



Audit of the Office of Justice Programs Victim
Assistance Grants Awarded to the Illinois Criminal
Justice Information Authority,
Chicago, Illinois



AUDIT DIVISION

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*Redactions were made to the full version of this report for privacy reasons.
The redactions are contained only in Appendix 3, the grantee's response,
and are of individuals' names and e-mail addresses.*



Executive Summary

Audit of the Office of Justice Programs Victim Assistance Grants Awarded to the Illinois Criminal Justice Information Authority, Chicago, Illinois

Objective

The U.S. Department of Justice Office of the Inspector General completed an audit of four Victims of Crime Act (VOCA) victim assistance formula grants awarded by the Office of Justice Programs (OJP), Office for Victims of Crime (OVC) to the Illinois Criminal Justice Information Authority (ICJIA) in Chicago, Illinois. The OVC awarded these formula grants, totaling \$365,268,070 for fiscal years (FY) 2015 through 2018, from the Crime Victims Fund to enhance crime victim services throughout Illinois. Our objective was to evaluate how the Illinois Criminal Justice Information Authority (ICJIA) designed and implemented its crime victim assistance 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, (3) grant financial management, and (4) monitoring of subrecipients.

Results in Brief

We concluded that ICJIA used its VOCA funding to enhance services to crime victims. However, we identified areas of ICJIA's grant management in need of improvement. For example, we identified concerns regarding the amount of VOCA funds returned to OJP and an area of potential unmet need. We also determined that ICJIA was not on track to comply with the priority funding areas requirement and did not adequately review performance reports for accuracy. With respect to financial management, although we found that ICJIA established adequate controls over certain activities, we identified dollar-related findings totaling \$645,257. Finally, we found that ICJIA's monitoring activities were not completed as planned and that the monitoring completed still resulted in inadequate oversight of matching funds and programmatic reporting.

Recommendations

Our report contains 28 recommendations to OJP to assist ICJIA in improving its grant management and administration and to remedy questioned costs. ICJIA and OJP responses to our draft audit report can be found in Appendices 3 and 4, respectively. Our analysis of those responses is included in Appendix 5.

Audit Results

Our audit of \$365 million in VOCA grant funding provided to ICJIA for FYs 2015 through 2018 found that ICJIA had – as of May 19, 2020 – drawn down a cumulative amount of \$203,131,817 for all of the grants we reviewed. These OVC grants awarded to ICJIA reflect national program changes in FY 2015 that increased four-fold over the amount of funds available in previous years for state victim assistance programs.

Program Planning, Execution, and Reporting – ICJIA appropriately identified and planned for additional victim service needs with its increased VOCA funding, including quadrupling the number of victims served from 2016 to 2019. However, we noted that ICJIA was unable to distribute all of its 2015 and 2016 VOCA funding, and likely 2017 as well, and there is a potential unmet need related to legal services for victims. We also found that ICJIA did not properly track compliance with the priority funding areas requirement and was not on track to comply with the requirement to allocate 10 percent of the FY 2017 grant to underserved victims.

Questioned Costs – We questioned \$569,006 of administrative expenditures as unsupported and unallowable, including personnel, rent, and contract costs. We also questioned \$40,773 of unsupported matching costs.

Grant Financial Management – ICJIA established adequate controls over certain financial activities; however, we noted concerns with ICJIA's monitoring of fixed contracts, submission of drawdown requests that included duplicate amounts or that resulted in advanced funding, and improper reporting of program income earned.

Monitoring of Subrecipients – While we found that ICJIA had policies for monitoring subrecipients, we noted that ICJIA did not execute fully its monitoring activities as designed, which we believe led to the insufficient provision of matching funds and inaccurate performance statistics reported by some subrecipients. Moreover, we found that ICJIA did not complete all planned site visits and fiscal audits and as a result, the majority of subrecipient expenditures were not adequately monitored.

**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS
VICTIM ASSISTANCE GRANTS AWARDED TO
THE ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY,
CHICAGO, ILLINOIS**

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**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS
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INTRODUCTION

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of four victim assistance formula grants awarded by the Office of Justice Programs (OJP), Office for Victims of Crime (OVC) to the Illinois Criminal Justice Information Authority (ICJIA) in Chicago, Illinois. The OVC awards victim assistance grants annually from the Crime Victims Fund (CVF) to state administering agencies. As shown in Table 1, from fiscal years (FY) 2015 to 2018, these OVC grants totaled \$365,268,070.¹

**Table 1
Audited Grants
Fiscal Years 2015 – 2018**

Award Number	Award Date	Award Period Start Date	Award Period End Date	Award Amount
2015-VA-GX-0049	9/15/2015	10/1/2014	9/30/2018	\$ 77,586,941
2016-VA-GX-0027	9/8/2016	10/1/2015	9/30/2019	87,163,624
2017-VA-GX-0048	9/28/2017	10/1/2016	9/30/2020	71,746,088
2018-V2-GX-0070	8/9/2018	10/1/2017	9/30/2021	128,771,417
Total:				\$ 365,268,070

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

Source: OJP Grants Management System (GMS)

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.² 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. The total amount of funds that the OVC may distribute each year depends upon the amount of CVF deposits made during the preceding years and limits set by Congress (the cap).

In FY 2015, Congress significantly raised the previous year's cap on CVF disbursements, which more than quadrupled the available funding for victim assistance grants from \$455.8 million to \$1.96 billion. In FY 2016, Congress raised the cap again, increasing the available funding for victim assistance to \$2.22 billion.

¹ At the time our audit started, ICJIA had not yet started spending funds from the FY 2018 grant. As such, we did not include expenditures from that particular grant in the scope of our audit.

² The VOCA victim assistance formula program is funded under 34 U.S.C. § 20103.

For FY 2017 and 2018, \$1.8 billion and \$3.3 billion, respectively, was available for victim assistance. The OVC allocates the annual victim assistance program awards based on the amount available for victim assistance each year and the states' population. As such, the annual VOCA victim assistance grant funds available to ICJIA increased from \$17.7 million in FY 2014 to \$128.7 million in FY 2018.

VOCA victim assistance grant funds support the provision of direct services – such as crisis intervention, assistance filing restraining orders, counseling in crises arising from the occurrence of crime, and emergency shelter – to victims of crime. The OVC distributes these assistance grants to states and territories, which in turn fund subawards to public and private nonprofit organizations that directly provide the services to victims. Eligible services are 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.

The Grantee

As the Illinois state administering agency, ICJIA is responsible for administering the VOCA victim assistance program. Founded in 1983, ICJIA's mission is to improve public safety through research-driven grantmaking and policy work. According to its website, the statutory responsibilities of ICJIA fall under the categories of grants administration, research and analysis, policy and planning, and information systems and technology.

OIG Audit Approach

The objective of the audit was to evaluate how ICJIA designed and implemented its crime victim assistance 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, (3) grant financial management, and (4) monitoring of subrecipients.

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 victim assistance program guidelines (VOCA Guidelines) and Final Rule; the DOJ Grants Financial Guide (Financial Guide); and 2 C.F.R. § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) as our primary criteria. We also reviewed relevant ICJIA policy and procedures, obtained and reviewed ICJIA records reflecting grant activity, and interviewed ICJIA personnel to determine how they administered the VOCA funds. We also conducted site visits at six VOCA-funded subrecipients located throughout the state of Illinois - three direct service subrecipients and three lead entities that ICJIA utilizes to distribute VOCA

funds to victim service organizations throughout Illinois as well as monitor these organizations to ensure compliance with grant rules.³

³ 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.

AUDIT RESULTS

Grant Program Planning and Execution

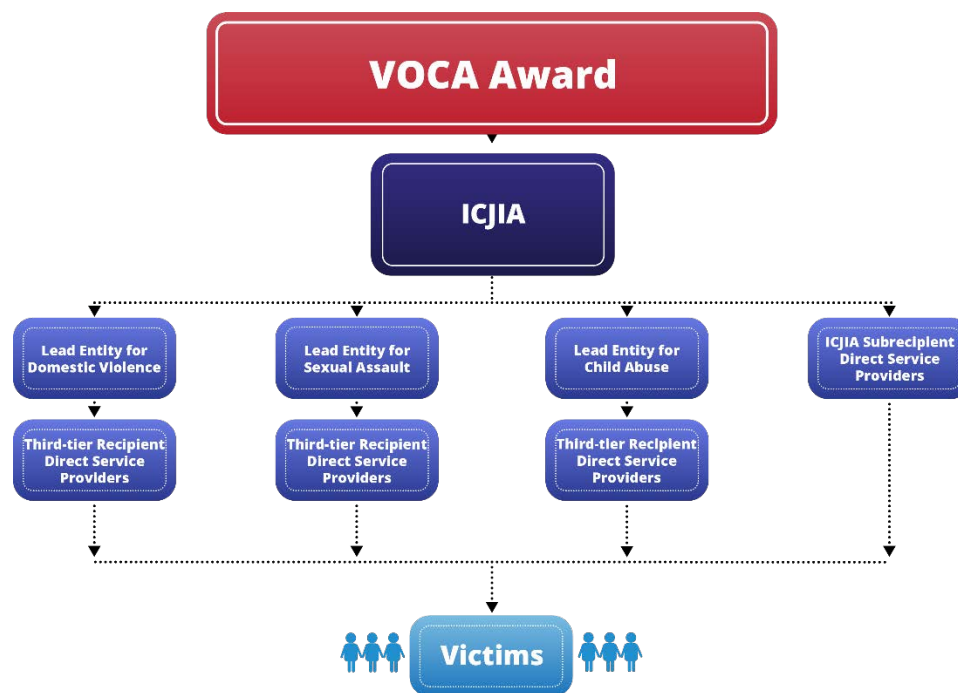
The main purpose of the VOCA victim assistance grants is to enhance crime victim services. ICJIA, which is the primary recipient of victim assistance grants at the state level in Illinois, must ensure the distribution of the majority of the funding to organizations that provide direct services to victims, such as rape treatment centers, domestic violence shelters, and other community-based victim coalitions and support organizations. As the state administering agency, ICJIA has the discretion to select subrecipients from among eligible organizations, although the VOCA Guidelines require state administering agencies give priority to victims of sexual assault, domestic abuse, and child abuse. State administering agencies must also make funding available for previously underserved populations of violent crime victims.⁴ As long as a state administering agency's program allocates at least 10 percent of available funding to victim populations in each of these victim categories, it has the discretion in determining the amount of funds each subrecipient receives.

As part of our audit, we assessed ICJIA's overall plan to allocate and award the victim assistance funding. We reviewed how ICJIA planned to distribute its available victim assistance grant funding, made subaward selection decisions, and informed its subrecipients of necessary VOCA requirements.

ICJIA utilizes a multi-faceted approach for the distribution of available victim assistance funding. First, ICJIA utilizes a traditional funding structure wherein it awards VOCA funds to subrecipients that provide a full range of direct services to victims. ICJIA also awards funds to coalition organizations that function as specialists in three specific victim service areas: sexual assault, domestic violence, and child abuse. ICJIA refers to these organizations as "lead entities" and ICJIA awards funds to these organizations, which in turn execute individual awards with direct service providers throughout the state in their area of expertise. While ICJIA has utilized this structure since prior to the increase in available VOCA funding in 2015, ICJIA's funding structure has evolved over time. Specifically, in 2017, ICJIA began increasing its use of the lead entity funding structure and nearly all funds ICJIA allocated for the three specific areas of sexual assault, domestic violence, and child abuse programs were subawarded to the lead entities. According to an ICJIA official, this structure was adopted because the lead entities had the expertise, knowledge, and standards for subrecipients of each core victim service program area. For the VOCA awards within the scope of our audit, the lead entities received approximately two-thirds of the total funds subawarded by ICJIA; the remaining third of funds were subawarded by ICJIA directly to direct service providers. In addition to the funds the lead entities received to subaward to their subrecipients (hereafter referred to as third-tier recipients), the lead entities received a portion of

⁴ The VOCA Guidelines state these underserved victims may include, but are not limited to, victims of federal crimes; survivors of homicide victims; or victims of assault, robbery, gang violence, hate and bias crimes, intoxicated drivers, bank robbery, economic exploitation and fraud, and elder abuse. The Guidelines also indicate that in defining underserved victim populations, states should also identify gaps in available services by victims' demographic characteristics.

ICJIA's VOCA administrative allowance to help offset the lead entities' costs associated with administering their subawards to direct service providers. The below chart displays the funding structure in Illinois.



Source: OIG depiction of ICJIA VOCA award funding structure

As such, a significant portion of ICJIA's implementation of its victim assistance program involved the three lead entities. Therefore, we also reviewed how ICJIA ensured that the lead entities' VOCA program planning and execution was adequate and compliant with VOCA requirements. As discussed below, we determined that ICJIA appropriately identified and planned to meet additional victim service needs with its increased FYs 2015 through 2018 VOCA funding. While we generally did not identify any issues with its process to select subrecipients, we noted that ICJIA may not be planning and executing its grants as effectively as it could to ensure victims are being served. Specifically, we found that ICJIA returned a significant amount of the 2015 and 2016 awards and will most likely return a large piece of its 2017 award. Additionally, we identified a potential gap in services and a lack of clear communication related to subaward requirements.

Subaward Allocation Planning

ICJIA's planning process begins by convening the Ad Hoc Victim Services Committee, which consists of criminal justice and victim services professionals and members of the community and coordinates efforts to establish recommended funding priorities. These recommendations are presented to ICJIA's Budget Committee for review and ICJIA's Board for approval. In addition to this process, the Budget Committee meets as needed to discuss possible additional funding recommendations. For example, in the event that funds are unused and returned

by a subrecipient, the Budget Committee meets to determine alternate uses for the funds.

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 utilize the substantial increase in available VOCA funding. According to ICJIA's VOCA 2015 Preliminary Plan to Subaward Funds, ICJIA convened a meeting to review past priorities and define new priorities for the use of VOCA funds as well as its Violence Against Women Act grants. An ICJIA official stated that as a result of the 2015 VOCA increase, ICJIA used some of these funds to provide additional funding to existing subrecipients with suggestions to use the additional funds to enhance specific direct service areas, such as pay for personnel. Thus, ICJIA began utilizing its increased VOCA funds expeditiously by providing supplemental funding to subrecipients soon after receiving the increased VOCA funding and after discussions with subrecipients, while also taking time to determine a long-term funding plan.

This long-term increased VOCA fund utilization planning process began in June 2016 with ICJIA hiring a research firm to conduct a victim needs assessment while ICJIA also conducted an internal needs assessment. These needs assessments identified crime victim needs and service gaps, as well as measured the existing capacity of Illinois victim service providers. ICJIA utilized the results of these efforts to develop nine service areas for future funding opportunity announcements. These announcements included the expansion of services in core areas that had previously been funded, including domestic violence, sexual assault, and child advocacy, as well as funding for new service opportunities such as trauma recovery centers. Further, in 2019 ICJIA provided additional funding to the lead entities to subaward funds for technology upgrades to third-tier recipients.

Overall, we found that ICJIA made an effort to provide additional funding for victim services in Illinois through identifying gaps in services and new priorities and, in turn, offering funding opportunities to address those areas. However, ICJIA has returned to OJP unused funding from the FY 2015 and 2016 grants and as of April 2020 approximately 38 percent of the FY 2017 grant had not yet been expended. In addition, during our audit some subrecipients informed us they believed there was a gap in the availability of legal services for victims in the state of Illinois, which we believe ICJIA should consider when allocating its VOCA funding.

