh at (803)734-7108.

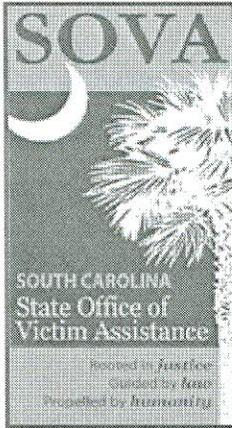
Sincerely,



Larry Barker, Ph.D.  
Director

CC: Chief Joshua H. Detter  
Gayle D. Austin





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

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January 9, 2015

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

September 18, 2015

**90 Day Follow-up Review**

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Acronyms:  
STRRF – State Treasurer’s Revenue Remittance Form  
SOVA – State Office of Victims Assistance  
T & A – Time and Activity

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# Introduction and Laws

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## PREFACE

This 90 Day Follow-up Programmatic Review was initiated in response to recommendations made in the SOVA initial review issued on January 9, 2015. On May 13, 2015, the Director of SOVA issued a letter to the Mayor, the Police Chief, and the Clerk of Court to inform them of the Town of Holly Hill Victim Assistance 90 Day Follow-up Review. The review was conducted on June 30, 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 non-profit 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.

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.

*Proviso 117.51 (cont.)*

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, the State Treasurer must withhold all state payments to that municipality until the required audited financial statement is received.

*Proviso 98.9 (cont.)*

If the State Treasurer receives an audit report from either a county or municipality that contains a significant finding related to court fine reports or remittances to the Office of State Treasurer, the requirements of Proviso 117.55 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.

SC Code of Law  
Title 14 (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 non-profit organization receiving victim assistance funding to ensure that the crime victim funds are expended in accordance with State law.

### **Audit Objectives were:**

- To determine if Court officials began to write minimum fines on court dockets and maintained copies to be submitted to SOVA during the 90 Day Follow-up audit and if Court officials inquired about enhanced technology with an IT specialist.
- To determine if Town and Court officials developed and implemented a written plan of action with timeframes to provide the Municipal Court with enhanced technology; enabling State law minimum and maximum fine guidelines to be immediately available and also allowing them to verify that the conviction surcharge is assessed and collected in accordance with State law during all court sessions.
- To determine if Town officials created detailed written policies and procedures for submission of monthly STRRF to include a reasonable timeline allowing the State Treasurer's Revenue Remittance form to be submitted by the fifteenth day of each month in accordance with State law.
- To determine if Town officials developed and implemented detailed written policies and procedures to ensure the provision of sufficient funding each month to allow the timely submission of the STRRF?
- To determine if the Town of Holly Hill developed and implemented a clear and concise plan of action to reimburse the remaining deficit of **\$58,328.61** owed to the Victim Assistance account within a 12 month time period from the date issued on this audit report. This is to be presented in written format during the 90 Day Follow-up audit. The initial deficit was **\$69,338.20**.

## RESULTS IN BRIEF

### *Minimum Court Fines*

Did Court officials begin to write minimum fines on court dockets and maintain copies to be submitted to SOVA during the 90 Day Follow-up audit and if they inquired about enhanced technology with an IT specialist?

No, the court did not start writing minimum fines on dockets due to the fact that the Town acquired enhanced technology inside the courtroom. However, they have complied with this recommendation by purchasing a computer immediately after the audit report was issued. The court has been using the computer during court sessions since February 10, 2015. Therefore, the Town now has real-time access to LawTrak during court proceedings. LawTrak flags any errors in minimum fines immediately, thus alleviating the need to write the minimum fines on the dockets. This recommendation has been complied with as noted above.

### *Enhanced Technology in Courtroom*

Did Town and Court officials develop and implement a written plan of action with timeframes to provide the Municipal Court with enhanced technology; enabling State law minimum and maximum fine guidelines to be immediately available and also allowing them to verify that the conviction surcharge is assessed and collected in accordance with State law during all court sessions?

