



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

July 15, 2015

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

November 28, 2016

**90 Day Follow-up
Programmatic Review and
Financial Audit of the Town of
Springfield Victim Assistance
FFA Fund**

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Acronyms:
SOVA – State Office of Victims Assistance
STRRF – State Treasurer’s Revenue Remittance Form

Introduction and Laws

PREFACE

This 90 Day Programmatic Review and Financial Audit was initiated in response to recommendations in the State Office of Victim Assistance's Initial Audit review completed on July 15, 2015. On January 11, 2016, the Director of SOVA issued a letter to the Mayor and the Police Chief informing them that SOVA will conduct a 90 Day Follow-up Audit review in regards to the SOVA Initial Audit report. This audit was conducted on March 1, 2016.

Governing Laws and Regulations

Proviso 117.51

General Provision 117.51. (GP: Assessment Audit/Crime Victim Funds)

If the State Auditor finds that any county treasurer, municipal treasurer, county clerk of court, magistrate, or municipal court has not properly allocated revenue generated from court fines, fines, and assessments to the crime victim funds or has not properly expended crime victim funds, pursuant to Sections 14-1-206(B)(D), 14-1-207(B)(D), 14-1-208(B)(D), and 14 1-211(B) of the 1976 Code, the State Auditor shall notify the State Office of Victim Assistance. The State Office of Victim Assistance is authorized to conduct an audit which shall include both a programmatic review and financial audit of any entity or non-profit organization receiving Victim Assistance funding based on the referrals from the State Auditor or complaints of a specific nature received by the State Office of Victim Assistance to ensure that crime victim funds are expended in accordance with the law. Guidelines for the expenditure of these funds shall be developed by the Victim Services Coordinating Council. The Victim Services Coordinating Council shall develop these guidelines to ensure any expenditure which meets the parameters of Article 15, Chapter 3, Title 16 is an allowable expenditure. Any local entity or non-profit organization that receives funding from revenue generated from crime victim funds is required to submit their budget for the expenditure of these funds to the State Office of Victim Assistance within thirty days of the budget's approval by the governing body of the entity or non-profit organization.

Proviso 117.51 (cont.)

Failure to comply with this provision shall cause the State Office of Victim Assistance to initiate a programmatic review and a financial audit of the entity's or non-profit organization's expenditures of Victim Assistance funds.

Additionally, the State Office of Victim Assistance will place the name of the non-compliant entity or non-profit organization on their website where it shall remain until such time as they are in compliance with the terms of this proviso. Any entity or non-profit organization receiving Victim Assistance funding must cooperate and provide expenditure/program data requested by the State Office of Victim Assistance. If the State Office of Victim Assistance finds an error, the entity or non-profit organization has ninety days to rectify the error. An error constitutes an entity or non-profit organization spending Victim Assistance funding on unauthorized items as determined by the State Office of Victims Assistance. If the entity or non-profit organization fails to cooperate with the programmatic review and financial audit or to rectify the error within ninety days, the State Office of Victim Assistance shall assess and collect a penalty in the amount of the unauthorized expenditure plus \$1,500 against the entity or non-profit organization for improper expenditures. This penalty plus \$1,500 must be paid within thirty days of the notification by the State Office of Victim Assistance to the entity or non-profit organization that they are in non-compliance with the provisions of this proviso. All penalties received by the State Office of Victim Assistance shall be credited to the General Fund of the State. If the penalty is not received by the State Office of Victim Assistance within thirty days of the notification, the political subdivision will deduct the amount of the penalty from the entity or non-profit organization's subsequent fiscal year appropriation.

Proviso 98.9

98.9 (TREASURY: Penalties for Non-reporting)

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

Proviso 98.9 (cont.)

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

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

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

***SC Code of Law
Title 14***

Courts – General Provisions

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

- **Sec. 14-1-206, subsection(s) A, B & D:** A person who is convicted of, pleads guilty or nolo contendere to, or forfeits bond for an offense occurring after June 30, 2008, tried in general sessions court must pay an amount equal to 107.5 percent of the fine imposed as an assessment. The county treasurer must remit 35.35 % of the revenue generated by the assessment imposed in general sessions to the county to be used exclusively for the purpose of providing direct victim services and remit the balance of the assessment revenue to the State Treasurer on a monthly basis by the fifteenth day of each month.
- **Sec. 14-1-207 Subsection(s) A, B & D:** A person who is convicted of, pleads guilty or nolo contendere to, or forfeits bond for an offense occurring after June 30, 2008, tried in magistrate's court must pay an amount equal to 107.5 percent of the fine imposed as an assessment.

- **Sec. 14-1-207 Subsection(s) A, B & D (cont):** The county treasurer must remit 11.16 % of the revenue generated by the assessment imposed in magistrate's court to the county to be used exclusively for the purpose of providing direct victim services and remit the balance of the assessment revenue to the State Treasurer on a monthly basis by the fifteenth day of each month.

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

- **Sec. 14-1-211 Subsection A, B, &D:** A one hundred dollar surcharge is imposed on all convictions obtained in general sessions court and a twenty-five dollar surcharge is imposed on all convictions obtained in the magistrate's and municipal court must be retained by the jurisdiction which heard or processed the case and paid to the city or county treasurer. Any funds retained by the county or city treasurer must be deposited into a separate account for the exclusive use for all activities related to those service requirements that are imposed on local law enforcement, local detention facilities, prosecutors, and the summary courts. These funds must be used for, but are not limited to, salaries, equipment that includes computer equipment and internet access, or other expenditures necessary for providing services to crime victims. All unused funds must be carried forward from year to year and used exclusively for the provision of services to the victims of crime. All unused funds must be separately identified in the governmental entity's adopted budget as funds unused and carried forward from previous years.

- **Sec. 14-1-207 Subsection(s) A, B & D (cont)**: To ensure that surcharges imposed pursuant to this section are properly collected and remitted to the city or county treasurer, the annual independent external audit required to be performed for each municipality and each county must include a review of the accounting controls over the collection, reporting, and distribution of surcharges from the point of collection to the point of distribution and a supplementary schedule detailing all surcharges collected at the court level, and the amount remitted to the municipality or county.

The supplementary schedule must include the following elements:

- (a) All surcharges collected by the clerk of court for the general sessions, magistrates, or municipal court;
- (b) The amount of surcharges retained by the city or county treasurer pursuant to this section;
- (c) The amount of funds allocated to victim services by fund source; and
- (d) How those funds were expended, and any carry forward balances.

The supplementary schedule must be included in the external auditor's report by an "in relation to" paragraph as required by generally accepted auditing standards when information accompanies the basic financial statements in auditor submitted documents.

AUDIT OBJECTIVES

The State Legislative Proviso 117.51 mandates the State Office of Victim Assistance (SOVA) to conduct programmatic reviews and financial audits of any entity or non-profit organization receiving Victim Assistance funding to ensure crime victim funds are expended in accordance with the law.

Audit Objectives were;

- To determine if the Town of Springfield formulated and implemented a plan of action to reimburse the total of **\$29,876.73** for unallowable expenditures into the Victim Assistance fund within 90 days of the issued SOVA Initial Audit report dated July 15, 2015.
- To determine if the Town of Springfield formulated and implemented a plan of action to submit the outstanding State Treasurer's Revenue Remittance Forms and pay the State Treasurer's Office the outstanding monthly amount owed totaling **\$74,619.14** as of the SOVA Initial Audit site visit on April 15, 2015.
- To determine if the Town of Springfield formulated and implemented a plan of action to deposit the outstanding monthly retained amounts from the State Treasurer's Revenue Remittance Forms totaling **\$8,423.78** as of the SOVA Initial Audit site visit into the Town's Victim Assistance fund within 12 months of the date of the issued SOVA Initial Audit report dated July 15, 2015.

Also, to determine if the Town of Springfield submitted to SOVA deposit slips showing each monthly deposit into the Victim Assistance account during the 12 month period (July 2015 - July 2016) as they were made.

Audit Objectives Cont.

- To determine if the Clerk/Treasurer and Mayor contacted the Town's Auditor to advise the auditor of the errors noted in the issued SOVA Initial Audit report to ensure that the FY 14-15 Supplemental Schedule for the Town's Annual Financial Audit (not yet completed for FY 14-15 as of June 16, 2015) was completed correctly and if the Clerk/Treasurer submitted the FY 14-15 Supplemental Schedule to SOVA during the 90 Day Follow-up Audit.
- To determine if the Town of Springfield's Chief of Police provided a statistical report for the Town of Springfield's Victim Assistance program for the period of January 2010 through January 2016.

