ALAN WILSON
ATTORNEY GENERAL

October 17, 2018

Chief Mike Crider
Town of Pelion
1010 Main St.
Pelion, SC 29123

Dear Chief Cider,

The Office of the Attorney General, Department of Crime Victim Compensation (DCVC), is sending this notice to inform you that we have completed the State 90 Day Follow-up Audit Site Visit for the Town of Pelion Victim Assistance Program. 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 Pelion 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 Mignon Lee-Thompson at 803-734-1048.

Sincerely,

Ethel Douglas Ford

Ethel Douglas Ford, CPM
Assistant Deputy Director

Department of Crime Victim Compensation

cc: Mayor Frank Shumpert
Janice Poole, Town Clerk

The Office of the Attorney General
Department of Crime Victim Compensation

June 30, 2011

State Auditor's Office
Town of Pelion
Municipal Court
Audit Report

October 17, 2018

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

Contents

Introduction and Laws **Page**

Preface 4

Audit Objectives 10

Results in Brief 10

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

A. Procedures for Levied Fines..... 11-12

Did the Town implement procedures to ensure fines levied by the Court adhere to applicable State law?

B. Procedures for Conviction Surcharges..... 13-14

Did the Town implement procedures to ensure the conviction surcharge is properly assessed and collected in accordance with State law?

C. Procedures for Supplementary Schedule 15-17

Did the Town of Pelion implement procedures to ensure amounts reported on the supplementary schedule are accurately reported in accordance with State law?

D. Accounting for Victim Assistance Fund 18-19

Did the Town of Pelion reimburse the Victim Assistance Fund for the expenditure improperly charged?

E. Technical Assistance 20

Corrective Actions..... 21

Post-Audit Response and Appendix(s) 22

Disclaimer: The recommendations included in sections A thru D in this report were made by the State Auditor's Office. The DCVC follow-up review was based on compliance with the State Auditor's Office recommendations. In addition, all DCVC follow-up reviews (including this one) are conducted to ensure compliance with applicable laws and regulations. (See Appendix A of this report to review the Initial State Issued Audit Report.)

Acronyms:
FFA – Fines, Fees, and Assessment
DCVC – Department of Crime Victim Compensation
SCLEVA – South Carolina Law Enforcement Victim Advocate
VA-Victim Advocate

PREFACE

This 90 Day Programmatic Review and Financial Audit was initiated as a result of the Town of Pelion's Municipal Court audit completed by the SC State Auditor's Office June 30, 2011. On May 30, 2018, the Assistant Deputy Director of the Department of Crime Victim Compensation (DCVC) issued a letter to the Town of Pelion informing them DCVC will conduct a 90 Day Follow-up Audit Review in regards to the State Auditor's Office Report. The audit was conducted on July 18, 2018.

Governing Laws 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 nonprofit organizations that provide direct victim services on a competitive bid process. These funds may be used by the nonprofit 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.

SC Code of Law
Title14 (excerpts cont.)

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

- **Section 14-1-208 Subsection(s) A, B & D**: *(A)* A person who is convicted of, pleads guilty or nolo contendere to, or forfeits bond for an offense occurring after June 30, 2008, tried in municipal's court must pay an amount equal to 107.5 percent of the fine imposed as an assessment. *(B)* The county treasurer must remit 11.16 % of the revenue generated by the assessment imposed in municipal court to the county to be used exclusively for the purpose of providing direct victim services and remit the balance of the assessment revenue to the State Treasurer on a monthly basis by the fifteenth day of each month and make reports on a form and in a manner prescribed by the State 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, &D**: *(A)* A one hundred dollar surcharge is imposed on all convictions obtained in general sessions court and a twenty-five dollar surcharge is imposed on all convictions obtained in 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,

SC Code of Law
Title14 (excerpts cont.)

