



Audit of the Office of Justice Programs Victim
Assistance Grants Awarded to the State of
Washington Department of Commerce,
Olympia, Washington



AUDIT DIVISION

20-106

SEPTEMBER 2020

REDACTED FOR PUBLIC RELEASE

Redactions were made to the full version of this report for privacy reasons. The redactions are contained only in Appendix 5, and are of individuals' names



Executive Summary

Audit of the Office of Justice Programs Victim Assistance Grants Awarded to the State of Washington Department of Commerce, Olympia, Washington

Objective

The objective of the audit was to evaluate how the State of Washington Department of Commerce (WA DOC) Office of Crime Victims Advocacy 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 the WA DOC did not adhere to some of the award requirements we tested, but its Victims of Crime Act (VOCA) plan demonstrated adequate progress towards providing services to crime victims. We also determined that the WA DOC and a State of Washington pass-through agency's practice of indistinguishably funding subawards with both VOCA and non-VOCA funds led to the commingling of funds at the subrecipient level. We found that the WA DOC did not have a comprehensive grants administration manual, which may have led to some of the issues we noted. The WA DOC was not adequately tracking its funding allocation to four VOCA priority categories and did not submit accurate Subgrant Award Reports. Further, the subrecipients we tested did not adequately support \$70,207 in expenditures and \$3,312 in required match. We also identified concerns with the WA DOC's subaward templates and subrecipient monitoring.

Recommendations

Our report contains 11 recommendations to the Office of Justice Programs (OJP) to assist the WA DOC in improving its grant management and administration, and to remedy questioned costs totaling \$73,519. We requested a response to our draft audit report from the WA DOC and OJP, which can be found in Appendices 4 and 6, respectively. One of the WA DOC's pass-through agencies also provided a response to our draft report, and it can be found in Appendix 5. Our analysis of those responses is included in Appendix 7.

Audit Results

The U.S. Department of Justice Office of the Inspector General completed an audit of four VOCA victim assistance formula grants awarded by OJP's Office for Victims of Crime (OVC) to the WA DOC's Office of Crime Victims Advocacy in Olympia, Washington. OVC awarded these formula grants, totaling \$207,346,094 for fiscal years (FYs) 2015 through 2018, from the Crime Victims Fund (CVF) to enhance crime victim services throughout the state of Washington. As of June 2020, the WA DOC had drawn down a cumulative amount of \$157,513,522 from the grants we reviewed.

Grant Program Planning and Execution – The WA DOC and one of its two state-level pass-through agencies awarded VOCA and non-VOCA funds indistinguishably to subrecipients. As such, the pass-through agencies, as well as subrecipients, did not separately account for VOCA funds. The WA DOC lacked a comprehensive grants administration manual and a standardized procedure for evaluating its competitive subaward opportunities. The WA DOC did not ensure accuracy and consistency of its subaward templates.

Program Requirements and Performance

Reporting – The WA DOC did not accurately capture its funding allocation for the four VOCA priority categories to ensure compliance with VOCA requirements. Additionally, Subgrant Award Reports submitted by the WA DOC contained errors.

Grant Financial Management – We could not determine whether the WA DOC and its two pass-through agencies complied with the 5 percent administrative expenditures limit. Due to the commingled environment at some subrecipients, we limited our testing to subawards funded with VOCA grants. We found inadequately supported \$70,207 in subrecipient expenditures and \$3,312 in match contributions.

Monitoring of Subrecipients – We found that one of the WA DOC's state-level pass-through agencies could enhance its monitoring of safety issues at domestic violence shelters. Finally, some of the subrecipients were at a risk of non-compliance with service standards due to a lack of state-level onsite monitoring plans.

**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS
VICTIM ASSISTANCE GRANTS AWARDED TO THE
STATE OF WASHINGTON DEPARTMENT OF COMMERCE,
OLYMPIA, WASHINGTON**

TABLE OF CONTENTS

| | |
|--|----|
| INTRODUCTION | 1 |
| The Grantee | 2 |
| OIG Audit Approach | 2 |
| AUDIT RESULTS | 4 |
| Grant Program Planning and Execution | 4 |
| Subaward Allocation Plan | 5 |
| Commingling of Subaward Funds | 6 |
| Subaward Selection Process | 7 |
| Subaward Requirements | 10 |
| Grants Administration Manual | 11 |
| Program Requirements and Performance Reporting | 11 |
| Priority Areas Funding Requirement | 12 |
| Annual Performance Reports | 12 |
| Compliance with Special Conditions | 13 |
| Grant Financial Management | 14 |
| Grant Expenditures | 15 |
| Drawdowns | 18 |
| Matching Requirement | 19 |
| Financial Reporting | 21 |
| Monitoring of Subrecipients | 21 |
| Financial Monitoring | 22 |
| Performance Monitoring | 24 |

| | |
|---|----|
| High-Risk Subrecipient | 26 |
| CONCLUSION AND RECOMMENDATIONS | 27 |
| APPENDIX 1: OBJECTIVE, SCOPE, AND METHODOLOGY..... | 29 |
| APPENDIX 2: SCHEDULE OF DOLLAR-RELATED FINDINGS..... | 31 |
| APPENDIX 3: WASHINGTON STATE CRIME VICTIM SERVICE PROVIDERS | 32 |
| APPENDIX 4: STATE OF WASHINGTON DEPARTMENT OF COMMERCE RESPONSE TO THE DRAFT AUDIT REPORT..... | 34 |
| APPENDIX 5: WASHINGTON STATE OFFICE OF CIVIL LEGAL AID RESPONSE TO THE DRAFT AUDIT REPORT..... | 37 |
| APPENDIX 6: OFFICE OF JUSTICE PROGRAMS RESPONSE TO THE DRAFT AUDIT REPORT | 41 |
| APPENDIX 7: OFFICE OF THE INSPECTOR GENERAL ANALYSIS AND SUMMARY OF ACTIONS NECESSARY TO CLOSE THE REPORT..... | 46 |

**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS
VICTIM ASSISTANCE GRANTS AWARDED TO THE
STATE OF WASHINGTON DEPARTMENT OF COMMERCE,
OLYMPIA, WASHINGTON**

INTRODUCTION

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of four victim assistance formula grants awarded by the Office of Justice Programs (OJP), Office for Victims of Crime (OVC) to the State of Washington Department of Commerce (WA DOC) in Olympia, Washington. OVC awards victim assistance grants annually from the Crime Victims Fund (CVF) to state administering agencies. As shown in Table 1, from fiscal years (FY) 2015 to 2018, these OVC grants totaled \$207,346,094.

Table 1

WA DOC Victim Assistance Grants for FYs 2015 through 2018

| Award Number | Award Date | Award Period Start Date | Award Period End Date | Award Amount |
|---------------------|-------------------|------------------------------------|----------------------------------|----------------------|
| 2015-VA-GX-0031 | 09/17/15 | 10/01/14 | 09/30/18 | \$42,761,431 |
| 2016-VA-GX-0044 | 09/08/16 | 10/01/15 | 09/30/19 | 48,821,061 |
| 2017-VA-GX-0061 | 09/28/17 | 10/01/16 | 09/30/20 | 41,060,865 |
| 2018-V2-GX-0046 | 08/09/18 | 10/01/17 | 09/30/21 | 74,702,737 |
| Total: | | | | \$207,346,094 |

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

Source: OJP

Established by the Victims of Crime Act (VOCA) of 1984, the CVF is used to support crime victims through DOJ programs and state and local victim services.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).

In FY 2015, Congress significantly raised the previous year's cap on CVF disbursements, which more than quadrupled the available funding for victim assistance grants from \$455.8 million to \$1.96 billion. In FY 2016, Congress raised the cap again, increasing the available funding for victim assistance to \$2.22 billion. In FY 2017, the amount available for victim assistance was \$1.8 billion, and Congress made another significant raise to the funding limit in FY 2018 to \$3.3 billion. OVC allocates the annual victim assistance program awards based on the amount

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

available for victim assistance each year and the states' population. As such, the annual VOCA victim assistance grant funds available to the WA DOC increased from \$9.8 million in FY 2014 to \$42.8 million in FY 2015. The WA DOC continued to receive VOCA grants in excess of \$40 million through FY 2017, with another large funding increase to \$74.7 million in FY 2018.

VOCA victim assistance grant funds support the provision of direct services – such as crisis intervention, assistance filing restraining orders, counseling in crises arising from the occurrence of crime, and emergency shelter – to victims of crime. OVC distributes these assistance grants to states and territories, which in turn fund subawards to public and private nonprofit organizations that directly provide the services to victims. Eligible services are efforts that: (1) respond to the emotional and physical needs of crime victims, (2) assist primary and secondary victims of crime to stabilize their lives after a victimization, (3) assist victims to understand and participate in the criminal justice system, and (4) provide victims of crime with a measure of safety and security.

The Grantee

As the State of Washington's state administering agency, the WA DOC's Office of Crime Victims Advocacy (OCVA) is responsible for administering the VOCA victim assistance program. OCVA is a part of the WA DOC's Community Services and Housing Division serving needs of crime victims by funding programs throughout the state that provide support and assistance to victims or survivors of crime. As of 2019, two sections of OCVA administer VOCA victim assistance grants in specific areas: one section focuses on sexual assault victim services, while the other focuses on all other crimes except for domestic violence. In addition, OCVA relies on the State of Washington's Department of Social and Health Services (DSHS) and the Office of Civil Legal Aid (OCLA) as pass-through agencies for two specific types of victim services: domestic violence and civil legal aid.

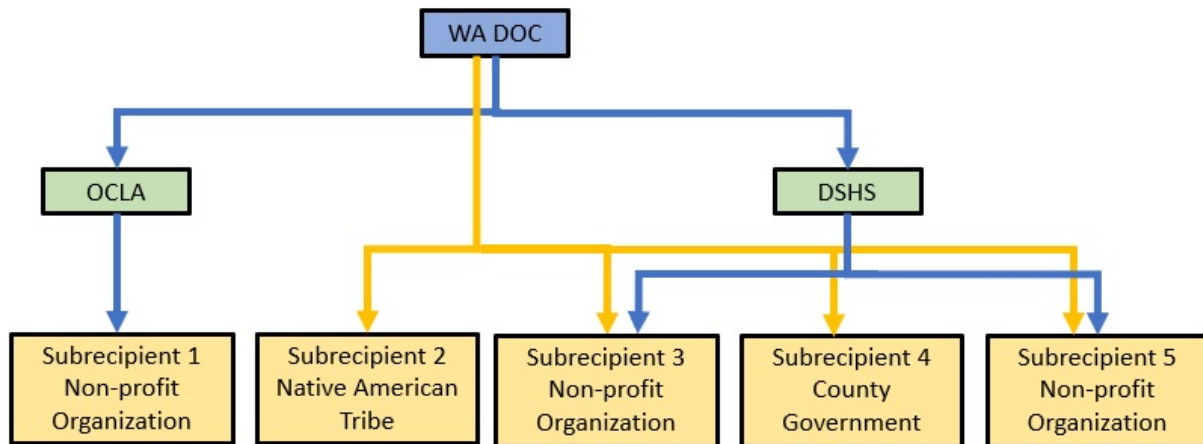
OIG Audit Approach

The objective of the audit was to evaluate how the WA DOC designed and implemented its crime victim assistance program. To accomplish this objective, we assessed performance in the following areas of grant management: (1) grant program planning and execution, (2) program requirements and performance reporting, (3) grant financial management, and (4) monitoring of subrecipients.

We tested compliance with what we considered the most important conditions of the grants. Unless otherwise stated in our report, we applied the authorizing VOCA legislation, the VOCA victim assistance program guidelines (VOCA Guidelines) and Final Rule, and the DOJ Grants Financial Guide as our primary criteria. We also reviewed relevant policies and procedures and interviewed personnel of the WA DOC, the DSHS, and OCLA to determine how they administered the VOCA funds. We conducted site visits at five VOCA-funded

subrecipients, listed in Figure 1, interviewed subrecipient personnel, and reviewed their records reflecting grant activity.²

Figure 1
Judgmentally Selected Subrecipients



Legend: — Funding direct from the WA DOC
 — Funding through a state-level pass-through agency

Source: OIG analysis

² Appendix 1 contains additional information on the audit's objective, scope, and methodology, as well as further detail on the criteria we applied for our audit. Appendix 2 presents a schedule of our dollar-related findings.

AUDIT RESULTS

Grant Program Planning and Execution

The main purpose of the VOCA victim assistance grants is to enhance crime victim services. The WA DOC is the primary recipient of victim assistance grants at the state-level in Washington. The WA DOC distributes the majority of grant funding to organizations that provide direct services, such as: rape treatment centers, domestic violence shelters, child advocacy centers, and other community-based victim coalitions and support organizations. As the state administering agency, the WA DOC has the discretion to select subrecipients from among eligible organizations, although the VOCA Guidelines require state administering agencies give priority to victims of sexual assault, domestic abuse, and child abuse. State administering agencies must also make funding available for previously underserved populations of violent crime victims.³ As long as a state administering agency 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 the WA DOC's overall plan to allocate and award the victim assistance funding. We reviewed how the WA DOC planned to distribute its available victim assistance grant funding, made subaward selection decisions, and informed its subrecipients of necessary VOCA requirements. As discussed below, in our overall assessment of grant program planning and execution, we determined that the WA DOC appropriately identified and planned to meet additional victim service needs with its increased FYs 2015 – 2018 funding. Although we determined that the WA DOC took proper steps to announce its funding to subrecipients, it did not distribute grant funds appropriately because of its practice of combining VOCA and other fund sources when granting subawards, without always indicating the amount funded by VOCA awards. We identified that the WA DOC did not have a grants administration manual to guide its process of selecting subrecipients, and found that the WA DOC and a state-level pass-through agency did not communicate applicable VOCA requirements to its subrecipients, because of discrepancies in their subaward templates.