Yes, Town officials developed and implemented a plan of action to provide the Municipal Court with enhanced technology by purchasing a computer for use in the courtroom. The Town purchased the computer January 15, 2015 immediately after the audit report was issued on January 9, 2015. They have been using the computer system in the courtroom since February 10, 2015 shortly after the SOVA initial audit. The computer allows the Clerk of Court to use LawTrak in real-time to verify that minimum and maximum fine guidelines are adhered to, and that the conviction surcharge is correctly assessed and collected. Therefore, they have complied with this recommendation.

*State Treasurer's Revenue  
Remittance Forms*

Did Town officials create detailed written policies and procedures for submission of monthly STRRF to include a reasonable timeline allowing the State Treasurer's Revenue Remittance form to be submitted by the fifteenth day of each month in accordance with State law?

Yes, Town officials did create detailed written policies and procedures for submission of monthly STRRF to include a reasonable timeline which allows the State Treasurer's Revenue Remittance form to be submitted by the fifteenth day of each month in accordance with State law.

*Funding for STRRFs*

Did Town officials develop and implement detailed written policies and procedures to ensure the provision of sufficient funding each month to allow the timely submission of the STRRF?

Yes, Town officials did develop and implement detailed written policies and procedures to ensure the provision of sufficient funding each month which allows the timely submission of the STRRF.

*Unallowable Expenditures*

Did the Town of Holly Hill develop and implement in a written format a clear and concise plan of action to reimburse the remaining deficit of **\$58,328.61** owed to the Victim Assistance account within a 12 month time period from the date issued on this audit report during the 90 Day Follow-up audit? The initial deficit was **\$69,338.20**.

Yes, the Town of Holly Hill did develop and implement a clear and concise plan of action to reimburse **\$58,328.61** owed to the Victim Assistance account within a 12 month time period from the date issued on this audit report. However, the Auditor will continue to monitor the repayment plan as outlined by the Town. If at any point the Town fails to make the required payment, the Town will be considered non-compliant with this audit report and will subsequently be fined **\$1,500**. At that time, the repayment balance will be forfeited to the General funds of the State as outlined in Proviso 117.51.

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

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**A. Minimum Court Fines****Objective**

Did Court officials begin to write minimum fines on court dockets and maintain copies to be submitted to SOVA during the 90 Day Follow-up audit and did they inquire about enhanced technology with an IT specialist?

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**Conclusion**

No, the Court did not start writing minimum fines on dockets due to the fact that the Town acquired enhanced technology in the courtroom immediately after the audit report was issued. The Court has been using the newly established computer during court sessions since February 10, 2015. Therefore, the Town now has real-time access to LawTrak during court proceedings. LawTrak flags any errors in minimum fines immediately, thus alleviating the need to write the minimum fines on the dockets. This recommendation has been complied with as noted above.

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**Background**

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

Section 16-11-700(C) (1) of the 1976 South Carolina Code of Laws.

Holly Hill Town Code 9.04.130(a).

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**Discussion**

During the State 90 Day Follow-up audit process, SOVA investigated concerns that the Holly Hill Municipal Court was not following minimum and maximum fine guidelines in accordance with State law.

However, prior to SOVA's initial site visit, the Auditor requested written copies of these policies and procedures. At that time, the Town did not have these policies and procedures in written format. They felt that the LawTrak software was sufficient since it allowed the Town to comply with State guidelines on minimum and maximum fines.

However, it appeared prior to the SOVA initial audit, Court officials did not have access to LawTrak during court proceedings because there was no computer access in the courtroom. Therefore, no real-time verification of adherence to the guidelines using the LawTrak System was possible. This allowed fines to be levied by the Municipal Judge that did not comply with State guidelines. However, discrepancies with fines were discovered the day following each court session when the Assistant Clerk of Court entered the information from the court session into LawTrak.

The SOVA Auditor noted this was a major concern and recommended the Town inquire about installing a computer and computer program in the courtroom. In the interim, the Clerk suggested that the Town begin writing minimum fines on the court dockets before providing them to the Municipal Judge. The Auditor agreed that this was a good temporary solution. However, this needed addressing immediately and a permanent solution warranted.