Unused Funds

As part of our analysis of ICJIA's subaward allocation plan we reviewed ICJIA's spending plan and payment history. We found that ICJIA did not utilize all of the award funds for the FY 2015 and FY 2016 grants. ICJIA returned \$5,583,440 and \$10,719,213 of FY 2015 and FY 2016 funds, respectively. In April 2020 an ICJIA official stated that ICJIA similarly would not utilize all funds from the FY 2017 grant, although the amount is expected to be less than what was returned for FY 2015 and FY 2016. However, we noted that as of April 2020, ICJIA had not obligated approximately \$2.7 million of its FY 2017 award and subrecipients have

expended only 60 percent of the grant funds, leaving a total of approximately \$27 million to be utilized in the 5 months remaining before the grant funding period expires in September 2020.

ICJIA provided explanations for returning VOCA funding from FY 2015 and 2016. First, ICJIA stated that some subaward programs did not start when anticipated and therefore subrecipients did not have as much time as expected to expend the award funding. Similarly, ICJIA pointed to issues with the process for announcing funding opportunities. Specifically, ICJIA officials explained that given the state-mandated requirement for this announcement process, it can take approximately 6 months from the funding announcement to the start of a subaward program. These officials further noted that this process does not allow for a quick redistribution of available funds once ICJIA realizes it must reallocate funding.

The OIG's July 2019 report, titled *OJP's Efforts to Address Challenges in Administering Crime Victim Fund Programs Audit Report* ("the July 2019 OIG Report"), recognized that the issue of having a large balance of unspent funds was prevalent with other state administering agencies we have examined elsewhere.⁵ In our view, the slow rate in using funds, resulting in significant award balances towards the end of award periods, increases both the risk of wasteful spending and instances of states being required to return unspent funds that were not used to serve victims as intended.

We are aware of the challenges states face when distributing significant increases in funding. The July 2019 OIG Report noted that states would experience challenges in expending the full award amounts within award periods. That report concluded that because of the timing of award distribution from the OVC, states have closer to 3 years rather than full 4-year project periods to spend awards. Additionally, the July 2019 OIG Report recognized that — given the multi-year award periods for the formula grants — the sustained increase in award amounts and current spending patterns indicated that the challenges states have been encountering may be compounded year-over-year as future fiscal years come to a close and each state continues to receive additional funding.

While we understand the challenges states face in distributing VOCA funds, we are concerned about the risks associated with significant unobligated award balances. To address these risks, we recommend that OJP provide ICJIA with an appropriate level of technical assistance to facilitate and enhance the process used by ICJIA to effectively and efficiently award available funding commensurate with the ongoing needs of victims in Illinois.

Potential Gap in Allocation of Funds

In addition to the challenges that ICJIA has faced with distributing the increased VOCA funds since FY 2015, we identified a potential issue with ICJIA's allocation of VOCA funds. During our subrecipient site visits we asked subrecipient

⁵ U.S. Department of Justice (DOJ) Office of the Inspector General (OIG), [Review of the Office of Justice Programs' Efforts to Address Challenges in Administering the Crime Victims Fund Programs](https://oig.justice.gov/reports/2019/a1934.pdf#page=2), Audit Report 19-34 (July 2019), <https://oig.justice.gov/reports/2019/a1934.pdf#page=2>.

officials if they believed there were unmet victim needs in the state and some subrecipients expressed concern about a gap in the availability of legal services for victims. Specifically, subrecipients we interviewed indicated that in some instances victims over a certain income level are not eligible for services. Subrecipients also noted some concern that legal aid subrecipient organizations may not have the necessary expertise or capacity for representing the types of victims needing assistance. We are concerned that these perceptions among direct service providers could result in victims receiving incorrect information about what services they can and cannot receive or could contribute to victims being dissuaded from seeking VOCA-funded legal services altogether.

To assess the concerns of these subrecipients, we reviewed ICJIA's legal assistance funding opportunity announcements and subawards and determined that these documents instruct subrecipients to make services available to victims independent of a victim's income. We further noted that these documents require that legal aid organizations receive relevant training, such as domestic violence training and trauma skills training. We also confirmed during a site visit to a legal aid subrecipient that it had policies and procedures addressing these matters. Although we confirmed the existence of these program elements in ICJIA's efforts to provide legal service assistance to victims in the state of Illinois, the prevalence of the remarks during our various subrecipient site visits indicates that the availability of legal services was an area of concern among direct service providers. Civil legal services had been identified in ICJIA's needs assessments and, further, ICJIA officials stated they were aware of the subrecipients' concerns regarding the availability of legal services across the state and stated that they have had multiple discussions with lead entities about VOCA-related legal services over the past few years. ICJIA officials also stated that legal aid subrecipients were invited to attend ICJIA's March 2020 quarterly lead entity meeting to bring stakeholders together to discuss this issue. However, this meeting was cancelled due to public health matters surrounding the COVID-19 pandemic.⁶ Therefore, we recommend that OJP require ICJIA to review its efforts to provide VOCA funding for legal services and determine if improvements are appropriate.

Subaward Selection Process

To assess how ICJIA granted its subawards, we identified the steps that ICJIA took to inform, evaluate, and select subrecipients for VOCA funding. ICJIA funding opportunities are referred to as Uniform Notice for Funding Opportunities (NOFO), which are either competitive or non-competitive and are provided on a 3-year cycle. There are different NOFOs to cover various victim service areas, which are determined and made available depending on the results of ICJIA's subaward planning process. At the beginning of the subaward cycle, eligible organizations may submit an application under individual NOFOs. For example, if ICJIA determined that its victim assistance program needed entities to provide transitional housing services to victims in the state, it would issue a transitional housing-specific NOFO and relevant entities could apply for a subaward through

⁶ COVID-19 is a strain of coronavirus that was the cause of a global outbreak of respiratory illness in 2020.

that NOFO. Competitive NOFOs are posted for at least 30 days and announced through various methods including Illinois' statewide Grant Accountability and Transparency Act (GATA) portal, on the ICJIA website, and through e-mail subscription lists.⁷ Non-competitive NOFOs are made available for specific organizations, based on ICJIA's identification of a particular need, such as a statewide domestic violence hotline or lead entities to further subaward funds throughout the state of Illinois for sexual assault, domestic violence, and child abuse.

Grants awarded in the first year of the subaward cycles generally provide funding for a 12-month period. Subrecipients must be reevaluated by ICJIA every year and must submit documentation indicating that grant objectives have been met. If the reevaluation is successful, subrecipients will receive funding for the next year of the cycle. Subaward funding amounts generally stay the same for each year within the 3-year subaward cycle.

ICJIA subaward applicants first must complete certain pre-award requirements within the GATA portal. These pre-award requirements include, but are not limited to, ensuring that the organization has not been on the Federal Excluded Parties List, verifying that the organization is not on the Illinois ineligibility list to receive grant funds, and completing various risk assessments. Applications are first assessed by a review team comprised of at least three people from ICJIA staff and external subject matter experts. During this process each applicant's strengths and weaknesses are discussed. After this review, final scores are determined, and funding recommendations are provided to the Budget Committee. As of April 2020, ICJIA made 199 subawards to 89 organizations with 2015 VOCA funds, 80 subawards to 67 organizations with 2016 VOCA funds, 42 subawards to 37 organizations with 2017 VOCA funds, and 63 subawards to 60 organizations with 2018 VOCA funds.⁸

We found that ICJIA's subaward selection process was generally adequate to provide funding for a variety of services and types of victims. Additionally, in their subaward applications to ICJIA, the lead entities were required to describe their subaward selection processes; these processes were then incorporated into the subaward agreements between ICJIA and each lead entity. We reviewed the lead entities' subaward selection processes and found them to match the descriptions incorporated into the subaward agreements. Further, we found them to be similar to ICJIA's as the lead entities' processes included funding announcements, applications, scoring, and awarding that resulted in a 3-year funding cycle.

⁷ The state of Illinois enacted GATA in 2015. Its goals are to eliminate duplicate grant requirements and reduce administrative burdens, while increasing accountability and transparency for grant administrators and grantees. The GATA portal helps non-federal entities in Illinois comply with GATA.

⁸ As noted above, ICJIA's uses of a multi-tiered subaward funding structure by which three ICJIA lead entities (sexual assault, domestic violence, and child abuse) would select and award VOCA funding to third-tier recipients. ICJIA's use of this structure has evolved over time, which accounts for the significant fluctuations in the numbers of subawards.

Although we found that ICJIA's subaward selection process was generally adequate, we identified an issue with one subaward. We learned that ICJIA allocated to itself \$250,172 of its direct service FY 2017 VOCA funds for a 1-year subaward for updates to its central electronic repository, InfoNet, to expand the case management module. According to documents from the time of the award, ICJIA intended to provide the InfoNet case management system services to its subrecipients at no cost. ICJIA's justification for the award also indicated that officials believed a case management system would support more efficient operations because use of the technology would free up additional subrecipient resources to deliver services. ICJIA documentation also noted that case management systems are an allowable VOCA expenditure at the subrecipient level.

An ICJIA official informed us that ICJIA had consulted the OVC regarding the allowability of funding InfoNet with direct service funds, which this official believed that the OVC had approved. According to an e-mail exchange on the matter, the OVC stated that if ICJIA offered its subrecipients use of InfoNet for a fee and subrecipients selected it as a vendor, such costs would be allowable for the subrecipients. The OVC official stated in the e-mail exchange that the OVC was "reluctant to say that the SAA [State Administering Agency] cannot use VOCA funds to support the same costs in a way that appears (arguably) *more* efficient and likely to leverage VOCA funds to provide better direct services, and lower audit risks and subrecipient overhead at the same time." However, the OVC official further stated that internal OVC conversations on the matter were continuing. ICJIA was not able to provide any additional documentation that the OVC had ultimately approved the use of VOCA funds for ICJIA's own direct service project.

While we confirmed that ICJIA provided the use of InfoNet to subrecipients at no cost, we are concerned that the InfoNet subaward may not have resulted in an efficient use of funds to serve victims in the state of Illinois. For example, we asked ICJIA if the estimated cost of enhancing InfoNet was compared to the estimated cost of continuing to reimburse subrecipients for their individual case management-related costs, but no comparison was provided. Therefore, it is unclear if ICJIA expects there to be cost savings resulting from the VOCA-funded InfoNet enhancement. Moreover, we also learned that ICJIA surveyed InfoNet users and found that only 42 percent utilize the case management module. Additionally, during our site visits to the lead entities we were informed that only a limited number of their subrecipients used InfoNet for case management purposes. Further, one lead entity stated it had just developed its own case management system for its subrecipients to use. Based on this information, it is not apparent to us how many subrecipients ICJIA expects to utilize an expanded InfoNet when less than half of the currently eligible users utilize it.

We also noted that the InfoNet system is described by ICJIA as a data collection and reporting system that facilitates standardized data collecting and reporting at the state level. The justification for this subaward notes that the subaward will address two needs assessment priority areas: the implementation of evidence-informed and based programming and the collection and reporting of data that document victim services. While the data collection and reporting function of InfoNet would appear to support these goals because expanding use of the system

would result in more service providers using InfoNet for these purposes, it is unclear how expanding the case management function (the reason for the subaward) would support these goals since one does not need to utilize the case management function to utilize the existing data collection and reporting functions. Prior to this subaward, expenses for maintaining InfoNet that were applicable to VOCA came from ICJIA's VOCA administrative expense allowance. While we agree with the OVC's assessment that this subaward could be for an allowable purpose, we believe that ICJIA may not have fully assessed whether the costs for expanding InfoNet would be beneficial relative to the case management services it will provide and whether the enhancements would provide greater benefit to ICJIA rather than its subrecipients. We therefore recommend that OJP coordinate with ICJIA to reexamine the appropriateness of the ICJIA subaward for expanding InfoNet.

Subaward Requirements

State administering agencies must adequately communicate VOCA requirements to their subrecipients. We reviewed ICJIA's subaward NOFOs and award packages to determine how it communicated its subaward requirements and conveyed to potential applicants the VOCA-specific award limitations, applicant eligibility requirements, eligible program areas, restrictions on uses of funds, and reporting requirements. We found that NOFOs included specific program requirements as well as requirements related to matching funds, indirect cost rates, allowability of costs, and performance measures. In addition, subrecipients received additional information, such as the VOCA special conditions, through the written grant agreement. Furthermore, because ICJIA provided the lead entities with a template to use when subawarding VOCA funds, the subaward requirements were passed on to the lead entities' third-tier recipients; this template included all of the relevant VOCA terms and conditions.

While we found that ICJIA passed on the subaward requirements to the entities receiving VOCA funding, we note that during our subrecipient site visits various officials from different entities told us that certain requirements are not always communicated clearly. Specifically, subrecipients would like clearer guidance and improved communication from ICJIA on the allowability of individual types of costs. For example, subrecipients believe that for transportation and travel ICJIA maintained state-specific restrictions that are not included in the VOCA Final Rule or the Uniform Guidance, but these restrictions were not adequately documented or communicated by ICJIA. Although the costs in question may not be a significant portion of a subrecipient's budget, a lack of clarity can cause an unnecessary administrative burden for both the subrecipient and ICJIA related to the preparation and approval of budgets and monitoring of expenditures. We recommend OJP ensure ICJIA adequately communicates to its subrecipients its policies or interpretations affecting the allowability of subrecipient costs.

Program Requirements and Performance Reporting

To determine whether ICJIA distributed VOCA victim assistance program funds to enhance crime victim services, we reviewed ICJIA's distribution of grant funding via subawards among local direct service providers. We also reviewed

ICJIA performance measures and performance documents used to track goals and objectives. We further examined OVC solicitations and award documents and verified ICJIA's compliance with special conditions governing recipient award activity.

Based on our assessment in the areas of program requirements and performance reporting, we found that ICJIA did not, in all instances, comply with applicable program requirements because ICJIA: (1) does not monitor and, for the FY 2017 grant, is not on track to fulfill the distribution requirements to priority victim groups, (2) did not implement adequate procedures to compile annual performance reports, and (3) did not fully comply with some of the tested special conditions. Noncompliance with program requirements could impact ICJIA's ability to properly administer its VOCA awards and OJP's ability to properly administer its programs.

Priority Areas Funding Requirement

The VOCA Guidelines require that ICJIA 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. The VOCA Guidelines give each state administering agency the latitude for determining the method for identifying "previously underserved" crime victims.⁹ As previously discussed, ICJIA completed a needs assessment in 2016; that needs assessment identified the underserved population in Illinois as second language learners, elderly, and homeless, among others.

We examined how ICJIA allocated VOCA subawards to gauge whether it was on track to meet the program's distribution requirements calling for a total of forty percent of grant funds to be allocated to the four aforementioned categories. Grantees report fund distribution information in the Subgrant Award Reports (SAR) submitted to the OVC. During our audit we found that ICJIA simply collected the information but did not assess it or any other available information to determine its compliance with the allocation requirement. According to an ICJIA official, ICJIA relied on the OVC's grant monitor to notify them of their progress toward compliance with the allocation requirements. This official further explained that when the OVC notified ICJIA of noncompliance with the allocation requirement, it was determined that subrecipients had reported to ICJIA incorrect allocation information.

We reviewed the reported amounts for each of the four categories for the 2015 through 2017 awards to determine whether ICJIA met or was on track to meet the requirement.¹⁰ We found that ICJIA complied with the minimum VOCA distribution requirement for the 2015 and 2016 grants. However, our review of the

⁹ Methods for identifying "previously underserved" victims may include public hearings, needs assessments, task forces, and meetings with statewide victim services agencies.

¹⁰ Although the 2017 award period has not ended, we included it in our assessment because the majority of funds had been subawarded. Conversely, we did not review the 2018 award because the majority of the funds had not yet been allocated to subrecipients.

2017 award found that the distribution requirement for the previously underserved category had not yet been met. As of April 2020, while ICJIA had designated 96 percent of the 2017 award, based on information obtained from the SARs ICJIA had only allocated 5 percent for the underserved victim category.

