



Office of the Inspector General
U.S. Department of Justice



**Audit of the Office of Justice
Programs Office for Victims of Crime
Grants Awarded to the Delaware
Criminal Justice Council
Wilmington, Delaware**

**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS
OFFICE FOR VICTIMS OF CRIME GRANTS AWARDED TO
THE DELAWARE CRIMINAL JUSTICE COUNCIL
WILMINGTON, DELAWARE**

EXECUTIVE SUMMARY

The U.S. Department of Justice Office of the Inspector General, Audit Division, has completed an audit of three Office for Victims of Crime grants awarded to the Delaware Criminal Justice Council (CJC), located in Wilmington, Delaware. We audited the Victims of Crime Act Victim Assistance Formula Grant Program (Victim Assistance grant), grant numbers 2013-VA-GX-0037, 2014-VA-GX-0013, and 2015-VA-GX-0069, which totaled \$9,487,212. The Victim Assistance grants provided funds to enhance crime victim services in the state of Delaware.

The purpose of our audit was to determine whether costs claimed under the awards were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the awards. The objective of our audit was to review performance in the following areas: (1) internal control environment; (2) drawdowns; (3) grant expenditures; (4) monitoring of subgrantees; (5) reporting; (6) program performance and accomplishments; and (7) compliance with other grant special conditions.

Our audit found that CJC was effective overall at meeting essential award requirements in the areas we tested. Specifically, the expenditures we tested were allowable and supported; drawdowns were based on expenditures recorded in the accounting system; and reports were supported with sufficient documentation. Additionally, CJC's activities were furthering its grant goal of providing direct services to crime victims. We also concluded that CJC's subgrantee monitoring policies are effective at preventing unallowable expenditures. However, we identified an opportunity for CJC to potentially improve its subgrantee reimbursement practices.

As a result of our audit, we made one recommendation to the Office of Justice Programs (OJP). Our findings are discussed in detail in the Findings and Recommendations section of this report. Our audit objective, scope, and methodology are discussed in Appendix 1.

We discussed the results of our audit with CJC officials and have included their comments in the report, as applicable. In addition, we requested a response to our draft audit report from CJC and OJP. Their responses are appended to this report as Appendix 2 and 3, respectively. Our analysis of both responses, as well as a summary of actions necessary to close the recommendations can be found in Appendix 4 of this report.

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OFFICE FOR VICTIMS OF CRIME GRANTS AWARDED TO
THE DELAWARE CRIMINAL JUSTICE COUNCIL
WILMINGTON, DELAWARE**

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INTRODUCTION

The U.S. Department of Justice Office of the Inspector General has completed an audit of three Office for Victims of Crime (OVC) grants awarded to the Delaware Criminal Justice Council (CJC), located in Wilmington, Delaware. We audited the Victims of Crime Act (VOCA) Victim Assistance Formula Grant Program (Victim Assistance grant), grant numbers 2013-VA-GX-0037, 2014-VA-GX-0013, and 2015-VA-GX-0069.¹ The Victim Assistance grants provided funds to enhance crime victim services by funding competitive grants awarded by Delaware to local community-based organizations that provide direct services to crime victims.

The purpose of our audit was to determine whether costs claimed under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and the terms and conditions of the grants. We also evaluated CJC’s overall program performance and accomplishments in meeting grant objectives for the funded programs. As shown in the table below, CJC received three awards totaling \$9,487,212.

**Table 1
Office for Victims of Crime Grant to the
Delaware Criminal Justice Council**

Grant Award Number	Award Start Date	Award End Date	Award Amount
2013-VA-GX-0037	10/01/12	09/30/16	\$1,648,182
2014-VA-GX-0013	10/01/13	09/30/17	\$1,739,622
2015-VA-GX-0069	10/01/14	09/30/18	\$6,099,408 ²
Total			\$9,487,212

Source: OJP

¹ VOCA formula grants for crime victim assistance, awarded through subgrants to state agencies and local service providers, support direct services to crime victims in every state, the District of Columbia, and every territory. OVC awards these grants in accordance with VOCA, the Victim Assistance Guidelines, and the OJP Financial Guide. The state programs that receive VOCA funds are required to submit an annual state Performance Report that includes information on all grants active during the fiscal year. The Performance Reports detail the effect the VOCA funds had on services to crime victims in the state.

