



ALAN WILSON
ATTORNEY GENERAL

September 27, 2018

Mayor Rembert E. Wrenn
Town of Bonneau
P.O. Box 70
Bonneau, SC 29431

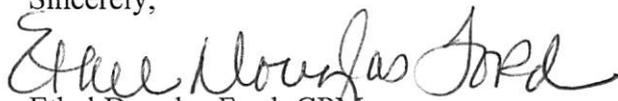
Dear Mr. Wrenn,

The Office of the Attorney General, Department of Crime Victim Compensation (DCVC) is sending this letter to inform you that we have completed the 90 Day Follow-up Programmatic Review and Financial Audit of the Victim Assistance Funds for the Town of Bonneau. A copy of the official report is attached for your review. This is in conformance with Act 96 [PART IV] which requires DCVC to conduct a programmatic review and financial audit on any governmental entity or non-profit organization receiving victim assistance funding to ensure that these crime victim funds are expended in accordance with the law.

Enclosed is a copy of our audit results. I am pleased to advise you that the Town of Bonneau has complied with all of the audit recommendations as outlined in this report. Please note that all DCVC audits and follow-up reports are public information and will be posted on our website at www.sova.sc.gov under the auditing tab.

Should you have any further questions or concerns, please feel free to contact me or Richelle Melvin at 803-734-4137.

Sincerely,


Ethel Douglas Ford, CPM
Assistant Deputy Director

cc: Chief Franco Fuda
Elizabeth Wrenn, Town Clerk



**The Office of the Attorney General
Department of
Crime Victim Compensation**

June 22, 2017

**Programmatic Review and
Financial Audit of the
Town of Bonneau Victim
Assistance Fines, Fees and
Assessment Fund**

September 27, 2018

**90 Day Follow-up Audit
Review for the Town of
Bonneau Victim Assistance
Fines, Fees and Assessment
Fund**

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

Acronyms:

VAFFA – Victim Assistance Fines, Fees, and Assessment
DCVC – Department of Crime Victim Compensation
SCLEVA – South Carolina Law Enforcement Victim Advocate
VA – Victim Advocate

Introduction and Laws

PREFACE

This programmatic review and financial audit was initiated in response to the Department of Crime Victim Compensation's (DCVC) concerns regarding the Victim Assistance Fines, Fees and Assessment Fund. On September 22, 2017, the Assistant Deputy Director of DCVC issued a letter to the Chief and Town Clerk informing them of the Town of Bonneau's Victim Assistance Fund 90 Day Follow-up Audit. The audit was conducted on November 9, 2017.

Governing Legislation and Regulations

Act 96 [PART IV]

SECTION 13. B. Chapter 1, Title 14 of the 1976 Code is amended by adding:

"Section 14-1-211.6. (A) If the State Auditor finds that any county treasurer, municipal treasurer, county clerk of court, magistrate, or municipal court has not properly allocated revenue generated from court fines, fines, and assessments to the crime victim funds or has not properly expended crime victim funds, pursuant to Sections 14-1-206(B) and (D), 14-1-207(B) and (D), 14-1-208(B) and (D), and 14-1-211(B), the State Auditor shall notify the Office of the Attorney General, South Carolina Crime Victim Services Division. The division is authorized to conduct an audit, which must include both a programmatic review and financial audit of any entity or nonprofit organization receiving victim assistance funding, based on the referrals from the State Auditor or complaints of a specific nature received by the division to ensure that crime victim funds are expended in accordance with the law. Guidelines for the expenditure of these funds shall be developed in collaboration with the Victim Services Coordinating Council. The Victim Services Coordinating Council, in collaboration with the director of the division, shall develop these guidelines to ensure any expenditure that meets the parameters of Article 15, Chapter 3, Title 16 is an allowable expenditure.

Act 96 (cont.)

(B) Any local entity or nonprofit organization that receives funding from revenue generated from crime victim funds is required to submit their budget for the expenditure of these funds to the Office of the Attorney General, South Carolina Crime Victim Services Division within thirty days of the budget's approval by the governing body of the entity or nonprofit organization. Failure to comply with this provision shall cause the division to initiate a programmatic review and a financial audit of the entity's or nonprofit organization's expenditures of victim assistance funds. Additionally, the division will place the name of the noncompliant entity or nonprofit organization on its website, where it shall remain until such time as the noncompliant entity or nonprofit organization is in compliance with the terms of this section.

