



Audit of the Office of Justice Programs Victim  
Compensation Grants Awarded to the Vermont  
Center for Crime Victim Services,  
Waterbury, Vermont



AUDIT DIVISION

20-091

---

AUGUST 2020

---



# Executive Summary

*Audit of the Office of Justice Programs Victim Compensation Grants Awarded to the Vermont Center for Crime Victim Services, Waterbury, Vermont*

## Objective

The objective of the audit was to evaluate how the Vermont Center for Crime Victim Services (VCCVS) designed and implemented its crime victim compensation program. To accomplish this objective, we assessed performance in the following areas of grant management: (1) grant program planning and execution, (2) program requirements and performance reporting, and (3) grant financial management.

## Results in Brief

As a result of our audit, we concluded that VCCVS used its Victims of Crime Act (VOCA) funding to enhance its crime victim compensation program. We did not take issue with VCCVS's use of the administrative funding or drawdowns.

However, we did find areas of improvement for VCCVS's programmatic and financial management policies and procedures.

## Recommendations

Our report contains five recommendations to the Office of Justice Programs (OJP) to assist VCCVS in improving its grant management. We requested a response to our draft audit report from VCCVS and OJP, which can be found in Appendix 2 and 3, respectively. Our analysis of those responses is included in Appendix 4.

## Audit Results

The U.S. Department of Justice Office of the Inspector General completed an audit of two VOCA victim compensation formula grants awarded by OJP, Office for Victims of Crime (OVC), to VCCVS in Waterbury, Vermont. The OVC awarded these formula grants, totaling \$393,000 in fiscal years 2016 and 2017, from the Crime Victims Fund to provide financial support through the payment of compensation benefits to crime victims throughout Vermont. As of February 2020, VCCVS drew down a cumulative amount of \$392,416 for all of the grants we reviewed.

**Grant Program Planning and Execution** – We determined that VCCVS had limited criteria authorizing payment of lost wages and loss of support. Additionally, VCCVS did not accurately calculate and report its Crime Victim Compensation State Certification Forms, resulting in less program funding provided by OJP than what should have been awarded to Vermont.

We also found VCCVS's standard of cooperation with law enforcement for victims of sexual assault was not documented, and it did not have policies and procedures to track data necessary to determine if a victim cooperated. As a result, VCCVS's state certification and reimbursement requests included costs that may not have aligned with the purpose of the victim compensation program.

### **Program Requirements and Performance**

**Reporting** – We determined that VCCVS complied with the performance reporting and award special conditions we tested.

**Grant Financial Management** – We found payments were adequately supported and complied with the VOCA Guidelines and VCCVS policies, procedures, and guidelines. However, we determined that VCCVS did not design and implement federal grant accounting procedures in accordance with grant award requirements. Further, VCCVS did not have written policies and procedures necessary to ensure its Federal Financial Reports were accurate and supported.

**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS  
VICTIM COMPENSATION GRANTS AWARDED TO  
THE VERMONT CENTER FOR CRIME VICTIM SERVICES,  
WATERBURY, VERMONT**

**TABLE OF CONTENTS**

INTRODUCTION.....	1
The Grantee.....	2
OIG Audit Approach .....	2
AUDIT RESULTS .....	3
Grant Program Planning and Execution .....	3
Program Implementation .....	3
Inadequate Lost Wages and Loss of Support Policies and Procedures..	4
Annual State Certification .....	5
Program Requirements and Performance Reporting .....	7
Annual Performance Reports .....	8
Compliance with Special Conditions .....	8
Grant Financial Management .....	9
Grant Expenditures .....	9
Grant Accounting .....	10
Financial Reporting .....	11
Drawdowns.....	12
CONCLUSION AND RECOMMENDATIONS .....	13
APPENDIX 1: OBJECTIVE, SCOPE, AND METHODOLOGY .....	14
APPENDIX 2: VERMONT CENTER FOR CRIME VICTIM SERVICES RESPONSE TO THE DRAFT AUDIT REPORT.....	16
APPENDIX 3: OFFICE OF JUSTICE PROGRAMS RESPONSE TO THE DRAFT AUDIT REPORT.....	19
APPENDIX 4: OFFICE OF THE INSPECTOR GENERAL ANALYSIS AND SUMMARY OF ACTIONS NECESSARY TO CLOSE THE REPORT .....	23

# **AUDIT OF THE OFFICE OF JUSTICE PROGRAMS VICTIM COMPENSATION GRANTS AWARDED TO THE VERMONT CENTER FOR CRIME VICTIM SERVICES, WATERBURY, VERMONT**

## **INTRODUCTION**

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of two victim compensation formula grants awarded by the Office of Justice Programs (OJP), Office for Victims of Crime (OVC) to the Vermont Center for Crime Victim Services (VCCVS) in Waterbury, Vermont. OVC awards victim compensation grants annually from the Crime Victims Fund (CVF) to state administering agencies. As shown in Table 1, in fiscal years (FY) 2016 and 2017, these OVC grants totaled \$393,000.

**Table 1**  
**Audited Grants**  
**Fiscal Years 2016 – 2017**

<b>Award Number</b>	<b>Award Date</b>	<b>Award Period Start Date</b>	<b>Award Period End Date</b>	<b>Award Amount</b>
2016-VC-GX-0045	9/19/2016	10/1/2015	9/30/2019	\$ 274,000
2017-VC-GX-0044	9/28/2017	10/1/2016	9/30/2020	119,000
<b>Total:</b>				<b>\$ 393,000</b>

Note: Grant funds are available for the fiscal year of the award plus 3 additional fiscal years.

Source: OJP

Established by the Victims of Crime Act (VOCA) of 1984, the CVF is used to support crime victims through DOJ programs and state and local victim services.<sup>1</sup> The CVF is supported entirely by federal criminal fees, penalties, forfeited bail bonds, gifts, donations, and special assessments. The OVC annually distributes proceeds from the CVF to states and territories. VOCA victim compensation formula grant funds are available each year to states and territories for distribution to eligible recipients.

The primary purpose of the victim compensation grant program is to compensate victims and survivors of criminal violence for: (1) medical expenses attributable to a physical injury resulting from a compensable crime, including expenses for mental health counseling and care; (2) loss of wages and support attributable to a physical injury resulting from a compensable crime; and (3) funeral expenses attributable to a death resulting from a compensable crime.<sup>2</sup>

---

<sup>1</sup> The VOCA victim compensation formula program is funded under 34 U.S.C. § 20102.