We believe that ICJIA needs its own method to account for and track funding awarded to the required priority areas. Although ICJIA may have met the requirement by reviewing other metrics, we note that the current method is not a proactive approach for ensuring compliance, and ICJIA is not taking responsibility for this requirement. We recommend that OJP require that ICJIA employs an adequate and reliable process for tracking grant spending by priority area. In addition, we recommend that OJP determine what action should be taken for ICJIA's 2017 award for which it is not on track to comply with the priority funding area requirement for previously underserved victims.

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 OVC requires states to upload reports annually to its Grants Management System. As of FY 2016, the OVC also began requiring states to submit performance data through the web-based Performance Measurement Tool (PMT). With this system, states may provide subrecipients direct access to report quarterly data for state review, although the OVC still requires that if the subrecipient completes the performance measure data entry directly, the state must approve the data. For the victim assistance grants, the states must report the number of agencies funded, VOCA subawards, victims served, and victim services funded by these grants. Additionally, according to a special condition of the victim assistance grants, the state must collect, maintain, and provide to the OVC data that measures the performance and effectiveness of activities funded by the award.

We discussed with an ICJIA official how the agency compiled performance report data from its subrecipients. This official stated that direct subrecipients were required to enter quarterly performance statistics directly into PMT. Once the PMT data was entered, ICJIA grant monitors would compare the data reported to a subrecipient's estimated performance figures submitted in its initial subaward application. If inconsistencies or anomalies were found with the data reported, the grant monitors would work with individual subrecipients to obtain explanations for the differences. According to officials we interviewed, lead entities and their pass-through subrecipients generally utilized a similar reporting structure. Specifically, performance data is to be submitted by the third-tier recipients to the lead entities and verified before it is entered into PMT.

We reviewed ICJIA's Annual Performance Reports for FY 2016 and FY 2019.¹¹ We noted that from FY 2016 to FY 2019, ICJIA reported that it quadrupled the

¹¹ As a result of our comprehensive examination of ICJIA victim assistance program activity during the scope of audit, we determined that it was appropriate to review the FY 2016 and FY 2019 reports to understand the growth in ICJIA's program and its use of the increased VOCA funding beginning with the OVC award in FY 2015.

number of victims served, from 60,627 in FY 2016 to 235,019 in FY 2019. Table 2 presents summary data from these annual performance reports.

Table 2
Summary from ICJIA's Victim Assistance Program
Annual Performance Reports for FYs 2016 and 2019

Performance Category	FY 2016 Data Reported	FY 2019 Data Reported
Number of Victims Served	60,627	235,019
Number of Services Provided	103,785	442,627

Source: ICJIA Annual State Performance Reports for FYs 2016 and 2019

To assess whether ICJIA's annual performance report to the OVC fairly reflected the performance figures its subrecipients had reported to the state, we reviewed performance reports and supporting documentation for the lead entities and the three direct-funded subrecipients selected for site visits. We were able to reconcile the performance data reported by the lead entities without issue. However, we found that only one of the three direct ICJIA subrecipients we reviewed was able to support the submitted data. We believe the issues we identified with subrecipient reporting are attributable to weak monitoring practices, and we discuss this matter more in-depth in the *Monitoring of Subrecipients* section below.

Compliance with Special Conditions

The special conditions of a federal grant award establish specific requirements for grant recipients. In its grant award documents, ICJIA certified it would comply with these special conditions. We reviewed the special conditions for the VOCA victim assistance program grants and identified and tested compliance with six special conditions that we deemed significant to grant performance and which are not otherwise addressed in another section of this report.

The first special condition that we tested was for the submission of the SARs. For each victim assistance grant, the states must submit a SAR for each subaward with basic information on every subrecipient that receives victim assistance funds. We found that ICJIA did not fully comply with this requirement for the FYs tested, 2015 through 2018.

We first compared a list of ICJIA's direct service subgrants to the list of SARs submitted to OVC. While the submissions for FY 2017 and 2018 were complete, we identified 39 subgrants from the FY 2015 and FY 2016 grants for which a SAR was not submitted. After testing ICJIA's submissions for its direct service subrecipients, we then reviewed the submissions for ICJIA's three lead entities and the third-tier recipients. During our audit, an ICJIA official informed us that lead entities are required to submit third-tier recipient SARs to ICJIA on behalf of the third-tier recipients. ICJIA then combines the data to make an aggregate SAR entry into PMT

resulting in third-tier recipient data reported under the corresponding lead entities as a single aggregate entry in PMT. For example, 1 lead entity with 35 third-tier recipients receiving FY 2018 VOCA funds was reported to the OVC on 1 SAR with information about the lead entity and cumulative information on funding provided to the 35 third-tier recipients. We confirmed with an OVC official that all organizations that spend VOCA funds on direct victim services are required to submit a SAR. Therefore, in the example provided, ICJIA was required to submit 35 separate SARs with information about each direct service provider and the amount of funding awarded. The method that ICJIA executed failed to provide the OVC with the information about the direct service providers that the OVC is expecting. Therefore, we recommend that OJP ensure that ICJIA establish policies and procedures for complete and appropriate SAR submissions. We further recommend that OJP coordinate with ICJIA on the appropriate and reasonable submission of SARs for its previously awarded VOCA subgrants.

We also tested the special condition requiring the reporting of subrecipient information under the Federal Funding Accountability and Transparency Act (FFATA). Under this requirement, the states must report first-tier subawards of \$25,000 or more. Our analysis of the FFATA reports during the period we reviewed identified 30 out of 346 subgrants for which a FFATA report was required but not submitted. Therefore, we recommend that OJP require that ICJIA establish policies and procedures for complete and proper submission of FFATA reports. Additionally, we recommend that OJP coordinate with ICJIA on the appropriate and reasonable submission of FFATA reports for its previously awarded VOCA subrecipients.

The third special condition we tested was the requirement to report to OJP's Office for Civil Rights any findings of discrimination against a recipient of VOCA funds. During our review of subrecipient files at ICJIA, we found copies of findings in which a subrecipient was found to have denied reasonable accommodations or unlawfully discriminated against aggrieved parties. An ICJIA official informed us that these findings were not reported to OJP's Office for Civil Rights. Therefore, we recommend that OJP ensure that ICJIA submits all required documentation related to discrimination findings against subrecipients of ICJIA's VOCA funds.

The other three special conditions that we tested related to compliance with attending the annual VOCA National Training Conference, required training for subaward point of contacts and financial point of contacts, and compliance with the use of federal funds for expenses related to conferences, meetings, trainings, and other events. We did not identify any areas of non-compliance with these three special conditions.

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 ICJIA's financial management of the VOCA grants, we reviewed the process ICJIA used to administer these funds by examining expenditures charged to the grants, drawdown requests, match contributions, and financial reports. To further evaluate ICJIA's financial management of the VOCA grants, we also

reviewed the Single Audit Reports for FYs 2015 to 2017 and identified no significant deficiencies or material weaknesses specifically related to ICJIA. In addition, we interviewed ICJIA personnel who were responsible for financial aspects of the grants, reviewed ICJIA 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 ICJIA established adequate controls over certain financial activities, such as financial reporting, but could improve its processes in other areas, such as grant administrative expenditures, match, and drawdowns.

Grant Expenditures

State administering agency victim assistance expenses fall into two overarching categories: (1) reimbursements to subrecipients – 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.

Reimbursements to Subrecipients

ICJIA's subrecipients request payment from ICJIA via periodic financial reports (PFR) submitted through e-mail either monthly or quarterly; subrecipients have the discretion to determine the payment request frequency. As of April 2020, we found that ICJIA paid a total of \$182,502,703 to its subrecipients with the VOCA victim assistance program funds in the scope of our audit. Approximately two-thirds of those subrecipient expenditures, or \$124,261,553, were incurred by lead entity third-tier recipient organizations. The remaining \$58,241,150 was incurred by ICJIA's direct subrecipients.

To evaluate ICJIA's financial controls over VOCA victim assistance grant expenditures, we reviewed a sample of transactions from ICJIA's direct subrecipients to determine whether the payments were accurate, allowable, and in accordance with the VOCA Guidelines.¹² During our direct subrecipient site visits we obtained cost ledgers for each VOCA subaward within our scope. From these we judgmentally selected transactions totaling \$216,219 for review. The transactions we reviewed included costs in the following categories: (1) personnel, (2) fringe benefits, (3) travel, (4) contracts/consultants, (5) supplies, (6) equipment, and (7) operating costs.

¹² The scope of our audit focused on the State Administering Agency, ICJIA, and as a result we tested reimbursements between ICJIA and its direct subrecipients and ICJIA and the lead entities. We did not test reimbursements from the lead entities to the third-tier recipients as they were outside the scope of our review. However, as discussed in the *Monitoring of Subrecipients* section of this report, ICJIA required the lead entities to provide a description of their financial monitoring procedures and incorporated those procedures into the subaward agreements with the lead entities. During our site visits we determined that the lead entities had financial monitoring policies in place.

We did not question any subrecipient expenditures based on our testing. However, our review of transactions identified an expenditure for which a subrecipient did not provide adequate supporting documentation. This subrecipient charged the VOCA subaward for an employee's bonus; however, the subrecipient did not provide an employee agreement or established plan to support this cost, as required by the Uniform Guidance. Upon our further review of this cost, we found that the bonus cost was not equitably allocated to the VOCA subaward and the sources of funding for the position. While we did not question this bonus cost due to its immateriality, we believe that subrecipients could have charged the VOCA subaward for similar bonus costs that were outside of our selected sample of transactions for review. As a result, we recommend OJP ensure that ICJIA reiterates to its subrecipients the requirements from the Uniform Guidance related to bonuses, specifically regarding requirements for employee agreements or an established plan and equitably allocating the costs.

Administrative Expenditures

The state administering agency may retain up to 5 percent of each grant to pay for administering its crime victim assistance program and for training. According to the 2016 VOCA Final Rule, such costs must derive from efforts to expand, enhance, or improve how the agency administers the state crime victim assistance program and to support activities and costs that impact the delivery and quality of services to crime victims throughout the state. While federal grant-funded administrative costs generally must relate to a specific program, for VOCA assistance awards, the VOCA Final Rule states that funds for administration may be used to pay for costs directly associated with administering a state's victim assistance program.¹³

For the victim assistance grant program, we tested ICJIA's compliance with the 5-percent limit on the administrative category of expenses, as shown in Table 3. We tested ICJIA's compliance with the 5-percent limit on administrative expenses for the 2015 through 2017 grants by comparing ICJIA's total administrative expenditures charged to the grants to the total grant award value.¹⁴ We found that for each award ICJIA's administrative expenditures were exactly 5 percent of the award amount.

¹³ OVC officials have indicated that the definition of a state's "victim assistance program" may include both VOCA and non-VOCA activities supported by the state administering agency, as long as the activities relate to victim assistance.

¹⁴ When we initiated our fieldwork, ICJIA had not yet started spending funds from its FY 2018 grant.

Table 3
Administrative Expenditures

Award Number	Total Award	State Administrative Expenditures	Administrative Percentage
2015-VA-GX-0049	\$ 77,586,941	\$ 3,879,347	5 percent
2016-VA-GX-0027	\$ 87,163,624	\$ 4,358,166	5 percent
2017-VA-GX-0048	\$ 71,746,088	\$ 3,587,304	5 percent

Source: GMS and ICJIA Accounting Records

In addition to testing ICJIA's compliance with the 5-percent administrative allowance, we also tested a sample of administrative costs to determine if the costs were supported, allowable, and properly allocated. The judgmental sample of \$3,415,945 in administrative expenditures we tested included personnel and non-personnel costs including contractual services and telecommunications and transactions from fixed contracts with the lead entities for their administrative costs. Based on our testing, we found that the majority of expenditures were accurately recorded, computed correctly, and properly allocated to the grant. The costs reviewed reconciled to the support provided, such as timesheets, paystubs, invoices, travel reports, allocation records, and indirect cost rate agreements. However, we identified questioned costs and concerns with ICJIA's awards of administrative funds to lead entities, as detailed below.

For ICJIA's personnel-related administrative costs, we obtained a comprehensive listing of all personnel costs charged to the grants during our audit review period, and we tested identified anomalies. Additionally, we judgmentally selected 10 employees' labor costs charged to the grants in our audit review period; this sample totaled \$1,379,350. We found a total of \$504,795 in unsupported personnel costs, including:

- \$476,890 of labor and associated fringe costs for which ICJIA did not have documentation required by its personnel allocation policy to support the costs allocated to VOCA for certain staff members. ICJIA attempted to locate the documentation; however, an ICJIA official stated that this paperwork was kept by two former employees, both of whom left the organization.
- \$16,577 of unsupported salary, fringe, and indirect costs associated with an employee's salary and related costs that were incorrectly charged to the VOCA grant for two pay periods. ICJIA was aware of the mistake and identified that a drawdown adjustment was needed; however, ICJIA did not provide evidence to show that it made the necessary adjustment.
- \$11,328 of unsupported costs associated with unused vacation and sick leave paid out upon separation because ICJIA did not provide allocation documentation, as required by its policy, as evidence to show that these costs should have been charged entirely to VOCA versus allocated to all the projects the employee worked on when earning the paid leave.

We recommend that OJP remedy the \$504,795 of unsupported personnel administrative costs.

We also examined 25 judgmentally selected transactions totaling \$1,847,009 of non-personnel administrative costs. We found that ICJIA charged the FY 2015 grant \$1,385 for one month's rent for a satellite office. When we asked ICJIA about this cost, an official stated that this rent was not applicable to VOCA work and should not have been charged to the grant. We subsequently found that rent for this location was charged for 5 separate months, totaling \$6,938.

Additionally, we reviewed ICJIA's fixed amount contracts with its lead entities; these contracts are awarded out of ICJIA's administrative funds and support the lead entities' downstream administrative requirements. We found that one of the lead entity's administrative fixed amount contracts was amended by ICJIA to bring this contract in line with the performance dates of ICJIA's subawards. As such, the 12-month contract was amended to include only 9 months of work, but the total contract value was not reduced accordingly, and the lead entity was paid the entire amount. Furthermore, the lead entity was issued a subsequent fixed amount contract for the same services, which included the same 3 months that were removed from the original contract's performance dates. Therefore, the lead entity effectively was double paid for the 3 months in question. We calculated this to result in \$57,273 in unallowable costs. We recommend that OJP remedy the total \$64,211 of unallowable non-personnel administrative costs.

Regarding the fixed amount contracts issued to the lead entities, we also identified an issue with ICJIA's use of these instruments. ICJIA representatives stated they issued these agreements as contracts, and not reimbursable subawards, due to their belief that they could not issue subawards with VOCA administrative funds. However, we noted that ICJIA treated the fixed contracts as reimbursable agreements, requiring the lead entities to submit requests for reimbursement similar to the manner by which ICJIA's direct subrecipients are reimbursed. While issuing fixed contracts is allowable, we note that by utilizing this reimbursement process, ICJIA – and consequently the lead entities – may not benefit from certain advantages of using fixed amount contracts, such as a lesser administrative burden and fewer record-keeping requirements. On the other hand, by utilizing fixed amount contracts, ICJIA does not have as much flexibility to adjust the amount of the contract in the event that there are needed modifications to the performance period or activity, which may result in the misuse or waste of VOCA funds. Therefore, we recommend OJP ensure that ICJIA's policies clearly identify the types of agreements available and distinguish the required monitoring commensurate with those agreement types.

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. To assess whether ICJIA managed grant receipts in accordance with these federal requirements, we

compared the total amount reimbursed to the total expenditures in ICJIA's accounting system and accompanying financial records.

For the VOCA victim assistance awards, ICJIA draws down funds on a reimbursement basis. After calculating recent subrecipient costs and incorporating administrative and indirect costs, ICJIA requests reimbursement approximately two to four times each month. Table 4 shows the total amount drawn down for each grant as of May 2020.

