



Audit of the Office of Justice Programs
Victim Assistance Grants Awarded to the
Texas Office of the Governor,
Austin, Texas



AUDIT DIVISION

25-078

AUGUST 2025



EXECUTIVE SUMMARY

Audit of the Office of Justice Programs Victim Assistance Grants Awarded to the Texas Office of the Governor, Austin, Texas

Objective

The objective of the audit was to evaluate how the Texas Office of the Governor (Texas OOG) 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

As a result of our audit, we concluded that Texas OOG used its victim assistance funds to support victim services in Texas. This audit did not identify significant concerns regarding Texas OOG's allocation plan, selection process, or communication of grant requirements to subrecipients. However, we identified concerns related to monitoring of subrecipients, payroll, and indirect costs that were not calculated correctly or reported appropriately by Texas OOG. As a result, we identified \$102,324 in questioned costs, which consists of \$14,848 in unsupported payroll costs and \$87,476 in unallowable indirect costs.

Recommendations

Our report contains eight recommendations for the Office of Justice Programs (OJP) to assist Texas OOG in improving its grant management and administration and to remedy questioned costs. We requested a response to our draft audit report from Texas OOG and OJP, which can be found in Appendices 3 and 4, respectively. Our analysis of those responses is included in Appendix 5.

Audit Results

The U.S. Department of Justice Office of the Inspector General completed an audit of three Victims of Crime Act (VOCA) victim assistance formula grants awarded by the OJP, Office for Victims of Crime (OVC) to Texas OOG in Austin, Texas. The OVC awarded these formula grants, totaling \$358,170,158 for fiscal years 2020 through 2022, from the Crime Victims Fund to enhance crime victim services throughout Texas. As of November 2024, Texas OOG drew down a cumulative amount of \$246,240,018 for all of the grants we reviewed.

Program Accomplishments

We determined that Texas OOG served victims of crime by making 511, 193, and 405 subawards from the VOCA 2020, 2021, and 2022 grants respectively with VOCA victim assistance funding.

Monitoring of Subrecipients

We found Texas OOG's existing subrecipient monitoring-related policies and procedures were inadequate and should be enhanced to comply with VOCA requirements regarding frequency of monitoring as well as record retention and verification of performance data.

Grant Financial Management

We identified concerns related to the timeliness and accuracy of Texas OOG's process for allocating personnel costs to the VOCA grants, resulting in \$14,848 in unsupported personnel costs charged to the grants. We also found that indirect costs were not calculated correctly, resulting in \$87,476 in unallowable indirect costs. Finally, we found that Texas OOG did not report the required data for indirect costs on the Federal Financial Reports we tested.

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Introduction

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of three victim assistance formula grants awarded by the Office of Justice Programs (OJP), Office for Victims of Crime (OVC) to the Texas Office of the Governor (Texas OOG) in Austin Texas. The OVC awards victim assistance grants annually from the Crime Victims Fund (CVF) to state administering agencies (SAA). As shown in Table 1, from fiscal years (FY) 2020-2022, these OVC grants totaled \$358,170,158.

Table 1

Audited Grants

Fiscal Years 2020 – 2022

Award Number	Award Date	Award Period Start Date	Award Period End Date	Award Amount
2020-V2-GX-0004 (VOCA 2020)	09/17/2020	10/01/2019	09/30/2024	\$143,897,603
15POVC-21-GG-00600-ASSI (VOCA 2021)	09/16/2021	10/01/2020	09/30/2025	\$89,893,186
15POVC-22-GG-00807-ASSI (VOCA 2022)	08/25/2022	10/01/2021	09/30/2026	\$124,379,369
Total:				\$358,170,158

Note: Victim Assistance formula grant funds generally are available for the fiscal year of the award plus 3 additional fiscal years. However, Texas OOG received a 12-month extension for all the grants.

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. 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).

Beginning in FY 2015, Congress significantly raised the cap on CVF disbursements from prior years, which increased funding for victim assistance grants from \$456 million in 2014 to a high of \$3 billion in 2018. Since 2018, the cap has decreased along with deposits into CVF, with the most recent cap set at \$1.9 billion for FY 2025. The OVC allocates the annual victim assistance program awards based on the amount available for victim assistance each year and the state's population. As such, the annual VOCA victim assistance grant funds available to Texas OOG fluctuated each year in our scope with a notable decrease from \$143,897,603

¹ The VOCA victim assistance formula program is funded under 34 U.S.C. § 20103.

to \$89,893,186 from 2020 to 2021. In response to VOCA funding volatility, the Texas State Legislature appropriated state funds with the intention to keep funding levels in 2021 and 2022 consistent with 2020.²

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 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 SAA, Texas OOG is responsible for administering the state's CVF victim assistance program. Texas OOG awards over \$400 million annually in federal and state grant funding to promote strategies that improve public safety, support victims of crime, prevent terrorism, and prepare communities for the threats and hazards that pose the greatest risk to Texans. The victim assistance program's goal is to address the needs of victims of crime across Texas, which has a population of 30.5 million as of the 2023 Census estimate. During the audit's scope, Texas OOG awarded approximately 1,100 subawards to roughly 800 subrecipients through VOCA funding. Texas OOG's priorities include a strategic statewide effort to combat child sex trafficking in Texas.

OIG Audit Approach

The objective of the audit was to evaluate how Texas OOG 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 and Final Rule (VOCA Guidelines); 2 C.F.R. § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); and the DOJ Grants Financial Guide as our primary criteria. We also reviewed relevant Texas OOG policy and procedures and interviewed Texas OOG personnel to determine how they administered the CVF funds. Additionally, we reviewed Texas OOG subrecipient records related to grant activity.

² Section 24 of 87(3) Senate Bill 8 states "(a) the amount of \$160,000,000 is appropriated to the Trusteed Programs within the Office of the Governor from money received by this...for the purpose of providing funding for grants for victims of crime during the two-year period beginning on the effective date of this Act. (b) It is the intent of the legislature that grants made for victims of crime during the state fiscal year beginning September 1, 2021, and the state fiscal year beginning September 1, 2022, equal grants made for victims of crime during the state fiscal year beginning September 1, 2020."

The results of our analysis are discussed in detail in the following sections of this report. Appendix 1 contains additional information on this audit's objective, scope, and methodology. Appendix 2 presents the audit's Schedule of Dollar-Related Findings.

Audit Results

Grant Program Planning and Execution

The main purpose of the VOCA victim assistance grants is to support crime victim services. Texas OOG, which is the primary recipient of victim assistance grants at the state level in Texas, must distribute the majority of the funding to organizations that provide direct services to victims, such as therapy and counseling, domestic violence shelters, and other community-based victim coalitions and support organizations. As the SAA, Texas OOG has the discretion to select subrecipients from among eligible organizations, although the VOCA Guidelines require SAAs give priority to victims of sexual assault, domestic abuse, and child abuse. SAAs must also make funding available for previously underserved populations of violent crime victims.³ As long as a SAA 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 Texas OOG's overall plan to allocate and award the victim assistance funding. We reviewed how Texas OOG planned to distribute its available victim assistance grant funding, made subaward selection decisions, and informed its subrecipients of necessary VOCA requirements. We also assessed whether Texas OOG met the priority areas funding and subaward reporting requirements. As discussed below, in our overall assessment of grant program planning and execution, we determined that Texas OOG appropriately identified and planned to meet victim service needs with its award funding. We did not identify any issues with its process to select subrecipients and found that Texas OOG adequately communicated to its subrecipients applicable VOCA requirements.

Subaward Allocation Plan

According to the VOCA Guidelines, SAAs are encouraged to develop a funding strategy that considers the unmet needs and demographic profile of crime victims. The FY 2021 and 2022 VOCA Victim Assistance Formula Solicitations also required state applicants to submit a subrecipient funding plan that detailed their efforts to identify victim service needs and subaward strategies to utilize the VOCA funding.

SAAs have broad latitude in structuring their administration of VOCA funding. SAAs may manage funding and award distribution directly or through other means, including the use of pass-through entities.⁴ We found that Texas OOG has an overall plan for allocating and distributing VOCA victim assistance funds using a reasonable budget expectation that allocates funding to each of the 24 regional Councils of Government

³ 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.

⁴ According to 2 C.F.R. § 200.1, a pass-through entity means a non-federal entity that provides a subaward to a subrecipient to carry out part of a federal program.

(COG) based on their relative share of the population and crime.⁵ The COGs are then responsible for prioritizing funding based on their regional priorities. Some VOCA funding is set aside for pass-through entities to fund statewide programs, which have their own subaward processes.

Texas OOG contracts with the COGs to conduct a needs assessment every 5 years to identify regional priorities and gaps in resources related to criminal justice issues. The COGs select community members for the Criminal Justice Advisory Committees to rank and rate proposals according to regional priorities. In reviewing the funding recommendations, Texas OOG ensures compliance with the priority funding requirements including a minimum 10 percent for each category. Based on our review, we determined that Texas OOG had a funding strategy to address the needs of victims in Texas.