Prior to the SOVA 90 Day Follow-up audit site visit, the computer sale invoice was provided to the SOVA Auditor by the Clerk of Court showing on January 15, 2015 immediately after the audit report was issued on January 9, 2015, the Town purchased a computer and computer program to use in the courtroom. The Clerk stated they have been using the computer during every court session since February 10, 2015 which alleviated the need for the Clerk of Court to write the minimum fines on the dockets. Therefore, no copies of dockets with minimum fines written on them were provided to SOVA during the SOVA 90 Day Follow-up site visit.

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

No Further recommendations

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

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**B. Enhanced Technology in Courtroom****Objective**

Did Town and Court officials develop and implement a written plan of action with timeframes to provide the Municipal Court with enhanced technology; enabling State law minimum and maximum fine guidelines to be immediately available and also allowing them to verify that the conviction surcharge is assessed and collected in accordance with State law during all court sessions?

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**Conclusion**

Yes, Town officials developed and implemented a plan of action to provide the Municipal Court with enhanced technology by purchasing a computer and computer program to use in the courtroom. The Town purchased the computer on January 15, 2015 immediately after the audit report was issued January 9, 2015 and have been using it in the courtroom since February 10, 2015. The computer allows them to use LawTrak to verify in real-time that minimum and maximum fine guidelines are adhered to according to State law. Also, that conviction surcharges are correctly assessed and collected. Therefore, they have complied with this recommendation.

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**Background**

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

Section 16-11-700(C) (1) of the 1976 South Carolina Code of Laws.

Holly Hill Town Code 9.04.130(a).

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**Discussion**

During the State 90 Day Follow-up audit issued on December 9, 2014, SOVA investigated concerns that the Holly Hill Municipal Court was not correctly assessing and collecting the conviction surcharge in accordance with State law.

Prior to the SOVA initial site visit, the SOVA Auditor requested written copies of these procedures.

At the time, the Town did not have policies and procedures in written format. They felt that the LawTrak software was sufficient since it allowed the Town to comply with State law concerning assessing and collecting the conviction surcharge.

The SOVA Auditor noted during the site visit that there was no computer access in the courtroom. Therefore, no real-time verification that State law was adhered to concerning assessing and collecting the conviction surcharge was possible. The discrepancies were discovered the day following each court session when the Assistant Clerk of Court entered the information from the court session into LawTrak. Since there was no computer in the courtroom, the Clerk, Assistant Clerk and Municipal Judge were tasked with developing written policies and procedures to ensure that fines levied were in compliance with State minimum and maximum guidelines. These policies were provided to SOVA by the Clerk on November 6, 2014 during the preparation of the SOVA initial audit report.

After the SOVA initial audit report was issued on January 9, 2015, the Town purchased a computer for use in the courtroom on January 15, 2015. They have been using it for every court session since February 10, 2015, which was the first court session after the purchase of the computer. This allows the Town to use the LawTrak software in real-time during all court sessions. It also allows the Town to correctly assess fines, fees and assessments within the minimum and maximum guidelines and collect the conviction surcharge in accordance with State law. Therefore, while preparing for the SOVA 90 Day Follow-up site visit, the Auditor requested an updated written policy and procedure including the use of the computer in the courtroom. These policies and procedures were provided to SOVA on June 12, 2015. The Clerk of Court confirmed that these policies and procedures have been distributed to all relevant personnel. In addition, policies and procedures are now kept on the computer as well. The Assistant Clerk of Court is responsible for ensuring the compliance of any updates and re-distributing to all relevant personnel immediately. The Judge, Clerk and Assistant Clerk stated that the computer in the courtroom has allowed the Town to access LawTrak in real-time and the court sessions have gone smoothly.

Although the Assistant Clerk still has to manually enter received amounts from court sessions into the Nicholson Business System software because the two systems do not interface, this has not affected the real-time information captured.

