



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



**Audit of the  
Office of Justice Programs  
Office for Victims of Crime  
Assistance Grants Awarded to the  
Office of Victim Services  
and Justice Grants,  
Washington, D.C.**

**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS  
OFFICE FOR VICTIMS OF CRIME  
ASSISTANCE GRANTS AWARDED TO THE OFFICE OF VICTIM  
SERVICES AND JUSTICE GRANTS, WASHINGTON, D.C.**

**EXECUTIVE SUMMARY**

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of three Victim Assistance Formula grants totaling \$7,100,587 awarded by the Office of Justice Programs (OJP), Office for Victims of Crime (OVC) to the District of Columbia's Office of Victim Services and Justice Grants (OVSJG). These OVC awards, grants 2013-VA-GX-0039, 2014-VA-GX-0025, and 2015-VA-GX-0047, provided funds through the *Victims of Crime Act* (VOCA) to enhance crime victim services throughout Washington, D.C.

The objective of the audit was to evaluate how the OVSJG designed and implemented its crime victim assistance program. To accomplish this objective, we assessed grant management performance in the following areas: (1) victim assistance award planning, (2) program requirements and performance reporting, (3) grant financial management, and (4) monitoring of subrecipients.

Overall, we found that the OVSJG used its VOCA victim assistance grant funding to enhance services for crime victims. Also, the audit did not identify significant concerns regarding the OVSJG's annual performance reports, drawdown process, federal financial reports, or subrecipient monitoring. However, we found that the OVSJG could make several improvements in its management of these grants, including improving controls over the funds allocated for grant administration. We also determined that the OVSJG did not comply with essential award conditions related to use of the 5 percent of each award that it could spend on administrative purposes. Specifically, we found that the OVSJG based its timekeeping and payroll procedures on budget projections and did not keep records based on the actual time its employees worked on the VOCA grants. We therefore question all \$152,807 in unsupported personnel costs the OVSJG charged to the grants. We further found that the OVSJG needs to implement more stringent controls on how it charges general administrative office expenses to the VOCA grants. In addition, we determined that OVSJG's oversight of the subrecipient match required by VOCA did not align with the guidelines governing the program, nor did OVSJG reporting on the match amounts correspond with the contributions made by its subrecipients. We also tested expenditures at the subrecipient level and identified \$1,500 in unallowable health allowance costs.

Our report contains eight recommendations to OJP, detailed later in this report. Appendix 1 contains a discussion of our audit objective, scope, and methodology, and our Schedule of Dollar-Related Findings appears in Appendix 2. In addition, we requested a response to our draft audit report from the OVSJG and OJP, and their responses are appended to this report as Appendix 3 and 4, respectively. Our analysis of both responses, as well as a summary of actions necessary to close the recommendations, can be found in Appendix 5 of this report.

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The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of three victim assistance grants awarded by the Office of Justice Programs (OJP) Office for Victims of Crime (OVC) to the Washington, D.C., Office of Victim Services and Justice Grants (OVSJG). The OVC awards victim assistance grants to state administering agencies under the *Victims of Crime Act* (VOCA).<sup>1</sup> As the Washington, D.C., state administering agency for this program, the OVSJG received these VOCA assistance program grants according to a population-based formula. As of August 2016, the OVSJG had received three VOCA assistance grants totaling \$7,100,587, shown in Table 1.

**Table 1  
VOCA Assistance Program Grants Awarded to the OVSJG  
Fiscal Years 2013 – 2015**

<b>Award Number</b>	<b>Award Date</b>	<b>Project Start Date</b>	<b>Project End Date</b>	<b>Award Amount</b>
2013-VA-GX-0039	08/27/2013	10/01/2012	09/30/2016	\$1,291,657
2014-VA-GX-0025	07/08/2014	10/01/2013	09/30/2017	1,365,626
2015-VA-GX-0047	08/25/2015	10/01/2014	09/30/2018	4,443,304
<b>Total:</b>				<b>\$7,100,587</b>

Source: OJP's Grants Management System (GMS)

**Background**

The OVC annually distributes to states and territories proceeds from the Crime Victims Fund (CVF), which holds the fines, penalties, and bond forfeitures of convicted federal offenders. The amount of funds that the OVC may distribute each year depends largely upon the total CVF deposits made during the preceding year and limits set by Congress. In FY 2015, Congress significantly raised the previous year's cap on CVF disbursements, which more than tripled the available funding from \$745 million to \$2.36 billion. As a result, the OVC increased its annual VOCA assistance formula grant to the OVSJG from \$1.37 million in FY 2014 to \$4.4 million in FY 2015.

The OVSJG coordinates and funds programs that seek to serve crime victims and prevent crimes throughout Washington, D.C. In this role, the OVSJG administers grants to organizations and coordinates multi-disciplinary and comprehensive efforts to support crime victims. Such efforts include: (1) providing transitional housing for victims of domestic violence; (2) coordinating with area hospitals to ensure that victims receive medical forensic services; (3) maintaining

<sup>1</sup> 42 U.S.C. § 112.10603 (2016).

outreach programs; and (4) providing crisis intervention services and advocacy for attempted victims of homicide, secondary victims of homicide, and victims of sexual assault, domestic violence, child abuse, and youth violence.

## **OIG Audit Approach**

The objective of the audit was to evaluate how the OVSJG designed and implemented Washington, D.C.'s crime victim assistance program. To accomplish this objective, we assessed the OVSJG's grant management performance in the following areas: (1) victim assistance award planning, (2) program requirements and performance reporting, (3) grant financial management, and (4) monitoring of subrecipients. Our scope encompassed *Victims of Crime Act* (VOCA) victim assistance formula grants 2013-VA-GX-0039 (2013 award), 2014-VA-GX-0025 (2014 award), and 2015-VA-GX-0047 (2015 award) to the OVSJG.

We tested compliance with what we considered the most important conditions of the grants. Unless otherwise stated in our report, we applied the authorizing VOCA legislation, the VOCA assistance program guidelines (VOCA guidelines), and the OJP and DOJ Financial Guides as our primary criteria.<sup>2</sup> We also reviewed relevant OVSJG policy and procedures and interviewed OVSJG personnel to determine how they distributed and administered the VOCA funds. We further obtained and reviewed OVSJG and subrecipient records reflecting grant activity.<sup>3</sup>

## **VOCA State Victim Assistance Award Plan**

VOCA victim assistance awards should enhance crime victim services through competitive subawards to local community-based organizations. Primary recipients of these grants at the state or territory level must distribute the majority of the funding to local organizations that provide direct services to victims. OVC guidelines define eligible services as those efforts that: (1) respond to the emotional and physical needs of crime victims, (2) assist primary and secondary victims of crime to stabilize their lives after a victimization, (3) assist victims to understand and participate in the criminal justice system, and (4) provide victims of crime with a measure of safety and security. Based on the program guidelines, state administering agencies must give priority to victims of sexual assault, domestic abuse, and child abuse. Under this program, state administering agencies must also make funding available for previously underserved populations of violent crime victims. The OVC distributes VOCA victim assistance grants to the state

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<sup>2</sup> The OJP Financial Guide governs the FY 2013 and 2014 grants in our scope, while the revised 2015 DOJ Financial Guide applies to the FY 2015 award. The revised DOJ guide reflects updates to comply with the Uniform Grant Guidance, 2 C.F.R. part 200.