(C) Any entity or nonprofit organization receiving victim assistance funding must cooperate and provide expenditure and program data requested by the division. If the division finds an error, the entity or nonprofit organization has ninety days to rectify the error. An error constitutes an entity or nonprofit organization spending victim assistance funding on unauthorized items as determined by the division. If the entity or nonprofit organization fails to cooperate with the programmatic review and financial audit or to rectify the error within ninety days, the division shall assess and collect a penalty in the amount of the unauthorized expenditure plus fifteen hundred dollars against the entity or nonprofit organization for improper expenditures. This penalty which includes the fifteen hundred dollars must be paid within thirty days of the notification by the division to the entity or nonprofit organization that the entity or nonprofit organization is in noncompliance with the provisions of this section. All penalties received by the division shall be credited to the general fund of the State. If the penalty is not received by the division within thirty days of the notification, the political subdivision must deduct the amount of the penalty from the entity's or nonprofit organization's subsequent fiscal year appropriation."

Proviso 59.15

59.15. (AG: State Crime Victim Compensation)

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

Proviso 59.15 (cont.)

If a county or municipality does not spend at least ninety percent of the funds collected pursuant to Sections 14 1 206 (B) and (D), 14 1 207 (B) and (D), 14 1 208 (B) and (D), and 14 1 211 (B) on Article 16, Chapter 3, Title 16 first priority and/or second priority programs during the fiscal year that the funds are received then the county or municipality shall remit any unspent funds that are greater than the allowed carried forward funds, regardless of the year collected, to the State Victim Assistance Program (SVAP) with the Office of the Attorney General within 120 days after the end of the fiscal year. All funds must be accounted for in the annual audit for each county or municipality.

The State Crime Victim Compensation Department shall offer training and technical assistance to each municipality and county annually on acceptable use of both priority one and priority two funds and funds available for competitive bid.

The State Crime Victim Compensation Department is authorized to transfer to the State Victim Assistance Program any state funds deemed available under Crime Victims Compensation authority to the State Victim Assistance Programs be placed in the competitive bid process.

The State Victim Assistance Program shall offer any funds remitted to it to non profit organizations that provide direct victim services on a competitive bid process. These funds may be used by the non profit for administrative costs and victim services.

Proviso 98.9

98.9 (TREAs: Penalties for Non-reporting)

If a municipality fails to submit the audited financial statements required under Section 14-1-208 of the 1976 Code to the State Treasurer within thirteen months of the end of their fiscal year, the State Treasurer must withhold all state payments to that municipality until the required audited financial statement is received.

If the State Treasurer receives an audit report from either a county or municipality that contains a significant finding 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.

Proviso 98.9 (cont.)

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
Title14 [excerpts]***

Courts – General Provisions

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

- **Section 14-1-206, subsection(s) A, B & D:** (A) A person who is convicted of, pleads guilty or nolo contendere to, or forfeits bond for an offense occurring after June 30, 2008, tried in general sessions court must pay an amount equal to 107.5 percent of the fine imposed as an assessment. (B) The county treasurer must remit 35.35 percent of the revenue generated by the assessment imposed in the county to be used for the purposes set forth in subsection (D) and remit the balance of the assessment revenue to the State Treasurer on a monthly basis by the fifteenth day of each month and make reports on a form and in a manner prescribed by the State Treasurer. (D) All unused funds must be carried forward from year to year and used exclusively for the provision of services for victims of crime. All unused funds must be separately identified in the governmental entity's adopted budget as funds unused and carried forward from previous years.

- **Section 14-1-207 Subsection(s) A, B & D:** (A) A person who is convicted of, pleads guilty or nolo contendere to, or forfeits bond for an offense occurring after June 30, 2008, tried in magistrate's court must pay an amount equal to 107.5 percent of the fine imposed as an assessment. (B) The county to be used for the purposes set forth in subsection (D) and remit the balance of the assessment revenue to the State Treasurer on a monthly basis by the fifteenth day of each month and make reports on a form and in a manner prescribed by the State Treasurer. (D) All unused funds must be carried forward from year to year and used exclusively for the provision of services for victims of crime.

All unused funds must be separately identified in the governmental entity's adopted budget as funds unused and carried forward from previous years.

