



ALAN WILSON  
ATTORNEY GENERAL

July 11, 2022

Mayor Enoch Dickerson III  
Town of Lincolnton  
PO Box 536  
Summerville, SC 29484-0536

Dear Mayor Dickerson,

The Office of the Attorney General, Department of Crime Victim Compensation (DCVC), is sending this notice to inform you that we have completed the Follow-up Audit to the Town of Lincolnton DCVC Initial Auditor's Report.


A copy of the official report is attached for your review. This is 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.

Please be advised that all DCVC audits and follow-up reports are public information. I request that you respond to the findings in writing within the next ten business days. Please note that this report will be posted on the DCVC website at the end of 10 business days.

<https://www.scag.gov/inside-the-office/crime-victim-services-division/crime-victim-compensation/auditing/>

If you have any further questions or concerns, don't hesitate to contact me or Mignon Lee-Thompson, Senior Auditor, at 803.734.1900.

Sincerely,

  
Debbie Curtis  
Deputy Director

Department of Crime Victim Compensation

Cc: Andrea Bow



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

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May 7, 2021

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

July 11, 2022

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

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**Disclaimer: The recommendations included in sections A thru C of this report were developed by the Office of the Attorney General, Department of Crime Victim Compensation (DCVC). The DCVC 90 Day Follow-up Audit was conducted to determine if the entity is in compliance with recommendations as outline in the Initial Audit Report. In addition, all DCVC follow-up reviews (including this one) are conducted to ensure compliance with applicable laws and regulations.**

Acronyms:

VAFFA – Victim Assistance Fines, Fees, and Assessment

DCVC – Department of Crime Victim Compensation

SCLEVA – South Carolina Law Enforcement Victim Advocate

CVST - Department of Crime Victim Services Training, Provider Certification, and Statistical Analysis

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## **Introduction and Laws**

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### **PREFACE**

This programmatic review and financial audit were initiated in response to the Department of Crime Victim Compensation's (DCVC) concerns regarding the Victim Assistance Fines, Fees, and Assessment fund. On August 23, 2021, the Assistant Deputy Director of the DCVC issued a letter to the town of Lincolnton informing them that DCVC will conduct a DCVC follow-up audit site visit of the Victim Assistance Fines, Fees, and Assessment fund. The audit was conducted on September 11, 2021

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### ***Governing Legislation and Regulations***

#### **ACT 96 [PART IV]**

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

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

(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. 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.

*A county or municipality may be exempt from the remittance requirements of this proviso upon submission of a plan to the State Crime Victim Compensation Department that meets the statutory requirements for the use of funds. A county or municipality must submit the report within 60 days after the end of the fiscal year. The State Crime Victim Compensation Department will review the submitted plan and advise the county or municipality of plan compliance with statutory requirements.*

**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.

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 [excerpts]**

**Courts – General Provisions**

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

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



- All unused funds must be separately identified in the governmental entity's adopted budget as funds unused and carried forward from previous years.
- **Section 14-1-207 Subsection(s) A, B & D:** (A) A person who is convicted of, pleads guilty or nolo contendere to, or forfeits bond for an offense occurring after June 30, 2008, tried in magistrate's court must pay an amount equal to 107.5 percent of the fine imposed as an assessment. (B) The county to be used for the purposes set forth in subsection (D) and remit the balance of the assessment revenue to the State Treasurer on a monthly basis by the fifteenth day of each month and make reports on a form and in a manner prescribed by the State Treasurer. (D) All unused funds must be carried forward from year to year and used exclusively for the provision of services for victims of crime.  
All unused funds must be separately identified in the governmental entity's adopted budget as funds unused and carried forward from previous years.
- **Section 14-1-208 Subsection(s) A, B & D:** (A) A person who is convicted of, pleads guilty or nolo contendere to, or forfeits bond for an offense occurring after June 30, 2008, tried in municipal's court must pay an amount equal to 107.5 percent of the fine imposed as an assessment. (B) The county treasurer must remit 11.16 % of the revenue generated by the assessment imposed in municipal court to the county to be used exclusively for the purpose of providing direct victim services and remit the balance of the assessment revenue to the State Treasurer on a monthly basis by the fifteenth day of each month and make reports on a form and in a manner prescribed by the State Treasurer. (D) All unused funds must be carried forward from year to year and used exclusively for the provision of services for victims of crime. All unused funds must be separately identified in the governmental entity's adopted budget as funds unused and carried forward from previous years.