RESULTS IN BRIEF

Unallowable Expenditures

Did the Town of Springfield formulate and implement a plan of action to reimburse the total of \$29,876.73 for unallowable expenditures into the Victim Assistance fund within 90 days of the issued SOVA Initial Audit report dated July 15, 2015?

No, the Town of Springfield did not formulate and implement a plan of action to reimburse **\$29,876.73** for unallowable expenditures into the Victim Assistance fund within 90 days of the issued SOVA Initial Audit report dated July 15, 2015. Therefore, the Town of Springfield is considered to be non-compliant as it relates to the requirement of this recommendation. Because the Town of Springfield failed to rectify the error within 90 days, all reimbursement funds for expenditures in the amount of **\$29,876.73** plus the **\$1,500** penalty for a total of **\$31,376.73** are to be remitted to SOVA as required per Proviso 117.51 and credited to the General Fund of the State.

Please note there will be a one-time \$1,500 penalty assessed since one or more uncorrected recommendations regarding improper expenditures are noted in this report in Objectives A and C. The total penalty amount will be outlined in the Other Matters Section.

RESULTS IN BRIEF Cont.

State Treasurer's Revenue Remittance Reports

Did the Town of Springfield formulate and implement a plan of action to submit the outstanding State Treasurer's Revenue Remittance Forms and pay the State Treasurer's Office the outstanding monthly amount owed totaling **\$74,619.14** as of the SOVA Initial Audit site visit on April 15, 2015?

No, the Town of Springfield did not formulate and implement a plan of action to submit the outstanding State Treasurer's Revenue Remittance Forms and pay the State Treasurer's Office the outstanding monthly amount owed totaling **\$74,619.14** as of the SOVA Initial Audit site visit on April 15, 2015. Therefore, the Town of Springfield is considered to be non-compliant as it relates to the requirements of this recommendation.

Victim Service Monthly Retained Amounts

Did the Town of Springfield formulate and implement a plan of action to deposit the outstanding monthly retained amount from the State Treasurer's Revenue Remittance Form totaling **\$8,423.78** as of the SOVA Initial Audit site visit into the Town's Victim Assistance fund within 12 months of the date of the issued SOVA Initial Audit? Also, did the Town submit to SOVA deposit slips showing each monthly deposit into the Victim Assistance account during the 12 month period (July 2015-July 2016) as they were made?

No, the Town of Springfield did not formulate and implement a plan of action to deposit the outstanding monthly retained amounts into the Victim Assistance fund. However, the town did make some payments towards the amount owed to the Victim Assistance fund for the outstanding State Treasurer's Revenue Remittance Form (STRRF). As of the SOVA 90 Day Follow-up Audit site visit conducted on March 1, 2016, the town had reimbursed **\$5,172.04** of the total amount owed leaving a balance of **\$3,251.74** to be paid to the fund by the deadline of July 15, 2016. Also, the town provided SOVA documentation showing each of these monthly transactions having taken place. However, there was no additional documentation submitted showing payment of the outstanding amount of **\$3,251.74** to the Town's Victim Assistance account.

RESULTS IN BRIEF Cont.

*Victim Service Monthly
Retained Amounts Cont.*

Therefore, the Town of Springfield is considered to be non-compliant as it relates to the requirements of this recommendation. Because the Town of Springfield failed to rectify the error within 90 days, all reimbursement funds for expenditures in the amount of **\$3,251.74** are to be remitted to SOVA as required per Proviso 117.51 and credited to the General Fund of the State.

Please note, there will be a one-time \$1,500 penalty assessed since one or more uncorrected recommendations regarding improper expenditures are noted in this report in Objectives A and C. Therefore; for this objective, \$3,251.74 is the amount owed due to the penalty assessed in conjunction with the reimbursement total as outlined in Objective A of this report. The total penalty amount will be outlined in the Other Matters Section.

*Annual Financial Audit
Supplemental Schedule
Review*

Did the Clerk/Treasurer and Mayor contact the Town's Auditor to advise the auditor of the errors noted in the issued SOVA Initial Audit report to ensure the FY14-15 Supplemental Schedule for the Town's Annual Financial Audit (not yet completed for FY14-15 as of June 16, 2015) was completed correctly? Also, did the Clerk/Treasurer submit the FY 14-15 Supplemental Schedule to SOVA during the 90 Day Follow-up Audit?

No, the town did not contact the Town's Auditor to ensure the Supplemental Schedule was completed correctly. At the conclusion of the 90 Day Follow-up site visit, the Mayor did provide the auditor a copy of the FY14-15 Supplemental Schedule from the Annual Town Audit. However; upon review, the document did not show expenditures from the fund during the fiscal year as required per the recommendation. Therefore, the Town of Springfield is considered to be non-compliant as it relates to the requirements of this recommendation. But, upon review of the Supplemental Schedule, it appears no expenditures were shown as having been made from the fund during the fiscal year as required by the recommendation. Nevertheless, the Town of Springfield is considered to be non-compliant as it relates to this recommendation.

RESULTS IN BRIEF Cont.

Statistical Report

Did the Town of Springfield's Chief of Police provide a statistical report for the Town of Springfield's Victim Assistance program for the period of January 2010 through January 2016?

Yes, by the conclusion of the SOVA 90 Day Follow-up Audit site visit, the Town of Springfield's Chief of Police provided the requested statistical report for the period of January 2010 through February 2016.

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

A. Unallowable Expenditures

Objective

Did the Town of Springfield formulate and implement a plan of action to reimburse the total of \$29,876.73 for unallowable expenditures into the Victim Assistance fund within 90 days of the issued SOVA Initial Audit report dated July 15, 2015?

Conclusion

No, the Town of Springfield did not formulate and implement a plan of action to reimburse **\$29,876.73** for unallowable expenditures into the Victim Assistance fund within 90 days of the issued SOVA Initial Audit report dated July 15, 2015. Therefore, the Town of Springfield is considered to be non-compliant as it relates to the requirement of this recommendation. Because the Town of Springfield failed to rectify the error within 90 days, all reimbursement funds for expenditures in the amount of **\$29,876.73** plus the **\$1,500** penalty for a total of **\$31,376.73** are to be remitted to SOVA as required per Proviso 117.51 and credited to the General Fund of the State.

Please note there will be a one-time \$1,500 penalty assessed since one or more uncorrected recommendations regarding improper expenditures are noted in this report in Objectives A and C. The total penalty amount will be outlined in the Other Matters Section.

Background

Approved Guide for Expenditures of Monies Collected for Crime Victim Service in Municipalities and Counties
Effective December / 2013

Discussion

Following an anonymous complaint on January 23, 2015 regarding unallowable expenditures from the Town of Springfield Victim Assistance fund, SOVA investigated the complaint and found grounds to initiate a programmatic review and financial audit of the Town's Victim Assistance program.

During the SOVA Initial Audit site visit conducted April 15, 2015, SOVA investigated the complaint and concerns regarding the Town of Springfield paying for unallowable expenditures from the Victim Assistance fund.

Discussion Cont.

During the SOVA Initial Audit site visit, the auditor provided technical assistance and a detailed overview on the South Carolina Victim Service Coordinating Council Approved Guide for Expenditures of Monies Collected for Crime Victim Service in Municipalities and Counties. Following the in-depth review, the auditor reviewed with the Chief, Clerk and Mayor the Victim Assistance Fund Check Register of Expenditures for the period of January 2010 through March 2015. After examining the documents, it was determined a majority of the expenditures did not comply with SC Code of Law Title 14, Chapter 1, Section 208 (D). Therefore, they are unallowable.