Section 14-1-211 Subsection A, 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:

(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 and Legislative

PRIOR AUDIT RESULTS

The SC State Legislative Act 96 (Part IV) mandates the Department of Crime Victim Compensation to conduct a 90 Day Follow up Audit which shall include both a programmatic review and financial audit of any entity or nonprofit organization receiving victim assistance funding with previously found errors to ensure necessary corrective action has taken place; thereby ensuring complying with all applicable state laws and regulations. As noted, the State Auditor's Office conducted an audit of the Town of Pelion's Municipal Court. The State Auditor's Report dated June 30, 2011 was received by DCVC on October 17, 2012.

The 90 Day Follow up Audit for the Town of Pelion was based on the SC State Auditor's Office Initial Audit findings and recommendations. (Appendix A)

DCVC Audit Objective was;

- To determine if all errors and recommendations issued by the SC State Auditor's Office were adhered to as required by State laws and regulations.

RESULTS IN BRIEF

Yes, all recommendations as outlined in the Town of Pelion's Municipal Court Auditor's Office Report were adhered to as required by State law. The Town of Pelion implemented procedures to ensure fines levied by the Court adhere to applicable State law as recommended. The Town also ensured the conviction surcharge was properly assessed and collected in accordance with State law by implementing the use of LawTrak during court proceedings. In addition, the town implemented procedures ensuring amounts reported on the supplemental schedule are accurately reported in accordance with State law. They also reimbursed the Victim Assistance Fund $31.00 for expenditures improperly charged to the victim fund. All implemented procedures are in writing and distributed to relevant personnel.

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

A. Procedures for Levied Fines

Objective

Did the Town implement procedures to ensure fines levied by the Court adhere to applicable State law?

Conclusion

Yes, The Town of Pelion did implement procedures to ensure fines levied by the Court adhere to applicable State law as recommended in the State Auditor's Report issued June 30, 2011. The town installed LawTrak, and the clerk developed written policies and procedures regarding how to use the system in her absence. The procedures are in writing and distributed to all relevant personnel.

Background

SC Code of Law Section 56-5-1520 (G)

Discussion

During the State Audit, the auditor noted one instance where an individual was fined $76.14 for speeding 15 mph over the speed limit but less than 25 mph over the speed limit. SC Code of Law, Section 56-5-1520(G), states "A person violating the speed limits established by this section is guilty of a misdemeanor, and upon conviction for a first offense, must be fined or imprisoned as follows: in excess of fifteen miles an hour but less than twenty-five miles an hour above the posted limit by a fine of not less than fifty dollars nor more than seventy-five dollars." As a result of the inaccuracy, the town overcharged $1.14.

The state auditor recommended the Town of Pelion implement procedures to ensure fines levied by the court adhere to State law.

Prior to the 90 Day Follow-up Audit Site Visit July 18, 2018, the auditor requested the town clerk provide procedures to ensure fines levied by the court adhere to State law. The clerk submitted a document via email stating LawTrak software was installed to assist with accuracy.

The auditor also asked the clerk to explain how LawTrak would ensure fines imposed are applicable with State law and was advised that LawTrak is a software system that processes tickets and fines collected.

Discussion Cont.

The software tracks the minimum and maximum fine amounts allowed according to State statute. The fine codes are entered into LawTrak, and at the end of the month the SC Assessment report is done. The auditor asked the clerk how she is notified of changes in State law. The clerk stated the software is updated monthly or as needed by the software company to ensure fine changes adhere to State law.

The clerk was asked if procedures were in writing to ensure fines, fees, and assessments will be maintained and continue to adhere to State law in her absence. The clerk stated she is the only person that uses LawTrak, and there were no procedures in writing. Therefore, it was recommended by the auditor that the clerk prepare written instructions on how fines, fees, and assessments will be maintained ensuring the town continues to adhere to State law in her absence. The clerk was asked to submit written procedures to DCVC and include the refund processing procedures as well. The procedures were received July 30, 2018 and stated the court uses LawTrak to process ticket and fine collections. Also, the software tracks the maximum fine amount according to the State statute. The clerk provided a detailed outline on how to use the LawTrak system in her absence. This included steps for entering tickets into LawTrak, running the outstanding refund report and issuing a refund in her absence. The town has put procedures in writing to ensure that fines levied by the Court adhere to applicable State law. Therefore, the town has complied with the recommendation.

