



Audit of the Office of Justice Programs
Victim Compensation Grants Awarded to the
Pennsylvania Commission on
Crime and Delinquency,
Harrisburg, Pennsylvania

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21-052

MARCH 2021



Executive Summary

Audit of the Office of Justice Programs Victim Compensation Grants Awarded to the Pennsylvania Commission on Crime and Delinquency, Harrisburg, Pennsylvania

Objective

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

Results in Brief

As a result of our audit, we concluded that PCCD used its grant funds to compensate crime victims. This audit did not identify significant concerns regarding PCCD's administrative or claim expenditures, federal financial reports, or drawdowns.

However, we identified several opportunities where PCCD could enhance policies and procedures for its State Certification Form and overall grant financial management.

Recommendations

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

Audit Results

The U.S. Department of Justice Office of the Inspector General completed an audit of two Victims of Crime Act (VOCA) victim compensation formula grants awarded by OJP, Office for Victims of Crime (OVC) to PCCD in Harrisburg, Pennsylvania. The OVC awarded these formula grants, totaling \$8,632,000 from fiscal years (FY) 2016 to 2017, from the Crime Victims Fund (CVF) to provide financial support through the payment of compensation benefits to crime victims throughout Pennsylvania. As of December 2020, PCCD had fully drawn down both awards for a total of \$8,632,000 from the two audited grants.

Program Accomplishments – PCCD enhanced services for crime victims by outreach efforts to increase public awareness of available benefits and by appropriately distributing the VOCA funding it received.

New Policy – We found that a new forensic rape examination policy enacted by PCCD could benefit from additional information on coordination efforts with other states.

State Certification Forms – We found that PCCD lacked adequate controls to allow for independent verification of the amounts reported for restitution on the certification form.

Performance Reporting – We found that PCCD did not maintain adequate documentation to support the program performance metrics submitted to the OVC for the period in our review.

Grant Financial Management – We determined that PCCD did not have adequate grant financial management policies and procedures in place, specifically related to drawdowns and administrative expenditures.

Compensation Claims – We determined that all expenditures we reviewed were allowable and adequately supported. However, we did identify an error in PCCD's categorization of Cannabidiol (CBD) as an allowable federal expense.

**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS
VICTIM COMPENSATION GRANTS AWARDED TO
THE PENNSYLVANIA COMMISSION ON
CRIME AND DELINQUENCY,
HARRISBURG, PENNSYLVANIA**

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INTRODUCTION

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of two victim compensation formula grants awarded by the Office of Justice Programs (OJP), Office for Victims of Crime (OVC) to the Pennsylvania Commission on Crime and Delinquency (PCCD) in Harrisburg, Pennsylvania. The OVC awards victim compensation grants annually from the Crime Victims Fund (CVF) to state administering agencies. As shown in Table 1, from fiscal years (FY) 2016 to 2017, these OVC grants totaled \$8,632,000.

Table 1
Audited Grants
Fiscal Years 2016 – 2017

Award Number	Award Date	Award Period Start Date	Award Period End Date	Award Amount
2016-VC-GX-0023	9/19/2016	10/1/2015	9/30/2019	\$ 4,480,000
2017-VC-GX-0026	9/27/2017	10/1/2016	9/30/2020	4,152,000
Total:				\$ 8,632,000

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

Source: OJP's Grant Management System

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.¹ The CVF is supported entirely by federal criminal fees, penalties, forfeited bail bonds, gifts, donations, and special assessments. The OVC annually distributes proceeds from the CVF to states and territories. VOCA victim compensation formula grant funds are available each year to states and territories for distribution to eligible recipients.

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

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

² This program defines criminal violence to include drunk driving and domestic violence.

The Grantee

As the Pennsylvania state administering agency, PCCD is responsible for administering the VOCA victim compensation program. By statute, PCCD provides leadership in system-wide coordination and in building collaboration among public servants and private citizens representing all aspects of the criminal and juvenile justice systems and victim services. PCCD's mission is to enhance the quality, coordination, and planning within the criminal and juvenile justice systems, to facilitate the delivery of services to victims of crime, and to increase the safety of Pennsylvania communities. Within PCCD, the Victims Compensation Assistance Program (VCAP) handles the day-to-day administration and oversight of the victim compensation VOCA grants. According to its website, VCAP helps victims and their families ease the financial burdens they may face as a result of crime.