Also, if the Municipal Judge mistakenly attempts to levy a fine that does not comply with the minimum and maximum guidelines, issues a jail sentence without assessing the corresponding fine, or does not correctly assess the conviction surcharge, they are immediately flagged by LawTrak and the correct fine complying with the guidelines or the conviction surcharge is levied. The Assistant Clerk of Court stated that she sits at the computer during court sessions and enters dispositions. The Judge, Clerk of Court and Assistant Clerk of Court agreed that the computer has indeed resolved all noted concerns/issues with incorrect fines assessed or conviction surcharges being omitted.

The Judge again expressed multiple concerns with the court procedures as it relates to setting fines for offenders sentenced to jail, as well as the increase in the amounts of fines. The Auditor informed him that this would be an issue outside the audit scope and for the State Court Administration to address. Therefore, this recommendation has been complied with as outlined above.

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

No Further recommendations

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

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**C. State Treasurer's Revenue Remittance Forms****Objective**

Did Town officials create detailed written policies and procedures for submission of monthly State Treasurer's Revenue Remittance Form (STRRF) to include a reasonable timeline allowing the STRRF to be submitted by the fifteenth day of each month in accordance with State law?

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**Conclusion**

Yes, Town officials did create detailed written policies and procedures for submission of monthly STRRF to include a reasonable timeline which allows the State Treasurer's Revenue Remittance Form to be submitted by the fifteenth day of each month in accordance with State law.

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**Background**

State Treasurer's Revenue Remittance Forms, October 2014 to May 2015.

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

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**Discussion**

During the State 90 Day Follow-up audit process, the SOVA Auditor was concerned that the Town of Holly Hill was not submitting STRRFs in a timely manner as required by State law. The Town Clerk stated that each STRRF was submitted when the Town had funds available. This process is clearly not in compliance with State law and is an unacceptable practice.

In the Town's response letter to the State Auditor's report, dated November 15, 2011, it was noted that the Town's accounts payable staff was instructed by the Municipal Judge to submit the STRRF report by the fifteenth of the month as required by State law. However, SOVA found this was not the case and the STRRF report was still submitted late.

Prior to the SOVA initial site visit the SOVA Auditor requested written procedures from the Town to ensure that the STRRF is submitted by the fifteenth day of each month in compliance with State law. Town officials responded that the LawTrak software performed this function for them; therefore, no written procedures were in place. Also at that time, the SOVA Auditor requested copies of 12 months of STRRFs from October 2013 through September 2014 to test submission dates. The STRRF forms were provided, but all had the submission date of October 10, 2014. During the SOVA site visit on October 28, 2014, the Assistant Clerk of Court and Clerk of Court stated this was the date the forms were reprinted from the LawTrak system and not the actual date they were submitted to the State Treasurer's Office. There was no way to determine the actual dates submitted; therefore, it was noted by the Auditor that the Town still had not implemented any formal written procedures. After interviews with the Clerk of Court and Assistant Clerk of Court, the Auditor requested additional information on the STRRF monthly reporting procedures. Copies of the actual STRRF submissions from September 2013 through October 2014 were requested again and received from the Assistant Clerk of Court prior to the conclusion of the audit site visit. After examination of these documents during the preparation of the SOVA initial audit report, it was found that 9 of the 14 reports provided were not submitted by the fifteenth of the month as required by State law.

Additionally, it appeared the Assistant Clerk of Court performed the entire process each month from start to finish independently. No other employees knew how to complete the process and again there were no written procedures in place should an emergency situation arise that would require someone else to perform the process.

The Mayor, Clerk of Court and Assistant Clerk of Court agreed that written procedures were needed to ensure that the STRRF process is consistently followed and submitted by the fifteenth of the month in compliance with State law. They also agreed that detailed instructions should be available in the event another Town employee needed to be trained on how to complete the monthly submission process in the future.

The Mayor, Clerk of Court and Assistant Clerk of Court stated the Town regularly experienced difficulty providing sufficient funds to pay the STRRF owed to the State by the fifteenth of the month as well as maintaining monthly administrative expense responsibilities. When asked how the Town planned to correct this concern to ensure compliance with State law in the future, the Clerk of Court and Assistant Clerk of Court proposed creating a fund which the town would deposit money into during the early part of the fiscal year when the Town had funds available. The Town would then draw from this fund during the latter part of the year, when funds were less readily available, allowing the STRRFs to be consistently submitted by the fifteenth of the month throughout the year.