- **Section 14-1-208 Subsection(s) A, B & D:** (A) A person who is convicted of, pleads guilty or nolo contendere to, or forfeits bond for an offense occurring after June 30, 2008, tried in municipal's court must pay an amount equal to 107.5 percent of the fine imposed as an assessment. (B) The county treasurer must remit 11.16 % of the revenue generated by the assessment imposed in municipal court to the county to be used exclusively for the purpose of providing direct victim services and remit the balance of the assessment revenue to the State Treasurer on a monthly basis by the fifteenth day of each month and make reports on a form and in a manner prescribed by the State Treasurer. (D) All unused funds must be carried forward from year to year and used exclusively for the provision of services for victims of crime. All unused funds must be separately identified in the governmental entity's adopted budget as funds unused and carried forward from previous years.
- **Section 14-1-206,207,208 Subsection(s) E:** To ensure that fines and assessments imposed are properly collected and remitted to the State Treasurer, the annual independent external audit required to be performed for each county and municipality must include a review of the accounting controls over the collection, reporting, and distribution of fines and assessments from the point of collection to the point of distribution and a Uniform Supplemental Schedule Form detailing all fines and assessments collected by the clerk of court for the court of general sessions, magistrate court of the county and at the court level, the amount remitted to the county and municipal treasurers, and the amount remitted to the State Treasurer.
- **Section 14-1-211 Subsection A & B:** (A) A one hundred dollar surcharge is imposed on all convictions obtained in general sessions court and a twenty-five dollar surcharge is imposed on all convictions obtained in magistrates and municipal courts in this State. (B) The revenue collected must be retained by the jurisdiction which heard or processed the case and paid to the city or county treasurer,

Section 14-1-211 Subsection B & D: (B) for the purpose of providing services for the victims of crime, including those required by law. 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 the requirements contained in this provision. For the purpose of funds allocation and expenditure, these funds are a part of the general funds of the city or county. These funds must be appropriated for the exclusive purpose of providing victim services as required by Chapter 3, Article 15 of Title 16; specifically, those service requirements that are imposed on local law enforcement, local detention facilities, prosecutors, and the summary courts. First priority must be given to those victims' assistance programs which are required by Chapter 3, Article 15 of Title 16 and second priority must be given to programs which expand victims' services beyond those required by Chapter 3, Article 15 of Title 16. 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.

(D) (1) The supplementary schedule must include the following elements:

- (1) (a) all surcharges collected by the clerk of court for the general sessions, magistrate's, 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.
-

Introduction

AUDIT OBJECTIVES

The SC State Legislative ACT 96 [PART IV] mandates Department of Crime Victim Compensation to conduct an audit which shall include both a programmatic review and financial audit of any entity or nonprofit organization receiving victim assistance funding to ensure that the crime victim funds are expended in accordance with the law.

Audit Objectives were;

- Were all of the requirements outlined in recommendation A of the DCVC Initial Audit issued on June 22, 2017 completed and complied with to ensure the Town of Bonneau maintained proper accountability of the Victim Assistance Fines, Fees and Assessment (VAFFA) Fund?
 - Were all of the requirements outlined in Recommendation B of the DCVC Initial Audit issued on June 22, 2017 completed and complied with to ensure the Town of Bonneau maintained proper accountability of the VAFFA Fund?
 - Were all of the requirements outlined in Recommendation C of the DCVC Initial Audit issued on June 22, 2017 completed and complied with to ensure the Town of Bonneau maintained proper accountability of the VAFFA Fund?
-

RESULTS IN BRIEF

Victim Assistance Fund Accountability

Were all of the requirements outlined in Recommendation A of the DCVC Initial Audit issued on June 22, 2017 completed and complied with to ensure the Town of Bonneau maintained proper accountability of the Victim Assistance Fines, Fees and Assessment (VAFFA) Fund?

Yes, the Town of Bonneau completed and complied with Recommendation A of the DCVC Initial Audit Report issued June 22, 2017. The Town reimbursed **\$38,916.11** to the State Treasurer's Office and the required reimbursement of **\$111,429.57** into the Victim Assistance Fund as recommended. They also established a separate bank account for the Victim Assistance (VA) funds and prepared a written process and procedure for expenditures and requesting the Victim Assistance funds.

Victim Assistance Program

Were all of the requirements outlined in Recommendation B of the DCVC Initial Audit issued on June 22, 2017 completed and complied with to ensure the Town of Bonneau maintained proper accountability of the VAFFA Fund?

Yes, the Town of Bonneau has completed and complied with Recommendation B of the DCVC Initial Audit Report issued June 22, 2017. The Town opted to have the Chief serve as the part time victim advocate instead of contracting with Berkeley County or a local municipality as recommended in the DCVC Initial Audit. Also, the Town updated the existing Victim Assistance job description and removed prevention related duties as recommended. At the time of the DCVC Initial Audit Site Visit, the auditor provided technical assistance and explained to the Mayor, Town Clerk and Chief that victim assistance funds cannot be used toward this position until the Chief of Police has completed and submitted proof of the Victim Service Provider certification and 90 days of time and activity forms for review to determine an allowable percentage for the program. The town confirmed the Chief (victim advocate) completed his certification and submitted the required 90 days of time and activity forms March 1, 2018. After review, the percentage calculated for the town to use was 6%. Therefore, the Town of Bonneau has taken the proper steps to establish a victim assistance program to include allowable percentage and is compliant with this recommendation.