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.

Subaward Allocation Plan

Prior to the significant increase in VOCA funding in FY 2015, the WA DOC allocated award funds in thirds based on existing state laws and a strategic plan for: (1) core services for sexual assault victims called Community Sexual Assault Programs (CSAPs), (2) emergency domestic violence shelters through interagency agreements with the DSHS, and (3) agencies serving all other crime victims called Crime Victim Service Centers (CVSCs).⁴ In 1979, the State of Washington passed laws that required the development of a state-wide plan to aid organizations that provide services to victims of sexual assault, and expand shelters for victims of domestic violence; while the 2005 Washington State Strategic Plan for Victim Services created the concept of the CVSCs.⁵ The WA DOC and the DSHS administered VOCA victim assistance grant funds, along with state funds, as formula-based annual funding to ensure a statewide network of service providers for all crime victims.⁶

In response to the significant increase in CVF funding, the OVC's FY 2015 VOCA Victim Assistance Formula Solicitation required that state and territory applicants submit a subrecipient funding plan that detailed their efforts to identify additional victim service needs, as well as subaward strategies to spend the substantial increase in available VOCA funding. The WA DOC established a VOCA planning group to conduct a statewide planning process. The WA DOC convened several meetings with stakeholders to discuss the most appropriate ways of using the increased grant funds, which resulted in identifying under-funded victim services as well as underserved victim populations.

In 2016, the WA DOC issued a VOCA State Plan for FYs 2015 through 2019 based on needs identified by statewide stakeholders and included a spending allocation plan. Essentially, the state VOCA victim assistance plan intended to allocate approximately half of grant funds to support existing programs and the remainder to implement new initiatives that were identified with statewide stakeholders. The allocation plan included:

- Investment in current services at 51 percent to maintain, enhance and expand existing programs in CSAPs, emergency domestic violence shelters, and CVSCs;
- New initiatives at 45.5 percent that include specific services such as civil legal aid, human trafficking, sexual assault medical forensic services and other needs identified with stakeholders, such as child victims, culturally specific programs, and victim and witness assistance at county prosecutor's office; and

⁴ The WA DOC defines core services of the CSAPs as legal and medical assistance to ensure a 24-hour, 7-day response to sexual assault victims.

⁵ 1979 State of Washington Victims of Sexual Assault Act and Shelters for Domestic Violence Act.

⁶ The state of Washington's fiscal year begins on July 1 and ends on the following June 30. See Appendix 3 for additional information of these programs.

- A reserve fund at 3.5 percent for training, language services, and unanticipated issues.

In 2018, the WA DOC met with statewide stakeholders again and decided to extend the VOCA State Plan, utilizing the same allocation methodology by percentage until 2023. As such, we determined that the WA DOC adequately planned for the increase of VOCA victim assistance funds.

Commingling of Subaward Funds

The WA DOC used Interagency Agreements to subaward VOCA grant funds to two pass-through agencies, the DSHS and OCLA, who then subawarded again to subrecipients. We determined that four of the seven Interagency Agreements in our audit scope were funded by multiple federal VOCA awards that did not specify funding levels derived from each federal VOCA award. This resulted in both pass-through agencies not being able to properly account for each federal award separately, as required by the DOJ Grants Financial Guide.

We reviewed the DSHS subawards within our scope for the five subrecipients that we judgmentally selected. We found that the DSHS funded some subawards with VOCA funds only, but the majority of the subawards were funded with a combination of VOCA funds, state funds, and the Federal Family Violence Prevention and Services Act grant funds awarded by the U.S. Department of Health and Human Services. Also, DSHS' subawards that were solely VOCA-funded did not consistently specify funding amounts from each specific federal VOCA award. This resulted in DSHS subrecipients not being able to properly track grant activity by federal VOCA award numbers.

For the other pass-through agency, OCLA, we found that its subawards to subrecipients were only funded by VOCA funds. However, because the WA DOC's subawards to OCLA did not specify funding levels from a particular VOCA grant, OCLA's subawards in turn were issued to subrecipients without specifically indicating the amount of funding from a particular federal VOCA award. This resulted in OCLA's subrecipients not being able to properly track grant activity by federal VOCA award numbers.

The WA DOC also issued subawards directly to subrecipients. We found that the WA DOC funded its subawards with either: (1) a single federal VOCA award; (2) multiple federal VOCA awards; (3) a single federal VOCA award and state funds; (4) multiple federal VOCA awards and state funds; or (5) a single federal VOCA award, state funds, and federal funds from the DOJ's Office on Violence Against Women (OVW).

From our judgmentally selected sample of 5 subrecipients, we reviewed a total of 65 subawards and determined 51 percent of VOCA funded subawards were commingled with non-VOCA funds. In the subaward contracts with multiple funding sources, the WA DOC did not always indicate the percentage funded by each fund source. We also did not find indications where the subrecipients inquired with the WA DOC, the DSHS, or OCLA for clarification on the breakdown of funding sources,

so that they could properly track grant activity by federal VOCA funding streams. The WA DOC maintained and provided us with copies of an internal accounting document, called the Commerce Contract Information Sheet (CIS), which showed its planned contract expenditure allocation for each subaward across the various funding sources. However, our testing determined that the WA DOC did not reimburse its subrecipients' expenditures according to the allocation prescribed in the CIS.

Due to the WA DOC and DSHS's commingling of funding sources on subawards, and the subrecipients' practice of capturing revenues and expenditures based on subaward contract numbers without separately accounting for the various funding sources, we conclude that the WA DOC and its subrecipients' accounting of VOCA funds were not in accordance with DOJ Grants Financial Guide requirements. This practice prevented us from determining: (1) adherence to the allocation strategy in its VOCA State Plan, (2) compliance with the mandatory allocation requirements, and (3) accuracy of WA DOC's federal financial and performance reporting. In addition, we did not select any expenses from subawards that were commingled with non-VOCA funding for expenditure testing. Instead, we focused our expenditure and match testing on subawards funded only with VOCA grants. Thus, we recommend that OJP ensure that the WA DOC reevaluates its subaward funding practices and develops procedures to ensure that all grant recipients can accurately and separately account for awarded funds within their accounting systems and financial records.

Subaward Selection Process

To assess how the WA DOC granted its subawards, we identified the steps it took to inform, evaluate, and select subrecipients for VOCA funding. Washington state law and WA DOC policies recommend that contracts for goods and services be conducted through a competitive solicitation process when practicable and applicable.⁷ The WA DOC did not have a grants administration manual, which we discuss in more detail later in the report. Consequently, we obtained an understanding of its subaward process through interviews with WA DOC officials and reviewing grant applications and instructions.

We found that the WA DOC and its two pass-through agencies (the DSHS and OCLA) implemented the VOCA State Plan for 2015 to 2019 by administering these 14 grant opportunities as either formula (F) or competitive (C) programs.⁸

- Existing services:
 - CSAP Core Services (F)
 - CSAP Specialized Services (F/C)

⁷ Revised Code of Washington (R.C.W.) 39.26.120 (1) and WA DOC Policy (POL) 08.01.00.

⁸ The WA DOC requires the CSAPs to meet with local stakeholders on a biennial basis to plan for specialized services for sexual assault victims, such as individual or group therapy, support groups, or medical social work. Based on meeting results, CSAPs could apply for funding either as formula or competitive grants. There are 29 federally recognized Native American Tribes in the State of Washington. The CVSC became a competitive grant program in 2019 during our audit.

- Emergency domestic violence shelters (F)
- CVSC (C)
- Enhancement and Expansion of current services (C)
- New initiatives:
 - Sexual Assault Medical Forensic Exam Initiative (C)
 - Sexual Assaults: Marginalized Communities (C)
 - Civil Legal Aid (F)
 - County Prosecutor's Office Victim Witness Assistance (F)
 - Child Advocacy Centers (F)
 - Native American Tribes (C)
 - Human Trafficking (C)
 - Unmet Needs (C); Cultural/Community Specific Programs (C)

The WA DOC announced its formula and competitive grant programs on its website, from which applications and instructions could be downloaded. After the application deadline, WA DOC program managers reviewed applications for the formula programs while competitive request for proposals (RFP) went through an evaluation process by a panel of reviewers, composed of WA DOC employees and external participants. All reviewers had to certify their confidentiality and that they were free from conflicts of interest. At the completion of the review process, OCVA prepared a memorandum of obligation that summarized application results, the number and amount of subawards to be granted. The obligation memoranda required the approval and signature of a WA DOC Assistant Director before announcement of award decisions and the start of the protest procedures. Overall, we found no exceptions with the process that the WA DOC used to select subrecipients.

We tried to quantify the subawards granted by the WA DOC, the DSHS, and OCLA from the VOCA victim assistance funds in our scope, as well as determine how closely the WA DOC adhered to the allocation strategy in its VOCA State Plan. However, due to the commingling of funding sources by the WA DOC, contrary to the requirements of the DOJ Grants Financial Guide, we were unable to determine a list of unduplicated subawards from one year to the next that directly corresponds to the annual federal victim assistance grants in our review.

In order to assess the subawarding procedures, we judgmentally selected one formula program each from the WA DOC, the DSHS, and OCLA, as well as two competitive grant programs from the WA DOC for further review.

Formula Funding Programs

The WA DOC awards formula grants on an annual basis to CSAPs for the purpose of providing core services to victims of sexual assaults in their regions. These awards are a combination of VOCA and state funds of approximately the same amount. The DSHS awards formula grants on an annual basis for emergency domestic violence shelters based on interagency agreements that it enters with the

WA DOC on an annual basis. Finally, as a result of the VOCA State Plan for 2015-2019, the WA DOC began entering into interagency agreements with OCLA to subaward 8.7 percent of the VOCA victim assistance funds for civil legal aid providers. OCLA awarded VOCA grant funds to civil legal aid programs that offered a unique legal expertise such as immigration and sexual assaults issues or had a strong relationship with local crime victim service providers.⁹

We determined that each year, the WA DOC, the DSHS and OCLA require subrecipients of these formula programs to complete a renewal process, which includes submitting budget data and information related to provision of program services. The three program offices complete a risk assessment process, which encompasses issues such as organizational changes, operating experience, and whether the subrecipients had been audited.¹⁰ We verified that the WA DOC, the DSHS and OCLA performed risk assessments on a judgmental sample of their state FY 2020 subrecipients for these three formula grant programs.¹¹

Competitive Method

Of the 14 VOCA victim assistance program applications administered by the WA DOC after the increase in funding in FY 2015, over half were competitively awarded. We assessed the process used by the WA DOC in conducting competitive bidding by reviewing documentations from two judgmentally selected RFPs:

(1) Sexual Assault Medical Forensic Examination VOCA Initiative of 2017; and
(2) Unmet Victim Service Needs of 2018.¹² Since WA DOC does not have a grants administration manual, we assessed its RFP process by reviewing grant application materials, certifications from reviewers, and a final memoranda signed by the WA DOC Assistant approving of the results.

For the 2017 RFP that addressed inadequate and inconsistent access to sexual assault nurse examiners (SANE) across the state, the WA DOC provided a required certification of confidentiality and free of conflict of interest for all but one of the eight reviewers, and agreed to address its internal procedures on retaining reviewers' certification. For the Unmet Needs RFP, the WA DOC provided certification from all 19 reviewers, as well as a new agreement that application materials be destroyed after review. We also verified that a WA DOC Assistant

⁹ OCLA is an agency of the state's judicial branch. The Washington State Administrative Office of the Courts specifically exempts civil legal aid contracts for client services from competitive procurement.

¹⁰ During our audit, OCLA implemented a new policy to address two findings in the state of Washington FY 2018 Single Audit Report for not ensuring that its VOCA subrecipients had been assessed for risks and audited, when required.

¹¹ Because of the WA DOC's practice of combining fund sources in its interagency agreements with pass-through agencies and VOCA subawards without including a breakdown of such sources in award documentation, we provide no assurance that the subrecipients could accurately determine their expenditures of federal resources in order to know whether they should be audited.

¹² The 2018 solicitation on unmet needs intended to address gaps of services based, in part, on geography and types of crime victims.

Director approved the final results of the 7 successful recipients for the SANE and 22 for the Unmet Needs solicitations. No protests were filed.

WA DOC officials informed us that each grant application is unique and creating a uniform procedure could hamper the process. Based on our review of the two competitive RFPs, we believe that the WA DOC should ensure that all RFPs follow a baseline of requirements, such as the composition of the review panel, retaining reviewers' certifications, and the final memorandum submitted to the Assistant Director. Thus, we recommend that OJP ensure that the WA DOC develop a uniform policy for competitively bid grant applications, outlining baseline bid review procedures.

Subaward Requirements

State administering agencies must adequately communicate VOCA victim assistance requirements to their subrecipients. According to 2 C.F.R. § 200.331, pass-through entities must ensure that every subaward includes specific information so that award funds are used in accordance with the terms and conditions of the federal award. In addition, the WA DOC has a policy that requires the department to create and maintain a standard contract form, format, and content.¹³ We reviewed the WA DOC's subaward solicitations and award packages to determine how the grantee communicated its subaward requirements and conveyed to potential applicants the VOCA-specific award limitations, applicant eligibility requirements, eligible program areas, restrictions on uses of funds, and reporting requirements.