Recommendation(s) and Comment

No Further Recommendations

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

B. Procedures for Surcharges Convictions

Objective

Did the Town implement procedures to ensure the conviction surcharge is properly assessed and collected in accordance with State law?

Conclusion

Yes, the Town of Pelion has implemented procedures to ensure the conviction surcharge is properly assessed and collected in accordance with State law by implementing the use of LawTrak during court proceedings and fine collections. In addition, those procedures are now in writing and distributed to all relevant personnel.

Background

South Carolina Code of Law Act 14-1-211(A) (1)

Discussion

During the State Audit, there was one instance where the Court did not assess and collect the required $25 conviction surcharge. SC Code of Law, Section 14-1-211(A) (1) states, "In addition to all other assessments and surcharges, a twenty-five dollar surcharge is imposed on all convictions obtained in magistrate and municipal courts in this State. No portion of the surcharge may be waived, reduced, or suspended."

The state auditor recommended the Town of Pelion implement procedures to ensure the conviction surcharge is properly assessed and collected in accordance with State law.

Prior to the audit site visit, the auditor requested the Town Clerk provide procedures implemented to ensure the conviction surcharge is properly assessed and collected in accordance with State law. On July 12, 2018, the auditor received a document from the clerk stating all surcharges were imposed.

During the site visit July 18, 2018, the auditor asked the clerk how the town ensures the $25.00 surcharge is assessed on all convictions.

Discussion Cont.

The clerk stated the judge assesses the conviction surcharge during court and it is then coded in LawTrak which automatically allocates the assessments at that time. When asked, if this procedure is in writing, the clerk stated no. The auditor also asked the clerk if all relevant personnel were aware of the mandatory surcharge. She stated she was not sure if they were aware of the information. The clerk was asked to put procedures in writing for assessing and collecting the $25.00 conviction surcharge, and distribute to all relevant personnel. The written procedures were received July 30, 2018 stating no portion of the surcharge may be waived, reduced or suspended. When the case is heard in court, even if the defendant is given credit for time served, the $25.00 surcharge is assessed against the ticket. LawTrak will alert the clerk when closing the ticket if the surcharge has not been entered. It appears the town has put procedures in writing to ensure the conviction surcharge is properly assessed and collected. Therefore, the Town is compliant with the recommendation.

Recommendation(s) and Comments

There were no Further Recommendations.

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

C. Procedures for Supplementary Schedule

Objective

Did the Town of Pelion implement procedures to ensure amounts reported on the supplementary schedule are accurately reported in accordance with State law?

Conclusion

Yes, the Town of Pelion has implemented procedures to ensure amounts reported on the supplemental schedule are accurately reported in accordance with State law. In addition, those procedures are now in writing and distributed to all relevant personnel.

Background

South Carolina Code of Law Act 14-1-208 (E) (1)

South Carolina Code of Law Act 96 (Part III)

Discussion

During the Town of Pelion's Municipal Court Audit, the state auditor noted the town did not report any fines collected by municipal court or victim services surcharges on the supplemental schedule. According to the court's detailed monthly reports, which agreed with the town's general ledger, the court collected $25,443 in fines and $180 in victim services surcharges during the year. In addition, the auditor noted the amount reported for victim assistance expenditures on the schedule did not agree with the amount recorded in the town's general ledger. The schedule reported victim assistance expenditures of $4,836 and the general ledger reported $5,237. According to the SC Code of Law, Section 14-1-208(E)(1), "The supplementary schedule must include the following elements: (a) all fines collected by the clerk of court for the municipal court; (b) all assessments collected by the clerk of court for the municipal court; (c) the amount of fines retained by the municipal treasurer; (d) the amount of assessments retained by the municipal treasurer; (e) the amount of fines and assessments remitted to the State Treasurer pursuant to this section; and (f) the total funds, by source, allocated to victim services activities, how those funds were expended, and any balances carried forward."

Discussion Cont.