OIG Audit Approach

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

We tested compliance with what we considered the most important conditions of the grants. Unless otherwise stated in our report, we applied the authorizing VOCA legislation, the VOCA compensation program guidelines (VOCA Guidelines) and the DOJ Grants Financial Guide as our primary criteria. We also reviewed relevant Pennsylvania laws and PCCD policies and procedures, such as the Pennsylvania Crime Victims Act and the Manual for Compensation Assistance. We also interviewed PCCD personnel to determine how VOCA funds were administered and obtained and reviewed PCCD records reflecting grant activity. Additionally, we assessed PCCD's internal controls, implemented at the time of our audit, specific to its design, implementation, and operating effectiveness for those internal controls we deemed significant within the context of our audit objective.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.

AUDIT RESULTS

Grant Program Planning and Execution

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

Overall, we determined that PCCD's implementation of its victim compensation program was appropriate and in compliance with the VOCA Guidelines. We found that PCCD mainly complied with federal grant requirements and established an adequate program to compensate victims and survivors of criminal violence. However, we also identified several issues with the accuracy of PCCD's State Certification Forms, including a lack of policies and procedures for completing the form.

Program Implementation

State administering agencies receive VOCA victim compensation grants to compensate victims directly for expenses incurred from criminal victimization. As the state administering agency for Pennsylvania, PCCD was responsible for the victim compensation program, including meeting all financial and programmatic requirements. When paying claims for victims, PCCD operated under its Manual for Compensation Assistance, which conveyed the state-specific policies for the victim compensation program. In assessing PCCD's implementation of its victim compensation program, we analyzed policies and procedures governing the decision-making process for individual compensation claims, as well as what efforts PCCD had made to bring awareness to victims eligible for compensation program benefits.

Overall, we determined that PCCD's implementation of its victim compensation program was appropriate and in compliance with the VOCA Guidelines and the terms and conditions of the grants we audited. We found that PCCD had an established process for the intake, review, and payment or denial of individual compensation claims, and that PCCD had adequate separation of duties between the employees who reviewed the claims and the employee who authorized payment. Additionally, we determined that PCCD conducted adequate outreach efforts to publicize the program to the crime victim population it served.

New Policy - Out of State Forensic Rape Examinations

In April 2019, PCCD updated its Protocol and Billing Procedures for Forensic Rape Examinations to include not only sexual assaults that occurred within Pennsylvania, but also for residents who are sexually assaulted in another state that return to Pennsylvania to have the exam done by a hospital or licensed health care provider as defined by the Pennsylvania Crime Victims Act.

For forensic rape examinations in Pennsylvania, hospitals and licensed healthcare providers complete and submit claim forms on behalf of victims and are directly reimbursed by PCCD. According to Pennsylvania's Crime Victims Act, forensic rape examination and medications directly related to the sexual assault or rape, shall not exceed \$1,000 and are considered by the provider as payment in full.

According to the PCCD's Chief Counsel, reimbursing Pennsylvania health care providers for the expense of performing forensic rape examinations for Pennsylvania residents, regardless of where the crime occurred, appears to be consistent with Pennsylvania law. The Chief Counsel also concluded that this policy may not be overly taxing upon Pennsylvania's Crime Victims Fund. As of January 1, 2019, when tracking began, PCCD has received and paid 18 out-of-state claims totaling \$15,479, with most of those claims for crimes that occurred in states that border Pennsylvania. PCCD also received 15 claims that were made inactive either because the victim was not a Pennsylvania resident, or they did not receive services from a Pennsylvania healthcare provider. According to a PCCD official, if a victim were to seek additional reimbursement for other expenses incurred as a result of the victimization, PCCD would refer that victim to the state in which the crime occurred to file a claim for additional expenses. To date, PCCD has not discussed this policy change with other states and its current policy does not discuss how to handle coordination with other states.

We discussed this policy change with OJP. An OJP official stated that while the policy is not in violation of the VOCA Guidelines, OJP does believe states should coordinate with one another on issues of collateral sources of funding. Without this level of coordination, a claimant could potentially seek reimbursement from both Pennsylvania as well as the state where the crime occurred. In addition, any other eligible expenses a claimant could request reimbursement for would need to be filed with the state where the crime occurred, which would require coordination with Pennsylvania.

While we believe the fraud risks associated with this policy are low, we recommend that OJP work with PCCD to update its existing policy on forensic rape examinations to include coordination with other states on issues of collateral sources of funding.