- **Section 14-1-206,207,208 Subsection(s) E:** To ensure that fines and assessments imposed are properly collected and remitted to the State Treasurer, the annual independent external audit required to be performed for each county and municipality must include a review of the accounting controls over the collection, reporting, and distribution of fines and assessments from the point of collection to the point of distribution and a Uniform Supplemental Schedule Form detailing all fines and assessments collected by the clerk of court for the court of general sessions, magistrate court of the county and at the court level, the amount remitted to the county and municipal treasurers, and the amount remitted to the State Treasurer.
- **Section 14-1-211 Subsection A, B, &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,

**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, 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.

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# **Introduction**

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## **AUDIT OBJECTIVES**

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

### **Audit Objectives were;**

- To determine if the Town of Lincolville submitted copies of the town's Victim Assistance (VA) bank statements FY14-FY21 as requested by the Department of Crime Victim Compensation (DCVC) Auditor.
- To determine if the town submitted copies of the town's Supplemental Schedule from the annual independent audit for FY11-FY15 as requested by the Department of Crime Victim Compensation (DCVC) Auditor.

## **RESULTS IN BRIEF**

### *Expenditure Review*

Did the Town of Lincolville submit copies of the town's Victim Assistance (VA) bank statements FY14-FY21 as requested by the Department of Crime Victim Compensation (DCVC) Auditor?

Yes, the town did submit copies of VA bank statements for FY11-FY21 as requested by the DCVC Auditor.

### *Supplemental Schedule*

Did the town submit copies of the town's Supplemental Schedule from the annual independent audit for FY11-FY15 as requested by the Department of Crime Victim Compensation (DCVC) Auditor?

Yes, the town did submit copies of Supplemental Schedules from the annual independent audit as requested for FY11-FY15 by the Department of Crime Victim Compensation (DCVC) Auditor.

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

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**A. Programmatic Review**

|                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Objective</b>  | Did the Town of Lincolnville submit copies of the town's Victim Assistance (VA) bank statements FY14-FY21 as requested by the Department of Crime Victim Compensation (DCVC) Auditor?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Conclusion</b> | Yes, the town did submit copies of VA bank statements for FY11-FY21 as requested by the DCVC Auditor.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Background</b> | DCVC Initial Audit issued May 7, 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Discussion</b> | <p>This audit report is a Department of Crime Victim Compensation (DCVC) 90 Day Follow-up Programmatic Review and Financial Audit for Victim Assistance Fines, Fees, and Assessment due to the Town of Lincolnville being non-compliant with recommendations made in the DCVC Initial Audit Report dated May 7, 2021.</p> <p>The town was mailed a letter dated August 23, 2021, notifying the town of our intent to initiate a DCVC 90-day follow-up site audit visit. The DCVC Auditor spoke with the mayor on August 30, 2021, to inform him that a pre-requested audit document list would be sent via email and to set up an audit site visit date.</p> <p>The DCVC Auditor emailed the mayor a list of pre-requested audit documents on September 1, 2021. The pre-requested documents list included a request for copies of the VA bank statements for FY14-FY21 to determine if the funds are accurately accounted for. The bank statements were not received by the September 13, 2021, deadline; however, the mayor did submit back statements for FY12-FY201 during the audit site visit on September 21, 2021. According to the bank statements, as of January 31, 2021, there was <b>\$31,868.21</b> in the VA account.</p> <p>The DCVC Auditor explained to the mayor that the town might owe money to State Victim Assistance Program (SVAP), as stated in Proviso 59.15 as stated below, for not meeting the 90% spending requirement.</p> |