<sup>2</sup> This program defines criminal violence to include drunk driving and domestic violence.

## **The Grantee**

As the Vermont state administering agency, the Vermont Center for Crime Victim Services (VCCVS) was responsible for administering the VOCA victim compensation program grants.<sup>3</sup> According to its website, VCCVS's mission is to provide leadership to the state to ensure that justice is delivered to all victims and survivors of crime through recognition of harm done and advocacy for their rights and needs. Although VCCVS is a state-related agency funded primarily from state appropriations and grants, it is staffed by non-state employees.

## **OIG Audit Approach**

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

We tested compliance with what we consider the most important conditions of the grants. Unless otherwise stated in our report, we applied the authorizing VOCA legislation, the VOCA compensation program guidelines (VOCA Guidelines), and the DOJ Grants Financial Guide as our primary criteria. We also reviewed relevant Vermont statutes; VCCVS policies, procedures, and guidelines; and interviewed VCCVS personnel to determine how they administered the VOCA funds. We further obtained and reviewed VCCVS records reflecting grant activity.<sup>4</sup> Additionally, we assessed VCCVS's internal controls, implemented at the time of our audit, specific to the design, implementation, and operating effectiveness for those internal controls we deemed significant within the context of our audit objective.

---

<sup>3</sup> According to the Vermont Crime Victims statutes (13 V.S.A. 5361(b)), VCCVS is governed by and attached to the Victims Compensation Board for administrative support.

<sup>4</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.

## AUDIT RESULTS

### Grant Program Planning and Execution

The main purpose of the VOCA victim compensation grants is to enhance state victim compensation payments to eligible crime victims. As part of our audit, we assessed VCCVS's overall process for making victim compensation payments. We assessed VCCVS's policies and procedures for providing compensation payments to victims, as well as the accuracy of the state certification form.

Overall, we determined that VCCVS's implementation of its victim compensation program was appropriate and in compliance with the VOCA Guidelines. We found VCCVS generally complied with federal grant requirements, and we did not identify any significant issues with its efforts to bring awareness to the program. Although we found that VCCVS established an adequate program with appropriate controls to compensate victims and survivors of criminal violence, we determined it should revise its policy and procedures for calculating lost wages and loss of support, as discussed later in this report.

#### *Program Implementation*

State administering agencies receive VOCA victim compensation grants to compensate victims for expenses incurred from criminal victimization. As the state administering agency for Vermont, VCCVS was responsible for the victim compensation program, including meeting all financial and programmatic requirements. In assessing VCCVS's implementation of its victim compensation program, we analyzed policies and procedures governing the decision-making process for individual compensation claims. When paying claims for victims, VCCVS operated under its *Victim Compensation Policy Documents*, which conveyed the state-specific policies for awarding victim compensation. It also operated under its own internal policies, procedures, and guidelines specific to program administration.

Based on our review, we found that VCCVS had an established application process for the intake, review, and payment or denial of individual compensation claims, and had adequate separation of duties between the employees who reviewed the claims and those with the authority to authorize payment. Also, we found that VCCVS's program was generally consistent with the VOCA Guidelines.

To enhance its state program and increase public awareness of available victim compensation benefits, VCCVS informed us that it provided victim compensation training to victim advocates statewide and service providers that received VOCA Victim Assistance grant funding. VCCVS's website includes the victim compensation application, eligibility requirements, frequently asked questions, and video instructions for filling out an application that include an American Sign Language interpretation. We also found that VCCVS created victim notification slips for law enforcement personnel to distribute to victims and used social media to communicate program resources and events.

## *Inadequate Lost Wages and Loss of Support Policies and Procedures*

According to the VOCA Guidelines, states are mandated to award victim compensation for medical expenses, mental health counseling, lost wages, and funeral expenses. States may also offer compensation for other types of expenses authorized by state statute, rule, or other established policy. VCCVS administers the victim compensation program using its *Victim Compensation Policy Documents*, procedures, and guidelines. Based on our review, we determined VCCVS's policies and procedures implemented at the time of our audit did not include adequate parameters for calculating compensation of lost wages and loss of support.

### Lost Wages

VCCVS *Victim Compensation Policy Documents* specify that lost wages are calculated at 85 percent of a victim's gross wages at the time of the loss and are limited to a maximum of \$500 per week for 12 weeks.<sup>5</sup> However, VCCVS may deny an award for lost wages when it is determined a claimant failed to report wages to state and federal taxing authorities, as required by law.

During our claim file review, we determined VCCVS compensated one victim based on 19 weeks of employer pay stubs. Although the basis for the award was supported, we found that VCCVS's policies and procedures did not define a period of time prior to the date of the crime for calculating gross wages or include details as to how VCCVS would calculate lost wages depending upon the claimant's type of employment or available records.

We discussed this issue with officials, and VCCVS provided revised policies and procedures for lost wages during our audit. Based on our review of the new guidance, we determined VCCVS strengthened their procedures; however, we determined the procedures did not define a period of time prior to the date of the crime for calculating gross wages and lacked details as to how lost wages will be calculated for different types of employment (e.g., seasonal, intermittent, or production-based pay employment).

### Loss of Support

In Vermont, loss of support is paid to individuals victimized by a suspect for which they were dependent upon to maintain household expenses.<sup>6</sup> VCCVS *Victim Compensation Policy Documents* specify that loss of support is paid to the suspect's dependent based upon a suspect's earnings, is calculated at 66.6 percent of the suspect's gross monthly wages, and is limited to a maximum of \$500 per week for 12 weeks. VCCVS does not compensate victims based on unreported wages and

---

<sup>5</sup> Claimants are required to submit a physician's report or a statement from a mental health provider in order to be eligible for reimbursement of more than 2 weeks.

<sup>6</sup> Loss of support is paid only to the dependents victimized by a suspect and does not compensate dependents of all criminal suspects or dependents of all victims.

may deny an award for lost wages when it is determined a claimant failed to report wages to state and federal taxing authorities.

Based on our review, we determined VCCVS's loss of support policy and procedures lacked guidance for the type of documentation it requires to substantiate a victim's dependence on a suspect's earnings to maintain household expenses. As an example, we found VCCVS compensated a claimant for loss of support at the maximum \$6,000 allowable amount based on two weekly pay stubs. We determined the records VCCVS obtained adequately showed how VCCVS calculated the amount paid; however, the records provided were not adequate to demonstrate dependence on the suspect's earnings to maintain household expenses.