Public Outreach

We found that PCCD made efforts to enhance public awareness of available victim compensation benefits through outreach efforts that included training efforts to local and state police departments and victim service advocate agencies.

Annual State Certification

State administering agencies must submit an annual Crime Victim Compensation State Certification Form, which provides the OVC the necessary information to determine the grant award amount. The certification form must include all sources of revenue to the crime victim compensation program during the federal fiscal year, as well as the total of all compensation claims paid out to, or on

behalf of, victims from all funding sources. The OVC allocates VOCA victim compensation formula grant funds to each state by calculating 60 percent of the eligible compensation claims paid out to victims during the fiscal year 2 years prior.⁴ The accuracy of the information provided in the certification form is critical to OJP's correct calculation of the victim compensation award amounts granted to each state.

We assessed PCCD's controls for preparing the annual certification forms submitted to the OVC for FYs 2014 through 2018, which were used to calculate the award amounts granted in FYs 2016 through 2020.⁵ We were told that the Claims Processing Supervisor prepared and PCCD's Director and Deputy Director reviewed the certification forms. Our review focused on the accuracy of the certification forms, including total funds paid, payouts made with VOCA funds, subrogation, restitution, and recovery costs. For our review, we used official accounting records provided by PCCD to reconcile the amounts reported. Although we were able to independently reconcile the amounts reported on the certification forms to the official accounting records, we found that the amount reported for restitution in the accounting records could not be verified.

In Pennsylvania, restitution was collected at the county level and provided to PCCD from Pennsylvania's Treasury Department largely in a lump sum amount with limited detailed reporting on specific claimant reimbursements. According to PCCD officials, the lump sum amount was attributed at the county level as reimbursements of payouts on specific claims. However, PCCD officials confirmed they did not maintain the records necessary to independently verify the lump sum amounts and accepted what was reported by the counties without any assurance as to its accuracy.

During our audit, PCCD developed and formalized policies and procedures for the preparation of its annual certification form. We reviewed the newly formalized policies and procedures and determined that PCCD did not include a procedure step to perform verification of the amounts reported for restitution. We believe such a control is necessary for PCCD to have adequate assurance that the amounts it is reporting on the certification form are accurate.

In addition, according to OJP, OVC is working on revising the certification form and instructions with the intent of making the accounting for restitution recoveries clearer, and to communicate this more broadly to the State Administering Agencies when finalized.

As discussed earlier, the accuracy of the information provided in the certification form is critical to OJP's correct calculation of the victim compensation award amounts granted to each state. Therefore, we recommend that OJP

⁴ The eligible payout amount for award consideration is determined after deducting payments made with VOCA funds, subrogation and restitution recoveries, refunds, amounts awarded for property loss, and other reimbursements.

⁵ The OJP's Office of the Chief Financial Officer, Budget Execution Division calculates the allocations for VOCA eligible crime victim compensation programs, and OVC makes the grant awards.

work with PCCD to develop a control that provides reasonable assurance that the amounts reported by counties to PCCD are accurate and allows for independent verification of such amounts where appropriate.

Program Requirements and Performance Reporting

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

Based on our overall assessment in the areas of program requirements and performance reporting, we determined that PCCD did not implement adequate procedures to compile annual performance reports. In addition, OVC provided clarification on a select special condition we tested.

Annual Performance Reports

Each state administering agency must annually report to OVC on activity funded by any VOCA awards active during the federal fiscal year. During the period of this audit, the reports were submitted through OJP's Grants Management System. As of FY 2016, the OVC also began requiring states to submit quarterly performance data through the web-based Performance Measurement Tool (PMT). After the end of the fiscal year, state administering agencies are required to produce an Annual State Performance Report and provide it to OJP.

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

We assessed whether PCCD's FY 2019 quarterly performance reports submitted to the OVC fairly reflected the performance data of the victim compensation program. PCCD used their in-house case management system, the Dependable Access for Victims' Expenses (DAVE), to prepare its quarterly performance reports. A PCCD official stated that prior to January 2020, PCCD did not maintain any supporting documentation for its reports. For our review, PCCD recreated these reports in DAVE, but acknowledged that the data likely changed over time as new information was added and updated in DAVE.

To assess PCCD's performance, we compared the recreated quarterly DAVE reports to FY 2019 quarterly performance reports submitted to the OVC. We also sampled and tested metrics from every applicable category in the performance report, as listed above. Based on our review of the information provided by PCCD, we were unable to reconcile over 90 percent of PCCD's information to the totals PCCD reported to the OVC.