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

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

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

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

*A county or municipality may be exempt from the remittance requirements of this proviso upon submission of a plan to the State Crime Victim Compensation Department that meets the statutory requirements for the use of funds. A county or municipality must submit the report within 60 days after the end of the fiscal year. The State Crime Victim Compensation Department will review the submitted plan and advise the county or municipality of plan compliance with statutory requirements.*

During the budget phase in 2011, the clerk stated that all the funds in the account were not VA funds (noted in the budget file). The clerk was advised at that time that the VA funds should not be co-mingled with other funds. During the audit site visit on September 11, 2021, the clerk also stated that all the funds in the VA account were not VA funds. The town has continued to co-mingle funds in the VA account since 2011 after being advised by DCVC Auditing Department that the funds should be in separate accounts.

The DCVC Auditor advised the mayor and the clerk that the VA funds should not be co-mingled in the account with other funds. The DCVC Auditor also advised the mayor to leave all funds in the account until the bank statements were reviewed and it was determined what the correct amount should be in the VA account.

The DCVC Auditor asked the mayor when the last time the town held court and collected VAFFA funds, the mayor stated 2018. According to the bank statements, deposits were made after 2018. The DCVC Auditor asked the mayor why deposits were made after 2018 if the town was not collecting funds. He stated that the deposits were from tickets issued in previous years.

During the audit site visit on September 11, 2021, the mayor stated he would like to enter into a contract with Charleston County to handle the town's victim services. The town would turn over all VA funds to the county. The DCVC Auditor advised the mayor that the town could not enter into a contract with Charleston County until it was determined that the fund was correct.

After making several unsuccessful attempts to reach the clerk and the mayor to get current bank statements, the town's accountant advised the DCVC Auditor that the town had a new mayor and was hiring a new clerk. The DCVC Auditor contacted the new mayor on February 28, 2022, to notify him that our office is in the process of auditing the town. The mayor stated that the previous mayor had already informed him of the audit. The DCVC Auditor advised him that all funds should remain in the VA account until all documents were reviewed, and the correct balance is determined. The DCVC Auditor also informed the mayor that the previous mayor wanted to enter into a contract with Charleston County to handle the town's victim services. The mayor stated he would like to proceed with that contract. The DCVC Auditor advised him to contact the county after the account balance was determined.

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

**A-1**

It is recommended that the Town of Lincolnville contact the county to inquire about entering into a contract for the county to provide victim services for the town.

**A-2**

It is recommended that the Town of Lincolnville do not commingle VA funds and the town's funds as requested by the DCVC Auditor.



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

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**B. Revenue Review****Objective**

Did the town submit copies of the town's Supplemental Schedule from the annual independent audit for FY11-FY15 as requested by the Department of Crime Victim Compensation (DCVC) Auditor?

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**Conclusion**

Yes, the town did submit copies of Supplemental Schedules from the annual independent audit as requested for FY11-FY15 by the Department of Crime Victim Compensation (DCVC) Auditor.

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**Background**

DCVC Initial Audit issued May 7, 2021

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**Discussion**

This audit report is a Department of Crime Victim Compensation (DCVC) 90 Day Follow-up Programmatic Review and Financial Audit for Victim Assistance Fines, Fees, and Assessment due to the Town of Lincolnville being non-compliant with recommendations made in the DCVC Initial Audit Report dated May 7, 2021.

The town was mailed a letter dated August 23, 2021, notifying them of our intent to initiate a DCVC 90-day follow-up site audit visit. The DCVC Auditor spoke with the mayor on August 30, 2021, to inform him that a pre-requested audit document list would be sent via email and set up an audit site visit date.

The DCVC Auditor emailed the mayor a list of pre-requested audit documents on September 1, 2021. The pre-requested documents list included a request for copies of the Supplemental Schedule from the town's annual audit for FY11-FY15. The Supplemental Schedule determined how much the town collected, the town's expenditures from the VA Fund, and the amount carried forward for FY11-FY15 for the VA Fund.