Subaward Selection Process

To assess how Texas OOG granted its subawards, we identified the steps taken by Texas OOG to inform, evaluate, and select subrecipients for VOCA funding. Based on our discussion with Texas OOG officials and review of program records, Texas OOG posts annual funding opportunities for 1-year victim assistance awards on its website. A Texas OOG official said the COGs also publicize regional funding opportunities and provide training on funding application requirements. Texas OOG receives all applications and grant managers perform an eligibility review. Then applications for regional programs are reviewed and ranked by the COG Criminal Justice Advisory Committees and applications for statewide programs are reviewed and ranked by Texas OOG selected merit panels. Finally, Texas OOG reviews program recommendations for alignment with priorities, makes final funding determinations, and initiates the award process in line with the federal fiscal year. Eligibility is addressed early and at each successive stage, including the allowability of budgeted items. The Federal System for Award Management registration is also reviewed to ensure applicants are current and active. Statewide program subrecipients follow their own procedures to award pass-through funding to eligible second-tier subrecipients.

As of July 2024, we found that Texas OOG made 1,109 subrecipient awards totaling \$335,573,786 with the VOCA 2020, 2021, and 2022 grants, as detailed in Table 2.

⁵ The Councils of Government (COG), created under Texas statute, serve as political subdivisions comprised of city, county, and special district members. COGs are authorized to conduct planning; assist local governments in implementing plans; and contract with local, state, and federal governments and other public and private agencies to provide community services.

Table 2

Texas OOG Subawards as of July 2024

Award Number	No. of Subrecipients	No. of Subawards	Total Subawards Amount
VOCA 2020	366	511	\$135,311,994
VOCA 2021	176	193	\$83,448,864
VOCA 2022	344	405	\$116,812,928
Total:		1,109	\$335,573,786

Note: Several of the subrecipients had more than one subaward each year, and several subrecipients were the same for each grant.

Source: Texas OOG

Subaward Requirements

SAA's must effectively communicate VOCA requirements to subrecipients. We reviewed Texas OOG's subaward solicitations and award packages to assess how they communicated VOCA requirements. We examined Texas OOG's latest subaward package, including the solicitation for the award and an example subaward agreement. For statewide projects, we reviewed the subaward agreement and pass-through entity's agreement with second-tier subrecipients to determine whether it complied with these requirements. We found that this documentation included VOCA-specific award limitations, application eligibility requirements, eligible program areas, fund usage restrictions, and reporting requirements, as required by the Uniform Guidance and the DOJ Grants Financial Guide.

Priority Areas Funding Requirement

The VOCA Guidelines require Texas OOG to allocate a minimum of 10 percent of total grant funds to programs serving victims in four categories: (1) child abuse, (2) domestic abuse, (3) sexual assault, and (4) previously underserved. The VOCA Guidelines give each SAA the latitude for determining the method for identifying "previously underserved" crime victims.⁶ Texas OOG identified "previously underserved" as victims of assault, elder abuse, child and adult human trafficking, driving under the influence and driving while intoxicated crashes, robbery, and other violent crimes, as well as survivors of homicide victims, and adults molested as children. Texas OOG tracks compliance with the priority victim category allocation requirements using two documents: (1) its reasonable budget expectation workbook and (2) the approved fund plan, which monitors the federal award balances and the awarded and required amounts for priority category.

We examined how Texas OOG allocated VOCA subawards to assess compliance with the program's priority areas distribution requirements. Based on our review of data provided by Texas OOG and uploaded to OJP's

⁶ Methods for identifying "previously underserved" victims may include public hearings, needs assessments, task forces, and meetings with statewide victim services agencies.

Performance Measurement Tool (PMT), we found that Texas OOG met the required 10 percent allocations for the four priority victim categories for the VOCA 2020, 2021, and 2022 victim assistance grants.

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, Texas OOG must develop policies and procedures to monitor subrecipients. To assess the adequacy of Texas OOG's monitoring of its VOCA subrecipients, we interviewed Texas OOG personnel, reviewed Texas OOG monitoring policies and procedures, and obtained records of monitoring activities between Texas OOG and its subrecipients. We also selected a judgmental sample of 45 monitoring activities completed by Texas OOG, including 19 programmatic monitoring reviews and 26 financial monitoring reviews.

Texas OOG's subrecipient site monitoring activities include programmatic and financial reviews conducted on-site or remotely. Texas OOG's financial monitoring activities also include lesser-scope financial reviews of reimbursement requests, financial procedures, and compliance with special conditions placed on high risk subrecipients.

We found that Texas OOG maintained written policies and procedures for subrecipient monitoring and completed planned monitoring activities throughout the scope of our audit. However, we found Texas OOG's subrecipient monitoring policies and procedures were inadequate and in need of enhancement to address the following areas: (1) compliance with the VOCA-required frequency for conducting site reviews of all VOCA subrecipients, (2) demonstrated verification of performance data during programmatic reviews to provide reasonable assurance subrecipients achieve subaward performance goals, and (3) compliance with award record retention requirements.

Frequency of Monitoring

According to the VOCA Guidelines, SAAs are required to conduct regular desk monitoring of all subrecipients. Further, the VOCA Guidelines require SAAs to conduct site monitoring of all subrecipients at least once every 2 years during the award period, unless a different frequency based on a risk assessment is set out in the state monitoring plan.

Texas OOG conducts an annual risk assessment of all its subrecipient awards made from all its funding sources the prior calendar year—not just the VOCA subrecipient awards and including subrecipients that did not receive any VOCA funding. The risk assessment process involves two entities within Texas OOG: (1) Texas Public Safety Office (PSO) responsible for programmatic monitoring, and (2) the Office of Compliance and Management (OCM) responsible for financial monitoring. Texas PSO and OCM complete risk assessments and develop proposed monitoring plans separately. Texas OOG's Compliance and Operations Administrator reviews and consolidates both proposed monitoring plans into a single plan for all subrecipients. The risk assessments consider the number of years since the subrecipient's last review, assigning greater risk to those over 3 years ago. However, Texas OOG policy does not specify the frequency of programmatic or financial monitoring based on the subrecipients' assessed risk. Further, because the risk assessment and subsequent monitoring plan include subrecipients and subawards that are not funded by

its VOCA grants, there is an increased risk that VOCA subrecipient awards will not be selected for monitoring.

During the scope of our audit, from October 1, 2019 to January 15, 2025, we found that for the 438 unique subrecipients of the grants in our audit, Texas OOG only conducted some form of monitoring activity of VOCA funds awarded to 167 subrecipients, of which 16 were lesser-scope financial reviews (described in the Financial Monitoring section below). Conversely, Texas OOG did not conduct any form of monitoring activity of VOCA funds awarded to 271 subrecipients (62 percent) from the grants included in our audit. Further, we found that Texas OOG had not conducted any monitoring of any VOCA funds, including grants awarded prior to the scope of our audit, for 80 subrecipients; and had never conducted any monitoring of awards from any funding source for 3 subrecipients. Based on our analysis, we concluded that Texas OOG's monitoring of its subrecipients was not adequate to ensure VOCA funds are used appropriately and subrecipients comply with grant requirements.

Site and desk monitoring activities are critical subrecipient monitoring tools required by VOCA Guidelines. Despite the challenge of conducting reviews for a large volume of subrecipients, these programmatic and financial monitoring reviews ensure VOCA funds are used appropriately and subrecipients comply with VOCA Guidelines, federal regulations, and the terms and conditions of their awards. Therefore, we recommend that OJP work with Texas OOG to enhance its grant administration policies and procedures to ensure that regular desk reviews and site monitoring of subawards are conducted for all subrecipients in accordance with the VOCA Guidelines and establish a plan to perform site monitoring for those subawards that have not received a site monitoring visit within the last 2 years.

Financial Monitoring

As mentioned above, the monitoring plan for Texas OOG includes programmatic and financial monitoring activities. Both use pre-approved protocols, such as checklists and testing worksheets. After the monitoring review, a preliminary report details any findings or recommendations, followed by a final report upon resolution of findings or if no findings are identified.

Full financial reviews (site and desk monitoring) are a review of all expenditures from the start of the subaward period to the most recent reimbursement request. Texas OOG reviews source documents; subrecipient policies and procedures; and findings identified by OCM within the previous 3 years. Texas also has lesser-scope financial reviews, which include financial procedure reviews, reimbursement reviews, and special condition reviews. Financial procedures reviews are a review of a subrecipient policies and procedures regarding financial management systems, qualifications of assigned grant officials, and the subrecipient's general understanding of grant rules, regulations, and guidance. Reimbursement reviews are a review of a payment to the subrecipient looking at supporting documentation for sufficiency to determine if expenditures are supported. Special condition reviews assess compliance with special conditions placed on subrecipients that have been identified as high risk.

For our sample of 26 financial monitoring activities, 13 financial reviews, 9 reimbursement reviews; 2 financial procedures reviews, 2 special condition reviews of high risk subrecipients, we did not identify any concerns related to Texas OOG's procedures for conducting and documenting its financial monitoring activities.