Reporting Requirements

Were all of the requirements outlined in Recommendation C of the DCVC Initial Audit issued on June 22, 2017 completed and complied with to ensure the Town of Bonneau maintained proper accountability of the VAFFA Fund?

Yes, the Town of Bonneau has completed and complied with Recommendations C of the DCVC Initial Audit Report issued June 22, 2017. The Town submitted copies of all completed independent audits (FY13 and FY14) as required per the audit recommendation. However, the Chief has not received written reports on a monthly basis regarding the Victim Assistance (VA) Fund collection, balance and expenditures. But, the Town Clerk has provided a verbal update to the Chief, and he received a copy of the annual Supplemental Schedule for FY16 and FY17 prior to the audit site visit. Therefore, the Town of Bonneau is in compliance regarding this recommendation.

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

A. Victim Assistance Fund Accountability

Objective Were all of the requirements outlined in Recommendation A of the DCVC Initial Audit issued on June 22, 2017 completed and complied with to ensure the Town of Bonneau maintained proper accountability of the Victim Assistance Fines, Fees and Assessment (VAFFA) Fund?

Conclusion Yes, the Town of Bonneau completed and complied with Recommendation A of the DCVC Initial Audit Report issued June 22, 2017. The Town reimbursed **\$38,916.11** to the State Treasurer's Office and the required reimbursement of **\$111,429.57** into the Victim Assistance Fund as recommended. They also established a separate bank account for the Victim Assistance (VA) funds and prepared a written process and procedure for expenditures and requesting the Victim Assistance funds.

Background Proviso 98.9 (TREAs: Penalties for Non-reporting)
SC Code of Laws Section 14-14-208 (B), 14-1-211 (B)
SC Code of Law Title 16; Article 15

Discussion On September 22, 2017, DCVC initiated a 90 Day Follow-up Audit regarding recommendations outlined in the Initial DCVC Programmatic Review and Financial Audit issued on June 22, 2017 for the Town of Bonneau's Victim Assistance Fines, Fees and Assessment Fund.

On September 8, 2017, prior to initiating this audit, the auditor received by mail the following documents related to the recommendations outlined in the DCVC Initial Audit:

1. Written Victim Assistance (VA) Policy and Procedural Manual
2. Victim Advocate job description
3. Written process and procedure for requesting VA funds
4. Proof of establishing a separate VA fund bank account
5. Proof of reimbursement in the amount of \$103,184.76 into the VA fund

Discussion Cont.

After review of all documents received, no other documents were needed; therefore, the auditor did not provide a pre-requested document list for the upcoming DCVC 90 Day Follow up Audit Site Visit.

**Initial DCVC Audit
Recommendations A-1**

It is recommended the Town of Bonneau contact the State Treasurer's Office to verify steps the Town is required to take to submit a revised revenue remittance form and if whether or not installment payments would be an option for the submission of the owed outstanding amount of \$38,916.11.

Discussion (A-1)

In the DCVC initial audit, there were manual errors related to the calculation and remittance of assessments, surcharges and fees. It was determined by the State auditor the total assessed collections were underreported. Therefore, it was recommended the Town of Bonneau contact the State Treasurer's Office to verify steps the Town will be required to take to submit a revised revenue remittance form and if whether or not installment payments would be an option for the submission of the owed outstanding amount of \$38,916.11 to the State Treasurer's Office.

During the DCVC initial audit, the town clerk informed DCVC they were in the process of completing the Town's FY13 and FY14 Annual Financial Audit reports. It was anticipated this will lead to the State finally releasing funds withheld from the town due to failure to submit audit reports within 13 months following the fiscal year as required by Proviso 98.9. The town clerk assured the auditor that once the State withheld 25% of the appropriated funds for the respective fiscal years, the town's funds would be released from the State Treasurer's Office and the Town would receive enough funds to complete the reimbursement. During the DCVC 90 Day Follow up Audit, the town clerk stated reimbursement to the State Treasurer's Office was complete once withheld funds were received from submitting the past due FY13 and FY14 Independent Town Financial Audits. The Town Clerk submitted a copy of the State Treasurer's office payment receipt for review on August 29, 2017. Upon review of the State Treasurer's office receipt, it shows the Town paid \$38,916.12 to the State Treasurer's Office on May 3, 2017. Therefore, the Town of Bonneau is in compliance with this recommendation.

**Initial DCVC Audit
Recommendation A-2**

It is recommended that \$8,215.36 be reimbursed to the Victim Assistance Fund.

**Initial DCVC Audit
Recommendation A-3**

It is recommended that a separate account be established for the Victim Assistance Fund and \$103,214.21 be reimbursed into the VA Fund. Therefore, at a minimum; \$111,429.57 should be transferred into the designated Victim Assistance Account as outlined.