The following 15 unallowable expenditures were recorded on the Victim Assistance (VA) fund check register:

Summary of Non VA Expenditures		Unallowable
1	LawTrak Software for Town	\$2,666.67
2	Laptop Computer	\$3,915.34
3	2006 Ford Crown Victoria (Not VA Vehicle)	\$1,700.00
4	Insurance for (06 Ford Crown Victoria)	\$67.23
5	New Tires for (06 Ford Crown Victoria)	\$397.85
6	2007 Chevrolet Impala (Not VA Vehicle)	\$2,700.00
7	Insurance for (07 Chev Impala)	\$27.94
8	New Tire (07 Chev Impala)	\$55.08
9	2003 Ford Crown Victoria (Not VA Vehicle)	\$2,600.00
10	Police Lights (06 Ford Crown Victoria)	\$2,904.27
11	Police Camera (06 Ford Crown Victoria)	\$265.70
12	Police Radar Unit (06 Ford Crown Victoria)	\$2,297.29
13	Police Lights (07 Chevrolet Impala)	\$2,308.54
14	Town took loan from VA fund	\$6,970.82
15	Given to family who lost all in house fire	\$1,000.00
Total VA Unallowable Expenditures		\$ 29,876.73

Discussion Cont.

After much research, the auditor found a total of **\$29,876.73** was owed by the town to the Victim Assistance account for unallowable expenditures. When the SOVA Initial Audit report was issued July 15, 2015, a recommendation was made for the town to formulate and implement a plan to reimburse the Victim Assistance fund for the above amount by the date of the SOVA 90 Day Follow-up Audit site visit. However, SOVA did not receive documentation outlining a plan of action or supporting documentation regarding the reimbursement prior to the 90 Day Follow-up Audit notification letter sent to the town on January 11, 2016.

It is noted, between the SOVA Initial Audit on July 15, 2015 and the 90 Day Follow-up Audit site visit on March 1, 2016, there was a turnover of the entire town's administration which included the Mayor, Chief and Clerk. When the auditor contacted the town prior to the 90 Day Follow-up Audit, none of the new administration had knowledge of the original audit recommendations and requirements. Therefore, a copy of the initial audit report was sent to the Mayor, Chief and Clerk prior to the SOVA 90 Day Follow-up Audit site visit.

Prior to the SOVA 90 Day Follow-up Audit site visit on March 1, 2016, the town received a pre-requested document list requesting a copy of the plan of action for repayment and documentation of all reimbursements to the Victim Assistance account. The auditor also requested copies of the Victim Assistance fund bank statements and copies of the corresponding check register for the period of March 2015 through January 2016. However, none of these documents were provided to SOVA prior to the site visit.

At the conclusion of the site visit, the auditor again requested copies of these documents and asked that they be forwarded to SOVA by Friday, March 4, 2016. Copies of the requested bank statements were provided to SOVA by the deadline date; however, none of the other documents were received as requested previously. Also, during the 90 Day Follow-up Audit site visit on March 1, 2016, it was noted the town had not complied with the recommendation to formulate and implement a plan of action to reimburse the **\$29,876.73** for unallowable expenditures into the Victim Assistance fund within 90 days of the issued SOVA Initial Audit report on July 15, 2015.

Discussion Cont.

The auditor explained that the town was in non-compliance to the recommendation and subject to a penalty of the amount owed plus \$1,500.

The auditor continued to explain that the Mayor and Clerk were required to formulate a written plan of action and implement it to reimburse the Town's Victim Assistance fund **\$29,876.73** for unallowable expenditures. As noted above, the auditor requested a copy of the plan be forwarded to SOVA by Friday, March 4, 2016. However, as of the 90 Day Follow-up Audit report, SOVA still had not received the plan of action as recommended for reimbursing the Town's Victim Assistance fund. Therefore, the town has been penalized **\$1,500** plus **\$29,876.73** owed for unallowable expenditures. This brings the total reimbursement to **\$31,376.73** for the Initial Audit Report for Recommendation A.

As noted, the SOVA Auditor provided the new administration copies of the previous administration's policies and procedures created during the SOVA Initial Audit process. The auditor then recommended the Town Clerk file and distribute the received policies and procedures to all relevant personnel.

The auditor asked if any expenditures were made from the Victim Assistance fund between the SOVA Initial Audit and 90 Day Follow-up Audit site visit. The Mayor, Chief and Clerk stated they were not aware of any expenditures during this time period. Although as noted above, there was a major turnover of administration that was not in place prior to January, 2016. At the conclusion of the site visit, the auditor requested the Clerk send copies of the March 2015 to January 2016 Victim Assistance bank statements and expenditure reports to SOVA. As a result of the request, the auditor did receive these documents for review.

Upon examining the documents, it was determined the only expenditures since the SOVA Initial Audit site visit April 15, 2015 were incurred by the previous Chief at Victims' Rights Week in 2015. This was an Office of Victim Services Education and Certification (OVSEC) approved conference where the Chief obtained his Victim Service Provider's (VSP) Certification. These expenditures were allowable since he was providing the required direct services to crime victims for the town at that time.

Discussion Cont.

During the 90 Day Follow-up Audit site visit, the auditor reviewed with the new administration the list of unallowable expenditures identified during the initial audit and explained why the expenditures were unallowable and are required to be reimbursed into the Victim Assistant account. Detailed technical assistance was also provided on the Approved Guide for Expenditures of Monies Collected for Crime Victim Service in Municipalities and Counties, Effective December / 2013.

The Mayor and Chief stated to the auditor that the town wanted to enter into a victim service contract with Orangeburg County and had already discussed this with the County Victim Services Director. However, the auditor explained that the town must first resolve the issues with the Victim Assistance account expenditures and retained amounts owed to the account before entering into a contract and transferring any Victim Assistance Fines, Fees, and Assessment (VAFFA) funds. The auditor also explained should the Town of Springfield decide to enter into a contract with the county before completing all financial concerns outlined in this report, the contract would be solely for outlining the county's responsibility as it relates to providing direct services for crime victims within the town and would not include provisions as it relates to transferring Victim Assistance FFA funds to the county for these services. Their victim assistance account is required to be accurate before any funds can be transferred from the Town of Springfield to Orangeburg County or used for any purpose at this time.

The auditor sent a courtesy wrap up email to the Town Mayor, Chief and Clerk upon returning to the office on March 2, 2016 with the same information discussed at the conclusion of the site visit and noted above. As previously stated, the Clerk sent copies of requested bank statements; however, there were no other documents received by the required deadline of March 4, 2016.

On March 14, 2016, the auditor provided another list of documents and information still outstanding and required for this audit and set a new deadline date of March 18, 2016. However, still no additional documents or information were received by SOVA as of the issued date of this audit report.

Discussion Cont.

On March 22, 2016, the Mayor emailed the auditor and stated that the town was working on the document list and hoped to get the information to SOVA the week of March 28, 2016. Again, as of April 1, 2016, no further documents or information were received.

On April 1, 2016, the auditor sent a final request for the documents and information and provided another final deadline date of April 6, 2016. The final request stated that if SOVA did not receive these documents and information, the town would be considered non-compliant and a penalty as previously explained and according to Proviso 117.51 would be assessed. However, at the conclusion of this audit report, no further documents have been received by SOVA regarding these matters.

Again, prior to the 90 Day Follow-up Audit report, the auditor contacted the Town Mayor, Chief and Clerk to explain and inform them of the penalty and process if the town failed to comply with the recommendations. At the conclusion of the 90 Day Follow-up Audit site visit, the auditor emphasized the importance of complying with the original recommendations. An effort was made by the auditor once again to explain recommendations resulting from the 90 Day Follow-up Audit report. The Mayor, Chief and Clerk all stated they understood these implications.

Since the Town of Springfield did not formulate and implement a written plan of action to reimburse the Victim Assistance fund **\$29,876.73** for unallowable expenditures, the town is considered non-compliant and subject to a penalty as noted in Proviso 117.51 and as previously outlined. Per the Proviso, all funds collected in pursuant to SC Code of Law Title 14, Chapter 1; Section 208 are to remain in the Victim Assistance account. Therefore, since there is not a certified victim advocate on staff, no expenditures should be made from the fund. Details of the penalty process will be outlined in the "Other Matters" Section of this report.

Discussion Cont.

Because the Town of Springfield has failed to reimburse the local Victim Assistance fund during the initial audit as recommended, please note the following:

- All reimbursement of funds for expenditures in the amount of **\$29,876.73** plus the **\$1,500** penalty for a total of **\$31,376.73** are to be remitted to SOVA as required per Proviso 117.51. Also, please note there will be a one-time \$1,500 penalty assessed since one or more uncorrected recommendations regarding improper expenditures are noted in this report in Objectives A and C.
- Once the town has received the penalty notification letter issued with this 90 Day Follow-up Audit report, the penalty is required to be forwarded to SOVA to be credited to the General Fund of the State within 30 days.
- As noted, the town will have 30 days after receiving the SOVA penalty notification letter to submit the above funds to SOVA. If the reimbursement and penalty is not received by the State Office of Victim Assistance within 30 days of the penalty notification letter, the political subdivision (State Treasurer's Office) will deduct the amount of the penalty from the entity (Town of Springfield) or non-profit organization's subsequent fiscal year appropriation per Proviso 117.51.