The state auditor recommended the town implement procedures to ensure amounts reported on the supplementary schedule are accurately reported in accordance with State law.

Prior to the 90 Day Follow-up Audit Site Visit, the auditor requested the town clerk provide a copy of the 2017-2018 Victim Service General Ledger, 2017-2018 Revenue Remittance forms submitted to the State, and 2017 Financial Audit. All requested documents except the 2017 audit were submitted by the July 12, 2018 deadline. However, the clerk submitted the 2016 financial audit because the 2017 financial audit was incomplete.

After reviewing all of the submitted documents, the 2017-2018 Victim Service General Ledger showed $2,076.96 collected in Victim Assistance funds and the 2017-2018 Revenue Remittance forms showed $2,033.75 which is $43.21 difference between the two documents. Upon further review, the auditor found that the Revenue Remittance form for the month of June had not been submitted to the State Treasurer's office; however, the monthly deposit was made in the amount of $43.21 into the Victim Assistance Account on June 29, 2018. As a result of the deposit and failure to submit the Revenue Remittance form for June, this accounts for the difference between the two documents.

In the previous State Audit, the state auditor noted the 2010 supplemental schedule did not agree with the amount recorded in the town's general ledger. The schedule reported victim assistance expenditures of $4,836 and the general ledger reported $5,237, which is a difference of $401. The auditor asked the clerk if the town's 2010 financial audit supplemental schedule was corrected, and the town clerk stated yes. Therefore, expenditures were reviewed by the DCVC auditor. As a result of the review, the town's 2010 financial audit supplemental schedule was corrected to reflect victim service expenditures in the amount of $5,237. A copy of the corrected 2010 financial audit supplemental schedule was submitted on July 12, 2018 to the DCVC auditor.

During the 90 Day Follow-up Audit Site Visit on July 18, 2018, the auditor asked if the town implemented procedures ensuring the amounts reported on the town's annual financial audit supplemental schedule are accurately reported, and the clerk stated yes. When asked about steps taken to ensure accuracy, she stated revenue remittance forms are submitted monthly to report fines collected by the municipal court and victim services surcharges. Additionally, she reviews the revenue remittance forms and bank account ledger monthly ensuring they agree with each other.

Discussion Cont.

Next, the financial audit, remittance forms, and bank account ledger were reviewed with the auditor to ensure they are sufficient when the annual audit is completed. The documents were reviewed and the auditor stated they were sufficient. The clerk was asked if procedures were in writing, and she stated they were not. The auditor recommended the clerk put procedures in writing to ensure amounts reported on the supplementary schedule are accurately reported and distributed to all relevant personnel. The clerk later forwarded the procedures to the auditor on July 30, 2018 which stated the Town of Pelion contracts with a certified public accounting firm for the annual financial audit and supplemental information. At the end of the year, information is copied from LawTrak software and given to the accounting firm along with any other materials required to start the audit process. The accounting firm sends a draft copy of the Financial Audit Report to the town clerk and it is checked against the clerk's accounting records and the required Uniform Supplemental Schedule. Therefore, the town has written procedures to ensure amounts reported on the supplemental schedule are accurately reported in accordance with State law.

The auditor also informed town officials about the newly developed Uniformed Supplemental Schedule required by law. The auditor explained per Act 96 Section 14-1-206 (E), the Uniformed Supplemental Schedule is required to be used by all counties and municipalities as a part of the annual financial audit. The auditor provided the mayor, chief and clerk copies of the Uniformed Supplemental Schedule and explained where it can be found on the DCVC website. The clerk stated she would ensure the supplemental schedule is used in the 2018 annual financial audit report. Therefore the town is in compliance with this recommendation.

Recommendation(s) and Comments

There were no Further Recommendations.

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

D. Accounting for Victim Assistance Fund

Objective

Did the Town of Pelion reimburse the Victim Assistance Fund for the expenditure that was improperly charged?

Conclusion

Yes, the Town of Pelion reimbursed the Victim Assistance Fund the $31.00 in expenditures that was improperly charged to the account.