We discussed this claim with VCCVS officials and were told that the pay stubs were the only available records to support the claim. According to the Executive Director, it is sometimes difficult for claimants to obtain documentation for loss of support because claims are based on documentation provided by a suspect within a claim. As a result, it can be difficult or impossible to obtain documentation necessary to substantiate gross monthly wages. Additionally, officials informed us that VCCVS has decided not to require victims to provide bills and other receipts to demonstrate the level of support lost.

During the audit, VCCVS provided its revised policy and procedures for compensating claimants for loss of support. We reviewed the policy and procedures and determined VCCVS added specific procedures for calculating gross monthly wages using tax returns and pay stubs. These revisions included procedures for prorating gross monthly wages when it obtains less than a month of pay stubs. However, the revisions did not address how VCCVS substantiates that claimants were dependent on a suspect's earnings to maintain household expenses.

We understand that it may be difficult for VCCVS to obtain documentation to substantiate loss of support for those claimants who are dependent on a suspect's earnings and financial resources. However, this should not prevent VCCVS from designing and implementing policies and procedures that promote reasonable efforts to identify and obtain adequate documentation. This would help to ensure loss of support is paid in accordance with its policy.

As a result, we recommend that OJP work with VCCVS to strengthen its policies and procedures for awarding lost wages and loss of support.

### *Annual State Certification*

State administering agencies must submit an annual Crime Victim Compensation State Certification Form, which provides OVC the necessary information to accurately determine annual grant award amounts. The certification form must include all sources of funding available to the crime victim compensation program during the federal fiscal year, as well as the total of all compensation claims paid out to, or on behalf of, victims from all funding sources. The OVC allocates VOCA victim compensation formula grant funds to each state by



calculating 60 percent of the eligible compensation claims paid out to victims during the fiscal year 2 years prior.<sup>7</sup> The accuracy of the information provided in the certification form is critical to OJP's correct calculation of the victim compensation award amounts granted to each state.

We attempted to assess VCCVS's controls for preparing the annual certification forms submitted to the OVC for FYs 2014 through 2018, which is used to calculate the award amounts granted in FYs 2016 through 2020.<sup>8</sup> Although VCCVS provided supporting documentation for its certifications, it was not possible to complete a reliable reconciliation of the certifications and accounting records because VCCVS did not have written policies and procedures for preparing its FY 2014-2017 certification forms and officials responsible for preparing the forms changed throughout this period. Based on the reconciliation we performed using available documentation, we determined the forms were not completed accurately.

We attributed the discrepancies to unsupported payments in 2014 and 2015 and inadequate procedures for certifying refunds, payment corrections, and funds transferred between accounts used for state and federal expenditures. However, the errors resulted in VCCVS receiving less funding in all years except FY 2016 and 2017, when it received approximately \$1,000 more than it should have received. We discussed these discrepancies with VCCVS officials who agreed the forms were not prepared accurately and that procedures were not adequate to ensure the forms were submitted accurately. During the audit, VCCVS identified and corrected minor errors to its FY 2018 certification.

VCCVS provided us with its written instructions for preparing the certifications, which were documented in June 2019 and revised during the audit to include changes made as a result of our analysis. VCCVS also provided new expenditure coding policies and procedures that it plans to implement on July 1, 2020. Based on our review, we determined these two documents, when fully implemented, should improve VCCVS's certification process.

#### Sexual Assault Examination Costs

According to the VOCA Guidelines, one of the primary purposes of the OVC Victim Compensation Grants is to encourage victim cooperation and participation in the criminal justice system and the reasonable requests of law enforcement. To achieve this, the Guidelines state that crime victim compensation programs must promote victim cooperation with the reasonable requests of law enforcement authorities and requires states to establish acceptable criteria to encourage and document cooperation.

---

<sup>7</sup> The eligible payout amount for award consideration is determined after deducting payments made with VOCA funds, subrogation and restitution recoveries, refunds, amounts awarded for property loss, and other reimbursements.

<sup>8</sup> The OJP's Office of the Chief Financial Officer, Budget Execution Division calculates the allocations for VOCA eligible crime victim compensation programs, and OVC makes the grant awards.

The state of Vermont established compensation programs for victims of crime and victims of sexual assault under separate statutes.<sup>9</sup> One statute authorizes payments to victims of crime only if a law enforcement officer has filed a report concluding that a crime was committed that resulted in the injury (physical or emotional) or death of the victim. We determined a separate set of statutes authorizes the state to pay the costs for sexual assault examinations (SAE) on behalf of victims of sexual assault that have not yet reported their crimes to law enforcement and provide victims with the right to decline to have a forensic medical exam completed.<sup>10</sup>

Based on our review and discussions with officials, VCCVS charged to its federal victim compensation grants and included on its state certification forms all sexual assault examination costs regardless of a victim's cooperation with law enforcement. Although VCCVS officials explained to us that it considers cooperation with the reasonable requests of law enforcement to include victims of sexual assault that have a forensic medical exam completed, we determined that VCCVS had not documented its standard of cooperation. At the time of our audit, VCCVS had not implemented a process to obtain and track data necessary to determine whether a victim had cooperated with law enforcement.

Therefore, we recommend OJP ensure VCCVS establish appropriate criteria to encourage and document cooperation with law enforcement for victims of sexual assault. We also recommend OJP ensure VCCVS design and implement policies and procedures to obtain and track data necessary to ensure that only costs paid on behalf of victims of sexual assault that align with Vermont's established criteria for cooperation with law enforcement are charged to its federal victim compensation grants and included on its state certification forms.

## **Program Requirements and Performance Reporting**

To determine whether VCCVS distributed VOCA victim compensation program funds to compensate victims of crime, we reviewed VCCVS performance measures and performance documents that VCCVS used to track goals and objectives. We further examined OVC solicitations and award documents and verified VCCVS compliance with special conditions governing recipient award activity.

Based on our overall assessment in the areas of program requirements and performance reporting, we believe that VCCVS: (1) implemented adequate procedures to compile annual performance reports, and (2) complied with the special conditions we tested.

---

<sup>9</sup> The referenced Vermont statutes for sexual assault include 3 V.S.A. § 21, 32 V.S.A. § 1407, 8 V.S.A. § 4089, and 13 V.S.A. § 3251-3281.