Recommendation(s)
and Comments

All reimbursement of funds for expenditures in the amount of \$29,876.73 plus the \$1,500 penalty for a total of \$31,376.73 are to be remitted to SOVA as required per Proviso 117.51. Also, please note there will be a one-time \$1,500 penalty assessed since one or more uncorrected recommendations regarding improper expenditures are noted in this report in Objectives A and C.

The reimbursement and penalty assessed is outlined in detail under the "Other Matters" Section of this report. Once the town has received the penalty notification letter issued with this 90 Day Follow-up Audit report, the penalty is required to be forwarded to SOVA within 30 days to be credited to the General Fund of the State.

Recommendation(s)
and Comments Cont.

If the reimbursement and penalty is not received by the State Office of Victim Assistance within 30 days of the penalty notification letter, the political subdivision (State Treasurer's Office) will deduct the amount of the penalty from the entity (Town of Springfield) or non-profit organization's subsequent fiscal year appropriation per Proviso 117.51.

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

B. State Treasurer's Revenue Remittance Forms

Objective

Did the Town of Springfield formulate and implement a plan of action to submit the outstanding State Treasurer's Revenue Remittance Forms and pay the State Treasurer's Office the outstanding monthly amount owed totaling \$74,619.14 as of the SOVA Initial Audit site visit on April 15, 2015?

Conclusion

No, the Town of Springfield did not formulate and implement a plan of action to submit the outstanding State Treasurer's Revenue Remittance Forms and pay the State Treasurer's Office the outstanding monthly amount owed totaling **\$74,619.14** as of the date of the SOVA Initial Audit site visit on April 15, 2015. Therefore, the Town of Springfield is considered to be non-compliant as it relates to the requirements of this recommendation.

Background

SC Code of Law Title 14, Chapter 1; Section 208 (B)
Proviso 98.9

Discussion

Following an anonymous complaint on January 23, 2015 regarding unallowable expenditures from the Town of Springfield's Victim Assistance fund, SOVA investigated and found grounds to initiate a programmatic and financial review of the Town's Victim Assistance program.

During the SOVA Initial Audit conducted April 15, 2015, the SOVA Auditor determined the town failed to submit the State Treasurer's Revenue Remittance Forms (STRRF) and the corresponding revenue in compliance of SC Code of Law Title 14, Chapter 1; Section 208 (B) since August 2012. The auditor was informed by the Clerk/ Treasurer and Mayor that because the town is behind in remittance, the State Treasurer's Office was withholding 25% of the town's State allocations as required by Proviso 98.9. While preparing the SOVA Initial Audit report, it was determined by the auditor from documents received from the Clerk that the town owed the State Treasurer's Office **\$74,619.14** from un-submitted STRRFs as of March 2015.

Discussion Cont.

The auditor recommended the Mayor contact the State Treasurer's Office to inquire about available options for paying the outstanding amount owed from the un-submitted STRRFs. The auditor also recommended the Town's Mayor formulate and implement a plan of action to submit the outstanding STRRFs and pay the **\$74,619.14** owed to the State Treasurer's Office. This would ensure the town is on the right course to correct this issue for future submissions.

Between the SOVA Initial Audit on July 15, 2015 and the 90 Day Follow-up Audit site visit on March 1, 2016, there was a turnover of the entire administration to include the Mayor, Chief and Clerk. When the auditor contacted the town prior to the 90 Day Follow-up Audit site visit, no one in the new administration had knowledge of the original audit recommendations and requirements. Therefore, a copy of the Initial Audit report was sent to the Mayor, Chief and Clerk prior to the SOVA 90 Day Follow-up Audit site visit to assist them as it relates to compliance.

Prior to the SOVA 90 Day Follow-up Audit site visit, the auditor requested:

- A copy of the written plan of action to submit the outstanding STRRF's and pay the **\$74,619.14** owed to the State Treasurer's Office.
- Documentation to verify the town contacted the State Treasurer's Office and were aware of the deficit owed in the amount of **\$74,619.14** as of April 15, 2015, the date of the SOVA Initial Audit site visit.
- Copies of any STRRFs submitted and paid to the State Treasurer's Office since the SOVA Initial Audit site visit on April 15, 2015.

However, none of these documents were received prior to the SOVA 90 Day Follow-up Audit site visit conducted on March 1, 2016. On March 1, 2016, the auditor explained the objectives and recommendations to the new Mayor, Chief and Clerk and asked if the town had complied with the recommendations. The Mayor and Clerk stated they were not aware of the old administration contacting the State Treasurer's Office as requested by the auditor and they had not followed through with any contact either.

Discussion Cont.

They also were not aware of any written action plans formulated and implemented for the town to submit the outstanding STRRFs and paying the amount owed to the State Treasurer's Office. The auditor provided extensive technical assistance to the Mayor, Chief and Clerk on laws and compliance standards regarding victim funds. In addition, a detailed overview of the outstanding STRRFs was provided.

Please note, the outstanding amount owed to the State Treasurer has increased since the Initial Audit report due to failure to remit funds collected for the period of March 2015 through February 2016 which was not included in the initial amount. The auditor tasked the Mayor and Clerk with contacting the State Treasurer's Office to ensure they were aware of the outstanding STRRFs and corresponding amounts owed. The Mayor and or Clerk were also asked to obtain documentation of any outstanding STRRFs and corresponding amounts paid to the State Treasurer's Office since the SOVA Initial Audit site visit on April 15, 2015. Also, the new Mayor and Clerk were to formulate a written plan of action and implement it for submitting the outstanding STRRFs and corresponding amounts owed to the State Treasurer's Office. They were to provide copies of all STRRFs submitted and paid since the SOVA Initial Audit site visit, any additional unpaid STRRFs and documentation of correspondence between the town and the State Treasurer's Office by March 4, 2016. However, the town failed to submit copies of the Victim Assistance reimbursement plan of action, documentation of correspondence with the State Treasurer's Office and STRRFs.

The Mayor stated the town has not held court since the new administration took office in January 2016; however, the Chief stated he has entered outstanding fines that were paid since they took office. The Mayor and Clerk confirmed the town had not submitted any STRRFs since taking office. However, the Chief stated he understood the town was required to submit a STRRF every month regardless of whether court was held or any fines paid. The auditor asked if the Mayor or Clerk were aware of any written policies and procedures ensuring the monthly STRRF and corresponding amounts are submitted in a timely manner and that sufficient funds are available. However, they were both unaware of any such policies and procedures.

Discussion Cont.

Therefore, the auditor provided the Mayor and Clerk copies of the old administration's policies and procedures created by the town at SOVA's request during the SOVA Initial Audit process. The Clerk was tasked with ensuring they were distributed to all relevant personnel.

As stated above, the town's administration was aware of their risk of being considered non-compliant. There were multiple deadlines extensions and documents not received. The town has failed to follow through with various tasks and recommendations prior to and during the course of the 90 Day Follow-up Audit process.

Please note the following request timeline:

- The auditor sent a courtesy wrap up reminder email to the Mayor, Chief and Clerk upon returning to the office after the audit on March 2, 2016 with the same information discussed at the conclusion of the site visit. Although the Clerk sent copies of requested bank statements; no other documents were received by the March 4, 2016 deadline.
- On March 14, 2016, the auditor resubmitted a list of documents and information still required for the audit and gave a new deadline of March 18, 2016. However, no additional documents or information was received.
- On March 22, 2016, the Mayor emailed the auditor and stated the town was working on the document list and hoped to get the requested information to SOVA by the week of March 28, 2016. However, as of April 1, 2016, no further documents were received.
- On April 1, 2016, the auditor sent a final request for the documents and information by April 6, 2016. The request stated if not received by the deadline date, the town would be considered non-compliant according to Proviso 117.51. As of the issued SOVA Audit report, the town has failed to comply and no further documents have been received by SOVA.

Discussion Cont.