Discussion (A-2, A-3)

The auditor recommended **\$8,215.36** for Victim Assistance Fines, Fees and Assessment funds collected but not retained for FY11-FY13, and **\$103,214.21** Victim Assistance Funds collected and comingled with the general fund and not properly maintained be reimbursed in the Victim Assistance Fund. Also, it was recommended a separate bank account for the Victim Assistance Funds be established.

As noted above, a minimum of **\$111,429.57** was required to be reimbursed into the designated Victim Assistance Account. During the 90 Day Follow up Audit, the auditor inquired of the Town Clerk if **\$111,429.57** was placed into the Victim Assistance Fund. The Clerk stated she was unclear about the **\$8,215.36** owed to the Victim Assistance Fund per the State Auditor's Office Audit Report dated June 30, 2013. Therefore, the auditor explained that the **\$8,215.36** was owed to the Victim Assistance Fund as a result of errors in the calculation and remittance of assessments, surcharges and fees determined by the State Auditor's Office. Also, that the **\$103,184.76** was owed as a result of VA funds collected and comingled with the general fund and not properly maintained and used in accordance with state law as outlined in the DCVC Initial Audit dated June 22, 2017. Therefore, the total reimbursement amount into the Victim Assistance Fund was **\$111,429.57**.

In an email received on November 17, 2017, the Town Clerk stated they made every effort to complete all of the recommendations; to include reimbursing a total of **\$103,184.76** back into the Victim Assistance Fund and **\$38,916.12** to the State Treasurer's Office. However, due to the town's continued non-compliance status for failing to submit the Town's Annual Financial Audit for FY15, the State Treasurer's Office continued to withhold 25% of their state funding as required in Proviso 98.9. As a result, this has made it difficult for the town to reimburse the remaining amount of **\$8,215.36** back into the Victim Assistance fund.

Discussion (A-2, A-3) Cont. As a result of the noted concerns, the auditor requested the Clerk submit a copy of the completed FY13 and FY14 audit reports for further financial assessment and review.

The auditor performed for the town a “financial health overview assessment” of the Town of Bonneau’s general fund account. This was based upon FY13 and FY14 Independent Financial Audit reports received on October 2, 2017.

The “financial health overview assessment” as outlined below was used to determine if the Town of Bonneau was financially capable of reimbursing the additional funds without causing an additional financial hardship to the town.

Please note the auditor’s financial assessment below for FY13 and FY14:

- a. Based on an analysis of previously submitted FY13 bank statements, the Town of Bonneau averaged an ending balance month to month of approximately \$99,899.99 for FY13 and \$96,589.20 for FY14.
- b. Using the 2013 Fiscal Audit, DCVC reviewed current assets and liabilities pertaining to the general fund to determine the Town’s current ratio. The current ratio identifies how quickly an agency can convert its short term assets into cash to pay short-term liabilities. A “healthy” organization would have a current ratio of at least 1. It was found that the current ratio for 2013 was \$.73. Therefore, for FY13 every \$1 in current liabilities, the Town has \$.73 and \$.48 for FY14 in current assets. This is below the recommended standard of \$1.00.
- c. A cash-on-hand analysis of the general fund was conducted based on the 2013 Fiscal Audit. This analysis utilizes the reported amount of unrestricted cash and total expenditures to determine how long, in days, the agency could meet operating expenses without receiving new income. The standard is roughly 90 days. Based on the reported figures for the general fund, it was determined the Town could sustain for FY13 approximately **-0.18** days and for FY14 **-0.32** days. This is below the recommended standard of 90 days.

Discussion (A-2, A-3) Cont.

- d. An operating reserve analysis was also conducted to determine the percent of available operating funds the Town maintains to cover unforeseen increases in operating expenses or declines in income. A ratio of less than 1 indicates there is insufficient cash flow. Based on the general fund figures reported in the 2013 Fiscal Audit, it was found the Town reserves for FY13 approximately -19% and for FY14 -33% of available operating funds to cover unforeseen increases in operating expenses or declines in income. This is below the recommended standard of 25%.

Based on the above financial analysis, the auditor found a financial hardship does exist for the Town of Bonneau. According to the submitted bank statements, the Town of Bonneau maintains a limited amount of funds from month to month after meeting the Town's required financial obligations with a declining amount of reserved funds for usage. As a result, DCVC determined that requiring the Town of Bonneau to reimburse the additional \$8,215.36 may negatively affect the Town's daily operations and place a financial hardship on the town.

Therefore, in an effort to assist the town and aid in preventing a financial hardship or disrupt the Town's operation, DCVC will not require the town to reimburse \$8,215.36 and will accept the \$103,184.76 into the Victim Assistance Fund as full reimbursement and compliance with this recommendation. Also, noted is the \$38,916.12 reimbursement to the State Treasurer's Office which satisfies funds owed to that agency and compliance.