During the DCVC Initial Audit issued on May 7, 2021, the DCVC Auditor recommended that the mayor contact the person or company that completed the town's annual audit for FY11-FY15 and request the Supplemental Schedule from the town's annual audit. As requested, Supplemental Schedules were not received by the September 13, 2021, deadline.

The DCVC Auditor spoke with the mayor on September 15, 2021, informing him the town would be non-compliant because the documents were not received. The mayor was also informed that if the town continues to be non-compliant, the town will be penalized, as stated in Act 96 [PART IV] as stated below. However, the mayor did submit the Supplemental Schedules FY11-FY15 during the audit site visit on September 21, 2021.

*(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."*

After the Supplemental Schedules and the bank statements were reviewed, it appeared that the town has overpaid the VA account, as shown below. As of June 30, 2021, the VA account balance should have been **\$19,464.00**. As of June 30, 2021, the VA account had **\$32,493.21**. As of January 31, 2022 the VA account balance was **\$31,868.21**. Therefore, the town should transfer **\$12,404.21** from the VA fund to the general fund.

The town should provide DCVC Auditing Department with a current bank statement after the transfer is made.

The DCVC Auditor received the Supplemental Schedules as requested for FY11-FY15; therefore, the town is compliant.

| Fiscal year     | 30-Jun-11  | 30-Jun-12   | 30-Jun-13   | 30-Jun-14   | 30-Jun-15   | 30-Jun-16   | 30-Jun-17   | 30-Jun-18   | 30-Jun-19   | 30-Jun-20   | 30-Jun-21   | As of January<br>1, 2022 |
|-----------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------------------|
| End of Year     | \$5,879.00 | \$5,879.00  | \$15,185.00 | \$15,255.00 | \$15,308.00 | \$15,362.00 | \$15,362.00 | \$15,375.00 | \$16,327.00 | \$17,764.00 | \$17,764.00 | \$19,464.00              |
| Collected       |            | \$9,306.00  | \$17.00     | \$53.00     | \$54.00     | \$0.00      | \$13.00     | \$952.00    | \$1,437.00  | \$0.00      | \$1,700.00  | \$0.00                   |
| Carried Forward |            | \$15,185.00 | \$15,202.00 | \$15,308.00 | \$15,362.00 | \$15,362.00 | \$15,375.00 | \$16,327.00 | \$17,764.00 | \$17,764.00 | \$19,464.00 | \$19,464.00              |

**Recommendation(s)  
and Comments**

**B-1**

It is recommended that the Town of Lincolville transfer \$12,404.21 from the VA fund to the general fund. The town should provide DCVC Auditing Department with a current bank statement after the transfer is made. After the town has made the transfer and supporting documentation is received, the town may contact Charleston County to inquire about a contract to cover the town's victim services.

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

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**C. Technical Assistance****Documentation Provided**

During the site audit visit, technical assistance and support were provided, and the following documents were reviewed and explained in detail. Also, copies were provided to appropriate officials and agency representatives:

1. Legislation - Act 96 (Part IV)
2. Proviso 98.9
3. Proviso 59.15
4. Sample Budget
5. Sample Staff Hired Report
6. Sample Time and Activity Report
7. Sample Expenditure Report
8. Victim Advocate Procedural Manual
9. Approved Guidelines

**Other Matters**

There are no other matters.

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## Corrective Action

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*Act 96 (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 Lincolnville was informed at the conclusion of the DCVC 90-day follow-up site visit that there appeared to have been some errors as noted in this report. The findings were discussed with the mayor. They were advised that this Financial and Programmatic Review would warrant the need for further discussion with management. Unless otherwise noted, the 90 Day window to correct all errors began ten business days following the completion date noted on initial report.**

On July 11, 2022, the Department of Crime Victim Compensation completed the 90 Day Follow-up Audit Site Visit report. As a result, it is determined that all recommendations and errors as outlined in the Initial DCVC Audit Report were corrected and the Town of Lincolnville is considered to be compliant.