<sup>3</sup> Appendix 1 contains additional information on the audit's objective, scope, and methodology, as well as further detail on the criteria we applied for our audit. Appendix 2 presents a schedule of our dollar-related findings.

administering agencies, which have the discretion to select subrecipients from among eligible organizations that provide direct services to crime victims.<sup>4</sup>

### *Subaward Allocation Plan*

In response to the significant increase in CVF available funding, the OVC's FY 2015 VOCA Victim Assistance Formula Solicitation required that state and territory applicants submit a subrecipient funding plan that detailed their efforts to identify additional victim service needs, as well as subaward strategies to spend the substantial increase in available VOCA funding. In an attachment with its application for VOCA assistance program grant 2015-VA-GX-0047, OVSJG indicated it would base its subaward plan on the Washington, D.C., Mayor's Community Stabilization Plan. This Community Stabilization Plan prioritized developing and expanding services for Washington, D.C., victims of attempted homicide and secondary victims of homicide. In addition, the OVSJG used the increased funding to launch the D.C. Victim Assistance Hotline in April 2016 and increased the capacity for an interpreter bank to serve populations facing language barriers. The OVSJG also used this increase in FY 2015 VOCA funding to make larger awards to existing OVSJG service providers.

### *Selection Process for Victim Assistance Subawards*

To assess how the OVSJG implemented its victim assistance program, we identified the steps that the OVSJG took to inform, evaluate, and select subrecipients for VOCA funding. The OVSJG first published a Notice for Funding Availability and a Request for Application (RFA) to solicit applications from possible VOCA subrecipients. Once it received applications, the OVSJG then organized a peer reviewer panel composed of independent victim services subject matter experts to evaluate and score applications. OVSJG grant manager specialists also performed an internal evaluation of the applications, taking into consideration their historical knowledge and professional experience with the potential subrecipients.

After all the applications were peer reviewed and internally evaluated, the OVSJG's Director selected the final subrecipients by considering both peer review results and grant manager specialist recommendations. As of May 2016, we found that the OVSJG had made subawards to four organizations with 2013 award funds, four organizations with 2014 award funds, and eight organizations with 2015 award funds.<sup>5</sup>

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<sup>4</sup> So long as a state administering agency allocates at least 10 percent of available funding to victim populations in each of the victim categories of sexual assault, domestic abuse, child abuse, and underserved victims, a state administering agency has the sole discretion in determining the amount of funds each subrecipient receives.

<sup>5</sup> For the FY 2013 and FY 2014 grants, certain subrecipients received multiple VOCA subawards to fund distinct crime victim projects. In addition, some subrecipient organizations were repeat recipients and thus received successive annual VOCA subawards.

### *Subaward Requirements*

State administering agencies must adequately communicate VOCA requirements to their subrecipients. We reviewed OVSJG's RFAs, which conveyed the VOCA-specific award limitations, applicant eligibility requirements, eligible program areas, restrictions on use of funds, and reporting requirements to potential applicants. The OVSJG RFAs also required that applicants certify they understood the VOCA program details, organization eligibility requirements, definition of allowable costs for direct services, and descriptions of other allowable and non-allowable costs and services. A responsible official from each subrecipient organization must certify that he or she agreed to comply with the VOCA guidelines as a condition for receiving a subaward.

Overall, we determined that the OVSJG identified and planned to meet additional victim service needs with its increased FY 2015 funding. We did not identify any issues with its process to select subrecipients and found that the OVSJG adequately communicated to its subrecipients applicable VOCA requirements.

### **Program Requirements and Performance Reporting**

To determine whether the OVSJG distributed VOCA assistance program funds to local community-based organizations to serve crime victims or enhance crime victim services, we reviewed OVSJG's distribution of grant funding via subawards among local direct service providers. We also reviewed OVSJG performance measures and performance documents that the OVSJG used to track goals and objectives. We further examined OVC solicitations and award documents and verified OVSJG compliance with special conditions governing recipient award activity.

#### *Priority Areas Funding Requirement*

VOCA guidelines require that the OVSJG award a minimum of 10 percent of the total grant funds to programs that serve victims in each of the four following categories: (1) child abuse, (2) domestic abuse, (3) sexual assault, and (4) previously underserved. Because VOCA assistance program grants cover a 4-year period, state administering agencies may take more than 1 year to distribute funds to subrecipients.

We examined how the OVSJG allocated VOCA subgrants to gauge whether it was on track to meet the program's distribution requirements. For the FY 2013 award, we found that the OVSJG complied with the 10 percent requirement. The FY 2014 and FY 2015 awards will not close until September 2017 and September 2018 respectively, and the OVSJG still had significant funding available to distribute to subrecipients as of May 2016. We found the OVSJG tracked compliance with this requirement and had not made any subawards that would prevent it from meeting the allocation requirements. At the time of our review, the OVSJG had not yet met the required threshold for funding: (1) the child abuse and sexual assault victim categories for the 2014 grant, and (2) the child abuse victim category for the 2015

grant. However, considering the remaining time available to make subawards and the balances available for making additional subawards, we believe that the OVSJG is positioned to comply with VOCA distribution requirements for both the 2014 and 2015 grants.

*Annual Performance Reports*

Each state administering agency must annually report to OVC on activity funded by any VOCA awards active during the fiscal year.<sup>6</sup> These reports include the number of: (1) agencies funded, (2) VOCA subawards, (3) victims served, and (4) victim services funded by VOCA assistance program grants.

The OVSJG submitted annual performance reports to the OVC for FYs 2013, 2014, and 2015. We discussed with OVSJG officials how they compiled performance report data from their subrecipients. An OVSJG official stated that subrecipients must provide to the OVSJG quarterly subaward performance data. In addition, the OVSJG official explained that during the September and October timeframe, the OVSJG provides its subrecipients with an annual performance report template to input direct service activity for the entire grant year. The subrecipient also returns a completed version of this annual performance report to the OVSJG. The OVSJG then compares this annual data to the quarterly information each subrecipient previously reported. Once the OVSJG determines the annual subrecipient performance data is reliable, the OVSJG uses these reports to compile its consolidated annual performance report for the OVC.

To determine whether the annual performance reports submitted by the OVSJG accurately reflected the activity of the grants, we reviewed the most recent available Annual Performance Report, covering the period of October 1, 2014 through September 30, 2015. Table 2 presents summary data from this annual performance report.

**Table 2**  
**Summary from OVSJG’s Annual Performance Report**  
**FY 2015**

<b>Performance Categories</b>	<b>Data Reported</b>
Number of Victims Served	2,004
Number of Services Provided	4,988

Source: OVSJG Performance Report to OVC

To validate the accuracy of OVSJG’s reported performance data, we reconciled OVSJG-reported data to data reported by its subrecipients. We noted some instances where the OVSJG inadvertently omitted some subrecipient figures;

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<sup>6</sup> We learned that as of FY 2016, the OVC began requiring state administering agencies to submit performance data through a web-based Performance Measurement Tool (PMT). With this new system, states may provide subrecipients direct access to report quarterly data for state review.

however, we concluded that any discrepancies resulted in underreported figures to OVC.