**Initial DCVC Audit
Recommendation A-4**

It is recommended the Clerk establish a written process and procedure for requesting funds.

**Initial DCVC Audit
Recommendation A-5**

It is recommended the Town develop written process and procedures for the Victim Assistance Fund expenditures.

Discussion (A-4, A-5)

It was recommended during the DCVC Initial Audit that the Town Clerk establish and develop a written process and procedure for requesting the Victim Assistance Funds and program expenditures. Also, previously the Town did not maintain a separate account for Victim Assistance Funds. Therefore, the auditor recommended the Town establish a separate bank account for fund accountability and transparency. As indicated above, on September 8, 2017, the Town submitted a copy of the newly established bank account information showing a separate account established solely for the Victim Assistance Funds.

Discussion (A-4, A-5) Cont. Also, the auditor received written process and procedures for requesting and expending the victim assistance funds. Therefore, the Town of Bonneau is compliant with this recommendation.

Recommendation(s)
and Comments

There were no further recommendations.

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

B. Victim Assistance Program Review**Objective**

Were all of the requirements outlined in Recommendation B of the DCVC Initial Audit issued on June 22, 2017 completed and complied with to ensure services were provided to crime victims in accordance with State law?

Conclusion

Yes, the Town of Bonneau has completed and complied with Recommendation B of the DCVC Initial Audit Report issued June 22, 2017. The Town opted to have the Chief serve as the part time victim advocate instead of contracting with Berkeley County or a local municipality as recommended in the DCVC Initial Audit. Also, the Town updated the existing Victim Assistance job description and removed prevention related duties as recommended. At the time of the DCVC Initial Audit Site Visit, the auditor provided technical assistance and explained to the Mayor, Town Clerk and Chief that victim assistance funds cannot be used toward this position until the Chief of Police has completed and submitted proof of the Victim Service Provider certification and 90 days of time and activity forms for review to determine an allowable percentage for the program. The town confirmed the Chief (victim advocate) completed his certification and submitted the required 90 days of time and activity forms March 1, 2018. After review, the percentage calculated for the town to use was 6%. Therefore, the Town of Bonneau has taken the proper steps to establish a victim assistance program to include allowable percentage and is compliant with this recommendation.

Background

SC Code of Law Title 16: Article 15

SC Code of Law Sect. 14-14-208 (B), 14-1-211 (B)

Discussion**Initial DCVC Audit
Recommendation B-1**

It is recommended the Town implement a contract with the Berkeley County Sheriff's Department or local municipality to ensure victim services are provided to crime victims in accordance with State law.

Discussion (B-1)

During the DCVC Initial Audit, the auditor was informed the Town of Bonneau did not have a Victim Advocate on staff to provide services to crime victims, nor was the Chief VSP certified to do so. According to the Chief, victim services were provided by Berkeley County based on a mutual agreement; however, there was not a written contract in place for the provision of services. The auditor recommended the Town of Bonneau implement a written contract with the Berkeley County Sheriff's Department or local municipality to ensure victim services are provided to crime victims in accordance with State law.

On September 8, 2017, the auditor received an updated job description for the Chief along with an official letter stating the Town opted to establish a victim assistance program and have the Chief attend training to serve as the Town's Victim Advocate rather than coordinate a contract with Berkeley County or a local municipality. During the 90 Day Follow up Audit Site Visit on November 9, 2017, the Chief stated after the initial audit and learning more about victim services, he feels the amount of direct services provided was not accurately recorded and accounted for in prior years by the advocate.

Initial DCVC Audit
Recommendation B-2

It is recommended the Town revise the existing job description to remove prevention related duties and include VSP certification requirements.

Discussion (B-2)

The auditor reviewed and assessed the Victim Assistance job description on file with the Town and found that prevention related duties were included on the outlined description, which is unallowable. As a result, the auditor emailed the Chief on October 9, 2017 and requested prevention related duties be removed from the job description and a revised job description be submitted to ensure compliance with this recommendation.

On October 13, 2017, the auditor received a copy of the revised Victim Advocate job description. The auditor reviewed and confirmed all prevention related duties were removed. Therefore, the Town of Bonneau is in compliance with Recommendation B of the DCVC Initial Audit Report. Additionally, during the 90 Day Follow-up Audit Site Visit on November 9, 2017, the auditor provided technical assistance to include a review of a number of supporting documents to assist the Town with establishing the Victim Assistance Program.

Discussion B-2 (Cont.)