Background

South Carolina Code of Law Act 14-1-208 (D)

Discussion

During the State Audit, the auditor noted the town overcharged the victim assistance fund $31.00 related to a training cost for the Assistant Clerk/Victim Services Provider. The town allocated $221.00 to the fund for the clerk's salary for time spent in training, including travel time. The auditor performed the allocation calculation and found the town should have allocated $190 to the victim assistance fund. SC Code of Law Section 14-1-208(D) states, "The revenue retained by the municipality under subsection (B) must be used for the provision of services for the victims of crime including those required by law. These funds must be appropriated for the exclusive purpose of providing victim services as required by Article 15 of Title 16; specifically, those service requirements that are imposed on local law enforcement, local detention facilities, prosecutors, and the summary courts."

In addition, must adhere to the South Carolina Victim Service Coordinating Council, Approved Guide for Expenditures of Monies Collected for Crime Victim Service in Municipalities and Counties. The auditor recommended the town reimburse the Victim Assistance Fund for the expenditure that was improperly charged in the amount of **$31.00.**

Prior to the audit site visit July 18, 2018, the auditor requested documentation showing **$31.00** was reimbursed to the victim assistance fund as recommended by the State Auditor's Office.

A copy of the check dated October 18, 2012 and deposit slip dated October 23, 2012 was received and reviewed on June 27, 2018 by the auditor.

Discussion Cont.

Therefore, from the documents received, the Town of Pelion did reimburse the Victim Assistance Fund **$31.00** and is compliant with the recommendation.

Recommendation(s) and Comments

There were no Further Recommendations.

E. Technical Assistance

Documentation Provided

During the site visit, technical assistance and support was provided and the following documents were reviewed and explained in detail. Also, copies were 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 59.15
4. Copy of a Sample Contract
5. Copy of Donation Form
6. Copy of 2018 Approved Guidelines
7. Technical Assistance Provided
8. Uniformed Supplemental Form

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 Pelion was informed at the conclusion of the 90-Day Follow-up Audit Site Visit that the noted errors in the Municipal Court Audit Report have been corrected. The findings were reviewed with the Mayor, Chief, and Clerk. However, they were advised that this Programmatic Review will warrant further review by management.

The 90 Follow-up Audit Site Visit was conducted on July 18, 2018, and the report was issued on October 17, 2018.

Since all errors and recommendations have been corrected and complied with, the Town of Pelion is compliant, and there are no further recommendations.

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

Appendix(s)

Appendix A – Town of Pelion Municipal Court State Auditor's Report Issued June 30, 2011

TOWN OF PELION MUNICIPAL COURT

PELION, SOUTH CAROLINA

STATE AUDITOR'S REPORT

JUNE 30, 2011

CONTENTS

		PAGE
I.	INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES	1
II.	ACCOUNTANT'S COMMENTS	
	SECTION A – VIOLATIONS OF STATE LAWS, RULES OR REGULATIONS	4
	ADHERENCE TO FINE GUIDELINES	5
	CONVICTION SURCHARGE	5
	SUPPLEMENTARY SCHEDULE	6
	ACCOUNTING FOR VICTIM ASSISTANCE FUNDS	7
	SECTION B – STATUS OF PRIOR FINDINGS	8
	TOWN'S RESPONSE	9

State of South Carolina

Office of the State Auditor

1401 MAIN STREET, SUITE 1200
COLUMBIA, S.C. 29201

RICHARD H. GILBERT, JR., CPA
DEPUTY STATE AUDITOR

(803) 253-4160
FAX (803) 343-0723

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

August 15, 2012

The Honorable Nikki R. Haley, Governor
State of South Carolina
Columbia, South Carolina

The Honorable Scott D. Whittle, Chief Municipal Judge
Town of Pelion
Pelion, South Carolina

Ms. Janice Poole, Town Clerk/Clerk of Court
Town of Pelion
Pelion, South Carolina