Since the Town of Springfield failed to formulate and implement a plan of action to submit the outstanding State Treasurer's Revenue Remittance Forms (STRRF), pay the State Treasurer's Office the outstanding monthly amounts owed totaling **\$74,619.14**, and send documentation to SOVA showing they contacted the State Treasurer's Office, the town is considered non-compliant regarding this recommendation. The town still owes the amount noted above to the State Treasurer's Office plus any additional funds collected but not submitted May 2015 to current.

Recommendation(s)
and Comments

The Town of Springfield is considered non-compliant as it relates to this objective and recommendation from the SOVA Initial Audit and still owes the State Treasurer's Office the outstanding monthly amounts totaling \$74,619.14 to the State Treasurer's Office plus any additional funds collected but not submitted May 2015 to current.

Since this is outside of the scope of the Auditing Proviso 117.51, there will not be a penalty assessed. However, the above amount plus any additional funds collected and not remitted to the State Treasurer's Office will be required to be sent to the State Treasurer.

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

C. Victim Assistance Monthly Retained Amounts**Objective**

Did the Town of Springfield formulate and implement a plan of action to deposit the outstanding monthly retained amount totaling **\$8,423.78** as of the SOVA Initial Audit site visit from the State Treasurer's Revenue Remittance Form (STRRF) into the Town's Victim Assistance fund within 12 months of the date of the issued SOVA Initial Audit? Also, did the town submit to SOVA deposit slips showing each monthly deposit into the Victim Assistance account during the 12 month period (July 2015-July 2016) as they were made?

Conclusion

No, the Town of Springfield did not formulate and implement a plan of action to deposit the outstanding monthly retained amounts into the Victim Assistance fund. However, the town did make some payments towards the amount owed to the Victim Assistance fund for the outstanding State Treasurer's Revenue Remittance Form (STRRF). As of the SOVA 90 Day Follow-up Audit site visit conducted on March 1, 2016, the town had reimbursed **\$5,172.04** of the total amount owed leaving a balance of **\$3,251.74** to be paid to the fund by the deadline of July 15, 2016. Also, the town provided SOVA documentation showing each of these monthly transactions having taken place. However, there was no additional documentation submitted showing payment of the outstanding amount of **\$3,251.74** to the Town's Victim Assistance account. Therefore, the Town of Springfield is considered to be non-compliant as it relates to the requirements of this recommendation. Because the Town of Springfield failed to rectify the error within 90 days, all reimbursement funds for expenditures in the amount of **\$3,251.74** are to be remitted to SOVA as required per Proviso 117.51 and credited to the General Fund of the State.

Please note, there will be a one-time \$1,500 penalty assessed since one or more uncorrected recommendations regarding improper expenditures are noted in this report in Objectives A and C. Therefore for this objective, \$3,251.74 is the amount owed due to the penalty being assessed in conjunction with the reimbursement total as outlined in Objective A of this report. The total penalty amount will be outlined in the Other Matters Section.

Background

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

Discussion

Following an anonymous complaint January 23, 2015 regarding unallowable expenditures from the Town of Springfield's Victim Assistance fund, SOVA investigated and found grounds to initiate a programmatic and financial audit review of the Town's Victim Assistance program.

During the SOVA Initial Audit conducted April 15, 2015, the SOVA Auditor determined the town failed to deposit the Victim Assistance Fines, Fees and Assessment revenue collected which is not in compliance with SC Code of Law Title 14, Chapter 1; Section 208 (B) since February 2013. As a result, the Mayor and Clerk were tasked with formulating and implementing a written plan of action to deposit the outstanding monthly retained amounts into the Town's Victim Assistance account within 12 months of the date of the SOVA Initial Audit report on July 15, 2015. Although no written plan of action was ever formulated by the Town of Springfield, it appears the town made multiple payments towards the total amount of **\$8,423.78** owed to the Victim Assistance fund, totaling **\$5,172.04**, for monthly retained amounts noted during the SOVA Initial Audit. Documentation was forwarded to SOVA each time an extra deposit was made to the Victim Assistance fund and placed on file.

Between the SOVA Initial Audit on July 15, 2015 and the 90 Day Follow-up Audit site visit on March 1, 2016, there was a turnover of the entire administration to include the Mayor, Chief and Clerk. When the auditor contacted the town prior to the 90 Day Follow-up Audit site visit, no one in the new administration had knowledge of the original audit recommendations and requirements. Therefore, a copy of the Initial Audit report was sent to the Mayor, Chief and Clerk prior to the SOVA 90 Day Follow-up Audit site visit to assist them as it relates to compliance.

The auditor requested a copy of the written 12 month plan of action for depositing the outstanding monthly retained amounts totaling **\$8,423.78** as well as copies of the Victim Assistance bank statements and the corresponding check register for the period of March 2015 through January 2016. However, these documents were never received prior to the site visit on March 1, 2016.

Discussion Cont.

On March 1, 2016, the auditor explained the objectives and recommendations to the new Mayor, Chief and Clerk and asked if the town had complied with the recommendations. The Mayor and Clerk stated they were unaware of the town making any payments to the Victim Assistance fund regarding this matter.

The auditor then tasked the Mayor and Clerk with formulating a written plan of action including a payment plan to ensure the town completes repayment of the **\$8,423.78** owed to the victim assistance fund as of April 15, 2015. This includes any additional monthly retained amounts that were not deposited into the Victim Assistance account during the period of April 2015 through February 2016. The auditor provided technical assistance on laws regarding this matter and reviewed the list of outstanding amounts owed to the Victim Assistance account as of April 2015 which was noted in the SOVA Initial Audit report.

The Mayor and Clerk were asked to submit written policies and procedures ensuring the monthly retained amount is deposited into the Victim Assistance account in a timely manner. The auditor was informed they were unaware of any such policies and procedures available and in place. Therefore, the auditor provided the new administration, copies of the policies and procedures created by the town's old administration. The Clerk was tasked with ensuring policies and procedures were distributed to all relevant personnel.

As stated above, the town's administration was aware of the risk of being non-compliant. There were multiple deadline extensions and documents requested but not received by the auditor. Also, the town failed to follow through with various tasks and recommendations prior to and during the course of the 90 Day Follow-up Audit process.

Please note the following request timeline:

- The auditor sent a courtesy wrap up email to the Mayor, Chief and Clerk upon returning to the office after the audit on March 2, 2016 with the same information discussed at the conclusion of the site visit as a reminder. Although the Clerk sent copies of requested bank statements; no other documents was received by the March 4, 2016 deadline.

Discussion Cont.

- On March 14, 2016, the auditor resubmitted a list of documents and information still required for the audit and gave a new deadline of March 18, 2016. However, no additional documents or information were received by the auditor.
- On March 22, 2016, the Mayor emailed the auditor and stated the town was working on the document list and hoped to get the requested information to SOVA by the week of March 28, 2016. However, as of April 1, 2016, no further documents were received by the auditor.
- On April 1, 2016, the auditor sent a final request for the documents and information by April 6, 2016. The request stated if not received by the deadline date, the town would be considered non-compliant according to Proviso 117.51. As of the issued SOVA Audit report, the town has failed to comply and no further documents have been received by SOVA.

However, per review of the bank statements received from the Clerk, the auditor was able to determine the town deposited a total of **\$5,172.04** in the Victim Assistance fund leaving a balance owed in the amount of **\$3,251.74** from the original **\$8,423.78** amount to be reimbursed into the fund. As stated above, during the SOVA Initial Audit and 90 Day Follow-up Audit, technical assistance was provided regarding the monthly retained Victim Assistance Fines, Fees, and Assessment fund. The town was asked to submit documentation verifying deposits were made into the fund on a monthly basis in accordance with State law. However, the Town of Springfield failed to provide requested STRRFs and bank statements. Therefore, the auditor was unable to verify the amount and accuracy of deposits made on a monthly basis. After careful review of the reimbursement documentation received, there were additional Victim Assistance Fines, Fees, and Assessment funds retained after the SOVA Initial Audit was completed in the amount of **\$494.39** for the months of July 2015 through October 2015. However, there were no additional deposits identified. Due to the lack of documentation available for review, the auditor was unable to determine how much should have been deposited from April 2015 through February 2016; however, it is clear that the **\$494.39** was deposited correctly.

Discussion Cont.