Prior to our audit, OVC conducted a site visit in September 2018 and found that the DSHS contract template was missing all required special conditions and the WA DOC contract template was missing six. In late 2018, OVC closed this finding after the WA DOC and the DSHS provided evidence that they revised their subaward contract templates.

However, during our review, we still found inconsistent and inadequate subaward templates at both the WA DOC and the DSHS. Specifically, we reviewed two of the WA DOC's subaward templates and three of the DSHS' subaward templates to ensure that they included applicable award special conditions and a sample of the data elements found in 2 C.F.R. § 200.331.¹⁴

We found that the DSHS contract templates contain the data elements that we selected for testing; however, the WA DOC contract templates was missing one.

¹³ WA DOC POL 08.01.02, Standardizing Contract Templates (August 2015).

¹⁴ We selected two OCVA subaward contract templates, one for Native American Tribe subrecipients and one for all other subrecipients. We selected three DSHS subaward contract templates, two for formula subawards and one for competitive subawards. The scope of our review included 4 of the 13 data elements specified in 2 C.F.R. § 200.331 (a) (1), as well as the 37 award special conditions in the FY 2017 VOCA victim assistance award, which was being administered by the WA DOC in 2019.

In addition, we found eight award special conditions that were either missing or incomplete in the subaward templates used by the WA DOC and the DSHS.

Since there are subrecipients in the state of Washington that receive VOCA subawards from both the WA DOC and the DSHS, receiving subawards containing discrepant contract language could lead to confusion and noncompliance. The WA DOC informed us that each year it would communicate with the DSHS on the federal award requirements so that contract templates could be updated. The WA DOC also acknowledged discrepancies we found and has already begun to revise subaward templates. We recommend that OJP ensure that the WA DOC establishes procedures in drafting victim assistance program subaward templates by coordinating with pass-through agencies to ensure consistency, accuracy, and compliance with federal regulations and VOCA guidelines.

Grants Administration Manual

During our audit, we noted the WA DOC's high number of grant programs, subawards, and the resulting administrative challenges. Specifically, as of December 2019, the WA DOC and its two pass-through agencies had awarded a total of 1,511 subawards from the 14 grant programs that fell within our scope. We found that despite the complexities of its programs, the WA DOC does not have a comprehensive grants administration manual to guide their execution. Instead, OCVA officials are provided separate office procedures that have not been integrated into a uniform guidance, and we had to supplement our review of OCVA's procedures by using other sources such as grant application materials in order to gain a comprehensive view of its practice. As detailed in later sections of this report, we identified weaknesses in the programmatic and financial administration of grant funds. We identified at least one instance where an employee filed required reports incorrectly because she relied on an existing procedure as a new employee that proved faulty. Throughout this report, we identified areas of grant management that could be enhanced with developed procedures, that should be integrated into a comprehensive grant administration manual. We believe that a comprehensive grants administration manual would assist OCVA in ensuring that grants requirements are met and employees are appropriately trained. Thus, we recommend that OJP ensure that the WA DOC develop a comprehensive grants administration manual for OCVA to facilitate consistent administration of VOCA funds and compliance with the DOJ Grants Financial Guide.

Program Requirements and Performance Reporting

To determine whether the WA DOC distributed VOCA victim assistance program funds to enhance crime victim services, we reviewed the WA DOC distribution of grant funding via subawards among local direct service providers. We also reviewed WA DOC performance measures and performance documents that the WA DOC used to track goals and objectives. We further examined OVC solicitations and award documents and verified the WA DOC's compliance with special conditions governing recipient award activity.

Based on our assessment in the areas of program requirements and performance reporting, we believe that the WA DOC complied with all but one of the tested special conditions. However, the WA DOC cannot definitively demonstrate that it has met the required allocation of grant funds to priority victim groups.

Priority Areas Funding Requirement

The VOCA Guidelines require that the WA DOC award a minimum of 10 percent of the total grant funds to programs that serve victims in each of the four following categories: (1) child abuse, (2) domestic abuse, (3) sexual assault, and (4) previously underserved. The VOCA Guidelines give each state administering agency the latitude for determining the method for identifying "previously underserved" crime victims.¹⁵ The WA DOC reports the "previously underserved" based on the seven pre-defined crime types in the Performance Measurement Tool (PMT) module for that category.¹⁶

We examined how the WA DOC allocated VOCA subawards to gauge whether it was on track to meet the program's priority areas distribution requirements. As already stated, the WA DOC combined VOCA victim assistance grant funds with other sources in granting subawards to subrecipients and interagency agreements with pass-through agencies. In addition, the WA DOC does not have written procedures on tracking grant funds to ensure that it meets this distribution requirement. The WA DOC does track VOCA victim assistance funds for the distribution requirement by maintaining a spreadsheet of subaward funds awarded, including a breakdown of award funds by the priority categories. The WA DOC then updates this spreadsheet periodically as subrecipients expend grant funds and request reimbursements. However, due to the commingling of fund sources, we question the accuracy of distribution and expenditure data of this spreadsheet. As a result, we cannot definitively determine that the WA DOC has met the required distribution of grant funds for the priority categories. We recommend that OJP ensure that the WA DOC develop procedures to accurately capture its funding allocation to the four required VOCA priority categories to ensure compliance with VOCA requirements.

Annual Performance Reports

Each state administering agency must annually report to OVC on activity funded by any VOCA awards active during the federal fiscal year. OVC requires states to upload reports annually to its Grants Management System. As of FY 2016, the OVC also began requiring states to submit performance data through the web-based PMT. With this system, states may provide subrecipients direct access to report quarterly data for state review, although OVC still requires that if

¹⁵ Methods for identifying "previously underserved" victims may include public hearings, needs assessments, task forces, and meetings with statewide victim services agencies.

¹⁶ These seven types include driving under the influence crashes, survivors of homicide victims, assault, adults molested as children, elder abuse, robbery, and other violent crimes.

the subrecipient completes the performance measure data entry directly, the state must approve the data.

For the victim assistance grants, the states must report the number of agencies funded, VOCA subawards, victims served, and victim services funded by these grants. Additionally, according to a special condition of the victim assistance grants, the state must collect, maintain, and provide to the OVC data that measures the performance and effectiveness of activities funded by the award. Due to the commingling of VOCA and non-VOCA funding sources by the WA DOC, performance data reported by subrecipients from such combined sources could not be definitively attributed to a specific fund. Consequently, we were unable to evaluate the accuracy of metrics compiled by the WA DOC.

We verified that the WA DOC submitted annual performance reports to OVC from FYs 2015 through 2019. Because we could not verify the accuracy of the performance metrics, we reviewed two judgmentally selected narrative statements from the FY 2017 Annual Performance Report. For a statement on efforts of publicizing victim assistance funding, the WA DOC provided adequate evidence that it held a webinar to discuss funding opportunities from the VOCA victim assistance awards. For the other judgmentally selected statement on addressing VOCA priority categories, the WA DOC provided adequate evidence that it administered a grant program for accredited child advocacy centers. However, the WA DOC's narrative statement incorrectly described it as a competitive program instead of a formula program, as stated in the memorandum of obligation signed by the WA DOC assistant director. We believe that implementing our recommendations on separate accounting of grant funds and including instructions on preparing performance data reports in the comprehensive grants administration manual would assist the WA DOC towards creating more reliable annual performance reports of its VOCA victim assistance awards.

Compliance with Special Conditions

The special conditions of a federal grant award establish specific requirements for grant recipients. In its grant application documents, the WA DOC certified it would comply with these special conditions. We reviewed the special conditions for the VOCA victim assistance program grants and identified special conditions that we deemed significant to grant performance which are not otherwise addressed in another section of this report. The two special conditions that we selected for further review required the recipient to: (1) report to OIG any potential fraud, waste, abuse, or misconduct involving or relating to the VOCA grant funds; and (2) submit a Subgrant Award Report (SAR) to OVC for each subrecipient of the VOCA victim assistance funds, within 90 days of awarding funds to subrecipients.

For the special condition on reporting potential fraud, waste, abuse, or misconduct, we determined that internal controls exist for such reporting based on interviews we conducted or policies that we reviewed at the WA DOC, the DSHS, and OCLA. In addition, during our audit we noted that a subrecipient's risk level was elevated to high in the spring of 2019, when the WA DOC learned that the executive director of the subrecipient was arrested for alleged fraudulent activities

and her employment terminated in late 2018. We determined that the WA DOC informed OIG of the alleged fraud perpetrated by the executive director within one month of becoming aware of the alleged fraud. In the Monitoring of Subrecipients section of this report, we discuss in further detail the additional monitoring conducted by the WA DOC on this subrecipient.

The second special condition that we tested requires state grantees for each VOCA victim assistance grant to submit a SAR with basic information on each subaward to OVC. For the 4 VOCA victim assistance grants in our scope, we determined that the WA DOC and its 2 pass-through agencies had awarded 1,511 subawards as of December 2019. However, we found that the WA DOC had submitted only 1,077 SARs. When we attempted to reconcile the number of SARs submitted with the total number of subawards granted, we found some reports that were: (1) missing or containing incorrectly formatted VOCA subaward numbers, (2) duplicates for the same subawards, and (3) submitted for multiple subawards. Ultimately, we were able to identify and reconcile 861 SARs submitted to the OVC, or a filing rate of approximately 57 percent. The employee responsible for preparing and submitting the SARs acknowledged that the WA DOC had a backlog of un-submitted reports and that she had relied on an existing procedure during the early part of her tenure, which had inaccurate instructions. The reliance on a procedure that proved inaccurate highlights the importance of our earlier discussion that a comprehensive grants administration manual is crucial in helping employees perform award-related functions. As such, we recommend that OJP coordinate with the WA DOC on the appropriate and reasonable submission of SARs for its previously awarded VOCA subawards; and implement procedures to ensure that SARs are submitted accurately and in a timely manner to OVC.

Grant Financial Management

According to the DOJ Grants Financial Guide, all grant recipients are required to establish and maintain adequate accounting systems and financial records in order to accurately account for awarded funds. The guide states that an adequate accounting system should be able to account for award funds separately.¹⁷ To assess the adequacy of the WA DOC's financial management of the VOCA grants, we reviewed the process the WA DOC used to administer these funds by examining expenditures charged to the grants, subsequent drawdown requests, and resulting financial reports. To further evaluate the WA DOC's financial management of the VOCA grants, we also reviewed the applicable Single Audit Reports and found no significant deficiencies or material weakness related to the WA DOC and its two pass-through agencies' management of VOCA victim assistance awards for state FYs 2015 through 2017. However, Washington State's FY 2018's Single Audit Report found that one of the two pass-through agencies, OCLA, did not have

¹⁷ The DOJ Grants Financial Guide requires recipients of federal funds to maintain accounting systems to ensure federal funds are not commingled with funds from other federal or private agencies. Recipients and subrecipients must account for each award separately and are prohibited from commingling funds on either a program-by-program or project-by-project basis. If the recipient's or subrecipient's accounting system does not make it possible to identify funds and expenditures with a particular program, a site visit or an audit of that program may result in those costs questioned or disallowed.

adequate internal controls to ensure that VOCA victim assistance subrecipients received required risk assessments and audits. As we discussed in the *Subaward Selection Process* section of this report, we found that OCLA has implemented a new policy on ensuring that its subrecipients have been assessed for risks and audited, as required. We also interviewed WA DOC, DSHS, and OCLA personnel who were responsible for financial aspects of the grants, reviewed OCVA written policies and procedures, inspected award documents, and reviewed financial records.

We determined that the WA DOC's drawdown of VOCA funds and submissions of Federal Financial Reports were supported by its financial systems. However, we found that WA DOC's subrecipients could not account for VOCA funds separately as required by OJP due to the WA DOC's practice of indistinguishably funding subawards with multiple funding sources. We also determined that the WA DOC did not have adequate controls to ensure its pass-through agencies and subrecipients were able to separately account for individual federal VOCA awards.

Grant Expenditures

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

Subaward Expenditures

As previously discussed, the DOJ Grants Financial Guide establishes that "an adequate accounting system for a recipient must be able to accommodate a fund and account structure to separately track receipts, expenditures, assets, and liabilities for awards, programs, and subrecipients." However, this did not appear to be the case for the WA DOC's subrecipient expenses. We found that the WA DOC and its state-level pass-through agencies had commingled some VOCA funded subawards with non-VOCA funds without indicating the percentage of funds from each fund source. For these subawards, WA DOC subrecipients were unable to and did not separately account for expenditures in their accounting systems or on the Washington State Form A-19, Requests for Reimbursement, by funding type (VOCA versus non-VOCA).

To evaluate the adequacy of financial controls over VOCA victim assistance grant expenditures, and subrecipients specifically, we limited our review to subawards that were funded through single or multi-year VOCA funds, and were not commingled with non-VOCA funds. We selected subrecipient transactions submitted for reimbursements from four subrecipients to determine whether the

payments were accurate, allowable, and in accordance with the VOCA Guidelines.¹⁸ We judgmentally selected one Request for Reimbursement from four of the five subrecipients we visited, totaling \$107,496. See Table 2 for a breakdown of our selected sample for each subrecipient. The transactions we reviewed included costs in the following categories: (1) personnel, (2) fringe benefits, (3) travel, and (4) operating costs.