Table 4
Amount Drawn Down for Each Grant as of May 19, 2020

Award Number	Total Award	Award Period End Date	Amount Drawn Down	Amount Remaining	Disposition
2015-VA-GX-0049	\$ 77,586,941	9/30/2018	\$71,950,103	\$53,399	Returned and de-obligated*
2016-VA-GX-0027	87,163,624	9/30/2019	76,444,411	10,719,213	Award activity completed; not yet de-obligated
2017-VA-GX-0048	71,746,088	9/30/2020	44,609,636	27,136,452	Open Award
2018-V2-GX-0070	128,771,417	9/30/2021	10,127,667	118,643,750	Open Award**
Total:	\$365,268,070		\$203,131,817	\$156,552,814	

* OJP deobligated \$5,583,440 of the amount not utilized by ICJIA on the FY 2015 award. An ICJIA official told us that OJP had not resolved \$53,399 associated with the FY 2015 award pending the results of this audit. Note that these amounts are rounded which may result in immaterial differences.

** The drawdowns for the FY 2018 grant occurred after the start of our audit. As noted earlier in the report, we did not include expenditures from the FY 2018 grant in the scope of our audit.

Source: OJP

During this audit, we did not identify significant deficiencies related to ICJIA's process for developing drawdown requests. However, we identified deficiencies and questioned costs related to compliance of individual expenditures with grant rules as described in the Grant Expenditures sections above. Additionally, we identified a \$35,478 drawdown from the 2016 grant with no corresponding expenditures. We identified an expenditure for this exact amount included in a previous drawdown. We asked an ICJIA staff member about this and were told that this amount was drawn down twice as a mistake. Therefore, we recommend that OJP remedy the \$35,478 in overdrawn funds.

We also noted certain anomalous drawdown activity in January 2019 associated with the partial shutdown of the U.S. government. ICJIA drew down \$15,000,000 for reimbursing subrecipients from the FY 2016 grant on January 18, 2019, and a total of \$800,000 for administrative costs from the FY 2017 grant in 2 separate draws on January 16 and 18, 2019. An ICJIA staff member stated that the drawdowns occurred during the FY 2019 federal

government lapse in appropriations and partial federal government shutdown from December 22, 2018, through January 25, 2019, and ICJIA made the draws to ensure that adequate funds would be available to reimburse subgrantees in a timely manner and cover administrative costs during the partial federal shutdown. We discussed this activity with OJP officials, who stated that OJP informed grantees that throughout the shutdown period OJP would remain able to process requests to draw funds except for the period of December 26, 2019, through January 7, 2020, which ended prior to the large ICJIA draws that began on January 16, 2020. As such, it was not necessary for ICJIA to draw down the funds in advance. An ICJIA official stated that the \$15,000,000 drawdown amount was based on a review of subrecipient expenditure activity from previous quarters. However, we noted that only \$7,171,153 of these funds were used to reimburse subrecipients, and in March 2019 ICJIA refunded the remaining balance to the federal government. This balance of \$7,828,847 is therefore considered advanced funding.

We also examined the \$800,000 drawn down for administrative costs during the shutdown. Based on ICJIA's accounting records, ICJIA only spent \$414,734 on expenditures in arrears and within 10 days of the drawdown date. Although ICJIA applied the remaining \$385,266 to future expenditures, we noted that these expenditures occurred after the 10-day limit. Therefore, the \$385,266 is also considered advanced funding.

When grantees have excess cash on hand, they may owe interest to the federal government. We found that ICJIA would have earned interest on the advanced funding from these drawdowns during the partial federal government shutdown as the funds were deposited in an interest-bearing account. The DOJ Financial Guide addresses this circumstance as follows:

The Cash Management Improvement Act of 1990 (Public Law No. 101-453) was an amendment to the Intergovernmental Cooperation Act of 1968 (31 USC § 6503). Under the CMIA, States are no longer exempt from returning interest to the Federal Government for drawing down funds prior to the need to pay off obligations incurred. Rather, States are required to pay interest in the event that the State draws down funds before the funds are needed to pay for program expenses.

We asked an ICJIA staff member about this, and she stated that she did not know what to do with the interest earned by these grant funds. Furthermore, the bank account used held funds from at least 19 other grants, and ICJIA had not tracked the interest total attributable to only the VOCA funds. We recommend that OJP coordinate with ICJIA to identify the total amount of interest earned by VOCA funds drawn down in advance and remedy those funds as appropriate.

Matching Requirement

VOCA Guidelines require that subrecipients match 20 percent of the project cost. The purpose of this requirement is to increase the amount of resources available to VOCA projects, prompting subrecipients to obtain independent funding sources to help ensure future sustainability. Match contributions must come from

non-federal sources and can be either cash or an in-kind match.¹⁵ The state administering agency has primary responsibility for ensuring subrecipient compliance with the match requirements.

ICJIA communicated the match requirement to subrecipients through multiple methods, including in the NOFO, various budget documents, the subaward agreement, and fiscal reports submitted by subrecipients. ICJIA reviews a subrecipient's intent to meet the match requirement during the evaluation of the subrecipient's proposal. Additionally, ICJIA reviews the amounts claimed for match as part of its review of subrecipient reimbursement requests and during subrecipient fiscal audits.¹⁶

To review the provision of matching funds, we selected specific match amounts claimed by subrecipients to verify whether these amounts were properly supported and consisted of allowable match items. We identified \$40,773 of unsupported match costs when performing testing at one of the subrecipients. This subrecipient provided both VOCA and non-VOCA services to the community and therefore should have maintained records detailing how its match contribution supported its VOCA programs. However, we found that the subrecipient reported as its matching contribution the value of investment returns and donated cash, goods, and services attributable to the entire organization and that its records did not support that these items were used specifically to support its VOCA programs. Therefore, we question this subrecipient's provision of matching funds and recommend that OJP remedy the \$40,773 of unsupported match.

Additionally, we found issues regarding ICJIA's monitoring of subrecipients' compliance with the match requirement. This is discussed in more detail in the *Financial Monitoring* section of this report.

Financial Reporting

According to the DOJ Grants Financial Guide, recipients shall report the actual expenditures, program income, and unliquidated obligations incurred for the reporting period on each financial report as well as cumulative expenditures. To determine whether ICJIA submitted accurate Federal Financial Reports (FFR), we compared the four most recent reports for each grant to ICJIA's accounting and grants management system records for each grant in our audit. We determined that quarterly and cumulative expenditures for the FFRs reviewed generally reconciled to ICJIA's records. However, we found that ICJIA did not report program income earned with VOCA funds.

Regarding ICJIA's InfoNet system we discussed earlier in this report, an ICJIA representative stated that this system was largely funded with VOCA funds. The official further stated that ICJIA offers the use of InfoNet to other state and

¹⁵ 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.

¹⁶ ICJIA's subrecipient fiscal audits are discussed in greater detail in the *Financial Monitoring* section of this report.

local government organizations for non-VOCA purposes. These entities have paid ICJIA between \$100,000 and \$200,000, in total, per year for use of the InfoNet system. ICJIA did not report any of the funds it received as program income because it did not consider these payments to qualify as program income. However, ICJIA stated that it has now determined that a portion of these payments would likely qualify as program income. As a result, for the audited VOCA awards from FYs 2015 through 2018, we recommend OJP assist ICJIA in calculating the appropriate amount of program income earned based on federal government participation in the cost of the InfoNet system and ensure that these funds are remedied in an appropriate manner.

Monitoring of Subrecipients

According to the DOJ Grants Financial Guide, 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, ICJIA must develop policies and procedures to monitor subrecipients. To assess the adequacy of ICJIA's monitoring of its VOCA subrecipients, we interviewed ICJIA personnel, identified ICJIA monitoring procedures, and obtained records of interactions between ICJIA and its subrecipients. We also conducted site visits of three lead entities and three direct subrecipients, which included interviewing personnel and reviewing accounting and performance records. We spoke with subrecipient officials about the support received from ICJIA, who indicated that the level of support from ICJIA was appropriate.

According to ICJIA's policies and procedures, subrecipient monitoring generally includes risk assessments, programmatic site visits, fiscal audits, and reviews of reoccurring subrecipient financial and programmatic reports. These policies are discussed in more detail in the following sections of this report.

In addition to the above policies regarding ICJIA's monitoring of its own subrecipients, ICJIA also requires its lead entities to perform monitoring of their subrecipients. ICJIA required the lead entities to provide a description of their financial and performance monitoring standards and procedures, including the monitoring forms to be used, which are then incorporated into the subaward agreement between ICJIA and the lead entity. Additionally, lead entities must report to ICJIA certain measures related to monitoring, such as the percentage of subrecipients submitting timely fiscal and performance reports. Furthermore, within 30 days of the execution of the subaward agreement between ICJIA and a lead entity, the lead entity must submit to ICJIA its site visit schedule for monitoring of its subrecipients. In addition, ICJIA policy requires grant monitors to accompany the lead entities on some of the lead entities' subrecipient site visits.

During site visits at each of the lead entities, we had them walk us through and provide documentation to support their monitoring of subrecipients. We found the lead entities had monitoring policies and procedures in place as required by ICJIA. Further, the lead entities stated they provide ICJIA with information regarding monitoring performed, such as the number of subrecipient site visits

completed, site visits resulting in corrective actions, subrecipients' progress towards corrective actions, and technical assistance provided.

In our overall assessment of ICJIA's subrecipient monitoring, we determined that generally ICJIA established adequate controls over the majority of its subrecipient monitoring activities that we reviewed. However, ICJIA did not execute its monitoring function as planned as we found weaknesses that impact ICJIA's ability to ensure its subrecipients comply with the terms and conditions of the VOCA awards. Specifically, we found that ICJIA's subrecipient risk assessment process may not be working as intended. Additionally, as discussed in the Financial Monitoring and Performance Monitoring report sections below, we found various other issues regarding ICJIA's subrecipient monitoring.

Subrecipient Risk Assessment

The VOCA Final Rule requires state administering agencies to develop and implement a subrecipient monitoring plan based on identified risks at each subrecipient. ICJIA established a process to assess risk with its Programmatic Risk Assessment (PRA) tool, which is a questionnaire that each subrecipient must complete every year prior to receipt of a new or continuing subaward. These risk assignments are to be used to adjust subaward agreements to include special conditions corresponding to the identified risks. While the establishment of this policy helps fulfill the monitoring requirement of the VOCA Final Rule, we believe that ICJIA did not execute its risk assessment process appropriately.

First, ICJIA's subrecipient monitoring policy requires programmatic site visits be completed on a schedule based on overall subrecipient risk levels – at least once every 12 months for high-risk subrecipients and at least once every 24 months for medium and low-risk subrecipients. However, when we reviewed the PRA we found that it does not assign an overall risk level for each subrecipient; it instead focuses on specific attributes of managing subawards and helps ICJIA determine whether special conditions corresponding to certain subaward attributes should be added to the subaward agreement. We inquired with ICJIA about establishing overall risk levels in order to establish the frequency of site visits, and an ICJIA official stated that he was unaware that ICJIA's policy tied the frequency of site visits to an assessed overall risk level. Therefore, we believe that because an overall risk level is not assigned to each subrecipient, ICJIA would not be able to comply with its own risk-based monitoring frequency policy.

Further, we found that ICJIA did not always address risks identified by the PRA. For example, although we identified instances in which subrecipients submitted a PRA that noted they experienced a significant change in the past year (one of the risk factors in the questionnaire), in some instances no special condition was added to subawards, nor was there any indication that ICJIA had followed-up on the matter during site visits. In addition, when we reviewed site visit documentation, we found that special conditions that were included in subaward agreements were not mentioned. Therefore, we believe identified risk factors are not always addressed by ICJIA.

Finally, we learned that answers to some PRA questions resulted in preliminary risks being identified; however, ICJIA's consistent response documented in its subrecipient monitoring files was that these matters were not applicable. We believe that if questions truly were not applicable, ICJIA should identify them as such on the PRA to prevent resources being spent by the subrecipient to develop an answer and by ICJIA officials to review and respond to the answer. Furthermore, if a subrecipient is unaware the question is not applicable it may implement procedures in order to comply with the substance of the question. This could result in unnecessary effort and use of resources and does not fulfill the intent of the PRA, which is to identify risks at each subrecipient.

These issues indicate that ICJIA did not utilize its risk assessment process as it was designed and this may have resulted in inadequate efforts to evaluate subrecipient risk and determine the appropriate level of monitoring. As a result, we recommend that OJP ensure ICJIA reassesses its subrecipient monitoring policies to guarantee that the policies result in an appropriate level of monitoring based on the subrecipient risks identified.

Regarding the third-tier recipient risk assessments performed by the lead entities, ICJIA officials told us that it made the PRA available to lead entities to use for assessing risk at their subrecipients, but that it was not required. However, ICJIA's policy specifically stated that lead entities will require subrecipients to complete PRAs and specific conditions resulting from the PRA must be incorporated into the subaward agreement, which is a clear contradiction to what we were told by ICJIA officials. Moreover, officials at two lead entities believed they were required to use the PRA to assess risk for their third-tier recipients; the remaining lead entity indicated that use of ICJIA's PRA was not required. Additionally, one of the lead entities that used the PRA did not use it as intended. Rather, this lead entity required their subrecipients to complete the PRA after the subawards were issued. Therefore, special conditions resulting from the PRA could not be incorporated into the subaward agreement without an amendment. While we believe that ICJIA's policy for lead entity risk assessments for third-tier recipients contributes to ICJIA's compliance with the monitoring requirements of the Uniform Guidance, we believe that ICJIA's requirements and expectations should be clearer. Therefore, we recommend OJP ensure ICJIA clarifies its requirements to the lead entities regarding the lead entities' assessment of subrecipient risk.

Financial Monitoring

ICJIA requires its subrecipients to submit periodic financial reports (PFR) either monthly or quarterly that indicate the total expenses and match incurred for the period. ICJIA does not require subrecipients to submit supporting documentation for each expenditure on the PFR; however, subrecipients are required to include a timekeeping certification that details, for each employee and match volunteer, the total hours worked on the program and the total compensated hours. ICJIA monitors subrecipient expenditures through a review of each PFR to ensure that the budgeted amounts in each category match information in ICJIA's grant management system, the reported expenses are consistent with the program

budget and grant activities, and the subrecipient is on target to execute the program budget as planned by the end of the grant period.

As an additional financial monitoring measure, ICJIA also performs fiscal audits on-site at subrecipients. During a fiscal site visit, an ICJIA auditor reviews the subrecipient's accounting system and internal controls, as well as tests a selection of reported expenditures and match transactions for supportability and allowability. Fiscal audits are cyclical in nature and, according to ICJIA policy, must be performed every 2 to 3 years for every subrecipient.

Although ICJIA's policy framework for financial monitoring of subrecipients appears adequate, we identified significant issues with ICJIA's execution of its financial monitoring activities. First, we found that ICJIA is unlikely to comply with its 2-to-3-year fiscal audit cycle. The fiscal audit policy was implemented in the fall of 2017, and by April 2020 only 19 fiscal audits were completed. Therefore, the majority of ICJIA's direct subrecipients, including the lead entities, have not received a fiscal audit. Because the majority of the direct service subrecipients and lead entities have not received an audit, there are millions of subawarded funds for which allowability and proper supporting documentation has not been verified by ICJIA. This significant weakness in ICJIA's execution of its internal controls over expenditures increases the risk that inappropriate expenses will be charged to VOCA subawards. ICJIA stated there has been turnover in its auditor position and we noted several months where the position was not filled. We believe this contributed to the low number of completed audits. We recommend that OJP ensure ICJIA conducts these fiscal audits in a timely manner and updates its subrecipient monitoring policies to include other types of adequate financial monitoring processes for instances in which completing on-site fiscal audits are not feasible.