The auditor explained to the Mayor, Town Clerk and Chief that Victim Assistance funds could not be used toward this position until the Chief completed the Victim Service Provider (VSP) Certification. Also, 90 days of time and activity sheets must be completed and submitted to DCVC for review and calculation for an allowable percentage determined by the auditor.

The Chief was scheduled to complete the required 15 hours of VSP Initial Certification training in December 2017. However, the Chief was already in the process of completing time and activity sheets to record and maintain direct services provided to crime victims. The auditor explained to the Chief that once he provides proof of certification, DCVC will then accept the 90 days of time and activity sheets for review. Based on the 90 Day Follow up Audit Site Visit conducted on November 9, 2017, the Chief was asked to provide proof of certification and 90 days of time and activity for the timeframe of October 1, 2017 – December 31, 2017 by January 5, 2018.

The documents were not received January 5, 2018 but later on February 20, 2018. Once DCVC received 90 days of time and activity forms from the Chief, it was determined by the auditor the allowable percentage was 6% of victim assistance funds for FY18 and FY19. This means, the town will be allowed to use victim funds for 6% of allowable expenses as it relates to the part time victim advocate's position beginning March 1, 2018. Also, the Chief submitted an email stating he was officially hired as the Victim Advocate on July 2017 and completed the 15 Basic Core hours on February 27, 2018. The Town Clerk also confirmed the Chief was officially hired as the victim advocate during the 90 Day Follow-up Audit Site Visit. Therefore, the Town of Bonneau has complied with this recommendation.

Recommendation(s)
and Comments

There were no further recommendations.

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

C. Reporting Requirements**Objective**

Were all of the requirements outlined in Recommendation C of the DCVC Initial Audit issued on June 22, 2017 completed and complied with to ensure the Town of Bonneau maintained proper accountability of the VAFFA Fund?

Conclusion

Yes, the Town of Bonneau has completed and complied with Recommendations C of the DCVC Initial Audit Report issued June 22, 2017. The Town submitted copies of all completed independent audits (FY13 and FY14) as required per the audit recommendation. However, upon further review, the Chief has not received written reports on a monthly basis regarding the Victim Assistance (VA) Fund collection, balance and expenditures. But, the Town Clerk has provided a verbal update to the Chief, and he received a copy of the annual Supplemental Schedule for FY16 and FY17 prior to the audit site visit. Therefore, the Town of Bonneau is in compliance regarding this recommendation.

Background

SC Code of Laws Section 14-14-208 (E)

SC Code of Law Title 16; Article 15

Discussion**Initial DCVC Audit Recommendation C-1**

It is recommended the Town of Bonneau submit a copy of all completed independent audit(s) for FY13, FY14 and FY15 to DCVC.

Discussion (C-1)

At the conclusion of the DCVC Initial Audit issued June 22, 2017, the auditor noted several recommendations for the Town of Bonneau to ensure the completion of all reporting requirements in accordance with State law.

As noted in the DCVC Initial Audit, according to the South Carolina State Treasurer's Delinquent Audit List for Municipalities dated March 29, 2017; the Town of Bonneau was non-compliant for failing to submit the Annual Independent Financial Audits for FY13, FY14, and FY 15. Therefore, the State Treasurer's Office withheld 25% of the town's state appropriated funds until the town becomes compliant with submitting the delinquent audits.

Discussion (C-1) Cont.

Once the town submit each of the audits, the withheld funds would then be released back to the town. The auditor recommended the Town submit a copy of all completed independent audits submitted to the State Treasurer's Office for FY13, FY14 and FY15 to DCVC.

On October 2, 2017, the auditor received the requested audits for FY13 and FY14. The Clerk informed the auditor that FY13 and FY14 was submitted to the State Treasurer's Office; however, FY15 was still outstanding. According to both the town clerk and town's independent auditor, the FY15 audit was not completed due to financial and audit completion timeframe concerns.

After submitting the completed FY13 and FY14 independent audit to the State Treasurer's Office, the town was able to receive a portion of the funds previously withheld. However, The State Treasurer's Office continues to withhold funds due to the town's failure to submit the Annual Independent Audits for FY15 and FY16. The auditor continues to encourage the town to complete the FY15 and FY16 independent audits to ensure compliance with state law and to avoid a possible future financial hardship for the town.

**Initial DCVC Audit
Recommendation C-2**

It is recommended the Clerk provide the Chief with monthly, quarterly and year end reports regarding the VA Fund collections, balances and expenditures.

Discussion (C-2)

During the DCVC Initial Audit, the auditor recommended the Clerk provide the Chief with monthly, quarterly and year end reports regarding the VA Fund collections, balances and expenditures to ensure availability of adequate resources for services to crime victims in accordance with State law. On October 9, 2017, the auditor emailed the Chief to confirm compliance of the victim service reporting recommendation outlined above. Later the same day, the auditor received a follow-up email from the Chief stating he had not received written reports; however, he had spoken with the Clerk several times regarding the status of the Victim Assistance Fund.