Programmatic Monitoring

According to Texas OOG policy, programmatic monitoring incorporates financial aspects, including a review of invoices and time and activity reports, as well as programmatic aspects such as actual activities performed by the subrecipient

For our sample of 19 programmatic reviews, we reviewed Texas OOG programmatic monitoring documents including: (1) performance monitoring questionnaires from subrecipients via the Texas grants management system; (2) programmatic monitoring checklists completed by the grant managers; and (3) the final programmatic monitoring reports. We found checklists and site visit records were not maintained and site visit documents (where retained) demonstrated that Texas OOG did not perform substantive verification of performance data. Texas OOG officials told us they consider the programmatic monitoring review checklists to be transitory documents and completed checklists are deleted once the programmatic monitoring review is closed. Consequently, we were unable to review completed programmatic monitoring checklists for about 42 percent of our sample (8 out of 19). For the checklists we were able to review, we found they generally restated the responses submitted by subrecipients to the questionnaires. Texas OOG officials did not verify the responses, including for subrecipient performance data collection and review processes. Additionally, findings in the programmatic final reports did not relate to the collection and review of performance data. For those reasons, we found monitoring that was conducted specific to the victim assistance subawards inadequate to evaluate whether the subrecipient was achieving subaward performance goals, or that subrecipient performance data reported to the OVC was fairly represented for the subrecipients reviewed.

We recommend that OJP work with Texas OOG to enhance its subrecipient monitoring to include verification procedures for subrecipient-reported performance data during programmatic reviews. We also recommend that OJP work with Texas OOG to revise or to develop and implement a record retention policy that ensures Texas OOG complies with federal grant award requirements.

Annual Performance Reports

Texas OOG requires its subrecipients to submit quarterly performance data via the Texas grants management system as a funding condition. According to Texas OOG officials, the performance questions in the Texas grants management system align with federal PMT data requirements and validations have been programmed into the Texas grants management system to ensure performance data is accurate. By Texas OOG policy, PSO personnel review subrecipient progress reports within 7 calendar days of submission to identify any need for additional information or clarification for any inconsistencies.

For the victim assistance grants, SAAs must report the number of subrecipients funded, VOCA subawards, victims served, and victim services funded. SAAs must also collect, maintain, and provide performance data to the OVC that measures performance and effectiveness of activities funded by the award. Each SAA must annually report to the OVC on VOCA-funded activities during the federal fiscal year. The OVC requires SAAs to submit performance data quarterly through PMT. SAAs may allow subrecipients direct access to PMT for data entry, but SAAs must approve the data.

Texas OOG submitted annual performance reports to the OVC for its VOCA 2020-2022 grants. Texas OOG told us it collects performance data directly from its subrecipient programs through the Texas grants management system and from pass-through entities for statewide projects subrecipients through

spreadsheets emailed to its Victim Services Program Administrator. Texas OOG reviews performance data for completeness, correctness, correlation, consistency, and comprehensiveness in accordance with VOCA criteria.

To verify the accuracy of Texas OOG's annual performance reports, we selected a judgmental sample of performance data submitted by 26 subrecipients and compared it to the data Texas OOG submitted to PMT. Based on our analysis, we found Texas OOG's annual performance reports were generally accurate.

Subaward Reporting

SAAAs must submit a Subgrant Award Report (SAR) to the OVC via PMT for each VOCA victim assistance subrecipient within 90 days of awarding funds to subrecipients. Any changes to the awards before the end of the project period must be updated in the SAR within 30 days of the change taking effect. The SAR allows the OVC to collect basic information on subrecipients and the program activities funded by VOCA. We judgmentally selected a sample of approximately 10 percent of all subawards to verify SAR information against supporting records. We did not identify any material inaccuracies with the SAR information.

Single Audit Requirements

Non-federal entities that receive federal financial assistance are required to comply with the *Single Audit Act of 1984*, as amended. The Single Audit Act provides for recipients of federal funding above a certain threshold to receive an annual audit of their financial statements and federal expenditures.⁷ According to the DOJ Grants Financial Guide, primary recipients are required to ensure subrecipients have single audits completed when required and, as appropriate, corrective actions on all audit findings have been implemented. Furthermore, according to the Uniform Guidance, the agency or pass-through entity responsible for oversight is required to issue a management decision on audit findings within 6 months after receipt of the single audit report by the Federal Audit Clearinghouse and ensure that the subrecipient takes appropriate and timely corrective action.

We found that Texas OOG's policy requires all subrecipients that expended Texas OOG funds within the fiscal year to provide their single audit report, if required. OCM reviews all single audit reports. If any finding in a single audit report cites a Texas OOG award, Texas OOG policy requires a management decision letter be sent to the subrecipients citing the finding(s) and requiring the subrecipients to provide a corrective action plan to address the finding. We reviewed the status of single audit reports due for all active subrecipients, management decision letters sent to subrecipients with single audit findings, and the responses to the management decision letters. We found Texas OOG ensures subrecipients' single audits are performed and monitors corrective actions when necessary.

Subaward Expenditures

Subrecipients request payment from Texas OOG using a quarterly Financial Status Report (FSR). Texas OOG's PSO grant managers review and approve subrecipient FSRs within 7 calendar days of submission.

⁷ Our audit covered the single audit periods for fiscal years 2021 through 2023. At that time, the Uniform Guidance required that entities that expend \$750,000 or more in federal funds within the entity's fiscal year have a single audit performed annually covering all federal funds expended that year. As of fiscal year 2025, the single audit threshold was increased to \$1,000,000 in expenditures per fiscal year.

Each FSR details subrecipient expenditures by line item. PSO grant managers ensure reported amounts are consistent and reasonable for the reporting period, but no supporting documentation is reviewed or required, except for equipment and contractual expenditures, which require invoice or purchase order numbers. As of January 2025, we found Texas OOG paid \$329,933,389 to its subrecipients with VOCA victim assistance program funds within the scope of our audit.

To evaluate Texas OOG's financial controls over VOCA victim assistance grant expenditures, we reviewed a sample of Texas OOG subrecipient transactions to determine whether the payments were accurate, allowable, and in accordance with the VOCA Guidelines. From our sample of nine reimbursement reviews completed by Texas OOG, we judgmentally selected one subrecipient transaction from each, totaling \$136,448. The transactions we reviewed included costs for: (1) personnel and fringe benefits, (2) travel and training, (3) contracts and professional services, and (4) supplies and direct operating expenses. We reviewed supporting documentation for each transaction and found that the payments were accurate, allowable, and in accordance with the VOCA Guidelines.

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 Texas OOG's financial management of the VOCA grants, we reviewed the process Texas OOG used to administer these funds by examining expenditures charged to the grants, drawdown requests, match contributions, and financial reports. We also interviewed Texas OOG personnel who were responsible for financial aspects of the grants, reviewed Texas OOG written policies and procedures, inspected award documents, and reviewed financial records.

To further evaluate Texas OOG's financial management of the VOCA grants, we reviewed the state of Texas's single audit reports for FYs 2019 to 2023. The FY 2023 single audit report identified an issue specific to four VOCA awards related to the timely reporting of subawards to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).⁸ Texas OOG submitted a corrective action plan which addressed this by updating policies and procedures and staffing the Performance and Records Coordinator position.

As discussed below, in our overall assessment of grant financial management, we found total expenditures generally exceeded total drawdowns or drawn down funds were expended within a reasonable amount of time for each award tested, and Federal Financial Reports (FFR) generally reconciled with accounting records. Further, Texas OOG complied with the 5-percent limit on administrative expenditures. However, we found that Texas OOG could improve its policy and procedures related to personnel and indirect costs. We also determined that indirect costs were not calculated correctly nor reported appropriately by Texas OOG.

⁸ Federal Funding Accountability and Transparency Act (Pub. L. No. 109-282), as amended by Section 6202 of Public Law 110-252, recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of \$30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) no later than the last day of the month following the month in which the subaward/subaward amendment obligation was made or the subcontract award/subcontract modification was made.

Based on our testing, we identified \$463,910 in total questioned costs. The following sections describe the results of that testing.

Administrative Expenditures

SAA 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 pay for administering its crime victim assistance program and for training. According to the 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.⁹

For the victim assistance grant program, we tested Texas OOG’s compliance with the 5-percent limit on the administrative category of expenses, as shown in Table 3.¹⁰

Table 3

Administrative Expenditures

Award Number	Total Award	Allowable Administrative Expenditures (5-percent)	Actual Administrative Expenses Charged
VOCA 2020	\$143,897,603	\$7,194,880	\$7,035,655
VOCA 2021	\$89,893,186	\$4,494,659	\$3,840,347
VOCA 2022	\$124,379,369	\$6,218,968	\$3,053,625

Source: JustGrants and Texas OOG

As shown in Table 3, we determined that Texas OOG complied with the 5-percent administrative expenditures limit for the VOCA 2020 grant and is on-track to comply with these limits for both the VOCA 2021 and VOCA 2022 grants.

In addition to testing Texas OOG’s compliance with the 5-percent administrative allowance, we also tested a sample of these administrative transactions to determine if the costs were supported and allowable. We judgmentally selected 146 transactions, including personnel costs, travel, rent, office supplies, and subawards totaling \$1,844,123. For the 87 non-payroll transactions, totaling \$1,450,508, we found no issues.

