



Audit of the Office of Justice Programs Victim
Compensation Grants Awarded to the Mississippi
Office of the Attorney General,
Jackson, Mississippi



AUDIT DIVISION

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EXECUTIVE SUMMARY

Audit of the Office of Justice Programs Victim Compensation Grants Awarded to the Mississippi Office of the Attorney General, Jackson, Mississippi

Objective

The objective of the audit was to evaluate how the Mississippi Office of the Attorney General (Mississippi OAG) 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 Mississippi OAG compensated victims and survivors of criminal violence and administered the program effectively. This audit did not identify significant concerns regarding Mississippi OAG's grant planning and execution, performance reporting, grant expenditures, drawdowns, and financial reporting.

Recommendations

Our report contains no recommendations. We requested a response to our draft audit report from the Office of Justice Programs (OJP) and Mississippi OAG. OJP's response can be found in Appendix 2. Mississippi OAG declined to provide a response.

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 the Office of Justice Programs, Office for Victims of Crime (OVC) to Mississippi OAG in Jackson, Mississippi. The OVC awarded these formula grants, totaling \$3,516,000 from fiscal years 2018 to 2019, from the Crime Victims Fund to provide financial support through the payment of compensation benefits to crime victims throughout Mississippi. As of February 2022, Mississippi OAG drew down a cumulative amount of \$3,441,614 for all of the grants we reviewed.

Grant Program Planning and Execution

Overall, we determined that Mississippi OAG's implementation of its victim compensation program was appropriate and in compliance with VOCA Guidelines. We found that Mississippi OAG complied with federal grant requirements and established an adequate program to compensate victims and survivors of criminal violence.

Program Requirements and Performance Reporting

Based on our overall assessment in the areas of program requirements and performance reporting, we determined that Mississippi OAG implemented adequate procedures to compile and submit annual performance reports.

Grant Financial Management

We determined that Mississippi OAG generally implemented adequate controls over grant expenditures, drawdowns, and financial reporting.

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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 Mississippi Office of the Attorney General (Mississippi OAG) in Jackson, Mississippi. 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) 2018 to 2019, these OVC grants totaled \$3,516,000.

Table 1

Audited Grants^a
Fiscal Years 2018 – 2021

Award Number	Award Date	Award Period Start Date	Award Period End Date	Award Amount
2018-V1-GX-0059	9/20/2018	10/1/2017	9/30/2021	\$2,413,000
2019-V1-GX-0065	9/13/2019	10/1/2018	9/30/2022	\$1,103,000
Total:				\$3,516,000

^a In September 2020 and September 2021, Mississippi OAG received victim compensation awards in the amounts of \$1,103,000 from award number 2020-V1-GX-0017 and \$869,000 from award number 15POVC-21-GG-00437-COMP. As of February 2, 2022, Mississippi OAG had made no drawdowns for either award. Therefore, we did not audit these awards.

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

Source: JustGrants

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.

Mississippi Office of the Attorney General

As the Mississippi state administering agency, Mississippi OAG was responsible for administering the VOCA victim compensation program. Mississippi OAG's victim compensation program provides financial assistance to innocent victims of violent crime and their eligible family members.

OIG Audit Approach

The objective of the audit was to evaluate how Mississippi OAG 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 Mississippi OAG policies and procedures and interviewed Mississippi OAG personnel to determine how they administered the VOCA funds. We interviewed Mississippi OAG personnel and further obtained and reviewed Mississippi OAG records reflecting grant activity.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 Mississippi OAG's overall process for making victim compensation payments. We assessed Mississippi OAG's policies and procedures for providing compensation payments to victims, as well as the accuracy of state certification forms.

Overall, we determined that Mississippi OAG's implementation of its victim compensation program was appropriate and in compliance with VOCA Guidelines. We found Mississippi OAG complied with federal grant requirements and established an adequate program to compensate victims and survivors of criminal violence. We did not identify any issues with its policies, efforts to bring awareness to the program, and accuracy of the FY 2020 certification report.

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 Mississippi, Mississippi OAG was responsible for the victim compensation program, including meeting all financial and programmatic requirements. When paying claims for victims, Mississippi OAG operates under the Mississippi Crime Victim Compensation Act of 1991, which conveys state-specific policies for the victim compensation program.⁴ In assessing Mississippi OAG'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 Mississippi OAG had made to bring awareness to victims eligible for compensation program benefits.