<sup>10</sup> According to Vermont statute (8 V.S.A. § 4089), 'sexual assault examination' means "either or both of the following: (A) a physical examination of the patient, documentation of biological and physical findings, and collection of evidence; and (B) treatment of the patient's injuries; providing care for sexually transmitted infections; assessing pregnancy risk; discussion of treatment options, including reproductive health services, screening for human immunodeficiency virus, and prophylactic treatment, when appropriate; and providing instructions and referrals for follow-up care."

### *Annual Performance Reports*

Each state administering agency must annually report to the OVC on activity funded by any VOCA awards active during the federal fiscal year. The reports are submitted through OJP's Grants Management System (GMS). The OVC also requires states to submit quarterly performance data through the web-based Performance Measurement Tool (PMT). After the end of the fiscal year, State Administering Agencies are required to produce the Annual State Performance Report and upload it on GMS.

For the victim compensation grants, states must report the number of victims for whom an application was made; the number of victims whose victimization is the basis for the application; victim demographics; the number of applications that were received, approved, denied, and closed; and total compensation paid by service type.

VCCVS used its electronic case management system to prepare its quarterly and annual performance reports. To assess VCCVS's performance, we tested a sample of metrics from VCCVS's federal FY 2018 quarterly performance reports by comparing system reports VCCVS generated during the audit to its FY 2018 quarterly performance reports submitted to OVC.

Based on our review, the performance data did not match precisely, with some metrics being underreported and others over-reported. However, VCCVS was able to provide contemporaneous evidence to support these discrepancies. As a result, we determined VCCVS's performance reports were adequately supported.

### *Compliance with Special Conditions*

The special conditions of a federal grant award establish specific requirements for grant recipients. In its grant application documents, VCCVS certified it would comply with these special conditions. We reviewed the special conditions for each of the VOCA victim compensation program grants and identified special conditions that we deemed significant to grant performance that are not otherwise addressed in another section of this report. We judgmentally selected the following three special conditions to review in greater detail:

1. Ensure that at least one key grantee official attends the annual VOCA National Training Conference.
2. Both the Point of Contact and all Financial Points of Contact for this award must have successfully completed the OJP Financial Management and Grant Administration Training.
3. Collect information regarding race, sex, and age of recipients of compensation benefits, where such information is voluntarily furnished.

We found that VCCVS complied with the special conditions we tested.

## **Grant Financial Management**

Award recipients must establish an adequate accounting system and maintain financial records that accurately account for awarded funds. To assess the adequacy of VCCVS's financial management of the VOCA victim compensation grants, we reviewed the process VCCVS used to administer these funds by examining expenditures charged to the grants, subsequent drawdown requests for funding reimbursement, and resulting financial reports. To further evaluate VCCVS's financial management of the VOCA victim compensation grants, we reviewed the Single Audit Report for FY 2018 but did not identify any significant deficiencies or material weaknesses specifically related to VCCVS. We also interviewed VCCVS personnel who were responsible for financial aspects of the grants, reviewed VCCVS written policies and procedures, inspected award documents, and reviewed financial records.

As discussed below, in our overall assessment of grant financial management, we determined that VCCVS implemented adequate controls over its victim compensation program. However, we found that VCCVS did not implement accounting procedures that complied with the grant award requirements, and VCCVS could not support its quarterly Federal Financial Reports (FFR).

### *Grant Expenditures*

State administering agency VOCA compensation expenses fall into two overarching categories: (1) compensation claim payments – which constitute the vast majority of total expenses, and (2) administrative expenses – which are allowed to total up to 5 percent of each award. To determine whether costs charged to the awards were allowable, supported, and properly allocated in compliance with award requirements, we tested a sample of transactions from each of these categories by reviewing accounting records and verifying support for select transactions.

#### Victim Compensation Claim Expenditures

Victims of crime in the state of Vermont submit claims for reimbursement of expenses incurred as a result of victimization, such as medical and funeral costs, lost wages, loss of support, and other expenses authorized by VCCVS as eligible expenses. VCCVS staff adjudicate these claims for eligibility and make payments from the VOCA victim compensation grants and state funding.

To evaluate VCCVS's financial controls over VOCA victim compensation grant expenditures, we reviewed victim compensation claims to determine whether the payments were accurate, allowable, timely, and in accordance with the VOCA Guidelines and Vermont victim compensation policies, guidelines, and procedures. We judgmentally selected a sample of 49 payments, totaling \$44,940 paid to 20 individual claimants. The transactions we reviewed included costs in the following categories: lost wages, loss of support, mental health, travel, relocation, childcare, and crime-scene cleanup.

Based on our testing, we determined that most expenditures were allowable, supported by adequate documentation, and approved in accordance with VCCVS policies, procedures, and guidelines. As discussed earlier in this report in the Grant Program Planning and Execution section, we determined VCCVS's lost wage and loss of support policies and procedures did not provide specific parameters for calculating compensation. Despite this shortcoming in VCCVS's policies and procedures, we determined the lost wages and loss of support we tested complied with VCCVS's guidelines in place at the time of the audit.

### Administrative Expenditures

State administering agencies may retain up to 5 percent of each grant to pay for administering its crime victim compensation program. However, such costs must derive from efforts to improve program effectiveness and service to crime victims, including claims processing, staff development and training, and public outreach. For VCCVS's compensation grant program, we tested compliance with the 5 percent limit on the administrative category of expenditures, as shown in Table 2.

**Table 2**  
**Administrative Expenditures as of September 2019**

<b>Award Number</b>	<b>Total Award</b>	<b>State Administrative Expenditures</b>	<b>Administrative Percentage</b>
2016-VC-GX-0045	\$274,000	\$13,700	5%
2017-VC-GX-0044	\$119,000	\$3,566	3%

Source: OIG Analysis of VCCVS Records

We found that VCCVS complied with the 5 percent administrative allowance. Of the total administrative expenditures associated with the 2016 and 2017 awards, VCCVS charged \$10,953 in travel expenditures. We tested a sample of \$4,227 in travel expenditures, representing more than 24 percent of total administrative costs, and determined these expenditures were generally allowable and supported.

### *Grant Accounting*

According to the DOJ Grants Financial Guide, there is no financial requirement to identify the source of individual payments to crime victims as either federal or state dollars, nor is there any requirement that restitution recoveries or other refunds be tracked to federal or state dollars paid out to victims. However, the state agency administering funds under this program must have an adequate accounting system to separately track receipts and expenditures, and to support financial reporting that is accurate, current, complete, and compliant with all financial reporting requirements of the award. Although VCCVS tracked federal and state expenditures separately in its accounting system, we determined VCCVS did not establish a unique account number or project code that would allow for separate accounting and tracking of each DOJ grant.