⁹ 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.

¹⁰ Throughout this report, differences in the total amounts are due to rounding. The sum of individual numbers prior to rounding may differ from the sum of the individual numbers rounded.

However, for the 59 payroll transactions, we identified \$14,848 in unsupported personnel costs charged to the grants, as well as an issue related to Texas OOG's policies and procedures for allocating personnel costs to the VOCA grants, as detailed in the Personnel Costs section below.

Personnel Costs

For personnel cost testing, we judgmentally selected two pay periods from each of the grants, which included 59 salary and fringe benefit transactions totaling \$393,615. We collected copies of appropriate records and traced personnel costs to supporting documentation to verify that labor charges were computed correctly, properly authorized, accurately recorded, and properly allocated to the grants. We also verified that the correct pay rates were used for employees. Based on our review, we identified \$14,848 in unsupported personnel costs charged to the grants.

According to Texas OOG, when an employee starts a grant-funded position, estimated percentages of the time spent on award-funded duties are entered into the state's payroll system and used to allocate estimated personnel costs to the awards every pay period. However, actual employee time spent on grant-funded duties varies, requiring Texas OOG to reconcile differences between estimated and actual personnel costs allocated to the grants based on employee timesheets. Adjusting entries are then made in the grant general ledgers to correct personnel cost discrepancies. According to Texas OOG's written procedures regarding timecard reconciliations, this process starts at the beginning of each month when officials run a query in the payroll system to determine how each employee reported their time. If an employee worked on multiple projects during the pay period but was paid 100 percent from only one funding source, then an adjustment needs to be made. We noted that these written procedures do not include a timeframe for completing reconciliations.

For the VOCA 2021 grant, we identified discrepancies totaling \$3,917 in personnel costs charged to the grant after the reconciliation process and adjusting entries were completed. Since these discrepancies resulted in Texas OOG understating personnel costs, we did not identify any questioned costs related to this issue for the VOCA 2021 grant. However, the discrepancies demonstrate our concerns related to the accuracy of Texas OOG's process for allocating personnel costs to the VOCA grants. For the VOCA 2022 grant, we identified discrepancies totaling \$6,033 in excess personnel costs charged to the grant after the reconciliation process and adjusting entries were completed, resulting in \$6,033 in unsupported questioned costs. We also noted that it took Texas OOG up to 15 months to complete the reconciliations and make adjusting entries for the pay periods we tested and included multiple adjusting entries in different months for the same pay period. A Texas OOG official told us that they aim to conduct reconciliations within 3 months of payroll, but due to staffing and seasonal demand, this may be prolonged. However, in our judgment, the delays in completing the reconciliations likely contributed to the discrepancies in the amounts charged to the grants that we noted during our testing.

Additionally, for the VOCA 2022 grant, we identified four instances for which total personnel costs allocated to the grant were not supported by the employee's timesheets, resulting in \$8,815 in unsupported personnel costs charged to the grant. According to a Texas OOG official, these discrepancies are the result of issues from the reconciliation process, including the exclusion of hours worked for one employee and errors in the automatic reconciling tool Texas OOG uses for other employees.

Overall, we identified \$14,848 in unsupported personnel costs allocated to the VOCA grants. Therefore, we recommend OJP coordinate with Texas OOG to remedy \$14,848 in unsupported personnel costs charged to the VOCA 2022 grant. We also identified concerns related to the accuracy and timeliness of Texas OOG's process for allocating personnel costs that likely contributed to the unsupported questioned costs VOCA grant. Therefore, we recommend that OJP coordinate with Texas OOG to enhance its policies and procedures to ensure that the allocation of personnel costs allocated to the VOCA grants is timely and accurate.

Indirect Costs

Indirect costs are costs of an organization that are not readily assignable to a particular project but are necessary to the operation of the organization and the performance of the project. Texas OOG had approved indirect cost rate agreements for its VOCA grants of 0.6 percent effective September 1, 2020, through August 31, 2021, 0.8 percent effective September 1, 2021, through August 31, 2022, and 1.2 percent effective September 1, 2022, through August 31, 2025. According to the approved indirect cost rate agreements, the direct cost base is defined as total direct costs excluding capital expenditures, such as buildings, individual items of equipment in excess of \$5,000, and renovations. We determined that Texas OOG charged \$1,436,701 in indirect costs to the VOCA 2020 grant and \$719,145 in indirect costs to the VOCA 2021 grant at the time of our review.¹¹ However, we found that Texas OOG incorrectly calculated the direct cost base used to allocate indirect costs to the VOCA 2020 and 2021 grants resulting in unallowable indirect questioned costs totaling \$87,476.

A Texas OOG official told us that they have older policies and procedures for indirect costs and that they were in the process of updating them. However, when we requested a copy of their current written policies and procedures for indirect costs, they provided the procedures for collecting indirect cost data that was used to determine the indirect cost rate for their cognizant agency approval. Texas OOG does not have written policies and procedures specifically for how it calculates indirect costs charged to its grants.

For the VOCA 2020 grant, according to a Texas OOG official, the total direct cost base of \$225,603,422 used to calculate indirect costs charged to the award included direct costs for all its active VOCA grants from September 1, 2020, through August 31, 2021, rather than using direct costs for just the VOCA 2020 grant as required. For the VOCA 2021 grant, Texas OOG used the award amount as the direct cost base because using their methodology of including all direct costs for all active VOCA grants would have resulted in them exceeding the 5-percent limit for VOCA administrative expenses. We calculated total allowable indirect costs for the VOCA 2020 grant and VOCA 2021 grant, as of January 15, 2025, using the correct indirect cost rates and direct cost bases. For the VOCA 2020 grant, we found that Texas OOG charged indirect costs totaling \$1,436,701, instead of allowable indirect costs of \$1,349,225, resulting in \$87,476 in excess indirect costs charged to the grant. For the VOCA 2021 grant, although Texas OOG used the incorrect methodology to calculate indirect costs, we did not identify any questioned costs related to this issue.

In total, we identified a total of \$87,476 in unallowable indirect costs charged to the VOCA 2020 grant as a result of Texas OOG's utilization of incorrect methodology. Therefore, we recommend that OJP coordinate with Texas OOG to remedy the \$87,476 in unallowable indirect costs charged to the VOCA 2020 grant. In addition, we recommend that OJP coordinate with Texas OOG to develop policies and procedures to ensure

¹¹ At the time of our review, Texas OOG had not charged any indirect costs to the VOCA 2022 grant.

that it uses the correct total direct cost base and approved indirect cost rate when calculating indirect costs charged to the VOCA grants.

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 Texas OOG managed grant receipts in accordance with these federal requirements, we compared the total amount reimbursed to the total expenditures in Texas OOG's accounting system and accompanying financial records.

Based on our analysis, we did not identify significant deficiencies related to the recipient's process for developing drawdown requests. However, we identified deficiencies and questioned costs during our testing of grant expenditures, as described in the [Grant Financial Management](#) section in 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 Texas OOG submitted accurate FFRs, we compared the most recent reports to Texas OOG's accounting records for each grant in our scope.

Texas OOG's policy states that it will report summary information on expenditures, unliquidated obligations, recipient share (match), program income, and indirect expenses for each quarter of the project period. Texas OOG officials stated that the expenditures reported in the FFRs include all expenditures in the general ledger through the report run date, pending amounts for requested reimbursements by subgrantees, and indirect costs.

For the FFRs we tested, we were able to reconcile the FFRs to the accounting records. However, we found that for the VOCA 2020 grant, indirect costs were incorrectly reported in the FFR section for reporting total federal expenditures, instead of the section for reporting indirect costs. Additionally, Texas OOG did not report indirect costs on the FFR until 3 quarters after they were charged to the grant. Further, as discussed in the [Indirect Costs](#) section, Texas OOG incorrectly calculated the indirect costs charged to the awards. We found that Texas OOG's policy lacked details for reporting indirect costs in the FFRs. Therefore, we recommend that OJP work with Texas OOG to enhance its policy and procedures to ensure it accurately reports indirect costs on the FFRs in the quarter the indirect costs were charged to the award.

Matching Requirement

VOCA Guidelines require that subrecipients match 20 percent of the project cost. Match contributions must come from non-federal sources and can be either cash or an in-kind match.¹² The SAA has primary responsibility for ensuring subrecipient compliance with the match requirements.

The OVC issued a revised match waiver approval process due to the passage of the VOCA Fix, which allows SAAs to waive the VOCA victim assistance program matching requirement as outlined in the VOCA Guidelines. SAAs must establish public match waiver policies, describe the waiver request process, eligibility criteria, decision/notification process; and report waiver approvals to the OVC. SAAs must also issue waivers for subrecipients during a pandemic national emergency, and for 1 year after it ends, including the national COVID-19 pandemic period beginning on March 1, 2020, and ending May 11, 2023 (with additional year, May 11, 2024). The OVC approved Texas OOG's match waiver policy in December 2020.