Table 2
WA Subrecipient Expenses Tested and
Dollars Questioned

| Subrecipient | Subrecipient Expenditures Selected | Unsupported Transactions | Percentage |
|---------------------|---|---------------------------------|-------------------|
| 1 | \$40,869 | \$37,153 | 91% |
| 2 | 51,287 | 33,054 | 64% |
| 3 | 5,121 | 0 | 0% |
| 5 | 10,219 | 0 | 0% |
| Total | \$107,496 | \$70,207 | 65% |

Source: OIG Testing Results of Accounting Records

For our testing, we reviewed and reconciled the supporting documentation provided to us in the form of allocation schedules, timesheets, invoices, pay stubs, bank statements, and other documentation. As a result of our testing, we questioned \$70,207 in unsupported, or inadequately supported expenditures. In our review of the support provided by the subrecipients, we identified numerous inadequacies. For example, we found that Subrecipient No. 1 was allocating costs to its grant, but did not have a methodology that was supportable and logical. What's more, Subrecipient No. 1 did not have adequate support, such as invoices, for several of the expenditures we tested. Likewise, its payroll and fringe expenses were not supported by timesheets, or any other documentation to support the amounts allocated to the VOCA award. We found that Subrecipient No. 2's goods and services expenditures were supported, but its payroll and fringe expenditures lacked timesheets detailing VOCA hours worked to demonstrate its allocation methodology. We believe that the WA DOC and its pass-through agencies' lack of financial monitoring may have contributed to the subrecipients' inability to provide us with supporting documentation for our sampled expenditures, which we further discuss in the Financial Monitoring section of this report. Thus, we recommend that OJP remedy \$70,207 in inadequately supported expenditures.

¹⁸ Our expenditure testing did not include all five subrecipients we had judgmentally selected. Although Subrecipient No. 4's subaward agreements awarded by the WA DOC were funded by both VOCA grant monies and state funds, we found our selected Subrecipient No. 4's request for reimbursement was paid in its entirety with state funds. The WA DOC's unreliable fund allocation methods and Subrecipient No. 4's accounting of expenditure by subaward agreement numbers prevented us from being able to consistently trace transactions to accounting records.

Administrative Expenditures

The state administering agency may retain up to 5 percent of each grant to pay for administering its crime victim assistance program and for training. According to the 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.¹⁹

For the victim assistance grant program, we attempted to test the WA DOC's compliance with the 5 percent limit on the administrative category of expenses. However, because the WA DOC entered into inter-agency agreements with the DSHS and OCLA, these two pass-through agencies are able to also charge the VOCA grants for administrative expenditures. Collectively, the WA DOC, the DSHS, and OCLA may not expend more than 5 percent of the VOCA grants on administrative expenditures. We first compared the WA DOC's administrative costs recorded in its financial records to the award amounts to determine if the WA DOC alone had exceeded the 5 percent limit. We found that the WA DOC alone had charged less than 5 percent for each grant, as shown in Table 3.

Table 3
WA DOC Administrative Expenditures

| Award Number | Total Award | Award Period End Date | State Administrative Expenditures | Administrative Percentage |
|---------------------|--------------------|------------------------------|--|----------------------------------|
| 2015-VA-GX-0031 | \$42,761,431 | 09/30/18 | \$1,573,709 | 3.7% |
| 2016-VA-GX-0044 | \$48,821,061 | 09/30/19 | \$2,107,233 | 4.3% |
| 2017-VA-GX-0061 | \$41,060,865 | 09/30/20 | \$1,355,547 | 3.3% |
| 2018-V2-GX-0046 | \$74,702,737 | 09/30/21 | 0 | 0.0% |

Source: OIG Analysis of WA DOC Financial Records

However, for a complete analysis and verification of whether the State of Washington complied with the 5 percent administrative cost limit, administrative costs among the WA DOC, the DSHS, and OCLA must be identified by each federal VOCA grant award. The lack of separate accounting of individual VOCA awards that we previously discussed created a situation where pass-through agencies' administrative costs could not be attributed to individual VOCA grants. Thus, we were unable to determine whether the three agencies combined complied with the 5 percent administrative cost limit requirement.

¹⁹ 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.

In addition to testing the WA DOC's compliance with the 5 percent administrative allowance, we also tested a sample of these administrative transactions. We judgmentally selected 12 transactions from the FYs 2015, 2016, and 2017 grants, totaling \$137,060.²⁰ The administrative transactions selected consisted of salaries and wages, travel, indirect costs, and rent. We analyzed the OCVA's accounting records for the FYs 2015, 2016, and 2017 VOCA victim assistance grants for administrative expenditures. We reviewed and reconciled the supporting documentation provided to us in the form of allocation schedules, timesheets, payroll journals, purchase card logs, invoice vouchers, payment registers, bank statements, etc. We also analyzed the WA DOC's Cost Allocation Manual and verified allocations were made in accordance with its stated procedures. Based on our testing, we determined that our sample of \$137,060 in OCVA administrative costs were adequately supported.

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 the WA DOC managed grant receipts in accordance with these federal requirements, we compared the total amount reimbursed to the total expenditures in the WA DOC's accounting system and accompanying financial records. We also reviewed the WA DOC's Federal Reimbursement Guidelines, and verified drawdowns initiated coincided with policies and procedures set forth within the guidance. Table 4 shows the total amount drawn down for each grant as of June 2020.

Table 4
Amount Drawn Down for Each Grant as of June 2020

| Award Number | Total Award | Award Period End Date | Amount Drawn Down | Amount Remaining |
|---------------------|----------------------|------------------------------|--------------------------|-------------------------|
| 2015-VA-GX-0031 | \$42,761,431 | 09/30/18 | \$42,761,431 | \$0 |
| 2016-VA-GX-0044 | 48,821,061 | 09/30/19 | 48,821,061 | 0 |
| 2017-VA-GX-0061 | 41,060,865 | 09/30/20 | 39,892,153 | 1,168,712 |
| 2018-V2-GX-0046 | 74,702,737 | 09/30/21 | 26,038,876 | 48,663,861 |
| Total | \$207,346,094 | | \$157,513,522 | \$49,832,572 |

Source: OJP Information and OIG Analysis

Note: Any differences are due to rounding.

²⁰ Due to the structuring of the Interagency Agreements, and resulting award tracking issues mentioned previously, a sample of administrative costs was not reviewed at the DSHS and OCLA. However, at the time of our fieldwork, OCVA had not charged administrative costs to the FY 2018 grant.

Matching Requirement

VOCA Guidelines require that subrecipients match 20 percent of the project cost. The purpose of this requirement is to increase the amount of resources available to VOCA projects, prompting subrecipients to obtain independent funding sources to help ensure future sustainability. Match contributions must come from non-federal sources and can be either cash or an in-kind match.²¹ VOCA Guidelines state that any deviation from this policy requires OVC approval. The state administering agency has primary responsibility for ensuring subrecipient compliance with the match requirements.

The WA DOC subawards required that subrecipients provide non-federal match for the VOCA funds. Subaward contract agreements stipulate the match requirement as 20 percent or as a specific dollar amount. The agreements also stipulated that funds designated as match are restricted to the same uses as VOCA federal funds, match funds expended may exceed the minimum match funds required, and expenditures of match funds must be identified on subrecipients' Requests for Reimbursements. We found that the WA DOC and its pass-through agencies allowed subrecipients to use state funds awarded on the same contract in order to satisfy the federal funds matching requirement. We also found that some subawards were exempt from the match requirement.²²

The WA DOC utilized its Contract Management System (CMS) to track total obligated and disbursed VOCA funds, as well as budgeted, obligated, reported, and outstanding match. The reports captured amounts of state funding that the WA DOC included within its subawards that were utilized as matching contributions, as well as the subrecipients' reported match contributions. We reviewed the WA DOC's CMS reports and determined that the WA DOC's records indicate its subrecipients had met the 20 percent match requirement for the FYs 2015, 2016, and 2017 grants, and were on track to meet the requirement for the FY 2018 grant, whose project period had yet to conclude. However, due to the commingled nature of the WA DOC's subawards, we could not confirm whether the WA DOC's match records are accurate.

To review the provision of matching funds at the subrecipient level, we selected and reviewed match amounts reported on three Requests for Reimbursements that were submitted to their respective awarding state agency. We reviewed \$39,341 in matching costs, which consisted of volunteer hours, pro bono attorney clinic hours, and in-kind match. We verified match amounts to

²¹ In-kind matches may include donations of expendable equipment, office supplies, workshop or classroom materials, workspace, or the value of time contributed by those providing integral services to the funded project.

²² One of the five subrecipients that we selected for verification is a tribal government. The match requirement for subawards to Native American tribes and organizations located on reservations was 5 percent for the VOCA victim assistance grants, but this requirement was waived as of August 2016. The WA DOC's earliest subawards to this tribal government in our scope was funded with the WA DOC's 2015 VOCA grant funds. However, we determined that these subawards were exempt from OJP's matching requirement based on their 2017 award dates. Thus, this subrecipient was excluded from our judgmental sample review for matching.

supporting documentation in the form of volunteer timesheets, volunteer logs, and program intake forms. We also determined the reasonableness of volunteer labor rates claimed. Table 5 provides a summary of our testing.

Table 5
WA DOC Subrecipient Match Testing and Questioned Costs

| Subrecipient | Subrecipient Match Selected for Testing | Unsupported Transactions | Percentage |
|---------------------|--|---------------------------------|-------------------|
| 1 | \$ 3,172 | \$ 2,797 | 88% |
| 3 | 870 | 515 | 59% |
| 5 | 35,298 | 0 | 0% |
| Total | \$ 39,341 | \$ 3,312 | 8.4% |

Source: OIG Testing Results of Accounting Records

Note: Any differences are due to rounding.

In its Request for Reimbursement for period January through March 2019, Subrecipient No. 1 had reported \$55,994 of match in the form of pro bono attorney clinic hours from performing 163 individual clinic sessions. We judgmentally selected 8 clinic sessions or 10.3 clinic hours for review, which represented \$3,172 in match. The subrecipient provided us with client Program Intake Forms to support the clinic hours. In two instances, we found discrepancies between the clinic hours reported by the attorney and the hours supported by the documentation. We raised these concerns to Subrecipient No. 1, and they concurred that the discrepant amounts were not supportable. As a result of our testing, we determined 4.4 hours were supportable and we question the balance of 5.9 clinic hours. Furthermore, Subrecipient No. 1 had reported a pro bono clinic rate of \$308 per hour, which it informed us was based on an internal survey among its pro bono attorneys. However, Subrecipient No. 1 was unable to provide us evidence of its internal survey. Based on the U.S. Bureau of Labor Statistics Survey Data, we found that the 75th percentile hourly rate for an attorney in the same metropolitan area was \$85.40 per hour. Due to Subrecipient No. 1 being unable to support its pro bono clinic rate, which was \$222.60 above the going rate in the area for similar work, and the 5.9 hours of unsupported clinic hours, we questioned \$2,797 as unsupported match contributions reported.

Subrecipient No. 3 had reported volunteer time and in-kind match on its Request for Reimbursement we judgmentally selected for testing. We reviewed and reconciled volunteer timesheets, and verified reasonableness of volunteer hourly rates reported. We found all volunteer hours to be supported and volunteer hourly rates to be reasonable. However, Subrecipient No. 3 had reported \$515 of in-kind match and no documents were provided to support these costs. Thus, we question \$515 of unsupported in-kind match related to Subrecipient No. 3's reported match.

Finally, we reviewed Subrecipient No. 5's reported match in the form of volunteer time. We reviewed and reconciled volunteer timesheets and verified

reasonableness of volunteer hourly rates reported. We take no exception to the \$35,298 of match contributions reported.

We found unsupported costs for two of the three subrecipients we tested. The WA DOC and the pass-through agencies' practice of not requiring source documentation for the reported match amounts and not performing financial reviews while onsite increase the risk of inaccurate match reporting, which we further discuss in the Financial Monitoring section of the report. Thus, we recommend that OJP remedy \$3,312 of unsupported match contributions.

Financial Reporting

According to the DOJ Grants Financial Guide, recipients shall report the actual expenditures and unliquidated obligations incurred for the reporting period on each financial report, as well as cumulative expenditures. To determine whether the WA DOC's OCVA submitted accurate Federal Financial Reports (FFRs), we compared the four most recent reports to OCVA's accounting records for the FY 2015, 2016, 2017, and 2018 grants. We determined that quarterly and cumulative expenditures for the reports we reviewed were supported by OCVA's accounting records for all four grants. However, as discussed in the Commingling of Subaward Funds section, we found that the WA DOC and its pass-through agencies have commingled VOCA victim assistance funds with state funds as well as other federal grants. Therefore, the amounts reported on the FFRs are based on commingled ledgers that may represent an inaccurate record of VOCA grant expenditures. Our previous recommendations that OJP ensures the WA DOC reevaluates its subaward funding practices and develop procedures within a comprehensive grants administration manual to ensure that all grant recipients can accurately and separately account for awarded funds within their accounting systems and financial records should ensure accurate FFRs.