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# Official Post-Audit Response

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

**Debbie Curtis  
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:**

**<https://www.scag.gov/inside-the-office/crime-victim-services-division/crime-victim-compensation/auditing/>**

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## **Appendix(s)**

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**Appendix A- Follow-up Audit Review for the Town of Lincolnville Municipal Court State  
Victim Assistance Fines, Fees, and Assessment Fund**

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## **Appendix(s)**

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**Appendix A- Follow-up Audit Review for the Town of Lincolnville Municipal Court State  
Victim Assistance Fines, Fees, and Assessment Fund issued May 7, 2021**





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

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December 2, 2020

**Follow-up Audit Review for the Town of Lincolville  
Municipal Court State Victim Assistance Fines, Fees,  
and Assessment Fund**

May 7, 2021

**Follow-up Audit Review for the Town of Lincolville  
Municipal Court State Victim Assistance Fines, Fees,  
and Assessment Fund**

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**Acronyms:**

- VAFFA – Victim Assistance Fines, Fees, and Assessment
- DCVC – Department of Crime Victim Compensation
- SCLEVA – South Carolina Law Enforcement Victim Advocate
- CVST – Department of Crime Victim Services Training, Provider Certification, and Statistical Analysis

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## **Introduction and Laws**

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### **PREFACE**

This Programmatic Review and Financial Audit was initiated in response to the Department of Crime Victim Compensation's (DCVC) concerns regarding the Victim Assistance Fines, Fees, and Assessment Fund. On September 15, 2020, the DCVC Assistant Deputy Director issued a letter to the Town of Lincolville informing them that DCVC will conduct a DCVC initial audit. Therefore, due to COVID-19, the DCVC Auditor conducted an electronic Programmatic Review and Financial Audit of the Town's Victim Assistance Fund on January 12, 2021.

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### **Governing Legislation and Regulations**

#### **ACT 96 [PART IV]**

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

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

*ACT 96 (cont.)*

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

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

**Proviso 59.15**

**59.15. (AG: State Crime Victim Compensation)**

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

*Proviso 59.15 (cont.)*

priority and/or second priority programs during the fiscal year that the funds are received then the county or municipality shall remit any unspent funds that are greater than the allowed carried forward funds, regardless of the year collected, to the State Victim Assistance Program (SVAP) with the Office of the Attorney General within 120 days after the end of the fiscal year. All funds must be accounted for in the annual audit for each county or municipality.

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

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

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

*A county or municipality may be exempt from the remittance requirements of this proviso upon submission of a plan to the State Crime Victim Compensation Department that meets the statutory requirements for the use of funds. A county or municipality must submit the report within 60 days after the end of the fiscal year. The State Crime Victim Compensation Department will review the submitted plan and advise the county or municipality of plan compliance with statutory requirements.*

**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

*Proviso 98.9 (cont.)*

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  
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  
Title 14 (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:** (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  
Title 14 (excerpts cont.)

- **Section 14-1-211 Subsection B & D:** (B) for the purpose of providing services for the victims of crime, including those required by law. Any funds retained by the county or city treasurer must be deposited into a separate account for the exclusive use for all activities related to the requirements contained in this provision. For the purpose of funds allocation and expenditure, these funds are a part of the general funds of the city or county. These funds must be appropriated for the exclusive purpose of providing victim services 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.



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## **Introduction**

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### **AUDIT OBJECTIVES**

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

**Audit Objectives were;**

- To determine if the Town of Lincolnvillle is submitting State Treasurer Revenue Remittance Forms (STRRFs) by the 15<sup>th</sup> day of the month in accordance with State law.
  - To determine if the Town of Lincolnvillle is keeping an accurate account of the Victim Assistance funds.
  - To determine if the Town of Lincolnvillle is utilizing Victim Assistance funds in accordance with the Approved Guidelines.
- 

### **RESULTS IN BRIEF**

*State Treasurer Revenue Remittance Forms*

Did the Town submit copies of State Revenue Remittance Forms (STRRFs) for FY11-FY20 as requested by the DCVC Auditor?

No, the Town did not submit copies of STRRFs for FY11-FY20 as requested by the DCVC Auditor.