Retaining contemporaneous records when submitting PMT reports to the OVC would enable PCCD to more readily demonstrate that reported data accurately reflected its performance at the time of reporting. While we understand this practice was recently established, we recommend that OJP works with PCCD to develop policies and procedures that ensure supporting documentation for the performance data at the time of reporting to the OVC is maintained to enable reconciliation and allow for independent verification of reported data with its internal records.

Compliance with Special Conditions

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

We judgmentally selected the following three special conditions to review in greater detail.

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

We found that PCCD complied with the first two special conditions we tested. For the third, we found that gender, date of birth, and "Age at the Time of the Crime" were listed as required information necessary to process an application and were not voluntary. We learned that PCCD used the demographic data collected on its applications, which is uploaded into DAVE, to create performance reports submitted to OJP. As a result, PCCD reported demographic data to OJP that was not collected from claimants voluntarily. However, OVC clarified to the OIG that the purpose of the special condition was to collect demographic information if the state has such information. OVC said the phrase "where such information is voluntarily furnished by those receiving compensation" was meant to express a presumption that such collection would be voluntary (and that OVC does not require the states to require that victims provide this information). An OVC official also stated that the information collected was not used for statistical purposes, but to inform its decision-making process.

Additionally, an OVC official stated that OVC recently removed this special condition and it is no longer included for Victim Compensation awards. As a result, no recommendation was made on the matter.

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 PCCD's financial management of the VOCA victim compensation grants, we reviewed the process PCCD used to administer these funds by examining expenditures charged to the grants, subsequent drawdown requests, and resulting financial reports. To further evaluate PCCD's financial management of the VOCA victim compensation grants, we also reviewed the Pennsylvania Single Audit Report for FY 2019. We also interviewed PCCD personnel who were responsible for financial aspects of the grants, reviewed PCCD's written policies and procedures, inspected award documents, and examined financial records.

As discussed below, in our overall assessment of grant financial management, we determined that PCCD generally implemented adequate controls over claim payments and administrative expenditures associated with managing the victim compensation program. However, we determined that policies and procedures related to drawdowns and administrative expenditures lacked detail. We were unable to determine PCCD's specific process or any of the individual(s) responsible for administrative expenditure and drawdown procedures. Therefore, we recommend OJP ensures PCCD revises and implements detailed policies and procedures related to drawdowns and administrative expenditures to ensure compliance with VOCA Guidelines and the DOJ Grants Financial Guide.

Grant Expenditures

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

Victim Compensation Claim Expenditures

Victims of crime in Pennsylvania submit claims for reimbursement of expenses incurred as a result of victimization, such as medical and funeral costs or loss of wages. PCCD staff adjudicate these claims for eligibility and make payments from the VOCA victim compensation grants and state funding.

To evaluate PCCD's financial controls over VOCA victim compensation grant expenditures, we reviewed victim compensation claims to determine whether the payments were accurate, allowable and in accordance with the policies of the VOCA Guidelines and the PCCD Manual for Compensation Assistance. We judgmentally selected 30 compensation claims totaling approximately \$234,000.

The transactions we reviewed included costs in the following categories: medical, dental, funeral, lost wages, loss of support, stolen cash, relocation, medication, and forensic rape examinations.

We found that all of the claims we selected for review were allowable, supported, and in compliance with both the VOCA Guidelines and PCCD policies and procedures. Although it was not part of our sample, the payment and classification of medical marijuana and cannabidiol (CBD) expenses was a subject of discussion with PCCD officials.

- **Medical Marijuana and Cannabidiol (CBD)**

According to their policy, PCCD can consider the expenses for medical marijuana for a victim who has: (1) verification that the need for medical marijuana was a result of the crime, (2) received their Medical Marijuana ID card from a PA Department of Health based on certification from a registered physician, and (3) has received the medication from a dispensary permitted by the PA Department of Health. PCCD tracks and categorizes these expenses as medical marijuana in its DAVE system, and uses state funds exclusively for payment.

According to a PCCD official, PCCD reimburses expenses for CBD products. PCCD categorizes these items as medication, but their policy does not include CBD products as medical marijuana. We discussed with PCCD that OJP considers CBD products as a controlled substance under the Controlled Substances Act and the procurement, possession, and use of marijuana, even for medical purposes, is illegal under Federal law. Federal grant funds must be used only for expenses that are legal under Federal law. Additionally, all OVC grantees have signed a Standard Assurances Certification during the application phase for these grant funds. That certification specifically requires compliance with "all applicable Federal statutes, regulations, policies, guidelines, and requirements." As explained above, Federal law currently prohibits the procurement, possession, and use of marijuana, even for medical purposes.