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, the WA DOC must develop policies and procedures to monitor subrecipients. In addition, because of its interagency agreements with the DSHS and OCLA for granting subawards, the WA DOC needs to ensure that these pass-through entities also have an effective system of monitoring subawards. To assess the adequacy of the WA DOC monitoring of its VOCA subrecipients, we interviewed the WA DOC personnel, identified WA DOC monitoring procedures, and obtained records of interactions between the WA DOC, the DSHS, OCLA, and their subrecipients. We also conducted site visits at five judgmentally selected subrecipients, which included interviewing personnel, touring facilities, and reviewing accounting and performance records. We spoke with subrecipient officials to assess the level of support that they received from the WA DOC, the DSHS, or OCLA. Table 6 displays the five subrecipients in our verification scope by type of agency and VOCA subaward purposes.

Table 6
Subrecipients Selected for Verification

| Subrecipient No. | Agency Type | VOCA Subaward Purposes | | | |
|------------------|-----------------------|------------------------|-------------------------------------|------|---|
| | | CSAP | Emergency Domestic Violence Shelter | CVSC | Other |
| 1 | Non-profit | No | No | No | Legal Aid |
| 2 | Native American Tribe | No | No | No | Native American Tribe; Cultural-specific |
| 3 | Non-Profit | Yes | Yes | Yes | N/A |
| 4 | County Government | No | No | No | Victim-Witness Assistance |
| 5 | Non-Profit | Yes | Yes | Yes | N/A |

Source: OIG

We determined that the WA DOC and the two pass-through agencies, the DSHS and OCLA, have a risk-based approach to the financial and programmatic monitoring of subrecipients. Furthermore, for the three existing programs, we found that the WA DOC's OCVA has created service standards for the CVSCs and collaborated with a state coalition in creating a quadrennial accreditation program for the CSAPs. The DSHS staff members perform onsite visits to ensure compliance with state regulations of domestic violence shelters.

We found evidence that the WA DOC and its two pass-through agencies have performed site monitoring of subrecipients, including one that had become a high-risk subrecipient during our audit. However, we found inadequate financial monitoring by the WA DOC, the DSHS, and OCLA. Furthermore, the WA DOC's practice of granting interagency agreements to pass-through agencies and VOCA subawards to subrecipients from indistinguishable grant sources led to victim service programs supported by a combination of sources. Consequently, we were unable to assess the adequacy of performance monitoring of program results funded solely by VOCA victim assistance grant funds.

In our overall assessment of the WA DOC and its pass-through agencies' subrecipient monitoring, we found inadequacies in financial monitoring procedures, as well as program monitoring tools that could be further enhanced.

Financial Monitoring

The WA DOC and its pass-through agencies, the DSHS and OCLA, have formal monitoring policies and procedures that include conducting risk assessments that categorize its subrecipients into low, medium, and high-risk categories. See Table 7 for a summary of each entity's level of monitoring based on risk assessments.

Table 7
Financial Monitoring Activities on Subrecipients

| | Low | Medium | High |
|---------------|---|---|--|
| WA DOC | <ul style="list-style-type: none"> • Desk monitoring only • Review of Requests for Reimbursements • Ensuring quarterly data reports are submitted • Review of supporting documentation for federal funding pre-requisites identified in the program application | <ul style="list-style-type: none"> • Low risk activities • Onsite visit from OCVA within the biennium • Consultation with other OCVA program staff is required if two or more programs scored in the medium or high risk range | <ul style="list-style-type: none"> • All low risk activities • Onsite visit within 6 months of the risk assessment scoring • Review of back-up documentation for each Request for Reimbursement • Interviewing managers providing technical assistance, or consultation. |
| DSHS | <ul style="list-style-type: none"> • Monthly review of Requests for Reimbursements • Review of service data occurring once during the contract period • Review of single audit report • Compliance of the subrecipient's self-assessment | <ul style="list-style-type: none"> • Low risk activities • Review of service data twice during the contract period • Onsite visit occurring once during the contract period | <ul style="list-style-type: none"> • Low and medium risk activities • Onsite monitoring visit staff training requirement checks • Review of source documentation and cost allocation data for Request for Reimbursement • Review of personnel files, job descriptions, grievance files review of policies, procedures, and related forms • Interviews with program staff and management |
| OCLA | <ul style="list-style-type: none"> • Data review • Onsite visits • Review of Requests for Reimbursements | <ul style="list-style-type: none"> • Low risk activities • Onsite visit within 12 months of the risk assessment scoring period | <ul style="list-style-type: none"> • Low risk activities • Onsite visit within 6 months of the risk assessment scoring period |

Source: The WA DOC, the DSHS, and OCLA monitoring practices

The WA DOC requires its subrecipients to submit reimbursement requests using the WA DOC's CMS portal, which is used to administer and manage subawards. OCVA provides subrecipients access to specific subaward contracts so they may submit the Request for Reimbursement, along with supporting documents under each subaward contract. We found that subrecipients submit a Goods and Services worksheet that summarizes costs by cost categories, under each subaward contract. However, we determined that OCVA, the DSHS, and OCLA did not require subrecipients to submit supporting documentation in the form of source documents along with their reimbursement requests, nor did they conduct testing of expenditure samples to adequately mitigate the risk of unsupportable costs. The DSHS and OCLA only review the appended Goods and Services worksheets, verify calculations are correct, and determine whether itemized expenses within the Goods and Services worksheet are allowable and reasonable, then submit the requests to the fiscal staff for processing. Only DSHS' policies for high risk

grantees elaborated on reviewing subrecipients' source documentation for Requests for Reimbursements during an onsite visit.

The WA DOC, the DSHS, and OCLA's lack of financial monitoring raises the risk of unsupported Requests for Reimbursements being submitted by the subrecipients, and the risk of unallowable costs being reimbursed using VOCA funds. We are also concerned that their onsite visit procedures did not note the issue of their subrecipients' commingled accounting records. Thus, we recommend that OJP ensure that the WA DOC and its pass-through agencies revise their financial monitoring policies and procedures to include the review of fiscal related matters to mitigate the risk of commingling and unsupported subrecipient Requests for Reimbursement.

Performance Monitoring

Due to the commingling of grant fund sources in the WA DOC's interagency agreements with pass-through agencies and subawards to subrecipients, we conducted a limited assessment of performance monitoring by these state offices on the five VOCA subrecipients that we selected for verification. We interviewed subrecipients on their process of collecting performance data and reviewed a sample of case file documentation. Two of the five subrecipients in our sample received annual formula subawards as multi-program providers that served as the CSAP, emergency domestic violence shelters, and the CVSCs in their region. For these two subrecipients, we assessed whether the WA DOC and the DSHS have ensured that the subrecipients met the CSAP and the CVSC accreditation and service standards, as well as state regulations on domestic violence shelters. We found indications of underreported performance data that should be remedied. For the three existing programs, we found that the DSHS could enhance its onsite visit process and the WA DOC should include onsite monitoring plans for the CVSC service standards.

Program Performance Data

Current procedures of the WA DOC, the DSHS, and OCLA all require the review and evaluation of program performance data. To assess the adequacy of those procedures, we reviewed a sample of case files and interviewed officials at the five subrecipients on their procedures of maintaining performance data. Although we found evidence of direct services provided by these subrecipients in our review of case files, we could not attribute these services as solely funded by VOCA subawards due to the commingling of grant funds by the WA DOC. In our interview with subrecipient officials, we found underreported performance data from two subrecipients. For Subrecipient No. 1, whose VOCA subawards support the salary expenses of two employees, OCLA only reported the metrics from an attorney and not referral services provided by a legal advocate, based on the attorney's providing more substantial work. OCLA agreed to correct this underreporting. For Subrecipient No. 4, whose VOCA subaward supports the salary expense of a victims and witnesses advocate, this individual stated that due to a high caseload and time constraints, she has entered her performance data of only new victims during a reporting quarter, but not those that she had continued to

provide assistance from prior quarters. As such, we believe that two of the five subrecipients in our scope have submitted incomplete data. Our previous recommendations that the WA DOC develop a comprehensive grants administration manual for OCVA to facilitate consistent administration of VOCA funds and compliance with the DOJ Grants Financial Guide should resolve these issues.

State Regulations and Standards

Subrecipients No. 3 and No. 5 in our sample are multi-program providers that serve as the CSAP, emergency domestic violence shelter, and the CVSC of their areas. These subrecipients have received commingled subawards from the WA DOC and the DSHS where subaward documents did not always provide a breakdown of the various sources. As a result, Subrecipients No. 3 and No. 5 have operated as multi-program providers from a combined source of funds. This practice by the WA DOC and the DSHS limited our attempt of assessing the performance monitoring of program operations supported only from VOCA grant funds. Consequently, our assessment was limited to our review of accreditation and service standards for the CSAP and the CVSCs, as well as the DSHS's onsite monitoring practice of emergency domestic violence shelters. Our review identified two areas for improvement.

The DSHS conducts onsite review of emergency domestic violence shelters every four years. These onsite reviews are supplemented by the annual subaward application process, where the DSHS performs a risk assessment and subrecipients must certify their compliance with state regulations.²³ Our review of the checklist used by the DSHS in conducting site visits found that it does not include a state regulation that requires domestic violence shelters to have an annual safety inspections from the local fire department or fire marshal and correct any violations found.²⁴ Instead, subrecipients certify their compliance with this requirement in the annual renewal application. Given that the DSHS conducts onsite visits every four years, requiring subrecipients to include this inspection report from the local fire department in the annual subaward renewal application could help the DSHS evaluate the shelters' safety risk. As a result, we recommend that OJP ensure the DSHS update its annual renewal application process of emergency domestic violence shelters to require a copy of the most recent annual safety inspection report from the local fire department.

During our assessment, we also noted that monitoring plans exist for the CSAP and emergency domestic violence shelters, but not the CVSCs. The WA DOC requires the CSAPs to maintain accreditation status, which is renewed every 4 years through an onsite review. Similarly, the DSHS procedures require onsite visits of the domestic violence shelters every 4 years. Although the WA DOC has created service standards for the CVSCs, no onsite monitoring mechanism exists to ensure

²³ Emergency domestic violence shelters must comply with regulations codified in the Washington State Administrative Codes (W.A.C.), Chapter 388-61A: Domestic Violence Victim Services and Prevention Efforts.

²⁴ Subrecipients No. 3 and No. 5 provided evidence of inspection from the local fire department to show compliance with W.A.C. 388-61A-1100 (8) during our audit.

that the CVSCs have complied with those standards. In light of OCVA's recent decision of making the CVSC grant program a competitive process from a formula program, we believe that OCVA should perform onsite monitoring of CVSCs' compliance with service standards, which could help OCVA evaluate the relative merits of CVSC grant applications on a competitive basis. Thus, we recommend that OJP ensure OCVA revise its CVSC service standards to include onsite monitoring plans.

High-Risk Subrecipient

We learned during our audit that a subrecipient's risk level was elevated to "high" in March 2019, after the WA DOC learned of the alleged criminal behavior of its executive director, who was arrested in spring 2019. The alleged fraud involved VOCA victim assistance funds in our audit scope and was estimated to be under \$10,000. According to the WA DOC, this subrecipient has been receiving VOCA grant funds for many years as a multi-program provider of the CSAP, the domestic violence shelter, and the CVSC. Besides informing OIG of the alleged fraud, the WA DOC and the DSHS conducted a coordinated site visit with this subrecipient in June 2019, where they met with board members and the new executive director to discuss fiscal policies. The WA DOC followed up with additional reviews to ensure that oversight exists to prevent similar occurrences in the future. We believe that the WA DOC took appropriate steps in providing the necessary monitoring required for this high-risk subrecipient.

CONCLUSION AND RECOMMENDATIONS

Overall, while we found that the WA DOC demonstrated adequate progress towards providing services to crime victims, our audit also identified instances where the WA DOC did not adhere to all the award requirements we tested. Specifically, we determined that the WA DOC did not have a comprehensive grants administration manual, which may have led to some of the issues we noted. The WA DOC did not accurately capture its funding allocation to the four priority categories to ensure compliance with VOCA requirements and did not submit accurate Subgrant Award Reports.

Due to the WA DOC and a pass-through agency's practice of funding subawards with VOCA and non-VOCA funds, we found that this caused subrecipients to commingle funds within their accounting systems and therefore be unable to differentiate VOCA expenditures from non-VOCA expenditures. Further, the subrecipients did not adequately support \$70,207 in expenditures and \$3,312 in match reported to satisfy VOCA guidelines. We also identified a weakness in the monitoring practice of a WA DOC's pass-through agency that increased the safety risk of domestic violence shelter residents. Finally, the CVSCs are at risk of noncompliance with its service standards due to a lack of onsite monitoring plans. We provide 11 recommendations to OJP to address these deficiencies.

We recommend that OJP:

1. Ensure that the WA DOC reevaluates its subaward funding practices and develops procedures to ensure that all grant recipients can accurately and separately account for awarded funds within their accounting systems and financial records.
2. Ensure that the WA DOC develop a uniform policy for competitively-bid grant applications, outlining baseline bid review procedures.
3. Ensure that the WA DOC establishes procedures in drafting victim assistance program subaward templates by coordinating with pass-through agencies to ensure consistency, accuracy, and compliance with federal regulations and VOCA guidelines.
4. Ensure that the WA DOC develop a comprehensive grants administration manual for OCVA to facilitate consistent administration of VOCA funds and compliance with the DOJ Grants Financial Guide.
5. Ensure that the WA DOC develop procedures to accurately capture its funding allocation to the four required VOCA priority categories to ensure compliance with VOCA requirements.
6. Coordinate with the WA DOC on the appropriate and reasonable submission of SARs for its previously awarded VOCA subawards; and implement procedures to ensure that SARs are submitted accurately and in a timely manner to OVC.