Texas OOG documented waiver approval through a budget adjustment in its grant management system until March 2023 when an OVC monitoring review determined that an additional written match determination was necessary. Consequently, starting in 2023, Texas OOG began adding a condition of funding to serve as the needed match determination. Texas OOG has taken steps to ensure the grant management system for Texas properly documents and captures match automatically.

To review the provision of matching funds, we reviewed the Texas grants management system data for the 6 subrecipients in our sample of 45 that did not have a match waiver and did not identify any concerns with Texas OOG's monitoring to ensure subrecipient compliance with match requirements.

¹² In-kind match contributions 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.

Conclusion and Recommendations

Our audit concluded that Texas OOG used its VOCA 2020, 2021, and 2022 grants to distribute VOCA funding to organizations that provided direct services to crime victims within Texas. This audit did not identify significant concerns regarding Texas OOG's allocation plan, selection process, communication of grant requirements to subrecipients, and met the required allocation percentage to priority areas. However, we found Texas OOG should enhance its subrecipient monitoring-related policies and procedures to ensure subrecipients of VOCA subawards have appropriate monitoring, retain records necessary to assess programmatic monitoring, and make improvements to prevent inaccurate PMT reporting. We also identified concerns regarding administrative expenditures, including personnel reconciliations that were not accurate or timely and resulted in unsupported administrative expenses. Finally, we found indirect costs were not calculated correctly nor reported appropriately. We provide eight recommendations to OJP to address these deficiencies.

We recommend that OJP:

1. Work with Texas OOG to enhance its grant administration policies and procedures to ensure that regular desk reviews and site monitoring of subawards are conducted for all subrecipients in accordance with the VOCA Guidelines and establish a plan to perform site monitoring for those subawards that have not received a site monitoring visit within the last 2 years.
2. Work with Texas OOG to enhance its subrecipient monitoring to include verification procedures for subrecipient-reported performance data during programmatic reviews.
3. Work with Texas OOG to revise or to develop and implement a record retention policy that ensures Texas OOG complies with federal grant award requirements.
4. Coordinate with Texas OOG to remedy \$14,848 in unsupported personnel costs charged to the VOCA 2022 grant.
5. Coordinate with Texas OOG to enhance its policies and procedures to ensure that the allocation of personnel costs allocated to the VOCA grants is timely and accurate.
6. Coordinate with Texas OOG to remedy \$87,476 in unallowable indirect costs charged to the VOCA 2020 grant.
7. Coordinate with Texas OOG to develop policies and procedures to ensure that it uses the correct total direct cost base and approved indirect cost rate when calculating indirect costs charged to the VOCA grants.
8. Work with Texas OOG to enhance its policy and procedures to ensure it accurately reports indirect costs on the FFRs in the quarter the indirect costs were charged to the award.

APPENDIX 1: Objective, Scope, and Methodology

Objective

The objective of the audit was to evaluate how the Texas Office of the Governor (Texas OOG) 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 2020-V2-GX-0004, 15POVC-21-GG-00600-ASSI, and 15POVC-22-GG-00807-ASSI from the Crime Victims Fund awarded to Texas OOG. The Office of Justice Programs (OJP), Office for Victims of Crime awarded these grants totaling \$358,170,158 to Texas OOG, which serves as the state administering agency. Our audit concentrated on, but was not limited to, the period of October 2019 through January 2025. As of November 2024, Texas OOG had drawn down a total of \$246,240,018 from the three audited grants.

To accomplish our objective, we tested compliance with what we consider to be the most important conditions of Texas OOG's activities related to the audited grants, which included conducting interviews with state of Texas financial staff, examining policies and procedures, and reviewing grant documentation and financial records. We performed sample-based audit testing for grant expenditures including salary and fringe benefit charges, financial reports, progress reports, and subrecipient monitoring 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 DOJ Grants Financial Guides; 2 C.F.R. § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; and the award documents contain the primary criteria we applied during the audit.

During our audit, we obtained information from DOJ's JustGrants System and OJP's Performance Measurement Tool, as well as Texas OOG's accounting system and grants management database specific to the management of DOJ funds during the audit period. We did not test the reliability of those systems as a whole; therefore, any findings identified involving information from those systems were verified with documents from other sources.

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 Texas OOG's to provide assurance on its internal control structure as a whole. Texas OOG management is responsible for the establishment and maintenance of internal controls in accordance with 2 C.F.R. § 200 for grantees. Because we do not express an opinion on Texas OOG's internal control structure as a whole, we offer this statement solely for the information and use of Texas OOG and OJP.¹³

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 Texas OOG'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. The internal control deficiencies we found are discussed in the Audit Results section of this report. However, because our review was limited to those internal control components and underlying principles that we found significant to the objectives of this audit, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

¹³ This restriction is not intended to limit the distribution of this report, which is a matter of public record.

APPENDIX 2: Schedule of Dollar-Related Findings

Description	Grant No.	Amount	Page
Questioned Costs:			
Unsupported Personnel Costs	15POVC-22-GG-00807-ASSI	\$14,848	13
Unsupported Costs		\$14,848	
Unallowable Indirect Costs	2020-V2-GX-0004	\$87,476	14
Unallowable Costs		\$87,476	
Total Questioned Costs¹⁴		\$102,324	
TOTAL DOLLAR-RELATED FINDINGS		\$102,324	

¹⁴ **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.

APPENDIX 3: Texas Office of the Governor Response to the Draft Audit Report



STATE OF TEXAS OFFICE OF THE GOVERNOR

July 3, 2025

Department of Justice
Office of the Inspector General
Denver Regional Office
1801 California St. Ste 1600
Denver, CO 80202

Dear Ms. Rice:

This management response is provided in connection with the audit of the following Victims of Crime Act (VOCA) grants awarded to the state of Texas.

Grant Number	Grant Name	Amount Awarded
2020-V2-GX-0004	OVC FY 2020 VOCA Victim Assistance	\$143,897,603
15POVC-21-GG-00600-ASSI	OVC FY 2021 VOCA Victim Assistance	\$89,893,186
15POVC-22-GG-00807-ASSI	OVC FY 2022 VOCA Victim Assistance	\$124,379,369

The Office of the Governor (OOG) is in receipt of the "Draft Report Texas Victims Assistance" in which the OIG provided several recommendations to the Office of Justice Programs (OJP) regarding the Texas OOG's management of the grants listed above. Those recommendations are listed below, by number, and include whether the OOG agrees or disagrees with the recommendation. If we agree, the management response describes the actions completed or planned, along with dates when the corrective action will be achieved. If the OOG disagrees, our response includes a description of alternative corrective actions completed or planned.

1. Work with Texas OOG to enhance its grant administration policies and procedures to ensure that regular desk reviews and site monitoring of subawards are conducted for all subrecipients in accordance with the VOCA Guidelines and establish a plan to perform site monitoring for those subawards that have not received a site monitoring visit within the last 2 years.

We respectfully disagree with this recommendation. Per 28 CFR 94.106(b), "SAAs shall conduct regular desk monitoring of all sub-recipients. In addition, SAAs shall conduct on-site monitoring of all sub-recipients at least once every two years during the award period, *unless a different frequency based on risk assessment is set out in the monitoring plan*". The Public Safety Office (PSO), responsible for program monitoring, and the Office of Compliance and Monitoring (OCM), responsible for financial monitoring, each conduct an annual risk assessment which identifies all subrecipient grants awarded during the previous calendar year; the frequency of monitoring is dependent on the outcome of the risk assessments. Agencies that have not been reviewed within a three-year period are assigned a higher risk and are, therefore, more likely to be selected for a review. Identifying a set frequency would negate the purpose of a risk assessment. Instead, the

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frequency is factored into the risk assessment process and then grants are selected based on their level of risk and staff resources.

The risk assessments include all fund sources administered by the PSO, both federal funds and state appropriations and, although a VOCA grant may not be selected for a review, the agency that received a VOCA award may have been selected for a review under another fund source. With both programmatic and financial monitoring reviews the same standards are required of all subrecipients, regardless of the fund source, and are verified to ensure they are fulfilling their programmatic and fiduciary responsibilities. Although an agency's VOCA grant may not have been monitored, it is short-sighted to discount the times the OOG has engaged with a VOCA subrecipient, even if that engagement was tied to an alternate fund source. In 2024, 372 agencies received VOCA funding. Out of those agencies, 101 have been identified to receive a monitoring review of their VOCA grant, and an additional 43 agencies have been identified for a review of one of their non-VOCA grants. In all, 39% of agencies that received a VOCA grant in 2024 will be monitored in 2025.

The PSO's Victim Services Team manages and monitors all VOCA grants, as well as other state and federally funded victim assistance related grants. When fully staffed, the Victim Services Team has nine grant managers responsible for managing and programmatically monitoring these projects. In 2024, the PSO awarded 444 VOCA awards to 372 agencies. With only nine full-time employees to manage and programmatically monitor these grants, scheduling more frequent reviews would come at the expense of the quality of those reviews and our ability to review and make annual grant awards. Additionally, conducting on-site visits every two years would result in an overly excessive travel budget, likely exceeding our 5% administrative set-aside, as well as take away already scarce resources from the office and reduce the grant managers' ability to adequately serve all VOCA grantees.