It has been noted that the town has not held court since November 2015; however, the town is still required to submit STRRF's to the State Treasurer's Office and retain the required funds in accordance with State law because the funds were still being collected from prior court proceedings. Therefore, if the Town of Springfield failed to report and or deposit the retained Victim Assistance Fines, Fees, and Assessments, the monthly retained amounts of these funds paid to the town must be added to the total outstanding funds owed to the Victim Assistance fund noted below.

The table below outlines the retained amounts only still owed to the Victim Assistance fund.

Total Outstanding Victim Assistance Retained Amount for October 2013 - February 2015 as identified during the Initial Audit:	\$ 8,423.78
Amount of identified reimbursement deposits into the Victim Assistance fund when compared to the monthly outstanding STRRF:	- \$ 2,761.62
Amount of additional reimbursement deposits into the Victim Assistance fund that could not be directly compared to an outstanding STRRF:	- <u>\$ 2,410.42</u>
Total Outstanding Victim Assistance Retained Amount for October 2013 - February 2015 Reimbursement:	<u><u>≡ \$ 3,251.74</u></u>

Please note:

1. The auditor did not review STRRFs for April 2015 through June 2016 during the initial audit because these months would have been completed outside of the initial audit scope and after the initial audit was issued. However, the town submitted documentation showing additional VAFFA funds retained after the initial audit in the amount of **\$494.39** that was deposited correctly July 2015 through October 2015.

Discussion Cont.

2. Also, no court has been held since November 2015; however, the town continues to collect court fines, fees and assessments. Again, the absence of court proceedings does not guarantee there are no funds collected. Therefore, reporting is still required to be monitored on a monthly basis. This is required by State law. The Town of Springfield is still hereby obligated to report, disburse and retain all fines, fees, and assessment funds collected on a monthly basis in accordance with State law.

Since the Town of Springfield did not formulate and implement a written plan of action for depositing the outstanding monthly retained amounts totaling **\$8,423.78** or deposit the remaining amount owed to the fund of **\$3,251.74**, the town is considered non-compliant and subject to a penalty as noted in Proviso 117.51 and as previously outlined. Per the Proviso, all funds collected in pursuant to SC Code of Law Title 14, Chapter 1; Section 208 are to remain in the Victim Assistance account. Since there is not a certified victim advocate on staff, no expenditures should be made from the fund. Details of the penalty process will be outlined in the “Other Matters” Section of this report.

Because the Town of Springfield has failed to reimburse the local victim assistance fund during the initial audit as recommended, please note the following:

- All reimbursement funds for expenditures in the amount of **\$3,251.74** are to be remitted to SOVA as required per Proviso 117.51. Also, please note there will be a one-time \$1,500 penalty assessed since one or more uncorrected recommendations regarding improper expenditures are noted in this report in Objectives A and C.
- Once the town has received the penalty notification letter issued with this 90 Day Follow-up Audit report, the reimbursement and penalty is required to be forwarded to SOVA and credited to the General Fund of the State within 30 days. However, please note the penalty has been assessed in Objective A of this report.

Discussion Cont.

- As noted, the town will have 30 days after receiving the SOVA penalty notification letter to submit the above funds to SOVA. If the reimbursement and penalty is not received by the State Office of Victim Assistance within 30 days of the penalty notification letter, the political subdivision (State Treasurer's Office) will deduct the amount of the penalty from the entity (Town of Springfield) or non-profit organization's subsequent fiscal year appropriation per Proviso 117.51.
-

**Recommendation(s)
and Comments**

All reimbursement funds for expenditures in the amount of \$3,251.74 are to be remitted to SOVA as required per Proviso 117.51. Also, please note there will be a one-time \$1,500 penalty assessed since one or more uncorrected recommendations regarding improper expenditures are noted in this report in Objectives A and C.

The reimbursement and penalty assessed is outlined in detail under the "Other Matters" Section of this report. Once the town has received the penalty notification letter issued with this 90 Day Follow-up Audit report, the penalty and reimbursement is required to be forwarded to SOVA within 30 days to be credited to the General Fund of the State.

If the reimbursement and penalty is not received by the State Office of Victim Assistance within 30 days of the penalty notification letter, the political subdivision (State Treasurer's Office) will deduct the amount of the penalty from the entity (Town of Springfield) or non-profit organization's subsequent fiscal year appropriation per Proviso 117.51.

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

D. Annual Financial Audit Supplemental Schedule Review**Objective**

Did the Clerk/Treasurer and Mayor contact the Town's Auditor to advise the auditor of the errors noted in the issued SOVA Initial Audit report to ensure the FY14-15 Supplemental Schedule for the Town's Annual Financial Audit (not yet completed for FY14-15 as of June 16, 2015) was completed correctly? Also, did the Clerk/Treasurer submit the FY 14-15 Supplemental Schedule to SOVA during the 90 Day Follow-up Audit?

Conclusion

No, the town did not contact the Town's Auditor to ensure the Supplemental Schedule was completed correctly. At the conclusion of the 90 Day Follow-up site visit, the Mayor did provide the auditor a copy of the FY14-15 Supplemental Schedule from the Annual Town Audit. However; upon review, the document did not show expenditures from the fund during the fiscal year as required per the recommendation. Therefore, the Town of Springfield is considered to be non-compliant as it relates to the requirements of this recommendation.

Discussion

Following an anonymous complaint on January 23, 2015 regarding unallowable expenditures from the Town of Springfield's Victim Assistance fund, SOVA investigated and found grounds to initiate a programmatic and financial review of the Town's Victim Assistance program.

During the SOVA Initial Audit which was conducted April 15, 2015, the SOVA Auditor determined the Supplemental Schedules from the Town's Annual Financial Audits were incorrectly compiled for FY11-12, FY12-13 and FY13-14. The town failed to include a line item for expenditures from the Victim Assistance Fines, Fees and Assessment fund each year.

Therefore, the auditor recommended the Clerk/Treasurer and Mayor contact the Town's Auditor to advise of the errors noted in this report to ensure the FY 14-15 Supplemental Schedule for the Town's Annual Financial Audit (audit not completed as of June 16, 2015) was completed correctly.

Discussion Cont.

Also, the town was to submit the FY 14-15 Supplemental Schedule to SOVA during the 90 Day Follow-up Audit. As stated earlier in this report, The Town of Springfield had a new administration at the time of the 90 Day Follow-Up audit and so copies of the SOVA Initial Audit report was provided to the Mayor, Chief and Clerk prior to the site visit.

The auditor requested a copy of the completed Supplemental Schedule for FY 14-15 prior to the March 1, 2016 site visit. However, the town failed to provide this information to SOVA prior to the 90 Day Follow-up Audit site visit.

During the 90 Day Follow-up Audit site visit on March 1, 2016, the auditor asked the Mayor, Chief and Clerk if the town had complied with the recommendation from the SOVA Initial Audit. The Mayor and Clerk stated they were not aware if the previous administration had contacted the Town's Auditor to ensure the Supplemental Schedule was completed correctly. The Mayor stated the town audit dated June 30, 2015 had already been completed and copies sent to the town by the Town's Auditor. At the conclusion of the site visit, the Mayor gave the auditor a copy of the Supplemental Schedule. After examination, it was determined that the Supplemental Schedule was completed incorrectly, as well as the Supplemental Schedule for FY11-12, FY12-13 and FY13-14. None of the annual expenditures from the Victim Assistance fund were noted as required by the SC Code of Law 14-1-208 (D). The auditor again requested the Mayor and the Clerk contact the Town's Auditor and obtain a corrected copy of the Supplemental Schedule of Fines, Fees and Assessments for FY 14-15.

The Mayor was asked to forward a copy of the corrected Supplemental Schedule to SOVA or inform SOVA about the timeframe for obtaining the corrected Supplemental Schedule. Also, the Mayor was required to update the auditor on the conversation with the Town's Auditor by March 4, 2016. Upon returning to the office March 2, 2016, a courtesy email was sent to the Mayor, Chief and Clerk outlining the requested information again. On March 14, 2016, the auditor made another request for the revised Supplemental Schedule; however, this document was not received.

Discussion Cont.

On April 1, 2016, the auditor sent a final request to submit the Supplemental Schedule by April 6, 2016. In this last correspondence, the auditor stated if the documents and information was not received by the final deadline, the town would be non-compliant. As of this issued audit date, no additional documents or information has been received by SOVA.