During the 90 Day Follow-up Audit Site Visit conducted on November 9, 2017, the auditor reiterated to the Clerk the importance of providing regular written reports to the Chief regarding the status of the Victim Assistance Fund. The Chief confirmed at that time, the Clerk was now providing him with a copy of the town's audit and supplemental schedule forms which reported the annual collection and carry forward funds for the Victim Assistance account. As the auditor reviewed the process and documents, it was determined that the town clerk may have been behind on completing the town's independent audit for FY16 and FY17.

Discussion (C-2) Cont.

However, the Clerk did complete the town's FY16 and FY17 audit supplemental schedule and a copy was provided to both the Chief and the auditor. Therefore, the Town is in compliance with the recommendation.

Recommendation(s)
and Comments

There were no further recommendations.

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

D. Technical Assistance**Documentation Provided**

During the site visit, technical assistance was provided and the following documents were explained in detail and provided to appropriate officials and agency representatives:

1. Copy of the Legislative Act 96
2. Copy of the Legislative Proviso 98.9
3. Copy of the Legislative Proviso 93.27
4. Copy of a Sample Budget
5. Sample Staff Hired Report
6. Sample Time and Activity Report
7. Sample Expenditure Report
8. Victim Advocate Procedural Manual
9. Copy of 2017 Approved Guidelines

Other Matters

There are no other matters.

Corrective Action

Act 96 [PART IV] (C) states:

“Any entity or nonprofit organization receiving victim assistance funding must cooperate and provide expenditure and program data requested by the division. If the division finds an error, the entity or nonprofit organization has ninety days to rectify the error. An error constitutes an entity or nonprofit organization spending victim assistance funding on unauthorized items as determined by the division. If the entity or nonprofit organization fails to cooperate with the programmatic review and financial audit or to rectify the error within ninety days, the division shall assess and collect a penalty in the amount of the unauthorized expenditure plus fifteen hundred dollars against the entity or nonprofit organization for improper expenditures. This penalty which includes the fifteen hundred dollars must be paid within thirty days of the notification by the division to the entity or nonprofit organization that the entity or nonprofit organization is in noncompliance with the provisions of this section. All penalties received by the division shall be credited to the general fund of the State. If the penalty is not received by the division within thirty days of the notification, the political subdivision must deduct the amount of the penalty from the entity's or nonprofit organization's subsequent fiscal year appropriation.”

The Town of Bonneau was informed at the conclusion of the DCVC Initial Audit Site Visit that there were errors as noted in the report, and the town would have 90 days to correct all errors. Upon further review by management, the initial audit report was completed and issued June 22, 2017.

DCVC conducted the 90 Day Follow up Audit Site Visit on November 9, 2017 and noted all errors were complied with pending review of management. After meeting with management, it is noted that all recommendations have been complied with per this 90 Day Follow up Audit report dated September 27, 2018. There are no further recommendations.

Technical assistance will continue to be provided to town officials regarding their victim assistance program as needed.

Official Post-Audit Response

The County/City has 10 business days from the date listed on the front of this report to provide a written response to the DCVC Assistant Deputy Director:

**Ethel Douglas Ford, CPM
1205 Pendleton St., Room 401
Columbia, SC 29201**

At the end of the ten day response period, this report and all post-audit responses (located in the Appendix) will become public information on the Department of Crime Victim Compensation (DCVC) website:

www.sova.sc.gov



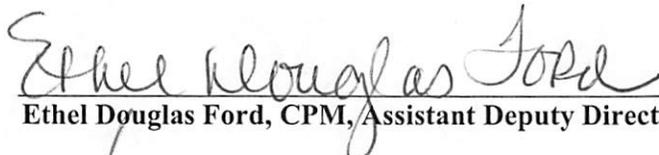
ALAN WILSON
ATTORNEY GENERAL

Programmatic Review Completed by:

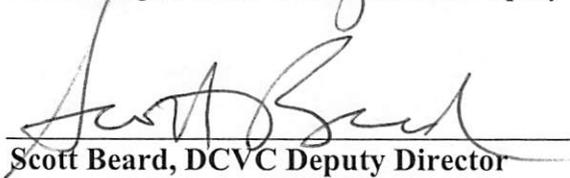

Richelle A. Melvin, CGAP, Sr. Auditor

9/27/18
Date

Reviewed by:


Ethel Douglas Ford, CPM, Assistant Deputy Director

9/27/18
Date


Scott Beard, DCVC Deputy Director

9/27/18
Date