The SOVA Auditor noted this option would be a good idea, and strongly recommended that policies and procedures for this fund and its operation be specified in a written format. The policy should include amounts to be deposited in the fund, note where funds are to be transferred from and how the funds submitted will be determined. The Clerk and Assistant Clerk were instructed to distribute this information to all employees deemed necessary. The Town was then advised to review prior years STRRFs as a baseline in determining the funds availability and how many monthly contributions are needed for deposits.

Prior to the SOVA 90 Day Follow-up site visit, written policies and procedures for timely submission of the STRRFs were requested and received from the Town. The Clerk of Court confirmed during the site visit that they had been distributed to all relevant personnel. The policies and procedures are now kept on the computer and updated as necessary. The Assistant Clerk of Court confirmed that she is the person responsible for ensuring compliance to the Town's policies and procedures concerning the timely submission of STRRFs. The Mayor, Clerk of Court and Assistant Clerk of Court are aware that updates to policies and procedures are to be distributed to all relevant personnel.

Per the Clerk of Court and Assistant Clerk of Court, procedures are now working well and the STRRFs are being submitted in a timely manner. The SOVA Auditor tested STRRFs for October 2014, through May 2015 and they were indeed submitted in a timely fashion.

Also, the correct amounts submitted to the State Treasurer's Office and the correct retained amounts deposited into the Victim Assistance account were noted as well. Therefore, this recommendation has been complied with as outlined above.

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

No further recommendations

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

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**D. Funding for STRRFs**

**Objective** Did Town officials develop and implement detailed written policies and procedures to ensure the provision of sufficient funding each month to allow the timely submission of the STRRF?

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**Conclusion** Yes, Town officials did develop and implement detailed written policies and procedures to ensure the provision of sufficient funding each month, which allows the timely submission of the STRRF.

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**Background** State Treasurer's Revenue Remittance Forms, October 2013 to September 2014.

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

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**Discussion** During the State Auditor's initial site visit, the State Auditor noted that 5 out of 12 tested STRRFs were not submitted to the State Treasurer by the fifteenth day of the month as required by Section 14-1-208(B) of the 1976 South Carolina Code of Laws. The Town Clerk stated that each STRRF was submitted when the Town had funds available.

Prior to the initial SOVA site visit, the SOVA Auditor requested written procedures from the Town to ensure that the STRRF is submitted by the fifteenth day of each month in compliance with State law. Town officials responded that the LawTrak software performed this function for them; therefore no written procedures were warranted and in place.

During the SOVA initial audit process, it was noted by the SOVA Auditor that the Town had not implemented any formal written procedures.

Copies of the actual STRRF submissions from September 2013 through October 2014 were requested again by the Auditor and received from the Assistant Clerk of Court prior to the conclusion of this audit site visit. After careful review, it was found that 9 of the 14 reports provided were not submitted by the fifteenth of the month as required by State law. This was noted as a major concern. Therefore, the Mayor, Clerk of Court and Assistant Clerk of Court agreed that written procedures are needed to ensure that the STRRF process is consistently followed and the STRRF is submitted by the fifteenth of the month in compliance with State law. As a result, written procedures for submission of the monthly STRRFs were provided to SOVA by the Assistant Clerk of Court on November 6, 2014. However, the procedures did not include deadlines for various tasks leading to the STRRF submission each month. Therefore, the Town was required to revise the procedures to include a reasonable timetable for completion of each task that would allow for timely submission of the STRRF each month.

Prior to the SOVA 90 Day Follow-up audit site visit, the Clerk of Court and Assistant Clerk of Court provided the Auditor revised written policies and procedures for ensuring timely submission of the monthly STRRF to include deadlines. The policies included measures that would ensure sufficient funds are available each month to submit the STRRF in a timely manner. As previously noted in this report, the Auditor tested STRRFs from October 2014 through May 2015 and all were submitted to the State Treasurer's Office in a timely manner along with appropriate payment. Also, the corresponding retained amounts were deposited into the Town's Victim Assistance account in a timely manner.