Since the Town of Springfield did not contact the Town's Auditor, obtain a corrected copy of the Supplemental Schedule for FY 14-15 and send a copy to SOVA, the town is considered non-compliant.

Recommendation(s)
and Comments

The Town of Springfield is considered non-compliant as it relates to this objective and recommendation from the SOVA Initial Audit. However; as noted, a penalty has already been assessed in Objective A of this report.

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

E. Statistical Report**Objective**

Did the Town of Springfield's Chief of Police provide a statistical report for the town's Victim Assistance program for the period of January 2010 through January 2016?

Conclusion

Yes, by the conclusion of the SOVA 90 Day Follow-up Audit site visit, the Town of Springfield's Chief of Police provided the requested statistical report for the period of January 2010 through February 2016.

Discussion

Following an anonymous complaint on January 23, 2015 concerning unallowable expenditures from the Town's Victim Assistance Fines, Fees and Assessment fund (VAFFA), SOVA investigated and found grounds to initiate a programmatic and financial review of the Town's Victim Assistance program.

During the SOVA Initial Audit which was conducted on April 15, 2015, the SOVA Auditor discovered the Town of Springfield did not have a system in place to properly track direct victim services. However, the auditor was informed the Chief or the attending officer would start the process of maintaining files on each individual that direct victim services were provided to on an ongoing basis. The auditor provided technical assistance to the Chief on the SOVA sample statistical report and its importance. At the conclusion of the SOVA Initial Audit site visit, the auditor requested the Chief provide a statistical report for the Springfield Victim Assistance program for the period of January 2010 through April 2015 which is the scope of the audit. The Chief stated he would work with the LawTrak system to produce the requested five year statistical report. While preparing the SOVA Initial Audit, the Chief did send a report for review; however, it did not contain all the necessary information and provided names and other personal identifying information on victims which the auditor did not require. As a result, the SOVA Auditor returned the report to the Chief and requested he revise the report and resubmit to SOVA during the SOVA 90 Day Follow-up Audit process. The Chief did resubmit the report to SOVA correctly.

Discussion Cont.

As stated earlier in this report, The Town of Springfield had a new administration at the time of the 90 Day Follow-Up audit and so copies of the SOVA Initial Audit report was provided to the Mayor, Chief and Clerk prior to the site visit. Afterwards, copies of the statistical report for the original period of January 2010 through April 2015 and the period of May 2015 through January 2016 were requested to be reviewed. However, the documents were not received prior to the site visit on March 1, 2016.

During the 90 Day Follow-up Audit site visit, the auditor provided technical assistance on the statistical report, explained what was required from the town and again requested the Chief produce the requested statistical report for the period of January 2010 through February 2016. At the conclusion of the site visit, the Chief did provide the requested statistical report. Therefore, this objective has been met.

Recommendation(s)
and Comments

This objective has been met and there are no further recommendations.

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

F. Technical Assistance

Documentation Provided

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

1. Copy of the Legislative Proviso 117.51
2. Copy of the Legislative Proviso 98.9
3. Copy of a Sample Budget
4. Sample Staff Hired Report
5. Sample Time and Activity Report
6. Sample Expenditure Report
7. Victim Advocate Procedural Manual
8. Copy of 2013 Approved Guide for Expenditures
9. Technical Assistance

Other Matters

The Town of Springfield has not complied with **4** out of 5 recommendations as outlined in this audit report. Out of 5 recommendations, 3 recommendations relating to victim services were not complied with during the audit. Although there were numerous requests throughout the audit review process for various documents and information, the town failed to provide the requested information during the 90 Day Follow-up Audit. A detailed timeline of the audit progression has been provided in Appendix A of this report. In an effort to assist the town, as outlined in the Town of Springfield's Non-compliance Timeline (Appendix A), there were several deadline extension dates established by the auditor for the requested documents and information. However, the town failed to comply.

As a result of the failure to comply, the Town of Springfield is non-compliant. The Town of Springfield is penalized a one-time fee of **\$1,500** as required by Proviso 117.51 because the town failed to reimburse the Victim Assistance account **\$29,876.73** for unallowable expenditures.

Other Matters Cont.

Also, the town failed to deposit the outstanding Victim Assistance Fines, Fees, and Assessment funds collected but not retained totaling **\$3,251.74**. Thereby, making the amount of unallowable expenditures **\$33,128.47 plus the \$1,500 penalty. The total reimbursement of \$34,628.47 is required to be sent to SOVA and credited to the General Fund of the State.**

A penalty notification letter outlining the steps for submitting the unauthorized expenditure plus \$1,500 penalty totaling **\$34,628.47** will be sent to the Town of Springfield with this report. In addition to notifying the Town of Springfield, SOVA will notify the South Carolina State Treasurer's Office of the assessed penalty. The amount of **\$34,628.47** is required to be paid to the State Office of Victim Assistance within 30 days after **September 30, 2016**. The money is to be forwarded to SOVA and will be credited to the General Fund of the State. If the penalty is not received within 30 days after **September 30, 2016**, SOVA will contact the South Carolina State Treasurer's Office to request they deduct the **\$34,628.47** from the Town of Springfield's subsequent fiscal year appropriation per Proviso 117.51.

The Town of Springfield is also non-compliant with other recommendations within this audit report not related to the victim assistance fund. However, a penalty may not be assessed for non-compliance since these matters are outside of SOVA's scope but noted in the report for accountability purposes. The Town of Springfield is in non-compliance because the town failed to formulate and implement a plan of action to submit the outstanding State Treasurer's Revenue Remittance Forms and pay the State Treasurer's Office the outstanding monthly amounts owed totaling **\$74,619.14** as of the date of the SOVA Initial Audit site visit April 15, 2015. The town also failed to contact the Town's Auditor to ensure the Town's Financial Audit Supplemental Schedule was completed correctly.

Since this audit process has been completed by SOVA, no further information or documentation may be received or accepted for review and or consideration.

Corrective Action – Penalty Assessed

Proviso 117.51 states:

*“If the State Office of Victim Assistance finds an error, the entity or non-profit organization has ninety days to rectify the error. An error constitutes an entity or non-profit organization spending victim assistance funding on unauthorized items as determined by the State Office of Victims Assistance. **If the entity or non-profit organization fails to cooperate with the programmatic review and financial audit or to rectify the error within ninety days, the State Office of Victim Assistance shall assess and collect a penalty in the amount of the unauthorized expenditure plus \$1,500 against the entity or non-profit organization for improper expenditures. This penalty plus \$1,500 must be paid within thirty days of the notification by the State Office of Victim Assistance to the entity or non-profit organization that they are in non-compliance with the provisions of this proviso. All penalties received by the State Office of Victim Assistance shall be credited to the General Fund of the State. If the penalty is not received by the State Office of Victim Assistance within thirty days of the notification, the political subdivision will deduct the amount of the penalty from the entity or non-profit organization’s subsequent fiscal year appropriation.**”*

The 90-Day Follow-up Audit review site visit was completed on March 1, 2016.

All recommendations and errors noted and outlined in this report were not corrected and complied with by the 90-Day Follow-up Audit. Therefore, the audit process is complete and the Town of Springfield is considered non-compliant as it relates to Proviso 117.51 and both the issued SOVA Initial Audit report dated July 15, 2015 and this 90 Day Follow-up Audit report. At this time, no further information or documentation may be received or accepted for review and consideration regarding these matters or the assessed penalty.

Due to the non-compliance, the Town of Springfield is required to submit **\$34,628.47** (\$33,128.47 for unallowable and improper expenditures plus \$1,500 penalty) within 30 days from the date of this audit report.

Corrective Action Cont.

Please note that the South Carolina State Treasurer's Office will be notified of the penalty that has been assessed to the Town of Springfield. When SOVA receives the total reimbursement and assessed penalty within 30 days from the date of this audit report and penalty notification letter, SOVA will apply all received funds to the General Fund of the State. In addition, a received penalty conformation letter will be prepared and provided to the Town of Springfield and a copy forwarded to the South Carolina State Treasurer's Office with no further action required.

However, if the reimbursement and assessed penalty is not received by the State Office of Victim Assistance within 30 days from the date of this audit report and penalty notification letter, the South Carolina State Treasurer's Office will be notified that the Town of Springfield failed to submit the reimbursement and assessed penalty within 30 days of the notification. A letter will be submitted to the South Carolina State Treasurer's Office requesting any outstanding portions of the **\$34,628.47** which is inclusive of the penalty to be deducted from the Town of Springfield's subsequent fiscal year appropriation and credited to the General Fund of the State.