² At the time of our fieldwork, CJC had not yet awarded the \$6,099,408 grant 2015-VA-GX-0069 to its subgrantees. We discuss grant award 2015-VA-GX-0069 in more detail at the end of this report.

Background

The Office for Victims of Crime (OVC), within the U.S. Department of Justice, provides primary management and oversight of the grants we audited. OVC works to enhance the nation's capacity to assist crime victims and to provide leadership in changing attitudes, policies, and practices to promote justice and healing for all victims of crime.

The Crime Victims Fund (CVF) was established by VOCA in 1984. Since its inception, CVF has been supported by fines, penalty assessments, and bond forfeitures collected from convicted federal offenders, not tax dollars. In 2001, legislation passed that allows CVF to also receive gifts, donations, and bequests from private entities. OVC distributes money deposited into CVF directly to states to support state compensation and assistance services for victims and survivors of domestic violence, sexual assault, child abuse, drunk driving, homicide, and other crimes.

Victim Assistance Formula Grant Program

Each year, states and territories receive Victim Assistance grant funds to support community-based organizations that serve crime victims. More than 5,600 VOCA grants are made to domestic violence shelters, rape crisis centers, child abuse programs, and victim service units in law enforcement agencies, prosecutors' offices, hospitals, and social service agencies. These programs provide services that include: crisis intervention, counseling, emergency shelter, criminal justice advocacy, and emergency transportation.

States and territories are required to give priority to programs serving victims of domestic violence, sexual assault, and child abuse. Additional funds must be set aside for underserved victims, such as survivors of homicide victims and victims of drunk drivers.

According to a CJC grant official, the goal of this Victim Assistance grant was to provide direct services to crime victims. The subgrantees served four categories of victims: child abuse, domestic violence, sexual assault, and the underserved.

Delaware Criminal Justice Council

The Delaware Criminal Justice Council (CJC) is an independent body committed to leading the criminal justice system through a collaborative approach that calls upon the experience and creativity of CJC, all components of the criminal justice system, and the community. CJC operates through the use of specialized committees, subcommittees, and workgroups, which focus on those issues that affect the administration of justice in Delaware. Although the membership is governed by the enabling legislation, the Council strives to maintain a committee membership structure that represents the criminal justice community, victim advocates, and the general public. The composition of the Council includes a total

of 29 appointed members representing the criminal justice community and members of the public.

OIG Audit Approach

We tested compliance with what we considered the most important conditions of the grants. Unless otherwise stated in our report, we applied the Department of Justice Office of Justice Programs (OJP) Financial Guide as our primary criteria during our audit. The *OJP Financial Guide* serves as a reference manual assisting award recipients in their fiduciary responsibility to safeguard grant funds and ensure that funds are used appropriately and within the terms and conditions of awards. The results of our analysis are discussed in detail in the Findings and Recommendations section of this report. The audit objectives, scope, and methodology are included in the report as Appendix I.

FINDINGS AND RECOMMENDATIONS

COMPLIANCE WITH ESSENTIAL GRANT REQUIREMENTS

We determined that CJC generally complied with the essential grant requirements in the areas we tested for the Victim Assistance grant. However, we identified an opportunity for CJC to potentially improve its subgrantee reimbursement practices.

Internal Control Environment

We began this audit by developing an understanding of CJC's financial management system, policies and procedures, and reviewing the 2014 Single Audit Report to assess CJC's risk of non-compliance with laws, regulations, guidelines, and the terms and conditions of the grants. We also interviewed officials from the organization to further assess risk to determine if controls were adequate to separately account for and maintain grant funds for each award.