7. Remedy \$70,207 in inadequately supported expenditures.
8. Remedy \$3,312 of unsupported match contributions.
9. Ensure that the WA DOC and its pass-through agencies revise their financial monitoring policies and procedures to include the review of fiscal related matters to mitigate the risk of commingling and unsupported subrecipient Requests for Reimbursement.
10. Ensure the DSHS update its annual renewal application process of emergency domestic violence shelters to require a copy of the most recent annual safety inspection report from the local fire department.
11. Ensure OCVA revise its CVSC service standards to include onsite monitoring plans.

APPENDIX 1

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

The objective of the audit was to evaluate how the State of Washington, Department of Commerce (WA DOC) designed and implemented its crime victim assistance program. To accomplish this objective, we assessed performance in the following areas of grant management: (1) grant program planning and execution, (2) program requirements and performance reporting, (3) grant financial management, and (4) monitoring of subrecipients.

Scope and Methodology

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

This was an audit of Victims of Crime Act (VOCA) victim assistance formula grants 2015-VA-GX-0031, 2016-VA-GX-0044, 2017-VA-GX-0061, and 2018-V2-GX-0046 from the Crime Victims Fund awarded to the WA DOC. The Office of Justice Programs (OJP), Office for Victims of Crime awarded these grants totaling \$207,346,094 to the WA DOC, which serves as the state administering agency. Our audit concentrated on, but was not limited to, the period of September 2015, the project start date for VOCA assistance grant number 2015-VA-GX-0031, through January 2020. As of June 2020, the WA DOC had drawn down a total of \$157,513,522 from the four audited grants.

To accomplish our objective, we tested compliance with what we consider to be the most important conditions of the WA DOC's activities related to the audited grants. We performed sample-based audit testing for grant expenditures including payroll and fringe benefit charges, administrative expenses, financial reports, performance reports, etc. 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 Department of Justice (DOJ) Grants Financial Guide, and the award documents contain the primary criteria we applied during the audit.

During our audit, we obtained information from OJP's Grants Management System and Performance Measurement Tool, as well as the WA DOC accounting system specific to the management of DOJ funds during the audit period. We did not test the reliability of those systems as a whole; therefore, any findings

identified involving information from those systems was verified with documents from other sources.

While our audit did not assess the WA DOC's overall system of internal controls, we did review the internal controls of the WA DOC's financial management system specific to the management of funds for each VOCA grant within our review. To determine whether the WA DOC adequately managed the VOCA funds we audited, we conducted interviews with the State of Washington financial staff, examined policies and procedures, and reviewed grant documentation and financial records. We also developed an understanding of the WA DOC's financial management system and its policies and procedures to assess its risk of non-compliance with laws, regulations, guidelines, and terms and conditions of the grants.

APPENDIX 2

SCHEDULE OF DOLLAR-RELATED FINDINGS

| <u>Description</u> | <u>Amount</u> | <u>Page</u> |
|---|------------------------|-------------|
| Questioned Costs: | | |
| Unsupported Subrecipient Expenditures | \$70,207 | 16 |
| Unsupported Match Costs | <u>3,312</u> | 20 |
| Total Unsupported Costs | \$73,519 | |
| Total Questioned Costs ²⁵ | <u>\$73,519</u> | |

²⁵ **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

WASHINGTON STATE CRIME VICTIM SERVICE PROVIDERS

The statewide development of crime victim services in Washington could be traced to the 1979 Victims of Sexual Assault Act and a similar law that same year on shelters for victims of domestic violence. The 2005 Washington State Strategic Plan for Victim Services completed that network by creating the concept of the Crime Victim Service Center (CVSC) for all other crimes. Providers of these three programs receive VOCA subawards on an annual basis. The 2005 Strategic Plan also divided the state into 13 geographic regions by county for planning and allocating resources, which remained in practice in our audit scope until state FY 2020.²⁶ Table 8 displays the number of crime victim service providers as of state FY 2019 by type and region, including agencies serving two or all three programs. The regional map follows, in Figure 2.

Table 8

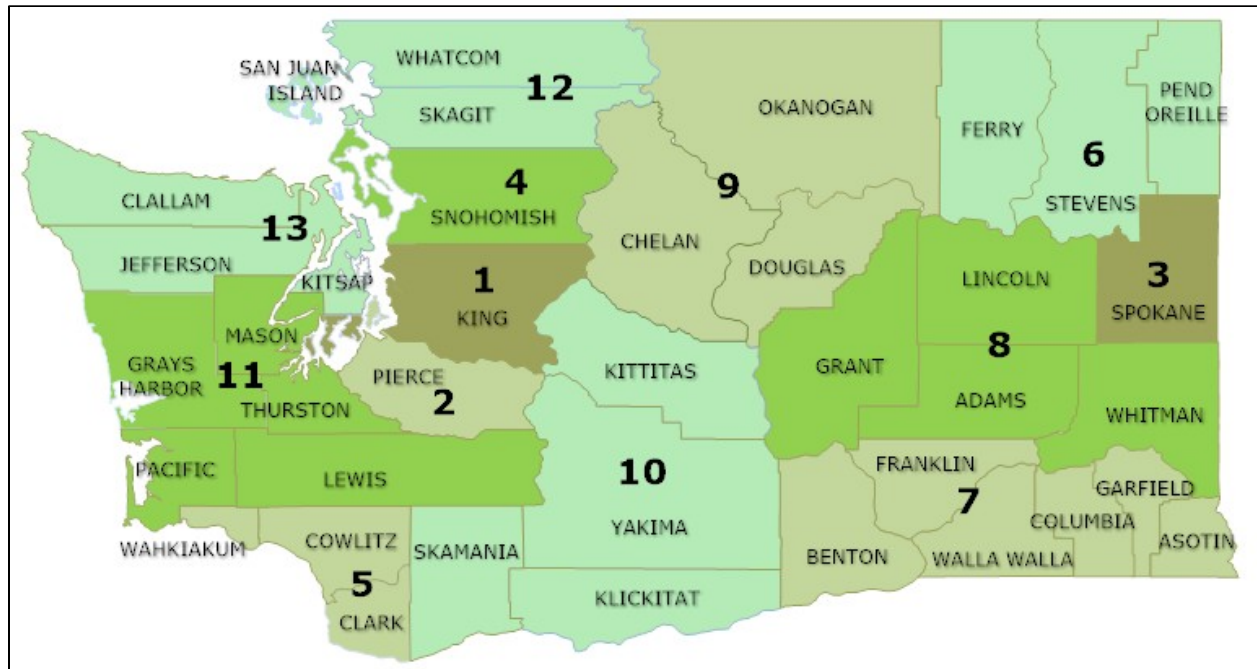
Washington State FY 2019 Crime Victim Service Providers

| Region No. | Community Sexual Assault Program (CS) | Emergency Domestic Violence Shelter (DV) | Crime Victim Service Center (CV) | Multi-Program Providers | | | |
|--------------|---------------------------------------|--|----------------------------------|-------------------------|-----------|----------|----------|
| | | | | CS DV CV | CS DV | CS CV | DV CV |
| 1 | 3 | 5 | 7 | 0 | 1 | 2 | 0 |
| 2 | 1 | 1 | 5 | 0 | 0 | 0 | 0 |
| 3 | 1 | 1 | 2 | 0 | 0 | 1 | 0 |
| 4 | 2 | 2 | 2 | 0 | 1 | 1 | 0 |
| 5 | 3 | 3 | 3 | 1 | 2 | 0 | 0 |
| 6 | 2 | 2 | 2 | 2 | 0 | 0 | 0 |
| 7 | 3 | 3 | 3 | 0 | 2 | 0 | 1 |
| 8 | 3 | 3 | 3 | 2 | 1 | 0 | 0 |
| 9 | 2 | 2 | 3 | 2 | 0 | 0 | 0 |
| 10 | 4 | 5 | 2 | 1 | 2 | 1 | 0 |
| 11 | 5 | 5 | 4 | 1 | 3 | 0 | 0 |
| 12 | 3 | 3 | 3 | 0 | 3 | 0 | 0 |
| 13 | 4 | 4 | 3 | 2 | 1 | 1 | 0 |
| Total | 36 | 39 | 42 | 11 | 16 | 6 | 1 |

Source: OIG analysis of OCVA and the DSHS data

²⁶ In state FY 2020, the WA DOC did away with the regional concept and changed the CVSC to a competitive grant program, rather than a formula-based allocation on factors such as population. The community sexual assault programs and emergency domestic violence shelters would remain formula-based programs.

Figure 2
Washington State CVSC Regions



Source: The WA DOC

STATE OF WASHINGTON DEPARTMENT OF COMMERCE RESPONSE TO THE DRAFT AUDIT REPORT



STATE OF WASHINGTON

DEPARTMENT OF COMMERCE

1011 Plum Street SE • PO Box 42525 • Olympia, Washington 98504-2525 • (360) 725-4000
www.commerce.wa.gov

August 6, 2020

David J. Gaschke
Regional Audit Manager
San Francisco Regional Audit Office
Office of the Inspector General
U.S. Department of Justice
90 7th Street, Suite 3-100
San Francisco, CA 94103

Dear David Gaschke:

The Washington State Department of Commerce (Commerce) is thankful for the opportunity to provide a written response to the draft Audit Report of the Office of Justice Programs (OJP), Victim Assistance Grants awarded to Commerce. This letter serves as our official response to the audit recommendations made by the Office of the Inspector General to the Office of Justice Programs, dated July 21, 2020, that are listed on pages 28-29 of the audit report.

Recommendation 1: Ensure that Commerce reevaluates its sub-award funding practices and develops procedures to ensure that all grant recipients can accurately and separately account for awarded funds within their accounting systems and financial records.

- **Response:** Commerce concurs with this recommendation and will work with OJP to evaluate our sub-award funding practices and procedures to ensure all grant recipients can accurately and separately account for awarded funds within their accounting systems and financial records.

Recommendation 2: Ensure that Commerce develop a uniform policy for competitively-bid grant applications, outlining baseline bid review procedures.

- **Response:** Commerce concurs with this recommendation and has begun work on a uniform procedure for all Victim of Crime Act (VOCA) funded competitively-bid procurements.

Recommendation 3: Ensure that Commerce establishes procedures in drafting victim assistance program sub-award templates by coordinating with pass-through agencies to ensure consistency, accuracy, and compliance with federal regulations and VOCA guidelines.

- **Response:** Commerce concurs with this recommendation and has begun work on written procedures to ensure sub-award contract template consistency, accuracy, and compliance with federal regulations and VOCA guidelines.

Recommendation 4: Ensure that Commerce develop a comprehensive grants administration manual for the Office of Crime Victims Advocacy (OCVA) to facilitate consistent administration of OCA funds and compliance with the Department of Justice (DOJ) Grants Financial Guide.

- **Response:** Commerce concurs with this recommendation and OCVA staff have begun work on a comprehensive grants administration manual.

Recommendation 5: Ensure that Commerce develop procedures to accurately capture its funding allocation to the four required VOCA priority categories to ensure compliance with VOCA requirements.

- **Response:** Commerce concurs with this recommendation and OCVA staff have begun work on a written procedure outlining how the VOCA priority categories are tracked to ensure compliance.

Recommendation 6: Coordinate with Commerce on the appropriate and reasonable submission of Sub-grant Award Reports (SARs) for its previously awarded VOCA sub awards; and implement procedures to ensure that SARs are submitted accurately and in a timely manner to Office for Victims of Crime.

- **Response:** Commerce concurs with this recommendation and is currently assessing staff resources to allocate additional staff to this work.

Recommendation 7: Remedy \$70,207 in inadequately supported expenditures.

- **Response:** Commerce concurs with this recommendation and will work with Office of Justice Programs (OJP) to resolve this issue.

Recommendation 8: Remedy \$3,312 of unsupported match contributions.

- **Response:** Commerce concurs with this recommendation and will work with OJP to resolve this issue.

Recommendation 9: Ensure that Commerce and its pass-through agencies revise their financial monitoring policies and procedures to include the review of fiscal related matters to mitigate the risk of commingling and unsupported sub-recipient Requests for Reimbursement.

- **Response:** Commerce concurs with this recommendation. As of July 1, 2020 the VOCA Assistance program implemented revised fiscal monitoring procedures to include review of fiscal related matters. Commerce will review these procedures with OJP.

Recommendation 10: Ensure the Department of Social and Health Services (DSHS) update its annual renewal application process of emergency domestic violence shelters to require a copy of the most recent annual safety inspection report from the local fire department.

- **Response:** Commerce concurs with this recommendation and DSHS has added the requirement to include a copy of the annual safety inspection report to their application process.

Recommendation 11: Ensure OCVA revise its Crime Victims Service Centers (CVSC) service standards to include onsite monitoring plans.

David Gaschke, Regional Audit Manager
Response to Recommendations
August 6, 2020
Page 3

- **Response:** Commerce concurs with this recommendation and will add the onsite monitoring plan procedures to the CVSC service standards document.

Commerce appreciates the opportunity to respond to the draft audit report, as well as the opportunity to improve its services to fund and administer projects serving crime victims in Washington state.

Sincerely,

A handwritten signature in blue ink that reads "Lisa J. Brown". The signature is written in a cursive, flowing style.