VCCVS had to use a supplemental spreadsheet to track the total amount of expenditures allocated to each of its grants before preparing FFRs and calculating drawdown requests. Although VCCVS tracked expenditure total amounts allocated to each of its awards, the accounting system and spreadsheets did not identify a specific set of expenditures allocable to each grant award number. As a result, we determined VCCVS's accounting procedures failed to segregate expenditures by recording grant funded payments in the same account without the ability to delineate by specific grant.

We discussed the accounting procedures with VCCVS official responsible for fiscal administration and were told that the accounting procedures were based on legacy procedures. During the audit, VCCVS provided the OIG with revised accounting policies and procedures it plans to implement on July 1, 2020. Based on our review, we determined the revised policies and procedures, when fully implemented, should address the segregation of victim compensation expenditures.

We recommend OJP ensure VCCVS implement its revised accounting policies and procedures to ensure expenditures are tracked separately by grant award number.

#### CBD Oil

VCCVS requested guidance from OVC on the allowability of the costs associated with medical marijuana and CBD oil, which are not allowed to be funded by federal grants. OVC confirmed to VCCVS that medical marijuana, including CBD oil, cannot be charged to federal grants and should be excluded from consideration from victim compensation payments included in the Victim Compensation Program formula used to determine a state's award total. Based on our review of its certifications, we determined VCCVS charged \$71.24 to its FY 2016 grant. We did not question these costs because the amount was considered immaterial. Additionally, during the audit, VCCVS revised its accounting procedures to ensure these costs are not charged to its federal grants in the future.

#### *Financial Reporting*

According to the DOJ Grants Financial Guide, recipients shall report the actual expenditures and unliquidated obligations incurred during the reporting period on each financial report as well as cumulative expenditures. To determine whether VCCVS submitted accurate FFRs, we compared the reports to VCCVS's accounting records for each grant.

We determined that quarterly expenditures for the reports reviewed were less than VCCVS's accounting system and supplemental records; however, VCCVS did not maintain supporting documentation. Based on the fact that the FFRs were less than actual expenditures, we determined the errors were potentially caused by expenditures transferred to the grant account after the FFRs were submitted. Although the amounts were immaterial, we found that VCCVS continuously updated its tracking spreadsheets to adjust total expenditures charged to the grant account. As a result, we determined VCCVS should have revised its FFRs.

After completing our analysis, VCCVS submitted its written FFR and drawdown procedures, which it added to its *Financial Policies and Procedures Manual* in February 2020. We reviewed these procedures and determined they were designed for grants that have subrecipients, include instructions that may cause FFRs to be prepared incorrectly, and did not include procedures to ensure FFRs are revised when previously reported expenditures are adjusted.

Therefore, we recommend OJP ensure VCCVS revise its Financial Policies and Procedures Manual to ensure FFRs are accurate and supported by accounting system records.

#### *Drawdowns*

Award recipients are to request funds based upon immediate disbursement or reimbursement needs, and grantees 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. VOCA victim compensation grant funds are available for the fiscal year of the award plus 3 additional fiscal years. To assess whether VCCVS managed grant receipts in accordance with these federal requirements, we compared the total amount reimbursed to the total expenditures in VCCVS's accounting system and accompanying financial records.

For the VOCA victim compensation awards, VCCVS requested drawdowns on a reimbursement basis. Table 3 shows the total amount drawn down for each grant as of February 2020.

**Table 3**  
**Amount Drawn Down for Each Grant as of February 2020**

<b>Award Number</b>	<b>Award Period End Date</b>	<b>Total Award</b>	<b>Amount Drawn Down</b>	<b>Amount Remaining</b>
2016-VC-GX-0045	9/30/2019	\$274,000	\$274,000	\$0
2017-VC-GX-0044	9/30/2020	119,000	118,416	584
<b>Total:</b>		<b>\$393,000</b>	<b>\$392,416</b>	<b>\$584</b>

Source: OJP Records

During this audit, we did not identify deficiencies related to the recipient's process for developing drawdown requests. Further, VCCVS provided us with adequate supporting documentation for the drawdowns we tested. We also determined that VCCVS complied with the minimum cash on hand requirement.

## **CONCLUSION AND RECOMMENDATIONS**

We found VCCVS generally used its grant funds to compensate crime victims according to the terms and conditions of the awards. We did not take issue with VCCVS's use of administrative funding or drawdown requests. However, we identified several opportunities where VCCVS could improve its programmatic and fiscal policies. We provide five recommendations to OJP to address these deficiencies.

We recommend that OJP:

1. Ensure VCCVS establish appropriate criteria to encourage and document cooperation with law enforcement for victims of sexual assault.
2. Ensure VCCVS design and implement policies and procedures to obtain and track data necessary to ensure that only costs paid on behalf of victims of sexual assault that align with Vermont's established criteria for cooperation with law enforcement are charged to its federal victim compensation grants and included on its state certification forms.
3. Work with VCCVS to strengthen its policies and procedures for awarding lost wages and loss of support.
4. Ensure VCCVS implement its revised accounting policies and procedures to ensure expenditures are tracked separately by grant award number.
5. Ensure VCCVS revise its Financial Policies and Procedures Manual to ensure FFRs are accurate and supported by accounting system records.



## **APPENDIX 1**

### **OBJECTIVE, SCOPE, AND METHODOLOGY**

#### **Objective**

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

#### **Scope and Methodology**

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 objective. 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 compensation formula grants 2016-VC-GX-0045 and 2017-VC-GX-0044 from the Crime Victims Fund (CVF) awarded to VCCVS. The Office of Justice Programs (OJP), Office for Victims of Crime (OVC) awarded these grants, totaling \$393,000, to VCCVS, which serves as the state administering agency. Our audit concentrated on, but was not limited to, the period of October 1, 2015, the project start date for VOCA compensation grant number 2016-VC-GX-0045, through April 2020. As of February 2020, VCCVS had drawn down a total of \$392,416 from the two audited grants.