Based on our review, we found that Mississippi OAG implemented appropriate procedures for accepting applications, reviewing cases to establish eligibility, determining applicable compensation amounts, and processing payments. We also found that Mississippi OAG applied adequate segregation of duties when assigning claims, reviewing adjudications, and authorizing payments. In addition, it adopted measures to raise the public's awareness of its victim compensation program.

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 grant funds to each state using a formula that takes into consideration the state's eligible compensation claims paid out to victims during the fiscal

⁴ Miss. Code Ann. § 99-41-1.

year 2 years prior.⁵ 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 Mississippi OAG's controls for preparing the annual certification forms submitted to the OVC for FYs 2016 and 2017, which were used to calculate the award amounts granted in FYs 2018 and 2019.⁶ We reviewed the annual certification forms, including the financial support for the payouts and revenues. After tracing payment information from the FYs 2016 and 2017 certification forms to supporting documentation, we determined that the FYs 2018 and 2019 award amounts were accurate.

Based on our testing, we found the amounts tested on Mississippi OAG's Crime Victim Compensation State Certification Forms to be accurate and supported.

Program Requirements and Performance Reporting

To determine whether Mississippi OAG distributed VOCA victim compensation program funds to compensate victims of crime, we reviewed Mississippi OAG performance measures. We further examined award documents and verified Mississippi OAG compliance with special conditions governing recipient award activity.

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

Annual Performance Reports

Each state administering agency must annually report to the OVC on activity funded by any VOCA awards active during the federal fiscal year. The reports are submitted through OJP's official grant management system.⁷ The OVC also requires states to submit quarterly performance data through the web-based Performance Measurement Tool. After the end of the fiscal year, the state administering agency is required to produce the Annual State Performance Report and submit the report to OJP.

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

⁵ In July 2021, Congress enacted the VOCA Fix to Sustain the Crime Victims Fund Act of 2021, H.R. 1652, 117th Congress (2021-2022), which changed the formula from 60 to 75 percent and removed the requirement for state compensation programs to deduct subrogation and restitution recoveries from the eligible payout amount. These changes went into effect immediately and were applied to FY 2019 certification forms and FY 2021 grant awards.

⁶ The OJP's Office of the Chief Financial Officer, Budget Execution Division calculates the allocations for VOCA eligible crime victim compensation programs and the OVC makes the grant awards.

⁷ In October 2020, the Justice Grants System replaced OJP's former Grants Management System as the new grants management and payment management system.

We assessed whether Mississippi OAG's FY 2021 annual performance report to the OVC fairly reflected the performance figures of the victim compensation program. We reconciled the performance measures and narrative questions from the FY 2021 annual performance report to supporting documentation. We were able to reconcile the Mississippi OAG's information to the totals that Mississippi OAG reported to the OVC.

Compliance with Special Conditions

The special conditions of a federal grant award establish specific requirements for grant recipients. In its grant application documents, Mississippi OAG certified it would comply with these special conditions. We reviewed the special conditions for each of 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. The special conditions concerned performance data, training, personally identifiable information, conditions and eligibility requirements under the Victims of Crime Act of 1984, and employment eligibility verification for hiring.

We found that Mississippi OAG complied with the tested 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 Mississippi OAG's financial management of the VOCA victim compensation grants, we reviewed the process Mississippi OAG used to administer these funds by examining expenditures charged to the grants, subsequent drawdown requests, and resulting financial reports. To further evaluate Mississippi OAG's financial management of the VOCA victim compensation grants, we also reviewed the Single Audit Report for FY 2020 and did not find significant deficiencies or material weaknesses specifically related to Mississippi OAG. We also interviewed Mississippi OAG personnel who were responsible for financial aspects of the grants, reviewed Mississippi OAG 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 Mississippi OAG generally implemented adequate controls over grant expenditures, drawdowns, and financial reporting.

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 the first category by reviewing accounting records and verifying support for select transactions. We did not test the second category because Mississippi OAG did not charge the grants for administrative expenses.

Victim Compensation Claim Expenditures

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

To evaluate Mississippi OAG's financial controls over VOCA victim compensation grant expenditures, we reviewed victim compensation claims to determine whether the payments were accurate, allowable, timely, and in accordance with the policies of the VOCA Guidelines and the Mississippi Crime Victim's Compensation Act. We judgmentally selected 40 claims totaling \$337,541 that included medical, medical forensics, funeral, and victim compensation costs, such as loss of wages, support, and tuition. We did not find any issues related to these expenditures.