According to the *OJP Financial Guide*, grant recipients are responsible for establishing and maintaining an adequate system of accounting with capabilities of internal control. An acceptable internal control system provides cost and property controls to ensure the optimal use of funds.

While our audit did not assess CJC's overall system of internal controls, we did review the internal controls of CJC's financial management system specific to the management of funds for each grant award during the grant periods under review. Delaware's 2014 Single Audit Report did not identify significant deficiencies regarding Delaware's management of the grants we reviewed. For access to its financial system, we observed that each user has defined security roles throughout the system with restricted access levels and password protection to various functions. All payment processing is completed with various levels of approval and separation of duties. For example, if the accountant enters a payment, she cannot approve it herself, and it must go to another approved user for approval. All approvals are date, time, and user stamped. Finally, subgrantee payment information is entered into the financial system and then the information is sent to the controller for approval.

Drawdowns

According to the *OJP Financial Guide*, award recipients should request funds based upon immediate disbursement or reimbursement requirements. Drawdown requests should be timed to ensure that federal cash on hand is the minimum needed for disbursements to be made immediately or within 10 days. According to CJC, it drew down funds on a reimbursement basis.

We reviewed the drawdowns for each award by comparing the total actual expenditures recorded in the accounting records against cumulative drawdowns as

of July 2015. As illustrated in Table 2, there was no difference in the drawdowns and expenditures at the date of last drawdown.

Table 2
Analysis of Drawdown History as of July 2015

Grant Number	Total Drawdowns as of July 2015 ³	Difference in Expenditures and Drawdown
2013-VA-GX-0037	\$1,245,092	\$0
2014-VA-GX-0013	\$316,708	\$0
2015-VA-GX-0069	\$0	\$0

Source: OIG Analysis

To audit drawdowns, we sourced drawdown information from OJP and grant expenditures to billing from CJC and matched the amounts from these sources. While the award period for the FY 2015 grant began on October 1, 2014, as of November 2015, there had been no financial activity on the grant and no subgrants had been awarded. We discovered no lump sums drawn in the beginning of the period or the end of each fiscal year, nor did we find any unusual patterns in drawdown activity.

Expenditures

We reviewed grant expenditures to determine if expenditures were supported, allowable, and in accordance with the terms and conditions of the awards. As of July 2015, CJC had expended \$1,245,092 of award 2013-VA-GX-0037, \$316,708 of award 2014-VA-GX-0013, and \$0 of award 2015-VA-GX-0069. VOCA guidelines allow state recipients to retain five percent of award funds for grant administration and allocate the remainder to direct services for victims of crime and training direct service providers. We reviewed award expenditures and found that CJC used no more than 5 percent of the award funds for grant administration, in accordance with VOCA guidelines. The remaining award funds were distributed to subgrantees with the purpose of providing direct services for victims of crime.

We selected a sample of 45 transactions to determine if costs charged to the awards were allowable, properly authorized, adequately supported, and in compliance with award terms and conditions. All 45 transactions from our sample were for direct services for victims of crime. See Table 3 below for a detailed breakdown of total transactions we reviewed for each award.

³ The drawdown amounts were rounded to the nearest dollar.

Table 3
Transactions Reviewed

Transactions Reviewed Award Number	Count of Transactions Reviewed	Dollar Amount of Transactions Reviewed ⁴
2013-VA-GX-0037	30	\$614,000
2014-VA-GX-0013	15	\$313,352
Total	45	\$927,352

Source: OIG Analysis

The direct services expenditures we reviewed included disbursements to subgrantees tasked with providing direct services for victims of crime. We found that the subgrantee expenditures to be allowable, adequately supported, and in accordance with the terms and conditions of the grants.

For the 5 percent of award funds for grant administration, there were no administrative charges incurred for the FY 2014 and 2015 awards. For FY 2013, there were 16 administrative transactions, 15 of which were payroll adjustments and the final transaction coded as another type of adjustment. Because these transactions were linked to FY 2012 time and effort as adjustments, we did not test payroll and fringe benefits expenditures for the FY 2013 award.