To accomplish our objective, we tested compliance with what we consider to be the most important conditions of VCCVS's activities related to the audited grants, which included conducting interviews with VCCVS financial staff, examined policies and procedures, and reviewed grant documentation and financial records. We performed sample-based audit testing for grant expenditures, progress reports, and grant award special conditions. In this effort, we employed a judgmental sampling design 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. The authorizing VOCA legislation, the VOCA compensation program guidelines, the DOJ Grants Financial Guide, state compensation criteria, and the award documents contain the primary criteria we applied during the audit.

During our audit, we obtained information from OJP's Grants Management System as well as VCCVS 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 was verified with documents from other sources.

## Internal Controls

In this audit, we performed testing of internal controls significant within the context of our audit objectives. We did not evaluate the internal controls of VCCVS to provide assurance on its internal control structure as a whole. VCCVS management is responsible for the establishment and maintenance of internal controls in accordance with 2 C.F.R. § 200. Because we do not express an opinion on VCCVS's internal control structure as a whole, we offer this statement solely for the information and use of VCCVS and OJP.<sup>11</sup>

In planning and performing our audit, we identified the following internal control components and underlying internal control principles as significant to the audit objective:

Internal Control Components & Principles Significant to the Audit Objectives	
Control Activity Principles	
	Management should design control activities to achieve objectives and respond to risks.
	Management should design the entity's information system and related control activities to achieve objectives and respond to risks.
	Management should implement control activities through policies.
Information & Communication Principles	
	Management should use quality information to achieve the entity's objectives.

We assessed the design, implementation, and operating effectiveness of internal controls significant to the audit objective and performance areas we tested. We identified deficiencies that we believe could affect VCCVS's ability to effectively and efficiently operate, to correctly state financial and performance information, and to ensure compliance with laws and regulations. The internal control deficiencies we found are discussed in the Audit Results section of this report. However, because our assessment was limited to aspects of internal control components and principles significant to the objective of this audit, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

---

<sup>11</sup> This restriction is not intended to limit the distribution of this report, which is a matter of public record.

## VERMONT CENTER FOR CRIME VICTIM SERVICES RESPONSE TO THE DRAFT AUDIT REPORT<sup>12</sup>



**Center for Crime Victim Services**  
58 South Main Street, Suite 1  
Waterbury, VT 05676-1599  
[www.ccvv.vermont.gov](http://www.ccvv.vermont.gov)

[phone] 802-241-1250  
[phone] 800-750-1213  
[fax] 802-241-1253 (Victims Compensation only)  
[fax] 802-241-4337 (General fax)

Thomas Puerzer  
Office of Justice Programs  
Office of Audit, Assessment, and Management  
810 Seventh Street, NW  
Washington, D.C. 20531

June 30, 2020

Dear Mr. Puerzer:

There are five recommendations and VCCVS is addressing each recommendation and including additional documentation to show the changes that has made.

### **Recommendation 1**

**Ensure VCCVS establish appropriate criteria to encourage and document cooperation with law enforcement for victims of sexual assault.**

#### **Initial Response:**

VCCVS concurs with this recommendation. The sexual assault billing form/instructions will now include SANE acknowledgement that victim of sexual assault was provided with information about and the option of forensic evidence collection, the victim was provided with the information regarding reporting the crime to law enforcement, the forensic kit number if a forensic kit was completed, and if the victim declined the forensic kit.

#### **ATTACHMENTS**

1. Sexual Assault Billing Form
2. Criteria Cooperation with Law Enforcement

#### **Responsible Party:**

- Carol Morgan, Compensation Manager
- 802-241-1250

### **Recommendation 2**

**Ensure VCCVS design and implement policies and procedures to obtain and track data necessary to ensure that only costs paid on behalf of victims of sexual assault that align with Vermont's established criteria for cooperation with law enforcement are charged to its federal victim compensation grants and included on its state certification forms.**

#### **Response:**

VCCVS concurs with this recommendation. VCCVS in process of implementing systems that will: Tracking data in CCVS database to ensure that the costs paid by the SAE Program

---

<sup>12</sup> Attachments referenced in this response were not included in the final report.



**Center for Crime Victim Services**  
58 South Main Street, Suite 1  
Waterbury, VT 05676-1599  
[www.ccvv.vermont.gov](http://www.ccvv.vermont.gov)

[phone]	802-241-1250
[phone]	800-750-1213
[fax]	802-241-1253 (Victims Compensation only)
[fax]	802-241-4337 (General fax)

align with the criteria for cooperation with law enforcement as well as meet statutory requirements for payment of eligible medical/forensic expenses by the SAE Program.

#### ATTACHMENTS

3. Criteria Cooperation with Law Enforcement
4. Sexual Assault Billing Form

#### Responsible Party:

- Carol Morgan, Compensation Manager
- 802-241-1250

#### **Recommendation 3**

**Work with VCCVS to strengthen its policies and procedures for awarding lost wages and loss of support.**

#### Response:

VCCVS concurs with this recommendation. VCCVS Compensation Program has revised the Lost Wage Policy Procedures along with strengthening the eligibility, calculation of lost wages and description of employment.

VCCVS has also updated the Loss of Support Verification Form and updated the Loss of Support Procedures.

#### ATTACHMENTS

5. Lost Wage Policy and Procedures
6. Loss of Support Verification Form
7. Loss of Support Procedures

#### Responsible Party:

- Carol Morgan, Compensation Manager
- 802-241-1250

#### **Recommendation 4**

**Ensure VCCVS implement its revised accounting policies and procedures to ensure expenditures are tracked separately by grant award number.**

#### Response:

VCCVS concurs with this recommendation. VCCVS has added language to the policy to note the duty of the Finance Director in assigning the grant award number to each invoice and having that entered into the spreadsheet and system.



**Center for Crime Victim Services**  
58 South Main Street, Suite 1  
Waterbury, VT 05676-1599  
[www.ccvv.vermont.gov](http://www.ccvv.vermont.gov)

[phone]	802-241-1250
[phone]	800-750-1213
[fax]	802-241-1253 (Victims Compensation only)
[fax]	802-241-4337 (General fax)

#### ATTACHMENTS

8. How to Process Compensation Claims within the VISION system and VCCVC  
pages 6-25

#### Responsible Party:

- Carol Brochu, Finance Manager
- 802-241-1250

#### Recommendation 5

**Ensure VCCVS revise its Financial Policies and Procedures Manual to ensure FFRs are accurate and supported by accounting system records.**

#### Response:

VCCVS concurs with this recommendation. VCCVS has developed and implemented new written FFR policies and procedures. VCCVS is now using updated VCCVS Grants & Finance Workflow & Procedures as reference for submitting FFR.