We have performed the procedures described below, which were agreed to by the management of the Town of Pelion and the Town of Pelion Municipal Court, solely to assist you in evaluating the performance of the Town of Pelion Municipal Court for the fiscal year ended June 30, 2011, in the areas addressed. The Town of Pelion and the Town of Pelion Municipal Court are responsible for its financial records, internal controls and compliance with State laws and regulations. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified parties in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

1. **Clerk of Court**
   - We gained an understanding of the policies and procedures established by the Clerk of Court to ensure proper accounting for all fines, fees, assessments, surcharges, forfeitures, escheatments, or other monetary penalties.
   - We obtained court dockets for the fiscal year ended June 30, 2011 from the Clerk of Court. We randomly selected 25 cases from the court dockets and recalculated the fine, fee, assessment and surcharge calculation to ensure that the fine, fee, assessment or surcharge was properly allocated in accordance with applicable State law. We also determined whether the fine, fee, assessment and/or surcharge adhered to State law and to the South Carolina Court Administration fee memoranda.

Our findings as a result of these procedures are presented in Adherence to Fine Guidelines and Conviction Surcharge in the Accountant's Comments section of this report.

2. **Town Treasurer**
   - We gained an understanding of the policies and procedures established by the Town to ensure proper accounting for court fines, fees, assessments, surcharges, forfeitures, escheatments, or other monetary penalties.
   - We obtained copies of all State Treasurer's Revenue Remittance Forms submitted by the Town for the fiscal year ended June 30, 2011. We agreed the line item amounts reported on the State Treasurer's Revenue Remittance Forms to the monthly court remittance reports and to the State Treasurer's receipts. We also agreed the total revenue due to the State Treasurer to the general ledger.
   - We determined if the State Treasurer's Revenue Remittance Forms were submitted in a timely manner to the State Treasurer in accordance with State law.
   - We verified that the amounts reported by the Town on its supplemental schedule of fines and assessments for the fiscal year ended December 31, 2010 agreed to the State Treasurer's Revenue Remittance Forms and to the Town's general ledger. We also determined if the supplemental schedule of fines and assessments contained all required elements in accordance with State law.

   Our finding as a result of these procedures is presented in Supplementary Schedule in the Accountant's Comments section of this report.

3. **Victim Assistance**
   - We gained an understanding of the policies and procedures established by the Town to ensure proper accounting for victim assistance funds.
   - We made inquiries and performed substantive procedures to determine if any funds retained by the Town for victim assistance were accounted for in a separate account.
   - We tested all victim assistance expenditures to ensure that the Town expended victim assistance funds in accordance with State law and South Carolina Court Administration Fee Memoranda, Attachment L.
   - We determined if the Town reported victim assistance financial activity on the supplemental schedule of fines and assessments in accordance with State law.
   - We inspected the Town's general ledger to determine if the Victim Assistance Fund balance was retained as of July 1 from the previous fiscal year in accordance with State law.

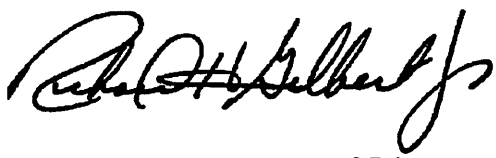
   Our finding as a result of these procedures is presented in Accounting for Victim Assistance Funds in the Accountant's Comments section of this report.

4. **Status of Prior Findings**
   - We inquired about the status of findings reported in the Accountant's Comments section of the State Auditor's Report for the twelve month period ended April 30, 2006 and dated September 21, 2006, to determine if the Town had taken adequate corrective action.

   Our findings as a result of these procedures are presented in Supplementary Schedule and Accounting for Victim Assistance Funds in the Accountant's Comments section of this report.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on compliance with the collection and distribution of court generated revenue at any level of court for the twelve months ended June 30, 2011, and, furthermore, we were not engaged to express an opinion on the effectiveness of internal controls over compliance with the laws, rules and regulations described in paragraph one and the procedures of this report. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Governor, Chairman of the House Ways and Means Committee, Chairman of the Senate Finance Committee, Chairman of the House Judiciary Committee, Chairman of the Senate Judiciary Committee, members of the Town of Pelion Town Council, Town of Pelion Municipal Judge, Town of Pelion Clerk/Clerk of Court, State Treasurer, State Office of Victim Assistance, and the Chief Justice and is not intended to be and should not be used by anyone other than these specified parties.