Monitoring of Subgrantees

The *OJP Financial Guide* states that the purpose of subgrantee monitoring is to ensure that grant funds are spent in accordance with the federal program and grant requirements, laws, and regulations, and ensure the sub-award performance goals are achieved. Further, CJC, as the primary grant recipient, should develop systems, policies, and procedures to ensure that all fiscal and programmatic subgrantee activities are conducted in accordance with these requirements. Additionally, the primary recipient should ensure that subgrantees are appropriately audited, verifying that findings identified in subgrantee audit reports are timely and effectively resolved and corrected. We found that CJC's grant management policies and procedures were outlined in Chapter 10 of the *State of Delaware Budget and Accounting Policy Manual* as well as CJC supplemental subgrantee policies and guidelines.

Through grant 2013-VA-GX-0037, CJC awarded \$1,565,773 to 15 subgrantee programs. Through grant 2014-VA-GX-0013, CJC awarded \$1,652,641 to 17 subgrantee programs. CJC selected nearly the same subgrantees for both the 2013 and 2014 grant awards, with several subgrantees awarded funding for multiple programs. Many of the CJC programs have received recurring funding from the state, with some programs running continuously for 12 years.

⁴ The dollar amounts for transactions reviewed were rounded to the nearest dollar.

Subgrantee Award Process

For OVC grant awards, CJC posts a Solicitation/Funding Announcement on its website. Program concepts are submitted by potential subgrantee applicants and reviewed by CJC's Coordinator, scored by an independent review team, and presented to the Victims Services Advisory Committee for recommendations.⁵ Once the concepts are reviewed by the Victims Services Advisory Committee, they are sent to CJC for final approval. The Coordinator then notifies subgrantees of their approval and requests that each submit a CJC Subgrant Application via the Electronic Grants Management System (Egrants).⁶ Prior to FY 2014, when the Egrants system went live, CJC utilized paper submissions for all grant applications and correspondence.

CJC's Coordinator, Grant Monitor, and fiscal staff complete a staff review of all submitted applications to ensure the applications include clear and obtainable program goals and objectives, efficacious and sustainable victim services, and reasonable and allowable budget allocations. If there are any questions, concerns, or special conditions to the award, the Grant Monitor will meet with the subgrantee or work with the subgrantee to revise its application. Once the application is approved, the Grant Monitor submits the completed award package to the Egrants system and prints a copy for signature of CJC's Executive Director. To accept the award, the subgrantee must sign and mail back the award, special conditions, and certifications to the Grant Monitor.

Subgrantee Reporting

CJC requires that all subgrantees submit quarterly fiscal and programmatic progress reports within 20 days following the close of each quarter. The quarterly fiscal reports contain the total amount expended in each budget category during the reporting period. The quarterly program reports contain the quarter's activity and year-to-date data on victims served and services provided to victims. In addition to CJC quarterly reports, all subgrantees are also required to submit an Annual Report.

⁵ The Coordinator is responsible for coordinating the goals, objectives and planning activities for programs/projects developed and/or monitored for the criminal justice community. A major function of the position includes overseeing the administration of programs developed for criminal justice agencies including funding, grant administration, program promotion and policy and procedure development for program operation.

The independent review team is comprised of two CJC members (the Coordinator and Grant Monitor) and 2-3 outside volunteers not eligible or competing for funding. The Victims Services Advisory Committee is comprised of 12 members from various Delaware State and local agencies related to victim services.

⁶ In October 2014, CJC deployed an online Electronic Grant Management System (Egrants) to process all subgrant applications, awards, and reporting. CJC adopted the Egrants system from the state of Pennsylvania, and believes it will assist with the tracking and reporting of all grant programs.

CJC's Grant Monitor reviews both the quarterly fiscal and program reports for accuracy. According to CJC staff and policies, all reported information on the quarterly reports is verified during on-site monitoring visits.