With the FY25 monitoring plan, the PSO implemented programmatic virtual site reviews in addition to desk reviews and on-site reviews, allowing additional face-to-face time with grantees. Due to the addition of programmatic virtual site reviews, during FY25, 15% of the VOCA-funded agencies selected for a program monitoring review will receive a site review (either on-site or virtual), up from 7% that received an on-site program review during FY24. Lastly, all VOCA grants are touched by a grant manager on at least a quarterly basis during thorough reviews of the grantees' financial status reports and progress reports, an often-unrecognized form of monitoring, although interaction typically happens even more frequently due to the provision of ongoing technical assistance throughout the life of a grant award, including frequent grant adjustments to assist grantees in maintaining accurate budget projections.

2. Work with Texas OOG to enhance its subrecipient monitoring to include verification procedures for subrecipient-reported performance data during programmatic reviews.

The draft report issued by the OIG stated that "findings in the programmatic final reports did not relate to the collection and review of performance data. For those reasons, we found monitoring that was conducted specific to the victim assistance subawards inadequate to evaluate whether the subrecipient was achieving subaward performance goals, or that subrecipient performance data reported to the OVC was fairly represented for the subrecipients reviewed."

The PSO respectfully disagrees with this statement. A “finding” is an issue that the Reviewer identifies during a monitoring review. If there are no issues related to the collection and review of performance data, the report will not contain a finding or an observation. Grant managers thoroughly review every subrecipient progress report as they are submitted to the PSO (also a form of continuous monitoring) and prior to the PSO submitting the data to PMT.

As reflected in the Programmatic Monitoring Checklist, during monitoring, the Reviewer verifies if the subrecipient is meeting their goals by reviewing performance data and comparing the actual data to the agency’s target measures. The Reviewer verifies the following:

1. *Does the agency have a system or written process for collecting and reporting performance data?*
2. *Does the performance reporting process include review and approval or coordination by appropriate agency personnel familiar with grant objectives?*
3. *Does agency performance data appear to be valid, accurately measured, and consistent with PSO definitions?*
4. *Has the agency submitted all progress reports by the due date(s)?*
5. *Are performance measures being used internally by the agency?*
6. *Is the agency making appropriate progress in achieving their goals, performance objectives or measures and, if applicable, milestones?*

Regarding question 3 above, the Reviewer’s guidance includes the following:

Review the progress report and determine if data is consistently reported and appears reasonable for the type of project, length of the grant, number of FTEs funded, award amount, etc. When reviewing the report Reviewers should ask themselves: 1) Are all questions fully answered? 2) Is anything missing? 3) Does the report make sense given the funding, staffing, and objectives? 4) Does the report make sense given the reported expenditures to-date? Verify spending history by reviewing the Budget.Summary tab or the Summary/FSR.History tab within the eGrants record. Ensure that the information provided in the progress report is consistent with information reported in the FSR.

However, the PSO agrees that during program monitoring, the system used by the subrecipient to gather data for reporting is not always reviewed. Henceforth, with the FY26 Programmatic Monitoring Protocol, the PSO will begin asking subrecipients to provide copies of back up data files used to prepare the PMT reports or, if no back up was maintained, the Reviewer will ask for a re-pull of the data for a specific reporting period and select a sample of the relevant data points to verify consistency with what was reported to PSO within eGrants and ultimately then to OVC through the PMT.

3. Work with Texas OOG to revise or to develop and implement a record retention policy that ensures Texas OOG complies with federal grant award requirements.

We respectfully disagree with this recommendation. The OOG has a records retention policy and maintains federal grant records for the minimum required records retention period that applies to the “Federal Grant Records” classification, which is submission of final audit/expenditure report plus thirty-six months. However, we agree that monitoring checklists were not maintained. This was because the PSO classified these documents as “Transitory” (records of temporary usefulness). PSO developed the checklist as a tool to assist the PSO reviewer in taking notes during a monitoring review. The notes from the checklists are then used to build the formal monitoring report that is ultimately issued to the subrecipient, rendering the original notes

from the checklist as transitory. Nevertheless, PSO Policy 6.00 Programmatic Monitoring was updated on March 17, 2025, and reference to the Checklists being classified as “Transitory” and disposed of once a monitoring review is complete have been removed. With the FY25 programmatic monitoring reviews, the PSO began classifying checklists as “Federal Grant Records” and will maintain checklists for the minimum required records retention period that applies to the “Federal Grant Records” classification.

4. Coordinate with Texas OOG to remedy \$14,848 in unsupported personnel costs charged to the VOCA 2022 grant.

The OOG concurs with this recommendation. As of July 3, 2025, the \$14,848 in unsupported personnel costs have been corrected and the OOG will issue a refund to OJP no later than July 11, 2025.

5. Coordinate with Texas OOG to enhance its policies and procedures to ensure that the allocation of personnel costs allocated to the VOCA grants is timely and accurate.

The OOG concurs with this recommendation. Since the start of the OIG’s review, the OOG has enhanced its procedures to streamline, simplify, and ensure accurate allocation of personnel costs to federal grants. These changes include the following:

- 1) Updated OOG procedures to simplify the allocation process and ensure proper allocation and review.
- 2) Updated the automated allocation tool to ensure personnel costs are accurately and completely allocated to the appropriate grant.
- 3) Applied these updates and procedures to return to the quarterly allocation timeframe.

6. Coordinate with Texas OOG to remedy \$87,476 in unallowable indirect costs charged to the VOCA 2020 grant.

The OOG concurs with this recommendation and will work with Office of Justice Programs (OJP) to remedy the unallowable costs. These expenditures are unallowable because they exceed the properly calculated amount of indirect costs to be applied to the VOCA 2020 grant.

The OOG requests permission to replace the unallowable indirect costs with eligible subrecipient expenditures. To accomplish this, we have identified a subrecipient award totaling \$87,360 that is currently funded using the VOCA 2022 award that could be moved to VOCA 2020 to fully utilize the VOCA 2020 grant. Following this transfer, \$116 in unallowable indirect costs would still remain on the VOCA 2020 award. OOG will issue a refund of \$116 for the unallowable costs no later than July 11, 2025. OOG will also update the Office for Victims (OVC) Performance Management Tool (PMT) reporting system to reflect this update, the Federal Funding Accountability and Transparency Act (FFATA) reporting system, and the Federal Financial Reports (FFRs) for both VOCA 2020 and VOCA 2022 no later than July 31, 2025.

7. Coordinate with Texas OOG to develop policies and procedures to ensure that it uses the correct total direct cost base and approved indirect cost rate when calculating indirect costs charged to the VOCA grants.

The OOG concurs with this recommendation. The OOG understands that the total direct cost base is made up of subrecipient and administrative expenditures charged to the grant program. Each fiscal year the OOG is provided with an updated indirect cost rate. From here forward we will apply the approved indirect cost rate for each fiscal year for VOCA to only the expenditures that make up the direct cost base for that same fiscal year. Because we typically have multiple VOCA awards open at any given time, the approved indirect cost rate will be applied against eligible direct costs expenditures within each open VOCA award each quarter. This will result in indirect costs being applied to each open VOCA award on a quarterly basis.

8. Work with Texas OOG to enhance its policy and procedures to ensure it accurately reports indirect costs on the FFRs in the quarter the indirect costs were charged to the award.

The OOG concurs with this recommendation. Effective immediately, the OOG will incorporate procedures illustrated in question 7 and report indirect costs in proportion to each grant program's quarterly expenditures on the Federal Financial Report (FFR).

Sincerely,



Aimee Snoddy
Executive Director
Public Safety Office
Office of the Governor

APPENDIX 4: The 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 28, 2025

MEMORANDUM TO: Kimberly L. Rice
Acting Regional Audit Manager
Denver Regional Audit Office
Office of the Inspector General

FROM: Iyauta I. Green
Director **Iyauta Iyeesha Green** Digitally signed by Iyauta Iyeesha Green
Date: 2025.07.28 12:14:59 -04'00'

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs Victim Assistance Grants Awarded to the Texas Office of the Governor, Austin, Texas*

This memorandum is in reference to your correspondence, dated June 12, 2025, transmitting the above-referenced draft audit report for the Texas Office of the Governor (Texas OOG). The Texas OOG received the award funds from the Office of Justice Programs (OJP), Victims of Crime Act (VOCA), Victim Assistance Formula Grant Program, Grant Numbers 2020-V2-GX-0004, 15POVC-21-GG-00600-ASSI, and 15POVC-22-GG-00807-ASSI. We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains **eight** recommendations and **\$102,324** 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 work with Texas OOG to enhance its grant administration policies and procedures to ensure that regular desk reviews and site monitoring of subawards are conducted for all subrecipients in accordance with the VOCA Guidelines and establish a plan to perform site monitoring for those subawards that have not received a site monitoring visit within the last 2 years.**

OJP agrees with this recommendation. In its response, dated July 3, 2025, the Texas OOG disagreed with this recommendation, and stated that the Public Safety Office (PSO), responsible for program monitoring, and the Office of Compliance and Monitoring (OCM), responsible for financial monitoring, each conduct an annual risk assessment which identifies all subrecipient grants awarded during the previous calendar year; and that the frequency of monitoring is dependent on the outcome of the risk assessments.