*Revenue Review*

Did the Town submit copies of the Town's Victim Assistance Bank Statements for FY11-FY20 as requested by the DCVC Auditor?

No, the Town did not submit copies of Victim Assistance Bank Statements for FY11-FY20 as requested by the DCVC Auditor.

*Expenditure Review*

Did the Town submit copies of the Victim Assistance Fines, Fees, and Assessment (VAFFA) Expenditure Reports for FY11-FY20 as requested by the DCVC Auditor?

No, the Town did not submit copies of Victim Assistance Fines Fees and Assessment (VAFFA) Expenditure Reports for FY11-FY20.

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

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**A. State Treasurer Revenue Remittance Forms**

|                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Objective</b>  | Did the Town submit copies of State Treasurer Revenue Remittance Forms (STRRFs) for FY11-FY20 as requested by the DCVC Auditor?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Conclusion</b> | No, the Town did not submit copies of STRRFs for FY11-FY20 as requested by the DCVC Auditor.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Background</b> | State Auditor's Audit Report issued June 30, 2011<br>State Follow-up Audit Report December 2, 2020                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Discussion</b> | <p>This is a DCVC initial audit as a result of the Town of Lincolnville being non-compliant in the State Auditor's office follow-up audit dated December 2, 2020. (See Appendix A) The Town was mailed a letter dated September 15, 2020 notifying the Town that due to the pandemic, DCVC will initiate an electronic Programmatic Review and Financial Audit of the Victim Assistance Fund.</p> <p>The DCVC Auditor emailed the mayor a list of pre requested audit documents on October 26, 2020. The pre-requested documents included a request for State Revenue Remittance Forms (STRRFs) for FY11-FY20. However, the STRRFs were not received by November 9, 2020 as requested. After speaking with the mayor on December 1, 2020, he advised the DCVC Auditor that he was not able to get the STRRFs from the State Treasurer's office as recommended in the State follow-up audit dated October 30, 2020. The mayor requested additional time to submit the requested documents. Therefore, the DCVC Auditor allowed an additional two weeks for the submission of documents to be submitted for review.</p> <p>On January 4, 2021, the DCVC Auditor called the mayor to follow-up on the status of the STRRFs. The mayor advised the DCVC Auditor that he contacted the State Treasurer's office regarding receiving copies of the STRRFs and was still unable to receive them as requested. The DCVC Auditor recommended the mayor request the STRRFs in writing from the State Treasurer's office.</p> |

After the DCVC Auditor spoke with the mayor on January 4, 2021, in an effort to assist the Town with getting the STRRFs, the DCVC Auditor contacted the State Treasurer's office. The State Treasurer's office advised the DCVC Auditor that they were willing to assist the Town with getting the STRRFs, but they could only go back two years. This would be for FY18-FY20. The State Treasurer's Office also advised the DCVC Auditor that they are currently withholding \$568,000 of the Town's funds due to the Town not submitting an annual audit since the fiscal year 2015.

The State Treasurer's Office Proviso 98.9 noted below states:

*"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.*

*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."*

The DCVC Auditor spoke with the mayor on January 12, 2021, and followed up with an email informing him that the Town would be non-compliant due to their failure to submit requested documents. Therefore, the DCVC Auditor could not verify the Victim Assistance bank account.

The DCVC Auditor also advised the mayor in the email dated January 12, 2021 that the State Treasurer's office informed the DCVC Auditor they are withholding \$568,000 of the Town's funds due to the Town not submitting an annual audit since the fiscal year 2015. Also, the mayor was informed of the DCVC Auditor's conversation with the State Treasurer's office that they could assist the Town with getting the STRRFs for FY18-FY20. While this is not all of the STRRFs needed, it may be helpful to the Town.

In the email to the mayor dated January 12, 2021, the DCVC Auditor also requested the mayor contact the auditor who completed the Town's annual audits for FY11-FY15 or provide the contact information to the DCVC Auditor. The Victim Assistance Schedule from the annual audits would help determine what was collected, expenditures, if any, from the account, and the amount carried forward for those years for the Victim Assistance account as noted above.