Subgrantee Monitoring

CJC's Grant Monitor is responsible for scheduling on-site visits with each subgrantee prior to the end of the quarter, or at the last on-site visit, if possible. According to CJC's Grant Monitor, a long form checklist is used during the visits to focus on fiscal and programmatic information. The long form report includes persons interviewed, documents/records inspected, and any positive and negative findings. The Grant Monitor must have the report written within 2 weeks of the date of visit, which is reviewed and signed off by CJC's Coordinator and Executive Director.

Subgrantee Match Requirement

As required by the VOCA Guidelines, VOCA recipients and their subgrantees must maintain records that clearly show the source, the amount, and the period during which the match was allocated.

CJC requires that all subgrantees provide a 20 percent match of the total cost of their program. CJC policy also states that programs who have never received VOCA funds and have not yet demonstrated a record of providing effective services to victims of crime, must provide a 30 percent match of the total cost of the program. CJC allows both a cash and in-kind match to be utilized to satisfy this requirement. As part of their subgrantee monitoring, the long form checklist includes reviewing information related to the match is required.

As part of our audit, we reviewed CJC subgrantee match reporting and documentation. We determined that all matches we reviewed were properly documented and on-target with CJC's subgrantee's matching requirement for Grant 2013-VA-GX-0037 and Grant 2014-VA-GX-0013.

Subgrantee Reimbursement

CJC policy states that fund disbursements are granted on a reimbursement basis only, and are based on the submission of subgrantee quarterly fiscal reports. As mentioned above, the fiscal reports are reviewed by the Grant Monitor and expenditures are verified during on-site visits. The Grant Monitor ensures that the subgrantee is compliant with the approved budget, special conditions, and reporting requirements. Once the Grant Monitor approves the fiscal report, a Request for Funds/Reimbursement can be processed by the fiscal staff at CJC, which is generally processed within 48 hours of receipt, and electronically deposited into the subgrantee's designated bank account.

The general timeline of these events are as follows:

- Fiscal reports are due within 20 days following the end of each quarter.
- On-site monitoring takes place 1 to 2 months after the fiscal reports are received.
- A Monitoring Report is generated within 2 weeks after site visit.
- Requests for Funds/Reimbursement are processed within 48 hours of approval.

We judgmentally selected three subgrantees who received CJC funds from both the 2013-VA-GX-0037 and 2014-VA-GX-0013 grant awards. During our interviews, all three subgrantees raised the issue of protracted reimbursements, with some reimbursements occurring upwards of several months following the submission of a fiscal report. Two of the subgrantees we visited mentioned the delays in reimbursement caused them to use other funding streams to cover expenses while waiting for reimbursement and one subgrantee even stated that it considered obtaining a line of credit from their bank.

CJC's Grant Monitor provided us with her tracking sheet that showed the dates the quarter began and ended, the date when fiscal reports were received, the date of the monitoring visit, as well as the date of the corresponding monitoring report. We compared these dates to CJC accounting records to determine when subgrantees were reimbursed. Based on our review, we determined that subgrantees, on average, were reimbursed two months following the date they submitted their fiscal reports.

While we believe the current CJC monitoring policies are effective at preventing unallowable expenditures, as noted during our expenditure testing, the effect of the reimbursement policy combined with the frequency of site visits could create a financial burden on subgrantees. Therefore, we recommend that CJC determine whether it needs to revise its policies and procedures to avoid potential disruptions to subgrantee financial operations, while continuing to provide adequate controls to prevent unallowable expenditures.

Reporting

According to the *OJP Financial Guide*, award recipients are required to submit both the Federal Financial Reports (FFR) and Performance Reports. These reports describe the status of funds, compare actual accomplishments to the objectives of the award, and report other pertinent information. We reviewed the FFRs and Performance Reports submitted by CJC to determine whether each report was accurate.