#### ATTACHMENTS

9. How to Process Compensation Claims within the VISION system and VCCVC page  
35

#### Responsible Party:

- Carol Brochu, Finance Manager
- 802-241-1250

Again, thank you for the opportunity to respond to the recommendations.

A handwritten signature in blue ink, appearing to read "Chris Fenno".

Chris Fenno  
Executive Director  
802-241-1250 x 106

## APPENDIX 3

# 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

July 9, 2020

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

FROM: Ralph E. Martin  
Director *Ralph E. Martin*

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs, Victim Compensation Grants Awarded to the Vermont Center for Crime Victim Services, Waterbury, Vermont*

This memorandum is in reference to your correspondence, dated June 10, 2020, transmitting the above-referenced draft audit report for the Vermont Center for Crime Victim Services (VCCVS). We consider the subject report resolved and request written acceptance of this action from your office.

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

1. **We recommend that OJP ensure VCCVS establish appropriate criteria to encourage and document cooperation with law enforcement for victims of sexual assault.**

OJP agrees with this recommendation. With its response to the draft audit report, VCCVS provided a copy of its *Sexual Assault Billing Form* and *Criteria to Encourage and Document Cooperation with Law Enforcement*. VCCVS stated that it is in the process of implementing a tracking system to determine whether a forensic kit was completed or declined by the victim, in order to ensure that the costs paid by the Sexual Assault Program align with the established criteria, as well as meet statutory requirements for payment of eligible medical/forensic expenses by the Sexual Assault Program. These procedures appear adequate to address this recommendation; however the process must be finalized. Accordingly, we will coordinate with VCCVS to obtain a copy of the approved and finalized policies and procedures, once the tracking system is completed.

2. **We recommend that OJP ensure VCCVS design and implement policies and procedures to obtain and track data necessary to ensure that only costs paid on behalf of victims of sexual assault that align with Vermont's established criteria for cooperation with law enforcement are charged to its federal victim compensation grants and included on its state certification forms.**

OJP agrees with this recommendation. With its response to the draft audit report, VCCVS provided a copy of its *Sexual Assault Billing Form* and *Criteria to Encourage and Document Cooperation with Law Enforcement*. VCCVS stated that it is in the process of implementing a tracking system to determine whether a forensic kit was completed or declined by the victim, in order to ensure that the costs paid by the Sexual Assault Program align with the established criteria, as well as meet statutory requirements for payment of eligible medical/forensic expenses by the Sexual Assault Program. These procedures appear adequate to address this recommendation; however the process must be finalized. Accordingly, we will coordinate with VCCVS to obtain a copy of the approved and finalized policies and procedures, once the tracking system is completed.

3. **We recommend that OJP work with VCCVS to strengthen its policies and procedures for awarding lost wages and loss of support.**

OJP agrees with this recommendation. With its response to the draft audit report, VCCVS provided a copy of *Lost Wage Policy and Procedures*, *Loss of Support Verification Form*, and *Loss of Support Procedures*, updated in June 2020. These policies appear adequate to address this recommendation; however, the forms and procedures provided were not signed and approved by a VCCVS authorizing official. Accordingly, we will coordinate with VCCVS to obtain a copy of the approved and finalized policies and procedures.

4. **We recommend that OJP ensure VCCVS implement its revised accounting policies and procedures to ensure expenditures are tracked separately by grant award number.**

OJP agrees with this recommendation. With its response to the draft audit report, VCCVS provided a copy of *How to Process Compensation Claims*. VCCVS stated that the Finance Director will enter the Project Code in the State of Vermont VISION Financial System, as part of the year end procedures to separately track expenditures by grant award number. These procedures appear adequate to address this recommendation; however, the procedures provided were not signed and approved by a VCCVS authorizing official. Accordingly, we will coordinate with VCCVS to obtain a copy of the approved and finalized policies and procedures.



**5. We recommend that OJP ensure VCCVS revise its Financial Policies and Procedures Manual to ensure Federal Financial Reports (FFRs) are accurate and supported by accounting system records.**

OJP agrees with this recommendation. With its response to the draft audit report, VCCVS provided a copy of its *FFR Policy and Procedures Manual*. However, OJP does not believe that VCCVS has adequately addressed this recommendation, as the Manual does not specifically state that Federal Financial Reports will be completed using accounting system records; nor that the records will be maintained for auditing purposes. In addition, the Manual provided was not signed and approved by an authorizing VCCVS official. Accordingly, we will coordinate with VCCVS to obtain written policies and procedures, developed and implemented, to ensure that it completes its FFRs, based on grant-related expenditure data from its financial management system.

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.

cc: Katharine T. Sullivan  
Principal Deputy Assistant Attorney General

Maureen A. Henneberg  
Deputy Assistant Attorney General  
for Operations and Management

LeToya A. Johnson  
Senior Advisor  
Office of the Assistant Attorney General

Jeffery A. Haley  
Deputy Director, Audit and Review Division  
Office of Audit, Assessment, and Management

Jessica E. Hart  
Director  
Office for Victims of Crime

Bill Woolf  
Senior Advisor  
Office for Victims of Crime

Katherine Darke-Schmitt  
Deputy Director  
Office for Victims of Crime



cc: Kathrina S. Peterson  
Acting Deputy Director  
Office for Victims of Crime

James Simonson  
Associate Director for Operations  
Office for Victims of Crime

Ramesa Pitts  
Grants Management Specialist  
Office for Victims of Crime

Charlotte Grzebien  
Deputy General Counsel

Silas V. Darden  
Director  
Office of Communications

Leigh A. Benda  
Chief Financial Officer

Christal McNeil-Wright  
Associate Chief Financial Officer  
Grants Financial Management Division  
Office of the Chief Financial Officer

Joanne M. Suttington  
Associate Chief Financial Officer  
Finance, Accounting, and Analysis Division  
Office of the Chief Financial Officer

Aida Brumme  
Manager, Evaluation and Oversight Branch  
Grants Financial Management Division  
Office of the Chief Financial Officer

Louise Duhamel  
Acting Assistant Director, Audit Liaison Group  
Internal Review and Evaluation Office  
Justice Management Division

OJP Executive Secretariat  
Control Number IT20200611084105

## APPENDIX 4

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

The OIG provided a draft of this audit report to the Office of Justice Programs (OJP) and the Vermont Center for Crime Victim Services (VCCVS). VCCVS's response is incorporated in Appendix 2, and OJP's response is in Appendix 3 of this final report. VCCVC concurred with all our recommendations and provided revised policies and procedures demonstrating its design and implementation of corrective action prepared in response to the draft report.