### *Compliance with Special Conditions*

The special conditions of a federal grant award establish specific grant recipient requirements. We reviewed the special conditions for each VOCA assistance program grant and identified two that we deemed significant to grant performance. The first special condition requires that the OVSJG ensure that all non-profit subrecipients of VOCA assistance funding make their financial statements publicly available. We found that OVSJG subrecipients complied with this requirement. The second special condition requires that each VOCA recipient submit a Subgrant Award Report (SAR) for each award that details how it intends to distribute funds among subrecipients. We found that OVSJG submitted a SAR for each of the grant years in the scope of our audit.

We believe that the OVSJG: (1) is on track to fulfill the distribution requirements to priority victim groups, (2) implemented adequate procedures to compile annual performance reports, and (3) complied with tested special conditions of VOCA assistance program grants.

### **Grant Financial Management**

The OJP and DOJ Financial Guides require that award recipients establish and maintain an adequate accounting system and financial records that accurately account for awarded funds. To assess OVSJG's financial management of the VOCA grants, we reviewed the Washington, D.C., Single Audit Reports for FYs 2013 to 2015 and identified no significant deficiencies or material weaknesses specifically related to the OVSJG. We also interviewed personnel at both the OVSJG and the Washington, D.C., Office of Chief Financial Officer (OCFO) who were responsible for financial aspects of the grants, reviewed OVSJG's written policies and procedures, inspected award documents, and reviewed financial records.

### *Drawdowns*

OJP provides recipients access to an electronic financial management system by which grantees must request awarded funds via drawdowns. Award recipients should request funds based upon immediate disbursement or reimbursement needs, and the grantee should time drawdown requests to ensure that the federal cash on hand is the minimum needed for disbursements or reimbursements made immediately or within 10 days. During our audit, Washington, D.C., OCFO officials stated that they drew down VOCA funds on a reimbursement basis. As of March 2016, the OVSJG drew down \$2,416,218 in VOCA funds. To assess whether the OVSJG properly drew down these funds, we compared the drawdowns for each award through March 2016 to the expenses recorded for each award in the OVSJG's general ledger. This comparison confirmed that the OVSJG properly received VOCA funding on a reimbursement basis.

## Expenditures

An allowable expense must be reasonable, properly allocated, and adequately supported. It also must comply with applicable policies and procedures. State administering agency VOCA expenses fall into two overarching categories: (1) administrative expenses and (2) reimbursements to subrecipients – which constitute the vast majority of total expenses. Table 3 details the administrative and subrecipient expenses that the OVSJG charged to the audited grants as of February 2016.

**Table 3**  
**Grant Expenditures**

Award Number	Expenditures		
	OVSJG Administrative Expenses (\$)	Subrecipient Expenses (\$)	Total
2013-VA-GX-0039	59,420	1,047,221	<b>\$1,106,641</b>
2014-VA-GX-0025	65,625	455,087	<b>\$520,712</b>
2015-VA-GX-0047	32,502	756,363	<b>\$788,865</b>

Source: OVSJG's accounting system – recorded expenses as of February 2016

### Administrative Expenditures

Under the VOCA authorizing statute, a state administering agency may retain up to 5 percent of each grant to pay for training and administering its crime victim assistance program. However, such costs must derive from efforts to expand or improve how the agency administers the VOCA grant program specifically.<sup>7</sup>

Based on the administrative costs the OVSJG charged to the FY 2013 award, we determined that the OVSJG complied with the 5-percent limit on grant funds used for administrative purposes.<sup>8</sup>

We also tested a judgmental sample of 16 administrative cost transactions from the three awards to determine whether costs claimed were reasonable, supported, and in accordance with the VOCA guidelines. Based on OVSJG's accounting records as of February 2016, the OVSJG incurred expenses in the following administrative categories: (1) personnel, (2) fringe benefits, (3) supplies and materials, and (4) other services and charges.

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<sup>7</sup> OJP officials emphasized to us that administrative costs charged to a VOCA award must be specifically for the VOCA grant program and not for a program supported by other federal or local grants – even if such programs assist crime victims. OJP officials further indicated that if a state administering agency applies a grant's administrative funds to cover other office costs, the costs must be pro-rated according to the portion used in direct support of VOCA programs.

<sup>8</sup> Of the three awards within our scope, the OVSJG had drawn down 86 percent of its FY 2013 award, whereas it had drawn down less than half of the FY 2014 and FY 2015 awards respectively at the time of our audit.

Grantees must charge salaries and fringe benefits to federal awards based on records that accurately reflect the actual work performed on a particular award. The OJP and DOJ Financial Guides require that grant recipients support payroll charges with actual time and effort reports, such as timesheets. Whenever a grant recipient works on multiple grant programs or activities, it must apply a reasonable allocation of costs to each activity.<sup>9</sup> Furthermore, OMB guidance indicates that a grant recipient may rely on budget estimates or other distribution percentages determined for preliminary or interim accounting purposes, but such estimates cannot be used to support charges to federal awards without reconciling after-the-fact charges. Ultimately, grantees must ensure that the final amount charged to the federal award is accurate, allowable, and properly allocated – based on actual time worked.

The OVSJG used a portion of the administrative funding it retained to support the payroll expense of one grant manager specialist employed full-time with the OVSJG. The grant manager specialist was the only employee who worked on the VOCA assistance program grants until January 2016.<sup>10</sup> While our testing confirmed that this employee worked on these grants during the audited pay periods, this employee was also responsible for working on other Washington, D.C., local grants during FYs 2013 through 2016.

To validate how the OVSJG charged personnel costs to the grants, we judgmentally selected for testing payroll and fringe benefit costs associated with five non-consecutive pay periods: July 2014, June 2015, July 2015, September 2015, and February 2016. We examined timesheets and payroll distribution records, and found that the OVSJG charged payroll costs to the grant based on budgeted rather than actual amounts. We reviewed OVSJG policies for timekeeping and charging salary and benefits costs to the grants. While OVSJG policies required employees to prepare manual timesheets indicating the time worked on each project, we found that these records were based on budgetary information instead of the employee's actual time spent on the projects.

The OVSJG charged its VOCA assistance program grants \$129,518 in salary costs by using a salary projection spreadsheet created at the beginning of each fiscal year. In addition, OVSJG officials stated that the organization's payroll tracking system uses budgetary data, entered as projections, to allocate personnel costs to the VOCA assistance program grants.<sup>11</sup> Therefore, the OVSJG did not allocate final payroll charges to the grants based on actual time.

Because the OVSJG did not track actual personnel time spent specifically on the VOCA assistance program grants as opposed to other non-VOCA OVSJG work,

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<sup>9</sup> The VOCA guidelines also affirm that grantees should document the portion of the time spent on the VOCA assistance program using regular time and attendance records.

<sup>10</sup> The OVSJG later assigned an additional staff member to work on VOCA assistance program grants, but, as of February 2016, the OVSJG had not used grant funds to pay for this individual's work.

<sup>11</sup> The OVSJG utilizes PeopleSoft as its payroll tracking system.

the salary expenses that the OVSJG charged to the grants remain unsupported. Therefore, we question the \$129,518 in salary costs and recommend that OJP remedy these costs. We also recommend that OJP work with the OVSJG to implement procedures to ensure that it only charges personnel costs to VOCA assistance program grants based on actual time and effort reports.