Federal Financial Reports

According to the *OJP Financial Guide*, recipients shall report the actual expenditures and unliquidated obligations incurred for the reporting period on each financial report.

We reviewed the FFRs to determine whether they contained accurate financial information related to actual expenditures for the awards. For each award, we compared the four most recently submitted FFRs, as of September 2015, to CJC’s accounting records. We determined that all of CJC’s FFRs were reported accurately.

Performance Reports

According to the *VOCA Program Guidelines*, state grantees are required to submit an annual report containing grant performance data. State grantee Performance Reports are due at the close of each reporting period, which ends on December 31. We assessed overall program performance and our evaluation of CJC’s program performance is discussed below, in the Program Performance and Accomplishments section of this report.

Program Performance and Accomplishments

According to award solicitation documentation, the objective of VOCA funding is to provide direct services to crime victims through services provided by eligible crime victim assistance programs. VOCA funding provided to CJC varies from year to year. The amount awarded to states starts with a baseline amount of \$500,000 and any monies above that are awarded based on total VOCA funding available for that year and provided to the states based on state population and crime statistics. We reviewed CJC’s Performance Reports to OJP for FYs 2013 and 2014 to determine whether the objective of providing direct services to crime victims was met. As OJP indicated in its solicitations, the objective for the 2013 and 2014 VOCA awards to CJC was to provide direct services to crime victims. CJC submitted Performance Reports that included statistics such as the number of victims served and the type of services provided. Our review of CJC’s Performance Reports is summarized in Table 4 below.

As mentioned earlier, as part of CJC’s subgrantee monitoring, on-site visits include a review of programmatic information. CJC’s Grant Monitor reviews supporting documentation to ensure that each subgrantee is properly reporting their statistical information as well as on-track to meet their stated goals.

**Table 4
Summary of CJC’s Performance Reports to OJP for
FYs 2013 and 2014**

Statistics Reported on the Performance Reports	FY 2013	FY 2014
Award Amount to CJC	\$1,648,182	\$1,739,622
Number of Victims Served by CJC Subgrantees	9,440	13,585
Number of Services Provided by CJC Subgrantees	60,937	67,045
Number of Agencies Funded	15	17

Source: OJP

According to the VOCA grant program certification of state grantee eligibility requirements, CJC was required to award at least 10 percent of the total grant funding to programs providing services to victims in four categories of crime: sexual assault, domestic violence, child abuse, and underserved. We reviewed the amount of funding CJC provided to its subgrantees, as shown in table 5.

Table 5
Amount Awarded by CJC to Subgrantees
By Category of Crime Victim and Fiscal Year

Category of Crime Victim		2013	2014 ⁷
Sexual Assault	Funding Amount	\$347,466	\$262,884
	Percent of Total	21%	15%
Domestic Violence	Funding Amount	\$769,484	\$803,211
	Percent of Total	47%	46%
Child Abuse	Funding Amount	\$236,946	\$294,451
	Percent of Total	14%	17%
Underserved	Funding Amount	\$211,876	\$191,963
	Percent of Total	13%	11%
TOTAL		95%	89%

Source: CJC

Based on our review of performance documentation, interviews with CJC officials, and interviews with several subgrantees, we determined that CJC has met their required performance goals as stated.

Compliance with Special Conditions

According to the *OJP Financial Guide*, special conditions may include additional requirements covering areas such as programmatic and financial reporting, prohibited uses of Federal funds, consultant rates, changes in key personnel, and proper disposition of program. Failure to comply with special conditions may result in withholding of funds, suspension, or termination, as appropriate.

We reviewed the special conditions for each grant and selected a judgmental sample of three requirements that are related to performance under the grants and are not addressed in another section of this report. Based on our review, we did not identify noncompliance with the grant special conditions we analyzed.

⁷ For both 2013 and 2014, the categories of crime victim percentages total 95 percent of the total award, with the other 5 percent for administrative use.