During our audit, PCCD updated their policy to add CBD products to the Medical Marijuana category.

Denied Claims

We judgmentally selected five denied claims to review. To assess whether the documentation maintained in PCCD's case files adequately supported its decision to deny claims, we reviewed available documentation including the application for benefits, the police report from the law enforcement agency, and any other supporting documentation. Based on our review, we determined that the documentation maintained by PCCD adequately supported its decision to deny each of the five claims.

Administrative Expenditures

The state administering agency may retain up to 5 percent of each grant to pay for administering its crime victim compensation program. However, such costs

must derive from efforts to improve program effectiveness and service to crime victims, including claims processing, staff development and training, and public outreach. For the compensation grant program, we tested PCCD's compliance with the 5 percent limit on the administrative category of expenditures, as shown in Table 2.

Table 2
Administrative Expenditures as of July 2020

Award Number	Total Award	State Administrative Expenditures	Administrative Percentage
2016-VC-GX-0023	\$4,480,000	\$83,028	1.85%
2017-VC-GX-0026	\$4,152,000	\$87,494	2.11%

Source: PCCD Accounting Records

We found that PCCD did not exceed the 5 percent allowable threshold for administrative expenditures. We compared the total administrative expenditures charged to the grants against the general ledger and determined that the state complied with the 2016 grant and is in position to comply with the 2017 grant for the 5 percent limit.

In addition to testing the PCCD's compliance with the 5 percent administrative expenditure threshold, we also tested a sample of the administrative transactions. Administrative costs included personnel, fringe benefits, and other costs such as computer software updates. We judgmentally selected two payroll transactions and two allocated cost transactions from each grant. We found the transactions were allowable and supported by payroll records, including certificates, or paid invoices.

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 reimbursements or disbursements made immediately or within 10 days. To assess whether PCCD managed grant receipts in accordance with these federal requirements, we compared the total amount reimbursed to the total expenditures in PCCD's accounting system and accompanying financial records.

For the VOCA victim compensation awards, PCCD calculated drawdown amounts sufficient to cover victim compensation claim reimbursements once a year and at the end of the grant period. In addition, PCCD calculated drawdowns to cover administrative expenditures based on actual eligible expenses. Table 3 shows the total amount drawn down for each grant as of December 2020.

Table 3
Amount Drawn Down for Each Grant as of December 2020

Award Number	Total Award	Award Period End Date	Amount Drawn Down	Amount Remaining
2016-VC-GX-0023	\$4,480,000	9/30/2019	\$4,480,000	\$0
2017-VC-GX-0026	\$4,152,000	9/30/2020	\$4,152,000	\$0
Total:	\$8,632,000		\$8,632,000	\$0

Source: OJP

During this audit, we did not identify deficiencies related to the PCCD's process for developing and supporting drawdown requests absent our previous recommendation for more robust drawdown procedures.

Financial Reporting

According to the DOJ Grants Financial Guide, recipients shall report the actual expenditures and unliquidated obligations incurred for the reporting period on each financial report as well as cumulative expenditures. To determine whether PCCD submitted accurate Federal Financial Reports, we compared the four most recent quarterly reports to PCCD's accounting records for each grant. We determined that quarterly and cumulative expenditures for the reports reviewed matched the accounting records for Grant Numbers 2016-VC-GX-0023 and 2017-VC-GX-0026.

CONCLUSION AND RECOMMENDATIONS

We found that PCCD used its grant funds to compensate crime victims according to VOCA and state-imposed requirements. We did not take issue with PCCD's compensation claims or the administrative expenditures we tested, federal financial reports we examined, or drawdowns we reviewed. However, we identified an opportunity for PCCD to develop a control for its State Certification Form and enhance its overall grant financial management policies and procedures. We provide four recommendations to OJP to address these deficiencies.

We recommend that OJP:

1. Work with PCCD to update its existing policy on forensic rape examinations to include coordination with other states on issues of collateral sources of funding.
2. Work with PCCD to develop a control that provides reasonable assurance that the amounts reported by counties to PCCD are accurate and allows for independent verification of such amounts where appropriate.
3. Work with PCCD to develop policies and procedures that ensures supporting documentation for the performance data at the time of reporting to OVC is maintained to enable reconciliation and allow for independent verification of reported data with its internal records.
4. Ensure PCCD revises and implements detailed policies and procedures related to drawdowns and administrative expenditures to ensure compliance with VOCA Guidelines and DOJ Grants Financial Guide.