If the Town continues to be non-compliant, the Town will be penalized as stated in excerpts of Act 96 [PART IV] as noted below.

*"(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."*

As a result of being non-compliant, this recommendation will be carried forth in the DCVC 90 day audit.

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**Recommendation(s)**

It is recommended the Town of Lincolnville contact the Auditor that completed the Town's annual audit for FY11-FY15 and request the Victim Assistance Schedule as requested by the DCVC Auditor. They may also choose to contact the State Treasurer's office to receive copies of the STRRFs for FY18-FY20. However, the Auditor that completed the Town's annual audit would have all information needed and requested. This will allow DCVC to determine what was collected, expenditures, if any, from the account and the amount carried forward for those years for the Victim Assistance account.

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

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**B. Revenue Review****Objective**

Did the Town submit copies of the Victim Assistance bank statements for FY11-FY20 as requested by the DCVC Auditor?

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**Conclusion**

No, the Town did not submit copies of Victim Assistance bank statements for FY11-FY20 as requested by the DCVC Auditor.

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**Background**

State Auditor's Audit Report issued June 30, 2011

State Follow-up Audit Report issued December 2, 2020

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**Discussion**

This is a DCVC initial audit as a result of the Town of Lincolnville being non-compliant in the State Auditor's office follow-up audit dated December 2, 2020. The Town was mailed a letter dated September 15, 2020 notifying the Town that due to the pandemic, DCVC will initiate an electronic Programmatic Review and Financial Audit of the Victim Assistance Fund.

The DCVC Auditor emailed the mayor a list of pre-requested audit documents on October 26, 2020. The pre-requested audit documents included a request for copies of the Victim Assistance bank statements for FY11-FY20 to determine if the Town has accurately accounted for the funds. However, the bank statements were not received by the November 9, 2020 deadline as requested. After speaking with the mayor on December 1, 2020, he advised the DCVC Auditor that the Town switched banks in 2014 and he had no way of getting the bank statements prior to 2014. The DCVC Auditor informed the mayor the bank statements for 2014 through 2020 would be sufficient to determine if the Town accurately accounted for the funds.

The bank statements for July 31, 2019 through April 30, 2020 were received via fax on June 16, 2020. At that time, the Victim Assistance account had a balance of \$30,793.21.

On January 4, 2021, the DCVC Auditor called the mayor to follow-up on the status of the bank statements. The mayor advised the DCVC Auditor he had not had an opportunity to request the bank statements. The DCVC Auditor gave the mayor an additional two weeks to submit the requested documents.

The DCVC Auditor later spoke with the mayor on January 12, 2021 informing him the Town would be non-compliant as a result of the documents not being received as requested. The mayor was also informed at that time, if the Town continues to be non-compliant, the Town will be penalized as stated in Act 96 [PART IV] as noted below.

*“(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.”*

The DCVC Auditor did not receive the bank statements as requested. Therefore, the Town is non-compliant. As a result of being non-compliant, this recommendation will be carried forth in the DCVC 90 day audit. If the Town continues to be non-compliant, they will be penalized.

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**Recommendation(s)**

It is recommended that the Town of Lincolnville contact the bank and request copies of the Victim Assistance bank statements for FY14-FY21 as requested by the DCVC Auditor. This will allow DCVC to verify the Victim Assistance bank account balance.

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

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**C. Expenditure Review**

**Objective** Did the Town submit copies of the Victim Assistance Fines, Fees, and Assessment (VAFFA) Expenditure Reports from FY11-FY20 as requested by the DCVC Auditor?

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**Conclusion** No, the Town did not submit copies of Victim Assistance Fines Fees and Assessment (VAFFA) Expenditure Reports from FY11-FY20.

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**Background** State Auditor's Report issued June 30, 2011  
State Follow-up Audit Report issued December 2, 2020

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**Discussion** This is a DCVC initial audit as a result of the Town of Lincolnville being non-compliant in the State Auditor's office follow-up audit dated December 2, 2020. The Town was mailed a letter dated September 15, 2020 notifying the Town that due to the pandemic, DCVC will initiate an electronic Programmatic Review and Financial Audit of the Victim Assistance Fund.