Richard H. Gilbert, Jr., CPA
Deputy State Auditor

ACCOUNTANT'S COMMENTS

SECTION A – VIOLATIONS OF STATE LAWS, RULES OR REGULATIONS

Management of the entity is responsible for establishing and maintaining internal controls to ensure compliance with State Laws, Rules or Regulations governing court collections and remittances. The procedures agreed to by the entity require that we plan and perform the engagement to determine whether any violations of State Laws, Rules or Regulations occurred.

The conditions described in this section have been identified as violations of State Laws, Rules or Regulations.

ADHERENCE TO FINE GUIDELINES

During our test of Municipal Court collections and remittances, we noted one instance where the individual was fined $76.14 for speeding, 15 mph over but less than 25 mph over the speed limit.

Section 56-5-1520(G) of the 1976 South Carolina Code of Laws, as amended, states "A person violating the speed limits established by this section is guilty of a misdemeanor and, upon conviction for a first offense, must be fined or imprisoned as follows: (3) in excess of fifteen miles an hour but less than twenty-five miles an hour above the posted limit by a fine of not less than fifty dollars nor more than seventy-five dollars."

The Town Clerk/Clerk of Court stated the error in the fine assessment was due to oversight.

We recommend the Town implement procedures to ensure that fines levied by the Court adhere to applicable State law.

CONVICTION SURCHARGE

During our test of Municipal Court collections and remittances, we noted one instance where the Court did not assess and collect the required $25 conviction surcharge.

The Town Clerk/Clerk of Court stated the defendant was given credit for time served and no fine or surcharges were ordered.

Section 14-1-211(A)(1) of the 1976 South Carolina Code of Laws, as amended, states, "In addition to all other assessments and surcharges, ...a twenty-five dollar surcharge is imposed on all convictions obtained in magistrates and municipal courts in this State. No portion of the surcharge may be waived, reduced, or suspended."

We recommend the Municipal Court implement procedures to ensure the conviction surcharge is properly assessed and collected in accordance with State law.

SUPPLEMENTARY SCHEDULE

During our testing of the schedule of court fines, assessments and surcharges included in the Town's financial statements for the year ended December 31, 2010, we noted the Town did not report any fines collected by the municipal court nor did it report any victim services surcharges. According to the court's detail monthly reports, which agreed to the Town's general ledger, the court collected $25,443 in fines and $180 in victim services surcharges during the year. In addition, we noted that the amount reported for victim assistance expenditures on the schedule did not agree with the amount recorded in the Town general ledger. The schedule reported victim assistance expenditures of $4,836 and the general ledger reported $5,237.

The Town Clerk/Clerk of Court stated she was unaware of the requirements regarding the supplementary schedule. She also stated the variance between the supplementary schedule and the general ledger was due to timing differences.

Section 14-1-208(E)(1) of the 1976 South Carolina Code of Laws, as amended, states, "The supplementary schedule must include the following elements: (a) all fines collected by the clerk of court for the municipal court; (b) all assessments collected by the clerk of court for the municipal court; (c) the amount of fines retained by the municipal treasurer; (d) the amount of assessments retained by the municipal treasurer; (e) the amount of fines and assessments remitted to the State Treasurer pursuant to this section; and (f) the total funds, by source, allocated to victim services activities, how those funds were expended, and any balances carried forward."

We recommend the Town implement procedures to ensure that amounts reported on the supplementary schedule are accurately reported in accordance with State law.

ACCOUNTING FOR VICTIM ASSISTANCE FUNDS

During our testing of victim assistance expenditures, we noted the Town overcharged the victim assistance fund $31 related to training the Assistant Clerk/Victim Services Provider. The Town allocated the Clerk's salary to the victim assistance fund for time spent in training, including travel time. The Town allocated $221 to the victim assistance fund. We reperformed the allocation calculation and determined that the town should have allocated $190 to the victim assistance fund.