Lisa Brown
Director
Washington State Department of Commerce

cc: Diane Klontz
Assistant Director
Community Services and Housing Division
Washington State Department of Commerce

Richard Torrance
Managing Director
Office of Crime Victims Advocacy
Washington State Department of Commerce

WASHINGTON STATE OFFICE OF CIVIL LEGAL AID RESPONSE TO THE DRAFT AUDIT REPORT²⁷



Washington State Office of Civil Legal Aid

1206 Quince St. SE
Olympia, WA 98504
MS 41183
360-704-4135

James A. Bamberger, Director
jim.bamberger@ocla.wa.gov

To: [REDACTED] David Gashke (DOJ OIG Audit Team)

From: Jim Bamberger, Director

CC: Nicky Gleason, OCVA

Re: DOJ OIG Draft Audit Report

Date: August 19, 2020 rev. 9-4-2-20

We have reviewed the Draft Audit Report forwarded to the Department of Commerce on July 21, 2020. Before commenting on the issues raised about the OCLA subrecipient tested (Subrecipient No. 1), I'd like to take a moment to thank you all for the constructive and thoughtful approach to the engagement. We found each member of the team to be courteous, respectful, and at all times professional. This has been a long process, disrupted and extended in part by the COVID-19 emergency. Nevertheless, the resulting report offers a fair assessment of the Office of Civil Legal Aid's role in administering and overseeing the VOCA funding made available for civil legal aid through our interagency agreement with Commerce/OCVA.

In this memo we briefly address the following three issues relating to the expenditure of VOCA funding by Subrecipient No.:

1. Subrecipient No. 1 could not substantiate the personnel expenses associated with staff assigned to the VOCA project.
2. Subrecipient No. 1 could not or did not provide back-up documentation or written procedures to support its allocation of non-personnel costs to the VOCA subgrant.
3. Subrecipient No. 1 did not properly document the methodology used to calculate match.

The Draft Report questions the following costs: \$35,125 representing three months personnel expenses associated with the VOCA-funded Project Safety attorney and navigator, and \$3,312 in claimed match contributions. Working papers comparing payroll records produced to the OIG auditors were compared with the A-19 invoice submitted to and approved by OCLA. The OIG identified a \$4,211 difference.¹ For the reasons outlined in the subrecipient's March 17, 2020 e-

¹ We note that in Attachment 1 to a July 17, 2020 explanatory e-mail, the OIG identified a \$5,743 discrepancy between what was invoiced to OCLA and the backup documentation provided by Subrecipient No. 1 supporting payroll records for that period. Subrecipient No. 1 explained the apparent discrepancy in an e-mail dated March 17, 2020 (10:50 a.m.). The reconciled A-19 sent in that same July 17, 2020 e-mail shows a discrepancy of \$4,211. We do not understand from where the \$5,743 figure was derived.

*Washington State Office of Civil Legal Aid
Underwriting Justice • Ensuring Accountability*

²⁷ Attachments referenced in this response were not included in the final report.

mail and supporting documents, OCLA believes the OIG's approach to reconciliation is incorrect and that there should be no questioned expense here.

1. Questioned Cost No. 1: Personnel Expenses

The OIG questioned the allocation of 100% of personnel expenses for two VOCA-grant funded staff positions – an attorney who is dedicated entirely to crime victim work for domestic violence victims and a navigator who works exclusively on Project Safety. Project Safety is a partnership between the King County Prosecuting Attorney's Office (KCPAO) and three civil legal aid programs. It is designed to provide early identification of VOCA eligible domestic violence crime victims in need of civil legal representation and referral of these victims to participating civil legal aid programs. Subrecipient No. 1 plays a unique connecting role in hosting the Project Safety Navigators – individuals (one VOCA-funded) who work in partnership with KCPAO's domestic violence victim advocates to identify and facilitate victim referrals from the criminal justice side to the VOCA-funded civil justice side. The attorney and navigator charged to the VOCA grant were hired and assigned exclusively (100% FTE) to engage in VOCA-funded work. They do not provide services or engage in organizational activities unrelated their VOCA-funded crime victim work. While Subrecipient No. 1 has not incorporated the best practice of executing a semi-annual certification, all personnel related documentation confirms that these two employees are 100% dedicated to VOCA work. Consequently, OCLA disagrees with the OIG's questioning of personnel costs associated for these two staff persons.²

Further, as these staff persons were funded 100% from the VOCA grant source, the payroll documentation would fall under the Uniform Guidance Section 200.430 – Personal Services. This allows that certifications are allowable, but no longer required.

As outlined in the preamble:

Section 200.430 Compensation—Personal Services strengthens the requirements for non-Federal entities to maintain high standards for internal controls over salaries and wages while allowing for additional flexibility in how non-Federal entities implement processes to meet those standards. In addition, it provides for Federal agencies to approve alternative methods of accounting for salaries and wages based on achievement of performance outcomes, including in approved instances where funding from multiple programs is blended to more efficiently achieve a combined outcome.

The preamble further states that:

While many non-Federal entities may still find that existing procedures in place such as personal activity reports and similar documentation are the best method for them to meet the internal control requirements, *this final guidance does not*

² As noted above, OCLA disagrees that there is a discrepancy between actual and invoiced personnel expenses for the period in question, as OIG failed to follow up on the reconciliation trail provided in the March 17th e-mail from Subrecipient No. 1.

specifically require them. The focus in this final guidance on overall internal controls mitigates the risk that a non-Federal entity or their auditor will focus solely on prescribed procedures such as reports, certifications, or certification time periods which alone may be ineffective in assuring full accountability.

(Emphasis added).

As the two salaried personnel were working and their hours were documented through the payroll system, the costs were incurred properly. It appears this is more of an internal control issue of documentation rather than a questioned cost. A questioned cost is an unallowable cost. As the payroll was allowed and the two staff people were working on the VOCA project, these should not be characterized as unallowable costs.

Corrective Action: Subrecipient No. 1 will improve internal control by instituting a semi-annual certification protocol pursuant to which staff dedicated exclusively to VOCA-funded work will document the same. Allocation of personnel expenses for staff (if any) engaged in a mix of VOCA and non-VOCA funded work will be documented by timesheets backed up by contemporaneous timekeeping records.

2. Questioned Cost No. 2: Non-Personnel Expenses

OIG was unable to confirm the approach and guidelines used by Subrecipient No. 1 to allocate certain non-personnel expenses. As outlined in Attachment 1 to OIG's e-mail of July 17, 2020, Subrecipient No. 1 did not provide OIG with documentation outlining Subrecipient No. 1's cost allocation methodology. The OIG therefore questioned a number of the costs assigned to the Goods and Services line item. OCLA does not challenge this finding or the costs that have been questioned.

Corrective Action: OCLA has engaged an independent accounting firm to undertake a review of Subrecipient No. 1's accounting, cost allocation, timekeeping and other practices related to the VOCA subgrant under the AICPA reporting standards for Agreed Upon Procedures. This firm is an approved vendor under the WA Office of Procurement for personal services. The firm will provide Subrecipient No. 1's fiscal and administrative team with technical support and guidance including, but not limited to, properly documenting and implementing cost allocation methodologies and practices that ensure and substantiate proper allocation along with supporting documentation of all personnel and non-personnel expenses charged to the VOCA subgrant.

3. Questioned Cost No. 3: Match

The OIG notes that Subrecipient No. 1 values the contributions of private attorney volunteers at a market rate of \$308/hr. This reflects the average billing rate charged by Subrecipient No. 1 volunteers for similar legal services to their paying clients. Unfortunately, the survey itself was conducted on an early version of Survey Monkey, and the data generated through that survey was no longer available to Subrecipient No. 1 at the time of the engagement, and thus not available to the OIG team.

OCLA and the OIG do not disagree that market rate is an appropriate yardstick for determining the value of volunteer attorney services as match. The OIG's concern is that Subrecipient No. 1 could not support the \$308/hr. figure with any backup documentation. Lacking backup documentation, OIG imputed a rate of \$85/hr. which is derived from Bureau of Labor Statistics survey data for the 75th percentile hourly rate for attorneys in that market.

The OIG's imputed valuation approach compares apples to oranges. The BLS survey data is not an indication of the average market value of services (the price charged to paying clients for similar work), but the average salary in the market. During a July 17, 2020 conference call, OIG acknowledged that the BLS numbers are not the best indicator of the value of services, but that they had to use it for the lack of any other number. Using the BLS number and questioning certain match entries that were inappropriate, OIG questioned \$2,797 in claimed match for the period in question.

Even accepting the BLS approach and removing the 5.9 challenged hours, a year-long review of Subrecipient No. 1's match contribution demonstrates that they produced well in excess of the required match during FY 2019 just on volunteer hours alone. Attachment 1 shows claimed match at \$308/hr. for each quarter and the total. The total number of hours of attorney services documented was 577.5. At \$308/hr., match claimed was \$177,870. Removing 5.9 questioned hours, the total match hours for FY 2019 is 571.6. At \$85/hr., the total match value is \$48,586. This exceeds the required match of \$44,400 by \$4,186. OCLA asks the OIG to reconsider these questioned costs.

Additionally, the match criteria set forth in the final VOCA Guidelines allow for both pro-bono attorney costs and cash from other sources. Subrecipient No. 1 regularly invests substantial cash from other sources to the crime victims project which, in addition to the allowable volunteer attorney match (even at BLS value), more than meet the match portion for both the period in question and the entire fiscal year. If needed, OCLA proposes that the questioned cost (match shortfall) be covered with the allowable cash contributions from other sources.

Corrective Action: OCLA will require Subrecipient No. 1 to conduct a biennial market survey of its volunteer attorneys to establish a meaningful and objectively supportable match value for volunteer attorney services provided to clients in VOCA-eligible cases. If needed, Subrecipient No. 1 will also submit cash from other sources as part of the allowable match for the audited period in question.

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

August 19, 2020

MEMORANDUM TO: David J. Gaschke
Regional Audit Manager
San Francisco Regional Audit Office
Office of the Inspector General

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

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs, Victim Assistance Grants Awarded to the State of Washington Department of Commerce, Olympia, Washington*

This memorandum is in reference to your correspondence, dated July 21, 2020, transmitting the above-referenced draft audit report for the State of Washington Department of Commerce (WA DOC). We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains **11** recommendations and **\$73,519** in questioned costs. The following is Office of Justice Programs' (OJP) analysis of the draft audit report recommendations. For ease of review, the recommendations are restated in bold and are followed by our response.

- 1. We recommend that OJP ensure that the WA DOC reevaluates its subaward funding practices and develops procedures to ensure that all grant recipients can accurately and separately account for awarded funds within their accounting systems and financial records.**

OJP agrees with this recommendation. We will coordinate with WA DOC to obtain a copy of written policies and procedures, developed and implemented, to ensure that all subrecipients accurately and separately account for Federal award funds within their accounting systems and financial records.

2. **We recommend that OJP ensure that the WA DOC develop a uniform policy for competitively-bid grant applications, outlining baseline bid review procedures.**

OJP agrees with this recommendation. We will coordinate with WA DOC to obtain a copy of written policies and procedures, developed and implemented, to ensure they include baseline requirements for reviewing competitively-bid grant applications.

3. **We recommend that OJP ensure that the WA DOC establishes procedures in drafting victim assistance program subaward templates by coordinating with pass-through agencies to ensure consistency, accuracy, and compliance with Federal regulations and VOCA guidelines.**

OJP agrees with this recommendation. We will coordinate with WA DOC to obtain a copy of written policies and procedures, developed and implemented, for drafting victim assistance program award templates, by coordinating with pass-through agencies to ensure consistency, accuracy, and compliance with Federal regulations and Victims of Crime Act (VOCA) guidelines.

4. **We recommend that OJP ensure that the WA DOC develop a comprehensive grants administration manual for OCVA to facilitate consistent administration of VOCA funds and compliance with the DOJ Grants Financial Guide.**

OJP agrees with this recommendation. We will coordinate with WA DOC to obtain a copy of written policies and procedures, developed and implemented, for its Office of Crime Victims Advocacy (OCVA), to ensure consistent administration of VOCA funds and compliance with the Department of Justice (DOJ) Grants Financial Guide.

5. **We recommend that OJP ensure that the WA DOC develop procedures to accurately capture its funding allocation to the four required VOCA priority categories to ensure compliance with VOCA requirements.**

OJP agrees with this recommendation. We will coordinate with WA DOC to obtain a copy of written policies and procedures, developed and implemented, that ensure that funding allocations within the four required VOCA priority categories are accurately captured to ensure compliance with VOCA requirements.

6. **We recommend that OJP coordinate with the WA DOC on the appropriate and reasonable submission of SARs for its previously awarded VOCA subawards; and implement procedures to ensure that SARs are submitted accurately and in a timely manner to OVC.**

OJP agrees with this recommendation. We will coordinate with WA DOC to obtain evidence of submission of Subgrant Award Reports (SARs) for its previously awarded VOCA subawards, as appropriate. We will also coordinate with WADOC to obtain a copy of written policies and procedures, developed and implemented, to ensure that future SARs are accurately and timely submitted to the Office for Victims of Crime (OVC).

7. **We recommend that OJP remedy \$70,207 in inadequately supported expenditures.**

OJP agrees with this recommendation. We will review the \$70,207 in questioned costs, related to inadequately supported expenditures, and will work with WA DOC to remedy, as appropriate.

8. **We recommend that OJP remedy \$3,312 of unsupported match contributions.**

OJP agrees with this recommendation. We will review the \$3,312 in questioned costs, related to unsupported match contributions, and will work with WA DOC to remedy, as appropriate.