According to CJC's Coordinator, 2014 has an unobligated balance of \$100,132 that will be obligated, awarded, and expended before the federal end date which is why the current total is 89 percent.

Plan for Fiscal Year 2015 Funding

At the time of our fieldwork, CJC had not yet awarded the \$6,099,408 grant 2015-VA-GX-0069 to its subgrantees. Since this amount is a significant increase than previous years, we asked CJC to provide us with its plans to adjust to this increased amount of funding.

CJC requested an additional grant monitor with the administrative funds. This request will be presented to the Delaware Office of Management & Budget (OMB). The additional grant monitor will be used to monitor additional subgrantees that will result with this increase funding. Additionally, CJC stated it would explore what administrative funds may be utilized to improve their data collection.

The State of Delaware's current administration has made a focus on the reduction of government. This has made efforts to utilize the VOCA increase to support direct services offered by State agencies incredibly difficult. CJC will be increasing its efforts to support local units to possibly create in-house police-based victims services.

CJC received Committee approval to publish a competitive solicitation for new projects. CJC's hope is to get new agencies interested in VOCA-Assistance funding to support the implementation of new direct service programs.

Conclusions

The objective of this audit was to determine whether costs claimed under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions. We examined CJC's accounting records, financial and performance reports, and financial management procedures. Our audit found that CJC was overall effective at meeting essential award requirements in the areas we tested; however, we found that CJC could improve to the efficiency of the subgrantee reimbursement process. We made one recommendation to improve CJC's management of awards.

Recommendations

We recommend that OJP:

1. Ensure that CJC determine whether it needs to revise its policies and procedures to avoid potential disruptions to subgrantee financial operations, while continuing to provide adequate controls to prevent unallowable expenditures.

OBJECTIVES, SCOPE, AND METHODOLOGY

The purpose of our audit was to determine whether reimbursements claimed for costs under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and the terms and conditions of the grants. We also assessed grantee program performance in meeting grant objectives and overall accomplishments. The objective of our audit was to review activities in the following areas: (1) internal control environment, (2) grant expenditures, (3) monitoring of subgrantees, (4) drawdowns, (5) reporting, (6) program performance and accomplishments, and (7) compliance with other grant special conditions. We determined that budget management and control, program income, accountable property, matching costs, indirect costs, and the monitoring of contractors were not applicable to these grants.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provided a reasonable basis for our findings and conclusions based on our audit objectives.

In conducting our audit, we performed sample testing in grant expenditures. In this effort, we employed a statistical sampling design to obtain broad exposure to numerous facets of the grants reviewed, such as high dollar amounts. Although this sample takes into account some level of detail, the sample is classified as judgmental. After stratifying the claims, consolidating the transactions, and eliminating multiple charges and multiple transactions from the same vendor, the testing sample was summarized creating a universe as a whole. We identified samples of 45 grant expenditures. This statistical sample design does not allow for the projection of the test results to the universes from which the samples were selected.

We tested compliance with what we consider to be the most important conditions of the grant. Unless otherwise stated in our report, the criteria we audit against are contained in the *Office of Justice Programs Financial Guide* and grant award documents. We also reviewed Delaware's Single Audit Report for 2014.

In addition, we reviewed the timeliness and accuracy of Federal Financial Reports, Performance Reports, evaluated actual program performance to grant objectives, and considered internal control issues. However, we did not test the reliability of the financial management system as a whole.

**DELAWARE CRIMINAL JUSTICE COUNCIL
RESPONSE TO THE DRAFT REPORT**



STATE OF DELAWARE
EXECUTIVE DEPARTMENT
CRIMINAL JUSTICE COUNCIL
STATE OFFICE BUILDING - 10th FLOOR
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July 13, 2016

Mr. Thomas O. Puerzer
Regional Audit Manager
Philadelphia Regional Audit Office
Office of the Inspector General
US Department of Justice
701 Market Street, Suite 201
Philadelphia, PA 19106

RE: Delaware Criminal Justice Council Draft Audit Report
Grant numbers: 2013-VA-GX-0337, 2014-VA-GX-0013, 2015-VA-GX-0069

Dear Mr. Puerzer:

Please accept this letter as our response to the recommendation included in the draft audit report transmitted to the Office of Justice Programs pertaining to the above mentioned grants. In the draft audit report, your office recommended that the Criminal Justice Council:

“Ensure that CJC determine whether it needs to revise its policies and procedures to avoid potential disruptions to subgrantee financial operations, while continuing to provide adequate controls to prevent unallowable expenditures.”