Another issue relates to ICJIA's monitoring of subrecipient reimbursement requests and payments. We found instances where a lead entity received payment from ICJIA related to third-tier recipient expenses, but this lead entity did not reimburse one of its subrecipients until several months later. A lead entity representative stated that their review of the subrecipient's supporting documentation resulted in questions and they did not reimburse the subrecipient until the questions had been satisfactorily resolved. We commend the lead entity's monitoring of the subrecipient to ensure the subrecipient's expenses were proper prior to reimbursing them; however, this situation did result in funds being drawn down that were not ultimately reimbursed to the subrecipient for several months. Therefore, we recommend the OJP require that ICJIA develops a process to safeguard against the drawdown of excess funds and considers the additional monitoring and reimbursement effort involved in a multi-tiered subaward structure like ICJIA uses with its pass-through lead entities.

Additionally, as discussed above in the *Matching Requirement* section, we identified \$40,773 of unsupported match funds at one subrecipient. During our site visit at this subrecipient, we noted it received VOCA subawards from ICJIA and two lead entities; however, we found that the lead entities do not require subrecipient reimbursement requests to contain the actual matching costs expended during that

period. Further, a representative from this subrecipient told us that no one ever reviews its match and that reported cash match need only be cash available from other sources (e.g., investment returns, donations) versus actually spent on the program, which is not accurate according to the DOJ Grants Financial Guide.

Also, regarding monitoring of match, during our review of subrecipient files at ICJIA we found an instance of a subrecipient not meeting the 20-percent match requirement. The subrecipient only matched 15 percent of its subaward, which was \$16,399 less than the required amount. After we raised this issue to ICJIA, we were informed that ICJIA and the subrecipient remedied the unmet match issue by providing evidence that the subrecipient had received additional volunteer labor hours that were then appropriately classified as match. However, given this issue, and the \$40,773 of unsupported match previously discussed, we believe ICJIA does not have adequate procedures in place to ensure that subrecipients have met the VOCA matching requirement and needs to strengthen its monitoring of compliance with the match policy. Therefore, we recommend that OJP ensure that ICJIA has a process requiring subrecipients to report their actual match activity (e.g., expenditure of funds, volunteer time expended). We also recommend that OJP ensure ICJIA revises its approach for reviewing match for allowability and proper support and for monitoring to verify required match amounts are met. Finally, we recommend that OJP ensure that ICJIA requires its lead entities to have similar controls for ensuring third-tier recipients meet match requirements.

Performance Monitoring

ICJIA requires its subrecipients to submit quarterly performance reports that include the PMT report for the quarter, a data report showing agreed-upon performance measures, and a narrative describing progress toward goals and objectives. Grant monitors review these reports for completeness, to verify the reported activity is consistent with the program described in the subrecipient's program narrative (which is incorporated in the subaward agreement), and to verify that the data reported is within the expected scope of program activity. In addition to reviewing these quarterly performance reports, grant monitors also assess performance by conducting programmatic site visits. During these site visits, grant monitors review with the subrecipient the program goals, objectives, and performance measures as well as recordkeeping and reporting requirements. Additionally, grant monitors spot check reported data for accuracy. According to ICJIA policy, site visits must be completed within the first 6 months of a new program and then at least once every 12 months for high-risk subrecipients and 24 months for medium and low-risk subrecipients.

We reviewed ICJIA's completed programmatic site visits and identified 29 instances of new programs that did not receive a site visit within the 6-month timeframe required by ICJIA's policy.¹⁷ Moreover, while we determined ICJIA completed site visits of all of its subrecipients at least every 24 months, we could

¹⁷ ICJIA considers a new program to be any subaward received under a new NOFO. For example, a subrecipient that has been performing services for the past 3 years would still be considered new if it received a subaward under the next NOFO, even if the program remained the same.

not fully assess ICJIA's compliance with its performance monitoring criteria. As noted in the *Subrecipient Risk Assessment* discussion above, ICJIA does not designate risk at an overall level for subrecipients. Therefore, we were unable to determine which subrecipients should have been visited within 12 months (high-risk subrecipients) versus those that should have been monitored within 24 months (medium and low-risk subrecipients). We recommend that OJP require ICJIA to conduct its programmatic site visits in a timely manner in compliance with its monitoring policy.

ICJIA Review of Subrecipient Performance Statistics

As stated earlier in the *Annual Performance Reports* section, ICJIA requires its subrecipients to enter quarterly performance data directly into PMT. ICJIA then completes a limited quality assurance check based on the data entered and notifies subrecipients of data inconsistencies.

While reviewing how ICJIA compiled performance data from its subrecipients to prepare its Annual Performance Reports for submission to the OVC, we also assessed subrecipient quarterly PMT performance reports. We sought support for select subrecipient-reported figures to confirm the information reported. Specifically, we attempted to verify certain quantifiable items, including the number of victims served, the number of new victims served, and the types of victimization. We found that we were unable to reconcile the subrecipient supporting documentation against the information input by the subrecipients into PMT for nearly two-thirds of the data categories tested. For example, one subrecipient reported having served 41 victims but could only support that 27 were served. In addition to performance numbers not reconciling, we identified other issues with ICJIA's monitoring of performance data reported in PMT, as detailed below.

- At one subrecipient, representatives stated that ICJIA informed them that the total number of victims served listed in the quarterly PMT reports should equal the number of new victims served. In fact, the subrecipient's four recent quarterly PMT reports showed the same number in both categories. In discussions with ICJIA we received conflicting responses regarding how to correctly report the data, which can contribute to inaccurate reporting.
- A subrecipient official described confusion regarding the reporting of certain information. Specifically, this subrecipient official stated it was informed by ICJIA that the same victim should be counted twice in the quarterly PMT report if that victim received both in and out-patient services; however, if not for that guidance it would have counted the victim only once in the quarterly PMT report. When we asked ICJIA about this situation, ICJIA representatives informed us that a victim in this situation should only be counted once, which could call into question the accuracy of this subrecipient's reporting.
- An ICJIA representative initially informed us grant monitors compare the numbers included in the quarterly performance submissions (e.g., the quarterly PMT report and the quarterly data report) to ensure there are no anomalies or inconsistencies. After our identification of anomalies in performance numbers from various subrecipients' quarterly performance

reports, ICJIA representatives stated they could not explain these anomalies because the grant monitors' actual performance monitoring practice did not include maintaining support to document the comparison and resolution of performance numbers between the two reports. Therefore, we could not confirm whether the anomalies that we identified were also identified and resolved in some way by ICJIA monitors.

The issues we identified indicate that ICJIA needs to improve its efforts to review performance statistics. The accuracy of performance statistics is important because ICJIA needs to be able to fully demonstrate the performance and effectiveness of activities funded by its VOCA awards. Therefore, we recommend that OJP ensure that ICJIA has adequate monitoring policies to provide assurance that subrecipients are reporting accurate performance information and are receiving appropriate and consistent guidance from ICJIA.

CONCLUSION AND RECOMMENDATIONS

Overall, we found ICJIA used its grant funds to enhance services for crime victims. However, our audit identified certain deficiencies in several key areas. For example, although we found that ICJIA generally planned for the increase in VOCA funding, we identified concerns regarding the amount of VOCA funds returned to OJP, the purpose of a subaward that ICJIA awarded to itself, and an area of potential unmet need. We also determined that ICJIA was not on track to comply with the priority funding areas requirement and did not comply with several special conditions. With respect to grant financial management, although we found that ICJIA established adequate controls over certain financial activities, we found unsupported or unallowable administrative expenditures and matching funds, as well as a small amount of unallowable subrecipient costs. Further, we identified a duplicate expenditure that resulted in unsupported funds drawn down, excess cash on hand, and unreported program income. Finally, we found that ICJIA's monitoring was not completed as planned and the monitoring completed was inadequate in areas such as matching funds, site visits, and programmatic reporting. Therefore, we provide 28 recommendations to OJP to address these deficiencies.

We recommend that OJP:

1. Provide ICJIA with an appropriate level of technical assistance to facilitate and enhance the process used by ICJIA to effectively and efficiently award available funding commensurate with the ongoing needs of victims in Illinois.
2. Require ICJIA to review its efforts to provide VOCA funding for legal services and determine if improvements are appropriate.
3. Coordinate with ICJIA to reexamine the appropriateness of the ICJIA subaward for expanding InfoNet.
4. Ensure ICJIA adequately communicates to its subrecipients its policies or interpretations affecting the allowability of subrecipient costs.
5. Require that ICJIA employs an adequate and reliable process for tracking grant spending by priority area.
6. Determine what action should be taken for ICJIA's 2017 award for which it is not on track to comply with the priority funding area requirement for previously underserved victims.
7. Ensure that ICJIA establishes policies and procedures for complete and appropriate SAR submissions.
8. Coordinate with ICJIA on the appropriate and reasonable submission of SARs for its previously awarded VOCA subgrants.
9. Require that ICJIA establish policies and procedures for complete and proper submission of FFATA reports.

10. Coordinate with ICJIA on the appropriate and reasonable submission of FFATA reports for its previously awarded VOCA subrecipients.
11. Ensure that ICJIA submits all required documentation related to discrimination findings against subrecipients of ICJIA's VOCA funds.
12. Ensure ICJIA reiterates to its subrecipients the requirements from the Uniform Guidance related to bonuses, specifically regarding requirements for employee agreements or an established plan and equitably allocating the costs.
13. Remedy the \$504,795 of questioned unsupported personnel administrative costs.
14. Remedy the total \$64,211 of unallowable non-personnel administrative costs.
15. Ensure that ICJIA's policies identify the types of agreements available and distinguish the required monitoring commensurate with those agreement types.
16. Remedy the \$35,478 in overdrawn funds.
17. Coordinate with ICJIA to identify the total amount of interest earned by VOCA funds drawn down in advance and remedy those funds as appropriate.
18. Remedy the total \$40,773 of unsupported match.
19. Assist ICJIA in calculating the appropriate amount of program income earned based on federal government participation in the cost of the InfoNet system and ensure that these funds are remedied in an appropriate manner.
20. Ensure ICJIA reassesses its subrecipient monitoring policies to guarantee that the policies result in an appropriate level of monitoring based on the subrecipient risks identified.
21. Ensure ICJIA clarifies its requirements to the lead entities regarding the lead entities' assessment of subrecipient risk.
22. Ensure ICJIA conducts fiscal audits in a timely manner and updates its subrecipient monitoring policies to include other types of adequate financial monitoring processes for instances in which completing on-site fiscal audits are not feasible.
23. Require that ICJIA develop a process to safeguard against the drawdown of excess funds and considers the additional monitoring and reimbursement effort involved in a multi-tiered subaward structure like ICJIA uses with its pass-through lead entities.
24. Ensure that ICJIA has a process requiring subrecipients to report their actual match activity (e.g., expenditure of funds, volunteer time expended).

25. Ensure ICJIA revises its approach for reviewing match for allowability and proper support and for monitoring to verify required match amounts are met.
26. Ensure that ICJIA requires its lead entities to have controls for ensuring third-tier recipients meet match requirements.
27. Require ICJIA to conduct its programmatic site visits in a timely manner in compliance with its monitoring policy.
28. Ensure that ICJIA has adequate monitoring policies to provide assurance that subrecipients are reporting accurate performance information and are receiving appropriate and consistent guidance from ICJIA.

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

The objective of the audit was to evaluate how the Illinois Criminal Justice Information Authority (ICJIA) designed and implemented its crime victim assistance 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, (3) grant financial management, and (4) monitoring of subrecipients.

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 assistance formula grants 2015-VA-GX-0049, 2016-VA-GX-0027, 2017-VA-GX-0048, and 2018-V2-GX-0070 from the Crime Victims Fund (CVF) awarded to ICJIA. The Office of Justice Programs (OJP), Office for Victims of Crime (OVC) awarded these grants totaling \$365,268,070 to ICJIA, which serves as the state administering agency. Our audit concentrated on, but was not limited to, the period of October 2014, the project start date for VOCA assistance grant number 2015-VA-GX-0049, through May 2020. As of May 2020, ICJIA had drawn down a total of \$203,131,817 from the 4 audited grants.

To accomplish our objective, we tested compliance with what we consider to be the most important conditions of ICJIA's activities related to the audited grants, which included conducting interviews with state of Illinois financial staff, examining policies and procedures, and reviewing grant documentation and financial records. We performed sample-based audit testing for grant expenditures, financial reports, and performance reports. 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 victim assistance program guidelines, the OJP and DOJ Financial Guides, 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 and Performance Measurement Tool, as well as ICJIA'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 was verified with documents from other sources.

While our audit did not assess ICJIA's overall system of internal controls, we did review the internal controls of ICJIA's financial management system specific to the management of funds for each VOCA grant within our review. We also developed an understanding of ICJIA's financial management system and its policies and procedures to assess its risk of non-compliance with laws, regulations, guidelines, and terms and conditions of the grants. We also reviewed the state of Illinois' fiscal year 2015 through 2017 Single Audit Reports.

APPENDIX 2

SCHEDULE OF DOLLAR-RELATED FINDINGS

<u>Description</u>	<u>VOCA Grant Year</u>			<u>Amount</u>	<u>Page</u>
	<u>2015</u>	<u>2016</u>	<u>2017</u>		
Questioned Costs¹⁸					
Unallowable Lead Entity Administrative Costs	\$ -	\$ 57,273	\$ -	\$ 57,273	19
Unallowable Rent Costs	<u>6,938</u>	<u>-</u>	<u>-</u>	<u>6,938</u>	19
Unallowable Costs	\$ 6,938	\$ 57,273	\$ -	\$ 64,211	
Unsupported Personnel Costs	\$ 194,285	\$ 208,983	\$ 73,622	\$ 476,890	18
Unsupported Personnel Costs Incorrectly Charged	-	-	16,577	16,577	18
Unsupported Unused Paid Leave Costs	-	-	11,328	11,328	18
Unsupported Duplicate Drawdown	-	35,478	-	35,478	20
Unsupported Match	<u>40,773</u>	<u>-</u>	<u>-</u>	<u>40,773</u>	22
Unsupported Costs	\$ 235,058	\$ 244,461	\$ 101,527	\$ 581,046	
TOTAL QUESTIONED COSTS	<u>\$241,996</u>	<u>\$301,734</u>	<u>\$101,527</u>	<u>\$645,257</u>	

¹⁸ **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, the provision of supporting documentation, or contract ratification, where appropriate.

ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE TO THE DRAFT AUDIT REPORT¹⁹



ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY

300 W. Adams Street • Suite 200 • Chicago, Illinois 60606 • (312) 793-8550

United States Department of Justice
Office of the Inspector General
Audit Division

cc [REDACTED]

Ms. Taraszka,

Please find ICJIA's responses to the DOJ audit of grants 2015-VA-GX-0049, 2016-VA-GX-0027, 2017-VA-GX-0048, and 2018-V2-GX-0070 in blue below. We look forward to working with OVC to address any issues as we continue to administer VOCA funds.

Charise Williams 9/21/2020

Charise Williams Date
Acting Executive Director
Illinois Criminal Justice Information Authority

ICJIA RESPONSES

1. Provide ICJIA with an appropriate level of technical assistance to facilitate and enhance the process used by ICJIA to effectively and efficiently award available funding commensurate with the ongoing needs of victims in Illinois.

No ICJIA response required. We look forward to working with OVC on the matter.

2. Require ICJIA to review its efforts to provide VOCA funding for legal services and determine if improvements are appropriate.

Early in 2020, ICJIA began a process of determining what legal services currently exist in the state and if gaps in service exist. We will utilize this study to develop our funding planning and strategy.

3. Coordinate with ICJIA to reexamine the appropriateness of the ICJIA subaward for expanding InfoNet.

No ICJIA response required. We look forward to working with OVC on this matter. ICJIA currently has approval from OVC for the grant-funding of Infonet.

4. Ensure ICJIA adequately communicates to its subrecipients its policies or interpretations affecting the allowability of subrecipient costs.