The DCVC Auditor emailed the mayor a list of pre-requested audit documents on October 26, 2020. The pre-requested documents included a request for copies of the VAFFA Expenditure Reports for FY11-FY20 to determine if the funds are being utilized as outlined in the Approved Guidelines. The VAFFA expenditures were not received by November 9, 2020 as requested.

The DCVC Auditor spoke with the mayor on December 1, 2020. He advised the DCVC Auditor that there were no expenditure reports because the Town does not utilize the funds. The DCVC Auditor advised the mayor that if the Town does not have expenditure reports, he would need to submit bank statements for FY14-FY20 so the DCVC Auditor could verify that the Victim Assistance funds are not being utilized. However, the Town did not submit the bank statements for FY14-FY20 as requested by the DCVC Auditor.



The DCVC Auditor spoke with the mayor on January 12, 2021 informing him the Town would be non-compliant as a result of the failure to submit requested documents. Therefore, the DCVC Auditor could not verify the bank account balance. The mayor was also informed at that time if the Town continues to be non-compliant, the Town will be penalized as stated in excerpts from Act 96 [PART IV] as noted below.

*“(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.”*

The DCVC Auditor did not receive the VAFFA expenditures or bank statements for FY14-FY20 as requested and could not verify the bank account balance. Therefore, the Town is non-compliant. As a result of being non-compliant, this recommendation will be carried forth in the DCVC 90 day audit. If the Town continues to be non-compliant, they will be penalized.

---

**Recommendation(s)**

It is recommended that the Town of Lincolnville contact the bank and request copies of the Victim Assistance bank statements for FY14-FY21 as requested by the DCVC Auditor. This will allow DCVC to verify the Victim Assistance bank account balance.

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

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**D. Technical Assistance****Documentation Provided**

During the audit process, technical assistance and support was provided and the following documents were online for review.

1. Legislation - Act 96 (PART IV)
2. Proviso 98.9
3. Proviso 59.15
4. Sample Budget
5. Sample Staff Hired Report
6. Sample Time and Activity Report
7. Sample Expenditure Report
8. Victim Advocate Procedural Manual
9. Approved Guidelines

**Other Matters**

There are no other matters.

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## **Corrective Action**

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*Act 96 (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 Lincolnville was informed at the conclusion of the electronic Programmatic Review and Financial Audit that there appeared to have been some errors as noted in this report. The findings were discussed with the mayor. The mayor was advised that this Financial and Programmatic Audit Review will warrant the need for further discussion with management. Unless otherwise noted, the 90 day window to correct all errors will begin ten business days following the completion date noted on this report.**

**DCVC completed the electronic Programmatic Review and Financial Audit on January 12, 2021 and issued the final report to the Town of Lincolnville on May 7, 2021.**

**In August 2021, the Department of Crime Victim Compensation will schedule to meet with applicable departments in the Town of Lincolnville for the 90 day follow-up audit review of errors found and noted in this report.**



ALAN WILSON  
ATTORNEY GENERAL

This Programmatic Review and Financial Audit was completed by:

Mignon Lee Thompson 5/10/2020  
Mignon Lee Thompson, Lead Auditor Date

Reviewed by:

Dexter L. Boyd 5/6/2021  
Dexter Boyd, Sr. Auditor Date

Ethel Douglas Ford 5/6/2020  
Ethel Douglas Ford, CPM, Assistant Deputy Director Date

D. Scott Beard 5/6/2021  
D. Scott Beard, DCVC Deputy Director Date



*ALAN WILSON*  
ATTORNEY GENERAL

This Programmatic Review and Financial Audit was completed by:

*Mignon Lee-Thompson*  
Mignon Lee-Thompson, Senior Auditor  
Date 7/11/22

Reviewed by:

*Dexter L. Boyd*  
Dexter Boyd, Audit Manager  
Date 7/11/2022

*Debbie Curtis*  
Debbie Curtis, Deputy Director  
Date July 11, 2022