The OVSJG also incurred costs associated with providing the employee who works on the grants fringe benefits that included payroll taxes (Social Security and Medicare); health, dental, and vision insurance; and retirement compensation. The OVSJG charged \$23,289 in fringe benefits to the VOCA assistance program grants. Because the OVSJG procedures for calculating the fringe benefit amount charged to the grant depended on the projected salary amounts questioned above, we also question \$23,289 in fringe benefit costs. Therefore, we recommend OJP remedy \$23,289 in unsupported fringe benefit costs.

Considering that the VOCA guidelines require that administrative costs directly support the VOCA assistance program grant initiative, we also tested five non-payroll administrative expenses totaling \$6,360 and one \$2,500 credit pertaining to administrative transactions. The OVSJG classified these six transactions as Travel, Supplies and Materials, and Other Services and Charges. In general, recipients of DOJ funding must be able to track the use of these funds specifically in support of grant activities. A state administering agency should only use VOCA funds to purchase equipment and supplies that directly relate to the managing of the VOCA grants.

The OVSJG purchased two desktop computers for two employees with administrative funds from its 2014 VOCA award. The OVSJG categorized these computers as supplies and materials. The OVSJG purchased these computers in September 2015, when only one of its employees worked on VOCA assistance program activities. We found that the employee who used the second computer did not actually begin working on the VOCA program until February 2016. OVSJG officials stated that they believed that they could use VOCA administrative funds to support any aspect of teams generally working on victim services and not just on costs specifically for VOCA grants or VOCA-assigned staff.

We find this to be an overly broad interpretation of the allowable uses of VOCA funding, particularly given the OVC's opinion that VOCA administrative funds should only be used to support VOCA grant programs. While we consider the portion of costs associated with the computers to be immaterial, the OVSJG's use of VOCA funds did not comply with federal grant guidelines for a period of several months.

We also reviewed a \$2,000 intra-district advance paid by the OVSJG to the Washington, D.C., Executive Office of the Mayor (EOM) for centralized support services.<sup>12</sup> The OVSJG used VOCA administrative funds from the 2013 grant to

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<sup>12</sup> The Washington, D.C., OCFO classifies the intra-district advance as Other Charges and Services in its general ledger.

support an established Memorandum of Understanding (MOU) between the OVSJG and the EOM. The centralized support provided by the EOM included shared courier, transportation, and telecommunications services. When we inquired how this expense supported VOCA-specific grant activities, OVSJG officials stated that they used VOCA funding to cover the MOU fee that year because the OVSJG did not have sufficient local funding to meet the administration costs in FY 2014. OVSJG personnel stated that a portion of these services did directly support VOCA grants; however, when we attempted to determine the precise amount, we found that neither the OVSJG nor the EOM tracked such shared service activities to any VOCA-specific programs. We concluded that the OVSJG should have pro-rated any shared-service contributions only to activities that directly supported VOCA grant activities.

We did not ultimately question the cost tied to the shared services MOU contribution described above because an OVSJG accounting error resulted in a credit that eliminated the charge to the VOCA grants. We did not identify any notable issues with the other administrative cost transactions selected for testing. However, in both the instance of the MOU advance and that of the computer used by a non-VOCA employee, we found that the OVSJG did not use its VOCA administrative funding solely for activities that directly related to administering and managing its VOCA assistance grant program. Therefore, we recommend that OJP ensure that the OVSJG implements procedures requiring administrative expenses paid with VOCA assistance program grant funds be used for activities that directly relate to managing VOCA grants.

#### Subrecipient Expenditures

From October 2014 to February 2016, the OVSJG reimbursed eight different OVSJG subrecipients \$2,258,671 with VOCA assistance program funds. To determine the allowability of these subrecipient costs, we judgmentally selected one monthly or quarterly reimbursable request package associated with each subrecipient. Considering that each subrecipient requested reimbursement for up to dozens of separate transactions at a time, we tested 45 subrecipient transactions totaling \$259,589. The transactions reviewed included costs in the following categories: (1) personnel, (2) fringe, (3) travel, (4) contracts/consultants, (5) supplies, (6) equipment, (7) training and (8) operating costs. For each transaction, we reviewed receipts, accounting records, and associated documents. In most instances, we found that subrecipients properly prepared their respective reimbursable request package and that the OVSJG properly billed subrecipient expenses to the 2013, 2014, and 2015 awards.

We found one subrecipient used an unallowable method to calculate the health benefits it charged to the VOCA program. This subrecipient provided its employees with a set health insurance allowance and did not request support for the actual health expenses that the employees incurred. In the budget that this subrecipient prepared for the OVSJG, the subrecipient noted it would make charges to the health insurance cost category, but it did not elaborate on the methodology it would use. Our sample included health allowances for two employees in one quarter, totaling \$1,500. OJP's Office of the Chief Financial Officer confirmed that

structuring the benefit in this way was unallowable. We therefore question these costs as unallowable and recommend that OJP work with the OVSJG to remedy the \$1,500 in unallowable subrecipient health allowance costs. We also recommend that OJP work with the OVSJG to ensure that it only approves reimbursement of health benefit costs based on actual employee health benefit expenses.

### *Matching Costs*

VOCA guidelines require that subrecipients match 20 percent of each subaward to increase the amount of resources to VOCA projects, which will prompt VOCA subrecipients to obtain independent funding sources to help ensure future sustainability. Although subrecipients must derive required matching contributions from non-federal, non-VOCA sources, subrecipients can provide either cash or an in-kind match to meet matching requirements.<sup>13</sup> VOCA guidelines state that any deviation from this policy requires OVC approval.

We reviewed OVSJG Requests for Application (RFA) announced to potential subrecipients each year. In 2013, the OVSJG accurately detailed VOCA matching requirements to prospective subrecipients per VOCA guidelines. However, in 2014 and 2015, the OVSJG announced that it would provide the required 20-percent match for prospective subrecipients. When we inquired about this interpretation of the match requirement, OVSJG officials stated that subrecipients previously reported that they struggled to provide and account for it. Therefore, the OVSJG decided to take over the responsibility of providing the VOCA match requirement for its subrecipients for its FY 2014 and subsequent awards.

Specifically, OVSJG personnel told us that they believed they could meet subrecipient match requirements by funding local grants for services similar to the purposes of VOCA assistance program grants. However, we found that this approach did not align with the match-requirement goal of increasing overall resources supporting VOCA projects. Moreover, according to OJP officials, a state administering agency should report to the OVC whenever one of its subrecipients cannot match 20 percent of its VOCA subaward and request that the OVC waive its subrecipient's matching amount requirement. Further, if a state administering agency were to take over the match responsibility for the subrecipients, OVC officials added that they would want OVC to be notified. We conclude that although the OVSJG could potentially match costs without violating the VOCA guidelines, it still should have proactively sought OVC approval for handling the match at the

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<sup>13</sup> For the VOCA assistance program, in-kind matches may include donations of expendable equipment, office supplies, workshop or classroom materials, workspace, or the value of time contributed by those providing integral services to the funded project.

state administering agency level or an OVC waiver of the VOCA subrecipient match requirements.<sup>14</sup>

In our opinion, the OVSJG's interpretation of the VOCA match requirement did not enhance the VOCA assistance program as intended by the VOCA guidelines. Further, OVSJG reports of subrecipient matches did not accurately reflect its approach to this requirement. Therefore, we recommend that OJP ensure that the OVSJG adjusts its procedures to comply with VOCA matching requirements. We further recommend that OJP require that the OVSJG institute procedures to ensure that it accurately reports VOCA subrecipient matching amounts or otherwise seeks from the OVC a waiver whenever a subrecipient cannot meet the VOCA matching requirement.