During site visit interviews, the Clerk of Court confirmed that these policies have been distributed to all relevant personnel. The Assistant Clerk of Court stated in the interview that she was responsible for ensuring compliance with these policies and procedures.

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

No further recommendations

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

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### E. Unallowable Expenditures

#### Objective

Did the Town of Holly Hill develop and implement a clear and concise plan of action to reimburse **\$58,328.61** owed to the Victim Assistance account within a 12 month timeframe from the date issued on this audit report? Also, was it presented in written format during the 90 Day Follow-up audit?

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#### Conclusion

Yes, the Town of Holly Hill did develop and implement a clear and concise plan of action to reimburse the remaining deficit of **\$58,328.61** owed to the Victim Assistance account within a 12 month timeframe from the date issued on this audit report. This plan of action was presented to the Auditor prior to the 90 Day Follow-up audit. As of August 17, 2015, the Town has already reimbursed **\$29,858.35** to the account with **\$28,470.26** remaining to be reimbursed. The initial deficit was **\$69,338.20**.

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#### Background

Holly Hill Annual Financial Audit Report dated August 31, 2013.

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

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#### Discussion

During the State Auditor's original site visit, the Auditor noted that because the Town did not separately report Victim Assistance revenue on its general ledger, victim assistance beginning balances, ending balances, and current year victim assistance revenue per the general ledger did not agree to amounts reported on the required schedule of fines, assessments and surcharges included in the Town's audited financial statements for fiscal year ending August 31, 2010. The money for the victim assistance fund was comingled with the Town's General Fund, which is not allowed per State law.

Therefore, the Town was required to open a separate account for the Victim Assistance funds per ACT 141 and to transfer the unexpended balance pertaining to the Victim Assistance funds from its General Fund account to the Victim Assistance account.

Prior to the SOVA site visit on October 28, 2014, the SOVA Auditor requested:

- 12 months of Victim Assistance bank account statements from October 2013 to September 2014.
- 12 months of expenditure reports from the Victim Assistance account from October 2013 to September 2014.
- Copies of the Supplemental Schedules from the Town Audits of FY12 and FY13.

These documents were received and after careful review, there appeared to be a discrepancy between the amount stated as the Victim Assistance unexpended balance on the supplemental schedule dated August 31, 2011 and the balance in the Victim Assistance bank account per the Town's general ledger. The Auditor requested and received bank statements for the Victim Assistance account from January, 2011 to December, 2011 to assist in the review process of the accountability of funds. After further review of the 2011 financial information, there appears to have been a deficit estimated initially at **\$69,338.20** and a remaining deficit of **\$58,328.61** in the Victim Assistance account prior to the initial SOVA site visit. Before January 1, 2011, the Town did not separately report victim assistance revenue from general revenue, or separately account for victim assistance expenditures distinctly from the general fund. Therefore, it was impossible to ascertain exactly how or when these discrepant funds were expended.

On March 30, 2012, the Town entered into a Victim Services contract with the Orangeburg County Sheriff's Office. The Contract stated they would transfer all retained victim assistance funds to Orangeburg County on a monthly basis.

When interviewed, the Mayor and Clerk of Court noted they were aware of the State Auditor's recommendations and the deficit owed by the General Fund to the Victim Assistance account and had taken some steps to rectify the concern. However, the State Auditor's recommendations on the report dated June 30, 2011 were not fully complied with and rectified prior to the SOVA initial audit site visit of October 28, 2014 more than 3 years later. The Town had only budgeted and made 2 payments of **\$5,000** (in August, 2012 and August, 2014) towards this deficit of **\$69,338.20**. These payments along with the retained funds of **\$996.09** for August, 2011 and bank charges of **\$13.50** charged to the account in November, 2011 reduced the deficit owed to the Victim Assistance account as of the SOVA initial site visit of October 28, 2014 to **\$58,328.61**. Both the Mayor and Clerk of Court agreed that the Town still owed this amount from its General Fund to the Victim Assistance account.