APPENDIX 1

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

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

Scope and Methodology

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. As a result of the COVID-19 pandemic response, we performed our audit fieldwork exclusively in a remote manner.

This was an audit of Victims of Crime Act (VOCA) victim compensation formula grants 2016-VC-GX-0023 and 2017-VC-GX-0026 from the Crime Victims Fund awarded to PCCD. The Office of Justice Programs (OJP), Office for Victims of Crime awarded these grants totaling \$8,632,000 to PCCD, which serves as the state administering agency. Our audit concentrated on, but was not limited to, the period of October 1, 2015, the project start date for VOCA compensation grant number 2016-VC-GX-0023, through January 2021. As of December 2020, PCCD had fully drawn down both awards for a total of \$8,632,000 from the two audited grants.

To accomplish our objective, we tested compliance with what we considered to be the most important conditions of PCCD's activities related to the audited grants, which included conducting interviews with Pennsylvania financial staff, examining policies and procedures, and reviewing grant documentation and financial records. We performed sample-based audit testing for grant expenditures including payroll and fringe benefit charges, financial reports, and progress 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 compensation program guidelines, the Department of Justice (DOJ) Grants Financial Guide, state compensation criteria, and the award documents contain the primary criteria we applied during the audit.

During our audit, we obtained information from OJP's Grants Management System as well as PCCD'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.

Internal Controls

In this audit, we performed testing of internal controls significant within the context of our audit objectives. We did not evaluate the internal controls of PCCD to provide assurance on its internal control structure as a whole. PCCD management is responsible for the establishment and maintenance of internal controls in accordance with 2 C.F.R. §200. Because we do not express an opinion on PCCD's internal control structure as a whole, we offer this statement solely for the information and use of PCCD and OJP.⁶

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

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

We assessed the design, implementation, and/or operating effectiveness of these internal controls implemented at the time of our audit. The internal control deficiencies we found are discussed in the Audit Results section of this report. However, because our review was limited to aspects of these internal control components and underlying principles, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

⁶ This restriction is not intended to limit the distribution of this report, which is a matter of public record.

APPENDIX 2

PENNSYLVANIA COMMISSION ON CRIME AND DELINQUENCY RESPONSE TO THE DRAFT AUDIT REPORT



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA COMMISSION ON CRIME AND DELINQUENCY

March 2, 2021

Subject: OIG Recommendation Draft Report Response

To: Thomas O. Puerzer
Regional Audit Manager

From: Michael D. Pennington
Executive Director

A handwritten signature in blue ink, appearing to read "Michael D. Pennington".

1. Work with PCCD to update its existing policy on forensic rape examinations to include coordination with other states on issues of collateral sources of funding.

PCCD agrees to update our existing policy on reimbursing out-of-state forensic rape examinations to include coordination with other states on issues of collateral sources of funding. It should be noted that in Pennsylvania, per the Crime Victims Act (CVA), Forensic Rape Examinations (FREs) can only be paid to a hospital or licensed health care provider and that insurance may not be billed unless the victim authorizes that to occur. Additionally, the CVA states that the victim cannot be billed for an FRE. PCCD implemented a new policy of paying out of state FREs due to instances where a Pennsylvania resident was sexually assaulted in another state and then received the FRE at a hospital within Pennsylvania.

Since Pennsylvania provides payment directly to the hospital or licensed health care provider for the FRE, the claimant is not to be billed by the provider. If there is an instance where a claimant is billed by the provider and pays that expense, the Program would coordinate with the provider for them to reimburse the claimant. The provider would then have to file an FRE claim with the Program for reimbursement. Coordination with other states on this expense is not needed since the Pennsylvania hospital or licensed health care provider will be paid by Pennsylvania's compensation program.

If the claimant seeks reimbursement for other expenses, PCCD's compensation program refers the claimant to the state compensation program where the crime occurred. PCCD will examine what procedures may be necessary to coordinate with other states. However, it should be noted that the claimant would not be eligible to file for other expenses in Pennsylvania which would remove the possibility of the claimant seeking reimbursement from both PCCD and another state.