### *Financial Reporting*

State administering agencies must report to OJP all expenditures via a Federal Financial Report (FFR) no later than 30 days after the last day of each quarter. To determine whether the OVSJG submitted accurate federal financial reports, we compared four OVSJG FFRs for the 2013, 2014, and 2015 awards to expenditures recorded in OVSJG accounting records. This review found that the FFRs accurately reflected the expenditures recorded in OVSJG accounting records.

In our overall analysis of the OVSJG's grant financial management, we found that the OVSJG had an adequate system in place to record and report on the receipt, obligation, and expenditure of grant funds. In addition, our assessment found that the OVSJG has generally maintained adequate controls over the financial management system used to administer grant funds. However, we identified specific weaknesses related to the OVSJG's use of its administrative portion of grant funds permitted from these grants, specifically its payroll procedures. We also identified issues with the OVSJG's handling of the matching funds requirement and one subrecipient that made unallowable grant charges within our sample.

### **Monitoring of Subrecipients**

According to the OJP and DOJ Financial Guides, the purpose of subrecipient monitoring is to ensure that subrecipients: (1) use grant funds for authorized purposes, (2) comply with the federal program and grant requirements, laws, and regulations, and (3) achieve subaward performance goals. As the primary grant recipient, the OVSJG must develop policies and procedures to monitor its subrecipients. To assess how well the OVSJG monitored its VOCA subrecipients, we interviewed OVSJG and subrecipient personnel, identified OVSJG monitoring procedures, and obtained records of interactions between the OVSJG and its subrecipients.

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<sup>14</sup> As previously noted, each state administering agency must submit a Subgrant Award Report (SAR) to the OVC that details subrecipient match contributions. For the grants under audit, the OVSJG reported in its SARs that subrecipients matched 25 percent of VOCA funds even though the subrecipients did not directly contribute funds to meet the match requirement. OVSJG officials agreed that these subrecipient match amounts were not accurate.

The OVSJG's grant manager specialist is responsible for monitoring the subawards to ensure compliance with federal and District laws, program regulations, and administrative requirements, as well as specific subaward terms and conditions. OVSJG policies and procedures also require that it hold training and orientations with subrecipients on topics such as special conditions, VOCA-specific requirements, allowable and unallowable costs, reporting requirements, and other financial and programmatic requirements. We confirmed the OVSJG hosted in-person post-award trainings for its VOCA subrecipients in 2013, 2014, and 2015.

According to OVSJG policy, its grant monitoring also includes periodic site visits to the subrecipients.<sup>15</sup> However, we found that the OVSJG has not conducted a formal site visit for any of the eight VOCA subrecipients under review. While we found at the start of our audit that the OVSJG had scheduled formal site visits in 2016, the OVSJG advised it had put them on hold until the conclusion of this audit. Despite the lack of formal site visits, we found that the OVSJG took a multi-faceted approach to subaward monitoring and frequently communicated with its subrecipients. Further, during the audit, the OVSJG updated its policies to outline a new process for assigning risk designations to subrecipients and stipulated that high-risk grantees may receive site visits once a year or more frequently as required.

### *Financial Monitoring*

As required by VOCA award special conditions, the OVSJG ensures that all prospective subrecipients submit financial information, such as financial statements, as part of their applications for subawards. The OVSJG also requires as part of its subrecipient application process that potential applicants submit proposed budgets. Further, the OVSJG grant manager specialist must review and approve any financial changes affecting a subaward.

The OVSJG requires its subrecipients to complete and submit a reimbursement request worksheet, which details expenses by cost category for a monthly or quarterly reporting period. Subrecipients must also upload supporting documents, such as receipts and proof of payment, for these reported expenses. The OVSJG grant manager specialist then compares the reimbursement request to the supporting documents to ensure that the amounts both reconcile to the expenses claimed and are allowable based on the subrecipient budget. If the grant manager specialist finds that all costs claimed were allowable and reconcile, the grant manager specialist approves the reimbursement request for payment. We found that the OVSJG had comprehensive records on its subrecipient expenses and activities. Additionally, we noted evidence of OVSJG personnel initiating and responding to questions regarding consultant rates and rental agreements.

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<sup>15</sup> OVSJG personnel said that during site visits they would perform interviews, request support for expenses claimed, and subsequently describe any compliance issues, findings, or risk designations they deemed applicable.

In addition, we evaluated the OVSJG's monitoring of the single audit requirement for its subrecipients.<sup>16</sup> We found the OVSJG requires its subrecipients submit all single audits and corrective plans for review to verify if any material issues require follow-up by the OVSJG. The OVSJG grant manager specialist did not note any concerns with material issues affecting the VOCA grants. To test OVSJG's single audit monitoring process, we requested the financial statements for the eight subrecipients, and found two subrecipients met the threshold of federal expenditures totaling \$750,000 or more in FY 2015. We confirmed these subrecipients had single audits completed and submitted the reports to the OVSJG. We reviewed the single audit reports and corrective action plans and did not note any unaddressed material findings affecting VOCA subawards.

### *Performance Monitoring*

OVSJG officials stated that the grant manager specialist monitors subrecipient performance to validate reported accomplishments and evaluate VOCA program effectiveness. The OVSJG requires that subaward applicants detail goals and objectives for their proposed programs. If selected to receive an award, subrecipients must submit quarterly summaries of their activity in support of each goal and objective. Subrecipients elaborate on the details of this activity in quarterly narratives, which include descriptions of factors that facilitated or impeded successful implementation of projected goals, as well as future planned activity. The OVSJG also collects quantitative performance data from its subrecipients on a quarterly basis. The OVSJG grant manager specialist compares this data to each subrecipient's projected performance figures in order to verify that the subrecipient is reasonably on track to meet its stated goals and objectives. Additionally, OVSJG officials told us that on a semi-annual basis they request support for select subrecipient performance figures to validate their reported data.

In FY 2016, the OVSJG also began identifying outcome measures to document the impact of work by VOCA subrecipients in their communities. These measures are specific to the type of service provided and range from qualitative observations on an individual's willingness to engage in mental health services to placement details for individuals leaving shelters. The OVSJG is encouraging its subrecipients to report on such measures so it can better capture the results of its VOCA subrecipient efforts.

While reviewing how the OVSJG compiled performance data from its subrecipients to prepare Annual Performance Reports, we also assessed subrecipient performance reports. We sought support for select subrecipient-reported figures and visited two OVSJG subrecipients to confirm the number of victims reported as served by VOCA funding.