The Town Clerk/Clerk of Court stated she was unaware the fund was overcharged.

Section 14-1-208(D) of the 1976 South Carolina Code of Laws, as amended, states, "The revenue retained by the municipality under subsection (B) must be used for the provision of services for the victims of crime including those required by law. These funds must be appropriated for the exclusive purpose of providing victim services as required by Article 15 of Title 16; specifically, those service requirements that are imposed on local law enforcement, local detention facilities, prosecutors, and the summary courts." Also, the South Carolina Court Administration Memorandum, Attachment L, dated June 24, 2010, and the South Carolina Victim Service Coordinating Council, Approved Guide for Expenditures of Monies Collected for Crime Victim Service in Municipalities and Counties, effective January 2010, set forth guidelines for expenditures of monies collected for crime victim services. In addition, Ethel Ford, Program Manager for the State Office of Victim Assistance, stated that the hours charged and paid to a part-time victim advocate must be equal to the amount of time spent attending the victim training, excluding time for lunch, and time spent traveling to and from the training.

We recommend the Town reimburse the victim assistance fund for the expenditure that was improperly charged.

SECTION B – STATUS OF PRIOR FINDINGS

During the current engagement, we reviewed the status of corrective action taken on each of the findings reported in the Accountant's Comments section of the Report on Agreed Upon Procedures of the Town of Pelion Municipal Court for the twelve month period ended April 30, 2006 and dated September 21, 2006. We determined that the Town of Pelion has taken adequate corrective action on each of the deficiencies.

TOWN'S RESPONSE

Town of Pelion

SCOTT D. WHITTLE

Municipal Judge

PO Box 7
Pelion SC 29123
803-894-3535

October 4, 2012

Via e-mail

To: Richard H. Gilbert Jr., CPA
Office of the State Auditor
1401 Main Street Suite 1200
Columbia, S.C. 29201

Mr. Gilbert,

I have reviewed the preliminary draft of the audit for the Town of Pelion.
The information contained is very helpful in assuring that the courts collect the proper fees associated with the fines ordered, as a result of the audit I will confer with my Associate Judge to insure that the courts impose the proper fines to include the assessments required by law, we in turn will communicate more closely with Ms. Poole to insure strict compliance with the law.
I also through this letter authorize the release of the report as requested in your letter.
Please do not hesitate to contact me with any issues.

Sincerely,

Scott D. Whittle

cc. Town of Pelion via e-mail

Pelion Municipal Court
1010 Main Street
P.O. Box 7
Pelion, SC 29123
Phone/Fax: 803-894-3535

October 9, 2012

Mr. Richard H. Gilbert, Jr., Deputy State Auditor
State of South Carolina
Office of the State Auditor
1401 Main Street
Columbia, SC 29201

Dear Mr. Gilbert,

After reviewing the preliminary draft of the state auditor's report dated June 30, 2011, we would like to give the following responses to the accountant's comments.

SUPPLEMENTARY SCHEDULE: We have taken steps to make sure that the financial audit is prepared according to State law.

ACCOUNTING FOR VICTIM ASSISTANCE FUNDS: The Town will reimburse the victim assistance fund for the expenditure of $31 that was improperly charged.

Please accept this letter as authorization to release your report.

Sincerely,

Charles W. Haggard, Mayor

Janice R. Poole, Town Clerk/Clerk of Court

5 copies of this document were published at an estimated printing cost of $1.46 each, and a total printing cost of $7.30. Section 1-11-125 of the South Carolina Code of Laws, as amended requires this information on printing costs be added to the document.

ALAN WILSON
ATTORNEY GENERAL

Programmatic Review Completed by:

Mignon Lee-Thompson 10/17/18
Mignon Lee-Thompson, Auditor **Date**

Reviewed by:

10/17/18
Richelle A. Copeland, Sr. Auditor **Date**

10/17/18
Ethel Douglas Ford, CPM, Assistant Deputy Director **Date**

10/17/18
Scott Beard, DCVC Deputy Director **Date**