Also, the town is still required to pay **\$74,619.14** owed to the South Carolina State Treasurer's Office for un-submitted State Treasurer's Revenue Remittance forms as identified and outlined in the SOVA Initial Audit report issued July 15, 2015 and the 90 Day Follow-up Audit report dated November 28, 2016. However, since this matter is outside the scope of the Auditing Proviso 117.51, SOVA is unable to apply a penalty to this objective but for accountability purposes notates this issue as a result of the SOVA Auditor's findings.

The Town of Springfield's non-compliance timeline is provided in Appendix A of this report.

Official Post-Audit Response

All recommendations as outlined in this report were not complied with by the 90 Day Follow-up Audit. Therefore, the Town of Springfield is considered non-compliant with Proviso 117.51, the SOVA Initial Audit report issued July 15, 2015 and the 90 Day Follow-up Audit report dated November 28, 2016.

Note: This audit process is complete. Therefore, no further information or documentation may be submitted for review and or consideration regarding the reimbursement and assessed penalty.

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

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

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

www.sova.sc.gov

Appendix

A

Town of Springfield Non-Compliance Timeline

Town of Springfield Non-Compliance Timeline

1/28/15	Anonymous Complaint received and complaint desk audit was conducted
2/24/15	There appeared to be discrepancies with the supplemental schedule and the Victim Assistance Fines, Fees and Assessment bank statement totals.
4/11/15	Conducted SOVA initial audit site visit.
7/15/15	Initial audit report issued with recommendations.
Between 12/1/15 To 3/1/16	There was a complete turnover of the Town Administration to include a new Mayor, Chief and Town Clerk.
3/1/16	Conducted 90 Day Audit site visit

Reasons for Non-compliance:

1. The Town of Springfield did not formulate and implement a plan of action to submit the outstanding State Treasurer's Revenue owed totaling **\$74,619.14**.
 - As of 5/18/2016, SOVA Auditor has not received copies of the written reimbursement plan of action for paying the outstanding revenue owed to the State Treasurer's Office in the amount of \$74,619.14. SOVA has yet to receive requested documents owed.
 - As of 5/18/2016, SOVA Auditor requested (at least 6 times – 4/11/15 initial site visit, 7/15/15 initial audit, 3/1/16 follow up site visit, 3/2/16 email, 3/14/16email and 4/1/16 email) but did not receive documentation showing correspondence with the State Treasurer's Office concerning a payment plan of action for the outstanding revenue owed.

Note: State Treasurer's Office currently is withholding 25% of the Town's State Allocations as required by Proviso 98.9 because the town is behind in the remittance of SC State Allocated Fines, Fees and Assessments. However, funds withheld by the State Treasurer's Office are not allocated toward any outstanding debt.

2. The Town of Springfield did not formulate and implement a plan of action to reimburse the Victim Assistance Fines, Fees and Assessment fund a total of **\$29,876.73** for unallowable expenditures.
 - The town made multiple unallowable expenditures from the Victim Assistance Fines, Fees and Assessment fund from January 2010 to March 2015 totaling **\$29,876.73**.
 - The town failed to submit a written reimbursement plan of action for paying the revenue owed to the Victim Assistance Fines, Fees and Assessment fund for unallowable expenditures.
 - A reimbursement plan was requested from the town at least 6 times (4/11/15 initial site visit, 7/15/15 initial audit, 3/1/16 follow up site visit, 3/2/16 email, 3/14/16email and 4/1/16 email) between April 15, 2015 thru April 1, 2016
 - As of 4/18/16, SOVA has not received any documentation regarding reimbursement to the Victim's Assistance Fines, Fees, and Assessment fund for unallowable purchases.

3. The Town of Springfield did not formulate and implement a 12 month plan of action for funds repaying **\$8,423.78** owed to the Victim's Assistance Fines, Fees, and Assessment funds for outstanding monthly collected but not deposited.
 - The Town of Springfield has reimbursed **\$5,172.04** in the Victim's Assistance Fines, Fees, and Assessment funds as of November 2015.
 - Since November 2015, no further payment or reimbursement information has been received concerning the monthly collected but not deposited fund.
 - As of December 2015, the town has a remaining balance of **\$3,251.74** owed to the Victim's Assistance Fines, Fees, and Assessment funds.
 - The town did not provide an official written plan of action for reimbursing the Victim's Assistance Fines, Fees, and Assessment funds within 12 months.
 - However, the town did implement monthly reimbursements and documentation was submitted to SOVA up until November 13, 2015. As of that date, no additional payment information has been received.

- The SOVA auditor as requested a written plan of action at least 6 times (4/11/15 initial site visit, 7/15/15 initial audit, 3/1/16 follow up site visit, 3/2/16 email, 3/14/16 email and 4/1/16 email) from April 15, 2015 – April 6, 2016.
 - Between December 1, 2015 and March 1, 2016, there was a complete turnover of the Town Administration to include a new Mayor, Chief and Town Clerk. Extensive technical assistance was provided to both administration regarding the Victim’s Assistance Fines, Fees, and Assessment fund and program.
4. The Mayor failed to provide an audit supplemental schedule showing expenditures made from the Victim’s Assistance Fines, Fees, and Assessment funds. However, it appears there were several expenditures made out of the fund.
- The supplemental schedules completed for FY11, FY12 and FY13 did not include any notation of expenditures made from the Victim Assistance fund during each financial year. However, the town’s expenditure reports clearly showed that there were expenditures noted each year.
 - Because expenditures were not reported in the audit report, the fund rollover total reported on the audit supplemental schedule did not match the total amount reported on the Victim’s Assistance Fines, Fees, and Assessment Account.
 - As of 5/18/16, the town failed to contact the auditor concerning revising the audit supplemental schedule.

Please Note:

Total owed to the State Treasurer’s Office:	<u>\$74,619.14</u>
Total owed to Victim’s Assistance Fines, Fees, and Assessment fund for unallowable expenditures:	<u>\$29,876.73</u>
Total owed to for outstanding funds collected but not deposited into the Victim’s Assistance Fines, Fees, and Assessment fund:	<u>\$3,251.74</u>
Total owed to the Victim’s Assistance Fines, Fees, and Assessment Fund Account plus \$1,500 Penalty Assessed (submit to SOVA then SOVA will credit to the General Fund of the State)	<u>\$34,628.47</u>
Total owed to the State Treasurer’s Office	<u>\$74,619.14</u>
Grand Total Owed	<u>\$ 109,248.21</u>

As a result of failure to comply, the Town of Springfield is considered non-compliant. The Town of Springfield is thereby penalized a one-time fee of \$1,500 as required by Proviso 117.51 because they failed to deposit the outstanding Victim Assistance Fines, Fees, and Assessment funds collected but not retained totaling \$3,251.74 plus all collected Victim Assistance funds following the initial audit into the Town’s Victim Assistance account (Recommendation C). Also, the town failed to reimburse the Victim Assistance account \$29,876.73 owed for unallowable expenditures; thereby, making the total amount of unallowable expenditures **\$34,628.47** (\$33,128.47 for improper expenditures plus \$1,500) relating to the Victim Assistance Fines, Fees, and Assessment fund.

Also, the town is still required to pay **\$74,619.14** owed to the South Carolina State Treasurer’s Office for un-submitted State Treasurer’s Revenue Remittance forms as identified and outlined in the SOVA Initial Audit report issued July 15, 2015. Since this matter is outside the scope of Proviso 117.51, SOVA is unable to apply a penalty to this objective. However, for accountability purposes the Town’s non-compliance regarding the objective is noted in this audit report.

STATE OFFICE of VICTIM
ASSISTANCE

Larry Barker, Ph.D., Director
1205 Pendleton Street, Suite 401
Columbia, SC 29201
803.734.1900
803.734.1708 Fax

Programmatic Review and Financial Audit for the Town of Springfield completed by:



Richelle A. Copeland, CGAP, Sr. Auditor

11-28-16

Date

Reviewed by:



Ethel Douglas Ford, CPM, SOVA Deputy Director

11/28/16

Date



Larry Barker, Ph.D. SOVA Director

11/28/16

Date