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<sup>16</sup> As of December 2014, a non-federal entity that expends \$750,000 or more in federal awards during the entity's fiscal year must have a single audit conducted. The Single Audit Act Amendments of 1996 and CFR Part 200.100 (d) define a single audit as an audit of a non-federal entity that includes the entity's financial statements and federal awards.

- The first subrecipient provided client intake entries to support how many victims of assault, stalking, and domestic violence it served. This subrecipient also used an effort-to-outcome system to track demographic information, type of victimization, intake date, and other relevant information data, as well as the results of client needs assessments.
- The second subrecipient manually recorded client data and subsequently entered the information into a client services tracking system. This subrecipient used both paper files and its tracking system to store client records needed to report performance data to the OVSJG. This subrecipient generated an electronic report and produced hard copies to support the number of child sexual abuse and domestic violence victims it served.

The OVSJG's methods of monitoring include: (1) frequent communication, (2) face-to-face meetings, (3) quarterly programmatic reports, (4) financial status reports and payments requests, and (5) other technical assistance as needed. Our interviews with two VOCA assistance subrecipients corroborated that the OVSJG's grant manager specialist is available for day-to-day interactions with the subrecipients and discusses any issues or concerns with subrecipients regularly. Consequently, we believe that the OVSJG has implemented subrecipient monitoring efforts that provide reasonable assurance that its subrecipients comply with the terms and conditions of VOCA awards.

## **Conclusion**

We found the OVSJG used its grant funds to enhance services for crime victims. We did not identify significant issues regarding award annual performance reports, drawdowns, federal financial reports, and subrecipient monitoring. However, we did identify \$154,307 in total dollar-related findings and believe that the OVSJG needs to improve its procedures for complying with the match requirement and using its administrative funding. We made eight recommendations to improve the OVSJG's management of VOCA awards.

## **Recommendations**

We recommend that OJP:

1. Remedy \$129,518 in unsupported salary costs.
2. Work with the OVSJG to implement procedures to ensure that it only charges personnel costs to VOCA assistance program grants based on actual time and effort reports.
3. Remedy \$23,289 in unsupported fringe benefit costs.
4. Ensure that the OVSJG implements procedures requiring administrative expenses paid with VOCA assistance program grant funds to be used for activities that directly relate to managing VOCA grants.

5. Work with the OVSJG to remedy the \$1,500 in unallowable subrecipient health allowance costs.
6. Work with the OVSJG to ensure that it only approves reimbursement of health benefit costs based on actual employee health benefit expenses.
7. Ensure that the OVSJG adjusts its procedures to comply with VOCA matching requirements.
8. Require that the OVSJG institute procedures to ensure that it accurately reports VOCA subrecipient matching amounts or otherwise seeks from the OVC a waiver whenever a subrecipient cannot meet the VOCA matching requirement.

### OBJECTIVE, SCOPE, AND METHODOLOGY

The objective of the audit was to evaluate how the OVSJG designed and implemented Washington, D.C.'s crime victim assistance program. To accomplish this objective, we assessed grant management performance in the following areas: (1) victim assistance award planning, (2) program requirements and performance reporting, (3) grant financial management, and (4) monitoring of subrecipients.

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 provides a reasonable basis for our findings and conclusions based on our audit objective.

This was an audit of *Victims of Crime Act* (VOCA) victim assistance formula grants 2013-VA-GX-0039, 2014-VA-GX-0025, and 2015-VA-GX-0047 to the District of Columbia's Office of Victim Services and Justice Grants (OVSJG). The Office of Justice Programs (OJP), Office for Victims of Crime (OVC) awarded these grants totaling \$7,100,587 to the OVSJG, which serves as the state administering agency. Each of the awards in our scope has a four-year period of performance, and our audit concentrated on, but was not limited to, the period of October 1, 2012, the project start date for VOCA assistance grant number 2013-VA-GX-0039, through October 2016.

The authorizing VOCA legislation, the VOCA Assistance Final Program Guidelines, and the OJP and DOJ Financial Guides contain the primary criteria we applied during the audit.<sup>17</sup> To accomplish our objective, we tested compliance with what we consider to be the most important conditions of the OVSJG's activities related to the audited grants. We performed sample-based audit testing for grant expenditures including administrative and subrecipient expenses, financial reports, and performance reports. In this effort, we employed a judgmental sampling designed to obtain broad exposure to numerous facets of the grants reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected. During our audit, we obtained information from OJP's Grants Management System as well as the OVSJG's accounting system specific to the management of DOJ funds during the audit period. We did not test the reliability of those systems as a whole; therefore, any findings identified involving information from those systems were verified with documents from other sources.

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<sup>17</sup> The OJP Financial Guide governs the FY 2013 and 2014 grants in our scope, while the revised 2015 DOJ Financial Guide applies to the FY 2015 award. The revised DOJ guide reflects updates to comply with the Uniform Grant Guidance, 2 C.F.R. part 200.

APPENDIX 2

SCHEDULE OF DOLLAR-RELATED FINDINGS

<b><u>QUESTIONED COSTS</u></b> <sup>18</sup>	<b>AMOUNT(\$)</b>	<b>PAGE</b>
<b><u>Unallowable Costs</u></b>		
Unallowable Costs – Subrecipient Health Allowance	<u>1,500</u>	10
<b>Total Unallowable Costs</b>	1,500	
<b><u>Unsupported Costs</u></b>		
Unsupported Costs – Payroll	129,518	8
Unsupported Costs – Fringe Benefits	<u>23,289</u>	9
<b>Total Unsupported Costs</b>	152,807	
<b>TOTAL QUESTIONED COSTS</b>	<b><u>\$154,307</u></b>	

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<sup>18</sup> Questioned Costs are expenditures that do not comply with legal, regulatory, or contractual requirements; are not supported by adequate documentation at the time of the audit; or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, or the provision of supporting documentation.

OFFICE OF VICTIM SERVICES AND JUSTICE GRANTS  
RESPONSE TO THE DRAFT AUDIT REPORT

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
Executive Office of the Mayor  
OFFICE OF VICTIM SERVICES AND JUSTICE GRANTS



January 5, 2017

John J. Manning  
Regional Audit Manager  
Washington Regional Audit Office  
Office of the Inspector General  
U.S. Department of Justice  
1300 N. 17th Street, Suite 3400  
Arlington, VA 22209

VIA: U.S. Mail and Electronic Mail at: [John.Manning2@usdoj.gov](mailto:John.Manning2@usdoj.gov)

Dear Mr. Manning:

Please accept this letter in response to the draft audit report on the Victim Assistance Formula grants awarded by the Office of Justice Programs (OJP), Office for Victims of Crime to the District of Columbia's Office of Victim Services and Justice Grants related to an audit of grant numbers 2013-VA-GX-0039, 2014-VA-GX-0025, and 2015-VA-GX-0047. We appreciate the opportunity to provide a response and would also like to thank the audit team for all of their work.

The draft report contains eight recommendations and \$154,307 in questioned costs. This letter will serve as our official response to the audit findings enumerated on pages 15-16 of the report.

Recommendations

We recommend that OJP:

1. Remedy \$129,518 in unsupported salary costs.
2. Work with the OVSJG to implement procedures to ensure that it only charges personnel costs to VOCA assistance program grants based on actual time and effort reports.
3. Remedy \$23,289 in unsupported fringe benefit costs.