2. Work with PCCD to develop a control that provides reasonable assurance that the amounts reported by the counties to PCCD are accurate and allows for independent verification of such amounts where appropriate.

PCCD understands the recommendation to develop a control that provides reasonable assurance that the amounts reported by the counties to PCCD are accurate and allows for independent verification of such amounts where appropriate. In Pennsylvania, restitution to VCAP is assessed by the county courts for claims already paid by VCAP. The restitution to VCAP is collected at the county level and subsequently transferred to the state Department of Revenue (DOR). The Administrative Office of

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Pennsylvania Courts (AOPC) oversees the operation of the Court of Common Pleas Court Management System (CPCMS) which provides case management, accounting and reporting functions to the criminal division of the Courts of Common Pleas. The CPCMS accounts for all fines, costs, and restitution ordered and collected. The amount of restitution due to the VCAP is determined monthly and then transmitted to DOR for deposit into the restitution account.

Since the only restitution ordered to the VCAP would be for claims paid by VCAP, PCCD is able to identify how much restitution was collected and lists that amount on the certification form. However, PCCD will hold discussions with the Administrative Office of Pennsylvania Courts (AOPC) to help identify what control PCCD could utilize to verify the amount a county collected and subsequently transferred to DOR, was specific for restitution to the Victim Compensation Assistance Program.

3. Work with PCCD to develop policies and procedures that ensures supporting documentation for the performance data at the time of reporting to OVC is maintained to enable reconciliation and allow for independent verification of reported data with its internal records.

PCCD concurs with this recommendation. Prior to the OIG audit, the PCCD had already established a process to reconcile report data. This process includes maintaining the quarterly report from the DAVE system that is utilized to enter quarterly PMT data. The quarterly report from DAVE will be maintained to support and verify the submitted data for the relevant quarterly PMT report.

4. Ensure PCCD revises and implements detailed policies and procedures related to drawdowns and administrative expenditures to ensure compliance with VOCA Guidelines and DOJ Grants Financial Guide.

PCCD concurs with this recommendation. PCCD will develop a policy that outlines our processes for charging administrative expenditures to federal awards and drawing down federal award funds.

cc: Linda J. Taylor, Lead Auditor

APPENDIX 3

OFFICE OF JUSTICE PROGRAMS RESPONSE TO THE DRAFT AUDIT REPORT



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

March 9, 2021

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

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

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs, Victim Compensation Grants Awarded to the Pennsylvania Commission on Crime and Delinquency, Harrisburg, Pennsylvania*

This memorandum is in reference to your correspondence, dated February 2, 2021, transmitting the above-referenced draft audit report for the Pennsylvania Commission on Crime and Delinquency (PCCD). We consider the subject report resolved and request written acceptance of this action from your office.

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

1. **We recommend that OJP work with PCCD to update its existing policy on forensic rape examinations to include coordination with other states on issues of collateral sources of funding.**

OJP agrees with this recommendation. We will coordinate with PCCD to obtain a copy of its revised policies and procedures on forensic rape examinations, to ensure that they include provisions for coordinating with other states on issues of collateral sources of funding.

2. **We recommend that OJP work with PCCD to develop a control that provides reasonable assurance that the amounts reported by counties to PCCD are accurate and allows for independent verification of such amounts where appropriate.**

OJP agrees with this recommendation. We will coordinate with PCCD to obtain a copy of its written policies and procedures, developed and implemented, that provide reasonable assurance that amounts reported by the counties to PCCD are accurate, and allow for independent verification of such amounts, where appropriate.

3. **We recommend that OJP work with PCCD to develop policies and procedures that ensures supporting documentation for the performance data at the time of reporting to OVC is maintained to enable reconciliation and allow for independent verification of reported data with its internal records.**

OJP agrees with this recommendation. We will coordinate with PCCD to obtain a copy of its written policies and procedures, which ensure that supporting documentation for performance data is maintained for independent verification and reconciliation purposes.

4. **We recommend that OJP ensure PCCD revises and implements detailed policies and procedures related to drawdowns and administrative expenditures to ensure compliance with Victims of Crime Act Guidelines and DOJ Grants Financial Guide.**

OJP agrees with this recommendation. We will coordinate with PCCD to obtain a copy of its written policies and procedures, developed and implemented, to ensure that drawdowns of Federal grant funds are based on actual expenditures incurred, or are the minimum amounts needed for disbursements to be made immediately or within 10 days of draw down; and the amounts requested for reimbursement are reconciled to adequate supporting documentation. We will also coordinate with PCCD to obtain a copy of its written policies and procedures, developed and implemented, to ensure that administrative expenditures comply with the Victims of Crime Act Guidelines and the Department of Justice Grants Financial Guide.