In addition, the Texas OOG stated that risk assessments include all fund sources administered by the PSO, both federal funds and state appropriations and, although a VOCA grant may not be selected for a review, the agency that received a VOCA award may have been selected for a review under another fund source. With both programmatic and financial monitoring reviews, the same standards are required of all subrecipients, regardless of the fund source, and are verified to ensure they are fulfilling their programmatic and fiduciary responsibilities.

The Texas OOG also stated that with the Fiscal Year (FY) 2025 monitoring plan, the PSO implemented programmatic virtual site reviews in addition to desk reviews and on-site reviews, allowing additional face-to-face time with grantees.

Accordingly, while the Texas OOG disagreed with this finding, we will coordinate with the Texas OOG to obtain a copy of its written policies and procedures, developed and implemented, to ensure that regular desk reviews and site monitoring of subawards are conducted for all subrecipients in accordance with the VOCA Guidelines and establish a plan to perform site monitoring for those subawards that have not received a site monitoring visit within the last two years.

2. We recommend that OJP work with Texas OOG to enhance its subrecipient monitoring to include verification procedures for subrecipient-reported performance data during programmatic reviews.

OJP agrees with this recommendation. In its response, dated July 3, 2025, the Texas OOG stated that the PSO agrees that during program monitoring, the system used by the subrecipient to gather data for reporting is not always reviewed. However, the Texas OOG stated that, henceforth, with the FY26 Programmatic Monitoring Protocol, the PSO will begin asking subrecipients to provide copies of back up data files used to prepare the Performance Measurement Tool (PMT) reports or, if no back up was maintained, the reviewer will ask for a re-pull of the data for a specific reporting period and select a sample of the relevant data points to verify consistency with what was reported to the PSO within eGrants, and ultimately then to OVC through the PMT.

Accordingly, we will work with the Texas OOG to obtain a copy of its written policies and procedures, developed and implemented, to ensure that its subrecipient monitoring include verification procedures for subrecipient-reported performance data during programmatic reviews.

3. **We recommend that OJP work with Texas OOG to revise or to develop and implement a record retention policy that ensures Texas OOG complies with federal grant award requirements.**

OJP agrees with this recommendation. In its response, dated July 3, 2025, the Texas OOG disagreed with this recommendation, and stated that it has a records retention policy and maintains federal grant records for the minimum required records retention period that applies to the “Federal Grant Records” classification, which is submission of final audit/expenditure report plus thirty-six months. The Texas OOG, however, agreed that monitoring checklists were not maintained and stated that with the FY25 programmatic monitoring reviews, the PSO began classifying checklists as “Federal Grant Records” and will maintain checklists for the minimum required records retention period that applies to the “Federal Grant Records” classification.”

Accordingly, while the Texas OOG disagreed with this finding, we will coordinate with the Texas OOG to obtain a copy of its written policies and procedures, developed and implemented, to ensure that the Texas OOG complies with federal grant award record retention requirements.

4. **We recommend that OJP coordinate with Texas OOG to remedy \$14,848 in unsupported personnel costs charged to the VOCA 2022 grant.**

OJP agrees with this recommendation. In its response, dated July 3, 2025, the Texas OOG stated that as of July 3, 2025, the \$14,848 in unsupported personnel costs have been corrected and the Texas OOG will issue a refund to OJP no later than July 11, 2025.

Accordingly, we will coordinate with the Texas OOG to obtain documentation to support that the \$14,848 in questioned costs, related to unsupported personnel costs charged to Grant Number 15POVC-22-GG-00807-ASSI, have been returned to OJP, and the Texas OOG has removed the costs from their grant accounting records, and submitted a revised Federal Financial Report for the award, as appropriate.

5. **We recommend that OJP coordinate with Texas OOG to enhance its policies and procedures to ensure that the allocation of personnel costs allocated to the VOCA grants is timely and accurate.**

OJP agrees with this recommendation. In its response, dated July 3, 2025, the Texas OOG stated that since the start of the OIG’s review, it has enhanced its procedures to streamline, simplify, and ensure accurate allocation of personnel costs to federal grants.

Accordingly, we will coordinate with the Texas OOG to obtain a copy of its written policies and procedures, developed and implemented, to ensure that the allocation of personnel costs allocated to the VOCA grants is timely and accurate.

6. We recommend that OJP coordinate with Texas OOG to remedy \$87,476 in unallowable indirect costs charged to the VOCA 2020 grant.

OJP agrees with this recommendation. In its response, dated July 3, 2025, the Texas OOG stated that it concurs with this recommendation and will work with OJP to remedy the unallowable costs. The Texas OOG stated that these expenditures are unallowable because they exceed the properly calculated amount of indirect costs to be applied to the Grant Number 2020-V2-GX-0004. In addition, the Texas OOG requested permission to replace the unallowable indirect costs with eligible subrecipient expenditures. Additionally, to accomplish this, the Texas OOG stated that they have identified a subrecipient award totaling \$87,360 that is currently funded using Grant Number 15POVC-22-GG-00807-ASSI that could be moved to Grant Number 2020-V2-GX-0004 to fully utilize the grant. Moreover, the Texas OOG stated that following this transfer, \$116 in unallowable indirect costs would still remain on Grant Number 2020-V2-GX-0004, and that it would issue a refund of \$116 for the unallowable costs, no later than July 11, 2025. The Texas OOG further stated that it would also update the Office for Victims of Crime (OVC) Performance Management Tool (PMT) reporting system to reflect this update, the Federal Funding Accountability and Transparency Act (FFATA) reporting system, and the Federal Financial Reports (FFR) for Grant Numbers 2020-V2-GX-0004 and 15POVC-22-GG-00807-ASSI, no later than July 31, 2025.

Accordingly, we will coordinate with the Texas OOG to remedy the \$87,476 in questioned costs, related to unallowable indirect costs charged to Grant Number 2020-V2-GX-0004, as appropriate.

7. We recommend that OJP coordinate with Texas OOG to develop policies and procedures to ensure that it uses the correct total direct cost base and approved indirect cost rate when calculating indirect costs charged to the VOCA grants.

OJP agrees with this recommendation. In its response, dated July 3, 2025, the Texas OOG stated that it concurs with this recommendation. The Texas OOG stated that it understands that the total direct cost base is made up of subrecipient and administrative expenditures charged to the grant program. In addition, the Texas OOG stated that each fiscal year it is provided with an updated indirect cost rate. Further, the Texas OOG stated that in the r it will apply the approved indirect cost rate for each fiscal year for VOCA to only the expenditures that make up the direct cost base for that same fiscal year. Moreover, the Texas OOG stated that, because it typically has multiple VOCA awards open at any given time, the approved indirect cost rate will be applied against eligible direct costs expenditures within each open VOCA award each quarter, which will result in indirect costs being applied to each open VOCA award on a quarterly basis.

Accordingly, we will coordinate with the Texas OOG to obtain a copy of its written policies and procedures, developed and implemented, to ensure that it uses the correct total direct cost base and approved indirect cost rate when calculating indirect costs charged to the VOCA grants.

- 8. We recommend that OJP work with Texas OOG to enhance its policy and procedures to ensure it accurately reports indirect costs on the FFRs in the quarter the indirect costs were charged to the award.**

OJP agrees with this recommendation. In its response, dated July 3, 2025, the Texas OOG stated it concurs with this recommendation. In addition, Texas stated that effective immediately, the Texas OOG will incorporate procedures illustrated in question 7 and report indirect costs in proportion to each grant program's quarterly expenditures on the FFR.

Accordingly, we will work with Texas OOG to obtain a copy of its written policies and procedures, developed and implemented, to ensure that it accurately reports indirect costs on future FFRs, and the supporting documentation is maintained for future auditing purposes.

We appreciate the opportunity to review and comment on the draft audit report. If you have any questions or require additional information, please contact me at (202) 820-6807.

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OJP Executive Secretariat
Control Number OCOM001558

APPENDIX 5: Office of the Inspector General Analysis and Summary of Actions Necessary to Close the Audit Report

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) provided a draft of this audit report to the Office of Justice Programs (OJP) and the Texas Office of the Governor (Texas OOG). OJP's response is incorporated in Appendix 4 and Texas OOG's response is incorporated in Appendix 3 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. Texas OOG concurred with five recommendations, disagreed with two recommendations, and neither agreed nor disagreed with one recommendation. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Recommendations for OJP:

- 1. Work with Texas OOG to enhance its grant administration policies and procedures to ensure that regular desk reviews and site monitoring of subawards are conducted for all subrecipients in accordance with the VOCA Guidelines and establish a plan to perform site monitoring for those subawards that have not received a site monitoring visit within the last 2 years.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with Texas OOG to obtain a copy of its written policies and procedures, developed and implemented, to ensure that regular desk reviews and site monitoring of subawards are conducted for all subrecipients in accordance with the VOCA Guidelines and establish a plan to perform site monitoring for those subawards that have not received a site monitoring visit within the last 2 years. As a result, this recommendation is resolved.