If the Town continued to pay **\$5,000** annually towards this deficit, it would take an estimate of 12 years before the total reimbursement is completed. Therefore, this plan of action was deemed unacceptable and the Town was required to develop a new plan of action. It appeared that the Town had no clear, concise plan for repaying the fund. The Town failed to make consistent annual payments in the last four years with the knowledge that this deficit existed. Therefore, the Mayor and Town Council were required to develop a plan of action as it relates to reimbursing the Victim Assistance fund for the remaining deficit within 12 months of the date issued on this report.

After having been informed that a new plan of action was warranted, the Town did indeed develop and implement a plan to reimburse the Victim Assistance fund **\$58,328.61** owed by the Town within 12 months of the date issued on the SOVA Initial audit. Details sent to SOVA by the Clerk of Court in the response letter to the SOVA initial audit stated that the Town agreed to reimburse **\$694.05** each month from February 2015 through January 2016. In addition, the Town agreed to reimburse **\$25,000** to the fund in July 2015 and January 2016 when they receive State funding. The Town agreed to provide proof of each payment by sending copies of the deposit slip showing the deposit of **\$694.05** into the Victim Assistance bank account each month to SOVA, and the two payments of **\$25,000** in July 2015 and January 2016.

The Auditor will notate any follow up warranted to ensure they stay on schedule for payment reimbursement.

At the beginning of the SOVA 90 Day Follow-up site visit, the Clerk of Court presented the Auditor with the proof of payment for the July payment of **\$25,000**. As of the completion of this report, the Town was current with the terms of the repayment plan per the SOVA 90 Day Follow-up site visit. As of August 17, 2015 the Town had reimbursed **\$29,858.35** as agreed in the repayment plan to the fund (7 payments of **\$694.05** and 1 payment of **\$25,000**). The Town still has **\$28,470.25** to repay (5 payments of **\$694.05** and 1 of **\$25,000**) and is scheduled to complete the process by the end of January, 2016. This will complete the total reimbursement process of **\$69,338.20** owed to the fund.

During the SOVA 90 Day Follow-up site visit interviews, the Town Mayor, Police Chief, Clerk of Court and Assistant Clerk of Court understood the possible penalty for non-payment of the amounts owed. However, all agreed that they did not see any problems with the Town continuing to comply with the agreed plan of action to reimburse the deficit owed to the Victim Assistance fund. The Clerk of Court stated that she has assumed the responsibility for ensuring the Town stays in compliance with the developed repayment plan.

The Chief stated that quarterly statistical reports are being sent to the Town by the County Victim Advocate as agreed in the contract. The Clerk of Court stated that she had not been copied on the reports, but after contacting the Victim Advocate, she is now copied on each report as it is sent to the Town. During interviews, the Chief emailed the County to inquire when the renewed contract would be available. The County stated the new contract would be signed and distributed around mid-July. The Chief was tasked with sending a copy of the new contract to SOVA when it is issued. The Contract will be reviewed during the SOVA annual budget desk audit review process. A copy of the renewed contract was sent to SOVA by the Chief on July 29, 2015 and will be reviewed during the budget phase.

The Mayor stated that he was very concerned that Victim Assistance funds do not just sit unused in the account and that they are used for victim services.

After the Auditor ensured the Town Mayor, Police Chief, Clerk of Court and Assistant Clerk of Court understood that the deficit must be completely repaid before anything could be done with the funds in the account, The Auditor gave detailed technical assistance on options available to the Town for using the funds. The Auditor informed the Town Mayor, Police Chief, Clerk of Court and Assistant Clerk of Court the Town could expend funds on Victim Notification Forms, or sponsor the breakfast/lunch for a local OVSEC approved training. In this case they would have to ensure that they complied with current per diem rates. Other options discussed were: donating funds to a local non-profit and/or transferring/donating more funds to the County than required by the current contract. The Auditor provided the Chief with a copy of the SOVA Donation Form and detailed instructions on how to complete the process.

In addition, the Auditor also gave technical assistance on the possibility of the Town employing their own Victim Advocate on a part-time basis and explained the Time and Activity process. The Chief stated that he believed the County was doing a good job and that the extra paperwork for the town from employing a part-time victim advocate would not be beneficial to them.