The Office of Victim Services and Justice Grants (OVSJG) concurs with recommendations 1, 2, and 3. Beginning October 1, 2016, staff supported by VOCA administrative funds are maintaining manual timesheets that reflect the actual time spent on VOCA assistance program



441 4<sup>th</sup> Street, NW | Suite 727N | Washington, DC 20001

grants as well as activities funded by other sources. Quarterly, actual time spent will be reconciled with the budgeted amounts reflected in the District's timesheet/payroll system. This reconciliation is necessary as the timesheet/payroll system does not have the capability to record actual hours spent on grant programs. Journal entries will be performed quarterly as needed to ensure that payroll charges—salary and fringe benefits—are allocated based on actual time.

We will coordinate with OJP to remedy the unsupported \$152,870 of salary and fringe benefit costs.

**4. Ensure that the OVSJG implements procedures requiring administrative expenses paid with VOCA assistance program grant funds to be used for activities that directly relate to managing VOCA grants.**

OVSJG concurs with the recommendation. However, we would like to note that the employee who used the second computer purchased with administrative funds provided support for VOCA assistance program activities prior to having a portion of her personnel costs allocated to VOCA administrative funds. Activities included providing support to the VOCA Administrator by serving as the point of contact when the VOCA Administrator was on leave and accompanying the VOCA Administrator on site-visits to sub-grantees.

Going forward, OVSJG will assume a narrow interpretation of allowable uses and ensure any non-payroll administrative expenses directly support VOCA grant programs.

**5. Work with the OVSJG to remedy the \$1,500 in unallowable subrecipient health allowance costs.**

**6. Work with the OVSJG to ensure that it only approves reimbursement of health benefit costs based on actual employee health benefit expenses.**

OVSJG concurs with recommendations 5 and 6. In this instance, the subrecipient provides a stipend to employees to individually secure health benefits and has required employees to simply certify use of the stipend is for healthcare purposes only. Moving forward, OVSJG will reimburse only actual health benefit costs supported by evidence of active healthcare coverage in the form of a premium statement from the employee's healthcare provider.

We will coordinate with OJP to remedy the \$1,500 in unallowable subrecipient health allowance costs.

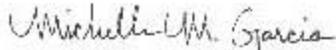
**7. Ensure that the OVSJG adjusts its procedures to comply with VOCA matching requirements.**

**8. Require that the OVSJG institute procedures to ensure that it accurately reports VOCA subrecipient matching amounts or otherwise seeks from the OVC a waiver whenever a subrecipient cannot meet the VOCA matching requirement.**

OVSJG partially concurs with recommendations 7 and 8. OVSJG is committed to ensuring that our procedures comply with VOCA matching requirements, that we accurately report VOCA matching amounts, and seek a waiver from OVC as needed. However, we have been faced with challenges in ensuring adherence to these requirements due to inconsistent responses we have received from OVC to match related questions. OVSJG believed it's assumption of the match requirement with local funds was allowable based on previous discussions with OVC staff. Additionally, while the audit was occurring, OVSJG staff reached out to OVC to try and get additional clarification on match related questions and were advised that an answer could not be provided at the time. Our understanding is that OJP may be issuing additional guidance regarding match in the near future and we look forward to any additional guidance to ensure that OVSJG is in full compliance with VOCA matching requirements.

The Office of Victim Services and Justice Grants very much appreciates the opportunity to respond to this draft report. We look forward to working with OJP to resolve the recommendations in the report. If you have any questions or require additional information or documentation, please contact me at [michelle.garcia@dc.gov](mailto:michelle.garcia@dc.gov) or 202-724-7216.

Sincerely,



Michelle M. Garcia  
Director  
District of Columbia Office of Victim Services and Justice Grants

cc: Linda Taylor  
Audit and Review Division  
Office of Audit, Assessment, and Management  
Office of Justice Programs

Daniza Figueroa  
Grants Management Specialist  
Office of Victim Services and Justice Grants

John Nitz  
Agency Fiscal Officer  
Office of the Chief Financial Officer

**OFFICE OF JUSTICE PROGRAMS  
RESPONSE TO THE DRAFT AUDIT REPORT**



U.S. Department of Justice

*Office of Justice Programs*

*Office of Audit, Assessment, and Management*

*Washington, D.C. 20531*

JAN 13 2017

MEMORANDUM TO: John J. Manning  
Regional Audit Manager  
Washington 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 Assistance Grants Awarded to the Office of Victim Services and Justice Grants, Washington, D.C.*

This memorandum is in reference to your correspondence, dated December 15, 2016, transmitting the above-referenced draft audit report for the Washington, D.C., Office of Victim Services and Justice Grants (OVSJG). We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains **eight** recommendations and **\$154,307** in questioned costs. The following is the Office of Justice Programs' (OJP) analysis of the draft audit report recommendations. For ease of review, the recommendations directed to OJP are restated in bold and are followed by our response.

**1. We recommend that OJP remedy \$129,518 in unsupported salary costs.**

OJP agrees with the recommendation. We will coordinate with the OVSJG to remedy the \$129,518 in questioned costs, related to salary expenditures that were charged to OJP's Victims of Crime Act (VOCA) Grant Numbers 2013-VA-GX-0039, 2014-VA-GX-0025, and 2015-VA-GX-0047.

**2. We recommend that OJP work with the OVSJG to implement procedures to ensure that it only charges personnel costs to VOCA assistance program grants based on actual time and effort reports.**

OJP agrees with the recommendation. We will coordinate with the OVSJG to obtain a copy of written policies and procedures, developed and implemented, to ensure that personnel costs charged to VOCA grants are based on actual time spent by its employees, as documented on time and effort reports.

3. **We recommend that OJP remedy \$23,289 in unsupported fringe benefit costs.**

OJP agrees with the recommendation. We will coordinate with the OVSJG to remedy the \$23,289 in questioned costs, related to fringe benefits costs associated with salary costs questioned in Recommendation Number 1, that were charged to VOCA Grant Numbers 2013-VA-GX-0039, 2014-VA-GX-0025, and 2015-VA-GX-0047.

4. **We recommend that OJP ensure that the OVSJG implements procedures requiring administrative expenses paid with VOCA assistance program grant funds to be used for activities that directly relate to managing VOCA grants.**

OJP agrees with the recommendation. We will coordinate with the OVSJG to obtain a copy of written policies and procedures, developed and implemented, to ensure that administrative expenses paid with VOCA Victim Assistance Program grant funds, are only used for activities directly related to managing VOCA awards.

5. **We recommend that OJP work with the OVSJG to remedy \$1,500 in unallowable subrecipient health allowance costs.**

OJP agrees with the recommendation. We will coordinate with the OVSJG to remedy the \$1,500 in questioned costs, related to subrecipient fringe benefits costs that were charged to VOCA Grant Numbers 2013-VA-GX-0039, 2014-VA-GX-0025, and 2015-VA-GX-0047.

6. **We recommend that OJP work with the OVSJG to ensure that it only approves reimbursement of health benefit costs based on actual employee health benefit expenses.**

OJP agrees with the recommendation. We will coordinate with the OVSJG to obtain a copy of written policies and procedures, developed and implemented, to ensure that health benefits expenses are limited to the actual employee health benefits expenses.