OJP agreed with our recommendations and discussed the actions it plans to complete to address our recommendations. As a result, the status of the audit report is resolved. The following provides the OIG analysis of the responses and a summary of the actions necessary to close the report.

#### Recommendations for OJP:

**1. Ensure VCCVS establish appropriate criteria to encourage and document cooperation with law enforcement for victims of sexual assault.**

Resolved. OJP agreed with our recommendation. OJP said in its response that VCCVS is in the process of implementing a tracking system to determine whether a forensic kit was completed or declined by the victim to ensure that the costs paid by the Sexual Assault Program align with the established criteria, as well as meet statutory requirements for payment of eligible medical/forensic expenses by the Sexual Assault Program. OJP found that VCCVS's procedures appear adequate to address the recommendation but noted that the process was not finalized. OJP stated it will coordinate with VCCVS to obtain a copy of the approved and finalized policies and procedures once the tracking system is completed.

VCCVS concurred with this recommendation. As part of its response, VCCVS provided its *Criteria to Encourage and Document Cooperation with Law Enforcement* and revised *Sexual Assault Billing Form for Crimes that Occur in Vermont*. In addition to these documents, VCCVS also noted in its response to recommendation number 2, that it was in process of working with an outside vendor on implementing a tracking system to ensure eligible medical/forensic expenses are paid by the Sexual Assault Program.

This recommendation can be closed when we receive documentation demonstrating VCCVS established appropriate criteria to encourage and document cooperation with law enforcement for victims of sexual assault.

**2. Ensure VCCVS design and implement policies and procedures to obtain and track data necessary to ensure that only costs paid on behalf of victims of sexual assault that align with Vermont's established criteria for cooperation with law enforcement are charged to its federal victim compensation grants and included on its state certification forms.**

Resolved. OJP agreed with our recommendation. OJP said in its response that VCCVS is in the process of implementing a tracking system to determine whether a forensic kit was completed or declined by the victim to ensure that the costs paid by the Sexual Assault Program align with the established criteria, as well as meet statutory requirements for payment of eligible medical/forensic expenses by the Sexual Assault Program. OJP found that VCCVS's procedures appear adequate to address the recommendation but noted that the process was not finalized. OJP stated it will coordinate with VCCVS to obtain a copy of the approved and finalized policies and procedures once the tracking system is completed.

VCCVS concurred with this recommendation. As part of its response, VCCVS provided its revised Sexual Assault Examination form that includes data collection fields that track whether a victim chose to have completed or declined a forensic examination. However, VCCVS also stated that it is currently working with its outside vendor to design and implement a tracking system necessary to document this data.

This recommendation can be closed when we receive documentation demonstrating VCCVS designed and implemented policies and procedures to obtain and track data necessary to ensure that only costs paid on behalf of victims of sexual assault that align with Vermont's established criteria for cooperation with law enforcement are charged to its federal victim compensation grants and included on its state certification forms.

**3. Work with VCCVS to strengthen its policies and procedures for awarding lost wages and loss of support.**

Resolved. OJP agreed with our recommendation. OJP said in its response that it reviewed the *Lost Wage Policy and Procedures, Loss of Support Procedures, and Loss of Support Verification Form* provided with VCCVS's response and determined the policies appear adequate to address this recommendation; however, the forms and procedures provided were not signed and approved by a VCCVS authorizing official. OJP stated further that it would coordinate with VCCVS to obtain a copy of the approved and finalized policies and procedures.

VCCVS concurred with this recommendation. We reviewed the revised policies and procedures provided by VCCVS and determined VCCVS added definitions for different types of wages and procedures for determining an employee's rate of pay. For the revised *Loss of Support Procedures* and *Loss of Support Verification Form*, we determined the procedures were revised to

more clearly define some sources of financial support. We also found that the *Loss of Support Verification Form* requires victims or dependents to: (1) certify that they were living with the suspect and financially dependent on the suspect's income to maintain household expenses, and (2) identify the period of time for which they are seeking loss of support.

This recommendation can be closed when we receive documentation demonstrating OJP worked with VCCVS to strengthen its policies and procedures for awarding lost wages and loss of support, and that those policies and procedures have been implemented.

**4. Ensure VCCVS implement its revised accounting policies and procedures to ensure expenditures are tracked separately by grant award number.**

Resolved. OJP agreed with our recommendation. OJP said in its response that it reviewed the *How to Process Compensation Claims* document, provided with VCCVS's response, and determined the procedures appear adequate; however, the document was not signed and approved by a VCCVS authorizing official. OJP stated further that it would coordinate with VCCVS to obtain a copy of the approved and finalized policies and procedures.

VCCVS concurred with this recommendation and provided a copy of its accounting policies and procedures revised during the audit.

This recommendation can be closed when we receive documentation demonstrating VCCVS revised its accounting policies and procedures have been signed by an authorizing official.

**5. Ensure VCCVS revise its Financial Policies and Procedures Manual to ensure Federal Financial Reports (FFR) are accurate and supported by accounting system records.**

Resolved. OJP agreed with our recommendation. OJP said in its response that it reviewed the *FFR Policy and Procedures Manual* and determined that it did not specifically state that FFRs will be completed using accounting system records or that the records will be maintained for audit purposes. OJP also commented that the Manual was not signed by an authorizing official. OJP further stated that it would coordinate with VCCVS to obtain a copy of the approved and finalized policies and procedures that ensure it completes its FFRs based on grant-related expenditure data extracted from its accounting system.

VCCVS concurred with this recommendation and provided its revised FFR and drawdown policies and procedures for completing FFRs. We reviewed the document and determined that the manual requires FFRs to be prepared using Vermont's accounting system data and were revised to include screen shots of the FFRs and the Grants Payment Request System (GPRS) to aid in completing FFRs and reimbursement requests. However, we determined the

FFR procedures were not revised to eliminate language limiting the policy to grants that involve subrecipients and did not include procedures for submitting revised reports.

This recommendation can be closed when we receive documentation demonstrating VCCVS revised its Financial Policies and Procedures Manual to ensure FFRs are accurate and supported by accounting system records.