ICJIA provides grantees with guidance concerning the DOJ Financial Guidelines and provides a thorough review of all grantee budgets, as part of our grant execution process. We hold quarterly meetings with some of our largest grantees to discuss policies and cost allowability. In the future,

¹⁹ The attachments referenced in this response were not included in the final audit report.

we look to expand upon this by providing technical assistance, reference material, and the use of workshops to communicate these policies and interpretations affecting allowability.

5. Require that ICJIA employs an adequate and reliable process for tracking grant spending by priority area.

ICJIA is in development of an internal tracking system that will delineate VOCA funding, based on the OVC priority areas. This system will be operational by the end of the calendar year.

6. Determine what action should be taken for ICJIA's 2017 award for which it is not on track to comply with the priority funding area requirement for previously underserved victims.

No ICJIA response required. We look forward to working with OVC on this matter.

7. Ensure that ICJIA establishes policies and procedures for complete and appropriate SAR submissions.

We currently have a working procedure of how we submit our SAR. We have undertaken a process to formalize the policy and procedure. Upon completion, we then will be providing a training as part of the implementation.

8. Coordinate with ICJIA on the appropriate and reasonable submission of SARs for its previously awarded VOCA subgrants.

No ICJIA response required. We look forward to working with OVC on the matter.

9. Require that ICJIA establish policies and procedures for complete and proper submission of FFATA reports.

A policy and procedure for the reporting of Federal Funding Accountability and Transparency Act (FFATA) has been established.

10. Coordinate with ICJIA on the appropriate and reasonable submission of FFATA reports for its previously awarded VOCA subrecipients.

A policy and procedure for the reporting of Federal Funding Accountability and Transparency Act (FFATA) has been established. We will work to identify any delinquent submissions and have them submitted.

11. Ensure that ICJIA submits all required documentation related to discrimination findings against subrecipients of ICJIA's VOCA funds.

ICJIA agrees with this finding and will retrain staff on existing policies to ensure required documentation related to discrimination findings are submitted to the OCR. All VOCA grantees are required to submit a Civil Rights Compliance Certification before the grant Agreement is fully executed (See Attached). This form contains a certification from the grantee that if findings of discrimination are made against the grantee, or any sub-grantee or contractor of the grantee, then the grantee will forward a copy of the findings to ICJIA. The form also informs the grantee to forward any findings of discrimination to ICJIA that are made during the life of the grant. Finally, the form directs the grantee to indicate whether the grantee, its subgrantees or contractors have had any findings of discrimination made against them within the past three years. If the

grantee indicates that there have been findings of discrimination, then the grantee is directed to attach the findings to the form.

All certifications are reviewed by the OGC and any findings are forwarded to OCR. In order to ensure accurate tracking of the findings that are submitted to OCR, any findings and related documents will be kept in the grant master file and digital copies will be stored on the OGC computer drive. ICJIA will provide a training to OGC staff in the Fall of 2020 on the procedure for submitting documentation related to discrimination findings to OCR.

12. Ensure ICJIA reiterates to its subrecipients the requirements from the Uniform Guidance related to bonuses, specifically regarding requirements for employee agreements or an established plan and equitably allocating the costs.

ICJIA currently holds quarterly meeting with some of its largest grantees to discuss policies and allowability. In the future we look to expand upon this by providing by providing technical assistance, reference material, and the use of workshops. We will identify the offending subrecipient(s) and work to recover the unallowable use of the funds.

13. Remedy the \$504,795 of questioned unsupported personnel administrative costs.

██████ and ██████ were both hired in FY16 under the Research and Analysis department specifically to do VOCA-related research such as the VOCA needs assessment. As that department is separate from the Federal and State Programs unit, they were not immediately aware of the time-and-effort certification requirements for staff who worked 100% on one program.

██████, the IT analyst who worked 100% on InfoNet but was charged 50% to VOCA and 50% to another funding source, reported to another State agency (DoIT) during FY17 and 18, and similarly was also unaware.

██████, a long-time ICJIA employee spent most of ██████ time on InfoNet.

All three employees based on their job descriptions, worked 100% on VOCA, 2 of which in new positions that were created specifically to help ICJIA effectively program and expend the increased VOCA funding.

The ██████ error will be corrected during the VOCA 17 closeout this year if it has not been corrected before that time.

ICJIA agrees with the ██████ recommendation and will refund the unsupported unused vacation and sick leave as recommended.

14. Remedy the total \$64,211 of unallowable non-personnel administrative costs.

The total represents a combination of two amounts described below, both of which we believe should be removed.

1) \$57,273 Lead entity admin costs

The vendor for this contract was a sole source non-profit organization that's been a partner with ICJIA and another lead entity (lead entity 2) in the administration of VOCA funding for many years. We share our 5% admin budget with them, and we use a procurement contract because this

isn't a grant and we want to make sure their admin costs get charged to our federal admin appropriation, not to our grants appropriation. But we have always considered this a reimbursement contract, with the "fixed" amount being the maximum, we would only pay them for what they spend, which could be less. We didn't intend to imply that the one-year \$80,000 contract represented 12 monthly payments of \$6,666.67 each, or that if we reduced the contract period from 12 months to 8 months, the contract amount would necessarily have to be less – in this case, we reduced the number of months because \$80,000 was not enough money to cover lead entity's admin costs through the whole year, and since the whole \$80k was spent by 6/30/17, we wanted to end it at 6/30 and start the next contract on 7/1/17 (actually 7/26/17 by the time it got signed), and use the state fiscal year as the contract period going forward. We intentionally amended the FY17 contract to be an 8-month contract for \$80k that ended on 6/30/17. The FY18 contract had an end date of 6/30/18 and a total amount of \$210,000, and at no time was there any overlap between the two contracts. Monthly payments varied depending on how much lead entity spent and lead entity was not paid twice in any month during FY17 or FY18, so the questioned cost of \$57,273 should be removed.

2)\$6,938 Unallowable rent costs

ICJIA is primarily a grantmaking agency, responsible for the administration of various criminal justice-related State and Federal grant programs as the SAA for Illinois. Accordingly, ICJIA's policy, prior to obtaining a federally approved indirect cost rate agreement from DOJ in SFY19, was to allocate operational costs associated with grants administration, such as space rental and telecommunications expenses, based on grantmaking activity during the 12-month period of the State fiscal year (July 1 – June 30). The questioned rental costs were paid in FY16. Our grantmaking activity in FY16 consisted of a total of 359 subgrants, including 181 VOCA subgrants, so VOCA's fair share of the space rental costs (including the Springfield office because it was used by the Executive Director and other Chicago staff when they visited Springfield) was 50%. Total rent expenses in SFY16 were \$526,450, so VOCA's fair share of 50% = \$263,225. Actual rent expenses charged to VOCA in SFY16 = \$254,447 (48%), so VOCA was slightly under-charged for rent. We believe that the questioned cost of \$6,938 should be removed.

15. **Ensure that ICJIA's policies identify the types of agreements available and distinguish the required monitoring commensurate with those agreement types.**

ICJIA disagrees with this finding as this issue has been addressed through ICJIA's internal policies. The Policies and Procedures Manual discusses these issues in Section 11 Agreement Processing and Section 12 Monitoring. Grant agreements are created using the Uniform Grant Agreement templates provided to ICJIA by the Governor's Office of Management and Budget Grant Accountability and Transparency Unit (GATU) which oversees implementation and administration of the Grant Accountability and Transparency Act.

ICJIA may also enter into a procurement contract with a party, which is distinguished from a grant agreement as procurement contracts generally apply to contracts between ICJIA and a contractor for services or goods, and not to contracts between ICJIA's grantees and contractors. OGC has created a separate Contract & Procurement Procedure for these types of contracts. While these contracts are not subject to the same monitoring procedures as a grant agreement, ICJIA staff may determine that monitoring tasks are necessary such as in the event of contracting with a lead entity for payment of administrative funds.

16. **Remedy the \$35,478 in overdrawn funds.**

ICJIA returned these overdrawn funds in January 2020 as part of our refund of unspent cash to DOJ of \$50,077.69 at the closeout of ICJIA's 2016 VOCA award (warrant #AB9843535, issue date 01/10/2020, paid date 01/24/2020).

17. Coordinate with ICJIA to identify the total amount of interest earned by VOCA funds drawn down in advance and remedy those funds as appropriate.

ICJIA's payments to VOCA subrecipients are reimbursement-based, as are our resulting drawdowns, so ICJIA does not earn interest on VOCA receipts. However, on very rare occasions such as the federal shutdown in January 2019 and during the upcoming DOJ transition from GPRS to ASAP, 30-day advances may have been, or may become, necessary. Any interest earned will be remedied as recommended.

18. Remedy the total \$40,773 of unsupported match.

Regarding non-profit organization grantee with unsupported matching funds. The organization was very fortunate to have a pool of donated cash, goods, and services available that could qualify as match to their VOCA grants. However, it appears that they didn't understand that making expenditures from this pool of resources wasn't enough without also having documentation that the expenditures were specifically for VOCA programs. Now that they understand the problem, they will be able to provide documentation for at least some of their match so that we don't have to ask them to refund all of the federal grant money in this finding. The subaward from ICJIA in this case was from our VOCA 15 funds. We reported a total of more than \$800,000 in over-match for VOCA 15 at closeout and as a result grantee's match was not deemed material in order to meet our total match requirement.

19. Assist ICJIA in calculating the appropriate amount of program income earned based on federal government participation in the cost of the InfoNet system and ensure that these funds are remedied in an appropriate manner.

No ICJIA response required. ICJIA will need OJP's assistance to determine whether a *reimbursement grant* from another state agency (IDHS) that supports InfoNet should be considered "program income" if their grant requires us to return unspent funds to the state, whereas unspent program income must be returned to DOJ.

20. Ensure ICJIA reassesses its subrecipient monitoring policies to guarantee that the policies result in an appropriate level of monitoring based on the subrecipient risks identified.

ICJIA is in the process of modifying its Site Visit Policy to properly reflect the ability to type of site visits to be conducted. The revised policy is expected to be implemented Fall 2020 with staff training to follow. We have also revised our site visit report form to be more representative of changing requirements.

21. Ensure ICJIA clarifies its requirements to the lead entities regarding the lead entities' assessment of subrecipient risk.

ICJIA will reinforce this requirement by revising our Lead Entity Policy to expound upon and clarify the requirement of lead entities to utilize a project risk assessment with subrecipients.

22. Ensure ICJIA conducts fiscal audits in a timely manner and updates its subrecipient monitoring policies to include other types of adequate financial monitoring processes for instances in which completing on-site fiscal audits are not feasible.

ICJIA has developed a financial risk assessment policy to ensure adequate oversight of all grantees. See Attachment 1.

23. Require that ICJIA develop a process to safeguard against the drawdown of excess funds and considers the additional monitoring and reimbursement effort involved in a multi-tiered subaward structure like ICJIA uses with its pass-through lead entities.

No ICJIA response required. We look forward to working with OVC on this matter.

24. Ensure that ICJIA has a process requiring subrecipients to report its actual match activity (e.g., expenditure of funds, volunteer time expended).

As described in our policy and procedures manual, ICJIA uses a Periodic Fiscal Report (PFR) that is completed by the subrecipients. The PFR is for the reporting of federal and match expenditures. This reporting is further tracked in our internal grants management system. These reported expenditures are then substantiated on our site visits and audits.

25. Ensure ICJIA revises its approach for reviewing match for allowability and proper support and for monitoring to verify required match amounts are met.

As described in our policy and procedures manual, ICJIA uses a Periodic Fiscal Report (PFR) that is completed by the subrecipients. The PFR is for the reporting of federal and match expenditures. This reporting is further tracked in our internal grants management system. These reported expenditures are then substantiated on our site visits and audits.

26. Ensure that ICJIA requires its lead entities to have controls for ensuring third-tier recipients meet match requirements.

ICJIA will reinforce this requirement by revising our Lead Entity Policy to expound upon and clarify the requirement of lead entities ensuring third-tier recipients meet match requirements.

27. Require ICJIA to conduct its programmatic site visits in a timely manner in compliance with its monitoring policy.

The lack of timeliness is mostly attributed to workload, staffing levels, and an ambitious site visit policy. ICJIA is modifying its Site Visit Policy to properly reflect ability to conduct site visits. The revised policy is expected to be implemented Fall 2020 with staff training to follow. We have also revised our site visit report form to be more representative of changing requirements.

28. Ensure that ICJIA has adequate monitoring policies to provide assurance that subrecipients are reporting accurate performance information and are receiving appropriate and consistent guidance from ICJIA.

ICJIA will work with OVC to establish and implement a review process for grantee PMT data reporting that follows OVC rules and guidelines.

U.S. DEPARTMENT OF JUSTICE
OFFICE OF JUSTICE PROGRAMS
RESPONSE TO THE DRAFT AUDIT REPORT²⁰



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

September 24, 2020

MEMORANDUM TO: Carol S. Taraszka
Regional Audit Manager
Chicago Regional Audit Office
Office of the Inspector General

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

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs Victim Assistance Grants Awarded to the Illinois Criminal Justice Information Authority, Chicago, Illinois*

This memorandum is in reference to your correspondence, dated August 26, 2020, transmitting the above-referenced draft audit report for the Illinois Criminal Justice Information Authority (ICJIA). We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains 28 recommendations and \$645,257 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 are restated in bold and are followed by OJP's response.

1. **We recommend that OJP provide ICJIA with an appropriate level of technical assistance to facilitate and enhance the process used by ICJIA to effectively and efficiently award available funding commensurate with the ongoing needs of victims in Illinois.**

OJP agrees with the recommendation. We will coordinate with the ICJIA to obtain a copy of their written policies and procedures, developed and implemented, to enhance its process of effectively and efficiently awarding available Victims of Crime Act (VOCA) funding commensurate with the ongoing needs of Illinois victims; and will provide technical assistance, as appropriate.

²⁰ The attachments referenced in this response were not included in the final audit report.

2. **We recommend that OJP require ICJIA to review its efforts to provide VOCA funding for legal services and determine if improvements are appropriate.**

OJP agrees with the recommendation. We will coordinate with the ICJIA to request that they review their efforts to provide VOCA funding for legal services and determine if improvements are needed; and to provide us with a written copy of their completed analysis.

3. **We recommend that OJP coordinate with ICJIA to reexamine the appropriateness of the ICJIA subaward for expanding InfoNet.**

OJP agrees with the recommendation. We will coordinate with the ICJIA to determine if the subaward for expanding InfoNet is appropriate.

4. **We recommend that OJP ensure ICJIA adequately communicates to its subrecipients its policies or interpretations affecting the allowability of subrecipient costs.**

OJP agrees with the recommendation. We will coordinate with the ICJIA to obtain a copy of written policies and procedures, developed and implemented, to ensure that the ICJIA adequately communicates to its subrecipients its policies affecting the allowability of subrecipient costs.

5. **We recommend that OJP require that ICJIA employs an adequate and reliable process for tracking grant spending by priority area.**

OJP agrees with the recommendation. We will coordinate with the ICJIA to obtain a copy of its written policies and procedures, developed and implemented, to ensure proper monitoring and tracking of compliance with the priority area funding requirement.

6. **We recommend that OJP determine what action should be taken for ICJIA's 2017 award for which it is not on track to comply with the priority funding area requirement for previously underserved victims.**

OJP agrees with the recommendation. We will coordinate with the ICJIA and OJP's Office for Victims of Crime (OVC), to determine the appropriate action to take regarding the ICJIA's apparent non-compliance with the priority funding area requirement for Grant Number 2017-VA-GX-0048.

7. **We recommend that OJP ensure that ICJIA establishes policies and procedures for complete and appropriate SAR submissions.**

OJP agrees with the recommendation. We will coordinate with the ICJIA to obtain a copy of written policies and procedures, developed and implemented, to ensure that the Subgrant Award Reports (SARs) it provides are complete and accurate, and the supporting documentation is maintained for future auditing purposes.