Drawdowns

Award recipients should request funds based upon immediate disbursement or reimbursement needs, and Mississippi OAG 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 Mississippi OAG managed grant receipts in accordance with these federal requirements, we compared the total amount reimbursed to the total expenditures in Mississippi OAG's accounting system and accompanying financial records.

For the VOCA victim compensation awards, Mississippi OAG generates quarterly reports of compensation payments and makes drawdowns quarterly for reimbursement. Table 3 shows the total amount drawn down for each grant as of February 2, 2022.

Table 3

Amount Drawn Down for Each Grant as of February 2, 2022

Award Number	Total Award	Award Period End Date	Amount Drawn Down	Amount Remaining
2018-V1-GX-0059	\$2,413,000	09/30/2021	\$2,413,000	\$0
2019-V1-GX-0065	\$1,103,000	09/30/2022	\$1,028,614	\$74,386
Total:	\$3,516,000		\$3,441,614	\$74,386

Source: Justice Department Enterprise Data Integration

We did not identify deficiencies related to Mississippi OAG's process for developing drawdown requests.

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 Mississippi OAG submitted accurate Federal Financial Reports, we compared the four most recent reports to Mississippi OAG's accounting records for each grant.

We determined that quarterly expenditures for the reports reviewed matched the accounting records.

Conclusion

Overall, we determined that Mississippi OAG's implementation of its victim compensation program was appropriate and in compliance with VOCA guidelines. We found Mississippi OAG complied with federal grant requirements, established an adequate program to compensate victims and survivors of criminal violence, and implemented procedures to bring awareness to the program.

APPENDIX 1: Objective, Scope, and Methodology

Objective

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

Scope and Methodology

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

This was an audit of Victims of Crime Act (VOCA) victim compensation formula grant numbers 2018-V1-GX-0059 and 2019-V1-GX-0065 from the Crime Victims Fund (CVF) awarded to Mississippi OAG. The Office of Justice Programs (OJP), Office for Victims of Crime (OVC) awarded these grants totaling \$3,516,000 to Mississippi OAG, which serves as the state administering agency. At the time of our audit, there was no drawdown activity for grant numbers 2020-V1-GX-0017 and 15POVC-21-GG-00437-COMP. Therefore, we did not audit these two grants. Our audit concentrated on, but was not limited to, the period of October 1, 2017, the project start date for grant number 2018-V1-GX-0059, through May 21, 2022. As of February 2, 2022, Mississippi OAG had drawn down a total of \$3,441,614. As a result of the COVID-19 pandemic response, we performed our audit fieldwork exclusively in a remote manner.

To accomplish our objective, we tested compliance with what we consider to be the most important conditions of Mississippi OAG's activities related to the audited grants, which included conducting interviews with Mississippi OAG financial staff, examining policies and procedures, and reviewing grant documentation and financial records. We performed sample-based audit testing for grant expenditures. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the grants reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected. The authorizing VOCA legislation, the VOCA compensation program guidelines, the DOJ Grants Financial Guide, state compensation criteria, and the award documents contain the primary criteria we applied during the audit.

During our audit, we obtained information from OJP's Grants Management System as well as Mississippi OAG'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 objective. We did not evaluate the internal controls of Mississippi OAG to provide assurance on its internal control structure as a whole. Mississippi OAG 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 Mississippi OAG's internal control structure as a whole, we offer this statement solely for the information and use of Mississippi OAG and OJP.⁸

In planning and performing our audit, we identified internal control components and underlying internal control principles as significant to the audit objective. Specifically, we reviewed the design and implementation of Mississippi OAG's written grant policies and procedures and process controls pertaining to aspects of grant planning, performance reporting, and financial management. We also tested the implementation and operating effectiveness of specific controls over grant execution and compliance with laws and regulations in our audit scope.

⁸ This restriction is not intended to limit the distribution of this report, which is a matter of public record.

APPENDIX 2: Office of Justice Programs Response to the Draft Audit Report



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

July 7, 2022

MEMORANDUM TO: B. Allen Wood
Regional Audit Manager
Atlanta 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 Compensation Grants, Awarded to the Mississippi Office of the Attorney General, Jackson, Mississippi*

This memorandum is in response to your correspondence, dated June 21, 2022, transmitting the subject draft audit report for the Mississippi Office of the Attorney General. The draft audit report does not contain any recommendations directed to the Office of Justice Programs (OJP). OJP has reviewed the draft audit report and does not have any comments.

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

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