Texas OOG disagreed with our recommendation and cited 28 CFR 94.106(b), stating that, "SAAs shall conduct regular desk monitoring of all subrecipients. In addition, SAAs shall conduct on-site monitoring of all subrecipients at least once every 2 years during the award period, *unless a different frequency based on risk assessment* is set out in the monitoring plan." Texas OOG also stated that it conducts an annual risk assessment, both programmatic and financial, for all subrecipient grants awarded during the previous calendar year. Further, Texas OOG stated that the frequency of monitoring is dependent on the outcome of the risk assessments and that recipients that have not been reviewed within a 3-year period are assigned a higher risk and are therefore more likely to be selected for a review. Additionally, Texas OOG stated that identifying a set frequency would negate the purpose of a risk assessment. However, 28 CFR 94.106(b) specifically states that the risk assessment must set out a frequency in the monitoring plan. Additionally, Texas OOG's response does not address the requirement to conduct regular desk monitoring of all subrecipients. As discussed in our report, Texas OOG did not conduct any form of monitoring—a desk review or site visit – of VOCA funds awarded to 62 percent of the subrecipients included in the scope our audit. As a result, Texas OOG is not in compliance with the subrecipient monitoring requirements as stated in our report.

Texas OOG also stated all VOCA grants are touched by a grant manager on at least a quarterly basis during thorough reviews of the subrecipient financial status and progress reports. As discussed in our report, we concluded that the grant managers conduct a review to determine if reported amounts are consistent and reasonable for the reporting period, but they do not conduct any form of monitoring to verify the accuracy of the amounts reported or assess the subrecipients' policies and procedures in place to ensure that the financial status and progress reports are accurate. As a result, the reviews the grant managers perform do not provide Texas OOG reasonable assurance that the subrecipient is administering its subaward in compliance with the laws, regulations, and the provisions of the award or that the required performance goals are being achieved.

The virtual site reviews implemented in 2025 that Texas OOG discussed in its response could assist Texas OOG in meeting the monitoring requirements of its VOCA grants.

This recommendation can be closed when we receive evidence that Texas OOG has developed and implemented policies and procedures ensuring that regular desk reviews and on-site monitoring of subawards are conducted for all subrecipients in accordance with the VOCA Guidelines and has established a plan to perform on-site monitoring for those subawards that have not received a visit within the last 2 years.

2. Work with Texas OOG to enhance its subrecipient monitoring to include verification procedures for subrecipient-reported performance data during programmatic reviews.

Resolved. OJP agreed with our recommendation. OJP stated in its response it will work with Texas OOG to obtain a copy of its written policies and procedures, developed and implemented, to ensure that its subrecipient monitoring include verification procedures for subrecipient-reported performance data during programmatic reviews. As a result, this recommendation is resolved.

Texas OOG neither agreed nor disagreed with our recommendation but stated in its response that it disagreed with a statement in our report that findings in the Texas OOG's programmatic final reports did not relate to the collection and review of performance data. However, Texas OOG did not provide evidence that this statement was incorrect. The statement supported our conclusion that Texas OOG does not verify subrecipient responses to monitoring questionnaires related to subrecipient performance data collection and review processes. Despite its disagreement with the OIG's statement, Texas OOG agreed that during programmatic monitoring, it does not always review the system used by the subrecipient to gather data for reporting. Texas OOG stated that it has enhanced its programmatic monitoring to request subrecipients provide copies of data files used to prepare the performance data reported to Texas OOG so it can verify a sample of the reported data for accuracy. Texas OOG's proposed actions will help address the recommendation, but it did not provide evidence of this enhancement to its monitoring procedures.

This recommendation can be closed when we receive evidence that Texas OOG has developed and implemented updated policies and procedures to include verification of subrecipient-reported performance data during programmatic reviews.

3. Work with Texas OOG to revise or to develop and implement a record retention policy that ensures Texas OOG complies with federal grant award requirements.

Resolved. OJP agreed with our recommendation. OJP stated in its response it will coordinate with Texas OOG to obtain a copy of its written policies and procedures, developed and implemented, to ensure that Texas OOG complies with federal grant award retention requirements. As a result, this recommendation is resolved.

Texas OOG disagreed with our recommendation and stated in its response that its records retention policy complies with federal grant award requirements because monitoring checklists were designated as transitory documents and, therefore, are not required to be retained. While Texas OOG may have considered monitoring checklists transitory documents that are not subject to retention requirements, the checklists are necessary to document and assess the adequacy of Texas OOG's subrecipient monitoring practices. Despite disagreeing with our recommendation, Texas OOG stated it has revised its retention policy (effective March 17, 2025) to classify the monitoring checklists as "Federal Grant Records" to be maintained for the minimum required records retention period.

This recommendation can be closed when we receive documentation demonstrating that OJP has reviewed and ensured Texas OOG developed and implemented a revised record retention policy that complies with federal grant award requirements.

4. Coordinate with Texas OOG to remedy \$14,848 in unsupported personnel costs charged to the VOCA 2022 grant.

Resolved. OJP agreed with our recommendation. OJP stated in its response it will coordinate with Texas OOG to obtain documentation to support that the \$14,848 in questioned costs related to unsupported personnel costs charged to Grant Number 15POVC-22-GG-00807-ASSI have been returned to OJP, Texas OOG has removed the costs from their grant accounting records, and Texas OOG has submitted a revised Federal Financial Report (FFR) for the award, as appropriate. As a result, this recommendation is resolved.

Texas OOG concurred with our recommendation and stated in its response that as of July 3, 2025, the \$14,848 in unsupported personnel costs have been corrected and the OOG will issue a refund to OJP no later than July 11, 2025.

This recommendation can be closed when we receive evidence that OJP has remedied the \$14,848 in unsupported personnel costs.

5. Coordinate with Texas OOG to enhance its policies and procedures to ensure that the allocation of personnel costs allocated to the VOCA grants is timely and accurate.

Resolved. OJP agreed with our recommendation. OJP stated in its response it will coordinate with Texas OOG to obtain a copy of its written policies and procedures, developed and implemented, to

ensure that the allocation of personnel costs allocated to the VOCA grants is timely and accurate. As a result, this recommendation is resolved.

Texas OOG concurred with our recommendation and stated in its response that it has enhanced its procedures to streamline, simplify, and ensure accurate allocation of personnel costs to federal grants.

This recommendation can be closed when we receive documentation that Texas OOG has developed and implemented enhanced policies and procedures to ensure that the allocation of personnel costs allocated to the VOCA grants is timely and accurate.

6. Coordinate with Texas OOG to remedy \$87,476 in unallowable indirect costs charged to the VOCA 2020 grant.

Resolved. OJP agreed with our recommendation. OJP stated in its response it will coordinate with Texas OOG to remedy the \$87,476 in questioned costs, related to unallowable indirect costs charged to Grant Number 2020-V2-GX-0004, as appropriate. As a result, this recommendation is resolved.

Texas OOG concurred with our recommendation and stated in its response that it will work with OJP to remedy the unallowable costs. The response also acknowledges the questioned expenditures are unallowable because they exceed the properly calculated amount of indirect costs to be applied to the VOCA 2020 grant.

This recommendation can be closed when we receive evidence that OJP has remedied the \$87,476 in unallowable indirect costs charged to the VOCA 2020 grant.

7. Coordinate with Texas OOG to develop policies and procedures to ensure that it uses the correct total direct cost base and approved indirect cost rate when calculating indirect costs charged to the VOCA grants.

Resolved. OJP agreed with our recommendation. OJP stated in its response it will coordinate with Texas OOG to obtain a copy of its written policies and procedures, developed and implemented, to ensure that it uses the correct total direct cost base and approved indirect cost rate when calculating indirect costs charged to the VOCA grants. As a result, this recommendation is resolved.

Texas OOG concurred with our recommendation and stated in its response it now understands that the total direct cost base is made up of subrecipient and administrative expenditures charged to the grant program for which the indirect costs are being charged. Going forward, Texas OOG stated it will apply the approved indirect cost rate for each fiscal year for its VOCA grants to only the expenditures that make up the direct cost base for that same fiscal year.

This recommendation can be closed when we receive documentation that Texas OOG has developed and implemented policies and procedures to ensure that it uses the correct total direct

cost base and approved indirect cost rate when calculating indirect costs charged to the VOCA grants.

8. Work with Texas OOG to enhance its policy and procedures to ensure it accurately reports indirect costs on the FFRs in the quarter the indirect costs were charged to the award.

Resolved. OJP agreed with our recommendation. OJP stated in its response it will work with Texas OOG to obtain a copy of its written policies and procedures, developed and implemented, to ensure that it accurately reports indirect costs on future FFRs and the supporting documentation is maintained for future auditing purposes. As a result, this recommendation is resolved.

Texas OOG concurred with our recommendation and stated in its response that, effective immediately, Texas OOG will incorporate procedures to report indirect costs in proportion to each grant program's quarterly expenditures on the FFR.

This recommendation can be closed when we receive evidence that Texas OOG has developed and implemented policies and procedures to ensure indirect costs are accurately and timely reported on FFRs.