7. **We recommend that OJP ensure that the OVSJG adjusts its procedures to comply with VOCA matching requirements.**

OJP agrees with the recommendation. We will coordinate with the OVSJG to obtain a copy of written policies and procedures, developed and implemented, to ensure their compliance with VOCA matching requirements.

8. **We recommend that OJP require that the OVSJG institute procedures to ensure that it accurately reports VOCA subrecipient matching amounts or otherwise seeks from the OVC a waiver whenever a subrecipient cannot meet the VOCA matching requirement.**

OJP agrees with the recommendation. We will coordinate with the OVSJG to obtain a copy of written policies and procedures, developed and implemented, to ensure that: VOCA subrecipient matching amounts are accurately reported; and waivers are requested from OJP's Office for Victims of Crime whenever a subrecipient cannot meet its VOCA matching requirement.

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.

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OIP Executive Secretariat  
Control Number IT20161216102824

**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 the Office of Victim Services and Justice Grants (OVSJG) and the Office of Justice Programs (OJP) for review and comment. OVSJG's response is incorporated in Appendix 3, and OJP's response is incorporated in Appendix 4 of this final report. In response to our draft audit report, OJP concurred with our recommendations, 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 for OJP:**

**1. Remedy \$129,518 in unsupported salary costs.**

Resolved. OJP concurred with our recommendation. OJP stated in its response that it would coordinate with the OVSJG to remedy the \$129,518 in questioned salary costs tied to this recommendation.

The OVSJG concurred with our recommendation and stated in its response that it will coordinate with OJP to remedy these costs.

This recommendation can be closed when we receive evidence that OJP has remedied these costs.

**2. Work with the OVSJG to implement procedures to ensure that it only charges personnel costs to VOCA assistance program grants based on actual time and effort reports.**

Resolved. OJP concurred with our recommendation. OJP stated in its response that it would coordinate with the OVSJG to obtain a copy of written policies and procedures, developed and implemented, to ensure that personnel costs charged to VOCA grants are based on actual time, as documented in time and effort reports.

The OVSJG concurred with our recommendation and stated that staff supported by VOCA administrative funds will maintain manual timesheets that reflect the actual time spent on VOCA assistance program grants as well as activities funded by other sources. Further, the OVSJG stated that it will reconcile actual time spent with the budgeted amounts in its payroll system on a quarterly basis and that it will perform journal entries as needed to ensure that payroll charges for salary and fringe benefits are allocated based on actual time.

This recommendation can be closed when we receive evidence that the OVSJG has (1) developed and implemented policies and procedures to ensure

staff paid with VOCA funds maintain manual timesheets that reflect the actual time spent on VOCA assistance programs and (2) reconciled its payroll system with these records of actual time worked and adjusted its funding allocations accordingly.

**3. Remedy \$23,289 in unsupported fringe benefit costs.**

Resolved. OJP concurred with our recommendation. OJP stated in its response that it would coordinate with the OVSJG to remedy the \$23,289 in questioned fringe benefit costs associated with the salary costs questioned in Recommendation 1.

The OVSJG concurred with our recommendation and stated it will coordinate with OJP to remedy these costs.

This recommendation can be closed when we receive evidence that OJP has remedied these costs.

**4. Ensure that the OVSJG implements procedures requiring administrative expenses paid with VOCA assistance program grant funds to be used for activities that directly relate to managing VOCA grants.**

Resolved. OJP concurred with our recommendation. OJP stated in its response that it would coordinate with the OVSJG to obtain a copy of written policies and procedures developed and implemented to ensure that administrative expenses paid with VOCA victim assistance program grant funds are only used for activities related to managing VOCA awards.

The OVSJG concurred with our recommendation and stated in its response that going forward the OVSJG will ensure any non-payroll administrative expenses directly support VOCA grant programs.

This recommendation can be closed when we receive documentation demonstrating that the OVSJG has established and implemented written policies and procedures to ensure that administrative expenses paid with VOCA victim assistance program grant funds are only used for activities related to managing VOCA awards.

**5. Work with the OVSJG to remedy \$1,500 in unallowable subrecipient health allowance costs.**

Resolved. OJP concurred with our recommendation. OJP stated in its response that it would coordinate with the OVSJG to remedy the \$1,500 in questioned costs related to subrecipient charges identified in this recommendation.

The OVSJG concurred with our recommendation and revised its approach to reimbursing subrecipient health costs, as described in Recommendation 6. The OVSJG stated that it would work with OJP to remedy the \$1,500 in unallowable subrecipient health allowance costs.

This recommendation can be closed when we receive evidence that OJP has coordinated with the OVSJG to remedy the \$1,500 in unallowable subrecipient health allowance costs.

**6. Work with the OVSJG to ensure that it only approves reimbursement of health benefit costs based on actual employee health benefit expenses.**

Resolved. The OJP concurred with the recommendation. The OJP stated in its response that it would coordinate with the OVSJG to obtain a copy of written policies and procedures, developed and implemented, to ensure that health benefits expenses are limited to actual employee health benefits expenses.

The OVSJG concurred with our recommendation and stated in its response that going forward it would only reimburse its subrecipients for actual health benefits costs, as supported by evidence of active healthcare coverage – in the form of a premium statement from the employee’s healthcare provider.

This recommendation can be closed when we receive documentation demonstrating that the OVSJG has established and implemented policies and procedures to ensure that it only approves and reimburses subrecipients for actual health benefits costs.

**7. Ensure that the OVSJG adjusts its procedures to comply with VOCA matching requirements.**

Resolved. The OJP concurred with the recommendation. The OJP stated in its response that it would coordinate with the OVSJG to obtain a copy of written policies and procedures, developed and implemented, to ensure OVSJG’s compliance with VOCA matching requirements.

The OVSJG partially concurred with our recommendation and indicated a willingness to comply with the program requirements. The OVSJG stated in its response that it attempted to adhere to the requirements and needed further clarification from OVC regarding how to comply with the match requirements.

This recommendation can be closed when we receive evidence showing that OJP has clarified the match requirements for the OVSJG and that it has coordinated OVSJG implementation of procedures resulting in compliance with the match requirement.

**8. Require that the OVSJG institute procedures to ensure that it accurately reports VOCA subrecipient matching amounts or otherwise seeks from the OVC a waiver whenever a subrecipient cannot meet the VOCA matching requirement.**

Resolved. OJP concurred with the recommendation. OJP stated in its response that it would coordinate with the OVSJG to ensure that the OVSJG accurately reports VOCA subrecipient matching amounts. OJP also indicated that it would work to ensure waivers are requested from OJP OVC whenever a subrecipient cannot meet its VOCA matching requirement.

The OVSJG partially concurred with our recommendation and indicated a willingness to comply with the program requirements. The OVSJG stated in its response that it attempted to adhere to the requirements and needed further clarification from OVC regarding how to comply with the match requirements.

This recommendation can be closed when: (1) we receive evidence that OJP has worked with the OVSJG to achieve accurate OVSJG reporting on the match amounts, and (2) OJP demonstrates it has clarified with the OVSJG precisely when OJP OVC expects requests to waive the subrecipient match requirement.

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