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

cc: Maureen A. Henneberg
Acting Assistant Attorney General

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

Katherine Darke Schmitt
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OJP Executive Secretariat
Control Number IT20210202140129

APPENDIX 4

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

The OIG provided a draft of this audit report to the Office of Justice Programs (OJP) and the Pennsylvania Commission on Crime and Delinquency (PCCD). PCCD's response is incorporated in Appendix 2 and OJP's response in Appendix 3 of this final report. In its response to our recommendations, PCCD agreed with one, concurred with two, and proposed corrective actions in support of all four. In its response, OJP agreed with all our recommendations and discussed the actions it plans to complete to address our recommendations. As a result, the status of the audit report is resolved. The following provides the OIG analysis of the response and a summary of the actions necessary to close the report.

Recommendations for OJP:

- 1. Work with PCCD to update its existing policy on forensic rape examinations to include coordination with other states on issues of collateral sources of funding.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with PCCD to obtain a copy of its revised policies and procedures on forensic rape examinations, to ensure that they include provisions for coordinating with other states on issues of collateral sources of funding.

PCCD agreed with this recommendation. In its response, PCCD stated that it will update its existing policy on reimbursing out-of-state forensic rape examinations to include coordination with other states on issues of collateral sources of funding.

This recommendation can be closed when we receive documentation demonstrating PCCD has updated its existing policy on reimbursing out-of-state forensic rape examinations to include coordination with other states on issues of collateral funding sources.

- 2. Work with PCCD to develop a control that provides reasonable assurance that the amounts reported by counties to PCCD are accurate and allows for independent verification of such amounts where appropriate.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with PCCD to obtain a copy of its written policies and procedures, developed and implemented, that provide reasonable assurance that amounts reported by the counties to PCCD are accurate and allow for independent verification of such amounts, where appropriate.

In its response, PCCD stated that it understood this recommendation and would hold discussions with the Administrative Office of Pennsylvania Courts to help identify what control PCCD could utilize to verify the amount a county collected and subsequently transferred to the commonwealth Department of Revenue, was specific for restitution to the Victim Compensation Assistance Program.

This recommendation can be closed when we receive documentation demonstrating PCCD has developed a control that provides reasonable assurance that the amounts reported by counties to PCCD are accurate and allows for independent verification of such amounts where appropriate.

3. Work with PCCD to develop policies and procedures that ensures supporting documentation for the performance data at the time of reporting to OVC is maintained to enable reconciliation and allow for independent verification of reported data with its internal records.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with PCCD to obtain a copy of its written policies and procedures, which ensure that supporting documentation for performance data is maintained for independent verification and reconciliation purposes.

PCCD concurred with this recommendation. In its response, PCCD stated that it had already established a process to reconcile performance report data. This process includes maintaining the quarterly report from the DAVE system that is utilized to enter quarterly PMT data. The quarterly report from DAVE will be maintained to support and verify the submitted data for the relevant quarterly PMT report.

This recommendation can be closed when we receive documentation demonstrating PCCD has developed policies and procedures that ensures supporting documentation for the performance data at the time of reporting to OVC is maintained to enable reconciliation and allow for independent verification of reported data with its internal records.

4. Ensure PCCD revises and implements detailed policies and procedures related to drawdowns and administrative expenditures to ensure compliance with VOCA Guidelines and DOJ Grants Financial Guide.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with PCCD to obtain a copy of its written policies and procedures, developed and implemented, to ensure that drawdowns of Federal grant funds are based on actual expenditures incurred, or are the minimum amounts needed for disbursements to be made immediately or within 10 days of drawdown; and the amounts requested for reimbursement are reconciled to adequate supporting documentation. OJP will also coordinate with PCCD to obtain a copy of its written policies and procedures, developed and implemented, to ensure that administrative expenditures

comply with the Victims of Crime Act Guidelines and the Department of Justice Grants Financial Guide.

PCCD concurred with this recommendation. In its response, PCCD stated that it will develop a policy that outlines its processes for charging administrative expenditures to federal awards and drawing down federal award funds.

This recommendation can be closed when we receive documentation demonstrating PCCD developed and implemented a policy that outlines its processes for charging administrative expenditures to federal awards and drawing down federal award funds.