Criminal Justice Council response:

The Criminal Justice Council concurs with this recommendation and will discuss revisions to our existing cash management policy to ensure no potential exists for a disruption in subgrantee financial operations.

If you have any questions or need additional information, please feel free to contact my office at your convenience.

Sincerely,

A handwritten signature in blue ink, appearing to read 'C. Kervick', written over the word 'Sincerely'.

Christian L. Kervick
Executive Director

Cc: W. Scott McLaren, Deputy Director
Julie Bolline, Controller
Maureen Monagle, VOCA Coordinator

OFFICE OF JUSTICE PROGRAMS
RESPONSE TO THE DRAFT REPORT



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

JUL 25 2016

MEMORANDUM TO: Thomas O. Puerzer
Regional Audit Manager
Philadelphia Regional Audit Office
Office of the Inspector General

FROM: Ralph E. Martin 
Director

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs Office for Victims of Crime Grants Awarded to the Delaware Criminal Justice Council, Wilmington, Delaware*

This memorandum is in reference to your correspondence, dated June 28, 2016, transmitting the above-referenced draft audit report for the Delaware Criminal Justice Council (CJC). We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains **one** recommendation and **no** questioned costs. The following is the Office of Justice Programs' (OJP) analysis of the draft audit report recommendation. For ease of review, the recommendation is restated in bold and is followed by our response.

- I. We recommend that OJP ensure that CJC determine whether it needs to revise its policies and procedures to avoid potential disruptions to subgrantee financial operations, while continuing to provide adequate controls to prevent unallowable expenditures.**

OJP agrees with the recommendation. We will coordinate with CJC to obtain documentation that CJC has assessed its subgrantee reimbursement policies and procedures to determine if revisions are needed to avoid potential disruptions to subgrantee financial operations, while continuing to provide adequate controls to prevent unallowable expenditures.

We appreciate the opportunity to review and comment on the draft audit report. If you have any questions or require additional information, please contact Jeffery A. Haley, Deputy Director, Audit and Review Division, on (202) 616-2936.

**OFFICE OF THE INSPECTOR GENERAL
ANALYSIS AND SUMMARY OF ACTIONS
NECESSARY TO CLOSE THE REPORT**

The Office of the Inspector General (OIG) provided a draft of this audit report to Delaware Criminal Justice Council (CJC) officials and the Office of Justice Programs (OJP). CJC's response is incorporated as Appendix 2 and OJP's response is incorporated as Appendix 3 of this final report. In response to our draft audit report, OJP concurred with our recommendation, and as a result, the status of the audit report is resolved. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Recommendation:

- 1. Ensure that CJC determine whether it needs to revise its policies and procedures to avoid potential disruptions to subgrantee financial operations, while continuing to provide adequate controls to prevent unallowable expenditures.**

Resolved. OJP concurred with our recommendation. In its response, OJP stated that it would coordinate with CJC to obtain documentation that CJC has assessed its subgrantee reimbursement policies and procedures to determine whether revisions are needed to avoid potential disruptions to subgrantee financial operations, while continuing to provide adequate controls to prevent unallowable expenditures.

CJC concurred with our recommendation and stated that it will discuss revisions to their existing cash management policy to ensure no potential exists for a disruption in subgrantee financial operations.

This recommendation can be closed when we receive documentation demonstrating that CJC has taken steps to address their existing cash management policy to avoid potential disruptions to subgrantee financial operations.

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