During the interview process, a question was raised by the Mayor concerning SOVA Compensation. The Auditor gave technical assistance explaining the difference between SOVA compensation and the Victim Assistance funds and also on the Approved Guidelines.

At the conclusion of the onsite interviews, the Town Mayor stated that he had appreciated the assistance and willingness of SOVA to work with the Town throughout the audit process. He also stated that Town Officials, and the Clerk of Court in particular had done a great job ensuring that the Town was in compliance with SOVA requests and recommendations.

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

**No further recommendations. However, the Town is on schedule to complete the repayment of funds owed to the Victim Assistance account within 12 months of the date issued for the SOVA initial audit report, January 9, 2015 and per the developed repayment plan per this audit. The Mayor, Chief, Clerk of Court and Assistant Clerk of Court understand that they must continue to adhere to the plan of action outlined in this report.**

**If they fail to comply with the payment plan and adhere to the plan of action outlined in this audit, they will be penalized \$1,500 for failure to follow through with the agreed upon plan of action in addition to the owed amount per Proviso 117.51.**

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

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### F. 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 State Treasurer's Proviso 89.7
3. Sample Time and Activity Report
4. Copy of 2013 Approved Guidelines
5. Donation Form
6. Sample Contract
7. Sample Statistical Report
8. Technical Assistance and Support

**Other Matters** As noted in this report; as of August 17, 2015 the Town of Holly Hill had reimbursed \$29,858.35 of the remaining \$58,328.61 of the original deficit to the Victim Assistance fund (7 payments of \$694.05 and 1 payment of \$25,000). The Town is on schedule to complete the reimbursement of the Victim Assistance fund by January 2015 as agreed in the repayment plan of action developed by the Town. The Mayor, Chief, Clerk of Court and Assistant Clerk of Court understand that they must continue to adhere to the plan of action outlined in this report.

If they fail to comply with the payment plan and adhere to the plan of action outlined in this audit, they will be penalized \$1,500 for failure to follow through with the agreed upon plan of action in addition to the owed amount per Proviso 117.51.

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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 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 90 Day Follow-up review site visit was completed on June 30, 2015.**

**All recommendations were completed by the date of the 90 Day Follow-up review site visit with the exception of all funds not being reimbursed to the Victim Assistance account. However, the Town is on schedule to complete the repayment of funds owed to the Victim Assistance account within 12 months of the date issued for the SOVA initial audit report, January 9, 2015 and per the developed repayment plan outlined in this report. The Mayor, Chief, Clerk of Court and Assistant Clerk of Court understand that they must continue to adhere to the plan of action outlined in this report.**

**If they fail to comply with the payment plan and adhere to the plan of action outlined in this audit, they will be penalized \$1,500 for failure to follow through with the agreed upon plan of action in addition to the owed amount per Proviso 117.51.**

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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**

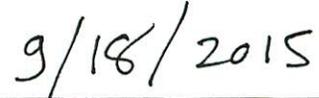
**At the end of the five day response period, this report and all post-audit responses (located in the Appendix) will become public information on the State Office of Victim Assistance (SOVA) website:**

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

Programmatic Review Completed by:

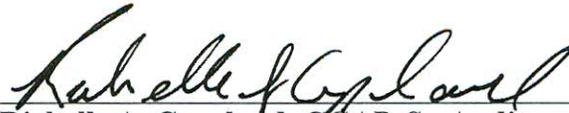


Andrew Walsh, Auditor

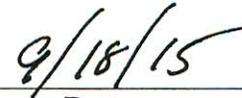


Date

Reviewed by:



Richelle A. Copeland, CGAP, Sr. Auditor



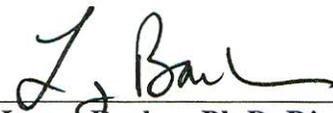
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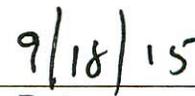
Ethel Douglas Ford, CPM, Deputy Director



Date



Larry Barker, Ph.D. Director



Date