9. **We recommend that OJP ensure that the WA DOC and its pass-through agencies revise their financial monitoring policies and procedures to include the review of fiscal-related matters to mitigate the risk of commingling and unsupported subrecipient Requests for Reimbursement.**

OJP agrees with this recommendation. We will coordinate with WA DOC to obtain a copy of its revised and implemented financial monitoring policies and procedures, to ensure that WA DOC and its pass-through agencies include the review of fiscal-related matters to mitigate the risk of commingling and unsupported subrecipient Requests for Reimbursement.

10. **We recommend that OJP ensure the DSHS update its annual renewal application process of emergency domestic violence shelters to require a copy of the most recent annual safety inspection report from the local fire department.**

OJP agrees with this recommendation. We will coordinate with WA DOC to obtain a copy of written policies and procedures, developed and implemented, to ensure that the State of Washington's Department of Social and Health Services (DSHS) update its annual renewal application process of emergency domestic violence shelters, to require they obtain a copy of the most recent annual safety inspection report from the local fire department.

11. We recommend that OJP ensure OCVA revise its CVSC service standards to include onsite monitoring plans.

OJP agrees with this recommendation. We will coordinate with WA DOC to obtain a copy of written policies and procedures, developed and implemented, to ensure that OCVA revises its Crime Victim Service Center (CVSC) service standards to include appropriate onsite monitoring plans.

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

cc: Katharine T. Sullivan
Principal Deputy Assistant Attorney General

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

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

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

Jessica E. Hart
Director
Office for Victims of Crime

Bill Woolf
Senior Advisor
Office for Victims of Crime

Katherine Darke-Schmitt
Deputy Director
Office for Victims of Crime

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

James Simonson
Associate Director for Operations
Office for Victims of Crime

cc: Joel Hall
Associate Director, State Victim Resource Division
Office for Victims of Crime

Shawn Cook
Grants Management Specialist
Office for Victims of Crime

Charlotte Grzebien
Deputy General Counsel

Phillip K. Merkle
Acting Director
Office of Communications

Leigh A. Benda
Chief Financial Officer

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

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

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

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

OJP Executive Secretariat
Control Number IT20200722111426

APPENDIX 7

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

The OIG provided a draft of this audit report to the State of Washington Department of Commerce (WA DOC) and the Office of Justice Programs (OJP). The WA DOC's response is incorporated in Appendix 4; the Office of Civil Legal Aid's (OCLA), one of the State of Washington's pass-through agencies, response is incorporated in Appendix 5; and OJP's response is incorporated in Appendix 6 of this final report. In response to our draft audit report, OJP agreed with all 11 recommendations. Thus, the status of the report is resolved. WA DOC concurred with all 11 recommendations. OCLA commented primarily on Recommendations 7 and 8, and did not concur, in part, with the two recommendations, but proposed corrective actions to resolve them. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Recommendations for OJP:

- 1. Ensure that the WA DOC reevaluates its subaward funding practices and develops procedures to ensure that all grant recipients can accurately and separately account for awarded funds within their accounting systems and financial records.**

Resolved. OJP agreed with our recommendation and stated in its response that it will coordinate with the WA DOC to obtain a copy of written policies and procedures, developed and implemented, to ensure that all subrecipients accurately and separately account for federal award funds within their accounting systems and financial records. As a result, this recommendation is resolved.

The WA DOC concurred with our recommendation and stated in its response that it would work with OJP to evaluate its subaward funding practices and procedures to ensure that all grant recipients can accurately and separately account for awarded funds within their accounting systems and financial records.

This recommendation can be closed when we receive documentation demonstrating that the WA DOC reevaluated its subaward funding practices and developed procedures to ensure that all grant recipients can accurately and separately account for awarded funds within their accounting systems and financial records.

- 2. Ensure that the WA DOC develop a uniform policy for competitively-bid grant applications, outlining baseline bid review procedures.**

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

includes baseline requirements for reviewing competitively-bid grant applications. As a result, this recommendation is resolved.

The WA DOC concurred with our recommendation and stated in its response that it has begun working on a uniform procedure for all competitively-bid procurements from VOCA grant funds.

This recommendation can be closed when we receive documentation demonstrating that the WA DOC developed a uniform policy for competitively-bid grant applications, outlining baseline bid review procedures.

3. Ensure that the WA DOC establishes procedures in drafting victim assistance program subaward templates by coordinating with pass-through agencies to ensure consistency, accuracy, and compliance with federal regulations and VOCA guidelines.

Resolved. OJP agreed with our recommendation and stated in its response that it would coordinate with the WA DOC to obtain a copy of written policies and procedures, developed and implemented, for drafting victim assistance program award templates, by coordinating with pass-through agencies to ensure consistency, accuracy, and compliance with federal regulations and Victims of Crime Act (VOCA) guidelines. As a result, this recommendation is resolved.

The WA DOC concurred with our recommendation and stated in its response that it has begun working on written procedures to ensure consistency, accuracy, and compliance with federal regulations and VOCA guidelines in its subaward contract template.

This recommendation can be closed when we receive documentation demonstrating that WA DOC established procedures in drafting victim assistance program subaward templates by coordinating with pass-through agencies to ensure consistency, accuracy, and compliance with federal regulations and VOCA guidelines.

4. Ensure that the WA DOC develop a comprehensive grants administration manual for OCVA to facilitate consistent administration of VOCA funds and compliance with the DOJ Grants Financial Guide.

Resolved. OJP agreed with our recommendation and stated in its response that it will coordinate with the WA DOC to obtain a copy of written policies and procedures, developed and implemented, for its Office of Crime Victims Advocacy (OCVA), to ensure consistent administration of VOCA funds and compliance with the Department of Justice (DOJ) Grants Financial Guide. As a result, this recommendation is resolved.

The WA DOC concurred with our recommendation and stated in its response that staff has begun working on a comprehensive grants administration manual.

This recommendation can be closed when we receive evidence that the WA DOC has developed a comprehensive grants administration manual for OCVA to facilitate consistent administration of VOCA funds and compliance with the DOJ Grants Financial Guide. This comprehensive grants administration manual should integrate policies and procedures resulting from other recommendations of this report: separate accounting for awarded funds by all grant recipients; uniform policy for competitively-bid grant applications; consistent and accurate subaward templates; accurate capture of funding allocation for the priority categories; submission of accurate Subgrant Award Reports (SAR) in a timely manner; financial monitoring policies; and the CVSC onsite monitoring procedures.

5. Ensure that the WA DOC develop procedures to accurately capture its funding allocation to the four required VOCA priority categories to ensure compliance with VOCA requirements.

Resolved. OJP agreed with our recommendation and stated in its response that it will coordinate with the WA DOC to obtain a copy of written policies and procedures, developed and implemented, to ensure that funding allocations within the four required VOCA priority categories are accurately captured in compliance with VOCA requirements. As a result, this recommendation is resolved.

The WA DOC concurred with our recommendation and stated in its response that its staff has begun working on a written procedure outlining how the VOCA priority categories would be tracked to ensure compliance.

This recommendation can be closed when we receive documentation that the WA DOC developed procedures to accurately capture its funding allocation to the four required VOCA priority categories to ensure compliance with VOCA requirements.

6. Coordinate with the WA DOC on the appropriate and reasonable submission of SARs for its previously awarded VOCA subawards; and implement procedures to ensure that SARs are submitted accurately and in a timely manner to OVC.

Resolved. OJP agreed with our recommendation and stated in its response that it will coordinate with the WA DOC to obtain evidence of submission of SARs for its previously awarded VOCA subawards, as appropriate. In addition, OJP will coordinate with the WA DOC to ensure that it has developed and implemented policies and procedures for filing future SARs that are accurate and submitted in a timely manner to Office for Victims of Crime (OVC). As a result, this recommendation is resolved.

The WA DOC concurred with our recommendation and stated in its response that it has been assessing staff resources to allocate additional staff to SARs.

This recommendation can be closed when we receive evidence that the WA DOC: (1) has submitted SARs for previously awarded VOCA subawards that were deemed appropriate and reasonable by OJP, and (2) implemented policies and procedures to ensure that SARs are submitted accurately and in a timely manner to OVC.

7. Remedy \$70,207 in inadequately supported expenditures.

Resolved. OJP agreed with our recommendation and stated in its response that it will review the \$70,207 in questioned costs, related to inadequately supported expenditures, and will work with the WA DOC to remedy, as appropriate. As a result, this recommendation is resolved.

The WA DOC concurred with our recommendation and stated in its response that it will work with OJP to resolve this issue.

OCLA did not concur with a portion of the questioned costs in this recommendation associated with Subrecipient 1. OCLA stated that Subrecipient 1's employees were 100 percent dedicated to VOCA work. However, we were not provided documentation during our audit testing that demonstrated the employees were 100 percent dedicated to VOCA work, such as timesheets, personnel activity reports, or time certifications. In addition, OCLA stated that the issue appeared to be an internal control issue of documentation rather than an unallowable questioned cost. We agree; our report classified these questioned the costs as unsupported, not unallowable.

As a corrective action, OCLA stated that its subrecipient will improve its internal controls by instituting a semi-annual certification protocol pursuant to which staff dedicated exclusively to VOCA-funded work will document the same. Allocation of personnel expenses for staff (if any) engaged in a mix of VOCA and non-VOCA funded work will be documented by timesheets backed up by contemporaneous timekeeping records.

This recommendation can be closed when we receive evidence that OJP remedied the \$70,207 in inadequately supported expenditures.

8. Remedy \$3,312 of unsupported match contributions.

Resolved. OJP agreed with our recommendation and stated in its response that it will review the \$3,312 in questioned costs, related to unsupported match contributions, and will work with WA DOC to remedy, as appropriate. As a result, this recommendation is resolved.

The WA DOC concurred with our recommendation and stated in its response that it will work with OJP to resolve this issue.

OCLA did not concur with a portion of the questioned costs in this recommendation associated with one of its subrecipients. While OCLA's subrecipient recognized that the survey used to support its match contribution rate was no longer available, OCLA disagreed with the hourly rate used by the OIG. In addition, OCLA stated that its subrecipient exceeded the match hours for FY 2019, which the OIG did not take into consideration. During our audit, we selected a limited sample of OCLA's subrecipient match contributions for testing. Out of our sample of 10.30 hours, we found 5.9 hours, or 57 percent, to be unsupported. OCLA's subrecipient agreed that the 5.9 hours were erroneously recorded and did not provide other costs in lieu of the erroneous 5.9 hours.

As a corrective action, OCLA stated that it will require its subrecipient to conduct biennial market surveys of its volunteer attorneys to establish meaningful and objectively supportable match values. If needed, the subrecipient will also submit cash from other sources as part of the allowable match for the audited period in question.

This recommendation can be closed when we receive evidence that OJP remedied the \$3,312 of unsupported match contributions.

9. Ensure that the WA DOC and its pass-through agencies revise their financial monitoring policies and procedures to include the review of fiscal related matters to mitigate the risk of commingling and unsupported subrecipient Requests for Reimbursement.

Resolved. OJP agreed with our recommendation and stated in its response that it will coordinate with the WA DOC to obtain a copy of its revised and implemented financial monitoring policies and procedures, to ensure that the WA DOC and its pass-through agencies include the review of fiscal-related matters to mitigate the risk of commingling and unsupported subrecipient Requests for Reimbursement. As a result, this recommendation is resolved.

The WA DOC concurred with our recommendation and stated in its response that, as of July 1, 2020, the VOCA Victim Assistance program implemented revised fiscal monitoring procedures to include review of fiscal-related matters. The WA DOC stated it will review these procedures with OJP.

This recommendation can be closed when we receive documentation demonstrating that the WA DOC and its pass-through agencies revised their financial monitoring policies and procedures to include the review of fiscal related matters to mitigate the risk of commingling and unsupported subrecipient Requests for Reimbursement.

10. Ensure the DSHS update its annual renewal application process of emergency domestic violence shelters to require a copy of the most recent annual safety inspection report from the local fire department.

Resolved. OJP agreed with our recommendation and stated in its response that it will coordinate with the WA DOC to obtain a copy of written policies and procedures, developed and implemented, to ensure that the state of Washington's Department of Social and Health Services (DSHS) update its annual renewal application process of emergency domestic violence shelters, to require that they obtain a copy of the most recent annual safety inspection report from the local fire department. As a result, this recommendation is resolved.

The WA DOC concurred with our recommendation and stated in its response that the DSHS has added a requirement to include a copy of the annual safety inspection report to its application process.

This recommendation can be closed when we receive evidence that the DSHS has updated its annual renewal application process of emergency domestic violence shelters to require a copy of the most recent annual safety inspection report from the local fire department, which would demonstrate that the applicants have received the required annual safety inspection from the local fire department, and that they have resolved all safety issues identified.

11. Ensure OCVA revise its CVSC service standards to include onsite monitoring plans.

Resolved. OJP agreed with our recommendation and stated in its response that it will coordinate with the WA DOC to obtain a copy of written policies and procedures, developed and implemented, to ensure that OCVA revises its Crime Victim Service Center (CVSC) service standards to include appropriate onsite monitoring plans. As a result, this recommendation is resolved.

The WA DOC concurred with our recommendation and stated in its response that it will add onsite monitoring procedures to the CVSC service standards document.

This recommendation can be closed when we receive policies and procedures demonstrating that OCVA revised its CVSC service standards to include onsite monitoring plans.