8. **We recommend that OJP coordinate with ICJIA on the appropriate and reasonable submission of SARs for its previously awarded VOCA subgrants.**

OJP agrees with the recommendation. We will coordinate with the ICJIA regarding the completeness and accuracy of the SARs submitted for its previously awarded VOCA subgrants.

9. **We recommend that OJP require that ICJIA establish policies and procedures for complete and proper submission of FFATA reports.**

OJP agrees with the recommendation. We will coordinate with the ICJIA to obtain a copy of written policies and procedures, developed and implemented, to ensure that the Federal Funding Accountability and Transparency Act (FFATA) reports it provides are complete and accurate, and the supporting documentation is maintained for future auditing purposes.

10. **We recommend that OJP coordinate with ICJIA on the appropriate and reasonable submission of FFATA reports for its previously awarded VOCA subrecipients.**

OJP agrees with the recommendation. We will coordinate with the ICJIA regarding the completeness and accuracy of the FFATA reports submitted for its previously awarded VOCA subrecipients.

11. **We recommend that OJP ensure that ICJIA submits all required documentation related to discrimination findings against subrecipients of ICJIA's VOCA funds.**

OJP agrees with the recommendation. We will coordinate with the ICJIA to obtain a copy of written policies and procedures, developed and implemented, to ensure it submits all of the required documentation related to discrimination findings against subrecipients of its VOCA funds to OJP, as required by award special conditions. Additionally, we will request that ICJIA promptly submit documentation pertaining to any previous discrimination findings against its VOCA subrecipients to OJP's Office for Civil Rights for review.

12. **We recommend that OJP ensure ICJIA reiterates to its subrecipients the requirements from the Uniform Guidance related to bonuses, specifically regarding requirements for employee agreements or an established plan and equitably allocating the costs.**

OJP agrees with the recommendation. We will coordinate with the ICJIA to obtain a copy of written policies and procedures, developed and implemented, to ensure that its subrecipients are reminded on a regular basis, about the Uniform Guidance requirements related to employee agreements or an established plan and equitably allocating costs for bonuses.

13. **We recommend that OJP remedy the \$504,795 of questioned unsupported personnel administrative costs.**

OJP agrees with the recommendation. We will review the \$504,795 in questioned costs, charged to Grant Numbers 2015-VA-GX-0049, 2016-VA-GX-0027, and 2017-VA-GX-0048, and will work with the ICJIA to remedy, as appropriate.

14. **We recommend that OJP remedy the total \$64,211 of unallowable non-personnel administrative costs.**

OJP agrees with the recommendation. We will review the \$64,211 in questioned costs, charged to Grant Numbers 2015-VA-GX-0049, 2016-VA-GX-0027, and 2017-VA-GX-0048, and will work with the ICJIA to remedy, as appropriate.

15. **We recommend that OJP ensure that ICJIA's policies identify the types of agreements available and distinguish the required monitoring commensurate with those agreement types.**

OJP agrees with the recommendation. We will coordinate with the ICJIA to obtain a copy of written policies and procedures, developed and implemented, to ensure it identifies the types of agreements available, and the appropriate required monitoring for each agreement type.

16. **We recommend that OJP remedy the \$35,478 in overdrawn funds.**

OJP agrees with the recommendation. To remedy the \$35,478 in overdrawn funds for Grant Number 2016-VA-GX-0027, the ICJIA returned these funds to the DOJ, within a repayment totaling \$50,077.69. Additionally, the OJP's Office of the Chief Financial Officer deobligated these funds from the grant account (see Attachments 1 and 2). The Office of Justice Programs requests closure of this recommendation.

17. **We recommend that OJP coordinate with ICJIA to identify the total amount of interest earned by VOCA funds drawn down in advance and remedy those funds as appropriate.**

OJP agrees with the recommendation. We will coordinate with the ICJIA to determine the total amount of interest, if any, earned by funds drawn down in advance from its VOCA grants, and will work with the ICJIA to remedy, as appropriate.

18. **We recommend that OJP remedy the total \$40,773 of unsupported match.**

OJP agrees with the recommendation. We will review the \$40,773 in unsupported matching costs, charged to Grant Numbers 2015-VA-GX-0049, 2016-VA-GX-0027, and 2017-VA-GX-0048, and will work with the ICJIA to remedy, as appropriate.

19. **We recommend that OJP assist ICJIA in calculating the appropriate amount of program income earned based on federal government participation in the cost of the InfoNet system and ensure that these funds are remedied in an appropriate manner.**

OJP agrees with the recommendation. We will coordinate with the ICJIA to determine the amount of program income earned because of the Federal government's contribution to the cost of the InfoNet system, and will work with the ICJIA to remedy, as appropriate.

20. **We recommend that OJP ensure ICJIA reassesses its subrecipient monitoring policies to guarantee that the policies result in an appropriate level of monitoring based on the subrecipient risks identified.**

OJP agrees with the recommendation. We will coordinate with the ICJIA to obtain a copy of its revised subrecipient monitoring policies and procedures, developed and implemented, to ensure the appropriate level of subrecipient monitoring is performed based on risks identified.

21. **We recommend that OJP ensure ICJIA clarifies its requirements to the lead entities regarding the lead entities' assessment of subrecipient risk.**

OJP agrees with the recommendation. We will coordinate with the ICJIA to obtain a copy of its revised subrecipient monitoring policies and procedures, developed and implemented, to ensure that its lead entities understand the requirements to properly assess VOCA subrecipient risks.

22. **We recommend that OJP ensure ICJIA conducts fiscal audits in a timely manner and updates its subrecipient monitoring policies to include other types of adequate financial monitoring processes for instances in which completing on-site fiscal audits are not feasible.**

OJP agrees with the recommendation. We will coordinate with the ICJIA to obtain evidence that the newly developed Office of Fiscal Management Risk Assessment Policy was formally implemented, signed by an authorized ICJIA official, and distributed to staff responsible for managing Federal grants. Additionally, we will ensure that the policy includes provisions for ensuring that fiscal audits are conducted in a timely manner; and includes alternative types of financial monitoring, for instances in which completing on-site fiscal audits are not feasible.

23. **We recommend that OJP require that ICJIA develop a process to safeguard against the drawdown of excess funds and considers the additional monitoring and reimbursement effort involved in a multi-tiered subaward structure like ICJIA uses with its pass-through lead entities.**

OJP agrees with the recommendation. We will coordinate with the ICJIA to obtain a copy of its policies and procedures, developed and implemented, to ensure that: excess funds are not drawn down on its Federal awards; and sufficient monitoring and reimbursement steps are in place, to effectively manage the multi-tiered subaward structure ICJIA uses with its pass-through lead entities.

24. We recommend that OJP ensure that ICJIA has a process requiring subrecipients to report its actual match activity (e.g., expenditure of funds, volunteer time expended).

OJP agrees with the recommendation. We will coordinate with the ICJIA to obtain a copy of its policies and procedures, developed and implemented, to ensure it requires VOCA subrecipients to accurately and timely report their actual match activity.

25. We recommend that OJP Ensure ICJIA revises its approach for reviewing match for allowability and proper support and for monitoring to verify required match amounts are met.

OJP agrees with the recommendation. We will coordinate with the ICJIA to obtain a copy of its revised policies and procedures, developed and implemented, to ensure the required match amounts are met, and that the reported matching costs are reviewed for allowability and proper support.

26. We recommend that OJP ensure that ICJIA requires its lead entities to have controls for ensuring third-tier recipients meet match requirements.

OJP agrees with the recommendation. We will coordinate with the ICJIA to obtain a copy of its revised policies and procedures, developed and implemented, to ensure that its lead entities have controls for ensuring third-tier recipients meet match requirements.

27. We recommend that OJP require ICJIA to conduct its programmatic site visits in a timely manner in compliance with its monitoring policy.

OJP agrees with the recommendation. We will coordinate with the ICJIA to obtain a copy of its revised policies and procedures, developed and implemented, to ensure its programmatic site visits are conducted in a timely manner, in accordance with its monitoring policy.

28. We recommend that OJP ensure that ICJIA has adequate monitoring policies to provide assurance that subrecipients are reporting accurate performance information and are receiving appropriate and consistent guidance from ICJIA.

OJP agrees with the recommendation. We will coordinate with the ICJIA to obtain a copy of its policies and procedures, developed and implemented, to ensure that VOCA subrecipients report accurate performance information, and receive appropriate and consistent guidance from the ICJIA.

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.

Attachments

cc: Katharine T. Sullivan
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Deputy Assistant Attorney General
for Operations and Management

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Internal Review and Evaluation Office
Justice Management Division

OJP Executive Secretariat
Control Number IT20200827064308

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

The Department of Justice Office of the Inspector General (OIG) provided a draft of this audit report to the Department of Justice Office of Justice Programs (OJP) and the Illinois Criminal Justice Information Authority (ICJIA). ICJIA'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 agreed 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.

Recommendations for OJP:

- 1. Provide ICJIA with an appropriate level of technical assistance to facilitate and enhance the process used by ICJIA to effectively and efficiently award available funding commensurate with the ongoing needs of victims in Illinois.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with ICJIA to obtain a copy of its written policies and procedures, developed and implemented, to enhance its process of effectively and efficiently awarding available Victims of Crime Act (VOCA) funding commensurate with the ongoing needs of Illinois victims. OJP further stated that it will provide technical assistance, as appropriate.

ICJIA neither agreed nor disagreed with the recommendation and stated that it looks forward to working with the Office for Victims of Crime (OVC) on this matter.

This recommendation can be closed when we receive evidence that OJP has provided ICJIA with an appropriate level of technical assistance necessary to ensure ICJIA effectively and efficiently awards available funding commensurate with the needs of victims in Illinois.

- 2. Require ICJIA to review its efforts to provide VOCA funding for legal services and determine if improvements are appropriate.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with ICJIA to request that it review its efforts to provide VOCA funding for legal services and determine if improvements are needed. OJP also stated that it will coordinate with ICJIA to provide a written copy of its completed analysis.

ICJIA neither agreed nor disagreed with our recommendation. In its response, ICJIA stated that it will utilize a study started in early 2020 to develop its funding planning and strategy in the area of legal services.

This recommendation can be closed when we receive evidence that OJP has required ICJIA to review its efforts to provide VOCA funding for legal services and determined if improvements are appropriate.

3. Coordinate with ICJIA to reexamine the appropriateness of the ICJIA subaward for expanding InfoNet.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with ICJIA to reexamine the appropriateness of the ICJIA subaward for expanding InfoNet.

ICJIA neither agreed nor disagreed with the recommendation and stated that it looks forward to working with the OVC on this matter. ICJIA's response also stated that it had approval from the OVC for the grant funding of InfoNet; however, as noted in our report the evidence ICJIA provided of this approval consisted of an email that indicated internal OVC conversations on the matter were continuing.

This recommendation can be closed when we receive evidence that OJP has coordinated with ICJIA to reexamine the appropriateness of the ICJIA subaward for expanding InfoNet.

4. Ensure ICJIA adequately communicates to its subrecipients its policies or interpretations affecting the allowability of subrecipient costs.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with ICJIA to obtain a copy of written policies and procedures, developed and implemented, to ensure that ICJIA adequately communicates to its subrecipients its policies affecting the allowability of subrecipient costs.

ICJIA neither agreed nor disagreed with the recommendation. ICJIA's response referred to some of its efforts to provide guidance and oversight and stated that it will look to expand upon its current efforts by providing technical assistance, reference material, and workshops to communicate policies and interpretations affecting allowability of subrecipient costs.

This recommendation can be closed when we receive evidence that OJP has ensured that ICJIA adequately communicated to its subrecipients its policies or interpretations affecting the allowability of subrecipient costs.

5. Require that ICJIA employs an adequate and reliable process for tracking grant spending by priority area.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will that it will coordinate with ICJIA to obtain a copy of written policies and procedures, developed and implemented, to ensure proper monitoring and tracking of compliance with the priority area funding requirement.

In its response, ICJIA neither agreed nor disagreed with the recommendation and stated that it is developing an internal tracking system that will delineate VOCA funding based on the OVC priority areas. ICJIA anticipated that this system will be operational by the end of the calendar year.

This recommendation can be closed when we receive evidence that OJP has determined that ICJIA has employed an adequate and reliable process for tracking grant spending by priority area.

6. Determine what action should be taken for ICJIA's 2017 award for which it is not on track to comply with the priority funding area requirement for previously underserved victims.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with ICJIA and the OVC to determine the appropriate action to take regarding the ICJIA's apparent non-compliance with the priority funding area requirement for Grant Number 2017-VA-GX-0048.

In its response, ICJIA neither agreed nor disagreed with the recommendation and stated that it looks forward to working with the OVC on this matter.

This recommendation can be closed when we receive evidence that OJP has determined the appropriate action for ICJIA to take regarding the priority funding areas for its 2017 award.

7. Ensure that ICJIA establishes policies and procedures for complete and appropriate SAR submissions.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with ICJIA to obtain a copy of written policies and procedures, developed and implemented, to ensure that the Subgrant Award Reports (SAR) it provides are complete and accurate, and that supporting documentation is maintained for future auditing purposes.

ICJIA neither agreed nor disagreed with the recommendation. ICJIA's response stated it has undertaken a process to formalize its SAR-related policy and procedure and, upon completion, it will provide training as part of the implementation of the policy and procedure.

This recommendation can be closed when we receive evidence that OJP has ensured that ICJIA has established a policy and procedure for complete and appropriate SAR submissions.

8. Coordinate with ICJIA on the appropriate and reasonable submission of SARs for its previously awarded VOCA subgrants.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with ICJIA regarding the completeness and accuracy of the SARs submitted for its previously awarded VOCA subgrants.

In its response, ICJIA neither agreed nor disagreed with the recommendation and stated that it looks forward to working with the OVC on this matter.

This recommendation can be closed when we receive evidence that OJP has determined the appropriate and reasonable submission of SARs for ICJIA's previously awarded VOCA subgrants.

9. Require that ICJIA establish policies and procedures for complete and proper submission of FFATA reports.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with ICJIA to obtain a copy of written policies and procedures, developed and implemented, to ensure that the Federal Funding Accountability and Transparency Act (FFATA) reports it provides are complete and accurate, and the supporting documentation is maintained for future auditing purposes.

ICJIA neither agreed nor disagreed with this recommendation and in response stated that it has established a policy and procedure for FFATA reporting.

This recommendation can be closed when we receive evidence that OJP has coordinated with ICJIA on the establishment of a policy and procedure for complete and proper FFATA report submission.

10. Coordinate with ICJIA on the appropriate and reasonable submission of FFATA reports for its previously awarded VOCA subrecipients.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with ICJIA regarding the completeness and accuracy of the FFATA reports submitted for its previously awarded VOCA subrecipients.

ICJIA neither agreed nor disagreed with this recommendation. In its response, ICJIA reiterated that it has established a FFATA reporting policy and procedure. ICJIA also indicated that it will work to identify any delinquent submissions and have them submitted.

This recommendation can be closed when we receive evidence that OJP has determined the appropriate and reasonable submission of FFATA reports for ICJIA's previously awarded VOCA subgrants.

11. Ensure that ICJIA submits all required documentation related to discrimination findings against subrecipients of ICJIA's VOCA funds.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with ICJIA to obtain a copy of written policies and procedures, developed and implemented, to ensure it submits to OJP all of the required documentation related to discrimination findings against subrecipients of its VOCA funds, as required by the award special conditions. Additionally, OJP stated that it will request that ICJIA promptly submit to

OJP's Office for Civil Rights documentation pertaining to any previous discrimination findings against its VOCA subrecipients.

ICJIA agreed with this finding and in response stated it will retrain staff on existing policies to ensure required documentation related to discrimination findings are submitted to OJP's Office for Civil Rights.

This recommendation can be closed when we receive evidence that OJP has ensured that ICJIA has submitted all required documentation related to discrimination findings against subrecipients of ICJIA's VOCA funds.

12. Ensure ICJIA reiterates to its subrecipients the requirements from the Uniform Guidance related to bonuses, specifically regarding requirements for employee agreements or an established plan and equitably allocating the costs.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with ICJIA to obtain a copy of written policies and procedures, developed and implemented, to ensure that its subrecipients are reminded on a regular basis about the Uniform Guidance requirements related to employee agreements or an established plan and equitably allocating costs for bonuses.

ICJIA neither agreed nor disagreed with the recommendation and in response stated it is looking to expand upon its current process of discussing policies and allowability with some its largest grantees by providing technical assistance, reference material, and workshops. Additionally, ICJIA stated that it will work to recover the unallowable costs.

This recommendation can be closed when we receive evidence that OJP has ensured that ICJIA has reiterated to its subrecipients the requirement from the Uniform Guidance related to bonuses, specifically regarding requirements for employee agreements or an established plan and equitably allocating the costs.

13. Remedy the \$504,795 of questioned unsupported personnel administrative costs.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will review the \$504,795 in questioned costs related to unsupported personnel expenditures and will work with ICJIA to remedy these costs, as appropriate.

ICJIA neither agreed nor disagreed with the overall recommendation. Rather, ICJIA's response individually addressed portions of our questioned costs. Specifically, ICJIA agreed with \$11,328 in unsupported costs for unused vacation and sick leave and stated it will refund the amount in accordance with our recommendation. Regarding the \$16,577 of unsupported labor and related costs associated with an employee's salary and related costs that were incorrectly charged to the VOCA grant for two

pay periods, ICJIA acknowledged this error and stated that it will be corrected no later than during the closeout activities of the 2017 VOCA grant. Finally, regarding the \$476,890 of remaining unsupported personnel administrative costs, ICJIA provided information regarding these employees' positions and stated that some employees were unaware of time-and-effort certification requirements.

This recommendation can be closed when we receive evidence that OJP has remedied the \$504,795 of questioned unsupported personnel administrative costs.

14. Remedy the total \$64,211 of unallowable non-personnel administrative costs.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will review the \$64,211 in questioned costs related to unallowable non-personnel expenditures and will work with ICJIA to remedy, as appropriate.

ICJIA's response stated that it believes the \$64,211 of questioned costs – consisting of two different cost categories – should be removed from the OIG report.

Specifically, regarding the \$57,273 of unallowable lead entity administrative costs, ICJIA's response detailed its view of the agreement with the lead entity, indicating that the dollar amount (\$80,000) was intended to be a maximum, but that the time period of the agreement (12 months) was flexible. According to ICJIA, when the \$80,000 was expended after only 8 months, it took action to end the agreement and initiate a new one that included the 4 remaining months from the previous agreement. We have concerns about these procurement practices and believe this highlights the importance of using the appropriate agreement relative to the nature of the arrangement between ICJIA and a third party in order to minimize unintended issues, such as performance gaps or increased costs.

Regarding the \$6,938 of unallowable rent costs, ICJIA stated that it utilized an allocation methodology for overall ICJIA office space, which included rent costs for space not used regularly by VOCA-funded employees and which were the subject of this audit finding. ICJIA's response indicated it believes these rent costs to be allowable. However, ICJIA informed us during the audit that because the space at issue was not used by VOCA-funded employees, related rent should not have been charged to the VOCA grants. Therefore, we will coordinate with OJP to resolve this inconsistency and to obtain OJP's position on the matter.

This recommendation can be closed when we receive evidence that OJP has remedied the total \$64,211 of unallowable non-personnel administrative costs.

15. Ensure that ICJIA's policies identify the types of agreements available and distinguish the required monitoring commensurate with those agreement types.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with ICJIA to obtain a copy of written policies and procedures, developed and implemented, to ensure it identifies the types of agreements available and the appropriate required monitoring for each agreement type.

ICJIA disagreed with this finding, stating that this issue has been addressed through its internal policies. In addition, ICJIA's response discusses policies for both grant agreements and procurement contracts, stating that contracts are not subject to the same monitoring procedures as grant agreements but that ICJIA may determine that monitoring tasks for a contract are necessary, such as in the event of contracting with a lead entity for the payment of administrative funds.

The OIG acknowledges that monitoring of contracts is necessary and that it is appropriate for ICJIA to recognize when monitoring tasks above and beyond those applicable to a typical procurement contract may be necessary. However, as noted in our report the contracts at issue here were fixed-price awards, which are generally designed to reduce administrative burden during the contract execution period. Because our audit determined that ICJIA was routinely monitoring these contracts similarly to its grant agreements and this increased monitoring surpassed the requirements of its internal policies without documented justification, we believe ICJIA's policies should identify the standard monitoring tasks by agreement type and monitoring tasks outside this standard should be documented, along with the causes, to ensure that the appropriate amount of resources are spent executing and managing contracts.

This recommendation can be closed when we receive evidence that OJP has ensured that ICJIA's policies identify the types of agreements available and distinguish the required monitoring commensurate with those agreement types.

16. Remedy the \$35,478 in overdrawn funds.

Resolved. OJP agreed with our recommendation. OJP stated in its response that ICJIA returned these funds to the DOJ within a repayment totaling \$50,078. Additionally, OJP stated that its Office of the Chief Financial Officer deobligated these funds from the grant account. Based upon these actions, OJP requested closure of this recommendation.

ICJIA neither agreed nor disagreed with the recommendation. In response to this recommendation, ICJIA stated that it returned these overdrawn funds in January 2020 as part of a refund of unspent funds. This refund, performed as part of the closeout of ICJIA's 2016 VOCA award, amounted to \$50,078.

While we do not dispute that funds were repaid, neither ICJIA nor OJP has provided us with sufficient documentation evidencing that the \$50,078 paid in January 2020 included the \$35,478 that was drawn down twice. Further, when we inquired with ICJIA in June 2020 about the \$35,478 in overdrawn funds, ICJIA stated that it had not yet been able to determine whether these funds were repaid to OJP. Because the information provided in ICJIA's response is not consistent with information it provided us during the audit, and because ICJIA did not provide documentary evidence to support the new information, we do not have sufficient information to conclude whether the \$35,478 we questioned was included in ICJIA's repayment. Such documentation could include a comprehensive reconciliation of its FY 2016 drawn down funds to its accounting records as it supplied for its FY 2015 grant.

This recommendation can be closed when we receive the additional documentation described evidencing that the \$35,478 in overdrawn funds has been remedied in an appropriate manner.

17. Coordinate with ICJIA to identify the total amount of interest earned by VOCA funds drawn down in advance and remedy those funds as appropriate.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with ICJIA to determine the total amount of interest, if any, earned on funds drawn down in advance from its VOCA grants, and will work with the ICJIA to remedy, as appropriate.

ICJIA neither agreed nor disagreed with the recommendation and in its response acknowledged that there have been instances in which it has received an advance in grant funding and stated that any interest earned will be remedied in accordance with our recommendation.

This recommendation can be closed when we receive evidence that OJP has coordinated with ICJIA to identify the total amount of interest earned by VOCA funds drawn down in advance and remedied those funds as appropriate.

18. Remedy the total \$40,773 of unsupported match.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will review the \$40,773 in questioned costs, related to unsupported match contributions, and will work with ICJIA to remedy these costs, as appropriate.

ICJIA neither agreed nor disagreed with the recommendation and in response stated that it appears that the specific subrecipient at issue did not understand the requirement to document match-related expenditures for the VOCA programs. In addition, ICJIA stated that this subrecipient now understands the situation and will be able to provide some related

documentation. ICJIA further noted that this finding related to its 2015 VOCA award, that ICJIA had exceeded the match requirement for that award, and its belief that therefore the amount of unsupported match at issue in this recommendation was immaterial.

This recommendation can be closed when we receive evidence that OJP has remedied the \$40,773 of unsupported match.

19. Assist ICJIA in calculating the appropriate amount of program income earned based on federal government participation in the cost of the InfoNet system and ensure that these funds are remedied in an appropriate manner.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with ICJIA to determine the appropriate amount of program income earned as a result of the Federal government's contribution to the cost of the InfoNet system and will work with ICJIA to remedy these costs, as appropriate.

ICJIA neither agreed nor disagreed with the recommendation and in response stated that it will need OJP's assistance to determine whether a reimbursement grant from another state agency that supports InfoNet should be considered program income.

As noted in our report, during our audit we were informed that various state and local entities were utilizing InfoNet. Therefore, we believe that the assessment of program income related to InfoNet should examine all fees collected from all InfoNet users, not just instances involving reimbursable grant funds. This recommendation can be closed when we receive evidence that OJP has assisted ICJIA in calculating the appropriate amount of program income earned and ensured that these funds were remedied in an appropriate manner.

20. Ensure ICJIA reassesses its subrecipient monitoring policies to guarantee that the policies result in an appropriate level of monitoring based on the subrecipient risks identified.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with ICJIA to obtain a copy of written policies and procedures, developed and implemented, to ensure that ICJIA's monitoring of a subrecipient is appropriate based on the subrecipient risks identified.

ICJIA neither agreed nor disagreed with the recommendation. According to its response, ICJIA is in the process of modifying its Site Visit Policy, which it expects to be implemented in fall 2020 with staff training to follow. ICJIA also stated that it revised its site visit report form to be more representative of changing requirements.

This recommendation can be closed when we receive evidence that OJP has ensured ICJIA reassesses its subrecipient monitoring policies to guarantee

that the policies result in an appropriate level of monitoring based on the subrecipient risks identified.

21. Ensure ICJIA clarifies its requirements to the lead entities regarding the lead entities' assessment of subrecipient risk.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with ICJIA to obtain a copy of its revised subrecipient monitoring policies and procedures, developed and implemented, to ensure that its lead entities understand the requirements to properly assess subrecipient risk.

ICJIA neither agreed nor disagreed with the recommendation and in response stated that it will reinforce its requirements by revising its Lead Entity Policy to expound upon and clarify the requirement for lead entities to utilize a project risk assessment with subrecipients.

This recommendation can be closed when we receive evidence that OJP has ensured ICJIA clarifies its requirements to the lead entities regarding the lead entities' assessment of subrecipient risk.

22. Ensure ICJIA conducts fiscal audits in a timely manner and updates its subrecipient monitoring policies to include other types of adequate financial monitoring processes for instances in which completing on-site fiscal audits are not feasible.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with ICJIA to obtain evidence that the newly developed Office of Fiscal Management Risk Assessment Policy was formally implemented, signed by an authorized ICJIA official, and distributed to staff responsible for managing federal grants. OJP further stated that it will ensure that the policy includes provisions for ensuring that fiscal audits are conducted in a timely manner and contains alternative types of financial monitoring for instances in which completing on-site fiscal audits is not feasible.

ICJIA neither agreed nor disagreed with the recommendation and in response stated that it developed a financial risk assessment policy to ensure adequate oversight of all grantees. ICJIA provided a copy of this policy with its response to the draft audit report. We reviewed the policy and will coordinate with OJP to obtain its assessment of that documentation.

This recommendation can be closed when we receive evidence that OJP has ensured ICJIA conducts fiscal audits in a timely manner and updates its subrecipient monitoring policies to include other types of adequate financial monitoring processes for instances in which completing on-site fiscal audits are not feasible.

- 23. Require that ICJIA develop a process to safeguard against the drawdown of excess funds and considers the additional monitoring and reimbursement effort involved in a multi-tiered subaward structure like ICJIA uses with its pass-through lead entities.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with ICJIA to obtain a copy of written policies and procedures, developed and implemented, to ensure that excess funds are not drawn down on its federal awards. Additionally, OJP stated that it will ensure that the policies and procedures provide for sufficient monitoring and reimbursement steps to effectively manage the multi-tiered subaward structure ICJIA uses with its pass-through lead entities.

ICJIA neither agreed nor disagreed with the recommendation. According to its response, ICJIA looks forward to working with the OVC on this matter.

This recommendation can be closed when we receive evidence that OJP has required that ICJIA develop a process to safeguard against the drawdown of excess funds and consider the additional monitoring and reimbursement effort involved in a multi-tiered subaward structure like ICJIA uses with its pass-through lead entities.

- 24. Ensure that ICJIA has a process requiring subrecipients to report their actual match activity (e.g., expenditure of funds, volunteer time expended).**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with ICJIA to obtain a copy of written policies and procedures, developed and implemented, to ensure it requires VOCA subrecipients to accurately and timely report actual match activity.

ICJIA neither agreed nor disagreed with the recommendation. ICJIA's response summarized its policy regarding subrecipient reporting of financial transactions, which includes match expenditures. However, the issues we identified related to subrecipient match occurred even though these policies were in place, suggesting that the policies do not provide for adequate internal control related to actual match activity.

This recommendation can be closed when we receive evidence that OJP has ensured that ICJIA has a process requiring subrecipients to report actual match activity.

- 25. Ensure ICJIA revises its approach for reviewing match for allowability and proper support and for monitoring to verify required match amounts are met.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with ICJIA to obtain a copy of written policies and procedures, developed and implemented, to ensure that required match

amounts are met and that reported matching costs are reviewed for allowability and proper support.

Similar to its response to Recommendation 24, ICJIA neither agreed nor disagreed with the recommendation. ICJIA again described its policy regarding subrecipient reporting of financial transactions, including match expenditures. We note that this response does not address the recommendation to ensure that ICJIA revises its approach for reviewing match transactions and monitoring whether the 20-percent match requirement is met.

This recommendation can be closed when we receive evidence that OJP has ensured that ICJIA has revised its approach for reviewing match for allowability and proper support and for monitoring to verify required match amounts are met.

26. Ensure that ICJIA requires its lead entities to have controls for ensuring third-tier recipients meet match requirements.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with ICJIA to obtain a copy of written policies and procedures, developed and implemented, to ensure that ICJIA's lead entities have controls for ensuring third-tier recipients meet match requirements.

ICJIA neither agreed nor disagreed with the recommendation and in response stated that it will reinforce this requirement by revising its Lead Entity Policy to expound upon and clarify the requirement of lead entities to ensure third-tier recipients meet match requirements.

This recommendation can be closed when we receive evidence that OJP has ensured that ICJIA has required its lead entities to have controls for ensuring third-tier recipient meet match requirements.

27. Require ICJIA to conduct its programmatic site visits in a timely manner in compliance with its monitoring policy.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with ICJIA to obtain a copy of written policies and procedures, developed and implemented, to ensure its programmatic site visits are conducted in a timely manner, in accordance with its monitoring policy.

ICJIA neither agreed nor disagreed with the recommendation. In its response, ICJIA acknowledged the lack of timeliness and attributed most of the untimeliness to workload, staffing levels, and its site visit policy, which ICJIA referred to as "ambitious." According to its response, ICJIA is modifying its Site Visit Policy to properly reflect its ability to conduct site visits. ICJIA expects that the revised policy will be implemented in fall 2020 with staff training to follow. ICJIA also stated that it has also revised its site visit report form to be more representative of changing requirements.

This recommendation can be closed when we receive evidence that OJP has required ICJIA to conduct its programmatic site visits in a timely manner in compliance with its monitoring policy.

28. Ensure that ICJIA has adequate monitoring policies to provide assurance that subrecipients are reporting accurate performance information and are receiving appropriate and consistent guidance from ICJIA.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with ICJIA to obtain a copy of written policies and procedures, developed and implemented, to ensure that VOCA subrecipients report accurate performance information and receive appropriate and consistent guidance from the ICJIA.

ICJIA neither agreed nor disagreed with the recommendation. In response to this recommendation, ICJIA stated that it will work with the OVC to establish and implement a review process for grantee PMT data reporting that follows OVC rules and guidelines.

This recommendation can be closed when we receive evidence that OJP has ensured that ICJIA has adequate monitoring policies to provide assurance that subrecipients are reporting accurate performance information and are receiving appropriate and consistent guidance from ICJIA.